

**CITY OF SAN ANTONIO
DEPARTMENT OF COMMUNITY INITIATIVES
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

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

SUBJECT: Head Start Budget Revision

DATE: October 6, 2005

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the acceptance of \$478,631 from the U.S. Department of Health and Human Services (HHS) for a 2005 Head Start Cost of Living Adjustment (COLA). Accordingly, this ordinance authorizes a contract amendment between the City of San Antonio (COSA) and Parent/Child, Incorporated (PCI) and revises the 2005 Head Start program budget and personnel complement.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

COSA 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 82 child development centers throughout San Antonio, and Bexar County to children between three and five years of age.

In August 2004, the HHS Office of the Inspector General (OIG) issued a report finding that PCI's executive salaries appeared to be unreasonable. The report also 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. Over the last year, PCI executive and teacher salaries have been adjusted to meet the recommendations of the OIG report.

The total award of \$478,631 authorized through this ordinance includes funds for two initiatives. First, On August 29, 2005, HHS notified COSA it could apply for \$453,631 for a Cost of Living Adjustment (COLA) for the Head Start program. These funds will provide a 1% increase for Head Start staff, which will be retroactive to February 1, 2005. The increase will not apply to PCI's top five executive staff members.

After providing for a 1% increase, \$126,880 in COLA funds remains. At the request of the COSA's Head Start Policy Council, PCI developed a plan that provides an additional increase of .8% for Head Start staff earning less than \$26,023 annually. PCI also proposes applying a portion of the 2005 COLA funds for employee benefits to offset the rising cost of health insurance premiums. The following table demonstrates the impact of the 2005 proposed COLA:

Across the board increase (except top five executive staff) – 1%	\$ 327,631
Additional increase for personnel earning less than \$26,023 - .8%	52,500
Contribution to employee benefits	73,500
Total	\$ 453,631

Additionally, HHS requested COSA apply for and accept a grant of \$25,000 for Training and Technical Assistance (T/TA). Of the award, \$5,000 will be designated for COSA and \$20,000 for PCI.

POLICY ANALYSIS

This ordinance continues existing policy to provide high quality early education services to 6,789 low-income children in San Antonio and to raise the wages of Head Start teachers and staff. With the addition of this HHS award for 2005 COLA, and effective with the passing of this ordinance, teachers with a Child Development Accreditation (CDA), Associate or Bachelors degree will exceed federal requirements for Head Start minimum salaries. Attachment A reflects the increase in teachers' wages over the last year.

FISCAL IMPACT

This action requires no additional General Fund commitment.

A summary of current year funding is as follows:

Head Start Budget Funding Distribution	Program Budget	Revision #2	Revised Budget
COSA: Head Start – Administration	\$ 470,000	\$ 0	\$ 470,000
PCI: Head Start (PA22)-Part & Full Day	44,801,042	452,220	45,253,262
PCI: Head Start (PA22)-Transition	141,100	1,411	142,511
PCI: Head Start (PA20)-Trng & Tech Asst	455,965	0	455,965
COSA: Head Start (PA20)-Trng & Tech Asst	0	25,000	25,000
PCI: In-Kind Match Requirement	11,467,027	119,657	11,586,684
Total Head Start Program Budget	\$ 57,335,134	\$ 598,288	\$ 57,933,422

COORDINATION

DCI has coordinated activities with the City Attorney's Office, Finance Department, PCI, and COSA's Head Start Policy Council.

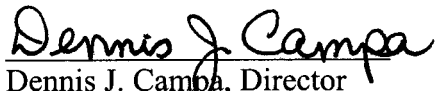
SUPPLEMENTARY COMMENTS

None

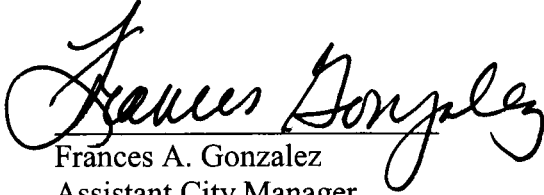
ATTACHMENTS

The required Discretionary Contracts Disclosure form is attached

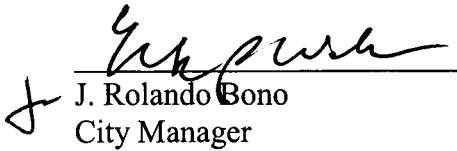
Attachment A – Teacher Salary Comparisons



Dennis J. Campa, Director
Department of Community Initiatives



Frances A. Gonzalez
Assistant City Manager



J. Rolando Bono
City Manager

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity¹ that is a **party** to the discretionary contract:

Daniel M. Gonzales

(2) Identify any individual or business entity which is a **partner, parent** or **subsidiary** business entity, of any individual or business entity identified above in Box (1):

☐ No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

Parent/Child Incorporated

(3) Identify any individual or business entity that would be a **subcontractor** on the discretionary contract.

