

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

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<b>Meeting Date:</b>	<b>April 2, 2013</b>	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing

**Department**  
**Submitted By:** Community Services  
**Submitted For:** Community Services

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**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to approve: initiation of the following actions in response to reductions in funding Associated with the Federal Budget Control Act of 2011 (Sequestration):

- A) Head Start**
1. Eliminate transportation services for grantee sites effective June 2013.
  2. Relocate Delray Head Start classrooms to the School District.
  3. Relocate 24 Early Head Start children from Hispanic Human Resources to Highlands Elementary and Family Central.
  4. Transfer lapsed salary in FY13.
  5. Utilize VPK reserves balance.
- B) Senior Services**
1. Elimination of breakfast for both congregate and home delivered sites.
  2. Transfer lapsed salary in FY13.
- C) Community Action Program**
1. CSBG-Reduce emergency services, rental assistance, and employment training
  2. LIHEAP-Reduce utility assistance payments.
- D) Ryan White HIV/ AIDS**
1. Reduce fund transfer to AIDS Drug Assistance Program (ADAP).

**Summary:** The Department of Community Services receives federal funding for early childhood education and various social service programs serving seniors and low-income families. Due to the sequestration, program reductions and fund transfers are necessary. The strategies being recommended reduce program budgets in accordance with the federal mandates while maintaining critical program components and minimizing service-level impacts.

The Head Start recommendations will require the elimination of approximately 14 bus driver and rider positions, and the eventual displacement of approximately 10 teachers and classroom staff. We will work with the School District Office of Early Education to obtain the maximum amount of hiring of affected staff. These strategies should eliminate the need for forced reductions in enrollment or shortening of the school year. The reductions in the Senior Service, Community Action and Ryan White programs will impact current clients through service reductions and, in some cases, our ability to serve new clients. The programs are operating at minimal staffing configurations and direct service cuts are unavoidable. The cuts are detailed in the attached budget cut proposal. Countywide (TKF)

**Background and Justification (or Policy Issues):** As of March 1, 2013, the federal Budget Control Act of 2011 has taken effect. While we hope that Congress will restore programs, we need to begin to get immediate approvals for meeting the cuts if they are not restored. Many of our policies and regulations require notice or additional authorization from State or federal entities. Waiting to get official numbers before we initiate these cuts could increase the impact on programs, therefore we are proposing these with the hope that the actual cuts will be within 1% of our projections and we can accommodate that variance. The projections above are our best estimates given the limited information available to us. However, they are consistent with the public information available on sequestration at this time and any information informally supplied by our funding sources.

**Attachment:** Sequestration Budget Cut Proposal

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<b>Recommended By:</b>		<u>3/20/13</u>
	<b>Department Director</b>	<b>Date</b>
<b>Approved By:</b>		<u>3/22/13</u>
	<b>Assistant County Administrator</b>	<b>Date</b>

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures					
Operating Costs	(1,945,167)	(1,945,167)			
External Revenue	(1,945,167)	(1,945,167)			
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	0	0			

No. ADDITIONAL FTE POSITIONS (Cumulative)	(24)				
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Is Item Included In Current Budget? Yes \_\_\_\_\_ No X

Budget Account No.:

Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_ Program Code \_\_\_\_\_ Program Period \_\_\_\_\_

### B. Recommended Sources of Funds/Summary of Fiscal Impact:

Reductions are based on 5% estimated revenue loss from the federal grants. Budget will be aligned once the final notice of award from the funding agencies outlining the total amount of reduction. The grant funded services will be reduced to offset the revenue reduction. There is no change in Ad Valorem budget for the Department due to these federal cuts.

### C. Departmental Fiscal Review:

7m  
Taruna Malhotra, Director, Financial & Support Svcs.

## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Development and Control Comments:

OFMB 3/21/13 N/A  
3/21/13 3-21 pmg  
Contract Development and Control

### B. Legal Sufficiency:

Chief Assistant County Attorney 3/21/13  
for.

### C. Other Department Review:

\_\_\_\_\_  
Department Director

This summary is not to be used as a basis for payment.



## **Palm Beach County Department of Community Services**

### **Sequestration Budget Cut Proposals**

As of March 1, 2013, the federal Budget Control Act of 2011 has taken effect. While we hope that Congress will restore programs, we need to begin to get immediate approvals for meeting the cuts if they are not restored. These cuts are effective for federal fiscal year 2013 which began October 1, 2012. This leaves us half the year to adjust for the cuts. Many of our policies and regulations require notice or additional authorization from State or federal entities. Waiting to get official numbers before we initiate these cuts, could increase the impact on programs, therefore we are proposing these with the hope that the actual cuts will be within 1% of our projections and we can accommodate that variance. The projections below are our best estimates given the limited information available to us. However, they are consistent with the public information available on sequestration at this time and any information informally supplied by our funding sources. Future agenda items will be submitted requesting Board approval or direction and necessary budget amendments. The budget figures included in this document are preliminary in nature and have not been verified by OFMB. It should also be noted that not all our programs/contracts have October 1, 2012, start dates so the impacts and periods for adjustment may vary by program.

#### ***Head Start***

Head Start was awarded \$17,332,712 in federal Head Start funding for FY13. We have received informal information from the regional Head Start office that the cut will be approximately \$866,000 (5%). The total number of children served by this program is 2296.

#### **FY13 Recommended Adjustments:**

- **Eliminate transportation services effective June 6, 2013.** This start date coincides with the end of the public school year schedule and we usually experience a drop in attendance for the summer months.

