

**CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
DEPARTMENT OF COMMUNITY INITIATIVES**

**TO:** Mayor and City Council

**FROM:** Dennis J. Campa, Director, Department of Community Initiatives

**THROUGH:** J. Rolando Bono, Interim City Manager

**COPIES TO:** Frances A. Gonzalez, Assistant City Manager; City Attorney's Office;  
Finance; Parent Child Incorporated; File

**SUBJECT:** Head Start Budget Revision

**DATE:** October 7, 2004

**SUMMARY AND RECOMMENDATION**

This ordinance authorizes the acceptance of additional funds in the amount of \$720,379 from the U.S Department of Health and Human Services (HHS) for the Head Start program. Accordingly, this ordinance authorizes a contract amendment between the City of San Antonio and Parent/Child, Incorporated (PCI) and a revision to the Head Start program budget reflecting the award.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

The City of San Antonio is the Head Start grantee for San Antonio and Bexar County, and contracts with Parent/Child, Incorporated (PCI) to administer the program. Since 1978, PCI has operated the Head Start program providing health, education, literacy, parental involvement activities, mental health services, disabilities services and nutrition services at the center sites. The Head Start program also provides parent involvement activities at home and at the centers. Currently, Head Start services are available at 87 child development centers throughout San Antonio and Bexar County to children between three and five years of age. Average daily attendance for the 2003/2004 school years was 6,193.

The total award of \$720,379 authorized through this ordinance includes funds for three initiatives. First, additional 2004 funding of \$714,379 will provide payment for a 1.6% Cost of Living Adjustment (COLA) for all PCI employees. Second, this award also includes a one-time supplement of \$2,000 for fatherhood activities. Finally, the Department of Community Initiatives (DCI) applied for and was granted a one-time award of \$4,000 for governance training, which will ensure that Head Start performance standards are clearly explained,

understood and carried out by the Head Start Policy Council, PCI Board of Directors and management.

In August 2004, the HHS Office of Inspector General (OIG) issued their report, "*Review of PCI's Compensation Practices for Executives and Teachers.*" Based on wage comparisons to equitable positions from 100 Head Start programs nationwide, OIG determined that the compensation for the five highest paid executives of PCI appears to be unreasonable. The OIG also determined that PCI had not increased its pay scale to reflect Cost of Living Adjustment (COLA) increases since at least January 2000. In addition, OIG recommended that PCI adjust teacher wages in line with those paid by local school districts or the minimum entry-level salary required by the Texas Education Agency for public school classrooms.

### **POLICY ANALYSIS**

As a result of the OIG report, HHS barred PCI's five highest paid executives from receiving the 2004 COLA pending review of PCI's wage comparability study, which was received by DCI on September 23, 2004. DCI will present the Ray Associates' PCI Wage Comparability study along with our analysis and recommendations regarding executive and teacher salaries to the Head Start Commission in October. As part of the submission process for the 2005 Head Start application, which is due to HHS on November 1, 2004, the Head Start Commission will review the study and provide a recommendation regarding PCI executive compensation levels.

With the addition of this HHS award for 2004 COLA adjustments and effective with the passing of this ordinance, PCI's Teacher IV salaries will increase to \$24,387, which compares favorably to the TEA entry salary for degreed teachers of \$24,240. Attachment A reflects local teacher salary comparisons as researched by DCI and demonstrates that PCI Teacher IV wages are in compliance with HHS recommendations.

### **FISCAL IMPACT**

This action requires no additional General Fund commitment.  
A summary of current year funding is as follow:

<b>Head Start Budget Funding Distribution</b>	<b>Program Budget</b>	<b>Revision #1</b>	<b>Revised Budget</b>
COSA: Head Start – Administration	\$ 437,832	-0-	437,832
PCI: Head Start (PA22)-Part & Full Day	44,069,831	720,379	44,790,210
PCI: Head Start (PA22)-Transition	141,100	-0-	141,100
PCI: Head Start (PA22)-Trng & Tech. Asst	455,965	-0-	455,965
PCI: In-Kind Match Requirement	11,276,181	179,096	11,455,277
Total Head Start Program Budget	\$56,380,909	899,475	57,280,384

**COORDINATION**

DCI has coordinated activities with the City Attorney's Office, Finance Department, and Parent Child, Inc.

