



Hidalgo County Head Start Program

Policy Council Agenda

DATE: September 16, 2009

SUBJECT: Discussion/Approval to Submit the 2010 Continuation Application to the Department of Health and Human Services Administration for Children and Families (ACF)

RATIONALE/NEED: Every year we must submit an application for funding continuation as per Head Start Regulations.

RECOMMENDATION: Administration recommends approval.

COST: N/A

RELATED INFORMATION INCLUDES: Budget Summary and Comparison

INITIATED BY: Edmundo Garcia, Assistant Program Director 

REVIEWED BY: Teresa Flores, Executive Director

EXECUTIVE DIRECTOR'S APPROVAL: 



Hidalgo County Head Start

MEMORANDUM

"Children first..."

Date: September 22, 2009

To: Hidalgo County Policy Council

From: Teresa Flores, Executive Director *Teresa Flores*

Subject: 2010 Budget

The Hidalgo County Head Start Program Budget for fiscal year 2010 is attached for your review, consideration and approval.

The Hidalgo County Head Start Program will submit a Continuation Funding Application for FY2010 to the Department of Health and Human Services in the amount of **\$23,951,246.**

This application reflects the input and collaboration among all Head Start department heads as well as the combined efforts of the Policy Council parents and community representatives. This budget proposal is a plan to maximize the Federal grant award with our local resources by utilizing a streamlined organizational structure to deliver quality services.

This budget reflects a major reallocation in costs from fringe benefits to other line items, as a result of the County's decision to utilize the Workers Compensation fund balance to pay for premiums in fiscal year 2010. In addition, as part of their recommendation we also reduced medical insurance premiums for 2010 by 30%.

The major line item changes as a result of this windfall are mostly reflected in the following categories.

- **Equipment**, to replace older units with 200,000 miles or more.
- **Classroom Supplies**, to purchase much needed classroom supplies and materials.
- **Playground Equipment**, to replace old worn out playground items, where safety is a priority.
- **Operational Supplies**, to purchase computers for the classrooms and administration.
- **Telephone Expense**, to replace an existing analog system that is at capacity and unable to accept additional phone lines, with a new digital system.

Changes in all line items are reflected in the attached budget worksheet for review and discussion.

Hidalgo County Head Start Program

Budget 2010

Description	Budget2009	Budget 2010	Difference	Comments/Notes
Salaries/Fringes				
Salaries	15,045,945.65	15,632,552.45	586,606.80	Cost of living Increase.
Fringes/Pension Adm Costs	5,546,976.20	4,475,991.18	(1,070,985.02)	No Work Comp. costs & health ins. 30% less
Total Salaries/Fringes	20,592,921.85	20,108,543.63	(484,378.22)	
Out of Town Travel	10,000.00	10,000.00	0.00	
Equipment	12,000.00	90,000.00	78,000.00	Units #39,44,54,49 replacements
Supplies				
Office	102,587.60	102,587.60	0.00	
Postage	6,500.00	6,500.00	0.00	
Classroom/Consum	176,000.00	300,000.00	124,000.00	Replenishing classroom supplies
Classroom/Non Con	148,532.60	457,401.77	308,869.17	Replacement/broken classroom/playground items
Maintenance	215,000.00	215,000.00	0.00	
Janitorial	100,000.00	100,000.00	0.00	
Medical	20,500.00	20,500.00	0.00	
Playground	900.00	-	(900.00)	One-Time funds will be utilized
Operational	91,070.00	168,000.00	76,930.00	Additional computers for centers.
Total Supplies	861,090.20	1,369,989.37	508,899.17	
Other				
Center Space	155,000.00	155,000.00	0.00	
Telephone	158,400.00	322,900.00	164,500.00	New phone system
Utilities	361,362.65	673,000.00	311,637.35	Realigned expenditures with actual costs
Local Travel	77,999.30	102,000.00	24,000.70	Increased monitoring activities
Renovations	0.00	0.00	0.00	
Audit	35,000.00	32,000.00	(3,000.00)	More efficient audit process
Dental Serv	20,000.00	24,500.00	4,500.00	Higher demand for dental services
Disability Serv	13,000.00	13,000.00	0.00	
Mental Health	33,000.00	33,000.00	0.00	
Medical Serv	10,000.00	10,000.00	0.00	
Printing- Admin	9,700.00	9,700.00	0.00	
Printing Center	28,000.00	32,300.00	4,300.00	Increased recruiting activities
Subscriptions	300.00	-	(300.00)	
Insurance	161,500.00	142,000.00	(19,500.00)	Realigned expenditures with actual costs
Vehicle Maintenance	95,000.00	150,000.00	55,000.00	Vehicle repairs and costs rise due to older fleet.
Fuel	139,000.00	173,000.00	34,000.00	Diesel & gas prices increase/older fleet
Equip. Repair-Admin	5,000.00	10,000.00	5,000.00	Increased demands on A/C repairs
Equip. Repair-Center	37,000.00	48,000.00	11,000.00	Increased demands on A/C repairs
Equip. Rental	6,900.00	12,900.00	6,000.00	Increase in equipment rental
Parent Involvement	30,000.00	30,000.00	0.00	
Babysitting Reimb	2,880.00	2,880.00	0.00	
CDA/ T.T.A.	247,353.00	269,033.00	21,680.00	Additional funding by HHS
Legal Fees	57,500.00	57,500.00	0.00	
Advertising	1,500.00	5,000.00	3,500.00	More aggressive recruitment campaign
AA Program	65,000.00	65,000.00	0.00	
Total Other Expend.	1,750,394.95	2,372,713.00	622,318.05	
Total Oper. Budget	\$2,633,485.15	\$3,842,702.37	1,209,217.22	
Total Budget	23,226,407.00	23,951,246.00	724,839.00	