☒ No subcontractor(s); or

List subcontractors:

(4) Identify any **lobbyist** or **public relations firm** employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.

☒ No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

¹ A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

☒ No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:

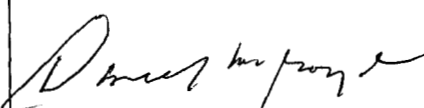
(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

☒ Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed, whichever occurs first.

Signature: 	Title: Interim Chief Executive Officer Company or Parent/Child Inc.	Date: 7/4/05
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² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

**2005 Application Update Teacher Compensation
Entry Level Salaries**

Teacher Classification/ Education	CDA	Associates	Bachelors
Entry Level Salary September 2004	\$8.47	\$11.22	\$14.93
Adjusted Salary October 2004	\$8.79	\$11.58	\$15.41
Adjusted Salary October 2005 COLA	\$8.91	\$11.69	\$15.54
Annual Salary	\$18,532	\$24,315	\$32,323
ACF Recommended	\$17,520	\$20,400	\$24,240

AN ORDINANCE

AUTHORIZING THE ACCEPTANCE OF U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES SUPPLEMENTAL GRANT AWARDS TOTALING \$478,631.00 FOR THE OPERATION OF THE HEAD START EARLY CHILD CARE PROGRAM FOR THE PERIOD FEBRUARY 1, 2005 THROUGH JANUARY 31, 2006; AUTHORIZING THE EXECUTION OF A CONTRACT AMENDMENT WITH PARENT/CHILD, INCORPORATED AS OPERATOR OF SAID PROGRAM; AND APPROVING A REVISED HEAD START PROGRAM BUDGET AND PERSONNEL COMPLEMENT.

* * * * *

WHEREAS, Ordinance No. 100361, passed and approved on January 27, 2005, authorized the acceptance of a continuation grant from the U.S. Department of Health and Human Services (HHS) for the Head Start- Early Child Care program in the amount of \$45,363,107.00 for a twelve month period beginning February 1, 2005; and

WHEREAS, the HHS has issued Financial Assistance Amendment Number 3 authorizing supplemental funds in the amount of \$453,631.00 for a Cost of Living Adjustment; and

WHEREAS, the HHS has indicated its intention to award an additional grant of \$25,000.00 for Training and Technical Assistance; and

WHEREAS, these grant funds provide a wide range of education and social services to low income pre-school children and their families including educational, health, mental health and disability services provided at 82 child development centers throughout San Antonio and Bexar County to children ranging from three to five years of age; and

WHEREAS, the City presently subcontracts with Parent/Child, Incorporated (PCI) to operate the Head Start Program and the awarded funds are to continue the current operations and quality of said program; and

WHEREAS, it is now necessary to authorize acceptance of said additional funding, to execute a contract amendment with PCI and adopt a revised Head Start Program Budget and Personnel Complement; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

Section 1. The City Manager, or his designee or the Director of the Department of Community Initiatives, is authorized to accept a grant award from the U.S. Department of Health and Human Services (HHS) in the amount of \$453,631.00 in support of the operation of the Head Start Early

Child Care Program for the period of February 1, 2005 through January 31, 2006. A copy of the award is attached hereto and incorporated herein for all purposes as Amendment I.

Section 2. Upon award, the City Manager, or his designee, or the Director of the Department of Community Initiatives is authorized to accept a grant award from the U. S. Department of Health and Human Services (HHS) in the amount of \$25,000.00 for Training and Technical Assistance in support of the operation of the Head Start Early Child Care Program for the period of February 1, 2005 through January 31, 2006

Section 3. The City Manager, or his designee or the Director the Department of Community Initiatives, is authorized to execute a contract amendment with Parent/Child, Incorporated (PCI) in an amount not to exceed \$473,631.00 for the operation of the Head Start Early Head Start Program for the period ending January 31, 2006. Said contract amendment, in substantially final form, is attached hereto and incorporated herein for all purposes as Attachment II.

