



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

Date: August 26, 2011

To: Hidalgo County Commissioners' Court

From: Teresa Flores, Executive Director *Teresa Flores*

Subject: 2012 Budget (Health and Human Services Dept.)
2012 Budget for Nutrition (Texas Department of Agriculture)

The Hidalgo County Head Start Program Budgets to be submitted to the Department of Health and Human Services and to the Texas Department of Agriculture for meal reimbursements for fiscal year 2012 are attached for your review consideration and approval.

The Hidalgo County Head Start Program will submit a Continuation Funding Application for FY2012 (1/1/2012 to 12/31/2012) under Grant No. O6CH0 183 to the **Department of Health and Human Services** in the amount of **\$24,827,961.** This amount represents an increase of **\$453,900** over last year's initial award as a result of the extension of the ARRA funding.

This budget proposal is a plan to maximize the Federal grant awards from the Department of Health and Human Services and the Texas Department of Agriculture. The proposed Head Start budget for 2012 reflects the Program's continued commitment towards meeting all Head Start mandates for staff qualifications. This budget extends the parity and equity applied to teachers' and center managers' positions, to other positions within the Head Start Program based on educational qualifications. This was made possible by maximizing the Reimbursement grant from the Texas Department of Agriculture

The most significant changes when comparing the 2012 budget to the proposed 2012 budget for the **Department of Health and Human Services** are reflected in the following line items.

- **Salaries \$522,993.62.** The increase in this line item is mostly due to the additional funding awarded under the American Recovery and Reimbursement Act (ARRA) in order to continue our expansion efforts

One (1) new position is included in this budget for a **Facilitator for the Community Partnerships and Transition department** with an annual salary of \$29,224.00. This position is necessary due to the increased enrollment as well as to new initiatives as a result of collaborations with the school districts to meet mandates.

Administration is also including in this budget the reclassification of one vacancy in the **Management Information Department (MIS)** department from **MIS Tech I to MIS Facilitator Tech I** with an annual salary of \$27,331.20. This position will assist with the additional workload as a result of the added classrooms. It will also assist with the increased networking capabilities as 100 % of our facilities come online. Additionally in keeping with Head Start protocol, the following budgeted positions reflect a parity enhancement based on educational attainment.

Positions	Non Degree	Associate Degree	Baccalaureate Degree	Master Degree
Coordinator	31,470.40	\$33,862.40	\$37,065.60	\$38,565.60
Director	52,624.00	\$54,124.00	\$55,624.00	\$57,124.00
Officer	50,232.20	N/A	50,232.20	N/A
Specialist	39,790.40	N/A	\$39,790.40	N/A

The Executive Secretary positions will also reflect a parity adjustment.

- **Supplies \$7,000.** Expenses in the category are slightly higher due to additional supplies for expansion efforts under the American Recovery and Reimbursement Act (ARRA)
- **Other (\$200,365.90).** This category has experienced significant net reduction in expenses for 2012. The most significant of these is our reduction in the usage of electricity **\$245,665.90** under utilities, as we continue with our program of replacing thermostats in our facilities and roof repairs.

The application for food services to the **Texas Department of Agriculture** for FY2012 (10/1/2011 to 9/30/2012) for reimbursement under **The Child and Adult Care Food Program** is in the amount of \$2,839,002.98. This application reflects an estimated increase in reimbursement of \$53,947.84, due to an upward adjustment in the rate of reimbursement from \$5.1625 to 5.265 (.1000).

The most notable changes from the 2011 budget are as follow:

- **Salaries and Fringe Benefits \$90,785.44.** The rise in these line items is due to the increased contribution of 6% towards the cost of funding custodians' salaries. This budget reflects a total 39% contribution.
- **Equipment \$55,000.** This category reflects the purchase of three food delivery vans to replace exiting older ones with excessive mileage and repair costs.