Hidalgo County Head Start

2010 Budget Line Item Description

Expense Category

Description

Salaries

Increased by \$586,606.80.

The 2010 budget has been increased by the Cost Of Living Adjustment (COLA) awarded by the Department of Health and Human Services. This line item includes all salaries for Head Start employees and seventy five (75%) of the salaries for custodians. Salaries for all Nutrition personnel plus 25% of salaries for custodian staff is reflected in the budget of the Nutrition Program (Fund29) and are reimbursable by the Texas Department of Agriculture.

Fringe Benefits

Decrease by \$1,070,985.02.

This expense item has been decreased due to the decision by the County to utilize the Workers Compensation fund balance to pay for premiums in 2010. In addition, the County has also informed us that, for 2010, the premiums for medical insurance have been reduced by 30%.

This line item includes all benefits for Head Start employees and seventy five (75%) of the benefits for custodians. Benefit costs for all Nutrition personnel plus 25% of costs for custodian staff, is reflected in the budget of the Nutrition Program (Fund29) and are reimbursable by the Texas Department of Agriculture.

This line item represents the costs of benefits for: Health insurance, life insurance, Medicare, pension, workers compensation, unemployment and FICA.

Out of Town Travel

No Change

The Department of Health and Human Services has recommended that staff attend national and regional conferences on an annual basis. These funds are utilized along with our other travel and training line items to provide adequate opportunities for training at national and local levels.

Equipment

Increased by \$78,000

This increase represents the replacement of vehicles as part of our long range plans to replace our older fleet of vehicles, we are replacing the following:

Unit No.	Make/Model	Mileage	Replacement Cost
39 **	1995 Chevy Suburban	\$270,577	\$20,000
44	1995 Chevy Cargo Van	\$164,955	\$22,000
54	1997GMC Pickup	\$261,000	\$22,000
49	1995 GMC 4X4 Truck	\$160,550	\$26,000
			\$90,000

** Replaced with a small passenger van

Hidalgo County Head Start

2010 Budget Line Item Description

<u>Expense Category</u>	<u>Description</u>
Office Supplies	No Change General office items and also includes fingerprinting for employees.
Classroom Supplies	Consumables- Increased \$124,000 Consumables are classroom supplies that will be used within one program year. This cost includes instructional supplies to support the use of the adopted curriculum for all areas as well as supplies for the assessment instruments. It also includes software to supplement curriculum and instruction and regular items such as paper, folders, pencils, staples, etc.
Classroom Supplies	Non-Consumable-Increased by \$308,869.17 These are supplies that will be used for more than one year: Furniture laminating machines, bookcases, cd players, etc. This investment in the classroom is possible due to the one-time savings in workers compensation and health care premiums. This will help us replace old and damaged items in the classrooms.
Maintenance Supplies	No Change These supplies are necessary to maintain facilities in the best condition possible.
Janitorial Supplies	No Change These are supplies distributed to all centers for janitorial and sanitary purposes.
Medical Supplies	No Change These are supplies of a medical nature to assist families with their basic needs. It may include minor medical items to conduct hearing and other tests.
Playground Supplies	No Change This category captures the expenses related to the playgrounds. The program will replace and upgrade some playground items that are outdated with One-Time funds.
Operational Supplies	Increased by \$76,930 This increase represents the purchase of fifty (50) computers to replace older models in the classroom and administration offices. Supplies in this category are mainly for items that will be utilized within the operation, primarily for the Management Information System Dept. (MIS). This would include network connections for additional centers, software technical renewals services, printer toners, computer items, etc.
Center Space	No Change. Rent expenditures for land and buildings

Hidalgo County Head Start

2010 Budget Line Item Description

Expense Category

Description

Telephone

Increased by \$164,500

The slight increase will allow us to make a one-time investment in hardware in order to replace the existing analog telephone system with a new digital system. In addition, it will make it possible to connect existing centers to our computer network that are currently not able to access our network. Total funds allocated to this line item are as follow:

Six months of current expenditures	\$106,000
Initial Hardware investment	\$120,900
Six months of expenses for the new installation	\$ 96,000
Total	\$322,900

This investment will yield savings as follows:

Existing recurring annual cost	\$212,895
New estimated recurring annual cost	\$192,000
Annual Savings	\$ 20,895

Utilities

Increased by \$311,637.35

The increase represents a realignment of budgeted expenses compared to actual expenses. This category is usually under budgeted due to our limited funding. It becomes fully funded prior to the end of the fiscal year with monies that are underutilized in the salary category. The Program captures all utilities in this account.

