



# Budget Book for Fiscal Year 2015



We're **HCDE**. *Always Educating.*

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July 15, 2014

Members of the Board of Trustees  
Harris County Department of Education  
6300 Irvington Boulevard  
Houston, Texas 77022

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Superintendent of Schools

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Dear Trustees:

We are pleased to present the Harris County Department of Education's Annual Budget for fiscal year 2014-2015. This budget presents the Department's finance and operations plan.

**Introduction**

In accordance with State requirements, we are presenting our projected budget to the Board of Trustees and to the Harris County community. We encourage you and our citizens to engage in positive dialogue in fine tuning our budget proposal for 2014-2015. Given the limited resources, our staff has developed a financial plan for the 2014-2015 General Fund, Debt Service Fund, and Internal Service Fund Budgets. The development, review and consideration of the 2014-2015 budget were completed with a detailed review of every revenue and expenditure item within the context of the department's mission, goals and financial policies. This document provides information on each of the fund budgets. In addition, we also provide information about our projected grants for 2014-2015, which we account as Special Revenue Funds.

The primary purpose of this document is to provide timely and useful information concerning the past, current, and projected financial status of the Department, in order to facilitate financial decisions that support the educational goals of the Department. This budget's main focus is the improvement of HCDE divisions with the fiscal resources available to the Department. This budget addresses the essential needs of the Department by directing resources to those areas that will assist our staff in carrying out the mission of HCDE.

With this budget, we are continuing to use our performance based budgeting model. The HCDE Accountability System has been used as the basis for this performance based budgeting model. This the sixth year using goals, objectives and performance measures to plan the budget.

This budget document is the first step towards achieving these goals. It includes sound, prudent fiscal policies that will ensure the continuity of the Department.

## **About Harris County Department of Education**

Harris County Department of Education (HCDE), a highly successful educational resource in the Houston metroplex, is a nonprofit tax-assisted organization dedicated to the equalization of educational opportunity and to the advancement of public schools. HCDE has been serving the county's public schools for 125 years.

HCDE is located in Harris County in the upper Gulf Coast region of Texas, approximately 50 miles from the Gulf of Mexico. Harris County, Texas with 4.25 million people, is the third most populous county in the United States and ranks as one of the top ten fastest growing counties in the nation. Harris County's population base includes a wide variety of racial, ethnic, and socio-economic groups that give the area a rich diversity and cosmopolitan feel.

Harris County and the Houston metropolitan area comprise a leading region of business development in the nation. Houston continues to be a leader in oil and gas, aerospace, industrial engineering, and medical research, but diversification is fueling the local economy. The County's major hospitals, many of these concentrated just south of downtown Houston in the area of the Texas Medical center, offer world-class facilities for general and specialized medical needs. Houston is the fourth largest city in the nation and has consistently led in rate of job growth.

There are 25 public school districts located either entirely or partially within Harris County, as well as charter, private, and parochial schools. HCDE impacts the educational community through visionary leadership, shared resources and innovative programs.

The HCDE mission statement is: *Catalyst for Excellence in Educating All Learners*. Below are the goals and core beliefs:

### **Department Goals:**

1. Implement research initiatives assessing community educational needs.  
Partner with businesses to research career readiness.
2. Develop effective programs securing/promoting educational success for every learner.
3. Gather data informing the educational community of proven strategies.
4. Create innovative delivery systems and models promoting learning.
5. Inform, educate, and train educators; and
6. Leverage resources for the best outcomes.

### **Core Beliefs:**

- We believe that ALL students can learn
- We believe in promoting safe and caring environments where individuals and organizations can grow and succeed
- We believe in equal educational opportunity
- We believe in vision and innovation
- We believe in collaborative community-based solutions
- We believe in serving the educational community of Harris County with dignity and respect
- We believe in meeting the needs and goals of our clients through trust and quality service
- We believe in operating from a base of knowledge, expertise and resourcefulness

- We believe in continually analyzing the effectiveness of services
- We believe in optimizing all resources

Each HCDE Division has objectives that are measured annually by the HCDE Accountability System. The Performance Measures are in five constructs: 1. Service Delivery, 2. Client Satisfaction, 3. Compliance, 4. Outcomes and 5. Financial objectives.

## **Budget Process and Significant Changes**

### **Legal Requirements in Preparing the Budget**

The Texas Education Code requires that a local education agency prepare a budget of anticipated expenditures and revenues on or before August 20. The Board is required to adopt a budget before August 31. The budget must be itemized in detail according to classification (object) and purpose of expenditure (function) and be prepared according to General Accepted Accounting Principles.

The budget must be legally adopted before the adoption of the tax rate. The president of the Board of Trustees must call a public meeting of the Board of Trustees giving ten days public notice in a newspaper for the adoption of the budget. Any taxpayer in the Department may be present and participate in the meeting. The budget must be adopted by the Board of Trustees, inclusive of budget amendments no later than August 31.

### **Budget Development Process**

The budget development process comprises three stages: planning, preparation, and evaluation. The first phase, planning, involves defining the mission, goals, and objectives of campuses, divisions, and the Department. Once these plans and programs have been established, the preparation phase of budgeting begins by allocating resources to support them. Evaluation is the last step of the Department's budget cycle, in which information is compiled and analyzed to assess the performance of each individual division and campus, as well as the Department as a whole.

The budgeting process for the HCDE was initiated in January 2014. Individual, as well as group training workshops, were held with division directors and principals to guide them in developing their budgets.

The Human Resources Department played an important role assisting the Business Support Services in the budget process as they developed salary budgets utilizing established staffing guidelines.

Following this initial development process, we present this annual budget to the Board of Trustees and the citizens of Harris County. On July 15<sup>th</sup>, the Board of Trustees will be presented a final proposal to be implemented on September 1, 2014.

### **Amending the Budget**

A budget is an estimate of planned expenditures and expected revenues. Many changes can take place between estimating for the proposed budget in March and April and the start of the new fiscal year in September. Program and operational changes will mean budget changes. These changes to the budget are made in the form of budget amendments. Any increase or decrease in the budget requires board approval. Changes to revenues also require budget adjustments before the end of the year. All other changes are submitted by divisions and campuses to the Business Support Services for review and processing.

## Significant Changes

The budget development process for the 2014-2015 began to see signs from an economic recovery. Client school districts and divisions expect an increase in revenues from customer fees. Even with the anticipation of increased revenues, appropriations were carefully reviewed and increased by 2% from the amended budget. Estimates from the Harris County Appraisal Districts anticipate a 7% increase in property values. All construction projects and replacement assets were proposed to be funded from the General Fund as Fund Balance allocations. This budget includes a 3% salary increase. Additionally, 3 new positions were recommended (Speech Pathologist, and 2 Aides). A balanced budget was achieved with these necessary changes.

## Summary of Proposed Budgets

The Department utilizes Governmental, Proprietary, and Fiduciary fund types. The Department's Governmental fund type is comprised of General Funds, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The Proprietary Fund includes the Internal Service Fund. The Fiduciary fund type includes Agency Funds. It is important to note that the Department approves the annual budgets for the General Fund, Internal Service Fund and Debt Service Funds. Agency Funds and Special Revenue Funds adopt project-length budgets which do not correspond to the Department's fiscal year end and are not subject to Board approval; the information presented on these funds is for information purposes only.

The following table presents a comparison of the proposed expenditures for General Funds with a comparison of the estimated expenditures for fiscal year 2014-2015.

	Original Budget 2013-2014	Amended Budget 2013-2014	Proposed Budget 2014-2015	Percent Change
<b>Beg. Fund Balance</b>	\$ 24,815,014	\$ 24,815,014	\$ 22,055,783	
<b>Est. Revenues</b>	47,252,631	48,086,789	49,947,138	4%
<b>Appropriations</b>	43,908,407	46,354,596	46,714,305	1%
<b>Transfers Out</b>	4,491,424	4,491,424	5,446,949	21%
<b>Total Appropriations Excess/(Deficiency) or Revenues Over/(Under) Appropriations</b>	\$ 48,399,831 (1,147,200)	\$ 50,846,020 (2,759,231)	\$ 52,161,254 (2,214,116)	3%
<b>Ending Fund Balance</b>	23,667,814	22,055,783	19,841,667	
<b>Non-Spendable Fund Balance</b>	111,719	111,719	111,719	
<b>Restricted Fund Balance</b>	428,228	428,228	428,228	
<b>Committed Fund Balance</b>	1,408,000	1,408,000	1,408,000	
<b>Assigned Fund Balance</b>	7,450,241	7,450,241	6,875,241	
<b>Unassigned Fund Balance</b>	10,980,483	10,005,679	9,433,479	
<b>Ending Fund Balance</b>	\$ 23,667,814	\$ 22,055,783	\$ 19,841,667	

The following table presents a comparison of the projected revenues, expenditures, other financing sources and uses, and beginning and ending fund balance of all governmental funds for fiscal year 2014-2015.

	Governmental			Proprietary	Total
	General Fund	Special Revenue Fund	Debt Service Fund	Internal Service Fund	
<b>Est. Revenues</b>	\$49,947,138	\$29,347,454	\$2,534,231	\$6,243,140	\$88,071,963
<b>Appropriations</b>	46,714,305	29,347,454	2,534,231	6,243,140	84,839,130
<b>Transfers Out</b>	5,446,949	-	-	-	5,446,949
<b>Total Appropriations and Other Uses</b>	\$ 52,161,254	\$ 29,347,454	\$ 2,534,231	\$ 6,243,140	\$ 90,286,079
<b>Appropriations from Fund Balance:</b>	\$ (2,214,116)	-	-	-	\$ (2,214,116)
<b>Projected Fund Balance Beg.</b>	22,055,783	-	-	-	22,055,783
<b>Projected Fund Balance End.</b>	\$ 19,841,667	-	-	-	\$ 19,841,667

The Department's Proprietary Fund consists of the Internal Service Fund. The Internal Service Fund consists of two funds: the Worker's Compensation Fund and the Facilities Support Charges. For the Worker's Compensation Fund, the Department continues to participate in a partially self-funded pool, originally approved by the Board in fiscal year 2005. Claims administration, loss control, and consultant services are provided for by a third-party administrator for run-off claims from a self-insurance plan.

The following table presents a comparison of the proposed expenditures for Workers Compensation Fund with a comparison of the estimated expenditures for fiscal year 2014-2015.

**Internal Service Fund-Workers Compensation**

	Adopted Budget 2013-2014	Amended Budget 2013-2014	Proposed Budget 2014-2015
<b>Revenues</b>	\$ 464,082	\$ 464,082	\$ 464,082
<b>Appropriations</b>	464,082	464,082	464,082
<b>Transfers Out</b>	-	-	-
<b>Total Appropriations and Other Uses</b>	\$ 464,082	\$ 464,082	\$ 464,082
<b>Appropriations from Fund Balance:</b>	\$ -	-	\$ -

The Internal Service Fund also includes the Facilities Support Charges. The charges consists of facilities support charges that are divided amount the divisions based on square footage. The following table presents a comparison of the proposed expenditures for the Facilities Support Charges with a comparison of the estimated expenditures for fiscal year 2014-2015.

**Internal Service Fund-Facilities Support Charges**

	Adopted Budget 2013-2014	Amended Budget 2013-2014	Proposed Budget 2014-2015
<b>Revenues</b>	\$5,656,446	\$5,656,446	\$5,779,058
<b>Appropriations</b>	5,656,446	5,656,446	5,779,058
<b>Transfers Out</b>	-	-	-
<b>Total Appropriations and Other Uses</b>	\$ 5,656,446	\$ 5,656,446	\$ 5,779,058
<b>Appropriations from Fund Balance:</b>	\$ -	-	-

**Balanced Budget**

The operating budget of the Department shall be balanced, as prescribed in the Department’s policy. This means that for each fund, expenditures are not to exceed revenues plus available fund balances. If the fund balance is used, this cost must be a one time cost and not recurring, for example, capital expenditures. As the summary below indicates, we are submitting a balanced budget for fiscal year 2014-2015. Our expenditures plus other financing uses totals \$52,161,254. Our revenues equal \$49,947,138. One-time costs total \$1,740,069, construction project total \$677,246, construction replacement costs of \$186,650, Center for Safe and Secure Schools software \$285,000, and technology replacement costs totaling \$591,173 for a total of one time costs of \$1,740,069. We believe that our budget represents a fiscally responsible and conservative approach to the needs of the Department within the available funds. The chart below shows a historical summary of the general fund.

**General Operating Fund Summary (Trend)**

	2011-2012 Actual	2012-2013 Actual	2013-2014 Amended Budget	2014-2015 Proposed Budget
<b>Beg. Fund Balance</b>	\$ 19,225,735	\$ 21,823,673	\$ 24,815,014	\$ 22,055,783
<b>Est.Revenues</b>	44,389,564	46,570,333	48,086,789	49,947,138
<b>Appropriations</b>	37,998,987	39,894,507	46,354,596	46,714,305
<b>Total Other/Uses Net:</b>	3,792,639	3,684,485	4,491,424	5,446,949
<b>Total Appropriations and Other Uses:</b>	41,791,626	43,578,992	50,846,020	52,161,254
<b>Net Change in Fund Balance</b>	2,597,938	2,991,341	(2,759,231)	(2,214,116)
<b>Ending Fund Balance</b>	\$ 21,823,673	\$ 24,815,014	\$ 22,055,783	\$ 19,841,667

**Projected Fund Balance**

We are projecting that the fiscal year 2014-2015 fund balance will be \$19,841,667. This represents a change of \$2,214,116 from the projected 2013-2014 ending fund balance. It is the policy of the Department to maintain an unassigned fund balance equivalent to a minimum of two months of operations costs. Currently, the Department projects the desired fund balance. According to our five year forecast, the Department will have sufficient funds to meet the CE local policy requirements but may need additional cash to fund the Special Revenue Fund since they work on a reimbursement basis.

## About the 2014-2015 Department Budget

Below are highlights of the Department that will provide you with a general overview of the basis of our assumptions and projections for the coming 2014-2015 fiscal year. In order to prepare the annual budget, HCDE develops projections for taxable value, collection rate, and expenditure levels.

### Expenditure Levels

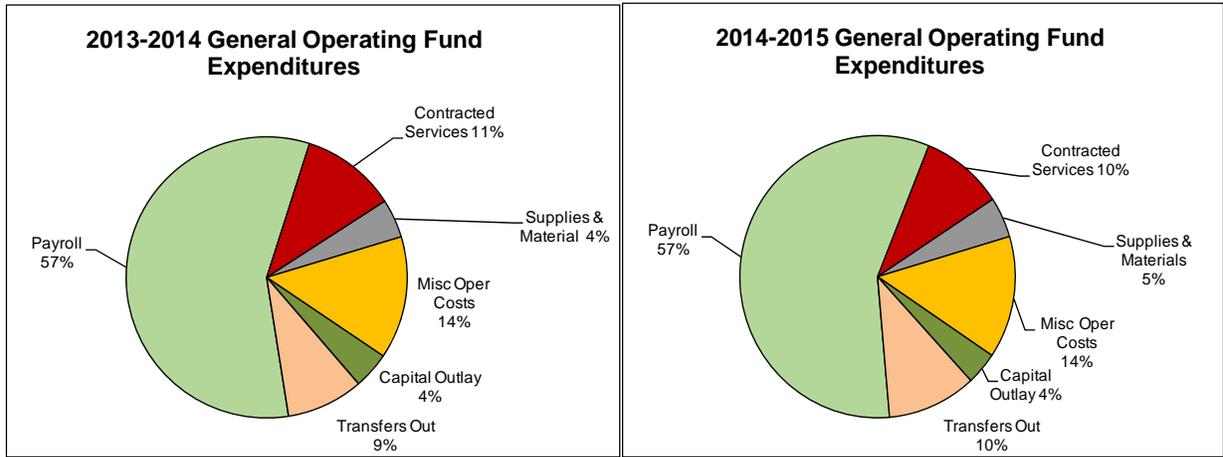
**General Operating Fund** –The 2014-2015 appropriation levels for the General Operating Fund are projected at \$46,714,305 and estimated other uses (transfers to other funds) at \$5,446,949, for a total of \$52,161,254; this represents a 3% or \$1,315,234 increase from 2013-2014 amended budget.

The 2014-2015 budget includes a 3% salary increases for all employees. The budget process was representative of the economic environment. A series of budget meetings and reviews were conducted by the Superintendent and the Budget Committee to achieve this budget. Transfers-out to other funds increased by \$955,525 for FY15 because the ECI transfer out increased to \$1,860,045 and Special Revenue payroll was added for \$330,000. A total of three positions (3) were added: one Speech Pathologist and two Aides for the Special Schools.

The capital outlay initiatives in the budgets include Facilities for \$863,896 (Highpoint East expansion \$677,246, Replacement Assets \$186,650) and Technology for a total of \$591,173 and Center for Safe Schools software \$285,000.

### Comparison of General Operating Fund Appropriations by Object

Object Code	Budget 2013-2014	Budget 2013-2014	Budget 2014-2015	Percent Change
Payroll	\$ 29,176,610	\$ 29,201,749	\$ 29,977,381	3%
Contracted Services	4,628,667	5,574,099	5,046,756	-9%
Supplies & Materials	1,886,960	2,258,333	2,420,364	7%
Misc Operating Cost	7,234,316	7,173,333	7,309,535	2%
Capital Outlay	981,854	2,147,082	1,960,269	-9%
Transfers Out	4,491,424	4,491,424	5,446,949	21%
<b>Total Appropriations</b>	<b>\$ 48,399,831</b>	<b>\$ 50,846,020</b>	<b>\$ 52,161,254</b>	<b>3%</b>



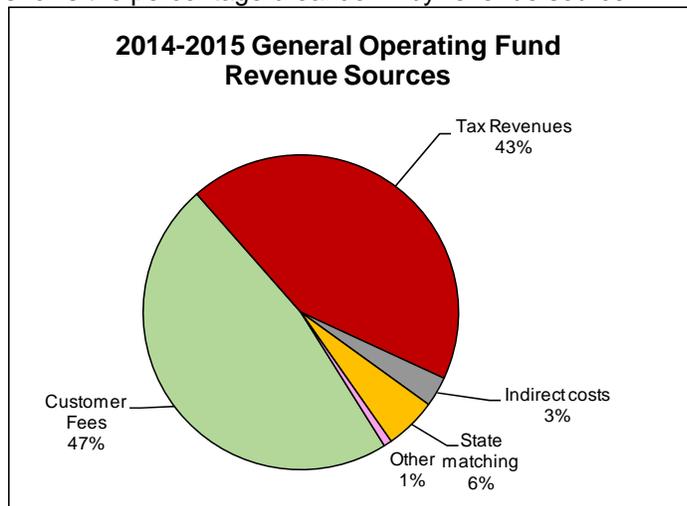
**Debt Service Fund** – The Department budgeted \$2,534,231 for 2014-2015. Resources in the Debt Service Fund must be used to pay for general long-term debt principal and interest for debt issues and other long-term debts for which a tax has been dedicated from the Maintenance and Operations Tax. A transfer is projected from the General Fund to the Debt Service Fund. Currently the Department has approximately \$22.7 million in debt and does not have plans to issue any additional debt.

**Special Revenues Funds** – Appropriations for these funds are restricted to, or designated for, specific purposes by a grantor. For 2014-2015, the Department’s appropriation is \$29,347,454. The Department provides information to the Board of Trustees on all Department grants, but they do not approve an annual budget for these funds. These grants adhere to grant restrictions and budgets.

**Revenue Levels**

Revenue estimates are based upon a variety of demographic and tax information. Estimating revenue from the two major sources, customer fees and local property taxes, are critical to the budget. The Department estimates total General Operating Fund revenues of \$49,947,138 for the 2014-2015 fiscal year. Customer fees are projected to be \$23,685,463 or 47% of the revenues, tax revenues are projected to be \$21,654,275 of 43% of the revenues. The remaining revenues are indirect costs at \$1,539,400; state matching \$2,658,000 and other at \$410,000.

The chart below shows the percentage breakdown by revenue source.



Customer fees that support the General Operating Fund budget represent 47% of all available sources of funding. Tax revenues constitute 43% while state matching total 6% and indirect costs total 3%. The recommended budget includes an increase in revenues of 4% from the approved FY2013-2014 budget.

