

Hidalgo County Head Start Program

Policy Council Regular Agenda

DATE: September 17, 2012

SUBJECT: Discussion/Approval to Submit the Following 2013 Budget Applications:
a. Department of Health and Human Services (DHHS)
b. Texas Department of Agriculture (TDA)

RATIONALE/NEED: Every year the Program must submit the Continuation Budget Application and the Texas Department of Agriculture budget application in order for the Program to continue providing comprehensive services to the children and their families.

RECOMMENDATION: Administration recommends approval.

COST: N/A

RELATED INFORMATION INCLUDES: Memorandum, DHHS and TDA Budgets

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 12, 2012

To: Hidalgo County Policy Council
Hidalgo County Commissioners' Court

From: Teresa Flores, Executive Director *Teresa Flores*

C.C: Edmundo Garcia, Assistant Program Director
Nora Munoz, Assistant Program Director
Elma Keller, Chief Financial Officer

Subject: 2013 Budget (Health and Human Services Dept.)
2013 Budget for Nutrition (Texas Department of Agriculture)

The Hidalgo County Head Start Program is submitting a Continuation Funding Application for FY2013 (1/1/2013 to 12/31/2013) under Grant No. O6CH0183 to The Administration for Children and Families, Department of Health and Human Services in the amount of \$25,461,897.

The proposed funding level from the Department Of Health and Human Services includes additional funding awarded in 2012. This funding includes Expansion under American Recovery and Reimbursement Act (ARRA) and Cost Of Living Adjustment (COLA) funds for salaries and Fringe Benefits.

The attached Head Start Program budget for 2013 reflects the Program's continued commitment to comply with all Head Start Federal Standards and requirements as per the Head Start Act of 2007. Additionally, the budget also reflects the Texas Department of Agriculture reimbursement grant totaling \$2,922,622 for nutritional services, under the Child and Adult Care Food Program.

The most significant changes when comparing the 2012 beginning budget to the proposed 2013 budget for the Department of Health and Human Services are reflected in the following line items:

- **Salaries \$330,199.** The noticeable difference in this line item when compared to the initial 2012 budget is due to the additional funding awarded under the American Recovery and Reimbursement Act (ARRA) in order to continue our expansion efforts. In addition this line item includes funding awarded after the initial 2012 budget for cost of living adjustments.

- **Fringe Benefits \$447,998.** The additional funds allocated to this line item reflect the impact of the Cost of Living Adjustment awarded after the initial funding in 2012 which became permanent in our 2013 funding. The largest impact in this line item (\$367,533) is due to workers' compensation costs, which were previously paid out of the workers' compensation fund reserves.
- **Supplies (\$154,778).** The net impact in the category is a slight reduction in anticipated expenses due to the non-reallocation of funds under the American Recovery Act (ARRA) for 2013 as well as to the realignment of expenditures with actual costs.
- **Other \$10,516.** This category is expected to experience a net increase in expenses for 2013. Rental costs reflect our new A-1 Center in McAllen along with anticipated utility costs. This line item also includes costs for T-1 lines that will be installed at various centers to enhance our network capabilities. New bank fees are also reflected in this category. Other costs such as dental services, disability services, mental health services and medical services are anticipated to decrease as a result of an increase in children meeting Medicaid requirements.

Texas Department of Agriculture Funding For Nutritional Services

The application for food services to the **Texas Department of Agriculture** for FY2012 (10/1/2012 to 9/30/2013) for reimbursement under **The Child and Adult Care Food Program** is in the amount of \$2,922,622. This application reflects an estimated increase in reimbursement of \$83,619 due to an upward adjustment in the rate of reimbursement from \$5.2625 to 5.4175 (.1550) per child/per day.

