

FY 2022-2023 Annual
Budget Summary

July 20, 2022
Budget Workshop

Submitted to Board of Trustees
by
James Colbert, Jr. Superintendent

Dr. Jesus J. Amezcua, CPA, RTSBA, CPFIM
Assistant Supt. For Business Services



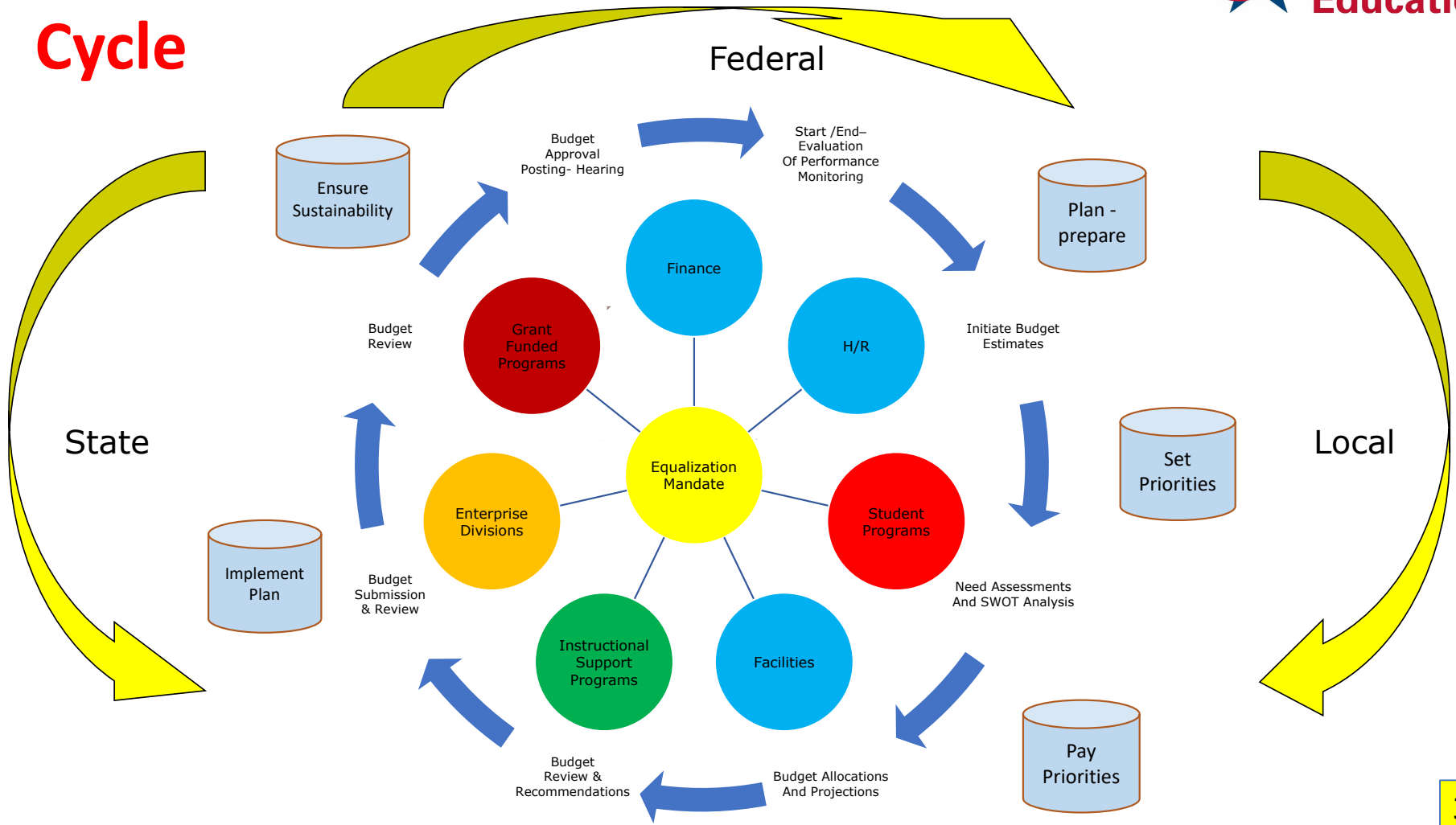
Harris County
Department of
Education

Agenda

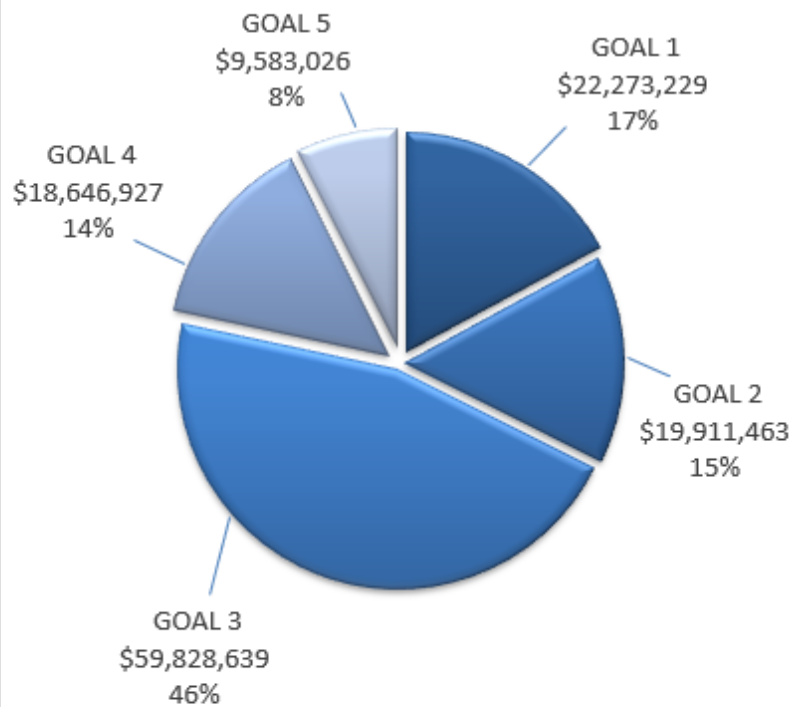
1. Annual Budget Overview FY 22-23
2. Development Plans Overview
Capital Improvement Plan
Phase II
3. Next Steps
4. Adjourn



Goals Planning Cycle



HCDE FY23 Budget by Goals



Goal 1:

- **Impact education by responding to the evolving needs of Harris County**

Goal 2:

- **Deliver value to Harris County by utilizing resources in an ethical, transparent, and fiscally responsible manner**

Goal 3:

- **Advocate for all learners by using innovative methods to maximize students' potential.**

Goal 4:

- **Provide cost-savings to school districts by leveraging tax dollars**

Goal 5:

- **Recruit and maintain a high-quality professional staff**

TOTAL \$172,919,156

OPERATING \$126M

FY 22- 23

General Fund

\$63.6 M 446.98 Total FTE



37%

Special Revenue Fund

Grants
\$46.2M 395.32 Total FTE



27%

Debt Service Fund - Bonds

\$4.1 Total FTE - None



2%

Capital Projects Fund

\$43.6 M Total FTE - None
AB East, Adult-Ed and HP East-Irvington



25%

Internal Service Fund - Facilities

\$6.3 M 49 Total FTE



4%

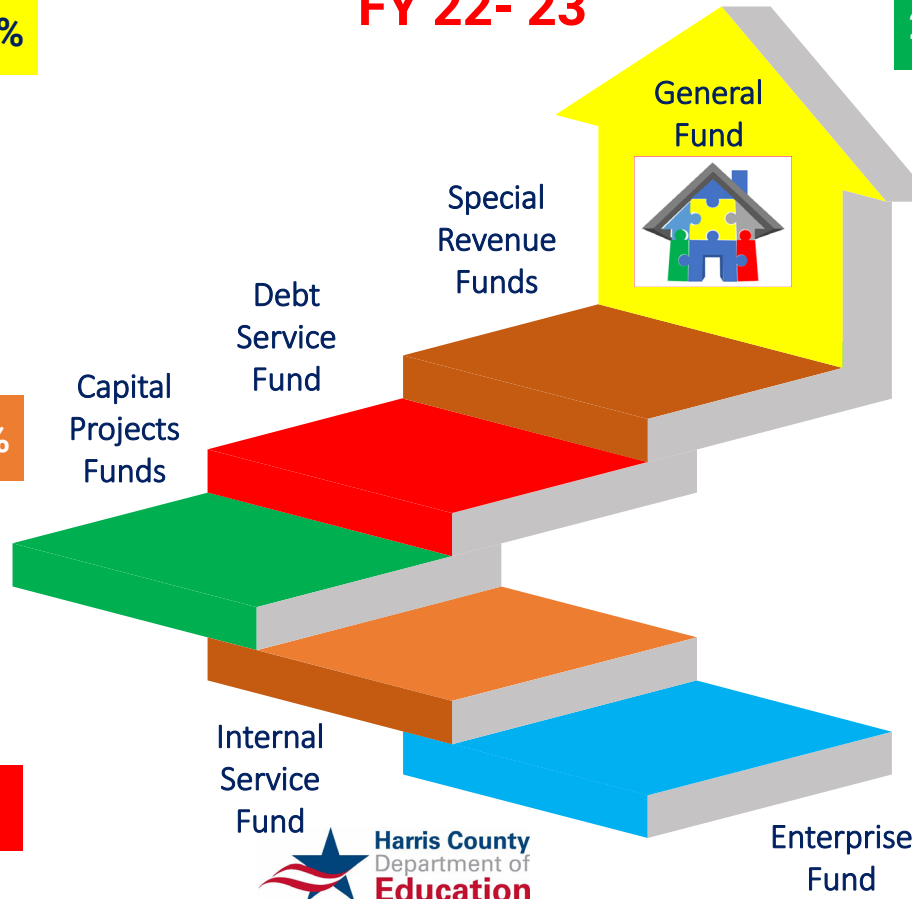
Enterprise Fund

\$9.0 M
18.37 Total FTE
Choice Partners
Cooperative



5%

5



What is in the INFLOWS Budget?

Assumptions:

- \$556 Billion in property Values
- Current tax rate At $.004990/\$100$
Depending on TNT Calculations
- Collection Rate of 98%
- Choice Increases Revenues
- Grants continuing (Head Start, CASE,
Adult Ed)
- Adjustment in Worker's Comp.
Rates for trend.
- No Increase in Internal Services
Rates
- Increase in Special Schools Contracts



What are the changes to the Budget?

Revenues:

Choice	\$100,000
Fees for Services	\$300,000

Expenditures:

Community Engagement Director	\$120,000
Dept Wide Insurance Health & Workers Comp.	\$ 50,000 \$50,000
Property Insurance	\$100,000
Other Dept Wide Adjustments	\$80,000



General Fund Revenues Inflows

\$62,328,640

FY 22-23

Fees for Services

Client based revenues such as therapy fees, Special Schools fees, training fees, audit services fees, etc.