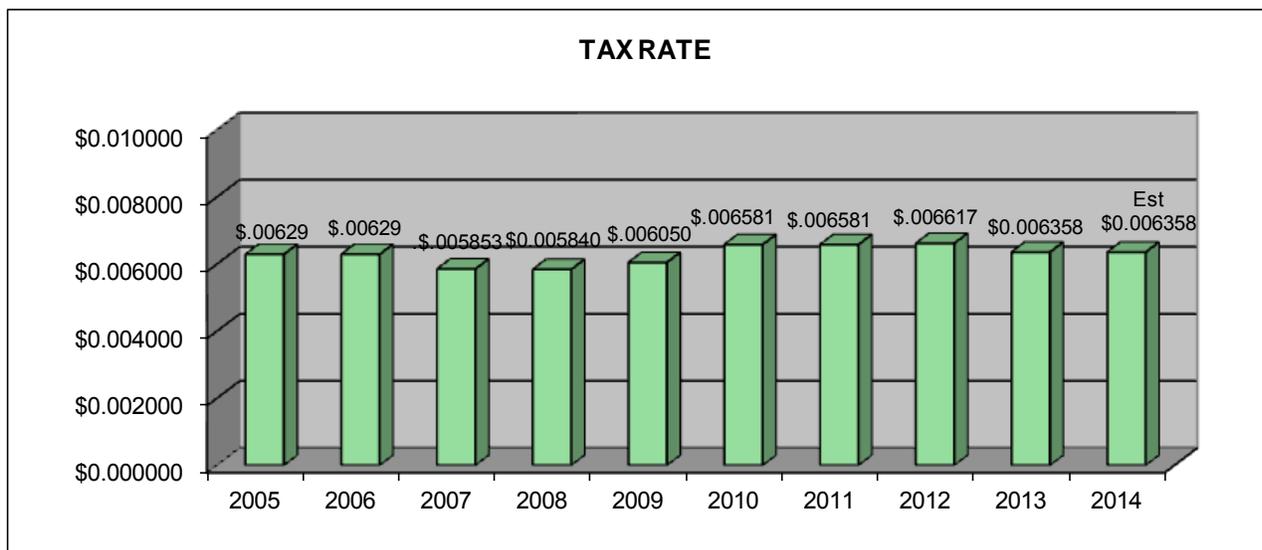
	Original Budget 2013-2014	Amended Budget 2013-2014	Proposed Budget 2014-2015	Percent Change
Customer fees	\$ 22,590,061	\$ 23,292,076	\$ 23,685,463	2%
Tax revenues	19,490,905	19,490,905	21,654,275	11%
Indirect costs	2,209,665	1,840,794	1,539,400	-16%
State matching	2,508,000	2,508,000	2,658,000	6%
Other	454,000	955,014	410,000	-57%
<b>Total Revenues</b>	<b>\$ 47,252,631</b>	<b>\$ 48,086,789</b>	<b>\$ 49,947,138</b>	<b>4%</b>

### Local Revenues

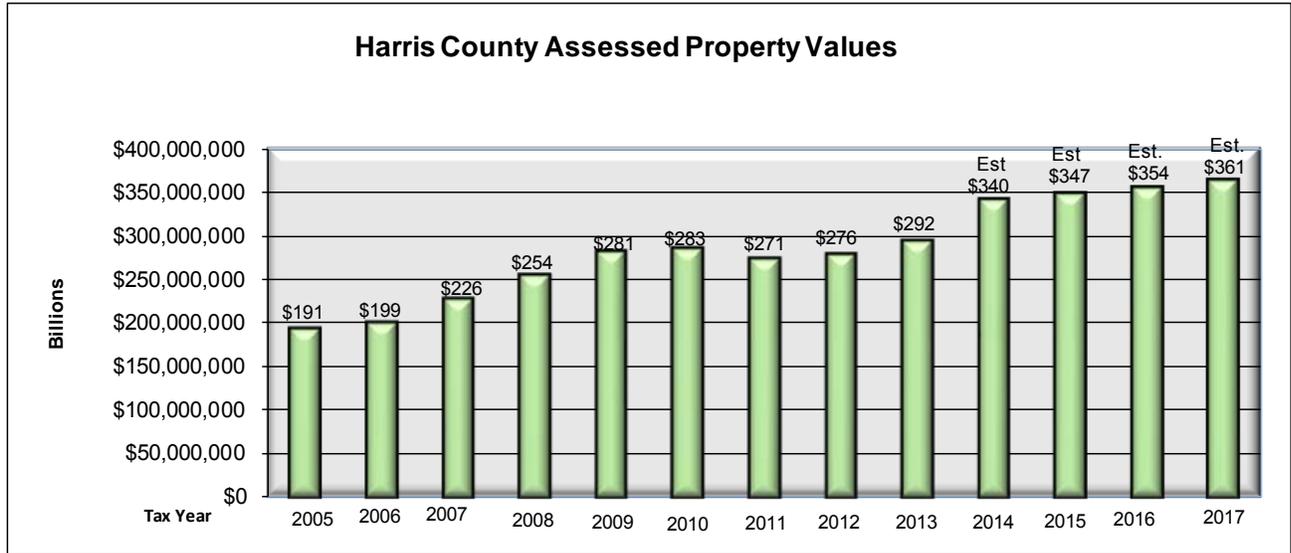
Local revenues are projected to increase by 4%. Revenues from current year customer fees are expected to increase by 2% from an estimated \$23,292,076 in 2013-2014 to a projected \$23,685,463 for 2014-2015. In addition, the Department anticipates a 11% change in tax revenues from \$19,490,905 in 2013-2014 to \$21,654,275 in 2014-2015 based on HCAD taxable value estimates of a 7% growth. A 99% collection was used in FY2014 and 100% collection rate is estimated to be realized. For FY2015, the collection rate is budgeted at 98%.

**Tax Rate** – Based on the taxable value, the Department must project the level of taxation that will generate adequate funds to provide for funds to meet Department obligations while keeping in mind the ability of local tax payers to pay their taxes. Given the increase in values, it is expected that the effective tax rate will be lower than the current nominal rate of \$0.006358. Throughout the budget process we estimate the tax rate at the nominal rate. Upon receiving the certified values and the effective tax rate calculation from the Harris County Tax assessor- collector, the tax rate proposal will be developed and presented to the board in accordance with the truth in tax law.

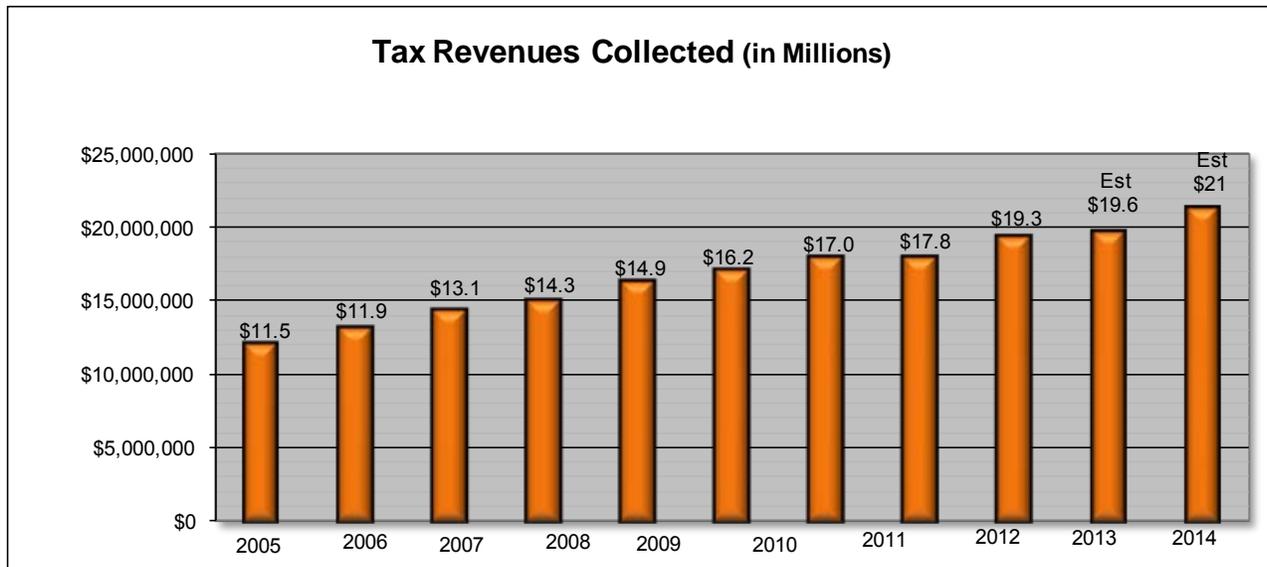
The chart below illustrates the tax rate history.



**Taxable Value** – The Harris County Appraisal District certifies the taxable value from which the Department begins to develop the estimates for local tax revenues. The Department estimates an increase in taxable values from last year of over \$23 Billion. The 2014 certified estimates of net taxable value for the 2014-2015 fiscal year is \$340,945,596,411 (based on HCAD report updated 4/30/14), an increase of \$27,397,490 or 7% over the current 2013-2014 level. The adjacent chart illustrates the 10-year taxable value history of the Department. For fiscal year 2014-2015, the Department projects a 7% growth on appraised values due to the positive economic impact in the region and value growth.



**Tax Collections** – The collections percentage used to estimate the tax revenues is 98%; the Department’s tax collections goal is 99%. This is a realistic approach given the history of the Department’s collections effort and the projected tax increase.



## **Other 2014-2015 HCDE Budget Highlights**

**Salary Adjustment** – The proposed budget includes 3% salary adjustment for General Fund employees. The proposed budget includes \$35,000 for a 3% increase for Adult Education employees, \$200,000 for Head Start employees, and \$95,000 for ECI employees (these are reflected as a Transfer Out).

**Other Payroll Highlights** – Three new positions were added for the 2014-2015 school year. One Speech Pathologist and two Aides for Special Schools.

**Education Foundation** – The total amount of support for the Foundation for the FY14-15 remained unchanged at \$190,000.

**Workers Compensation Insurance** – The amount of \$464,082 was budgeted for 2014-2015. There are sufficient funds in the reserve account for uncertainties.

**Transfers Out** – The amount of transfers out increased by \$955,525 for a total of \$5,446,949. The ECI transfer increased by \$745,045. The Head Start transfer totals \$171,886, the CASE transfer totals \$550,787, and the ECI transfer is \$1,860,045. The 3% salary increases for Special Revenue total \$330,000 (Adult Education \$35,000, Head Start \$200,000, ECI \$95,000). The Debt Service payment is \$2,534,231.

Below is the Five Year Forecast for Harris County Department of Education:

**Harris County Department of Education  
General Fund Revenues and Expenditures  
Five Year Forecast**

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Proposed 2014-15	Estimated 2015-16	Estimated 2016-17	Estimated 2017-18
Beginning Fund Balance	\$19,225,734	\$21,823,672	\$24,815,014	\$23,667,814	\$21,453,698	\$19,694,771	\$18,415,121
Estimated Revenues	44,389,564	46,570,333	47,252,631	49,947,138	51,445,552	52,988,919	54,578,586
Appropriations (Exp.)	41,791,626	43,578,991	48,399,831	52,161,254	53,204,479	54,268,569	55,353,940
Difference	2,597,938	2,991,342	(1,147,200)	(2,214,116)	(1,758,927)	(1,279,650)	(775,354)
Projected Ending Fund Balance	\$21,823,672	\$24,815,014	\$23,667,814	\$21,453,698	\$19,694,771	\$18,415,121	\$17,639,767
<hr/>							
Nonspendable Fund Balance	119,633	111,719	111,719	111,719	111,719	111,719	111,719
Restricted Fund Balance	\$1,218,921	\$428,228	\$428,228	\$428,228	\$428,228	\$428,228	\$428,228
Committed Fund Balance	\$1,408,000	\$1,408,000	\$1,408,000	\$1,408,000	\$1,408,000	\$1,408,000	\$1,408,000
Assigned Fund Balance	\$5,810,352	\$5,305,241	\$5,305,241	\$5,305,241	\$5,305,241	\$5,305,241	\$5,305,241
Unassigned Fund Balance	\$13,266,766	\$17,561,826	\$16,414,626	\$14,200,510	\$12,441,583	\$11,161,933	\$10,386,579
<b>Total Required Cash Flow</b>	<b>6,644,660</b>	<b>6,906,116</b>	<b>6,703,412</b>	<b>6,792,392</b>	<b>6,928,240</b>	<b>7,066,805</b>	<b>7,208,141</b>
Cash Flow- Needed for Special Revs Funds	3,162,024	3,274,533	2,670,093	2,445,621	2,494,534	2,544,424	2,595,313
Cash Flow- Needed from General Fund	3,482,636	3,631,583	4,033,319	4,346,771	4,433,707	4,522,381	4,612,828
<hr/>							
Cash Flow Calculations:							
Special Revenue Funds - Grants * 1/12 of Total Grant is	37,944,290 3,162,024	39,294,395 3,274,533	32,041,111 2,670,093	29,347,454 2,445,621	29,934,403 2,494,534	30,533,091 2,544,424	31,143,753 2,595,313
General Fund - Appropriations 1/12 of General Fund for Cash Flow	41,791,626 3,482,636	43,578,991 3,631,583	48,399,831 4,033,319	52,161,254 4,346,771	53,204,479 4,433,707	54,268,569 4,522,381	55,353,940 4,612,828

**Assumptions:**

**Revenues:**

1% increase in Customer Fees

\$1 M increase in taxes

Indirect Costs are flat

**Expenditures:**

2% increase

**Acknowledgements**

In Fiscal Year 2013-2014, the Business Office earned the Distinguished Budget Presentation Award for Budgeting for the GFOA and ASBO. This was the fifth submission for HCDE in its history. This was possible through a collaboration of the Business Office, Human Resources, Technology Department and Communications Office. All budget managers also were instrumental in providing timely information to the Business Office.

**Final Comments**

The preparation of the Department's budget is a coordination of many efforts from divisions, Research & Evaluation, Human Resources and Business Support Services. We are excited about the performance based budgeting and look forward to FY 2014-2015. We thank the Budget Team that coordinated the wealth of information before you and we look forward to your input and feedback on our financial plan.

**DEPARTMENT OFFICIALS, STAFF & CONSULTANTS**

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**COUNTY BOARD OF TRUSTEES**

NAME	TITLE	SERVICE DATE
Angela Chesnut	President	1993
John E. Sawyer, Ed. D.	Secretary	2002
Howard Jefferson	Member	2013
Debra Kerner	Vice President	2009
Erica S. Lee	Member	2013
Marvin W. Morris	Member	2011
Kay Smith	Member	2013
Diane Trautman	Member	2013

**ADMINISTRATIVE OFFICIALS**

Name	Position
John E. Sawyer, Ed. D.	County School Superintendent
Jesus Amezcua, CPA	Assistant Superintendent
Celes Harris	Assistant Superintendent
Linda Pitre, Ed. D.	Assistant Superintendent
Jim Schul	Chief Information Officer
Natasha Truitt, MBA	Executive Director, Human Resources

**CONSULTANTS & ADVISORS**

Financial Advisor .....	Coastal Securities, Inc. Houston , Texas
Bond Counsel.....	Andrew Kurth LLP Houston, Texas
Certified Public Accountants .....	Whitley Penn, LLP Houston, Texas
General Counsel .....	Roger, Morris, Glover Houston, Texas
Board Consultant .....	Griffin & Associates Houston, Texas

## SUPERINTENDENT'S BIOGRAPHY

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### **John E. Sawyer, Ed. D.**

The Harris County Department of Education Board of Trustees selected John E. Sawyer as the Department's superintendent on October 1, 2002.

Dr. Sawyer is county schools superintendent for Harris County Department of Education, a 125-year-old, tax-assisted, nonprofit organization dedicated to the equalization of educational opportunity and advancement of public schools. The organization administers 16 external divisions that serve 25 area school districts.

Dr. Sawyer has acquired a wealth of public school knowledge and experience, having served as an English teacher; assistant principal and principal; district business manager; and district superintendent.

With a proven record of improving student performance, he is also an adamant proponent for furthering services for students with special needs.

Dr. Sawyer was nominated for the 2005 College of Education Distinguished Educator of the Year award at Sam Houston State University. Past honors include Educator-of-the-Month and Texas School Business Officials appointee to the State Board of Education's Cost Education Committee. He has also served within the Lamar University and Columbia Teachers' College Superintendents' academies.

Dr. Sawyer attended the University of Texas at Austin and earned a Bachelor of Arts. He has a Master of Education from Sam Houston State University and a Doctorate of Education from the University of Houston.

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## **ASSISTANT SUPERINTENDENT for BUSINESS SERVICES' BIOGRAPHY**

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### **Jesus J. Amezcua, CPA**



Mr. Amezcua has been the Department's Assistant Superintendent for Business Services since 2008 and he oversees the financial management, investment management, debt management, procurement, compliance, tax collections, and safe and secure schools departments.

Under his leadership, the Department recently secured over \$8 million in Quality Zone (QZAB) credit contracts and over \$5.8 million in E-RATE technology funding. Mr. Amezcua also coordinated the creation of the School Finance Council to provide professional development opportunities, sharing of ideas and networking opportunities for business managers in Harris County.

After graduating from Martin High School, Mr. Amezcua attended Tarkio College in Missouri and earned three master's degrees, including an MBA from Texas A&M International University. Mr. Amezcua is a Certified Public Accountant and has taught since 1991 at Texas A&M International University. He is currently working on his doctorate in educational administration and human resources from Texas A&M University.

Previous to HCDE, Mr. Amezcua worked for Laredo Independent School District as the Chief Finance Officer for 11 years. Prior to Laredo ISD, Mr. Amezcua worked for the City of Laredo. During his tenure with the city, he served as the assistant director of finance, revenue manager, internal auditor, and staff accountant.

Mr. Amezcua is member of the Houston Rotary Club and is actively involved in numerous community events and organizations. Mr. Amezcua and his wife, Ramona, have three children.

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## BOARD OF TRUSTEES BIOGRAPHIES

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### **Angie Chesnut** **Position 2, Precinct 4,** **Board President**



Ms. Angie Chesnut has served on the Board of Trustees for Harris County Department of Education since 1994. An entrepreneur, Ms. Chesnut is CEO of Chesnut & Associates, Inc., a curriculum development and consulting firm. She previously worked for IBM in a managerial capacity.

On the HCDE Board, Ms. Chesnut chairs the Policy/Planning Committee. She is also active on the Advisory Council for the Center for Safe and Secure Schools.

Past community involvement on her behalf includes work with the Houston Mayor's Committee for Employment of People with Disabilities, United Way's Loaned Executive Program and the Career Resource Center of Kingwood. Ms. Chesnut has served as an advocate for children with disabilities, having worked on their behalf alongside school administrators and parents. Ms. Chesnut currently volunteers in the Humble Independent School District and with other local and national community-based programs.

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### **Howard Jefferson** **Position 7, At Large**



Howard Jefferson was appointed to Harris County Department of Education's Board of Trustees, At-Large Position 7 in June 2013. Previously, he served as the elected HCDE board member for Position 6, Precinct 1 from 1995-2006.

Jefferson holds a bachelor's degree in chemistry from Southern University A&M College in Baton Rouge, Louisiana, and a master's degree in administration and supervision from the University of Houston. A former long-time educator, Jefferson served in numerous teaching and administrative capacities within Houston Independent School District (HISD), including Assistant Superintendent. He is a retired insurance and financial service professional.

Jefferson's dedication to community service equips him with a wealth of invaluable experience. He is skilled in education leadership as a result of both his professional training and successful career within HISD, along with his many previous years of service on the HCDE Board of Trustees. In addition, he brings decades of experience from the business arena and through volunteering with various civic associations. Jefferson has also held numerous leadership roles within a plethora of organizations and other associations— including the NAACP— in which he has served as President of the Houston chapter and most recently as a board member at the national level.

**Debra Kerner  
Position 5, At Large**



Ms. Debra Kerner was elected to the Harris County Department of Education Board of Trustees, At Large Position 5 in November, 2008. Since July 2008, she has been serving on an HCDE committee examining ways to increase funding for Head Start. Ms. Kerner is owner of Southwest Speech, a private practice in speech/language pathology. Through her practice, she works in public and private schools, as well as with private clients. She is active in the community having served as president of the Houston Association for Communication Disorders and vice president of the Texas Speech-Language-Hearing Association.

Ms. Kerner received her Masters in Science degree from Columbia University and her Bachelors in Science degree from Syracuse University.

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**Erica S. Lee Carter  
Position 6, Precinct 1**



Erica S. Lee Carter was elected in November 2012 to serve Precinct 1 on the Harris County Board of Education - Position 6. Trustee Lee Carter is a certified teacher and life-long advocate for educational access and equality. During her term, she will focus on ensuring a quality education for all children.

Trustee Lee Carter is the Regional Quality Coordinator for the Nurse-Family Partnership's National Service Office that has a mission of helping first-time parents succeed by providing evidence-based home visiting. Trustee Lee Carter spearheads quality initiatives and data interpretation for agencies in a 15-state region.

A product of Houston's public school system, Trustee Lee Carter graduated with Honors from the University of North Carolina at Chapel Hill. Immediately following graduation, she returned to Houston to teach first grade in the Houston Independent School District. After teaching for several years, Trustee Lee Carter earned a Master's of Public Policy degree from the Terry Sanford School of Public Policy at Duke University.

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**Marvin W. Morris  
Position 1, Precinct 2**



Mr. Marvin W. Morris was seated as a member of the Harris County Department of Education Board of Trustees in January 2011. Mr. Marvin Morris holds Position 1, representing Precinct 2. A successful businessman and a 40 year resident of Clear Lake area, he joined the HCDE Board of Trustees in 2011. Mr. Morris is the distinguished Vice-President of Automatic Protection Systems Corporation and is married to the former Dr. Priscilla Whorton, a longtime dentist in the Clear Lake area. Mr. and Dr. Morris are proud parents committed to advancing teaching and learning. Mr. Morris brings a wealth of entrepreneurial savvy and expertise to HCDE's governing body.