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

**Hidalgo County Head Start Program
2012 Budget Analysis**

Description	2011	2012	Difference	Comments/Notes
Salaries/Fringes				
Salaries	15,954,991.31	16,477,984.93	522,993.62	ARRA Funding
Fringes/Pension Adm Costs	5,382,317.68	5,506,589.97	124,272.29	ARRA Funding/No workers comp rates assessed
Total Salaries/Fringes	21,337,308.99	21,984,574.89	647,265.90	
Out of Town Travel	10,000.00	10,000.00	-	
Equipment	-	-	-	
Supplies				
Office	94,000.00	94,000.00	-	
Postage	10,000.00	10,000.00	-	
Classroom/Consum	176,659.20	176,659.20	-	
Classroom/Non Con	153,159.20	153,159.20	-	
Maintenance	215,000.00	215,000.00	-	
Janitorial	100,000.00	100,000.00	-	
Medical	15,500.00	15,500.00	-	
Playground	900.00	900.00	-	
Operational	108,015.00	115,015.00	7,000.00	Additional costs needed for ARRA classrooms and T-1 lines connected at centers
Total Supplies	873,233.40	880,233.40	7,000.00	
Other				
Center Space	155,000.00	155,000.00	-	
Telephone	165,300.00	202,200.00	36,900.00	(16) T-1 Lines Added
Utilities	669,255.61	423,589.71	(245,665.90)	New thermostats were installed and roof repairs were done/increased efficiency
Local Travel	97,000.00	97,000.00	-	
Renovations	0.00	0.00	-	
Audit	32,000.00	32,000.00	-	
Dental Serv	27,000.00	27,000.00	-	
Disability Serv	8,000.00	8,000.00	-	
Mental Health	32,150.00	32,150.00	-	
Medical Serv	12,000.00	12,000.00	-	
Printing- Admin	9,700.00	9,700.00	-	
Printing Center	33,800.00	48,300.00	14,500.00	Forms updated/revised for accountability/monitoring; rising costs
Insurance	142,000.00	142,000.00	-	
Vehicle Maintenance	150,000.00	150,000.00	-	
Fuel	125,000.00	125,000.00	-	
Equip. Repair-Admin	3,000.00	3,000.00	-	
Equip. Repair-Center	48,000.00	48,000.00	-	
Equip. Rental	12,900.00	12,900.00	-	
Parent Involvement	34,880.00	34,880.00	-	
CDA/ T.T.A.	269,033.00	272,933.00	3,900.00	Additional funding for ARRA staff to obtain educational training
Legal Fees	57,500.00	57,500.00	-	
Advertising	5,000.00	5,000.00	-	
AA Program	65,000.00	55,000.00	(10,000.00)	More staff has met the educational requirements/credentials
Total Other Expend.	2,153,518.61	1,953,152.71	(200,365.90)	
Total Oper. Budget	\$3,036,752.01	\$2,843,386.11	(193,365.90)	
Total Budget	24,374,061.00	24,827,961.00	453,900.00	ARRA Funding (Carry Forward)

Texas Department of Agriculture (TDA)

Budget Analysis

Description	2010-2011	2011-2012	Difference	Comments/Notes
Salaries/Fringes				
Salaries	886,498.29	952,657.47	66,159.18	TDA is paying 39 % of the custodians salaries/ last year was 33%.
Fringes/Pension Adm Costs	323,167.00	347,793.26	24,626.26	TDA is paying 39 % of the custodians fringes/ last year was 33%.
* Total Salaries/Fringes	1,209,665.29	1,300,450.73	90,785.44	
Food	1,288,400.40	1,164,178.40	(124,222.00)	Utilitizing cost effective strategies by comparing co-op bids.
Supplies and Equipment				
Equipment	-	55,000.00	55,000.00	To purchase 3 new vans to transport food production to 43 centers.
Non-Food Supplies	151,678.90	160,000.00	8,321.10	Anticipate ordering more supplies to cover 120 additional children.
Office Supplies	7,412.91	7,789.33	376.42	To cover costs for 2 vacant positions pending hire date.
Purchased Services				
Equipment Maintenance	30,000.00	38,902.91	8,902.91	Anticipate cost rising due to outdated electrical/equipment.
Vehicle Maintenance	13,000.00	13,000.00	-	
Vehicle Fuel	23,946.84	23,946.84	-	
Utilities	38,850.00	42,999.92	4,149.92	To cover costs at the additional sites for the 120 additional children.
Telephone	7,000.00	7,000.00	-	
Media Costs	1,000.00	2,300.00	1,300.00	Rising printing costs.
Organization Costs				
Local Travel	7,425.80	5,499.65	(1,926.15)	Plan to reduce/coordinate travel frequency to kitchen sites.
T & TA	6,675.00	17,935.20	11,260.20	Food handlers permit for 735 employees @ \$15.32/person.
* Total Operating Expenses	1,575,389.85	1,538,552.25	(36,837.60)	
Total Budget	2,785,055.14	2,839,002.98	53,947.84	<i>Rate per meal increased from \$5.1625 to \$5.2625.</i>

Reimbursement Formula:

