



# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Sara Bedford  
Director, Human Services

**SUBJECT:** Reallocation of FY 2017-18 GPF  
Appropriations to All Head Start  
Funds

**DATE:** March 19, 2018

City Administrator Approval

Date:

3/29/18

## RECOMMENDATION

**Staff Recommends That City Council Adopt A Resolution Authorizing The City Administrator To Reallocate \$207,203 Of Existing Appropriations In The General Purpose Fund Authorized In Fiscal Year 2017-2018 For Central Services Overhead Subsidies To The Head Start Grant And Authorize A Subsidy From The General Purpose Fund For Central Services Overhead Expenditures In The Child And Adult Care Food Program (CACFP) Grant And The California State Preschool Program Expansion (CSPP) Grant.**

## EXECUTIVE SUMMARY

This resolution authorizes the City Administrator to reallocate approved FY 2017-18 General Purpose Fund (GPF) offsets for Central Services Overhead (CSO) for the Head Start Program to other funds, specifically state funds, used to support program operations. There is no change in overall GPF costs.

## BACKGROUND / LEGISLATIVE HISTORY

The FY 2017-19 Biennial Budget authorized GPF appropriations for the Federal Head Start Program in Resolution 86719 C.M.S., to offset central services overhead charges and provide operational revenues. These amounts were budgeted as subsidies to the Health and Human Services Fund (2128) because the costs supported by the subsidies, which include personnel, are budgeted there. However, the Head Start Program also receives other grant funding through the Child and Adult Care Food Program in the Department of Agriculture Fund (2102), authorized in Resolution 86855 C.M.S., to provide nutritious meals for children enrolled in the Head Start and Early Head Start program. In addition, the Head Start Program also receives grant funds through the California State Preschool Program (CSPP) in the California Department of Education Fund (2138), authorized in Resolution 86854 C.M.S., to provide enhanced early learning and school readiness support for children enrolled in the Head Start

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program and has received authority to appropriate and expend these grant funds in the FY 2017-19 Adopted Budget.

### **ANALYSIS AND POLICY ALTERNATIVES**

Staff is requesting authority to reallocate funding of 12.50 Head Start positions. The funding transfers include food service personnel costs of 3.00 Food Service Worker positions that will be shifted to the CACFP Grant in the Department of Agriculture Fund (2102) and school readiness personnel costs of 9.50 Early Childhood Center Director positions that will be shifted to the CSPP Grant in the California Department of Education Fund (2138). Subsequently, the proportionate central services overhead subsidies for these positions should be realigned with the funding transfer of these positions to offset expenditures exceeding grant revenues or grant earmarking limitations, such as administrative cost limits. This realignment of Head Start positions that support all Head Start food service and education operations do not change the total amount of GPF support authorized in the FY 2017-18 Adopted Budget.

In reference to program impact, the approval to shift food service and education personnel costs from federal Head Start funding in the Health and Human Services Fund (2128) to CACFP grant funding in the Department of Agriculture Fund (2102) and CSPP grant funding in the California Department of Education Fund (2138), would support the continued successful and effective delivery of healthy meals and quality school readiness services to children enrolled in the City's Head Start and Early Head Start program, without interruption in service delivery. This is a cost neutral change that simply realigns costs among the various Head Start resources.

### **FISCAL IMPACT**

Approval of this resolution has no additional fiscal impact on the City's general purpose fund, as the specific appropriations and CSO offsets are already included in the FY17-18 Adopted Budget. However, as a result of transferring the requested personnel expenditures from Fund 2128 (Health and Human Services – Head Start Grant) to Fund 2102 (Department of Agriculture - CACFP) and Fund 2138 (California Department of Education - CSPP), the CSO costs associated with those personnel expenditures will impact the grant funds. Therefore, staff is requesting subsidies for central service overhead costs to the CACFP grant in the Department of Agriculture Fund (2102) in the estimated amount of \$39,879 and to the CSPP grant in the California Department of Education Fund (2138) in the estimated amount of \$167,324. The reallocation of FY 2017-18 General Purpose Fund subsidies to the Federal Head Start grant for CSO expenditures will be realigned to support CSO costs in the Head Start related grants, CACFP and CSPP, as previously indicated, without change to the total amount of GPF support authorized in the FY 2017-19 Adopted Budget.

**PUBLIC OUTREACH / INTEREST**

This item did not require any additional public outreach other than standard City Council Agenda noticing procedures.

**COORDINATION**

The Office of the City Attorney and the Budget Office were consulted in preparation of this report and resolution.

**SUSTAINABLE OPPORTUNITIES**

***Economic:*** There are economic benefits to the City from the participation in the Child and Adult Care Food Program. The Oakland Head Start program employs 4 full-time food service workers and one supervisor who prepare meals for the children enrolled in the Head Start program. Head Start drivers are required to deliver the meals to Head Start centers each day.

There are also economic benefits to the City from the operation California Department of Education State Preschool Program. Coupled with funding from the Head Start grant, California Department of Education funding directly creates and sustains 34 jobs, including people directly employed in centers, plus an unknown number of jobs through its economic multiplier effect. Most of these jobs are held by residents of Oakland. In addition, the program will buy goods and services to support its program, and most of these will be purchased from Oakland firms or individuals.