**Kay Smith**  
**Position 4, Precinct 3**



Ms. Kay Smith was elected as trustee in November 2012. She has lived within the Cypress-Fairbanks community she serves for 16 years. She says her goal in serving Harris County is to work toward a more united community. As an entrepreneur, Ms. Smith is both a property developer and retail marketer. She is active in many organizations within the Cy-Fair community and beyond. Her experience includes leadership within the Texas Tea Party Republican Women. She also served as chair of the Harris County Republican Party Finance Committee and Precinct Chair for Harris County Precinct 0050. Ms. Smith says this about serving as HCDE Trustee: "I view my service to Harris County as a joint effort with you."

She is parent to one daughter, Lisa, and has three grandsons. Keegan and Konnor attend Cy-Fair Independent School District schools, and Kyle serves in the U.S. Navy.

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**Dr. Diane Trautman**  
**Position 3, At-Large**



Dr. Diane Trautman is a retired professor of education. In addition to her tenures in higher education at both Sam Houston State and Stephen F. Austin universities, she has also worked in the following educational capacities within the K-12 arena: Teacher in both Houston and Humble ISDs and Principal in Conroe and Tomball ISDs. Prior to her work in the field of education, she worked in the banking industry at both Texas Commerce Bank (Trust Asset Management) and First City National Bank (Energy Lending).

Dr. Trautman holds a Bachelor's degree in English and a Masters degree in Secondary Education, both from the University of Houston. She also earned a Doctorate degree in Educational Leadership from Sam Houston State University. Her field of expertise is educational leadership, and along with professors at SHSU, she helped to develop a new leadership theory as part of her doctoral dissertation and for which she received the NCPEA Dissertation of the Year award in 2001.

Dr. Trautman currently serves on the HCDE Head Start Policy Council, HCDE Special Schools Committee, HCDE Policy Committee, and the Harris County Education Foundation Board. She is also on the advisory board of Will's Kids, a nonprofit organization that helps motivate students and keeps them in school instead of dropping out. She is a member of the Association of Texas Professional Educators, the League of Women Voters, the Humble Area Retired Teachers Association, the Girl Scouts Alumni Organization, and Atascocita Lutheran Church. She and her husband Tim have three grown children and two grandchildren.

# HARRIS COUNTY DEPARTMENT OF EDUCATION PROFILE

## DEPARTMENT'S MISSION, GOALS & BELIEFS

Harris County Department of Education (HCDE), a highly successful educational resource in the Houston metroplex, is a nonprofit tax-assisted organization dedicated to the equalization of educational opportunity and to the advancement of public schools. HCDE has been serving the county's public schools for 125 years. The organization impacts the educational community through visionary leadership, shared resources and innovative programs.



### **Mission**

Harris County Department of Education: Catalyst for Excellence in Educating All Learners.

### **Goals**

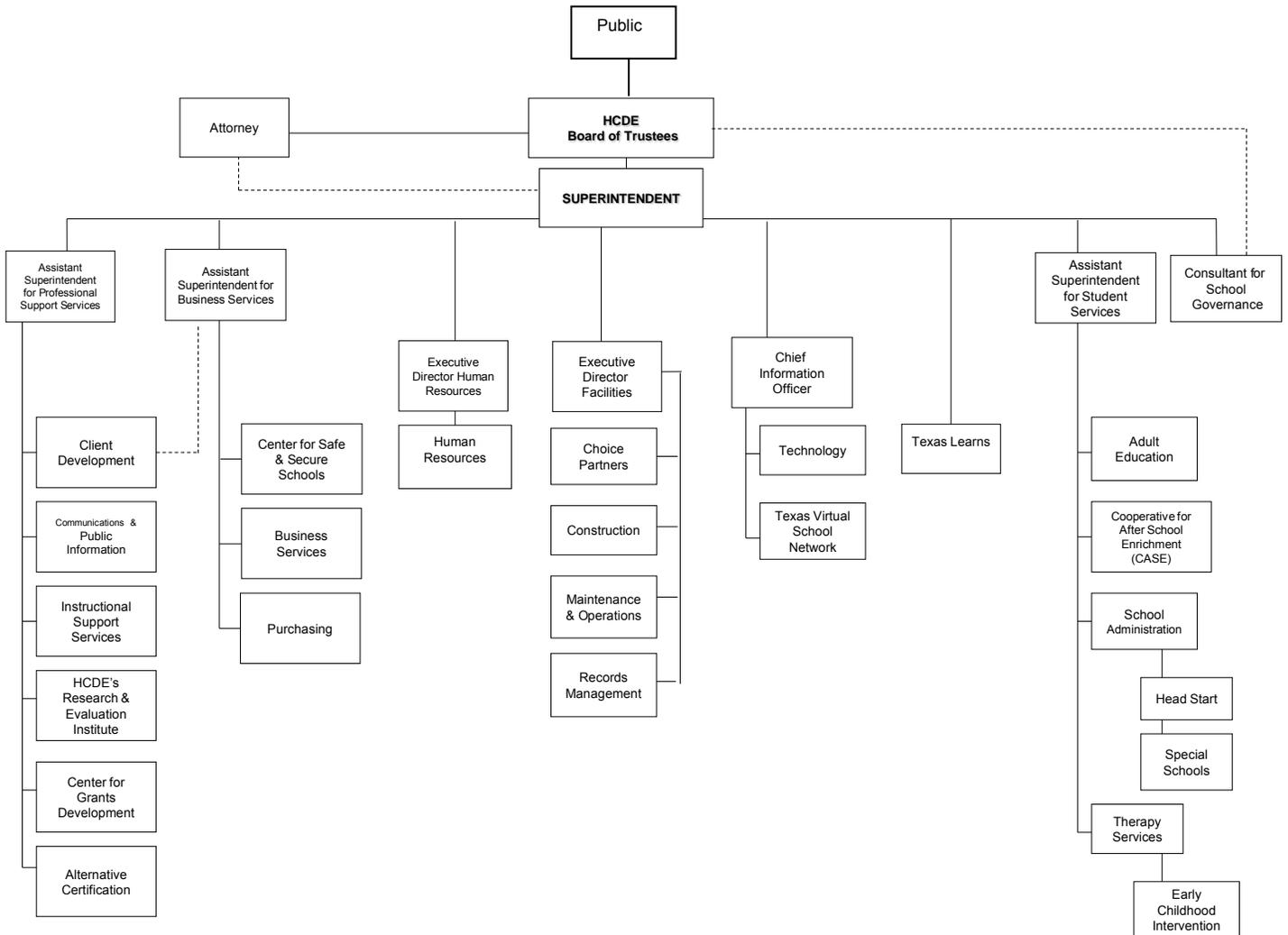
Harris County Department of Education will

- Implement research initiatives assessing community educational needs. Partner with businesses to research career readiness.
- Develop effective programs securing/promoting educational success for every learner.
- Gather data informing the educational community of proven strategies.
- Create innovative delivery systems and models promoting learning.
- Inform, educate, and train educators.
- Leverage resources for the best outcomes.

### **Core Beliefs**

- We believe that ALL students can learn
- We believe in promoting safe and caring environments where individuals and organizations can grow and succeed
- We believe in equal educational opportunity
- We believe in vision and innovation
- We believe in collaborative community-based solutions
- We believe in serving the educational community of Harris County with dignity and respect
- We believe in meeting the needs and goals of our clients through trust and quality service
- We believe in operating from a base of knowledge, expertise and resourcefulness
- We believe in continually analyzing the effectiveness of services
- We believe in optimizing all resources

# HARRIS COUNTY DEPARTMENT OF EDUCATION FY2014-2015 Organizational Chart



NOTE: Solid lines are direct reports and dotted lines are indirect reports.

## PROFILE OF THE DEPARTMENT

Harris County Department of Education, incorporated in 1889, is a political subdivision of the State of Texas. HCDE is located in Houston, Texas. Originally every county in Texas had its own department of education. Therefore, Harris County Department of Education was the first school district in Harris County, Texas.

While the name 'Harris County Department of Education' may cause some confusion from time to time for the public, it is important for the reader of this budget to know and understand that the Department is an entity separate and distinct from county agencies of Harris County, Texas. Also, today HCDE is not a school district but a governmental entity. It has evolved in response to educational and community needs to provide educational services to students (of all ages) and school districts primarily within but also outside of Harris County, Texas.

The Harris County Board of School Trustees (Board)-elected by voters of Harris County, Texas-has governance responsibilities over all activities and operations of the Department. The Board consists of seven members who serve overlapping six-year terms. Trustees are elected in even numbered election years for six year staggered terms in order to provide board continuity. Four trustees must be elected from districts conforming to the four Harris County Commissioners' precincts. The other three trustees are elected at-large.

The Department is a primary governmental unit and is not included in any other governmental reporting entity. There is a blended component unit, the Harris County Department of Education Public Facilities Corporation (PFC), included within the reporting entity.

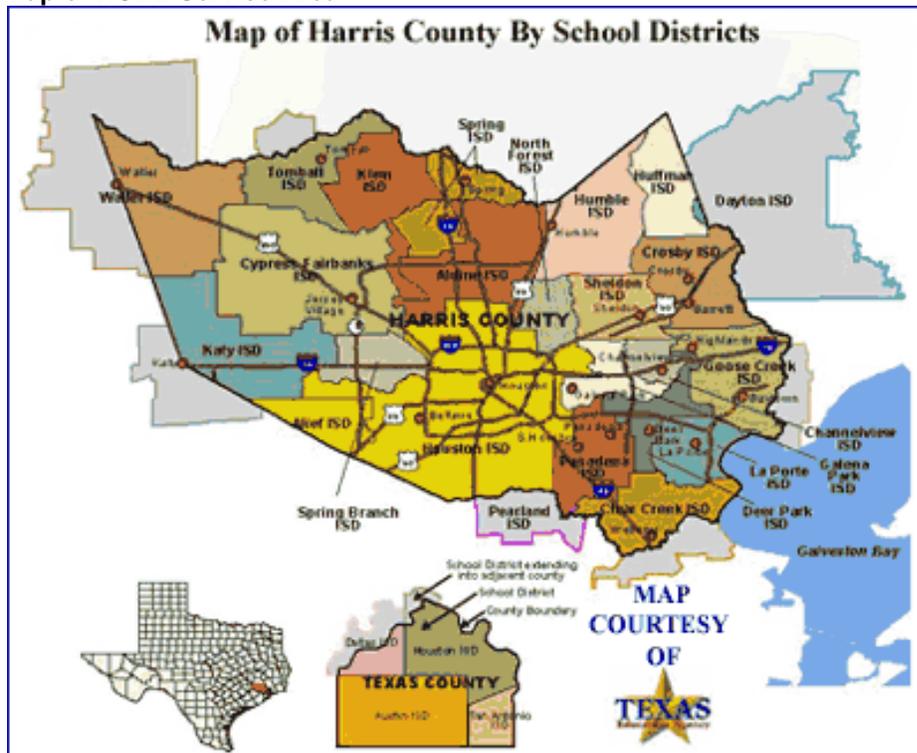
### Organization Authority

HCDE was created by the Texas Legislature in 1889 and operates under Chapter 17 &18 of the education code.

### Organizational Philosophy

The core ideology of Harris County Department of Education outlines the direction of the Department and the expectation held for all employees. The mission defines what we are. Our core beliefs define our intent; and our goals define how we intend to achieve our mission.

### Map of HCDE Service Area



## Primary Services

The Department's primary service area geographically covers 1,788 square miles within Harris County, Texas in the upper Texas Gulf Coast region. Harris County's population base includes a wide variety of racial, ethnic, and socio-economic groups that gives the area a rich diversity and cosmopolitan feel. The Department offers services to 25 rural, suburban, and urban school districts entirely or partially within its primary service area of Harris County. It also serves school districts and governmental agencies in surrounding counties, as well as schools, education services centers, and other governmental agencies statewide.

Responding to and serving the needs of learners of all ages, socio-economic status, ethnic backgrounds, educational or development delays and at-risk behaviors requires the Department to be an institution of great flexibility as evidenced by the activities described below. Affordable and highly flexible programs and products are developed with clients in mind. Client population examples are:

**Academic and Behavior Centers** serve children, youth, and young adults ages 5-22 with severe emotional disturbances, mental retardation, pervasive developmental disorders, and other health impairments.

**Adult Education Program** prepares age 16-plus youths and adults to read and speak English, and/or to complete a high school General Equivalency Diploma education.

**Center for Safe and Secure Schools** provides a wide variety of services pertaining to best practices in the fields of Emergency Preparedness and School Safety.

**Cooperative for After School Enrichment Program** serves elementary, middle, and high school students delivering quality after-school learning opportunities.

**Head Start Program** serves 3- to 5-year old economically disadvantaged children and their families, with over 10 percent of those having an identified disability requiring intervention.

**Highpoint Schools** serve adjudicated youth by providing intensive counseling and a technology-driven curriculum in a strict disciplinary environment.

**Instructional Support Services (ISS)** provides professional development and instructional support to administrators, teachers, support personnel, students, parents and the community.

**Purchasing Cooperatives** offer many time-saving, value-added services as well as money-saving member benefits. With members purchasing as a collective body, all members benefit by the Cooperative's volume purchasing. Purchasing Cooperatives include the Gulf Coast Food Co-Op, Purchasing Co-Op, and Choice Facility Partners.

**Records Management Cooperative** assists Houston-area school and governmental agencies to achieve and maintain compliance with State of Texas Local Governmental Records Act of 1989.

**Special Education-Related Programs** serves individuals ages 0-22 years of age with identified disability groups, diagnosed disabilities, developmental delays or at-risk for delays from diverse socioeconomic families.

**The Early Childhood Intervention Keep Pace Program** serves children ages 0-3 with medical conditions with a high probability of delay, with atypical development, developmental delay, or at-risk for delay.

## **BUDGET ADMINISTRATION & FINANCIAL POLICIES**

### **Legal Requirement for Budgets**

Legal requirements for school district budgets are formulated by the state, the Texas Education Agency (TEA), and the local district. In addition to these requirements, individual school districts also may have their own legal requirements for budget preparation. Additional legal requirements also may be imposed by state and federal grants; however, this section deals only with state legal mandates, TEA legal requirements and local district requirements for basic budget development and submission.

*HCDE follows the legal budget requirements for school districts in accordance with the education code and the tax adoption requirements for counties in accordance with the Government code.*

### **Statement of Texas Law**

Sections 44.002 through 44.006 of the Texas Education Code establish the legal basis for budget development in school districts. The following six items summarize the legal requirements from the code:

- The superintendent is the budget officer for the district and prepares or causes the budget to be prepared.
- The district budget must be prepared by a date set by the state board of education, currently August 20.
- The president of the board of trustees must call a public meeting of the board of trustees, giving ten days public notice in a newspaper, for the adoption of the district budget. Any taxpayer in the district may be present and participate in the meeting.
- No funds may be expended in any manner other than as provided for in the adopted budget. The board does have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.
- The budget must be prepared in accordance with GAAP (generally accepted accounting principles) and state guidelines.
- The budget must be legally adopted before the adoption of the tax rate.

### **Texas Education Agency (TEA) Legal Requirements**

TEA has developed additional requirements for school district budget preparation as follows:

- The budget must be adopted by the board of trustees, inclusive of amendments, no later than August 31.
- Minutes from district board meetings will be used by TEA to record adoption of and amendments to the budget.
- Budgets for the General Fund, the Food Service Fund (whether accounted for in the General Fund, a Special Revenue Fund or Enterprise Fund) and the Debt Service Fund must be included in the official district budget (legal or fiscal year basis). These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.

### **Tax Authority**

HCDE received its tax authority in 1935 with a statute creating an equalization tax not to exceed of \$0.01. HCDE follows Property Tax Code Chapter 26 for the tax setting process. HCDE follows the Texas Comptroller's Truth in Taxation- A Guide for Setting Tax Rates for Taxing Units Other than Schools.

### **Code of Ethics**

All Business Services and Purchasing Division employees are required to read and sign the HCDE Code of Ethics for Business Support Services and Purchasing Division Employees on an annual basis. The management of the Business Support Services and Purchasing Division is dedicated to making ethical and lawful choices by providing a structured code of ethics for its personnel to follow. Business Support Services and Purchasing Division employees shall model and promote ethical behavior to all HCDE employees through their behavior.

### **Risk Awareness**

An organization wide process to address internal control and risk-based standards in an audit requirement, per

Statement of Auditing Standards No. 115 Communicating Internal Control Related Matters, issued by the American Institute of Certified Public Accountants (AICPA). The finished product, the packet of completed forms, is provided to the independent auditors for their review during the audit process.

Each Division is given a Risk Awareness packet early in the budget process. This packet is completed and returned to the Compliance Officer. Compliance Officer review each packet and looks for high risk items and discuss the reasons why the division manager considers the item a high risk. The information is documented and placed in folders for additional review. There is a Mid Year review and assessment during the budget process in February and then there is a Year End Review by the Executive Team member for that division.

### **Fraud Prevention**

The HCDE Fraud Prevention Model and Awareness Program supports SAS #99 by communicating to management and others an awareness and understanding of FRAUD, and educating management about FRAUD and the types of controls that will deter and detect FRAUD. The Business Office alone cannot prevent and/or detect all the types of FRAUD that may be perpetrated within the Department. It takes all HCDE employees being aware and being knowledgeable that FRAUD could occur to possibly prevent FRAUD from occurring or even detecting a FRAUD that has occurred.

### **HCDE Financial Policies**

In addition to state legal requirements, HCDE has established its own requirements for annual budget preparation. The HCDE recognizes the importance of maintaining its financial integrity; therefore, it has developed this policy to support its mission and its goals and objectives. HCDE's fiscal policies dictate budgetary requirements that go beyond those required by the Texas Education Code and TEA. These policies are delineated below.

### **Fiscal Policy & Objectives**

#### ***Financial Stability***

In seeking to fulfill its mission, the HCDE shall maintain a high level of financial stability and shall not compromise the long term financial integrity to achieve short term benefits.

- In an effort to provide adequate cash flow for its operations, HCDE shall maintain a fund balance with five categories to meet the GASB 54 requirements:
  1. Non-Spendable fund balance
  2. Restricted fund balance
  3. Committed fund balance
  4. Assigned fund balance
  5. Unassigned fund balance
  
- As of August 31, 2013, HCDE had a fund balance of approximately 2 months of operating costs. To achieve this goal, the Superintendent and the Assistant Superintendent for Business Services are instructed to implement the following financial plan:
  1. Develop and submit for Board approval a balanced budget with input from Division Managers the Budget Committee (a balanced budget means that for each fund, expenditures are not to exceed revenues plus available fund balances; if the fund balance is to be used, than this must be for a one time cost and not reoccurring costs.
  2. Restrict any surplus funds towards unassigned fund balance.

#### ***Funds from Operations***

Funds from operations should provide adequate funds to support its:

1. Special schools and alternative schools
2. Instructional programs
3. Capital programs
4. Debt service programs

## **Revenue**

Revenue levels shall be evaluated with staff recommendations yearly in consideration of:

1. Student growth assumptions
2. The projected level of expenditures
3. Facility and construction requirements
4. Current business conditions (local economy)
5. Economic projections (state economy, legislative issues, etc.)
6. Bond ratings

## **General Operating Fund Expenditures**

General fund expenditures shall maintain the following priorities of obligation:

1. Payments of all legal and reasonable expenditures relating to maintenance and operations of the HCDE operating fund.
2. Payments to meet all debt service requirements of outstanding bond indebtedness including the interest and sinking fund.
3. Payments to special revenue funds that require a matching for federal or state grants, including the CASE fund, the ECI fund, the Head Start fund and others.
4. All net surpluses after payment of items 1 to 3 above may be used to fund necessary capital equipment purchases, facility expansion, and renovation. All remaining funds will go toward maintaining a budgeted ending cash balance (unreserved undesignated fund balance) which equates to at least two months of operating costs. This amount would be determined by first adding budgeted operations and maintenance costs plus debt service requirements. This total would be divided by 12 and then multiplied by two to calculate the two months operating costs requirements.

## **Long Term Financing**

In the absence of surplus funds in item 4 above, the HCDE will utilize long term financing for capital projects and equipment funded through the maintenance and operations tax rate. Available mechanisms include the following:

1. Public Property Finance Contractual Obligations (PPFCO)
2. Time Warrants
3. Delinquent Tax Notes
4. Any other legal mechanism
5. Public Facilities Corporation (PFC)

## **Short Term Financing**

HCDE will strive to minimize its short term financing by maintaining a two month undesignated fund balance. Based on cash flow projections, the CFO may recommend to the Board to utilize short term financing to satisfy the cash flow requirements of the HCDE. Available mechanisms include the following:

1. Tax anticipation notes
2. Tax warrants
3. Delinquent tax notes

## **Reporting –Department and Public Facilities Corporation (PFC)**

HCDE will prepare reports of financial operations as follows:

1. A monthly operating and financial report, requiring review by the Audit Committee and/or the Board as the Board deems necessary.
2. An annual financial plan (budget) detailing revenues, expenditures, and capital additions presented for approval prior to September 1 of each year. Midyear analysis and review shall be presented to the Board for approval.
3. An annual audit by an outside professional auditing firm that would include all necessary details in reconciling all of the year's financial operation. The audit report will be submitted for review and approval to the Board after the end of the fiscal year. A copy of the audit report will be submitted to Harris County and other respective oversight agencies.