Local Travel

Increased by \$24,000

The increase represents a more intensive monitoring process to visit all of the centers by teams. It also reflects a minor increase in gasoline prices and mileage reimbursement rate. This account records all expenditures for mileage reimbursement for staff.

Audit

No Change

This represents the cost of annual audits conducted by an external CPA firm in order to ensure compliance with local, state and federal regulations.

Dental services

Increased by \$4,500

The increase reflects the lack of dentists participating as providers in our Program as well as the increase in the demand for dental services from our families. Unlike medical services, dental services for 3 and 4 year olds require the services of an anesthesiologist making it more expensive. Head Start exhausts all other available community resources before using Head Start funds to pay for services of this kind.

Hidalgo County Head Start

2010 Budget Line Item Description

<u>Expense Category</u>	<u>Description</u>
Disability Services	No Change The Program captures all expenses related to special children for special learning equipment or assessment services when needed. Head Start exhausts all other available community resources before using Head Start funds to pay for services of this kind.
Mental Health Services	No Change This line item is used to record expenses relating to mental health assessments, classroom observations and any outside referrals that become necessary. Head Start exhausts all other available community resources before using Head Start funds to pay for services of this kind.
Medical Services	No Change The Program captures all costs related to medical expenditures in this category. Each child must be assigned a medical home within forty five (45) days of entering the Head Start Program. Head Start exhausts all other available community resources before using Head Start funds to pay for services of this kind.
Printing Admin.	No Change Printing expenses for all Administrative departments.
Printing Centers	Increase by \$4,000 This increase represents a commitment to a more aggressive recruiting campaign as we begin to compete with other providers in the area. This represents forms, flyers and posters expenditures for all centers.
Insurance	Reduced by \$19,500 The decrease is mainly due to an overestimation on rates for last year. This category records insurance expenses for general liability insurance for properties as well as for accident insurance for our children.
Vehicle maintenance	Increased By \$55,000 This increase is attributable to slightly higher than expected expenditures in 2008 and the estimated costs relating to an aging fleet. All expenses related to vehicle repairs for buses and maintenance vehicles are accounted for in this category.

Hidalgo County Head Start

2010 Budget Line Item Description

<u>Expense Category</u>	<u>Description</u>
Fuel	Increased By \$34,000 This increase reflects the performance of an aging fleet of less efficient vehicles. The Program tracks all expenditures for diesel and gasoline through this line item.
Equipment Repair	Administration- Increased by \$5,000 Increase in due to excessive air conditioning repairs. This line item also includes repairs for copiers and risograph machines.
Equipment Repairs	Centers- Increased by \$11,000 This increase reflects the anticipated repairs of air conditioning systems for all the centers based on 2008 year end actual expenditures. Aging facilities are subject to more frequent breakdowns.
Equipment Rental	Increased by \$6,000 Increase due to newer more efficient copiers and risograph machines.
Parent Involvement	No Change This line item is used to record expenses related to parent activities like the Policy Council Governance Training, Volunteer Training, and Center Elections, etc.
Babysitting Services	No Change In this category the program reimburses expenses for babysitting services to members of the Policy Council that are required to attend the Policy Council Meetings.
Legal Fees	No Change The expenses in this account are for legal services, review of contracts, attendance by counsel to Policy Council meetings, legal consultation on personnel issues, real estate issues, etc.
Advertising/Advocacy	Increased by \$3,500 More aggressive promotion of Head Start Services is reflected in the slight increase in this account. This will include newspaper advertising, flyers, radio and television public announcements.
AA Program	No Change These include expenses for personnel to continue their education; specifically for teachers to acquire early childhood education degrees.

Hidalgo County Head Start Program

Actual Budgeted Positions

Department	2004	2005	2006	2007	2008	2009	2010
Administration	8	8	8	8	7	8	8
Finance	8	8	7	7	7	7	7
MIS	8	7	5	5	5	4	4
Personnel	5	5	5	5	5	5	5
Procurement	4	4	4	4	4	4	4
Public Relations	1	1	1	1	1	1	1
Risk Management	2	2	2	1	1	1	2
Education	527	582	582	566	568	568	568
Staff Development	3	3	3	3	2	2	2
Health	25	5	5	5	5	5	5
Disability	36	26	24	21	21	21	21
Mental Health	5	3	3	2	2	2	2
Field Operations	158	156	150	147	144	142	142
Family Services	30	5	5	4	4	5	5
Transition Literacy	14	2	2	2	2	2	2
Total # of Positions	834	817	806	781	778	777	778

Texas Department of Agriculture (TDA)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Head Cook	3	3	3	2	2	2	2
Assistant Cook	5	5	4	4	4	2	2
Driver	10	10	10	8	7	7	7
Kitchen Helper	21	21	19	15	13	13	10
Food Coordinator	6	2	2	2	2	2	2
Clerk	2	2	1	1	1	1	1
Secretary	0	0	1	1	1	1	1
Director	1	1	1	1	1	1	1
Total # of Positions	48	44	41	34	31	29	26
% of Custodian Sal/Fr				7%	14%	20%	25%

