

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 3, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: BUDGET MEMO # 58: SALARY INCREASES APPROVED FOR HEAD START EMPLOYEES

In the FY 2006 budget add/delete process, City Council approved the addition of \$150,000 in the Department of Human Services budget to fund employee salary increases for the Campagna Center to retain Head Start staff. The funding provided was intended to supplement the annual federal grant to make 13 positions year-round and to adjust salaries to be closer to parity with Head Start programs in Fairfax County and Washington, DC.

This salary increase was offered as a reduction in the FY 2007 budget to meet the alternative "6%" City Council budget target level. At the time the budget was proposed, the Campagna Center had not reported to the City a specific plan for receiving and using this funding. Since that time, the Campagna Center has submitted a plan and reports spending approximately \$107,000 to make 13 positions year-round and to pay salary adjustments through February 2006. The pay increase was instituted by Campagna on July 1, 2005 without the City's knowledge or consent. Also, the new interim executive director and Campagna Board have pledged to work closer with the City in the future so actions taken by Campagna that effect Head Start or Campagna Kids are undertaken with the advice and consent of the City. Based on the plan submitted on March 16, 2006, The Campagna Center intends to spend \$149,733 of these funds on Head Start employee salaries in FY 2006. Without these funds, the Campagna Center will not be able to continue supporting the adjustments already made to many Head Start staff salaries, and in effect would have to reduce Head Start salaries.

As a consequence, I have withdrawn the proposed option of reducing the City's subsidy of Head Start salaries and have proposed substitute options in Budget Memorandum #50.