## **Investments**

### ***Investment Authority***

Department depository and investment authority is established within the office of the Superintendent. By the authority of the Board, the Assistant Superintendent-Business Services, the Chief Accounting Officer, the Reporting & Compliance Officer, and the Business Analyst are designated as the HCDE's investment officers. The investment officers are responsible for depositing funds, investing such funds, assuring that each investment has the proper authorized collateral, monitoring investments, assuring the security of HCDE's principal and interest, receiving and reporting principal and interest at the maturity of each investment, and providing the proper documentation and reports on such investments to the Superintendent and the Board in accordance with the HCDE's written investment policy and generally accepted accounting procedures.

The investment officers shall be bonded or shall be covered under a fidelity insurance policy. All investment transactions except investment pool funds and mutual funds shall be executed on a delivery-versus-payment basis.

### ***Approved Investment Instruments***

From those investments authorized by law and described further in CDA (LEGAL), the Board shall permit investment of Department funds in only the following investment types, consistent with the strategies and maturities defined in this policy:

1. Obligations of or guarantees by, governmental entities as permitted by Government Code 2256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. A securities lending program as permitted by Government Code 2256.0115.
5. Banker's acceptances as permitted by Government Code 2256.012.
6. Commercial paper as permitted by Government Code 2256.013.
7. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014.
8. A guaranteed investment contract as an investment vehicle for bond proceeds provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
9. Public funds investment pools as permitted by Government Code 2256.016.

### ***Safety and Investment Management***

The main goal of the investment program is to ensure its safety and maximize financial returns within current market conditions in accordance with this policy. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

### ***Liquidity and Maturity***

Any internally created pool fund group of HCDE shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by HCDE shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits. HCDE's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.

### ***Diversity***

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific issuer.

### ***Monitoring Market Prices***

The investment officer shall monitor the investment portfolio and shall keep the Board informed of significant declines in the market value of HCDE's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisors, and representatives/advisors of investment pools or money market funds. Monitoring shall be done monthly or more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.

### ***Funds/Strategies***

Investments of the following fund categories shall be consistent with this policy and in accordance with the strategy defined below.

- Operating Funds – Investment strategies for operating funds (including any co-mingled pools containing operating funds) shall have as their primary objectives safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
- Agency Funds – Investment strategies for agency funds shall have as their objectives safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
- Debt Service Funds – Investment strategies for debt service funds shall have as their objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.
- Capital Projects – Investment strategies for capital project funds shall have as their objective sufficient investment liquidity to timely meet capital project obligations. Maturities longer than one year are authorized provided legal limits are not exceeded.

### ***Safekeeping and Custody***

HCDE shall retain clearly marked receipts providing proof of HCDE's ownership. HCDE may delegate, however, to an investment pool the authority to hold legal title as custodian of investments purchased with HCDE funds by the investment pool.

### ***Brokers/Dealers***

Prior to handling investments on behalf of HCDE, brokers/dealers must submit required written documents in accordance with law. Representatives of brokers/dealers shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC), and be in good standing with the National Association of Securities Dealers.

### ***Soliciting Bids for CD's***

In order to get the best return on its investments, HCDE may solicit bids for certificates of deposit in writing, by telephone, or electronically, or by a combination of these methods.

### ***Internal Controls***

A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to protect against losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated

changes in financial markets, or imprudent actions by employees and officers of HCDE. Controls deemed most important shall include:

1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds.
2. Avoidance of collusion.
3. Custodial safekeeping.
4. Clear delegation of authority.
5. Written confirmation of telephone transactions.
6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale.
7. Avoidance of bearer-form securities.

These controls shall be reviewed by HCDE's independent auditing firm.

### ***Portfolio Report***

In addition to the quarterly report required by law and signed by HCDE's investment officer, a comprehensive report on the investment program and investment activity shall be presented annually to the Board. This report shall include a performance evaluation that may include, but not be limited to, comparisons to 91-day U.S.

Treasury Bills, six-month

U.S. Treasury Bills, the Fed Fund rate, the Lehman bond index, and rates from investment pools. The annual report shall include a review of the activities and total yield for the preceding 12 months, suggest policies, strategies, and improvements that might enhance the investment program, and propose an investment plan for the ensuing year. The Government Treasurers' Association of Texas (GTOT) has certified our policy.

### **Ad-Valorem Taxes**

#### ***Discounts***

Discount options shall not be provided for the early payment of property taxes in HCDE.

#### ***Split Payments***

Split payment of taxes shall be allowed in accordance with statutory provisions.

### **Purchasing & Acquisition**

#### ***Purchasing Authority***

The Board delegates to the Superintendent or designee the authority to determine the method of purchasing, in accordance with CH (LEGAL), and to make budgeted purchases. However, any purchase that costs or aggregates to a cost of \$50,000 or more shall require Board approval before a transaction is culminated according to CH (LOCAL).

A competitive bid and a competitive proposal are both purchasing methods that may be used when making formal purchases valued at \$50,000.00 or greater. The key difference between the two methods is that the competitive bid does not allow for negotiation and the competitive proposal does allow for negotiations

#### ***Competitive Bidding***

Competitive Bids, or Invitation to Bid (ITB), are used when you are able to clearly define what goods or services you need. If competitive bidding is chosen as the purchasing method, the Superintendent or designee shall prepare bid specifications. All bids shall be submitted in sealed envelopes, plainly marked with the name of the bidder and the time of opening. All bidders shall be invited to attend the bid opening. Any bid may be withdrawn prior to the scheduled time for opening. Bids received after the specified time shall not be considered. The Department may reject any and all bids.

### ***Competitive Sealed Proposals***

Competitive Proposals and Request for Proposal (RFP), are used when the user has a good idea of what he/she wants but there might be different ways of arriving at the same goal. Competitive proposals may be the preferred method of acquisition when the need exists to generate a spectrum of alternative responses to the need proposed and to retain the ability to refine these responses through negotiation. The competitive proposal will have a scope of work that describes the goods or services being purchased and the application, but HCDE is going to leave it up to the company as to how to best accomplish the end result.

CSB is used on generic goods or services that normally are awarded to low bidder meeting specifications. RFP is used on more complicated purchases that require an evaluation to take place along with possible negotiations

If competitive sealed proposals are chosen as the purchasing method, the Superintendent or designee shall prepare the request for proposals and/or specifications for items to be purchased. All proposals shall be submitted in sealed envelopes, plainly marked with the name of the proposer and the time of opening. Proposals received after the specified time shall not be considered. Proposals shall be opened at the time specified, and all proposers shall be invited to attend the proposal opening. Proposals may be withdrawn prior to the scheduled time of opening. Changes in the content of a proposal, and in prices, may be negotiated after proposals are opened. HCDE may reject any and all proposals.

### ***Responsibility for Debts***

The Board shall assume responsibility for debts incurred in the name of the Department so long as those debts are for purchases made in accordance with adopted Board policy and current administrative procedures regarding purchases and expenditures. The Board shall not be responsible for debts incurred by unauthorized persons or organizations not directly under Board control or who were acting outside their departmental authority. Full responsibility for payment of unauthorized purchases shall be assumed by persons making such purchases.

### ***Purchase Commitments***

Purchase commitments shall be made by the Superintendent or the Superintendent's designee on properly drawn and issued Departmental documents.

### **Personnel**

#### ***New Positions***

Any new positions of employment shall be prominently described and set out in the budget for the fiscal year in which the position is created and shall be approved by the Board at the time that the budget is approved. Notice of vacancies shall be posted at campuses but not be limited to campuses.

New positions created after approval of the budget shall be approved by the Board at public meeting before the positions can be advertised, offered, or funded. For FY2015, there are three new positions added to the budget.

### **Annual Operating Budget**

#### ***Fiscal Year***

HCDE operates on a fiscal year beginning September 1 and ending August 31.

#### ***Budget Planning***

Budget planning is an integral part of overall program planning so that the budget effectively reflects the HCDE's programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered, as well as input from the HCDE Administration, division managers, and campus-level planning. Budget planning and evaluation are continuous processes and are part of each month's activities.

### ***Availability of Proposed Budget***

After it is presented to the Board and prior to adoption, a copy of the proposed budget shall be available upon request from the business office or Superintendent. The Superintendent or designee shall be available to answer questions arising from inspection of the budget.

### ***Budget Meeting***

The annual public meeting to discuss the proposed budget and tax rate shall be conducted as follows:

1. The Board President shall request at the beginning of the meeting that all persons who desire to speak on the proposed budget and/or tax rate sign up on the sheet provided.
2. Prior to the beginning of the meeting, the Board may establish time limits for speakers.
3. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget and/or the tax rate.
4. No Trustee, officer, or employee of HCDE shall be required to respond to questions during the meeting from speakers or the public.

### ***Authorized Expenditures***

The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and HCDE's approved purchasing procedures. The expenditure of funds shall be under the direction of the Superintendent, Assistant Superintendent-Business Services, or appropriate designee who shall ensure that funds are expended in accordance with the adopted budget.

### ***Budget Amendments***

The budget shall be amended when a change in expenditures is made between or among divisions, or increasing/decreasing revenue object accounts and other resources.

### **Budget Amendments/ Transfers**

Budget amendments/transfers must be aligned with modifications to division plans. Every time that a significant change is made to a budget, the change must be reflected in their division plan. In the processing of the budget amendment/transfer, the division must include required documentation. Budget amendments/transfers will not be approved if the required documentation is not included with the amendment or transfer form.

### **Budget Transfers & Amendments Signature Authority**

Administration is authorized to move funds between line items. If the overall budget amount increases or decreases, then Board approval is required. For Special Revenue Funds, intra-function budget transfers are approved subject to the approval by the granting agency. A summary of all transfers is presented to the Board of Trustees. Interdepartmental transfers and any increase or decrease or operating appropriations must be approved by the Board of Trustees and the Superintendent. All departments are required to operate within their budgetary constraints. The operating budgets are amended prior to expenditure, and the accounting system provides a strong budgetary control over expenditures.

### **Capital Expenditures Policies**

Capital Expenditures are funds committed for improving facilities or for the construction of new facilities. Capital expenditures also include costs of maintenance and operations on facilities and are financed through various funds depending on available funding. The Budget Process includes a review of capital expenditures to be undertaken with general funds (if any) or the need for additional bonds. The funds utilized for capital expenditures include the following:

**PFC Fund** – capital expenditures are funded through this fund when a new bond is issued and committed for capital expenditures

**Local Construction Fund** – capital expenditures are funded on a pay as you go basis and funded from excess general funds. These projects and capital expenditures are appropriated annually.

**Facilities Fund** – capital expenditures are funded on a pay as you go basis and funded from facilities charges allocated to all divisions. These projects and capital expenditures are appropriate annually.

**QZAB Fund** – capital expenditures are funded on QZAB bonds issued for equipment and renovation. These projects are initiated depending on available revenues to pay back the bonds issued.

**Capital Expenditures**

**For FY15 the Capital Expenditures include:**

**Assigned Fund Balance:**

Technology Replacement Assets	\$591,173
Facility Replacement Assets	186,650

**Unassigned Fund Balance:**

Highpoint East expansion	677,246
Center for Safe and Secure Schools software	285,000

**TOTAL FUND BALANCE**

**CAPITAL EXPENDITURE APPROPRIATIONS: \$1,740,069**

Technology Replacement Assets include: chassis switch upgrades, wi-fi upgrades for conference center, NPO network storage, firewall appliance and Cisco switches.

Facility Replacement Assets include: scheduled asset inventory replacement.

Center for Safe and Secure School software is an Alert Software to be used with member districts.

## **BUDGETARY CONTROL & BASIS OF ACCOUNTING**

### **Reporting Entity**

The County School Board ("Board"), a seven member group, has governance responsibilities over all departmental activities within the jurisdiction of the Department. The Board is elected and has the exclusive power and duty to govern and oversee the management of the Department. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those power and duties by the Board. The Department receives funding from local, state, and federal government sources and must comply with the requirements of those funding entities. The Department is considered an independent entity for financial reporting purposes and is considered a primary government.

### **Accounting System Structure**

The Business Support Services division is responsible for providing all Department financial services including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management budgeting, fixed assets, tax office collections, and special financial and policy analyses to Department management. The Assistant Superintendent for Business Services, appointed by the Superintendent, has oversight responsibility of the division's operations.

The Department's hardware includes an IBM server as well as numerous personal computers and system terminals. The Department utilizes the Pentamotion software application and computerized financial accounting system, which includes a system of internal accounting controls. Such controls have been designed and are continually being reevaluated to provide reasonable, but not absolute assurance for the safeguarding of assets against loss from unauthorized use of disposition and the reliability of financial records for preparing financial statement and maintaining accountability of the Department's assets.

The concept of reasonable assurances recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework and are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Basis of Accounting**

Accounting records for governmental fund types are maintained on a modified accrual basis with revenues recorded when services or goods are received and the liabilities are incurred.

The modified accrual basis of accounting is used for the governmental fund types. The basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e., both measurable and available), and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for certain compensated absences, which are recognized when obligations are expected to be liquidated with expendable, available financial resources.

Federal grant funds are generally considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

### **Basis of Budgeting**

Harris County Department of Education accounting policies substantially comply with the rules prescribed in the Texas Education Agency's Financial Accountability System Resource Guide and conforms to generally accepted accounting principles applicable to governmental units. The Board of Trustees requires that annual budget be adopted for the General Fund. Budgets are prepared using the same accounting basis (modified accrual) as for financial statements. The modified accrual basis of accounting recognizes revenues in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due.

The Special Revenue Funds and Capital Projects Funds adopt project-length budgets which do not correspond with the Department's fiscal year and are not subject to Board approval. Following is a description of the Department's funds. The basis of budget and the basis of accounting are shown in the chart below."

**Funds and Fund Types**

The Department's accounting system is organized and operated on a fund basis and account groups. In addition,

<u>Governmental Funds</u>	<u>Operating Budget</u>	<u>Audited Financial Statements</u>
General Fund	Modified Accrual	Modified Accrual
Special Revenue Funds	Modified Accrual	Modified Accrual
Debt Service Funds	Modified Accrual	Modified Accrual
Capital Projects Fund	Modified Accrual	Modified Accrual
<u>Proprietary Funds</u>		
Internal Service Funds	Accrual	Accrual
<u>Fiduciary Funds</u>		
Agency Funds	Accrual	Accrual

the department budgets on an organizational unit basis within each fund. Each fund is considered a separate accounting entity. The operations of each fund are accounted for through a separate set of self-balancing accounts that are comprised of its assets, liabilities, fund equity, revenue and expenditures and/or expenses. Governmental resources are allocated and accounted in individual funds based upon the purposes for which spending activities are controlled. The Department utilizes the following fund types:

**Governmental fund types:**

General Fund (appropriated) – used to account for financial resources used for general operations. Any fund balances are considered resources available for current operations. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. Included in this fund is the QZAB, Local Construction and the Retirement Fund. The Department issued Qualified Zone Academy Bonds (QZAB) Notes, Series 2009A in the aggregate principal amount of \$6,320,000. Proceeds of the Notes will be used to renovate, repair and equip schools operated by the Department, each of which qualifies as a qualified zone academy.

Special Revenue Funds (not appropriated) – used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal, state, and local grants are accounted for in a separate special revenue fund.

Debt Service Fund (appropriated) – used to pay interest and related costs and to retire long-term debt. A transfer from the General Fund is made to fund for debt issued by using the maintenance and operations taxes.

Capital Projects Fund (not appropriated) – accounts for the proceeds of general obligation bond sales. Revenues from sale of bonds are used for acquiring sites, constructing, and equipping new facilities and renovating existing facilities. The Harris County Department of Education Public Facility Corporation (PFC) issues bonds to provide for the acquisition of and the construction and renovation of educational facilities in accordance with the Public Facility Corporation Act. In January 2006, the PFC issued bonds to fund construction of the new Highpoint school and the acquisition, renovation, and equipping of the records management warehouse/administrative North Post Oak facility.

**Proprietary fund types:**

Internal Services Fund – used to account for revenues and expenses related to services provided by one division within the Department to other divisions. This fund facilitates distribution of facility support costs to the users of support services and workers compensation costs through a modified self insurance program.

**Fiduciary fund types:**

Agency Funds – used to account for clearing accounts and campus activities funds, and are not budgeted.

**HCDE Fund Codes:**

**100 - GENERAL FUND**

**199 General Fund**

**200 - FEDERAL GRANTS**

- 205 Head Start
- 206 Head Start Training
- 223 Temporary Assistance for Needy Families
- 230 Adult Basic Education (ABE) Regular
- 234 ABE EL/Civics
- 255 OneStar Americorps Grant
- 267 TX 21st Century Grant Cycle 6
- 284 Texas LEARNS Program Improvement
- 287 Texas LEARNS
- 288 CASE After School Partnership
- 289 Early Childhood Intervention (ECI)

**300 - STATE GRANTS**

- 381 Adult Basic Education Regular
- 382 Temporary Assistance to Needy Families
- 383 Texas Virtual School Network
- 389 ECI Keep Pace State

**400 - LOCAL GRANTS**

- 463 Houston Endowment Grant
- 479 Head Start In-Kind
- 481 ECI Maintenance of Effort (MOE)
- 498 EFHC Local Grants
- 499 Other Local Grants

**500 - DEBT SERVICE**

- 599 Debt Service

**600 - CAPITAL PROJECTS FUND**

- 698 PFC Refunding Bonds
- 699 PFC Capital Projects

**700 - INTERNAL SERVICE FUNDS**

- 753 Workers Compensation
- 799 Facility Support Services

**800 - TRUST AND AGENCY FUNDS**

- 811 Highpoint-East Activity Funds
- 814 Highpoint-North Activity Funds
- 815 Courtesy Committee
- 829 Blair Endowment-Scholastic Program

**900 - ACCOUNT GROUPS**

- 901 General Capital Assets
- 902 PFC Capital Assets
- 903 Long Term Debt
- 904 PFC Long Term Debt

## Accounting Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund Types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund Types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which is recognized when due and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues from local sources consist primarily of contract fees from local school districts and property tax revenues. Contract revenues and property tax revenues are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Any excess revenues at fiscal year-end are recorded as deferred revenue or due to grantor, as necessary.

Proprietary Fund Types, the Internal Service Fund, uses the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable

## Property Taxes

Property taxes are levied on the assessed value listed as of the prior January 1 for all real and business personal property located in the Department's taxing are of Harris County, Texas in conformity with Subtitle E. Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. Uncollectible personal property taxes receivable are written off after ten years and real property taxes receivable are written off after twenty years.

## Fund Balance

Order of Expenditure Fund balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet. The fund balance of the general fund, one of the governmental fund types, is of primary significance because the general fund is the fund which finances most functions of the Department.

The five classifications of fund balance of the general fund include:

1. **Nonspendable fund balance** 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.

Example of fund balance reserves for which fund balance is not available for financing general operating expenditures are:

- A. Inventories
- B. Prepaid items

- C. Deferred expenditures
  - D. Self funded risk management programs
  - E. Long term receivables
  - F. Outstanding encumbrances
2. **Restricted fund balance** includes amounts constrained to a specific purpose by the provider, such as grantor.
    - a. Federal or state granting agency (i.e. CASE, Adult Education, ECI, Head Start)
    - b. Construction funds (QZAB, PFC)
    - c. Retirement of long term debt
  3. **Committed fund balance** shall mean that portion of the fund balance that is constrained to a specific purpose by the Board of Trustees.
  4. **Assigned fund balance** 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.

In current practice, such plans or intent may change and never be budgeted or result in expenditures in future periods of time. Examples of assigned fund balances which the department may have tentative plans for expenditures in future period include:

- A. Capital replacement (expenditures for equipment, furniture, software)
- B. Building construction, repair and renovation
- C. Insurance deductibles
- D. Claims and judgments
- E. Employee retirement leave reserves
- F. Expansion and moving costs
- G. Program start up costs
- H. Debt service reduction
- I. Other legal uses

5. **Unassigned fund balance** includes amounts available for any legal purpose. This portion of the total fund balance in the general fund is available to finance operating expenditures.

Unassigned fund balance shall mean the difference between the total fund balance and the total of the nonspendable fund balance restricted fund balance, committed fund balance and assigned fund balance.

Credit rating agencies carefully monitor levels of fund balance and unreserved fund balance in a government's general fund to evaluate the government's continued creditworthiness. Historically, HCDE enjoyed a Moody's A2 Rating on Education Lease Revenue Bonds, Series 1999, released to raise revenue for construction purposes. When HCDE borrowed from the Qualified Zone Academy Bonds and Maintenance Notes in 2009, HCDE's credit rating was A2. HCDE's credit rating on Education Lease Revenue Bonds, Series 2006 is also A2, and these bonds were issued to raise revenue for construction purposes.

The Government Finance Officers Association and the Texas Association of School Business Officials recommends that general-purpose governments maintain unassigned fund balance in their general fund of no less than five to 15 percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operating expenditures. Local budget policy is to maintain an unassigned fund balance equal to a minimum of two months of operations costs. This amount would be determined by first adding budgeted operations and maintenance costs plus debt service requirements. This total would be divided by 12 and then multiplied by two to calculate the two months operating costs requirements.