**SUPPLEMENTARY COMMENTS**

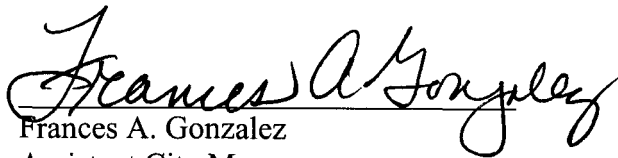
None

**ATTACHMENTS**

Attachment A – Teacher Salary Comparisons



Dennis J. Campa, Director  
Department of Community Initiatives



Frances A. Gonzalez  
Assistant City Manager

Approved:



J. Rolando Bono  
Interim City Manager

**Attachment A**

**PCI TEACHER LEVEL IV  
ANNUAL SALARY SCHEDULE 2004-2005  
INCLUDES TWO COLAs**

	<b>Teacher IV</b>	<b>Texas Education Agency</b>
Degree	Bachelors	Bachelors
Annual Salary (2004) 10 months	\$23,649	\$24,240
Annual Salary after Corrective Action COLA -1.50% (September 24, 2004)	\$24,003	n/a
Annual Salary after HHS Approval of Proposed COLA 1.60% (October 2004)	\$24,387	n/a
<b>Annual Salary after COLAs 10 months</b>	<b>\$24,387</b>	<b>\$24,240</b>

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES  
FINANCIAL ASSISTANCE AWARD**



**SAJ NUMBER:**  
TX981130001018  
**PMS DOCUMENT NUMBER:**  
06CH0107/26

<b>1. AWARDING OFFICE:</b> Region VI Office for Children and Families		<b>2. ASSISTANCE TYPE:</b> Discretionary Grant	<b>3. AWARD NO.:</b> 06CH0107/26	<b>4. AMEND. NO.:</b> 4			
<b>5. TYPE OF AWARD:</b> SERVICE		<b>6. TYPE OF ACTION:</b> Revision (*)	<b>7. AWARD AUTHORITY:</b> 42 USC 9901 ET SEQ.				
<b>8. BUDGET PERIOD:</b> 02/01/2004 THRU 01/31/2005		<b>9. PROJECT PERIOD:</b> INDEFINITE		<b>10. CAT NO.:</b> 93600			
<b>11. RECIPIENT ORGANIZATION:</b> CITY OF SAN ANTONIO P.O. BOX 839966 SAN ANTONIO TX 78283 3966 Frances A. Gonzalez, Assistant to the City Manager			<b>12. PROJECT / PROGRAM TITLE:</b> FULL YEAR HEAD START CENTER BASED AND T/TA				
<b>13. COUNTY:</b> BEXAR	<b>14. CONGR. DIST:</b> 20	<b>15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR:</b> Blanche A Russ-Glover, Executive Director					
<b>16. APPROVED BUDGET:</b> Personnel..... \$ 228,841 Fringe Benefits..... \$ 67,979 Travel..... \$ 7,846 Equipment..... \$ 0 Supplies..... \$ 39,618 Contractual..... \$ 45,447,955 Facilities/Construction..... \$ 0 Other..... \$ 29,068 Direct Costs..... \$ 45,821,107 Indirect Costs..... \$ 0 At % of \$ In Kind Contributions..... \$ 0 Total Approved Budget(**).. \$ 45,821,107		<b>17. AWARD COMPUTATION:</b> A. NON-FEDERAL SHARE..... \$ 11,455,277 20.00 % B. FEDERAL SHARE..... \$ 45,821,107 80.00 %  <b>18. FEDERAL SHARE COMPUTATION:</b> A. TOTAL FEDERAL SHARE..... \$ 45,821,107 B. UNOBLIGATED BALANCE FEDERAL SHARE..... \$ 852,372 C. FED. SHARE AWARDED THIS BUDGET PERIOD.. \$ 44,968,735  <b>19. AMOUNT AWARDED THIS ACTION:</b> \$ 0  <b>20. FEDERAL \$ AWARDED THIS PROJECT PERIOD:</b> \$  <b>21. AUTHORIZED TREATMENT OF PROGRAM INCOME:</b> DEDUCTIVE  <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><b>22. APPLICANT EIN:</b> 1-746002070-A1</td> <td><b>23. PAYEE EIN:</b> 1-746002070-A1</td> <td><b>24. OBJECT CLASS:</b> 41.51</td> </tr> </table>			<b>22. APPLICANT EIN:</b> 1-746002070-A1	<b>23. PAYEE EIN:</b> 1-746002070-A1	<b>24. OBJECT CLASS:</b> 41.51
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**25. FINANCIAL INFORMATION:**

**26. REMARKS:**

Client Population: 6789.  
 Number of Delegates : 1.  
 This grant is paid by the Payment Management System (PMS) See attached payment info.  
 All previous terms and conditions remain in effect.  
 (\*)Approve requested rebudgeting within Total Federal Approved Budget.  
 (\*\*)Reflects only federal share of approved budget.  
 This action removes the restriction of COLA expenditures except for \$10,321 which remains  
 restricted under the ~"Other~" category until the receipt of a revised wage comparability study.  
 The amount restricted represents Cost of Living and FICA for top five employees of the delegate  
 agency.