***Environmental:*** Oakland Head Start provides snacks and meals that meet Child and Adult Care Food Program nutritional requirements. The Head Start program's central kitchen recycles all cooking oil and purchases environmentally safe paper cups and paper plates that are used in all Head Start classrooms. There are no foreseeable direct environmental benefits or impacts from California Department of Education, State Preschool Program to the City of Oakland. The program will use recyclable paper products.

***Social Equity:*** The Head Start program delivers comprehensive, high quality services to children and families in the City of Oakland including nutrition and wellness services. Recent scientific research has verified what early childhood educators have known for years: that how children are nurtured and educated in their youngest years has a significant impact on development, growth, ongoing academic performance and later life success.

Sabrina B. Landreth, City Administrator

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**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That City Council Adopt A Resolution Authorizing The City Administrator To Reallocate \$207,203 Of Existing Appropriations In The General Purpose Fund Authorized In Fiscal Year 2017-2018 For Central Services Overhead Subsidies to The Head Start Grant And Authorize A Subsidy From The General Purpose Fund For Central Services Overhead Expenditures In The Child And Adult Care Food Program (CACFP) Grant And The California State Preschool Program Expansion (CSPP) Grant.

For questions regarding this report, please contact Neil Valle, Fiscal Services Manager, at (510) 238-6796.

Respectfully submitted,



SARA BEDFORD  
Director, Human Services Department

Reviewed by:  
Neil Valle, Budget & Fiscal Manager

Reviewed by:  
Dr. Veronica Ufoegbune, Division Manager

Prepared by:  
Tracey Black, HHS Planner  
Early Childhood & Family Services Division

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FILED  
OFFICE OF THE CLERK  
OAKLAND

2018 MAR 29 PM 5:00 OAKLAND CITY COUNCIL

Approved as to Form and Legality

  
City Attorney

RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

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**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO REALLOCATE \$207,203 OF EXISTING APPROPRIATIONS IN THE GENERAL PURPOSE FUND AUTHORIZED IN FISCAL YEAR 2017-2018 FOR CENTRAL SERVICES OVERHEAD SUBSIDIES TO THE HEAD START GRANT AND AUTHORIZE A SUBSIDY FROM THE GENERAL PURPOSE FUND FOR CENTAL SERVICES OVERHEAD EXPENDITURES IN CHILD AND ADULT CARE FOOD PROGRAM (CACFP) GRANT AND THE CALIFORNIA STATE PRESCHOOL PROGRAM EXPANSION (CSPP) GRANT**

**WHEREAS**, City Council Resolution 86719 C.M.S. authorized a contribution from the General Purpose Fund (GPF) to its Head Start Program for the purposes of supporting the overall program including a subsidy for the central services overhead expenditures in Head Start; and

**WHEREAS**, the City's Fiscal Year 2017 – 2018 Adopted Budget includes an operating transfer from the General Purpose Fund to the Head Start Grant in the Department of Health and Human Services Fund (2128) in the amount of \$1,982,066 to subsidize central services overhead costs; and

**WHEREAS**, the City's Fiscal Year 2017 – 2018 Adopted Budget includes 10.00 Early Childhood Center Director and 3.00 Food Service Worker positions budgeted to the Federal Head Start Grant in the Department of Health and Human Services (Fund 2128), and staff is requesting to reallocate the funding for these positions to the CACFP Grant in the Department of Agriculture Fund (2102) and CSPP Grant in the California Department of Education Fund (2138); and

**WHEREAS**, staff is requesting that the General Purpose Fund subsidy for the central services overhead associated with these positions in the amount of \$207,203 be realigned with the transfer of funding for these positions, without change to the total amount of GPF contribution to Head Start for central services overhead subsidies; and

**WHEREAS**, Central Services Overhead is estimated to be \$39,879 in the Department of Agriculture Fund (2102) to support Head Start operations from the Child Care Food Program; and

**WHEREAS**, Central Services Overhead is estimated to be \$167,324 in the California Department of Education Fund (2138) to support Head Start operations from the California Department of Education contracts; now therefore be it

**RESOLVED**, That the City Administrator or her designee is hereby authorized to reallocate funding of 3.00 Head Start Food Service Worker positions budgeted in the Federal Head Start Grant in the Department of Health and Human Services (Fund 2128) to the CACFP Grant in the Department of Agriculture Fund (2102); and be it

**FURTHER RESOLVED**, That the City Council authorizes a contribution from the General Purpose Fund to subsidize the central services overhead expenditures related to these positions in the estimated amount of \$39,879; and be it

**FURTHER RESOLVED**, That the City Administrator or her designee is hereby authorized to reallocate funding of 9.50 Head Start Early Childhood Center Director positions budgeted in the Federal Head Start Grant in the Department of Health and Human Services (Fund 2128) to the CSPP Grant in the California Department of Education Fund (2138); and be it

**FURTHER RESOLVED**, That the City Council authorizes a contribution from the General Purpose Fund to subsidize the central services overhead expenditures related to these positions in the estimated amount of \$167,324; and be it

**FURTHER RESOLVED**, That existing appropriations in the General Purpose Fund earmarked for Head Start support in FY2017-2018 will be reallocated to offset central services overhead expenditures in the Department of Agriculture Fund (2102) and California Department of Education Fund (2138) without change to the total amount of General Purpose Fund support authorized in the FY 2017-19 Adopted Budget.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, CAMPBELL-WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLÉN, KALB, KAPLAN AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California