## Expenditure Functions

A function represents a general operational area and groups together related activities. Most school districts use all of the functions in the process of educating students or organizing the resources to educate students. Each of these activities is a function as required by the Texas Education Agency (TEA) Financial Accountability System Resource Guide (FASRG).

**Function 11 – Instruction** – is used for transactions that deal directly with the interaction between teachers and students. This function includes expenditures for direct classroom instruction and other activities that enhance the delivery of learning opportunities to students. Teaching may be provided in the classroom, at home, in the hospital, and other learning situations, including television, radio, telephone, telecommunications, multimedia and/or correspondence. Expenditures include salaries and fringe benefits for teachers, teacher assistants, substitutes, special education speech and occupational instructional services, and physical therapy. It includes purchase of instructional equipment, supplies, and materials.

**Function 12 -Instructional Resources and Media Services** -is used for expenditures that are directly used for resource centers, establishing and maintaining libraries and other facilities dealing with educational resources and media. It includes expenditures for salaries and fringe benefits of librarians, library assistants, media center personnel and other staff related to media services, expenditures for supplies and materials associated with media center and resource centers such as library books, films, video cassettes, CD-ROM disks, equipment purchases, and upkeep of the equipment.

**Function 13 -Curriculum Development and Instructional Staff Development** – is used for expenditures directly used to aid instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. It includes research personnel salaries and fringe benefits for research personnel and training personnel. Includes expenditures associated with staff development, in-service training and development of curriculum.

**Function 21 -Instructional Leadership** – is used for expenditures directly used for managing, directing, supervising, and leadership to staff who provide general and specific instructional services. It includes salaries and fringe benefits for instructional supervisors, educational program coordinators or directors, and related support staff. It includes expenditures for supplies and materials associated with the upkeep of the instructional support area.

**Function 23 -School Leadership** – is used for expenditures used to direct and manage a school campus. They include activities performed by the principal, assistant principals, and other assistants while they supervise campus operations, evaluate campus staff, and assign duties to staff maintaining the records of the students on campus. It includes expenditures for salaries and fringe benefits for the above named groups and any supplies and materials needed to maintain campus administration.

**Function 31 -Guidance, Counseling and Evaluation Services** – is used for expenditures directly and exclusively used for assessing and testing students' abilities, aptitudes, and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals. It includes costs of psychological services, identification of individual characteristics, testing, educational counseling, and student evaluation. It includes expenditures for salaries and fringe benefits for counselors and related staff, psychologists, psychiatrists, and diagnosticians. It includes expenditures for testing materials, student appraisal services, and supplies and materials needed to test students outside of the classroom.

**Function 32 -Social Work Services** – is used for expenditures that are directly used for investigating and diagnosing student social needs, case work and group work services for the child and/or parent, interpreting the social needs of the student for other staff members and promoting modification of the circumstances surrounding the student which relate to his/her social needs. It includes expenditures for salaries and fringe benefits of attendance officers, social workers, and other related staff and expenditures for equipment, supplies and materials.

**Function 33 -Health Services** – is used for expenditures that provide physical health services for students, including medical, dental and nursing services. Includes expenditures for salaries and fringe benefits of school physicians, dentists, nurses and nurses' aides, contracted medical services, medical and health supplies, and expenditures needed to maintain the health services function.

**Function 35 -Food Services** -is used for expenditures for a food service operation. It includes salaries and fringe benefits for food service supervisors, cooks, snack bar staff and other related staff, expenditures for food, non-food and commodities purchases, storage and transportation, and related expenditures.

**Function 41-General Administration** – is used for expenditures for the purposes of managing and governing the entire organization, not applicable to a specific function. Expenditures included in this function are salaries and fringe benefits for the Superintendent's Office, Board of Trustees, Business Services, Purchasing, Communications & Public Information, and Human Resources.

**Function 51-Plant Maintenance and Operations** – is used for expenditures to keep the building and grounds operational, clean, comfortable, and in effective working condition and state of repair, and insured. It includes salaries and fringe benefits for custodial staff, building maintenance staff, and warehouse staff. It includes expenditures for utilities, insurance premiums for buildings, property and equipment, and expenditures needed to maintain the physical plant.

**Function 52-Security and Monitoring Services** – is used for expenditures to keep student and staff safe at school, to and from school, or at campus-sponsored events. Includes expenditures for salaries and fringe benefits of security guards and campus police, hand held communication devices, and related supplies and materials.

**Function 53 -Data Processing Services** – is used for expenditures for data processing services, whether in-house or contracted. It includes computer facility management, computer processing, and systems development, analysis and design. Including salaries and fringe benefits of chief information officer, network managers, PC network managers, and other related staff. It includes expenditures for maintaining networks, software, and services to the end user.

**Function 61 -Community Services** – is used for expenditures that are for activities other than regular public education and adult basic education services. It includes providing resources to non-public schools, higher education institutions and proprietary types of services incurred for outside entities in the community. Expenditures include related parenting programs, parental involvement programs, and parental and educational services to adults other than adult basic education. Includes expenditures for staff providing child care for teen parents attending school, staff providing child care for teachers or working parents, baby-sitting after hours and after school daycare and other related expenditures needed to maintain the programs. HCDE uses this function for expenditures for Center for Safe and Secure Schools, Education Foundation, and Scholastic Arts and Writing Program.

**Function 62 -School District Administrative Support Services** – is used for expenditures relating to performing certain administrative support services including indirect instructional services such as guidance and counseling, social work, and health and food services as well as general administrative services such as budgeting, accounting, tax administration, and joint purchasing. HCDE uses this function for expenditures for School Governance and Fiscal Accountability, Food Co-ops, Purchasing Co-ops, Choice Facility Partners, and Records Management Services.

**Function 71 -Debt Service** – is used for expenditures to retire recurring bond, capital lease principal, other debt related services, debt service fees and debt interest. Expenditures include bond, capital lease, and long-term debt principal and interest payments, and interest on short-term notes.

**Function 81 -Facilities Acquisition and Construction** – is used for expenditures to acquire, equip, and/or make additions to real property and sites, including lease and capital lease transactions. Include acquisition or purchase of land and buildings, remodeling or construction of buildings, major site improvements, and capital outlay to equip new facilities.

**Function 93 -Payments to Fiscal Agent/Member Districts of Shared Services Arrangements** – is used for payments from a member district to a fiscal agent of a shared services arrangement; or payments from a fiscal agent to a member district of a shared services arrangement.

**Function 99 -Other Intergovernmental Charges** – is used to record intergovernmental charges not defined above, including amounts paid to county appraisal districts for costs relating to the appraisal of property, and salaries and related expenditures to obtain instructional services from another school district for grade levels not provided by the sending school district.

## **BUDGET RESPONSIBILITIES**

### **Budget Requirements**

The official budget is prepared for all funds. The General Fund and Debt Service Fund are mandated to be an annual budget. HCDE utilizes budgets in the other funds to facilitate monitoring by budget managers and for control purposes. The following procedures are followed: Prior to August 20 of the preceding fiscal year, the Department prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them. A duly-posted meeting of the Board is called for the purpose of adopting the proposed budget. Once a budget is approved, it can be amended at the budget level (increases or decreases to the total individual budget) only by approval of a majority of the members of the Board.

Amendments are presented to the Board of Trustees at its regular meetings. Such amendments are made prior to expenditures, are reflected in the official minutes of the Board, and are not made after fiscal year end as required by law. Increases and decreases to accounts (individual line items) within a budget may be made without Board approval. Amendments affecting Employee Wages/Benefits must be approved by the Director of Human Resources before transfers may be made.

Each budget is controlled by the budget manager at the revenue and expenditure class-object level. General Fund budget appropriations lapse at fiscal year end, August 31. During the fiscal year, the budget was amended as necessary.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

### **Budget Responsibilities**

The development of division and Department annual budgets should be part of the ongoing budget process. The budget preparation process and guidelines are established through interaction between the board budget committee, the superintendent, and the Department budget committee. The following individuals and groups are involved in budget development:

- Division Level
  - Division/Budget directors
  
- Department Level: HCDE Budget Committee
  - Superintendent
  - Assistant Superintendent-Business
  - Chief Accounting Officer
  - Assistant Superintendents
  - Consultant for School Governance
  - Executive Director of Human Resources
  - Executive Director of Facilities
  - Chief Information Officer
  - Director of Resource Development
  
- Board Level:
  - Board Budget Committee

## Annual Budget Responsibilities and Guidelines

HCDE is organized as a department with multiple divisions which report to the various Executive Team members. The Executive Team is composed of the following individuals: Superintendent, Assistant Superintendents, Chief Information Officer, Executive Director for Human Resources, Executive Director of Facilities, Executive Director of Tx Learns, Executive Director of the HCDE Foundation, and the Director of Center of School Governance. The levels of responsibility include:

Division: Includes division managers who have fiscal oversight over their individual budgets. Department: Includes the executive team members who have oversight of divisions within their responsibility.

The following table shows the interaction necessary between individuals and groups at different levels of the Department to produce the annual budget:

PARTICIPANTS	ROLES & RESPONSIBILITIES	LEVEL
<b>Division/Budget directors</b>	<ul style="list-style-type: none"> <li>▪Coordinates preparation of division level program budgets, performance measures and objectives</li> </ul>	Division
<b>HCDE Budget Committee</b>	<ul style="list-style-type: none"> <li>▪Reviews for appropriateness division-level budgets and reviews/prioritizes allocated requests submitted by division directors</li> <li>▪Discusses budget recommendations for superintendent review</li> </ul>	Department
<b>Superintendent</b>	<ul style="list-style-type: none"> <li>▪Communicates budget process guidelines to division/budget directors and HCDE budget committee</li> <li>▪Serves as lead member of HCDE Budget Committee to review division budget requests and to analyze budget components</li> </ul>	Department
<b>Assistant Superintendent-Business</b>	<ul style="list-style-type: none"> <li>▪Serves as chair of HCDE Budget Committee</li> <li>▪Serves as Department budget officer</li> <li>▪Develops and communicates budget calendar</li> <li>▪Develops division revenue estimates</li> <li>▪Develops fund balance estimates</li> <li>▪Conducts final review of proposed budget to board budget committee</li> </ul>	Department
<b>Chief Accounting Officer</b>	<ul style="list-style-type: none"> <li>▪Updates proposed budget drafts subsequent to superintendent and HCDE Budget Committee review</li> </ul>	Department
<b>Budget Analyst</b>	<p>Provides requested forecasts and analyses to Asst Superintendent-Business, HCDE Budget Committee, and Superintendent</p> <ul style="list-style-type: none"> <li>▪Compiles division budgets into proposed Department budget.</li> <li>▪Communicates any revisions to appropriate divisions</li> </ul>	Department
-Continued -		

PARTICIPANTS	ROLES & RESPONSIBILITIES	LEVEL
<b>Assistant Superintendents</b>	<ul style="list-style-type: none"> <li>▪Serves as member of HCDE Budget Committee</li> <li>▪Reviews and approves all division budgets under their immediate supervision prior to submission to Asst Superintendent-Business</li> </ul>	Department
<b>Executive Director of Human Resources (“HR”)</b>	<ul style="list-style-type: none"> <li>▪Compiles and reviews personnel staffing needs submitted by budget directors and any necessary revisions</li> <li>▪Serves as member of HCDE Budget Committee to ascertain personnel use changes and requirements</li> </ul>	Division Department
<b>Executive Director of Facilities</b>	<ul style="list-style-type: none"> <li>▪Develops schedules of facilities and facility and vehicle maintenance for budget planning</li> <li>▪Serves as member of HCDE Budget Committee to ascertain facility support responsibilities</li> </ul>	Division Department
<b>Chief Information Officer</b>	<ul style="list-style-type: none"> <li>▪Serves as member of HCDE Budget Committee to ascertain technology support responsibilities</li> </ul>	Department
<b>Director of Resource Development</b>	<ul style="list-style-type: none"> <li>▪ Serves as member of the HCDE Budget Committee to ascertain any funding opportunities, including grant</li> </ul>	
<b>Board Budget Committee</b>		
<b>Board of Trustees</b>	<ul style="list-style-type: none"> <li>▪ Reviews /prioritizes/revises proposed budget submitted by superintendent and Asst Superintendent-Business</li> <li>▪ Recommends a final version of the proposed budget for adoption by the full Board of Trustees</li> <li>▪ Conducts public hearings for budget presentation</li> <li>▪ Adopts official budget and tax rate</li> </ul>	

**Budget Guidelines**

Budget preparation guidelines are prepared by the Asst Superintendent-Business with input from the Superintendent and other Department administrators. The budget preparation guidelines, which are distributed to division/budget directors in the Budget Planning Workbook, include the following elements:

- A *budget transmittal letter* from the superintendent which provides the overall context for budget development at the division/program levels.
- A *budget overview* which explains the department budgeting philosophy and approach; outlines the budget development process to include the *development of budget requests, performance objectives and division objectives for the year*; and references *major assumptions and changes in the budgetary process* from the previous year.

- *Fiscal limitations* to be observed department-wide such as maintenance of service levels, specific percentage increases/decreases in resource allocations, and personnel hiring guidance.
- *A budget calendar* of critical dates for budget development, submission and review.
- Instructions concerning level of detail required for budget submission.
- *A copy of standard budget preparation worksheets* and submission forms.
- *A list of the account codes* necessary for the preparation of campus budgets. This list normally will include fund, function, object, sub-object and program intent codes.
- *Instructions* for the submission of budgets to the business office including the number of copies required, due dates and personnel to contact for assistance.
- *Guidelines* for estimating the costs of salaries and benefits are provided by the Human Resources division.

### **Budget Calendar**

The budget calendar is the responsibility of the Asst Superintendent-Business and presented to the Board of Trustees at the January board meeting. Updates may be made with approval from the superintendent and are communicated to the HCDE budget committee and division/budget directors.

The calendar identifies all the activities which must be included in the proposed budget process and is arranged in chronological order. It contains a column showing the individual or group responsible for each activity listed. This column is helpful to users since a quick scan of the calendar allows each of them to identify those activities in the budget development process for which he/she is responsible.

## HARRIS COUNTY DEPARTMENT OF EDUCATION

### FY 2014-15 Budget Planning Calendar

Process	Date	Activity	Location	Participants
Budget		Budget Planning with Budget Analyst and Accounting Staff		
Planning		Strategic Planning Process Begins		Divisions
	Tuesday, December 17, 2013	<u>Board Meeting, 1 PM</u> Approve calendar for FY 2014-15 Proposed Budget		Board
	Friday, December 20, 2013	Budget Information & Instructions Available on the HCDE portal		Business Svcs
		Accountability Steering Committee		Divisions
<hr/>				
Needs				
Assessment	Thursday, January 30, 2014	Budget Prep Training	9 AM Room 501	Business Svcs-Budget Mgrs
and		Needs Assessment to be conducted		Divisions
Budget	Thursday, February 13, 2014	Budget Entry Training	9 AM Lab 504	Business Svcs-Budget Entry
Development	Friday, February 14, 2014	Budget Entry Training	9 AM Lab 504	Business Svcs-Budget Entry
<b>DUE</b>	<b>Friday, February 21, 2014</b>	<b>DUE: Proposed Budgets to Business Analyst</b>		<b>Budget Mgrs</b>
	<b>March 10-14, 2014</b>	<b>Spring Break</b>		<b>Department Closed</b>
<b>DUE</b>	<b>Friday, March 21, 2014</b>	<b>DUE: Risk Assessment</b>		<b>Budget Mgrs</b>
<hr/>				
Budget	April, 2014	HCDE Goals & Strategic Plan Integration		Board, Superintendent
Analysis	Monday, March 31, 2014	Budget Committee Planning Workbook to Budget Committee 2 Hr. Budget Committee Planning Meeting		Business Analyst HCDE Budget Committee
<b>DUE</b>	<b>Tuesday, April 1, 2014</b>	<b>SWOT Analysis for Divisions</b>		<b>Budget Mgrs</b>
<b>DUE</b>	Thursday, April 3, 2014	Final FY13-14 Accountability Objectives to be sent to Research & Evaluation		
	April 1-25, 2014	Division Budget Presentations		HCDE Budget Committee

## HARRIS COUNTY DEPARTMENT OF EDUCATION

### FY 2014-15 Budget Planning Calendar

Process	Date	Activity	Location	Participants
Supt' Review	Thursday, May 1, 2014	Supt. Budget Review Session: Draft 1 Proposed Budget		Assistant Superintendents Superintendent, Bus.Svcs
	Thursday May 8, 2014	Supt. Budget Review Session: Draft 2 Proposed Budget		Superintendent, Bus. Svcs
Board Workshops	Tuesday, May 20, 2014	Budget Work Session #1		Board Budget Committee Superintendent, Bus. Svcs
	Tuesday, June 3, 2013	Supt. Budget Review Session: Draft 3 Proposed Budget		Superintendent, Bus. Svcs
	Tuesday, June 3, 2014	Budget Work Session #2		Board Budget Committee Superintendent, Bus. Svcs
	<i>Monday, May 26, 2014</i>	<i>Memorial Day</i>		<i>Department Closed</i>
Budget Approval	Thursday, May 29, 2014	Agenda Items Due-Including <u>Budget Book</u>		Business Svcs
	Tuesday, June 03, 2014	Post <u>Budget Notice</u> in the <u>Houston Chronicle</u> Post Budget on the web		Business Svcs
	<i>Tuesday, June 17, 2014</i>	<i>Final Accountability Objectives presented to Board</i>		
	Tuesday, June 17, 2014	(1) Board Budget Committee, 12 PM Present Finalized Budget and Make Recommendation (2) Public Hearing on the Budget, 1:00 PM (3) <u>Board Meeting, 1 PM</u>		Board Budget Committee Superintendent, Bus. Svcs Board Board
	Thursday, July 03, 2014	Post <u>Budget Notice</u> in the <u>Houston Chronicle</u> Post Budget on the web		Business Svcs
	Tuesday, July 15, 2014	(1) Finalized Budget on Board Agenda Approve Recommendation (2) Public Hearing on the Budget, 1:00 PM (3) <u>Board Meeting, 1 PM</u> Adopt the budget		Board Budget Committee Superintendent, Bus. Svcs Board Board
	Friday, August 29, 2014	Risk Assessment Review is due		Divisions
	Monday, September 1, 2014	FY15 Budget is effective		

**Board Budget Committee:** Lee, Morris, Smith, Sawyer

**HCDE Budget Committee:** Sawyer, Harris, Pitre, Griffin, Hooper, Schul, Truitt, Amezcua, Coronado, Rawlinson, Torres

## HCDE Tax Calendar 2014

- 
- 8-26-2014 Certification of appraisal values  
Certification of anticipated collection rate by collector
- 8-19-2014 Agenda Item to approve HCTO to calculate rates
- 9-1-2014 Calculation of effective and roll back tax rates
- 
- 9-3-14 Publication of effective and roll back rates and submission to the governing body, statement and schedules; submission to governing body.
- 9-12-14 72 hour meeting notice
- 9-16-14 Meeting of Governing Body to discuss tax rate**; if proposed tax rate will exceed the rollback or the effective tax rate (whichever is lower), take record vote and schedule public hearing.
- 9-10-14 **Notice of Public Hearing on Tax Increase**  
(1<sup>st</sup> Quarter page ad and other web) at least 7 days prior to Public Hearing
- 9-18-14 72 hour meeting notice
- 9-23-14 Public Hearing**
- 9-17-14 **Notice of Public Hearing on Tax Increase** (1<sup>st</sup> Quarter page ad and other web) at least 7 days prior to Public Hearing
- 10-9-14 72 hour meeting notice
- 10-14-14 Second Public Hearing** (may not be earlier than 3 days after first public hearing); schedule and announce meeting to adopt tax rate 3-14 days from this date.
- 10-8-14 **Notice of Tax Revenue Increase** published before meeting to adopt tax rate is the (second quarter page notice in newspaper) before meeting and published on the web site 7 days before the meeting.
- 10-23-14 72 hour meeting notice
- 10-28-14 Meeting to Adopt Tax Rate** Meeting is 3 to 14 days after second public hearing. Taxing unit must adopt tax rate by Sept. 29 or 60 days after receiving certified appraisal roll, whichever is later.

## BUDGET DEVELOPMENT PROCESS

The annual Budget Development Process and the annual Planning Process are overlapping and augment one another, although the focus of each is different. The Budget Development Process is comprised of three major phases: planning, implementation, and evaluation.

The budgetary process begins with sound planning. Planning defines the goals and objectives and develops strategies to attain those goals and objectives. Once these plans have been established, budgetary resource allocations are made to support them. Budgetary resource allocation is the implementation phase of budgeting. The allocations cannot be made, however, until plans have been established.

Finally, the budget is evaluated for its effectiveness in attaining goals and objectives. Evaluation typically involves an examination of: how funds were expended, what outcomes resulted from the expenditure of funds, and to what degree these outcomes achieved the objectives stated during the planning phase. This evaluation phase is important in determining the following year's budgetary allocations. Budget preparation is not a one-time exercise to determine how funds are allocated rather, it is part of a continuous cycle of planning and evaluation to achieve department goals.

The development of division annual budgets should be part of ongoing planning processes and those levels. Beyond the budgetary requirements for federal and state programs, the HCDE board and the Superintendent largely will determine the budget preparation process and related budget responsibilities.