Estimated savings:

\$ 243,694

This strategy eliminates bus service for approximately 400 children, but would allow us to continue to maintain the current program enrollment. Fourteen transportation-related positions would be eliminated under this approach. Five drivers and seven buses would be retained for field trips and special transportation needs. These drivers will receive additional trainings for other period needs of the program. Maintaining this service elimination into next fiscal year would cover the anticipated FY14 budget reduction under a continued 5% federal funding cut scenario.

- **Relocate Delray Head Start classrooms to the School District.** Classrooms (4) for 3 and 4 year old children would be relocated or transferred to Pine Grove Elementary and Galaxy Elementary schools under this approach. These classrooms are currently operated by the County at the Delray Beach Head Start Center. Delray Head Start's program is currently in a modular facility that is beyond the planned useful life timeframe. A capital replacement project for this facility was eliminated during the downturn in the economy. Despite FDO's excellent maintenance of these modulares, we should not be providing services in these modulares beyond August 2013. The increasing costs of maintaining the structures and potential health and safety concerns necessitate relocation of this program. The estimated savings is in annual operating expenses. An estimated one-time allocation of \$200,000 in capital funding from VPK budgeted reserves would be provided to the School District to prepare the classrooms. The VPK funding is state funding generated throughout the year from our 4 year old children classrooms. These dollars have been typically used for capital improvements, emergency repairs and /or other serves not covered by the grant. This strategy will require School Board approval.

Estimated savings	\$ 65,000
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- **Relocate 24 Early Head Start children from Hispanic Human Resources to Highlands Elementary and Family Central.** Hispanic Human Resource, a delegate agency, requested to terminate their Early Head Start contract. This strategy would include the creation of a classroom for 2 year olds children at Highlands Elementary. Funding for the remainder of the Hispanic Human Resources slots would be contracted to Family Central for family child care homes. Highlands Elementary classrooms are fully furnished and staffed with licensed and experienced teachers. This and the previous relocation plan will allow the School District, which would be losing grant funded pre-k classrooms in August, to retain licensed teachers with pre-school experience. It will also help us to meet the overall staff credential requirements for the Head Start program.

Estimated savings	\$ 24,000
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- **The following would be one-time budget adjustment strategies:**
  - Transfer lapsed salary in FY13 \$ 340,000
  - Utilize VPK reserves balance \$ 200,000

<b>TOTAL FY13 COST SAVINGS AND ADJUSTMENTS (HEAD START):</b>	<b>\$ 872,694</b>
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**Senior Services (DOSS)**

DOSS receives \$2,006,624 in federal Older Americans Act (OAA) grant funds. DOSS’s reduction is estimated at **\$182,602** of the total grant FY13 in: **1)** Title III C1: Congregate Meals for community meal sites; and **2)** Title III C2: Home-Delivered Meals for homebound seniors.

FY13 Recommended Adjustments:

- **Eliminate breakfast for both congregate and home delivered meal clients.**
  - 3 congregate breakfast feedings sites which average 106 seniors daily at a cost of savings of: **\$41,535**
  - Eliminate home-delivered breakfast to 136 homebound seniors at a cost of savings of: **\$47,166**

Note: All seniors will still be eligible for at least one meal daily.

- **The following would be a one-time budget adjustment strategies:**
  - Use lapse salaries in FY13 **\$108,772**

**TOTAL FY13 COST SAVINGS AND ADJUSTMENTS (DOSS):** **\$197,473**

**Community Action Program**

Community Services Block Grant (CSBG) funding is estimated to be reduced \$80,000 and Low Income Home Energy Assistance (LIHEAP) is expecting a \$320,000 (8%) reduction in FY13. The State of Florida Department of Economic Opportunity only released authority for spending based on a 70% allocation since the start of the grant period. While the County authorized a budget based on last year’s allocation, we have been spending at the State authorized level. We will continue to spend at authorized levels not to exceed the expected cut. Less emergency services will be provided as a result of this limitation.

FY13 recommended adjustments:

- **CSBG Reduce emergency services, rental assistance, and employment training at a cost savings of:** **\$80,000**

- **LIHEAP will be helping fewer clients with utility assistance payments.** This will represent approximately nine hundred and fifteen (915) households that will not have their utility assistance paid at a cost savings of: **\$320,000**
- TOTAL FY13 COST SAVINGS (COMMUNITY ACTION):** **\$400,000**

***Ryan White HIV AIDS***

Our grant cycle for Ryan White begins March 2013. Eighty-five percent of these funds go directly to local agencies to provide services to individuals affected by HIV/AIDS. We will be adjusting the contracts and our administrative costs to reflect an estimated reduction of \$475,000. Since we will have almost the full grant cycle to make these adjustments, we are planning an expedited review by the CARE Council before making recommendations to the BCC. Last year, \$700,000 of our grant was allocated by the BCC to the State’s AIDS Drug Assistance Program (ADAP) to support HIV medications for HIV positive residents in Palm Beach County. Our recommendation to the CARE Council will focus on modifying this allocation to the State before considering reductions in the local provider network. This may result in less availability of HIV/AIDS medications to clients.

FY13 recommended adjustments:

- **Reduce admin and contract services based on Care Council allocation and future Board recommendations:** **\$475,000**
- TOTAL FY13 COST SAVINGS (RYAN WHITE):** **\$475,000**

NOTE: All of the cost savings identified in each program are anticipated to be maintained for all of **FY14** if the current reductions remain in place. The cost savings for these programs for the entire grant year will cover the anticipated full year cuts without one time strategy budget adjustments based on the current reduction. Should the grants be further decreased or increased additional adjustments may be necessary.