\$23,575,722

38%

6%

State Funding

TRS On behalf and state aid from salary and health insurance grants

\$3,698,000

\$4,391,870 increase from \$57,536,770
Or **8% Increase**

Property Tax Revenues

Taxes based on \$556 Billion in value at \$.004990 est. rate. & delinquent taxes

\$27,380,681

44%

.46%

Other

Miscellaneous and Interest Costs

\$121,000

Indirect Costs

Indirect cost from grants

\$2,348,825

4%

7.54%

Transfers IN –Choice

Transfer in from Choice Partners Coop

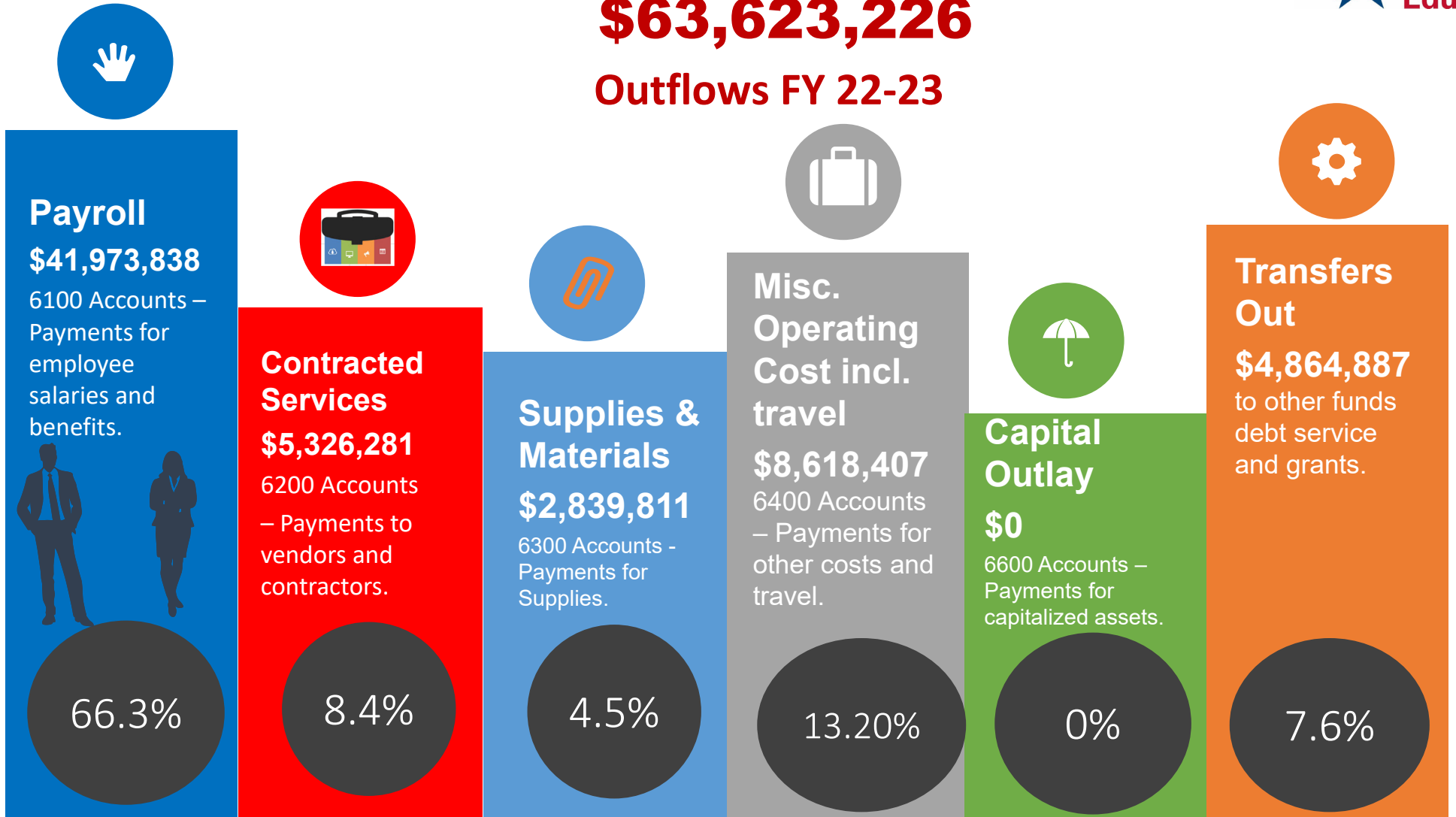
\$5,204,412



General Fund Expenditures

\$63,623,226

Outflows FY 22-23



25.95 New Positions

Therapy – 6.2 FTEs

One and half Music therapist to cover additional demand from ISDs.



