

**2011 DHHS
BUDGET**

VI. PROGRAM OPERATIONS

A. 1. 2010 DHHS Continuation Budget



Hidalgo County Head Start MEMORANDUM "Children first..."

Date: August 8, 2010
To: Hidalgo County Policy Council
From: Teresa Flores, Executive Director *Teresa Flores*
Subject: 2011 Budget (Health and Human Services Dept.)

The Hidalgo County Head Start Program Budget for fiscal year 2011 is attached for your review, consideration and approval.

The Hidalgo County Head Start Program will submit a Continuation Funding Application for FY2011 (1/1/2011 to 12/31/2011) under Grant No. O6CH0 183 to the Department of Health and Human Services in the amount of **\$23,951,246.** This amount represents an increase of **\$422,815** over last year's initial award as a result of the COLA (Cost Of Living Adjustment) awarded in midyear 2010.

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. The proposed budget for 2011 includes, as in 2010, a reallocation of costs from fringe benefits to other line items, as a result of the County's decision to again utilize the Workers Compensation fund balance to pay for premiums in fiscal year 2011.

The most significant changes when comparing the 2010 budget to the proposed 2011 budget are reflected in the following line items.

- **Salaries \$322,438.86.** The increase in this line item is due to the additional funding awarded under the COLA (Cost Of Living Adjustment) in 2010. Salaries will remain at the same level for 2011, until the next COLA increase is awarded and authorized.

Two (2) new positions are included in this budget. An **MIS Computer Technician** with an annual salary of \$21,299.20, to assist with the increase in classroom computers as a result of the additional 120 children and seven (7) additional classrooms for expansion. In addition this position will assist with the maintenance and use of current hardware and software for all program operations. The other new position is a **clerical position** with an annual salary of \$17,550.54 for Edinburg IV. This center's enrollment has increased by forty (40) children or two (2) additional classrooms. Currently all centers with eight (8) classrooms or more are assigned a center clerk.

Administration is also including in this budget the reclassification of one vacancy in the Field Operations department from **Warehouse Courier**, with an annual salary of \$17,555.20, to **Warehouse Coordinator**, with an annual salary of \$29,224.00. This position will be responsible for a computerized perpetual inventory system, shipping and receiving, and for the supervision of the deliveries of supplies to all centers. This position will also strengthen our internal controls resulting in better accountability of program supplies and equipment.

The position of Mental Health Director with an annual salary of \$52,609.02 has been reclassified to Mental Health Coordinator with an annual salary of \$37,060.61, as per Policy Council (11/8/2010). This position reports to the direction of the Director of Health.

- **Fringe Benefits \$906,326.50.** The increase in this line item is due to health insurance premiums budgeted at the undiscounted rate. If rates are discounted after the submittal of the budget, administration will make the appropriate recommendation to the Policy Council. In addition fringe benefits also amplified as a result of the COLA (Cost Of Living Adjustment) increase.
- **Equipment (\$90,000).** The reduction in this line item indicates that any equipment needed under this grant award was purchased in 2010. No additional equipment will be necessary in 2011.
- **Supplies (\$496,756).** Expenses in the category are significantly reduced in 2011, due to the additional purchases made possible in 2010 as a result of the reduction in workers compensation rates and health insurance premium discounts.
- **Other (\$219,194.39).** This category will also be significantly reduced for 2011. The most significant of these is our expenses for **telephone**. In 2010 a new telephone system was approved which included a one-time equipment cost. It is anticipated that the new more efficient system will also be a catalyst for cutting communication overall costs. **Fuel** has also been reduced as we participate more fully in the County's Co-op contract.