### PLANNING PHASE

The first phase of the Budget Development Process is planning. Planning involves defining the mission, goals and objectives of divisions and the department. Importance is placed upon sound budget planning for the following reasons:

- In implementing the type, quantity, and quality of divisional services, the budget becomes the limiting force.
- Providing quality education and services is very important to the public interest.
- The scope and diversity of the department's operations make comprehensive planning necessary for good decision-making.

Since strategies to attain the goals and objectives need to be developed before starting the actual budget calculation process, it is important that each division prepare statements in the "Goals and Objectives" and "Performance Evaluation" forms as the initial exercise in planning the annual division budget. This exercise comprises developing narrative and quantitative statements. These statements must be consistent with the HCDE Accountability System. This information will be used to analyze and justify the department's programs and operational request, as well as to ensure that individual division goals and objectives are consistent with the department's overall mission and goals. Line item budgeting remains the primary fiscal tool; thus completion of the "Goals and Objectives" and "Performance Evaluation" forms is an important step in summarizing and evaluating each division and its budget.

Listed below are standardized definitions to be used in the development of these statements and completion of the appropriate forms. It is recommended that strict adherence to these definition parameters be kept in order to insure consistency throughout the department:

- *Division Function:* A statement of specific overall mission.
- *Division Goals:* "Broad" statements of desired results; ultimate accomplishments; overall end results.
- *Division Objectives:* "Specific" statements of desired program accomplishments; usually measurable; shows progress toward a goal; desired results of activities. Clearly stated measurable objectives should represent a concise summary of the principal work activities in which progress can be monitored and evaluated periodically throughout the fiscal year. Objectives should be stated in common "action-oriented phrases such as "to maintain," "to increase," "to reduce," "to facilitate," "to continue," etc. These are the same as the Accountability Objectives.
- *Performance Measures:* Specific quantitative and qualitative measures of work performed by division must be included in this section. Quantitative measures are defined as observable and in narrative format. These are the measures that Research & Evaluation analyze for the Accountability system.

With the Budget Development Process, divisions are allowed time to integrate the Department goals into their specific budget requests. During division budget hearings the Business Services Division will review revenue projections and refined budget requests to develop a preliminary department budget. As a result of this collaborated process, the Business Services Division will be able to present a preview of the proposed 2014-2015 budget to the Board of Trustees before the May Workshop. This preview will enable the Board of Trustees and the Superintendent to review and discuss the direction of the budget before the June 17th public hearing.

## **IMPLEMENTATION PHASE**

### **Revenue Projections**

In order to meet the future needs of the Department, directors should forecast the source and amount of resources or revenue available. Therefore, projections of revenue from the three major sources should be made. These revenue sources include Local, State, and Federal aid.

- **Local Revenues** typically consists of monies generated by the local tax efforts and fees for service. Factors that need to be taken into account include such things as assessed property values, property value growth/decline rates, applicable tax rates, historical collection rates. Factors for fees for service are market value for services, demand for service, and current market conditions.
- **State Revenues** traditionally consists of monies received as a result of state funding. The tool that plays a major part in the estimation of this type of resources is the state provided "Summary of Finances" which takes into account several components.
- **Federal Revenues** involve a variety of amounts and sources. These sources generally are federally distributed funds, which can flow through the department, Region Education Centers, Texas Education Agency, or directly from the federal source. Methods of allocations can vary from payment of indirect costs to applications for specific grants.

### **Expenditure Projections**

In order to support the mission, goals and objectives of the department, directors should forecast the operating costs for all funds necessary to achieve those intents. Expenditures/expenses should be classified by the major object classes according to the types of items purchased or services obtained. These budgetary allocations should project costs for the major expenditure categories (objects), which include:

- Payroll Costs (6100) are the costs of employee salaries and benefits. These costs make up 60% or more of annual operating expenditures and should be based primarily upon FTE projections. When appropriating this area, it is important that the division director conduct a full analysis of the personnel situation as well as submit recommendations addressing the findings. The "Position Listing" form is the management tool that can assist to address this issue. Therefore, this form needs to be completed and submitted to the Business Services Division by the Budget Request deadline.
- Professional and Contracted Services (6200), Supplies and Materials (6300) and Other Operating Costs (6400) are typically variable and miscellaneous expenditures. The completion of expenditure estimates for these costs should be directly related to service levels.
- Capital Outlay Costs (6600) includes items that are inventoried and become part of the department's fixed assets group such as furniture, audio-visual equipment, computer equipment, and other equipment. These costs should be forecasted and budgeted based on an overall department Replacement Asset Schedule rather than on an division basis, the proper "Capital Outlay Justification" form needs to be submitted as well.

Implementation, the second phase of the Budget Development Process, is the process of allocating resources to the prioritized needs of the department in support of its planned mission, goals, and objectives. Although budget formats and policies are by no means uniform in the public arena, formal budgets play a far more important role in the planning, control and evaluation of public entities than in those of privately owned organizations. In educational settings, the adoption of a budget implies that a set of decisions have been made by school board members and administrators which culminate in matching resources with its needs. As such, the budget is a product of the planning process. The budget also provides an important tool for the control and evaluation of sources and uses of resources. With the assistance of the accounting system, directors are able to execute and control the activities that have been authorized by the budget and evaluate performance based upon comparisons

between budgeted and actual operations.

The link between planning and budget preparation in educational entities gives budgets a unique role in these organizations. Budgets in the public arena are often considered the ultimate policy document since they are the financial plan used to achieve its goals and objectives reflecting:

- Public choices about what goods and services will and will not be produced.
- The department's priorities among the wide range of activities in which they are involved.
- How a public entity has acquired and used its resources.

The budget, itself, then becomes intrinsically a political document reflecting administrators' accountability for fiduciary responsibility to citizens.

The annual operating budget or financial plan is proposed by the Superintendent and enacted by the Board of Trustees after public discussion.

Directors, principals, and other staff of the department under the direction of the Superintendent, will develop the budget. Budget Preparation Training was held January 30, 2014. The budget deadline set for divisions was February 21, 2013, and the Business Services Division compiled the budget requests. During the months of April and May, various budget meetings were scheduled with the Superintendent, the Executive Team and Division Directors.

The Superintendent's Budget Review Team reviewed various budget options for personnel and financing. This entails maintaining competitive salaries and benefits for our employees, providing adequate funding for services, providing for construction and repairs to facilities, and other miscellaneous projects.

Budget workshops were held on May 20, June 5 and June 17 to review the preliminary budget estimates. The citizens of Harris County and Department employees were invited to attend the budget workshops. On July 15, the Board of Trustees was asked to approve the final budget which was implemented on September 1st, 2014.

## **EVALUATION PHASE**

Evaluation is the last step of the department's budget cycle. Information is compiled and analyzed to assess the performance of each individual division and campus, as well as the Department as a whole. This information is a fundamental part of the planning phase for the following budget year.

In the educational context, budgeting is a valuable tool in both planning and evaluation processes. Budgeting provides a vehicle for translating educational goals and programs into financial resource plans. Thus, operational planning (to attain divisional goals) should determine budgetary allocations. This link between operations and financial planning is critical to effective budgeting. In addition, such a budgeting practice may enhance the evaluation of budgetary and educational performance since resource allocations are closely associated with instructional plans.

## HCDE'S FUNDS STRUCTURE & FUND TYPES

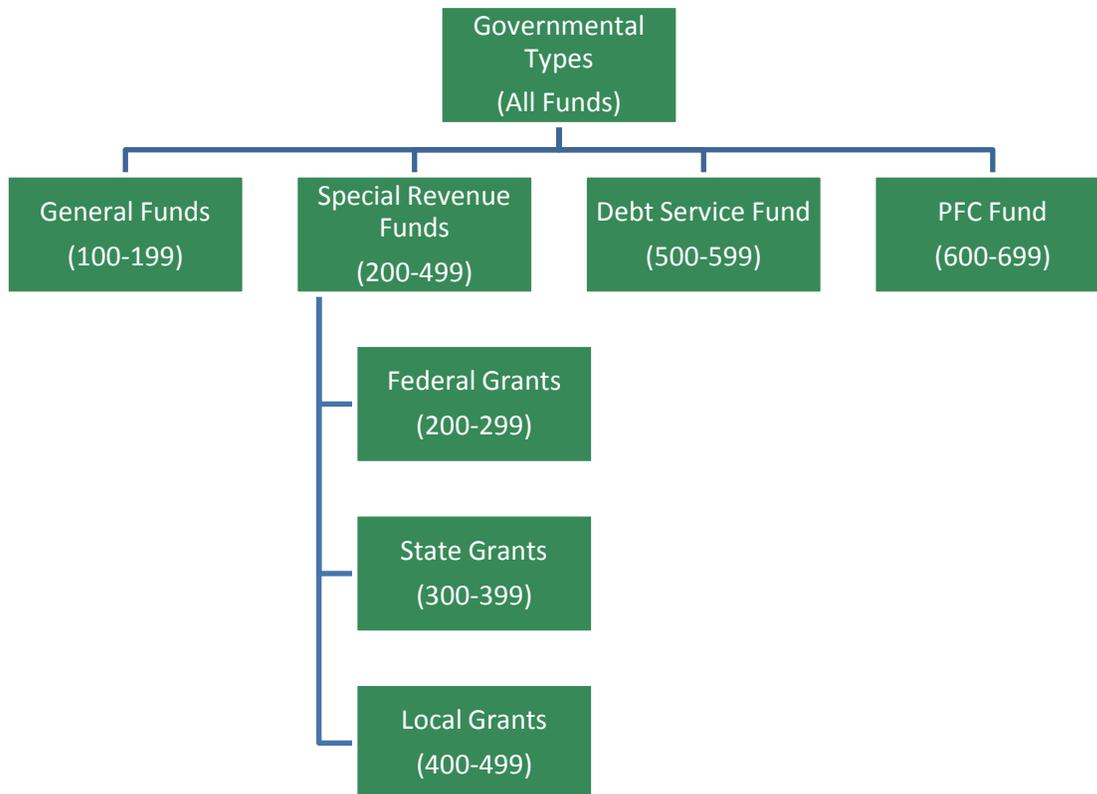
### GOVERNMENTAL FUND TYPES

Governmental fund types for Texas school districts consist of four governmental fund groups (General, Special Revenue, Debt Service and Capital Projects) that account for the acquisition, use and balances of expendable financial resources and related liabilities as required by law or rule.

These funds follow the modified accrual basis of accounting method. Under this method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred.

The following are the District's governmental funds:

- General Fund – The general fund typically serves as the chief operating fund of a government. The general fund is used to account for all financial resources except those required to be accounted for in another fund. This fund is considered a major fund under OMB Circular A-133.
- Special Revenue Fund – A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.
- Debt Service Fund – Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- Public Facility Corporation Projects Fund – PFC Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds) funded through the Maintenance and Operations tax rate.



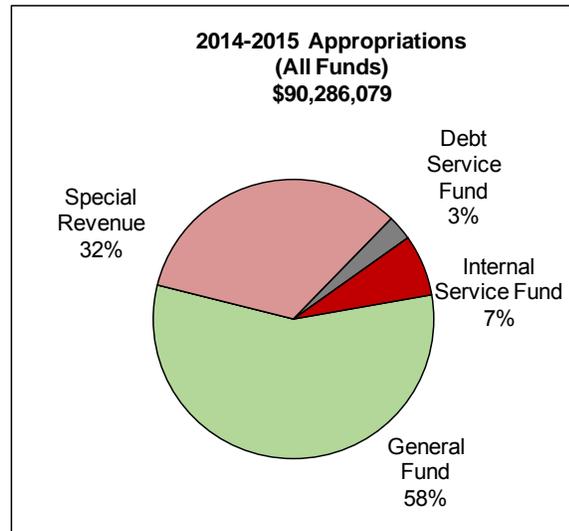
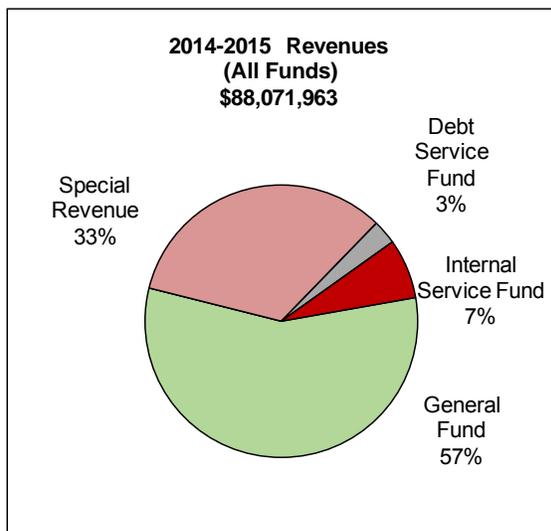
## PROPRIETARY FUND TYPES

The Department's Proprietary Fund consists of the Internal Service Fund. The Internal Service Fund consists of two funds: the Worker's Compensation Fund and the Facilities Support Charges. For the Worker's Compensation Fund, the Department continues to participate in a partially self-funded pool, originally approved by the Board in fiscal year 2005. Claims administration, loss control, and consultant services are provided for by a third-party administrator for run-off claims from a self-insurance plan.

## FIDUCIARY FUND TYPES

In addition to Governmental Funds, the Department has one Fiduciary Fund which is not budgeted and is a non-major fund. It is classified as an Agency Fund and is used to account for assets held by the Department in a trustee capacity, or as an agent for individuals, private organizations, other government units, and/or other funds. Examples of these funds are endowments received from individuals and/or organizations for specific purposes for which the principal and interest earned or revenue may be used. These are accounted for on the modified accrual basis. The following table shows presents the proposed budgeted expenditures for FY14 for Governmental Fund Types (General Fund, Special Revenues Fund, Debt Service Fund); the Proprietary Fund Type; and Internal Services Fund.

	Governmental			Proprietary	Total
	General Fund	Special Revenue Fund	Debt Service Fund	Internal Service Fund	
<b>Est. Revenues</b>	\$49,947,138	\$29,347,454	\$2,534,231	\$6,243,140	\$88,071,963
<b>Appropriations</b>	46,714,305	29,347,454	2,534,231	6,243,140	84,839,130
<b>Transfers Out</b>	5,446,949	-	-	-	5,446,949
<b>Total Appropriations and Other Uses</b>	\$ 52,161,254	\$ 29,347,454	\$ 2,534,231	\$ 6,243,140	\$ 90,286,079
<b>Appropriations from Fund Balance:</b>	\$ (2,214,116)	-	-	-	\$ (2,214,116)
<b>Projected Fund Balance Beg.</b>	22,055,783	-	-	-	22,055,783
<b>Projected Fund Balance End.</b>	\$ 19,841,667	-	-	-	\$ 19,841,667



The following pages will show the Budget Summary detail of all General Fund, Special Revenues Funds, Debt Service Fund and the Internal Service Fund.

## Harris County Department of Education FY15 Proposed Budget Overview

FY 2014-2015 Proposed Budget  
Comparisons to Original and Amended Budgets

	Original Budget 2013-2014	Amended Budget 2013-2014	Proposed Budget 2014-2015	Percent Change
<b>Beg. Fund Balance</b>	\$ 24,815,014	\$ 24,815,014	\$ 22,055,783	
<b>Est. Revenues</b>	47,252,631	48,086,789	49,947,138	4%
<b>Appropriations</b>	43,908,407	46,354,596	46,714,305	1%
<b>Transfers Out</b>	4,491,424	4,491,424	5,446,949	21%
<b>Total Appropriations</b>	\$ 48,399,831	\$ 50,846,020	\$ 52,161,254	3%
<b>Revenues Over/(Under) Appropriations</b>	(1,147,200)	(2,759,231)	(2,214,116)	
<b>Ending Fund Balance</b>	23,667,814	22,055,783	19,841,667	
<b>Non-Spendable Fund Balance</b>	111,719	111,719	111,719	
<b>Restricted Fund Balance</b>	428,228	428,228	428,228	
<b>Committed Fund Balance</b>	1,408,000	1,408,000	1,408,000	
<b>Assigned Fund Balance</b>	7,450,241	7,450,241	6,875,241	
<b>Unassigned Fund Balance</b>	10,980,483	10,005,679	9,433,479	
<b>Ending Fund Balance</b>	\$ 23,667,814	\$ 22,055,783	\$ 19,841,667	

### PROPOSED BUDGET FUND BALANCE APPROPRIATIONS:

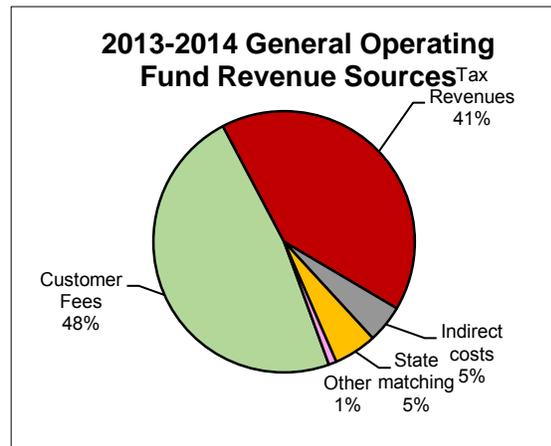
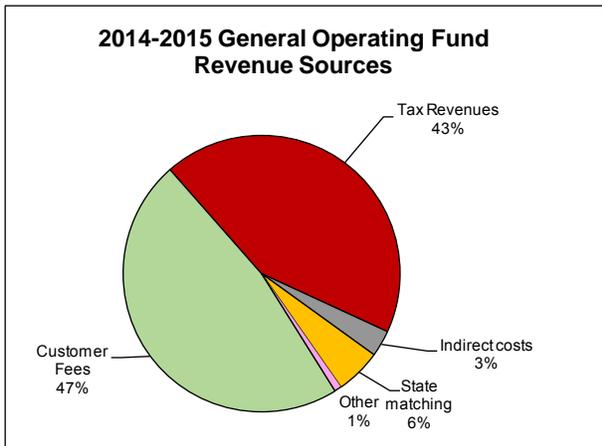
<b>Assigned</b>	
Technology Replacement Assets	591,173
Facilities Replacement Assets	186,650
<b>Unassigned</b>	
Center for Safe and Secure Schools	285,000
Highpoint East -expansion	677,246
	\$ 1,740,069

## Harris County Department of Education FY15 Proposed Budget Overview Revenues

**General Fund Only -**

	Original Budget 2013-2014	Amended Budget 2013-2014	Proposed Budget 2014-2015	Percent Change
Customer fees	\$ 22,590,061	\$ 23,292,076	\$ 23,685,463	2%
Tax revenues	19,490,905	19,490,905	21,654,275	11%
Indirect costs	2,209,665	1,840,794	1,539,400	-16%
State matching	2,508,000	2,508,000	2,658,000	6%
Other	454,000	955,014	410,000	-57%
<b>Total Revenues</b>	<b>\$ 47,252,631</b>	<b>\$ 48,086,789</b>	<b>\$ 49,947,138</b>	<b>4%</b>

% change between amended budget and proposed budget



## Harris County Department of Education FY15 Proposed Budget Overview Appropriations

Object Code	Original Budget 2013-2014	Amended Budget 2013-2014	Proposed Budget 2014-2015	Percent Change
Payroll	\$ 29,176,610	\$ 29,201,749	\$ 29,977,381	3%
Contracted Services	4,628,667	5,574,099	5,046,756	-9%
Supplies & Materials	1,886,960	2,258,333	2,420,364	7%
Misc Operating Cost	7,234,316	7,173,333	7,309,535	2%
Capital Outlay	981,854	2,147,082	1,960,269	-9%
Transfers Out	4,491,424	4,491,424	5,446,949	21%
<b>Total Appropriations</b>	<b>\$ 48,399,831</b>	<b>\$ 50,846,020</b>	<b>\$ 52,161,254</b>	<b>3%</b>

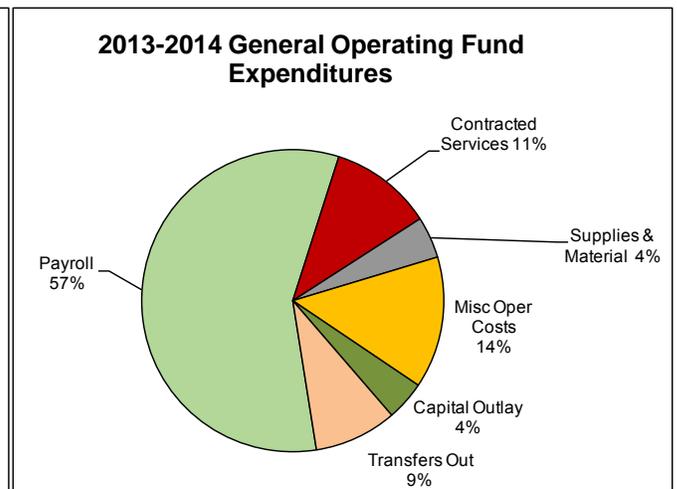
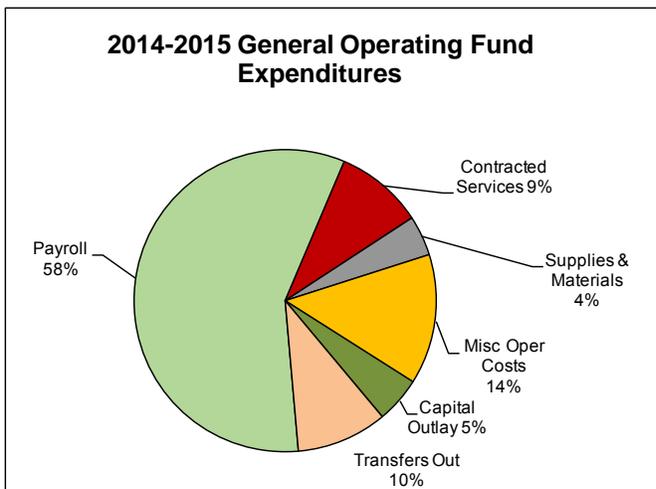
### PROPOSED BUDGET FUND BALANCE APPROPRIATIONS:

#### Assigned

Technology Replacement Assets	591,173
Facilities Replacement Assets	186,650

#### Unassigned

Center for Safe and Secure School software	285,000
Highpoint East -expansion	677,246
	<b>\$ 1,740,069</b>



**HCDE**  
**FY 2015 Proposed Budget Compared to FY14 Budget**

	<b>1</b> <b>PROPOSED</b> <b>FY 2015</b> <b>BUDGET</b>	<b>2</b> <b>FY2014</b> <b>Budget</b> <b>at 4/30/14</b>	<b>3</b> <b>Change</b> <b>Curr. Budget</b> <b>(1-2)</b>	<b>4</b> <b>FY 2014</b> <b>ORIGINAL</b> <b>BUDGET</b>	<b>5</b> <b>Change</b> <b>Org. Budget</b> <b>(1-4)</b>	
<b><u>ESTIMATED REVENUES &amp; OTHER RESOURCES</u></b>						
<b>Estimated Revenues</b>						
Local	Customer Fees & Charges	23,685,463	23,292,076	393,387	22,493,267	1,192,196
Local	Property Tax Rev-Current	21,243,775	19,090,405	2,153,370	19,080,405	2,163,370
Local	Property Tax Rev-Delinquent & P&I	410,500	400,500	10,000	410,500	-
Local	Investment Earnings-HCDE	8,000	20,000	(12,000)	20,000	(12,000)
Local	Other Local Revenues	63,000	600,114	(537,114)	110,000	(47,000)
Local	Local Grants	15,000	10,900	4,100	96,794	(81,794)
State	FSP-Compensation	320,000	320,000	-	320,000	-
State	TEA Health Ins-Employees	588,000	588,000	-	588,000	-
State	TRS State Matching	1,750,000	1,600,000	150,000	1,600,000	150,000
State	ECI Lease Revenues	324,000	324,000	-	324,000	-
Federat	Indirect Cost-Federal Grants	1,539,400	1,840,794	(301,394)	2,209,665	(670,265)
	<b>Total Estimated Revenues:</b>	<b>49,947,138</b>	<b>48,086,789</b>	<b>1,860,349</b>	<b>47,252,631</b>	<b>2,694,507</b>

**BM APPROPRIATIONS & OTHER USES**

						less Facilities
<b>Appropriations</b>						
201	Adult Education Local	36,695	39,099	(2,404)	182,384	10
014	Alternative Certification	374,652	337,026	37,626	365,446	37,626
011	Assistant Supt for Student Services	235,963	227,549	8,414	233,850	8,414
012	Assistant Supt for Prof Support Services	241,323	234,580	6,743	242,557	6,743
010	Board of Trustees	206,032	94,584	111,448	109,155	119,512
050	Business Services	1,602,564	1,632,074	(29,510)	1,636,200	49,940
005	Center for Safe & Secure Schools	521,914	1,095,491	(573,577)	420,086	110,543
051	Center for Schl Governance & Fiscal Acco	195,887	208,050	(12,163)	191,314	7,642
925	Communications & Public Information	627,094	642,869	(15,775)	689,499	(22,739)
092	Client Development Services	472,257	430,630	41,627	427,653	52,627
922	CASE Local	160,484	137,817	22,667	210,484	22,667
098	Department Wide	468,847	769,341	(300,494)	3,015,995	(16,578)
112	Early Childhood Intervention-Local	-	109,044	(109,044)	-	-
920	Education Foundation	190,000	190,770	(770)	201,337	-
<b>Facilities</b>						
089	Choice Facility Partners	2,079,997	1,994,785	85,212	2,071,459	85,212
086	Facilities-Construction Services	125,728	122,299	3,429	125,577	3,429
83/84	Facilities-Internal Service Fund 799	5,779,058	5,658,283	120,775	(35,000)	160,043
954	Records Management Services	896,297	966,061	(69,764)	1,734,401	(69,764)
	Head Start Local	-	900	(900)	-	-
030	Human Resources	921,321	883,569	37,752	942,200	41,562
	Instr Support Svcs					
304	ISS-Bilingual Education	219,791	218,922	869	218,922	869
109	ISS-Digital Learning	95,839	107,048	(11,209)	111,200	(11,209)
301	ISS-Division Wide	163,888	161,091	2,797	240,406	2,797
309	ISS-EC Winter Conference	216,583	242,694	(26,111)	242,694	(26,111)
307	ISS-English Language Arts	312,462	305,671	6,791	305,671	6,791
302	ISS-Math	399,964	344,951	55,013	344,952	55,012
315	ISS-Professional Development	39,000	39,000	-	39,000	-
303	ISS-Science	172,182	170,837	1,345	170,837	1,345
308	ISS-Social Studies	114,586	113,259	1,327	113,259	1,327
314	ISS-Speaker Series	183,233	155,500	27,733	155,500	27,733
313	ISS-Special Education	43,928	42,418	1,510	42,419	1,509
015	Preschool Early Childhood	-	50,000	(50,000)	-	-
950	Purchasing Support	511,136	449,917	61,219	458,632	61,219
	QZAB & Maint Tax Notes	-	116,501	(116,501)	-	-
924	Research & Evaluation	487,683	511,824	(24,141)	492,226	17,859
923	Resource Dev-Ctr Grant Dev	522,769	506,433	16,336	525,939	35,822
099	Retirement Leave Benefits Fund 190	150,000	50,000	100,000	50,000	100,000
312	Scholastic Arts Program	93,111	89,137	3,974	94,409	3,974
<b>Special Schools &amp; Services</b>						
131	ABC-East	2,848,335	2,674,330	174,005	3,092,842	174,577
132	ABC-West	2,789,450	2,634,311	155,139	2,841,748	155,322
970	Highpoint-East	2,089,757	2,151,888	(62,131)	2,693,012	(62,131)
971	Highpoint-North	1,955,304	1,891,091	64,213	2,055,638	82,946
501	Special Schools Administration	498,167	496,902	1,265	524,475	1,265
102	State TEA Employee Health Ins	588,000	588,000	-	588,000	-
101	State TEA On Behalf Payments	1,750,000	1,600,000	150,000	1,600,000	150,000
001	Superintendent's Office	447,964	372,291	75,611	389,238	75,611

	1 PROPOSED FY 2015 BUDGET	2 FY2014 Budget at 4/30/14	3 Change Curr. Budget (1-2)	4 FY 2014 ORIGINAL BUDGET	5 Change Org. Budget (1-4)
Technology Services			-		
093 Chief Information Officer	184,679	178,285	6,394	181,855	6,394
090 Technology Services	3,931,766	3,515,875	415,891	3,667,957	415,891
190 Technology Cloud Computing	314,750	325,170	(10,420)	325,170	(10,420)
111 Therapy Services	8,713,858	8,607,229	106,629	8,673,609	107,179
<b>Total Appropriations:</b>	<b>44,974,236</b>	<b>44,485,396</b>	<b>488,840</b>	<b>43,004,207</b>	<b>1,972,460</b>
<b>One Time Costs:</b>					
090 Technology Asset Replacement Schedule	591,173	500,000	91,173	500,000	91,173
005 Center for Safe & Secure Schools	285,000	-	285,000	-	285,000
088 Facilities Asset Replacement Schedule	186,650	75,000	111,650	75,000	111,650
087 Facilities-Local Construction Fund 087	677,246	1,294,200	(616,954)	329,200	348,046
<b>Total incl. One Time Appropriations:</b>	<b>46,714,305</b>	<b>46,354,596</b>	<b>359,709</b>	<b>43,908,407</b>	<b>2,808,329</b>
<b>Other Uses</b>					
098 Trans Out-DW-QZAB payment Fund 599	690,028	690,954	(926)	690,954	(926)
098 Trans Out-DW-Lease Fund 599	1,844,203	1,962,797	(118,594)	1,962,797	(118,594)
098 Trans Out-Grants Payroll	330,000	-	330,000	-	330,000
098 Trans Out-DW-CASE Fund 288	550,787	550,787	-	550,787	-
098 Trans Out-DW-Head Start Fund 205	171,886	171,886	-	171,886	-
098 Trans Out-DW-ECI MOE Fund 481	1,860,045	1,115,000	745,045	1,115,000	745,045
<b>Total Other Uses:</b>	<b>5,446,949</b>	<b>4,491,424</b>	<b>955,525</b>	<b>4,491,424</b>	<b>955,525</b>
<b>Total Appropriations &amp; Other Uses:</b>	<b>52,161,254</b>	<b>50,846,020</b>	<b>1,315,234</b>	<b>48,399,831</b>	<b>3,761,423</b>
<b>Excess/(Def) Estimated Revenues &amp; Other Resources Over/(Under) Appropriations &amp; Other Uses:</b>					
	<b>(2,214,116)</b>	<b>(2,759,231)</b>	<b>545,115</b>	<b>(1,147,200)</b>	<b>(1,066,916)</b>

PROPOSED BUDGET FUND BALANCE APPROPRIATIONS:	
<b>Assigned</b>	
090 Technology Replacement Assets	591,173
088 Replacement Assets	186,650
	<u>777,823</u>
<b>Unassigned</b>	
087 Highpoint East-expansion	677,246
005 Center for Safe Schools	285,000
<b>Total Fund Balance Appropriations:</b>	<b><u>1,740,069</u></b>

Deficit	(2,214,116)
Fund Bal	1,740,069
<b>Remaining Cuts</b>	<b>(474,047)</b>

**HARRIS COUNTY DEPARTMENT OF EDUCATION  
Revenue Analysis FY 2015**

<b>REVENUES-CUSTOMER FEES</b>	<b>FY2015 Submitted Budget</b>	<b>FY2014 Approved Budget</b>	<b>(b) FY2014 Amended Budget</b>	<b>(a)-(b) AMOUNT OVER/UNDER</b>	<b>(a) ACTUAL through 4/30/14</b>	<b>% REALIZED (a) / (b)</b>
Alternative Teacher Certification	342,225	214,650	214,650	(61,801)	152,849	71%
Business Support Services	5,200	5,200	77,600	124,873	202,473	261%
Ctr for Safe & Secure Schools	93,185	60,000	540,103	(429,761)	110,342	20%
Ctr for School Governance & Fiscal Acc	-	-	19,805	10,000	29,805	150%
CASE Local	37,000	27,000	17,000	(23)	16,977	100%
Departmentwide	-	-	189,301	(189,181)	120	0%
Facilities-Choice Facility Partners	3,297,440	3,236,000	3,220,000	(1,690,209)	1,529,791	48%
Records Management Services	1,524,384	1,499,823	1,427,229	(648,525)	778,704	55%
Instructional Support Services:						
Bilingual Education	144,500	144,500	144,500	(83,958)	60,542	42%
Digital Learning	99,991	115,000	115,000	(1,730)	113,270	98%
Division Wide	71,300	71,300	71,300	(71,300)	-	0%
EC Winter Conference	195,000	195,000	195,000	(97,165)	97,835	50%
English Language Arts	250,000	250,000	250,000	(111,159)	138,841	56%
Math	278,000	278,000	278,000	(133,960)	144,040	52%
Prof Development	39,000	39,000	39,000	(38,850)	150	0%
Science	86,000	86,000	86,000	(40,087)	45,913	53%
Social Studies	76,000	76,000	76,000	(70,680)	5,320	7%
Speaker Series	170,000	170,000	170,000	(83,570)	86,430	51%
Special Education	30,000	30,000	30,000	(2,887)	27,113	90%
Research & Evaluation	73,000	16,000	58,000	(31,200)	26,800	46%
RD-Ctr Grant Development	-	-	3,000	(235)	2,765	0%
Scholastic Arts & Writing Program	14,000	14,000	8,000	11,245	19,245	241%
ABC-East	2,383,300	1,961,900	1,961,900	(72,500)	1,889,400	96%
ABC-West	1,843,100	2,034,700	2,034,700	(211,312)	1,823,388	90%
Highpoint-East	2,081,800	2,151,800	2,151,800	(67,265)	2,084,535	97%
Highpoint-North	1,769,300	1,266,600	1,266,600	303,680	1,570,280	124%
Special Schools Administration	9,000	18,000	18,000	7,200	25,200	100%
Technology Support Services	164,100	159,700	159,700	(129,552)	30,148	19%
Technology Cloud Project	200,000	200,000	200,000	(199,000)	1,000	0%
Therapy Services	8,486,638	8,269,888	8,269,888	(2,840,946)	5,428,942	66%
<b>Total Customer Fees :</b>	<b>\$ 23,763,463</b>	<b>\$ 22,590,061</b>	<b>\$ 23,292,076</b>	<b>\$ (6,849,858)</b>	<b>\$ 16,442,218</b>	<b>71%</b>

**HARRIS COUNTY DEPARTMENT OF EDUCATION  
Revenue Analysis FY 2015**

<b>REVENUES-OTHER</b>	<b>FY2015 Submitted Budget</b>	<b>FY2014 Approved Budget</b>	<b>(b) FY2014 Amended Budget</b>	<b>(a)-(b) AMOUNT OVER/UNDER</b>	<b>(a) ACTUAL through 4/30/14</b>	<b>% REALIZED (a) / (b)</b>
Tax Revenues						
Property Tax Revenues-Current	21,243,775	19,080,405	19,090,405	358,279	19,448,684	102%
Property Tax Revenues-Del & P&I	410,500	410,500	400,500	(16,010)	384,490	96%
<b>Total Tax Revenues</b>	<b>21,654,275</b>	<b>19,490,905</b>	<b>19,490,905</b>	<b>342,269</b>	<b>19,833,174</b>	<b>102%</b>
<b>Indirect Costs-Federal</b>	<b>1,539,400</b>	<b>2,209,665</b>	<b>2,139,991</b>	<b>(1,558,003)</b>	<b>581,988</b>	<b>27%</b>
<b>Indirect Costs-State</b>	<b>-</b>	<b>-</b>	<b>45,121</b>	<b>(30,425)</b>	<b>14,696</b>	
State Matching						
FSP-Compensation	320,000	320,000	320,000	(160,838)	159,162	50%
TEA Health Ins-Employees	588,000	588,000	588,000	(264,849)	323,151	55%
TRS Matching	1,750,000	1,600,000	1,600,000	(1,600,000)	-	0%
<b>Total State Matching</b>	<b>2,658,000</b>	<b>2,508,000</b>	<b>2,508,000</b>	<b>(2,025,687)</b>	<b>482,313</b>	<b>19%</b>
Other						
Investment Earnings	8,000	20,000	20,000	(16,493)	3,507	18%
Other Local Revenues (inc in fees)	63,000	110,000	227,919	(119,920)	107,999	47%
Local Grants (included in cust fees)	15,000	96,794	13,974	1,742	15,716	112%
ECI Lease	324,000	324,000	324,000	(220,269)	103,731	32%
Transfers In		-	-	11,346	11,346	0%
<b>Total Other Revenues</b>	<b>332,000</b>	<b>454,000</b>	<b>585,893</b>	<b>(354,940)</b>	<b>230,953</b>	<b>39%</b>
<b>Total Estimated Revenues</b>	<b>\$ 26,183,675</b>	<b>\$ 24,662,570</b>	<b>\$ 24,769,910</b>	<b>\$ (3,626,786)</b>	<b>\$ 21,143,124</b>	<b>85%</b>
<b>Total Customer Fees</b>	<b>23,763,463</b>	<b>22,590,061</b>	<b>23,230,376</b>	<b>(6,849,858)</b>	<b>16,442,218</b>	
<b>Total Est. Rev. &amp; Other Resources:</b>	<b>\$ 49,947,138</b>	<b>\$ 47,252,631</b>	<b>\$ 48,000,286</b>	<b>\$ (10,476,644)</b>	<b>\$ 37,585,342</b>	

Assumptions:

1. Values used are 2014 Certified Estimates dated 4/30/14 at 98% collection rate. Using same tax rate (\$0.006358) at April certified estimates v
2. Local revenues and grants submitted by divisions.
3. Indirect Costs : ECI at \$500,000, decrease for CASE and Adult Ed indirect costs.

## **SPECIAL REVENUE FUNDS**

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Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal financial assistance often is accounted for in a Special Revenue Fund. In most Special Revenue Funds, unused balances are recorded as deferred revenue and carried forward to the succeeding fiscal year, provided the amount carried forward is within the limits established by the grantor. In some cases, the unused balances are returned to the grantor at the close of specified project periods. The District budgets for Special Revenue Funds and uses project accounting for them in order to maintain integrity for the various sources of funds. These funds utilize the modified accrual basis of accounting and budgeting.

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for specific revenue sources which are legally restricted to expenditures for specific purposes. Listed in Alphabetical Order:

#### **21st Century Community Learning Centers (CLC)**

Accounts, on a project basis, for federal funds granted to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related educational development for families of students. This is a shared services arrangement program.

#### **Adult Basic Education (ABE) Program**

Accounts, on a project basis, for state and federal funds granted to provide or support programs for adult education and literacy services to adults who are beyond compulsory school age attendance and do not have a high school diploma, or lack sufficient mastery of basic educational skills to function effectively in society, or are unable to speak, read or write the English language; and are not enrolled in school. Separate accountability must be maintained for each section listed below:

- Federal ABE Regular
- State ABE Regular
- Federal ABE Institutional
- Federal English Literacy & Civics Education
- Federal ABE Adult Technical Training
- Federal Temporary Assistance for Needy Families (TANF)
- State Temporary Assistance for Needy Families (TANF)

#### **AmeriCorps**

Accounts for federal funds from the OneStar foundation to fund volunteers working with the CASE After School Program teaching the Kid's Day curriculum.

#### **Early Childhood Intervention (ECI) Keep Pace**

Accounts for special education-related grant that serves children aged 0-3 with medical conditions with a high probability of delay, with atypical development, developmental delay or at-risk for delay. These combined federal and state funds that flow through the State of Texas Department of Assistive and Rehabilitative Services. Separate accountability must be maintained for the sections listed below:

- State/Federal ECI Keep Pace
- Local ECI Maintenance of Effort

#### **Head Start (HS) Program**

Accounts, on a project basis, for federal funds from the U. S. Department of Health and Human Services, in addition to other grant sources listed below, for which separate accountability is required:

- Head Start Grant
- USDA Child and Adult Care Food Program
- HS Teacher Training and Technical Assistance
- Local In-Kind Funds for local matching funds accountability

**Houston Endowment**

Accounts for local funds from the Houston Endowment for the after school partnership program (CASE).

**Science Programs**

Account for local grant from the Education Foundation of Harris County.

**Texas Virtual School Network (TxVSN)**

Accounts for a contract with Education Service Center (ESC) Region 10 to provide online courses for Texas students. TxVSN Harris County Department of Education was awarded Central Operations of the TxVSN to establish communication efforts to facilitate the delivery of online courses and provide information to stakeholders.

**Harris County Department of Education**

Combined Schedule of Revenues, Expenditures, and Changes in Fund Balance -Special Revenue Funds  
For the Fiscal Year August 31, 2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Projected	2014-2015 Proposed
<b>Revenues</b>					
Local Sources	\$ 4,264,378	\$ 5,009,342	\$ 2,944,263	\$ 5,589,528	\$ 4,490,000
State Sources	2,940,919	5,845,666	5,764,627	3,036,195	3,697,254
Federal Sources	36,660,949	26,250,742	29,623,829	21,577,715	21,160,200
<b>Total Revenues</b>	<b>\$ 43,866,246</b>	<b>\$ 37,105,750</b>	<b>\$ 38,332,719</b>	<b>\$ 30,203,438</b>	<b>\$ 29,347,454</b>
<b>Expenditures</b>					
Adult Education	3,962,148	4,357,411	4,224,453	4,089,000	3,120,832
Center for Safe & Secure Schools (CSSS)	-	-	-	-	-
Cooperative for After School Enrichment (CAE)	7,914,111	8,607,164	7,710,399	6,230,000	5,403,023
Digital Learning & Instructional Support	1,230,420	-	2,410,000	1,500,000	1,500,000
Head Start (HS) (1)	20,077,515	14,910,479	13,805,821	13,766,886	13,923,599
Instructional Support Services	-	-	-	-	-
Special Education Related Services	9,641,233	5,812,005	7,879,884	6,455,225	5,400,000
Texas LEARNS	1,915,606	1,847,231	3,263,835	-	-
Texas Virtual Schools Network (TxVSN)	-	2,410,000	-	-	-
<b>Total Expenditures:</b>	<b>\$ 44,741,033</b>	<b>\$ 37,944,290</b>	<b>\$ 39,294,392</b>	<b>\$ 32,041,111</b>	<b>\$ 29,347,454</b>
Excess (Deficiency) of Revenue					
Over/(Under) Expenditure	(874,787)	(838,540)	(961,673)	(1,837,673)	-
<b>Other Financing Sources</b>					
Transfers In	874,787	1,444,787	961,673	1,837,673	2,358,112
<b>Total Other Financing Sources (Uses):</b>	<b>874,787</b>	<b>1,444,787</b>	<b>961,673</b>	<b>1,837,673</b>	<b>2,358,112</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance-Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance-Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(1) There is an overlap in grant years and the Head Start Fund includes a total of both grant awards. The 12 month calendar year HS grant is approximately \$12 million.