Client Engagement – 1.5 FTEs

Translator and Admin Asst



Adult Ed Grant 5.25 FTE

Transitional Aides And 5 instruction aides



Chief of Staff –
Comm Engagement
1 FTE



Procurement

Procurement Clerk
1 FTE

Technology

Process Imp. Coord.
1 FTE

Special Schools

2 Fortis

7 HP East

1 AB East

3 counselors, 4 aides, 2 teachers and 1 recovery coach

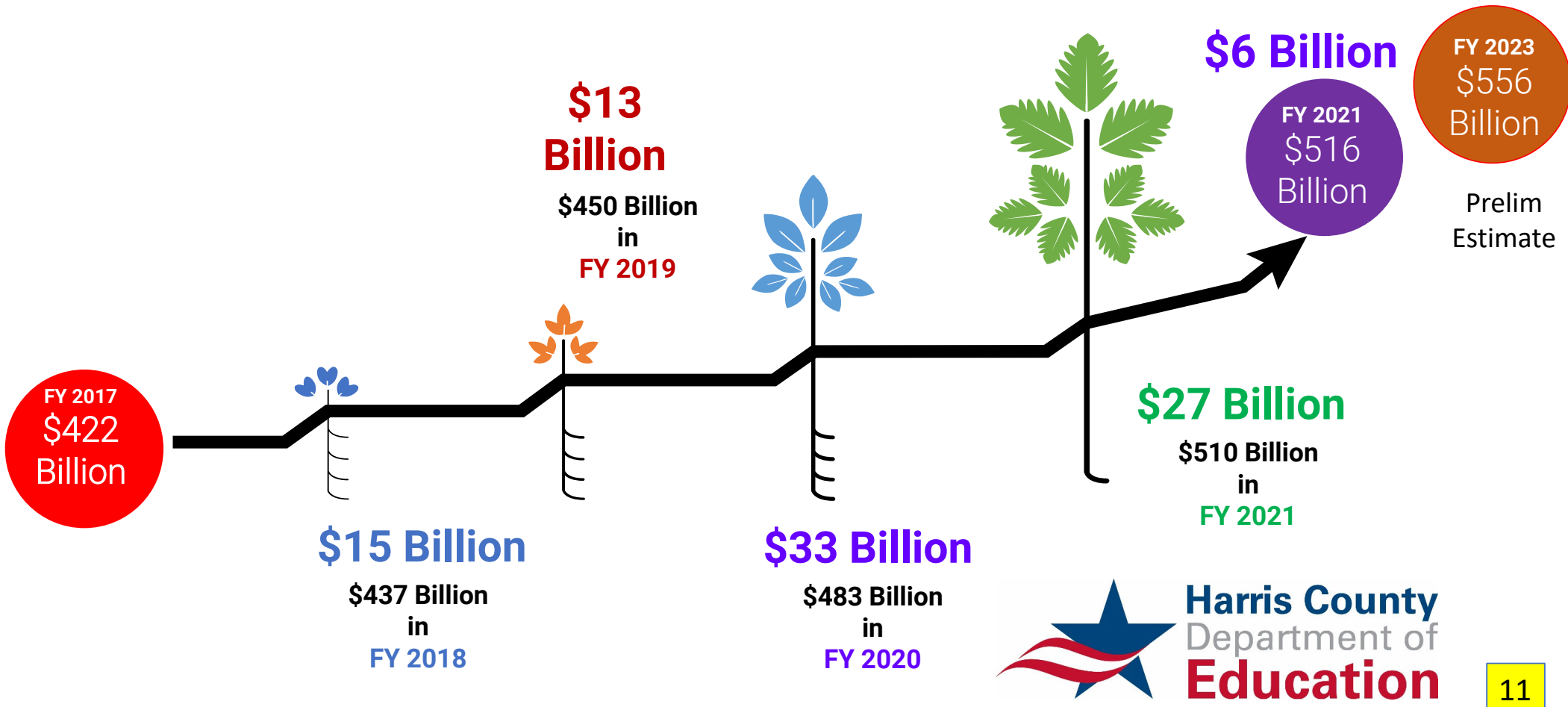


All positions are tied to revenue enhancement or grant funded.