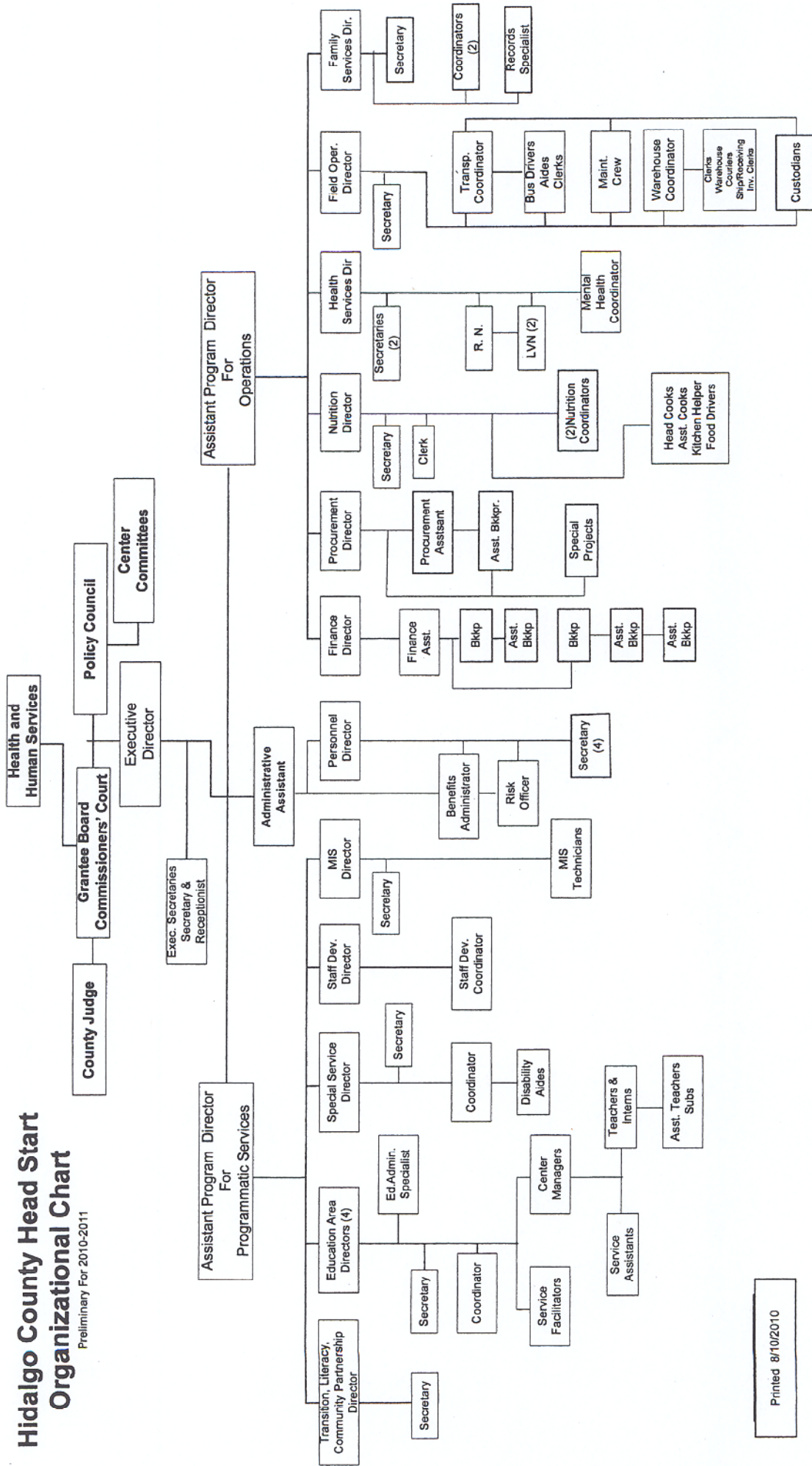
More detailed changes impacting all other line items are reflected in the attached Budget Analysis for review and discussion.