The most notable changes from the 2012 budget are as follow:

- **Salaries \$14,608.** This line item reflects an increase as a result of the Cost of Living Adjustment (COLA).
- **Fringe Benefits \$78,503.** The additional funds allocated to this line item reflect the impact of the Cost of Living Adjustment and the workers' compensation costs, which were previously paid out of the workers' compensation fund's reserves.
- **Food \$27,903.** This line item captures all food costs related to the production of meals. The minor increase in this line item is anticipated due to the slight costs increase we have experienced in food related items during the year.
- **Total Operating Expenses (\$9,492).** This category represents a slight net decrease, when compared to the previous year budget. This charge is primarily due to the realignment of budget to actual expenditures for the year.

Under the subcategories of supplies and equipment the Nutrition Program proposes to purchase three delivery vans, to replace old ones that have excessive mileage and are in need of repairs. The attached list outlines the inventory of vehicles. Non-food supplies costs were realigned to actual year-end expenditures allowing the projected slight reduction budgeted costs.

For the subcategory of Purchased services the program anticipates a slight reduction in costs, as a result of the proposed vehicle purchase. Organization costs are also expected to be at the same level as last year.

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

**Hidalgo County Head Start Program
2013 Budget Analysis**

Description	2012	2013	Difference	Comments/Notes
Salaries/Fringes				
Salaries	16,477,984.93	16,808,184.73	330,199.80	COLA Employees/Salaries
Fringes/Pension Adm Costs	5,506,589.97	5,954,588.76	447,998.79	COLA Benefits and Worker's Comp rates for 2013
Total Salaries/Fringes	21,984,574.90	22,762,773.49	778,198.59	
Out of Town Travel	10,000.00	10,000.00	-	
Equipment	-	-	-	
Supplies				
Office	94,000.00	79,500.00	(14,500.00)	Reduced the ARRA funding appropriations for 2013
Postage	10,000.00	10,000.00	-	
Classroom/Consum	176,659.20	120,700.00	(55,959.20)	Reduced the ARRA funding appropriations for 2013
Classroom/Non Con	153,159.20	102,000.00	(51,159.20)	Reduced the ARRA funding appropriations for 2013
Maintenance	215,000.00	200,000.00	(15,000.00)	Reduced the ARRA funding appropriations for 2013
Janitorial	100,000.00	100,000.00	-	
Medical	15,500.00	13,500.00	(2,000.00)	Realigned expenditures with actual costs
Playground	900.00	-	(900.00)	Supplies ordered for children w/disabilities in 2012
Operational	115,015.00	99,755.00	(15,260.00)	Reduced the ARRA funding appropriations for 2013
Total Supplies	880,233.40	725,455.00	(154,778.40)	
Other				
Center Space	155,000.00	167,911.00	12,911.00	Austin One Stop Head Start Center Rental Costs
Telephone	202,200.00	214,200.00	12,000.00	Additional T-1 lines used for networking
Utilities	423,589.71	433,844.51	10,254.80	Increase in utility rates
Local Travel	97,000.00	87,400.00	(9,600.00)	Realigned expenditures with actual costs
Renovations	0.00	-	-	
Audit	32,000.00	35,000.00	3,000.00	Audit fees slightly increased
Dental Serv	27,000.00	25,000.00	(2,000.00)	More children qualify for medicaid services
Disability Serv	8,000.00	5,000.00	(3,000.00)	More children qualify for medicaid services
Mental Health	32,150.00	25,000.00	(7,150.00)	More children qualify for medicaid services
Medical Serv	12,000.00	6,000.00	(6,000.00)	More children qualify for medicaid services
Printing- Admin	9,700.00	11,200.00	1,500.00	Realigned expenditures with actual costs
Printing Center	48,300.00	40,500.00	(7,800.00)	Realigned expenditures with actual costs
Insurance	142,000.00	140,000.00	(2,000.00)	Realigned expenditures with actual costs
Vehicle Maintenance	150,000.00	150,000.00	-	
Fuel	125,000.00	125,000.00	-	
Equip. Repair-Admin	3,000.00	1,500.00	(1,500.00)	Equipment has been updated/less repairs needed
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.	272,933.00	276,833.00	3,900.00	Increased funding
Legal Fees	57,500.00	57,500.00	-	
Bank Fees	-	6,000.00	6,000.00	Beginning 2012 Bank Fees are being assessed
Advertising	5,000.00	5,000.00	-	
AA Program	55,000.00	55,000.00	-	
Total Other Expend.	1,953,152.71	1,963,668.51	10,515.80	
Total Oper. Budget	\$2,843,386.11	\$2,699,123.51	(144,262.60)	
Total Budget	24,827,961.01	25,461,897.00	633,935.99	