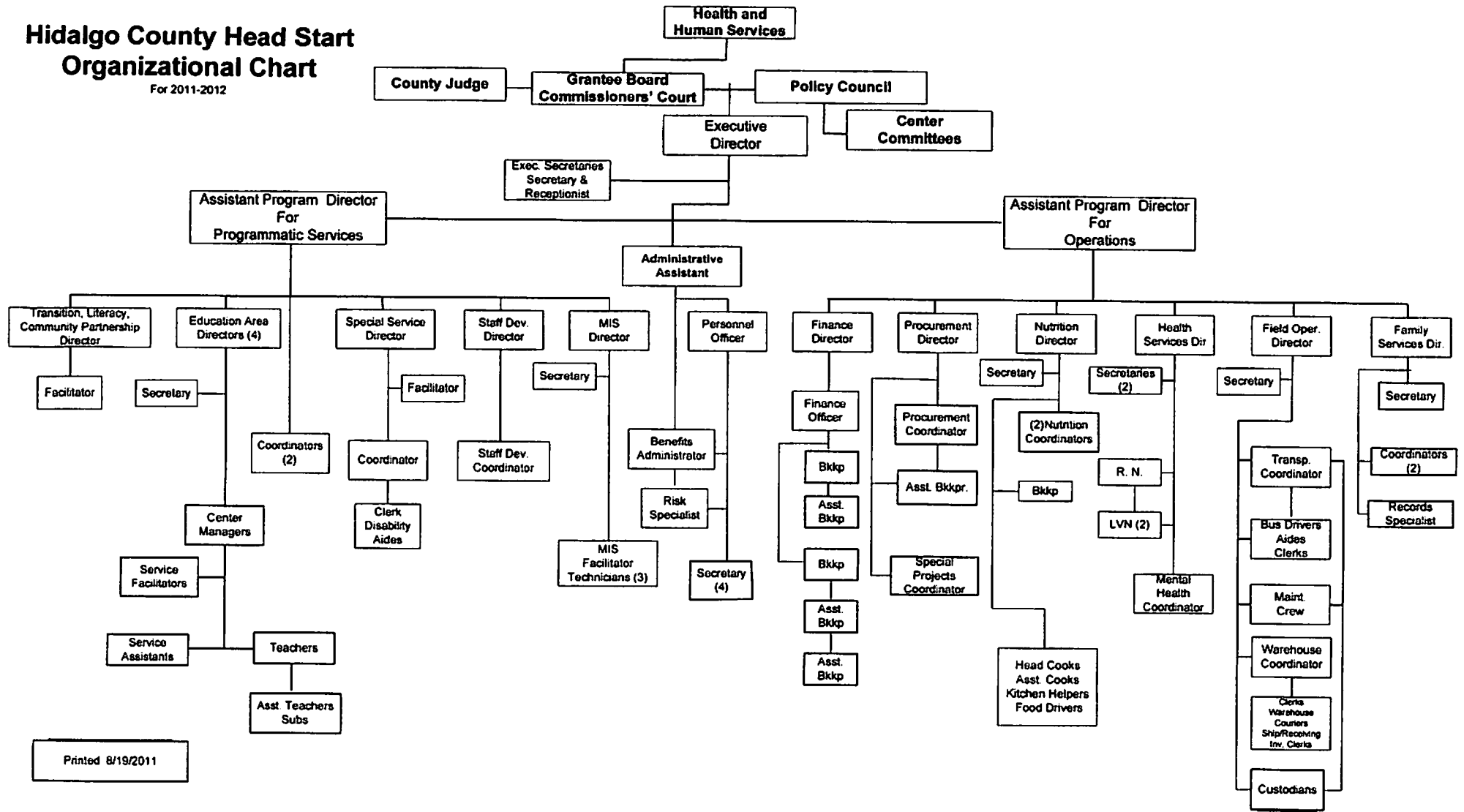
172 Service Days x 3,690 Children x 85% ADA x \$5.2625 Reimbursement Rate = \$2,839,002.98

Reimbursement Rate is Calculated as follows:

Breakfast	1.51
Lunch	2.77
Snack	0.76
Cash-in-Lieu of Commodities:	0.2225
Reimbursement Rate	5.2625

Hidalgo County Head Start Organizational Chart

For 2011-2012



Printed 8/19/2011



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

June 30, 2011

Mr. Ramon Garcia, Board Chairperson
Hidalgo County Head Start Program
P.O. Box 0117
Edinburg, TX 78540-0117

Re: Grant No. 06CH0183

Revised

Dear Mr. Garcia:

An application for continued refunding of your organization's Head Start and/or Early Head Start grant for the budget period 01/01/2012– 12/31/2012 is due 10/01/2011, 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	\$ 24,555,028	3,690
PA 4120 – Head Start Training and Technical Assistance	\$ 272,933	
PA 4125 – Early Head Start Program Operations	\$ 0	0
PA 1126 – Early Head Start Training and Technical Assistance	\$ 0	
Total	\$ 24,827,961	3,690

The projected funding level for PA 4122 includes \$450,000 to sustain expansion enrollment for 120 Head Start children through September 29, 2012. The projected PA 4120 allocation for Head Start is the same amount as FY 2011, inclusive of funds for the expansion slots. The projected funding level for PA 4125 is the same amount allocated for the program in FY 2011. 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 1 of the application cycle and are required to complete a full 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, Texas 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) 767-8842 or eric.weiss@acf.hhs.gov. Thank you for your cooperation and timely submission of your grant application.

Sincerely,

A handwritten signature in cursive script that reads "Debbie Drake".

Debbie Drake
Acting Regional Program Manager
Office of Head Start, Region VI

Enclosure

cc: Executive Director