Property Values Growth

Last SEVEN Fiscal Years

\$29 Billion





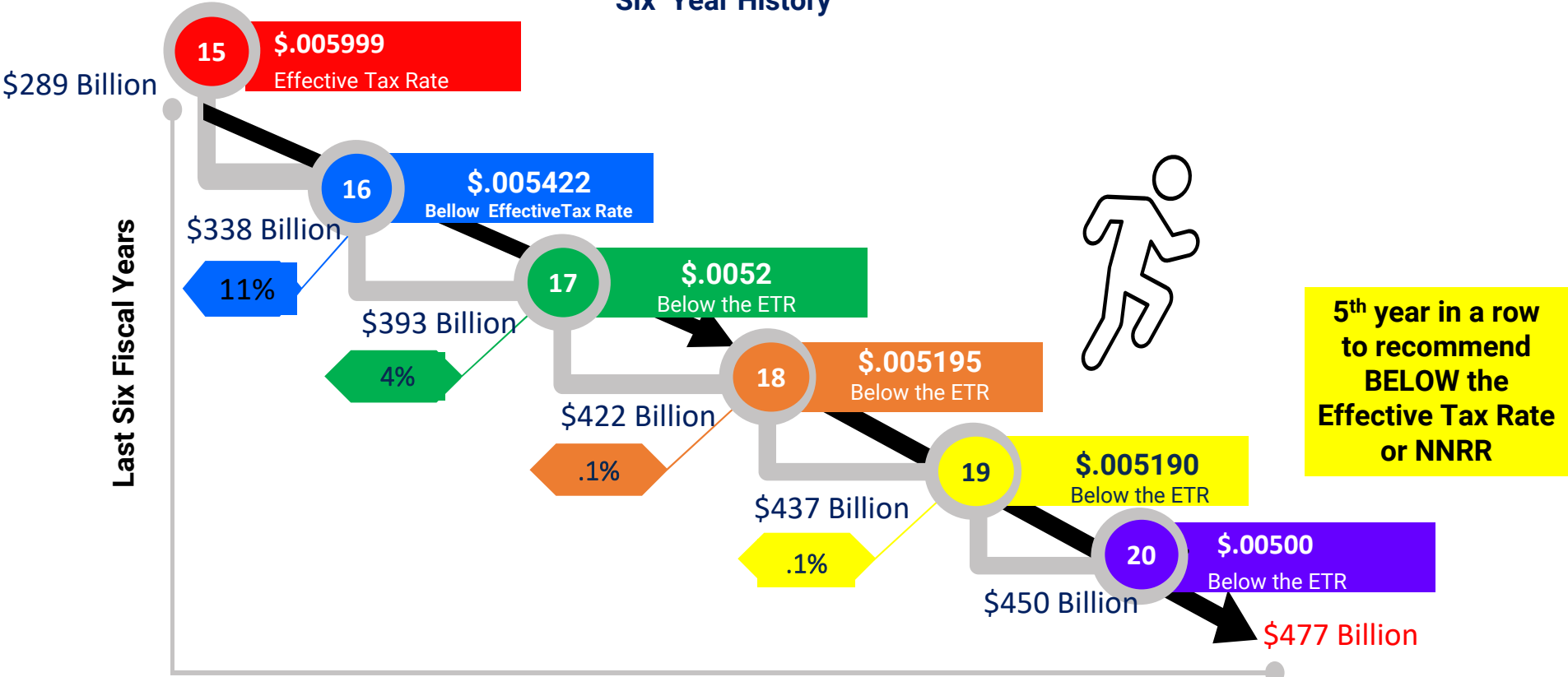
Harris County

2022 Certified Estimate of Taxable Value

Major Property Category	2021 Taxable Value	Percent Change	Projected 2022 Taxable Value
Residential & Rural Improved	218,753,009,670	14.24%	249,900,813,211
Apartments	54,186,594,559	14.97%	62,299,996,170
Commercial	130,751,331,680	8.69%	142,115,549,678
Vacant Land	13,592,542,523	3.69%	14,093,576,010
Industrial	34,248,552,419	8.72%	37,235,106,332
Utility	6,374,999,633	6.02%	6,758,640,736
Commercial Personal	29,799,794,220	-2.83%	28,956,460,044
Industrial Personal	28,102,071,218	-5.36%	26,595,800,201
All Other Property	731,711,665	-5.73%	689,799,221
Total Taxable Value	516,540,607,587	10.09%	568,645,741,600
Projected 2022 Taxable Value Range			
Accuracy +/- 5%	540,213,454,520	to	597,078,028,680