Section 4. Fund 2602200, Internal Order 138000000306, entitled "Head Start-Early Childhood Care Program 2005" is designated to receive the award of \$478,631.00 and an In-Kind match requirement of \$119,657.00 is appropriated in said fund. The revised budget, attached hereto and incorporated herein for all purposes as Attachment III, is approved.

Section 5. The revised personnel complement, attached hereto and incorporated herein for all purposes as Attachment IV is approved.

Section 6. The financial allocations in this ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager, or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP internal orders and SAP GL Accounts as necessary to carry out the purpose of this ordinance.

Section 7. This ordinance shall become effective on and after October 15, 2005.

PASSED AND APPROVED this _____ day of _____, 2005.

M A Y O R

ATTEST: _____
City Clerk

APPROVED AS TO FORM: _____
City Attorney

1. RECIPIENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
FINANCIAL ASSISTANCE AWARD

SAI NUMBER:
TX981130001018
PMS DOCUMENT NUMBER:
06CH010727

1. AWARDING OFFICE: Region VI Office for Children and Families		2. ASSISTANCE TYPE: Discretionary Grant	3. AWARD NO.: 06CH0107/27	4. AMEND. NO.: 3
5. TYPE OF AWARD: SERVICE		6. TYPE OF ACTION: Supplement	7. AWARD AUTHORITY: 42 USC 9801 ET SEQ.	
8. BUDGET PERIOD: 02/01/2005 THRU 01/31/2006		9. PROJECT PERIOD: INDEFINITE	10. CAT NO.: 93600 ...	
11. RECIPIENT ORGANIZATION: CITY OF SAN ANTONIO 115 Plaza de Armas #210 SAN ANTONIO TX 78205 Dennis J. Campa, Director of Community Initiatives - City of San Antonio			12. PROJECT / PROGRAM TITLE: FULL YEAR HEAD START CENTER BASED AND T/TA	
13. COUNTY: BEXAR	14. CONGR. DIST: 20	15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR: Dennis J Campa , Director, Dept. of Community Initiatives		

16. APPROVED BUDGET:		17. AWARD COMPUTATION:	
Personnel.....	\$ 0	A. NON-FEDERAL SHARE.....	\$ 11,580,435 20.00 %
Fringe Benefits.....	\$ 0	B. FEDERAL SHARE.....	\$ 46,321,738 80.00 %
Travel.....	\$ 0	18. FEDERAL SHARE COMPUTATION:	
Equipment.....	\$ 0	A. TOTAL FEDERAL SHARE.....	\$ 46,321,738
Supplies.....	\$ 0	B. UNOBLIGATED BALANCE FEDERAL SHARE.....	\$
Contractual.....	\$ 45,851,738	C. FED. SHARE AWARDED THIS BUDGET PERIOD..	\$ 46,321,738
Facilities/Construction.....	\$ 0	19. AMOUNT AWARDED THIS ACTION:	
Other.....	\$ 0	\$ 453,631	
Direct Costs.....	\$ 45,851,738	20. FEDERAL \$ AWARDED THIS PROJECT PERIOD:	
Indirect Costs.....	\$ 470,000	\$	
At % of \$		21. AUTHORIZED TREATMENT OF PROGRAM INCOME:	
In Kind Contributions.....	\$ 0	DEDUCTIVE	
Total Approved Budget(**)..	\$ 46,321,738	22. APPLICANT EIN: 1-746002070-A1	23. PAYEE EIN: 1-746002070-A1
		24. OBJECT CLASS: 41.51	

25. FINANCIAL INFORMATION:						
ORGN	DOCUMENT NO.	APPROPRIATION	CAN NO.	NEW AMT.	UNOBLIG.	NONFED %
R06	06CH010727	75-5-1536	2005 G064122	\$453,631		

26. REMARKS:
Client Population: 6789.
Number of Delegates: 1.
Paid by DHHS Payment Management System (PMS), see attached for payment information.
(**) Reflects only federal share of approved budget.
This action awards FY 2005 Cost of Living (COLA) funds in accordance with ACYF-PJ-HS-05-02. COLA funds must be retroactively applied with an effective date of February 1, 2005 and staff given their COLA salary increases retroactive to this date. This award is subject to the following entry-level salaries: \$17,520 for a non-degreed teacher and \$24,240 for a degreed teacher.