<b>27. SIGNATURE - ACF GRANTS OFFICER</b>		<b>DATE:</b>	<b>28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY</b>
		8/27/04	Dorothy A. Ferguson
<b>29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S)</b>		<b>DATE:</b>	
		8/27/04	
George M. Campbell, Program Manager			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES  
FINANCIAL ASSISTANCE AWARD**

<b>1. AWARDING OFFICE:</b> Region VI Office for Children and Families		<b>2. ASSISTANCE TYPE:</b> Discretionary Grant		<b>3. AWARD NO.:</b> 06CH0107/26		<b>4. AMEND. NO.:</b> 5	
<b>5. TYPE OF AWARD:</b> SERVICE		<b>6. TYPE OF ACTION:</b> Supplement		<b>7. AWARD AUTHORITY:</b> 42 USC 9801 ET SEQ.			
<b>8. BUDGET PERIOD:</b> 02/01/2004 THRU 01/31/2005		<b>9. PROJECT PERIOD:</b> INDEFINITE		<b>10. CAT NO.:</b> 93600			
<b>11. RECIPIENT ORGANIZATION:</b> CITY OF SAN ANTONIO P.O. BOX 839966 SAN ANTONIO TX 78283 3966 Frances A. Gonzalez, Assistant to the City Manager				<b>12. PROJECT / PROGRAM TITLE:</b> FULL YEAR HEAD START CENTER BASED AND T/TA			
<b>13. COUNTY:</b> BEXAR		<b>14. CONGR. DIST:</b> 20		<b>15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR:</b> Blanche A Russ-Glover , Executive Director			
<b>16. APPROVED BUDGET:</b>				<b>17. AWARD COMPUTATION:</b>			
Personnel..... \$ 228,841				A. NON-FEDERAL SHARE..... \$ 11,455,277 20.00 %			
Fringe Benefits..... \$ 67,979				B. FEDERAL SHARE..... \$ 45,825,107 80.00 %			
Travel..... \$ 7,646							
Equipment..... \$ 0				<b>18. FEDERAL SHARE COMPUTATION:</b>			
Supplies..... \$ 39,618				A. TOTAL FEDERAL SHARE..... \$ 45,825,107			
Contractual..... \$ 45,451,955				B. UNOBLIGATED BALANCE FEDERAL SHARE..... \$ 852,372			
Facilities/Construction..... \$ 0				C. FED. SHARE AWARDED THIS BUDGET PERIOD.\$ 44,972,735			
Other..... \$ 29,068				<b>19. AMOUNT AWARDED THIS ACTION:</b> \$ 4,000			
Direct Costs..... \$ 45,825,107				<b>20. FEDERAL \$ AWARDED THIS PROJECT PERIOD:</b> \$			
Indirect Costs..... \$ 0				<b>21. AUTHORIZED TREATMENT OF PROGRAM INCOME:</b>			
At % of \$				DEDUCTIVE			
In Kind Contributions..... \$ 0				<b>22. APPLICANT EIN:</b> 1-746002070-A1		<b>23. PAYEE EIN:</b> 1-746002070-A1	
Total Approved Budget(**).. \$ 45,825,107				<b>24. OBJECT CLASS:</b> 41.51			

**25. FINANCIAL INFORMATION:**

ORGN	DOCUMENT NO.	APPROPRIATION	CAN NO.	NEW AMT.	UNOBLIG.	NONFED %
R06	06CH010726	75-4-1536	2004 G064120	\$4,000		

**26. REMARKS:**


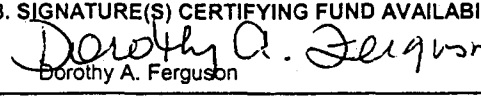
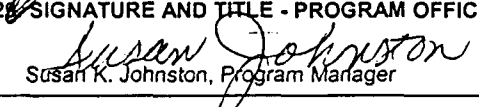
Client Population: 6789.

Number of Delegates : 1.

This grant is paid by the Payment Management System (PMS) See attached payment info.

All previous terms and conditions remain in effect.(\*\*)Reflects only federal share of approved budget.