Hidalgo County Head Start Program
2011 Budget Analysis

Description	2010	2011	Difference	Comments/Notes
Salaries/Fringes				
Salaries	15,632,552.45	15,954,991.31	322,438.86	Cost of Living Adjustment
Fringes/Pension Adm Costs	4,475,991.18	5,382,317.68	906,326.50	In FY2010 health ins costs were reduced by 30% and W/C costs were not assessed
Total Salaries/Fringes	20,108,543.63	21,337,309.00	1,228,765.37	
Out of Town Travel	10,000.00	10,000.00	0.00	
Equipment	90,000.00	-	(90,000.00)	Purchased new vans in 2010/New color printer needed for 2011
Supplies				
Office	102,587.60	94,000.00	(8,587.60)	Reduction in costs/orders
Postage	6,500.00	10,000.00	3,500.00	Costs for postage has increased from .41cents to .44cents
Classroom/Consum	300,000.00	176,659.20	(123,340.80)	Savings on health benefits in 2010 allowed for more spending for classroom supplies
Classroom/Non Con	457,401.77	153,159.19	(304,242.58)	Savings on health benefits in 2010 allowed for more spending for classroom supplies
Maintenance	215,000.00	215,000.00	0.00	
Janitorial	100,000.00	100,000.00	0.00	
Medical	20,500.00	15,500.00	(5,000.00)	Reduction in costs/orders
Playground	0.00	900.00	900.00	Special playground equipment needed for disability children enrolled
Operational	168,000.00	108,015.00	(59,985.00)	Reduction in costs/orders
Total Supplies	1,369,989.37	873,233.39	(496,755.98)	
Other				
Center Space	155,000.00	155,000.00	0.00	
Telephone	322,900.00	165,300.00	(157,600.00)	New phone system was budgeted for 2010
Utilities	673,000.00	669,255.61	(3,744.39)	New thermostats were installed and roof repairs were done/increased efficiency
Local Travel	102,000.00	97,000.00	(5,000.00)	Federal reimbursement rates (\$.55) were reduced to \$.50
Renovations	0.00	0.00	0.00	
Audit	32,000.00	32,000.00	0.00	
Dental Serv	24,500.00	27,000.00	2,500.00	Additional student enrollment
Disability Serv	13,000.00	8,000.00	(5,000.00)	More children qualify for medicaid services
Mental Health	33,000.00	32,150.00	(850.00)	More children qualify for medicaid services
Medical Serv	10,000.00	12,000.00	2,000.00	Additional student enrollment
Printing- Admin	9,700.00	9,700.00	0.00	
Printing Center	32,300.00	33,800.00	1,500.00	Rising printing costs
Subscriptions	0.00	0.00	0.00	
Insurance	142,000.00	142,000.00	0.00	
Vehicle Maintenance	150,000.00	150,000.00	0.00	
Fuel	173,000.00	125,000.00	(48,000.00)	County Co-op contract
Equip. Repair-Admin	10,000.00	3,000.00	(7,000.00)	Updated/new equipment
Equip. Repair-Center	48,000.00	48,000.00	0.00	
Equip. Rental	12,900.00	12,900.00	0.00	
Parent Involvement	30,000.00	32,000.00	2,000.00	Rising costs for parent incentives and additional student enrollment
Babysitting Reimb	2,880.00	2,880.00	0.00	
CDAV T.T.A.	269,033.00	269,033.00	0.00	
Legal Fees	57,500.00	57,500.00	0.00	
Advertising	5,000.00	5,000.00	0.00	
AA Program	65,000.00	65,000.00	0.00	
Total Other Expend.	2,372,713.00	2,153,518.61	(219,194.39)	
Total Oper. Budget	\$3,842,702.37	\$3,036,752.00	(805,950.37)	
Total Budget	23,951,246.00	24,374,061.00	422,815.00	<i>Difference is Cost of Living Adjustment</i>