Texas Department of Agriculture (TDA) Budget Analysis

Description	2011-2012	2012-2013	Difference	Comments/Notes
Salaries/Fringes				
Salaries	952,657.47	967,265.31	14,607.84	Cost of Living Adjustment (COLA)
Fringes/Pension Adm Costs	347,793.26	426,296.28	78,503.02	COLA and Worker's Compensation costs now assessed for 2013
* Total Salaries/Fringes	1,300,450.73	1,393,561.59	93,110.86	
Food	1,164,178.40	1,192,081.37	27,902.97	Food costs are increasing
Supplies and Equipment				
Equipment	55,000.00	60,000.00	5,000.00	To purchase 3 new vans to transport food production to 43 centers.
Non-Food Supplies	160,000.00	116,534.42	(43,465.58)	Anticipate ordering less supp/Realigned expenditures with actual costs
Office Supplies	7,789.33	7,789.33	-	
Purchased Services				
Equipment Maintenance	38,902.91	37,902.90	(1,000.01)	Anticipate less expenditures with the repairs made in 2012
Vehicle Maintenance	13,000.00	8,570.57	(4,429.43)	Anticipate less repairs with the purchase of 3 new vans
Vehicle Fuel	23,946.84	23,946.84	-	
Utilities	42,999.92	42,999.92	-	
Telephone	7,000.00	7,000.00	-	
Subscriptions	1,000.00	2,000.00	-	
Media Costs	2,300.00	2,300.00	-	
Organization Costs				
Local Travel	5,499.65	5,000.00	(499.65)	Realigning expenditures with actual costs
T & TA	16,935.20	22,935.12	5,999.92	Food handlers permit costs for center/kitchen staff
* Total Operating Expenses	1,538,552.25	1,529,060.47	(9,491.78)	
Total Budget	2,839,002.98	2,922,622.06	83,619.08	<i>Rate per meal increased from \$5.2625 to \$5.4175 for 2012-2013.</i>

Reimbursement Formula:

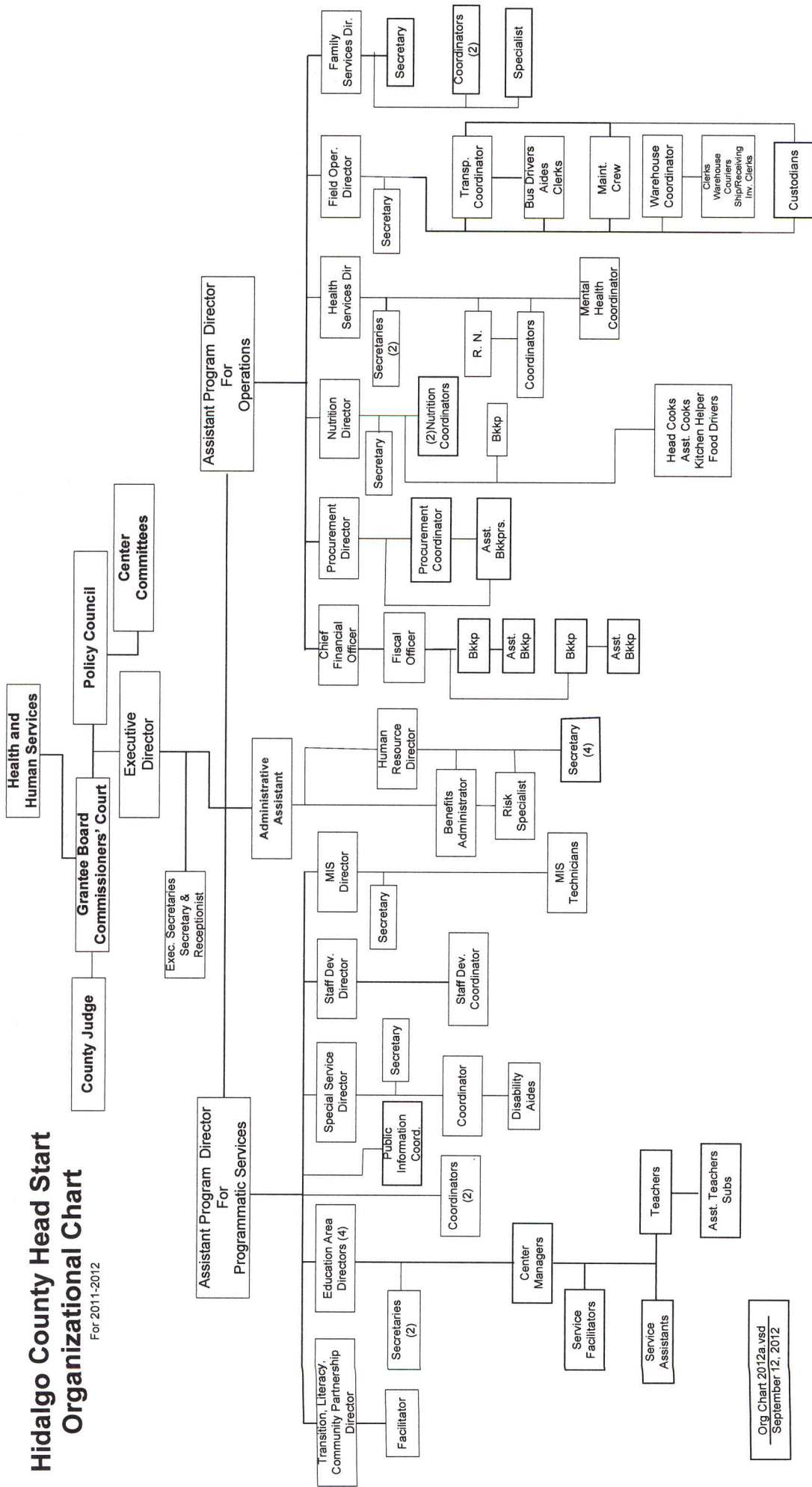
172 Service Days x 3,690 Children x 85% ADA x \$5.4175 Reimbursement Rate = \$2,922,622.07

Reimbursement Rate is Calculated as follows:

Breakfast	1.55
Lunch	2.86
Snack	0.78
Cash-in-Lieu of Commodities:	0.2275
Reimbursement Rate	<u><u>5.4175</u></u>

Hidalgo County Head Start Organizational Chart

For 2011-2012



Org Chart 2012a.vsd
September 12, 2012



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of Head Start, Region VI, 1301 Young Street, Room 937, Dallas, TX 75202
www.eclkc.ohs.acf.hhs.gov

July 2, 2012

Ramon Garcia, County Judge
HIDALGO COUNTY HEAD START PROGRAM
P.O. Box 0117
Edinburg, TX 78540

Re: Grant No. 06CH0183

Dear Mr. Garcia:

An application for continued refunding of your organization's Head Start and/or Early Head Start grant for the budget period 1/1/2013 – 12/31/2013 is due 10/1/2012, ninety days prior to the start of the 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.

Common Accounting Number (CAN)	Projected Funding	Funded Enrollment
G064122 – Head Start Program Operations	\$25,185,064	3,690
G064120 – Head Start Training and Technical Assistance	\$276,833	
G064125 – Early Head Start Program Operations		0
G061126 – Early Head Start Training and Technical Assistance		
TOTAL	\$25,461,897	3,690

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 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. You are considered to be in year two of the application cycle and are required to complete an abbreviated application. Please review ACYF-IM-HS-00-12, the attached instructions and this guidance carefully prior to preparing your application.