This action awards \$4,000 for a one-time supplement in P.A 4120 for governance training.

<b>27. SIGNATURE - ACF GRANTS OFFICER</b>  James A. Pruitt		<b>DATE:</b> 9/10/04		<b>28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY</b>  Dorothy A. Ferguson	
<b>29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S)</b>  Susan K. Johnston, Program Manager		<b>DATE:</b> 9/10/2004			

# HEAD START - EARLY CHILD CARE PROGRAM 2004

Attachment III

02/01/04- 01/31/05

26-022101

INDEX NO.	ESTIMATED REVENUES	Obj Code	BUDGET	Revision #2 +/-	REVISED BUDGET
079624	HHS-Office of Human Development Grant	00-004	45,104,728	720,379	45,825,107
093955	Space & Vol Serv--In Kind	00-010	11,276,181	179,096	11,455,277
<b>Total Estimated Revenues</b>			<b>56,380,909</b>	<b>899,475</b>	<b>57,280,384</b>
<b>APPROPRIATIONS</b>					
<b>38-02-02 Head Start- Early Child Care Prog-Admin</b>			<b>BUDGET</b>		
778225	Salaries	01-010	285,306	-	285,306
774075	Higher Classification Salary	01-012	500	-	500
778365	Language Skill Pay	01-019	-	-	-
778506	FICA	01-030	21,865	-	21,865
778647	TMRS	01-040	31,440	-	31,440
778787	Flexible Benefits	01-050	17,164	-	17,164
778928	Life Insurance	01-051	600	-	600
779066	Workers' Disability Compensation	01-060	4,325	-	4,325
779207	Personal Leave Buyback Pay	01-072	2,500	-	2,500
780098	Communications: Telephones	02-110	8,569	-	8,569
780304	Communications: Pagers	02-112	170	-	170
780445	Mail & Parcel Post Service	02-113	100	-	100
780585	Rental of Facilities	02-116	3,000	-	3,000
780726	Rental of Equipment	02-119	-	-	-
780866	Inter-Fund Rent of City Motor Pool	02-120	100	-	100
781005	Travel-Official	02-124	4,000	-	4,000
781146	Education	02-128	3,000	-	3,000
781286	Car Expense Allowance	02-130	1,000	-	1,000
781427	Maint & Rep - Bldgs & Imp	02-139	-	-	-
781567	Maint & Rep - Mach & Equip	02-142	100	-	100
781708	Maint & Rep - Commercial	02-144	2,500	-	2,500
781849	Fees to Professional Contractors	02-160	6,000	-	6,000
781989	ADP Services	02-172	2,250	-	2,250
785279	Advertising & Publication	02-175	600	-	600
782037	Memberships Dues & Licenses	02-178	250	-	250
782128	Binding, Printing & Reproduction	02-181	1,000	-	1,000
785139	Subscriptions to Publications	02-187	500	-	500
782268	Office Supplies	03-210	3,500	-	3,500
784991	Food	03-216	750	-	750
782409	Chemicals, Medical & Drugs	03-228	400	-	400
782540	Tools, Apparatus, & Accessories	03-232	300	-	300
782680	Maint Rep Mat - Bldgs & Imp	03-240	-	-	-
782821	Maint Rep Mat - Auto	03-241	43	-	43
783068	Maint Rep Mat - Mach & Equip	03-242	500	-	500
783209	Computer Software	03-243	7,500	-	7,500
784850	Other Commodities	03-244	500	-	500
783340	Computer Equipment	05-360	17,500	-	17,500
783480	Mach & Equip - Other	05-373	4,125	-	4,125
783761	Furniture & Fixtures	05-375	5,875	-	5,875
<b>Total 38-02-02</b>			<b>437,832</b>	<b>-</b>	<b>437,832</b>
<b>38-02-04 Head Start- Early Child Care Program-Operator</b>					
783902	PCI: Head Start (PA22) - Part & Full Day	02-163	44,069,831	720,379	44,790,210
784041	PCI: Head Start (PA22) - Transition	02-163	141,100	-	141,100
784181	PCI: Head Start (PA20) - T&TA	02-163	455,965	-	455,965
893354	PCI: In-Kind	82-692	11,276,181	179,096	11,455,277
<b>Total 38-02-04</b>			<b>55,943,077</b>	<b>899,475</b>	<b>56,842,552</b>
<b>Total Appropriations</b>			<b>56,380,909</b>	<b>899,475</b>	<b>57,280,384</b>

FUND ONLY INDEX NO. : 002364