Hidalgo County Head Start Organizational Chart

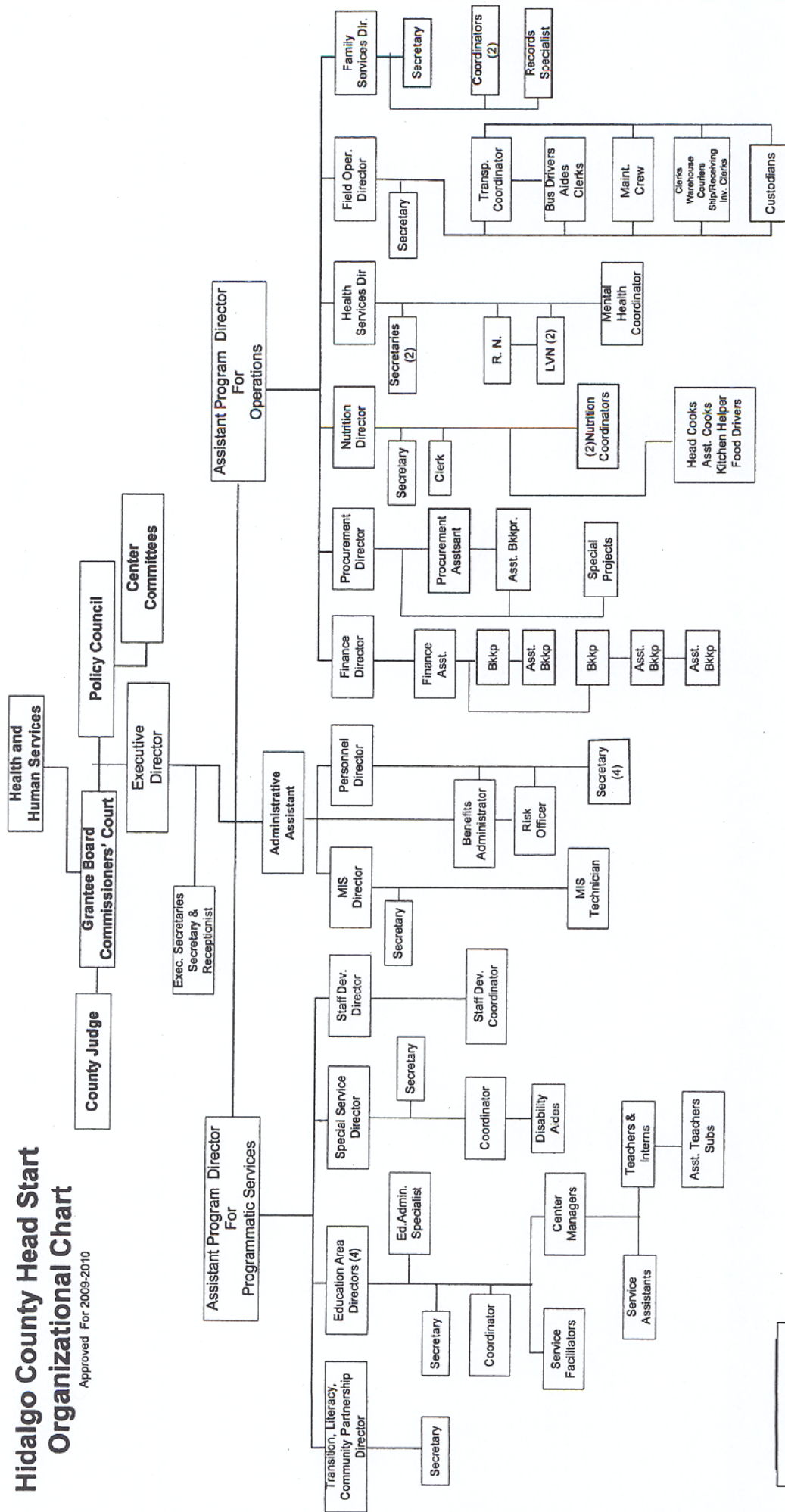
Preliminary For 2010-2011



Printed 8/10/2010

Hidalgo County Head Start Organizational Chart

Approved For 2009-2010



Printed 8/10/2010



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Regional Office VI
1301 Young St, Room 937
Dallas, TX 75202-5433

July 1, 2010

Rene Ramirez, County Judge
Hidalgo County Head Start Program
P.O. Box 0117
Edinburg, TX 78540-0117

Re: Grant No. 06CH0183

Dear Ms. Ramirez:

An application for continued refunding of your organization's Head Start and/or Early Head Start grant for the budget period 01/01/2011 - 12/31/2011 is due 10/1/2010, ninety days prior to the start of your budget period. This letter provides guidance on the requirements for submission of the continuation application.

For planning purposes, the application should reflect the enrollment and funding levels in the table below.

PROGRAM ACCOUNT (PA)	PROJECTED FUNDING	FUNDED ENROLLMENT
PA 4122 – Head Start Program Operations	\$24,105,028	3570
PA 4120 – Head Start Training and Technical Assistance	\$269,033	
PA 4125 – Early Head Start Program Operations		0
PA 1126 – Early Head Start Training and Technical Assistance		
Total	\$24,374,061	3570

The projected funding levels for PA's 4122 and 4125 reflect the permanent cost-of-living adjustment (COLA) increase of 1.84 percent contained in the Fiscal Year (FY) 2010 appropriation for the Head Start program. Funding in FY 2011 at the specified levels for PA's 4122 and 4125 noted in the above table is contingent upon your organization's submission of an approvable supplemental application in FY 2010 that meets the criteria in Program Instruction ACF-PI-HS-10-01, dated February 17, 2010. The projected PA 4120 allocation for Head Start

remains at the prior year level. The projected funding level for PA 1126 is calculated at 2.5 percent of the projected PA 4125 funding level.

Funding is contingent upon the availability of federal funds and satisfactory performance by your organization under the terms and conditions of the Head Start grant in the current budget period. The funding levels noted above must support all Head Start budgeted program costs, both direct and, if appropriate, indirect costs.