27. SIGNATURE - ACF GRANTS OFFICER Janice A. Pruitt <i>[Signature]</i>	DATE: 8/4/05	28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY Shirley J. Decker <i>[Signature]</i>
29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) Mike V. Johnston <i>[Signature]</i> Susao K. Johnston, Program Manager	DATE: 8/3/05	

STATE OF TEXAS

§

Contract # 4600002512

COUNTY OF BEXAR

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**AMENDMENT #2 TO
DELEGATE AGENCY CONTRACT
with
PARENT/CHILD INCORPORATED**

CITY OF SAN ANTONIO

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This Amendment of the Parent/Child Incorporated Delegate Agency Contract (hereinafter referred to as "Amendment") is entered into by and between the City of San Antonio (hereinafter referred to as "City"), a Texas Municipal Corporation, acting by and through its Director of Community Initiatives pursuant to Ordinance No. _____ dated _____ and Parent/Child Incorporated (hereinafter referred to as "Contractor").

WHEREAS, City and Contractor entered into a certain delegate agency agreement (hereinafter referred to as the "Agreement") pursuant to Ordinance No. 100361 passed and approved on January 27, 2005 and said ordinance also authorized an initial grant award of \$45,363,107.00 from the U.S. Department of Health and Human Services (DHHS) for a 12 month period beginning on February 1, 2005 for the purpose of continued operation of the Head Start Early Child Care Program; and

WHEREAS, the DHHS provided supplemental funds in the amount of \$35,000.00 for child restraints and classroom equipment which was included in Amendment #1 to the Agreement; and

WHEREAS, the DHHS has subsequently informed the City of the availability of supplemental funds in the amount of \$473,631.00 for a Cost of Living Adjustment and Training and Technical Assistance; and

WHEREAS, City and Contractor now desire to amend the Agreement to provide for the expenditure of additional funding that has been provided by the DHHS and to include additional responsibilities; NOW THEREFORE:

City and Contractor hereby agree as follows:

1. Section 3.1 of the Agreement is hereby amended as follows:

In consideration, the City will reimburse Contractor for costs incurred in accordance with the budget approved by City Council of San Antonio in Ordinance No. 100988. Said budget is affixed hereto and incorporated herein for all purposes as Attachment II. It is specifically agreed that reimbursement hereunder shall not exceed the total amount of **\$45,871,738.00**. Contractor agrees to provide to the City upon termination

of this Agreement documentation of expenditures totalling a 20% cash or in kind match of the amount of the Agreement set forth herein.

2. The document entitled "Budget (Revision #2)" that is attached hereto and incorporated herein as Attachment I shall supercede the Budget contained as Attachment II in the Agreement and all references in the Agreement to "Budget" will now refer to the attached Budget (Revision #2).
3. All other terms, conditions, covenants and provisions of the Agreement are hereby continued and shall remain in effect in their original form, except for the provisions modified by this Amendment.

EXECUTED this _____ day of _____, 2005.

CITY OF SAN ANTONIO:

Dennis J. Campa, Director
Department of Community Initiatives

Date: _____

CONTRACTING AGENCY:

Parent/Child Incorporated

P.O. Box 830407

San Antonio, Texas 78283-0407

By: Interim Chief Executive Officer

Date: _____

Board President

Date: _____

APPROVED AS TO FORM: _____
Assistant City Attorney

City of San Antonio, Texas - Grantee
Parent!Child Incorporated - Delegate Agency
Head Start Services Budget Breakdown
06CH0107
PY February 1, 2005 - January 31, 2006

Categories	Grant Program, Function or Activities				
	(1) PA 4122 Program	(2) PA 4122 Transition	(3) PA 4120 T/TA	(4) In Kind	(5) Totals
a. Personnel	28,474,638.00	78,404.00	45,000.00	0.00	28,598,042.00
b. Fringe Benefits	5,916,323.00	17,195.00	10,100.00	0.00	5,943,618.00
c. Travel	22,000.00	300.00	0.00	0.00	22,300.00
d. Equipment	258,000.00	0.00	0.00	0.00	258,000.00
e. Supplies	1,933,438.00	19,256.00	42,480.00	0.00	1,995,174.00
f. Contractual	2,632,765.00	300.00	166,076.00	0.00	2,799,141.00
g. Construction	0.00	0.00	0.00	0.00	0.00
h. Other	6,016,098.00	27,056.00	212,309.00	0.00	6,255,463.00
i. Total Direct Charges	45,253,262.00	142,511.00	475,965.00	0.00	45,871,738.00
j. In Kind	0.00	0.00	0.00	11,586,684.00	11,586,684.00
k. TOTALS	45,253,262.00	142,511.00	475,965.00	11,586,684.00	57,458,422.00

