



Hidalgo County Head Start Program

Policy Council Regular Agenda

DATE: August 27, 2013

SUBJECT: Discussion/Approval for Employees to Incur Health Insurance Premium Increase for Fiscal Year 2014

RATIONALE/NEED: Based on information from the County Budget Office, the 2014 budget for the Program will increase by \$1,182,180 based on the anticipated increase in health insurance premiums and on the increase in the liability insurance. A few additional positions will not be filled to address the liability insurance cost but the Program will not be able to fund the increase in health premiums. The increase will be incurred by the employees.

RECOMMENDATION: Administration recommends approval.

COST: \$1,125,189

RELATED INFORMATION INCLUDES: Sequestration Funding Plan

INITIATED BY: Teresa Flores, Executive Director

REVIEWED BY: Teresa Flores, Executive Director

EXECUTIVE DIRECTOR'S APPROVAL: 



Hidalgo County Head Start Program

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TO: Commissioners' Court
Policy Council Members

FROM: Teresa Flores, Executive Director

SUBJ: Proposed 2014 Budget

DATE: August 28, 2014

2013 Budget: Sequestration has reduced the 2013 budgeted allocation for the Hidalgo County Head Start Program by **\$1,327,253**. Drastic measures were taken to meet this shortfall. These measures included the following:

- 26 positions were eliminated.
- Supplies were reduced by \$170,517.
- Other categories were reduced by \$156,317.
- All travel was reduced to only the necessary daily travel for monitoring purposes.
- All Centers with six (6) classrooms or less were allocated one custodian only.
- Bus routes were reduced and all buses are conducting one route only.
- Tuition reimbursement for teachers is only applicable to BA degrees.
- All reimbursement for books was eliminated.
- The provision for substitute classroom help has been substantially reduced.
- Key personnel have taken on additional responsibilities.

2014 Budget: Based on information from the County Budget Office, for 2014 the level of funding will be impacted by an additional **\$1,182,180** due to the increased costs of medical and liability insurance premiums. Please refer to table below:

Additional Increased Costs for 2014

Health Insurance (Costs increased from \$347 to \$480 per employee; \$133 more per employee per year) \$133 x 705 employees x 12 months	\$1,125,180
Liability Insurance (Costs increased from \$140,000 to \$197,000)	\$ 57,000
Total additional increased costs for 2014	\$1,182,180

The Program is contemplating the elimination of three vacant positions to offset the cost of the Liability Insurance but **will not** be able to absorb the Health Insurance Premium increase for the employees. This increase will require all Head Start Employees to incur this cost. Currently the best estimated increase is \$133.00 per month.

While all reductions in staff and in Program operating costs have been reviewed extensively, Administration is taking a "wait and see" position regarding the overall impact these reductions will have on the delivery of quality services. It is with this idea in mind that the Program is recommending the proposed action.