The application must be submitted using the Standard Form 424 (SF-424), Application for Federal Assistance. 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.

The application must contain the proposed budget, budget justification and program narrative. Breakouts must be provided on the SF-424A, Budget Information – Non-Construction Programs, for the distribution of funds by object class categories. The proposed budget must support all program costs, both direct and, if appropriate, indirect costs. In Section B of the SF-424A, use a separate column to reflect the amounts by object class categories for operations and training and technical assistance (T/TA) funds for Head Start and/or Early Head Start. Section 4, Forecasted Cash Needs, of the SF-424A, should accurately reflect the funds needed for each quarter of the year based on the expected outlays and timing of operational expenditures. A separate SF-424A must be submitted for each delegate agency. **Incomplete applications will not be processed.**

Long Range Goals and Objectives

The full and abbreviated applications must provide, as part of the goals and objectives of the program, a description of program goals for improving the school readiness of children. School readiness goals, as defined in 45 C.F.R. §1307.2, effective December 9, 2011, articulate the expectations of children's status and progress across domains of language and literacy development, cognition and general knowledge, approaches to learning, physical well-being and motor development, and social and emotional development that will improve their readiness for kindergarten.

The application should contain a description of the following:

- The program's goals and your progress in aligning the goals with the Head Start Child Development and Early Learning Framework, State early learning guidelines, and the requirements and expectations of the schools, to the extent they apply to the ages of children, birth to five, participating in the program.
- The child assessment system which will be used by your program to collect information about children's development in combination with parents and families and how the program uses or plans to use that information to individualize instruction and learning.
- The key findings from aggregating the child assessment data, how that information helped you identify patterns of progress and areas where improvement is required, and how progress toward meeting your school readiness goals is shared with parents and the community.

The application must also contain a summary of findings from the community assessment for a full application and updates for abbreviated applications. Further, the application must identify any proposed program improvements or changes to the program design based on the aggregation and analysis of individual child-level assessment data, the community assessment and the results of the self-assessment. Additionally, a breakout of the proposed enrollment levels for each county within the approved service area as well as the results of the annual self-assessment and the improvement plan must also be submitted with the application.

Development of the Training and Technical Assistance (T/TA) Budget

The T/TA plan must assure sufficient resources are devoted to address all T/TA needs, support school readiness goals, ensure staff are qualified, and provide quality and comprehensive services to all enrolled children and families. The application must include the T/TA plan and an accompanying narrative on the T/TA needs. The T/TA plan should address the results of the self-assessment and identify resources to implement the improvement plan.

Grantees with identified areas of noncompliance 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, operational funds available in the annual grant award may be used.

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 may have recently participated in a risk management meeting and received a copy of an action plan subsequent to the meeting. The refunding application should address any action steps specifically identified for inclusion in either the T/TA plan or the grant application itself.

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 proration as an indirect cost for an employee whose compensation exceeds \$179,700. Please ensure the refunding application demonstrates the compensation policies of the agency and those of any delegate agencies, if applicable, comply with the compensation cap guidelines.

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.

Submission Information

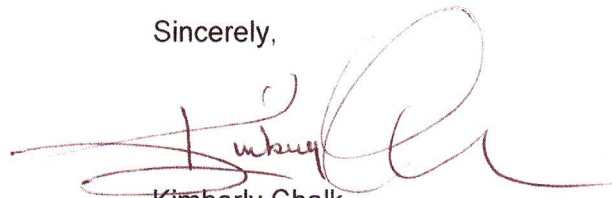
Grantees are strongly encouraged to submit refunding applications online via the HSES. If the application is submitted via HSES, the original signature pages for the Standard Form (SF) 424, Application for Federal Assistance, and SF-424B, Assurances – Non-Construction Programs, must be submitted to:

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

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 in ensuring the application contains all of the required information. If you have any questions or require assistance, please contact Maria Norman, your Head Start Program Specialist, at (214) 767-8850 or maria.norman@acf.hhs.gov or Eric Weiss, your Grants Management Specialist, at (214) 767-8823 or eric.weiss@acf.hhs.gov. Thank you for your cooperation and timely submission of your grant application.