2005 Head Start Early Child Care Program

February 1, 2005 - January 31, 2006

	BUDGET	Revision #2 +/-	REVISED BUDGET
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REVENUES:

4501100 HHS - ACF Head Start	45,868,107	478,631	46,346,738
6500000 In-Kind: Vol Serv & Direct Service	11,467,027	119,657	11,586,684
TOTAL REVENUES	57,335,134	598,288	57,933,422

APPROPRIATIONS:**138000000305 Head Start Program**

5202025 Fees to Other Contractors - PCI Full & Part Day	44,801,042	452,220	45,253,262
Total 138000000305	44,801,042	452,220	45,253,262

138000000306 Head Start Administration

5101010 Reg Salaries & Wages	270,546	-	270,546
5101030 Higher Class. Salary	-	-	-
5101050 Language Skill Pay	600	-	600
5103005 FICA	20,743	-	20,743
5105010 TMRS	33,758	-	33,758
5104030 Flex Benefits	36,423	-	36,423
5103010 Life Insurance	407	-	407
5405020 Worker's Disability Comp.	4,325	-	4,325
5403010 Communications : Telephones	7,500	-	7,500
5403030 Rental of Pagers	1,440	-	1,440
5205010 Mail & Parcel Post	1,000	-	1,000
5206010 Rental of Facilities	500	-	500
5205020 Rental of Equipment	7,000	-	7,000
5208020 Inter-Fund Rent of City Motor Pool	100	-	100
5207010 Travel - Official	10,000	-	10,000
5203090 Travel - Other	3,000	-	3,000
5103065 Education	5,000	-	5,000
5204080 Maint & Rep. Mach & Equip	2,000	-	2,000
5201040 Fees to Prof. Contractors	15,000	-	15,000
5203040 Advertising & Publications	2,000	-	2,000
5203050 Membership Dues & Lic.	1,200	-	1,200
5203060 Binding Printing & Repro.	10,000	-	10,000
5203070 Subscriptions to Publications	2,000	-	2,000
5202025 Other Contractual Services	300	-	300
5302010 Office Supplies	10,000	-	10,000
5304010 Food	1,000	-	1,000
5304050 Tools, Apparatus & Accessories	500	-	500
5301030 Maint & Rep. Material - Mach & Equip	200	-	200
5304075 Computer Software	4,000	-	4,000
5304080 Other Commodities	359	-	359
5501000 Cap <5K - Computer Equipment	11,100	-	11,100
5501065 Cap <5K - Furniture & Fixtures	8,000	-	8,000
Total 138000000306	470,000	-	470,000

2005 Head Start Early Child Care Program

February 1, 2005 - January 31, 2006

	BUDGET	Revision #2 +/-	REVISED BUDGET
138000000307 Head Start Transition			
5202025 Fees to Other Contractors - PCI Transition Services	141,100	1,411	142,511
Total 138000000307	141,100	1,411	142,511
138000000308 Head Start T&TA			
5201025 Education - COSA T&TA	-	5,000	5,000
5202025 Fees to Other Contractors - PCI T&TA	455,965	20,000	475,965
Total 138000000308	455,965	25,000	480,965
138000000309 Head Start In-Kind			
6602025 In-Kind: Vol Serv & Direct Service	11,467,027	119,657	11,586,684
Total 138000000309	11,467,027	119,657	11,586,684
TOTAL APPROPRIATIONS	57,335,134	598,288	57,933,422

**2005 Head Start - Early Child Care Program
February 1, 2005 - January 31, 2006
Personnel Complement**

<u>Positions</u>	<u>Job Class No.</u>	<u>Current Positions</u>	<u>+ / - Positions</u>	<u>Revised Positions</u>
Grants Management Officer	0844	2	0	2
Compliance & Resolution Manager	0891	1	(1)	0
Contract Administrator	0157	0	1	1
Contract Coordinator	0156	1	0	1
Special Projects Officer	0865	2	0	2
Fiscal Officer	0892	0	0	0
Senior Special Projects Manager	0095	0	1	1
Special Projects Coordinator	0870	1	0	1
Administrative Assistant I	0040	1	0	1
Accountant II	0874	1	0	1
Administrative Aide	0067	1	(1)	0
Fiscal Officer	0892	0	1	1
Program Coordinator (PT)	0915	1	0	1
Sr Project Management Specialist	0912	2	(1)	1
Financial Accountant	0927	1	0	1
Total Positions Internal Order 138000000306		14	0	14