The application for continued refunding must be prepared in accordance with the instructions in Information Memorandum ACYF-IM-HS-00-12, dated April 25, 2000. This information is available electronically at the following link: <http://eclkc.ohs.acf.hhs.gov/hslc>. As noted in the Information Memorandum, Head Start and Early Head Start grantees are required to submit a full application once every three years. In the other two years, grantees need only submit budget information, describe the progress they are making toward their community needs and objectives and explain proposed significant changes to their programs. In preparing the summary of findings from your community assessment for a full application and the updates for abbreviated applications, you must provide a breakout of the proposed enrollment levels for each county within your service area in the application.

You are considered to be in year 3 of the application cycle and are required to complete an abbreviated application. We encourage you to carefully review ACYF-IM-HS-00-12, the attached instructions and this guidance prior to preparing your application. **Incomplete applications will not be processed and may affect the timely award of Federal funding.**

Grantees are expected to use the web-based Grant Application Budget Instrument (GABI) to complete their applications. GABI is available in the Head Start Enterprise System (HSES) at <https://hses.ohs.acf.hhs.gov/hsprograms>. Training materials can be found in the "Instructions" section of HSES. For further assistance, please contact HSESHelp@acf.hhs.gov or 1-866-771-4737.

Approvals

Governing body approval is required on the application for continuation funding. The Standard Form SF-424 must be submitted under the signature of the Board Chairperson, as required in Program Instruction ACF-PI-HS-06-01, dated September 19, 2006. In addition, Policy Council approval is required. A signed statement by the Policy Council Chair and accompanying minutes demonstrating participation in the development and approval of the application must be submitted with the application. If the Policy Council has not approved the application, a letter from the Policy Council indicating its reasons for withholding approval is required.

Risk Management

The risk management process implemented by the Office of Head Start is a prevention/early intervention strategy that integrates the funding, monitoring and technical assistance processes. Through this process, potential risks and areas for improvement are identified along with strengths, areas of pride and innovative practices.

Your agency recently participated in a risk management meeting and may have received a copy of the action plan shortly after the meeting occurred. The refunding application should address the action steps that were specifically identified for inclusion in either your Training and Technical Assistance (T/TA) Plan or the grant application itself.

Development of the Training and Technical Assistance Budget

Grantees should develop T/TA plans that assure sufficient resources are devoted to address all T/TA needs, particularly those which impede their ability to provide quality and comprehensive services to all enrolled children and families. The application must include your T/TA plan and an accompanying narrative on the T/TA needs. The results of the grantee's self assessment and the improvement plan must be included in the application to evaluate the appropriateness of the T/TA plan.

Grantees with identified areas of non-compliance and/or deficiencies should invest appropriate resources to assure correction is achieved. If the direct funding for T/TA is not sufficient to meet all of the identified needs in your annual T/TA plan, grantees may use operational funds available to them in the annual grant award.

Cap on Employee Compensation

Section 653 of the Head Start Act places limitations on the compensation of Head Start staff. Specifically, the Act prohibits the use of **any** Federal funds, including Head Start grant funds, to pay any part of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for Level II of the Executive Schedule, currently \$179,700. Program Instruction ACF-PI-HS-08-03, issued May 12, 2008, provides guidance on this requirement and defines compensation. No funds may be charged to the Head Start grant or to any other Federal program either as a direct cost or any pro-ration as an indirect cost for an employee whose compensation exceeds \$179,700. Please ensure that your refunding application demonstrates that the compensation policies of your agency and those of any delegate agencies, if applicable, comply with the compensation cap guidelines.

Submission Information

Grantees are strongly encouraged to submit refunding applications online via the HSES. If you submit the application via HSES, you must still provide the original signature pages for the Standard Form (SF) 424, Application for Federal Assistance, and SF-424B, Assurances – Non-Construction Programs, to:

Ray Bishop, Regional Grants Management Officer
Office of Grants Management
Administration for Children and Families
1301 Young Street, Room 937
Dallas, TX 75202-5433

If a grantee does not choose to submit the refunding application via HSES, the original application, required forms and certifications and two copies must be submitted to the address listed above.

A checklist is enclosed to assist you in ensuring the application contains all of the required information. If you have any questions or require assistance, please contact Alfredo Huerta, your Head Start Program Specialist, at (214)767-8859 or alfredo.huerta@acf.hhs.gov or Eric Weiss, your Grants Management Specialist, at (214)767-8823 or eweiss@acf.hhs.gov. Thank you for your cooperation and timely submission of your grant application.

Sincerely,

/s/

Susan Johnston
Regional Program Manager
Office of Head Start, Region VI

Enclosure

cc: Executive Director