Sincerely,



Kimberly Chalk
Regional Program Manager
Office of Head Start

Enclosure

cc: Ms. Teresa Flores, Executive Director
Ms. Teresa Flores, Head Start Director

Head Start Grant Application Checklist

Please be sure to include the following items in your application package prior to uploading files to HSES and sending signature pages to the Regional Office.



If the grant application includes a request for a reduction in enrollment due to conversion from Head Start to Early Head Start services (with the exception of American Indian and Alaskan Native grantees), conversion from part-day to full-working day services or for any other reason, please include a cover letter along with your rationale for requesting consideration for such approval.

For completion of the continuation application, refer to **Information Memorandum ACYF-IM-HS-00-12**, dated April 25, 2000. The Information Memorandum and Program Instruction are available on the Early Childhood Learning and Knowledge Center (ECLKC) at <http://eclkc.ohs.acf.hhs.gov>.

Documents may be uploaded into the Head Start Enterprise System (HSES) under the Grant Application Budget Instrument (GABI) tab with the exception of the original signature pages for the Standard Form (SF) 424, Application for Federal Assistance, and SF-424B, Assurances – Non-Construction Programs. Original signature pages must be submitted to the appropriate Grants Office.

1. **Application** including:
 - SF-424 - **Board Chair's signature required**
 - SF-424A
 - A breakout of amounts by object class categories for Head Start and Early Head Start operations and training/technical assistance; and
 - The forecast of cash needs by quarter based on anticipated outlays.
 - SF-424B, Assurances – Non-Construction Programs - **Board Chair's signature required**
2. **Submission requirements for 3-year cycle:**
 - 1st year, a comprehensive application is required.
 - 2nd and 3rd years, an abbreviated application is required.
3. **Electronic GABI Report** (via the web at <https://hses.ohs.acf.hhs.gov/hsprograms>)
If you operate both Head Start and Early Head Start, a separate GABI is required for each. Also, a separate GABI must be submitted for each delegate agency.
4. **Long Range Goals and Objectives**, describing the following:
 - The program's long range goals and shorter term program objectives;
 - The program's school readiness goals and progress in aligning the goals with the Head Start Child Development and Early Learning Framework, State early learning guidelines, and the requirements and expectations of the schools;
 - The child assessment system used to collect information about children's development in combination with parents and families and how the program uses or plans to use that information to individualize instruction and learning;
 - The key findings from aggregating the child assessment data, how that information helped identify patterns of progress and areas where improvement is required, and how progress toward meeting school readiness goals is shared with parents and the community; and
 - Any proposed program improvements or changes to the program design based on the aggregation and analysis of individual child-level assessment data, the community assessment and the results of the self-assessment.
5. **Program and Budget Narratives**, describing the planned uses of the funds and demonstrating the following for **each grantee and delegate**:
 - The amount and intended use of the funds by object class category for program operations and training/technical assistance;

- A projection of the amounts and sources of the non-federal share match requirement (Cash and/or in-kind); and
 - Copy of approved Indirect Cost Rate Agreement, if applicable.
- 6. Risk Management, if applicable**
Address any action steps specifically identified for inclusion in either the training/technical assistance plan or the grant application.
- 7. Employee Compensation Cap**
Assurance the grantee and delegate agencies, if applicable, comply with the requirement for employee compensation. Refer to Program Instruction ACF-PI-HS-08-03, dated May 12, 2008.
- 8. Training and Technical Assistance Plan**
- 9. Results of Self-Assessment and Improvement Plan**
- 10. Signed Policy Council Approval Statement and Meeting Minutes**
A letter from the Policy Council indicating its reasons if approval withheld.