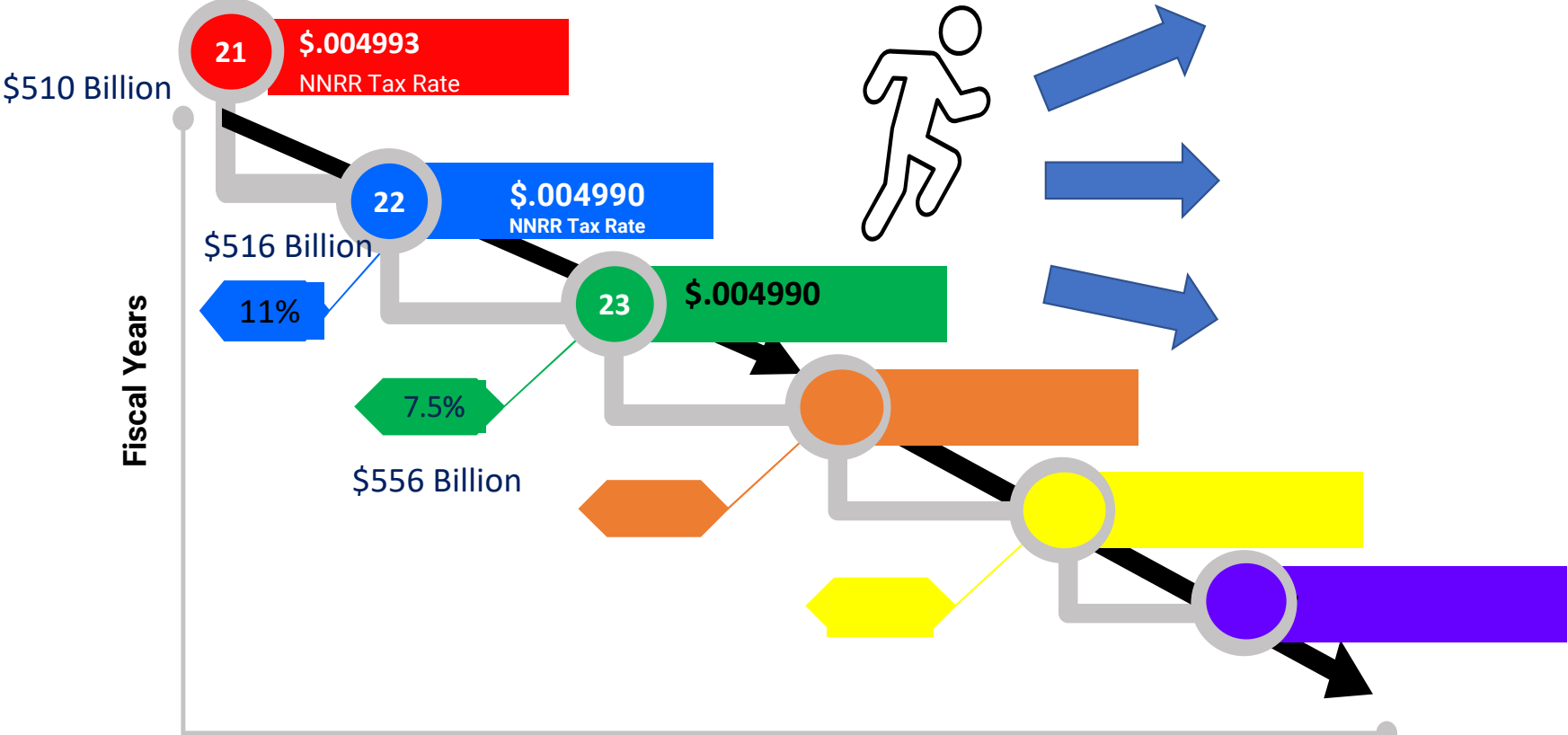
Property Tax Rate \$.01 Maximum

Six Year History



Lowering the tax rate

Property Tax Rate \$.01 Maximum



Lowering the tax rate



Estimated Tax Rate

PRELIMINARY DRAFT

Proposed

Harris County Department of Education Comparative Analysis of Property Values		A Adopted	B CURRENT As of Feb 2022	C If Proj at \$540 Bil 4.34% BUDGET PRELIM	D If Proj at \$553 Bil 7% Per HCAD	D If Proj at \$548 Bil 6% Per HCAD
	ADOPTED TAX RATE	ADOPTED TAX RATE	Estimated TAX RATE	Current TAX RATE	Current TAX RATE	
Proposed Collections Tax Year 2020	0.004990	0.004990	0.004990	0.004990	0.004990	
Certified Taxable Value per HCAD *	\$ 443,530,502,868	\$ 517,707,104,584	\$ 540,213,385,542	\$ 556,535,137,428	\$ 548,769,530,859	
Values under protest or not certified	78,382,053,074	750,784,973				
	521,912,555,942	518,457,889,557	540,213,385,542	556,535,137,428	548,769,530,859	
/ Rate per Taxable \$100	5,219,125,559	5,184,578,896	5,402,133,855	5,565,351,374	5,487,695,309	
X Tax Rate	26,043,437	25,871,049	26,956,648	27,771,103	27,383,600	
X Estimated collection rate	99%	99%	98%	98%	98%	
Projected Amount	25,783,002	25,612,338	26,417,515	27,215,681	26,835,928	
Budgeted Amt						
DIFF						
	25,783,002	25,612,338	\$ 26,417,515	\$ 27,215,681	\$ 26,835,928	
+Delinquent Tax Collections	300,000	150,000	150,000	150,000	150,000	
+Special Assessments	15,000	15,000	15,000	15,000	15,000	
+ Penalty & Interest	-	-	-	-	-	
Estimated Current Tax Available for Operations:	\$ 26,098,002	\$ 25,777,338	\$ 26,582,515	\$ 27,380,681	\$ 27,000,928	
	26,098,250					
Net Gain or Loss on values	Diff from FY 22 Budget	\$ (320,664)	\$ 970,177	\$ 1,768,343	\$ 1,388,589	
	Current Only					
				0.00466723	No New Revenue Rate	
				0.0003734	8% Max	
				0.005040609	Ceiling 8%	
The NO NNRR =		0.004667				
The Voter Approved Rate at 8% =		0.005041				

Capital Improvement Plan Phase 2

\$13.5 Million

01

Equine Center

\$4,000,000 F Bal
+ \$6,000,000 PFC
Construction of a 10,000 sq. ft
facility to provide equine
programs

02

Maintenance Projects

\$7,500,000 M-Note
Roof Repairs and maintenance
projects.

01

Includes estimated \$5M
support from the Harris
County

02

\$500,00 for Fortis Roof
\$2,000,000 Equipment and
Furniture
\$3,000,000 Roof and HVAC NPO
\$300,000 Barrett Station
\$1,700,000 Renovation and
remediation and Other Costs

Note: It will require a tax increase to finance new facilities and fund operating costs.

Estimated Fund Balance

\$20,087,082

**FY 22-23
Projected**

\$58,358,339 G/Fund
/\$10,228,884
= 17.75%

Or 2.13 Months



Non-Spendable \$125,000

shall mean that portion of the gross fund balance that is not expendable (such as inventories) or is legally earmarked for a specific use such as the self-funded reserves program.



Restricted \$0

includes amounts constrained to a specific purpose by the provider, such as grantor.



Committed \$2,000,000

shall mean that portion of the fund balance that is constrained to a specific purpose by the Board of Trustees.



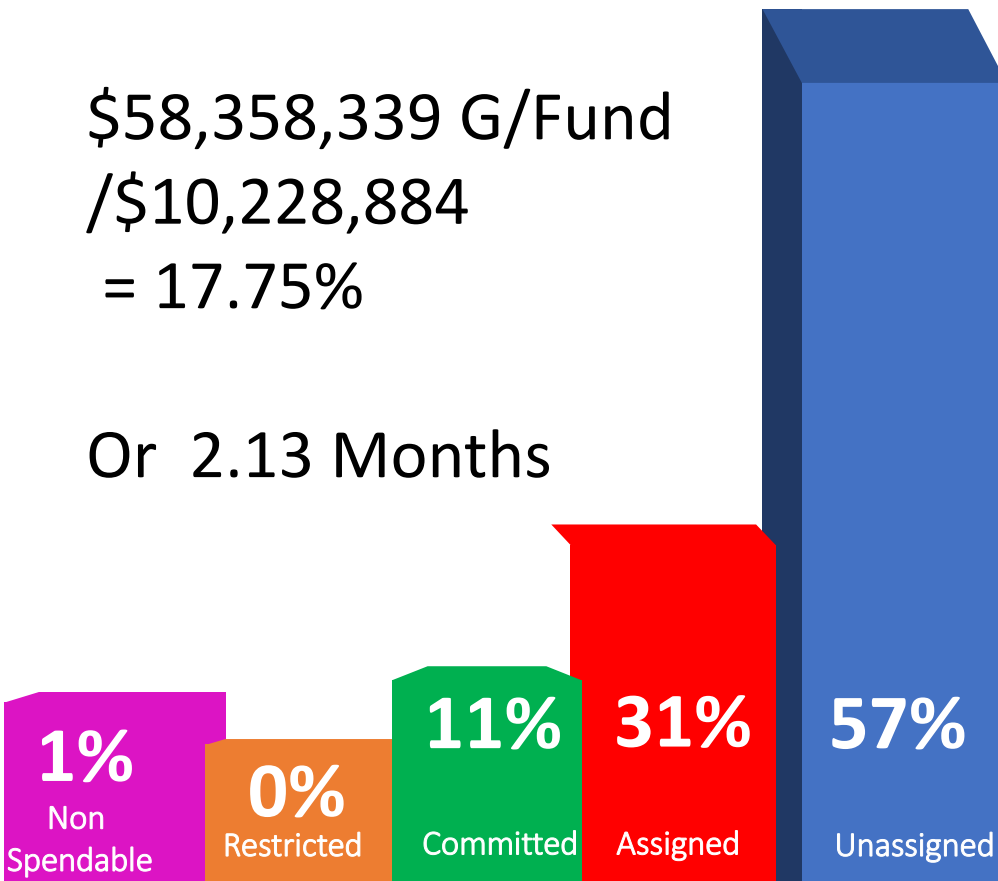
Assigned \$1,939,384

shall mean that portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Board of Trustees and/or the Superintendent.



Unassigned \$16,022,698

includes amounts available for any legal purpose.



Next Steps



Harris County Department of **Education**

- Board Review – June 28, 2022
- Board Workshop – July 20, 2022
- Required Posting –Houston Chronicle – 10 days prior to board meeting
- Target Budget Approval Date July 20, 2022
- Target Preliminary Values July 25th – Estimate
- Target Date - Certified Value – August 25, 2022
- Target Potential Public Hearing – September 2022
- Target Date - Tax Date Approval Date – October 2022