**Harris County Department of Education  
General Fund Revenues and Expenditures  
Five Year Forecast**

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Proposed 2014-15	Estimated 2015-16	Estimated 2016-17	Estimated 2017-18
Beginning Fund Balance	\$19,225,734	\$21,823,672	\$24,815,014	\$23,667,814	\$21,453,698	\$19,694,771	\$18,415,121
Estimated Revenues	44,389,564	46,570,333	47,252,631	49,947,138	51,445,552	52,988,919	54,578,586
Appropriations (Exp.)	41,791,626	43,578,991	48,399,831	52,161,254	53,204,479	54,268,569	55,353,940
Difference	2,597,938	2,991,342	(1,147,200)	(2,214,116)	(1,758,927)	(1,279,650)	(775,354)
<b>Projected Ending Fund Balance</b>	<b>\$21,823,672</b>	<b>\$24,815,014</b>	<b>\$23,667,814</b>	<b>\$21,453,698</b>	<b>\$19,694,771</b>	<b>\$18,415,121</b>	<b>\$17,639,767</b>
Nonspendable Fund Balance	119,633	111,719	111,719	111,719	111,719	111,719	111,719
Restricted Fund Balance	\$1,218,921	\$428,228	\$428,228	\$428,228	\$428,228	\$428,228	\$428,228
Committed Fund Balance	\$1,408,000	\$1,408,000	\$1,408,000	\$1,408,000	\$1,408,000	\$1,408,000	\$1,408,000
Assigned Fund Balance	\$5,810,352	\$5,305,241	\$5,305,241	\$5,305,241	\$5,305,241	\$5,305,241	\$5,305,241
Unassigned Fund Balance	\$13,266,766	\$17,561,826	\$16,414,626	\$14,200,510	\$12,441,583	\$11,161,933	\$10,386,579
<b>Total Required Cash Flow</b>	<b>6,644,660</b>	<b>6,906,116</b>	<b>6,703,412</b>	<b>6,792,392</b>	<b>6,928,240</b>	<b>7,066,805</b>	<b>7,208,141</b>
Cash Flow- Needed for Special Revs Funds	3,162,024	3,274,533	2,670,093	2,445,621	2,494,534	2,544,424	2,595,313
Cash Flow- Needed from General Fund	3,482,636	3,631,583	4,033,319	4,346,771	4,433,707	4,522,381	4,612,828
Cash Flow Calculations:							
Special Revenue Funds - Grants *	37,944,290	39,294,395	32,041,111	29,347,454	29,934,403	30,533,091	31,143,753
1/12 of Total Grant is	3,162,024	3,274,533	2,670,093	2,445,621	2,494,534	2,544,424	2,595,313
General Fund - Appropriations	41,791,626	43,578,991	48,399,831	52,161,254	53,204,479	54,268,569	55,353,940
1/12 of General Fund for Cash Flow	3,482,636	3,631,583	4,033,319	4,346,771	4,433,707	4,522,381	4,612,828

Assumptions:

**Revenues:**

1% increase in Customer Fees

\$1 M increase in taxes

Indirect Costs are flat

**Expenditures:**

2% increase

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
Tax Year 2014 Current Tax Revenue Estimates

	<b>SCENARIO APPRAISED VALUE HCAD</b>	
<b>2014 Certified Estimate of Taxable Value :</b>		
Taxable value	\$340,945,596,411	
<b>PLUS: <i>Uncertified Roll Summary Report:</i></b>		
Scenario (1) Appraised value	-	
Scenario (2) Owner's value	-	
Scenario (3) Estimated final value	-	
<b>Total taxable value, Certified and Uncertified:</b>	\$340,945,596,411	(A)
 <b>Calculate Interim Current Tax Revenue Estimate:</b>		
1) (A) divided by 100	\$3,409,455,964	(B)
2) Current Tax Rate	X 0.006358	(C)
3) 2014 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	\$21,677,321	(D)
4) Interim Tax Rev Estimate @ 98% Collection Rate:	\$21,243,775	(E)
 <b>Comparison of Interim Tax Rev Estimate @ 99% Collection Rate with Interim Current Tax Revenue Est:</b>		
Interim Current Tax Revenue Estimate Over/(Under) Current Tax Revenue, Currently Budgeted:		
Interim Current Tax Revenue Estimate (E)	\$21,460,548	(E)
<b>LESS: Tax Revenue, Currently Budgeted</b>	<b>\$19,490,905</b>	(F)
<b>Total Interim Current Tax Revenue Estimate Over/(Under) Current Tax Revenue, Currently Budgeted, (E) - (F):</b>	<b>\$1,969,643</b>	



# Harris County Appraisal District

13013 Northwest Freeway  
Houston TX 77040  
Telephone: (713) 812-5800

P.O. Box 920975  
Houston TX 77292-0975  
Information Center: (713) 957-7800

## Office of Chief Appraiser

Mr Mike Sullivan  
Assessor Collector  
Harris County  
1001 Preston Street  
Houston TX 77002-1817

April 30, 2014

Re: 2014 Certified Estimates

### *Board of Directors*

Ed Heathcott, *Chairman*  
Ray Holtzapple, *Secretary*  
Mike Sullivan, *Assistant Secretary*  
Glenn E. Peters  
Toni Trumbull  
Michael Lunceford

### *Chief Appraiser*

Sands L. Stiefer  
*Deputy Chief Appraiser*  
Roland Altinger  
*Taxpayer Liaison Officer*  
Teresa S. Terry

Dear Assessor:

As required by Texas Tax Code Sec. 26.01(e), we have prepared an estimate of taxable value for your county for 2014. While this estimate is based on information currently available to us, some of the data needed for accuracy is not yet available. For example, in the area of business and industrial personal property, the extended date for property owners to file their annual renditions is May 15, and some will delay their filing until the good cause deadline of June 1.

While we have taken our best estimate of potential hearing loss into account, protests for 2014 are in the process of being received and reductions made in the ARB protest hearing process during the next several months could cause a further reduction in value. Also, if fewer protests are filed, your value could possibly be higher.

Your final taxable value will also be impacted by late-filed exemption applications, late applications for productivity valuation, correction motions under Tax Code Sec. 25.25, and possible post-ARB appeals through binding arbitration, appeals to district court, or appeals to the State Office of Administrative Hearings.

Given these limitations, the estimated 2014 taxable value for the taxing unit identified above is:

**\$340,945,596,411**

The enclosed summary report gives a breakdown of this estimate by property category.

Please do not hesitate to contact your HCAD jurisdiction coordinator or my office if you have questions regarding this estimate or other matters affecting appraisal district operations.

Sincerely,

Sands L. Stiefer, RPA, CCA  
Chief Appraiser

**Harris County  
2014 Certified Estimate of Taxable Value**



<b>Major Property Category</b>	<b>Projected 2014 Taxable Value</b>	<b>Percent Change</b>	<b>2013 Taxable Value</b>
Residential & Rural Improved	134,097,271,942	9.12%	122,886,646,892
Apartments	25,447,251,142	13.21%	22,477,332,979
Commercial	86,437,504,128	8.44%	79,709,030,135
Vacant Land	9,777,851,557	1.12%	9,669,320,992
Industrial	17,736,374,580	0.69%	17,615,360,166
Utility	4,796,287,860	4.87%	4,573,411,963
Commercial Personal	25,768,327,228	1.91%	25,285,731,799
Industrial Personal	36,271,549,305	6.26%	34,135,081,668
All Other Property	613,178,671	5.55%	580,933,345

<b>Projected 2014 Taxable Value</b>	<b>340,945,596,411</b>	<b>7.58%</b>	<b>316,932,849,939</b>
-------------------------------------	------------------------	--------------	------------------------

**Projected 2014 Taxable Value Range**

<b>Accuracy +/- 5%</b>	<b>323,898,316,591</b>	<b>To</b>	<b>357,992,876,232</b>
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Report Date: April 30, 2014  
2013 Roll Date: March 07, 2014

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**INTERIM FINANCIAL REPORTS (Unaudited)**  
**GENERAL FUNDS 100-199 BUDGET SUMMARY REPORT**  
 Fiscal year to date: May 31, 2014

Schedule 3

	<u>BUDGET</u>	<u>REVENUES</u>	<u>BALANCE</u>	FY 13-14 % BUDGET REALIZED	FY 12-13 % BUDGET REALIZED
<b>REVENUES &amp; OTHER RESOURCES</b>					
<b>Revenues</b>					
Local Customer Fees/Charges	\$ 23,396,346	\$ 18,353,419	\$(5,042,928)	78%	79%
Local Property Tax Rev-Current	19,090,405	19,758,265	667,860	103%	103%
Local Property Tax Rev-Del, P&I	400,500	261,871	(138,629)	65%	81%
Local Investment Earnings	20,000	6,052	(13,948)	30%	102%
Local Grants Indirect Cost Rev	3,074	-	(3,074)	0%	0%
Local Grants	10,900	360	(10,540)	3%	0%
Local Miscellaneous Revenue	551,919	311,130	(240,789)	56%	71%
<b>Total Local:</b>	<u>43,473,144</u>	<u>38,691,096</u>	<u>(4,782,048)</u>	89%	90%
State FSP-Compensation	320,000	197,852	(122,148)	62%	77%
State TEA-State Health Insurance	588,000	380,292	(207,709)	65%	81%
State Indirect Cost	45,121	21,917	(23,204)	49%	36%
<b>Total State:</b>	<u>953,121</u>	<u>600,061</u>	<u>(353,060)</u>	63%	78%
Federal Grants Indirect Cost	2,164,794	1,066,508	(1,098,286)	49%	53%
<b>Total Revenues:</b>	<u>46,591,059</u>	<u>40,357,665</u>	<u>(6,233,394)</u>	87%	88%
<b>Other Resources</b>					
Local HCTO Tax Collection Fees	-	-	-	0%	0%
State TRS Matching	1,600,000	-	(1,600,000)	0%	51%
Maintenance Tax Notes Proceeds	-	-	-	0%	0%
QZAB Bond Proceeds	-	-	-	0%	0%
Transfers In-Retirement Leave Fund 190	-	-	-	0%	0%
Transfers In-Retirement Leave Fund 288	-	-	-	0%	0%
Sale of Property & Equipment	-	-	-	0%	0%
Insurance Recovery	-	11,346	11,346	0%	0%
<b>Total Other Resources:</b>	<u>1,600,000</u>	<u>11,346</u>	<u>(1,588,654)</u>	1%	51%
<b>Total Revenues &amp; Other Resources:</b>	<u>48,191,059</u>	<u>40,369,011</u>	<u>(7,822,048)</u>	84%	86%

**Grant Efforts Indicator: Indirect Cost to Tax Ratio**

$$\frac{\text{Indirect Cost General Fund}}{\text{Total General Fund Revenues}} = \frac{1,088,425}{40,369,011} = 2.7\%$$

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**INTERIM FINANCIAL REPORTS (Unaudited)**  
**GENERAL FUNDS 100-199 BUDGET SUMMARY REPORT**  
**Fiscal year to date: May 31, 2014**

Schedule 3

	BUDGET	ENCLIM- BRANCES	EXPENDITURES	BALANCE	FY 13-14 % BUDGET USED	FY 12-13 % BUDGET USED
<b>EXPENDITURES &amp; OTHER USES</b>						
<b>Expenditures</b>						
Adult Education-Local	\$ 184,798	\$ -	\$ 97,907	\$ 86,891	53%	53%
Alternative Certification	365,446	26,952	233,029	105,465	71%	67%
Assistant Superintendent for Student Services	233,850	54	169,683	64,113	73%	75%
Assistant Superintendent for Prof Support Svcs	242,557	54	178,396	64,107	74%	72%
Board of Trustees	117,219	54	106,395	10,770	91%	75%
Business Support Services	1,819,920	16,990	1,258,846	544,084	70%	71%
Center for Safe & Secure Schools	1,104,206	318,975	448,038	337,193	69%	44%
Center-School Gov & Fiscal Accountability	211,119	50,992	116,131	43,996	79%	90%
Communications & Public Information	682,535	21,140	441,110	220,285	68%	84%
Client Development Services	438,653	23,962	284,920	129,771	70%	75%
CASE Local	210,484	3,455	122,914	84,114	60%	68%
Department-Wide	3,499,911	286,580	2,189,640	1,023,690	71%	63%
ECl-Keep Pace Program Local	109,044	-	65,366	43,678	60%	36%
Education Foundation	202,107	-	198,062	4,045	98%	98%
External Relations Officer	-	-	-	-	0%	101%
<b>Facilities</b>						
Choice Partners Cooperative	2,071,459	186,159	1,134,979	750,321	64%	60%
Construction Services	125,577	987	91,842	32,748	74%	70%
Facilities Support Services	1,837	-	1,836	1	100%	156%
Local Construction Fund 170	1,294,200	44,325	183,610	1,066,266	18%	4%
Building Replacement Schedule	75,000	-	47,985	27,015	64%	0%
Records Management Services	1,734,401	50,753	1,115,897	567,750	67%	65%
Head Start-Local	900	-	-	900	0%	0%
Human Resources	946,010	6,920	675,594	263,496	72%	70%
<b>Instructional Support Services</b>						
Bilingual Education	218,922	129	88,161	130,632	40%	39%
Digital Learning	111,200	19,403	16,900	74,897	33%	62%
Division Wide	240,406	7,055	115,625	117,726	51%	49%
Early Childhood Winter Conference	242,694	146	138,561	103,987	57%	63%
English Language Arts	305,671	4,157	140,141	161,374	47%	69%
Math	344,951	87,874	133,477	123,601	64%	65%
Professional Development	39,000	12,650	1,777	24,573	37%	26%
Science	170,837	4,127	103,100	63,610	63%	57%
Social Studies	113,259	458	58,627	54,174	52%	55%
Speaker Series	155,500	-	71,778	83,722	46%	80%
Special Education	42,418	-	30,058	12,360	71%	69%
Preschool Early Childhood (EC)	50,000	34,725	14,925	350	99%	0%
Purchasing Support Services	458,632	4,230	317,704	136,698	70%	69%
QZAB & Maint Tax Notes FD	116,501	-	110,972	5,529	95%	59%
Research & Evaluation Institute	534,226	1,004	341,562	191,660	64%	66%
Texas Center for Grants Development	545,425	-	379,271	166,154	70%	69%

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**INTERIM FINANCIAL REPORTS (Unaudited)**  
**GENERAL FUNDS 100-199 BUDGET SUMMARY REPORT**  
 Fiscal year to date: May 31, 2014

Schedule 3

	BUDGET	ENCLIM- BRANCES	EXPENDITURES	BALANCE	FY 13-14 % BUDGET USED	FY 12-13 % BUDGET USED
<b>EXPENDITURES &amp; OTHER USES</b>						
<b>Expenditures</b>						
Retirement Leave Benefits Fund 190	\$ 350,000	\$ -	\$ 214,605	\$ 135,395	61%	191%
Scholastic Arts	94,409	-	54,235	40,174	57%	67%
Special Schools & Services						
ABC East	3,093,414	7,030	2,237,722	848,661	73%	71%
ABC West	2,841,931	13,214	1,928,125	900,592	68%	64%
Highpoint East	2,693,012	33,727	1,862,165	797,120	70%	66%
Highpoint North	2,074,371	48,320	1,493,676	532,375	74%	75%
Special Schools Administration	524,475	681	329,562	194,232	63%	64%
Superintendent's Office	389,238	54	264,101	125,083	68%	74%
State TEA Employee Portion Health Ins	588,000	-	402,438	185,563	68%	70%
State TRS On Behalf Payments	1,600,000	-	-	1,600,000	0%	51%
Technology						
Chief Information Officer	181,855	-	127,911	53,944	70%	71%
Technology Support Services	4,167,957	614,737	2,494,913	1,058,307	75%	65%
Technology Cloud Project	325,170	-	195,285	129,885	60%	57%
Therapy Services	8,674,159	3,195	6,070,820	2,600,145	70%	74%
<b>Total Expenditures:</b>	<b>46,958,866</b>	<b>1,935,265</b>	<b>28,900,377</b>	<b>16,123,224</b>	<b>66%</b>	<b>66%</b>
<b>Other Uses</b>						
Transfers Out-Special Revenue Funds	550,787	-	550,787	-	100%	100%
Transfers Out-ECI Keep Pace	324,000	-	324,000	-	100%	36%
Transfers Out-Retirement Leave Fund	-	-	-	-	0%	0%
Transfers Out-Head Start Fund 205	171,886	-	-	171,886	0%	91%
Transfers Out-Debt Service	2,653,751	-	2,274,027	379,724	86%	68%
Transfers Out-PFC Fund	-	-	-	-	0%	0%
Transfers Out-ECI Additional Funding	791,000	-	-	791,000	0%	0%
Transfers Out-Department Wide	-	-	-	-	0%	0%
<b>Total Other Uses:</b>	<b>4,491,424</b>	<b>-</b>	<b>3,148,814</b>	<b>1,342,610</b>	<b>70%</b>	<b>70%</b>
<b>Total Expenditures &amp; Other Uses:</b>	<b>51,450,290</b>	<b>1,935,265</b>	<b>32,049,192</b>	<b>17,465,833</b>	<b>66%</b>	<b>66%</b>
<b>Excess/(Deficiency) Estimated Revenues</b>						
<b>Over/(Under) Expenditures:</b>	<b>(3,259,231)</b>	<b>(1,935,265)</b>	<b>8,319,819</b>	<b>9,643,785</b>		
Beginning Fund Balance-September 1:	24,815,013	-	24,815,013	-		
<b>Estimated Fund Balance:</b>	<b>\$ 21,555,782</b>	<b>\$(1,935,265)</b>	<b>\$ 33,134,832</b>	<b>\$ 9,643,785</b>		

<b>Financial Strength Indicator: Fund Balance to GF Expenditures</b>			
<u>Unassigned Fund Balance</u>	<b>=</b>	<u>13,303,315</u>	<b>= 41.51%</b>
<u>Total General Fund Expenditures</u>		<u>32,049,192</u>	

**HCDE-All Funds  
Fund Balance at August 31, 2013**

	FY 2012-13 BALANCE 9/1	Activity FY 2012-13			BUDGET AMENDMENT	FINAL FY 2012-13 BALANCE 8/31	
		REVENUES	(EXPENDITURES)	SUBTOTALS	EOY ADJ.		
<b>GASB #54</b>	<b><i>Non-Spendable Fund Balance</i></b>						
1991-34110000	Investment in Inventory	107,798.70	0.00	0.00	107,798.70	12,625.00	120,423.70
1991-34120000	Deferred Expenditures	3,920.00	0.00	0.00	3,920.00	22,574.58	26,494.58
	<b>Total Non-Spendable Fund Balance</b>	<b>111,718.70</b>	<b>0.00</b>	<b>0.00</b>	<b>111,718.70</b>	<b>35,199.58</b>	<b>146,918.28</b>
	<b><i>Restricted Fund Balance</i></b>						
1721-34710000	Fund 199 QZAB & Maint Tax Notes	428,228.44	517.38	(311,727.01)	117,018.81	0.00	117,018.81
	<b>Total Restricted Fund Balance</b>	<b>428,228.44</b>	<b>517.38</b>	<b>(311,727.01)</b>	<b>117,018.81</b>	<b>0.00</b>	<b>117,018.81</b>
	<b><i>Committed Fund Balance</i></b>						
1901-35250003	Fund 199 Retirement Leave	1,250,000.00	904.37	(219,304.64)	1,031,599.73	218,400.27	1,250,000.00
1991-35250004	Unemployment Liability	158,000.00	0.00	0.00	158,000.00	0.00	158,000.00
	<b>Total Committed Fund Balance</b>	<b>1,408,000.00</b>	<b>904.37</b>	<b>(219,304.64)</b>	<b>1,189,599.73</b>	<b>218,400.27</b>	<b>1,408,000.00</b>
	<b><i>Assigned Fund Balance</i></b>						
1991-35310000	Bldg & Veh Replacement Schedule	1,300,000.00	0.00	0.00	1,300,000.00	200,000.00	1,500,000.00
1991-35320000	Asset Replacement Schedule	1,200,000.00	0.00	0.00	1,200,000.00	275,000.00	1,475,000.00
1991-35450007	Reserve Carryover Encumbrances	98,413.00	0.00	(98,413.00)	0.00	237,958.00	237,958.00
	Early Childhood Intervention Funding	700,000.00	0.00	0.00	700,000.00	400,000.00	1,100,000.00
1991-35450001	Highpoint Schools	103,300.00	0.00	0.00	103,300.00	0.00	103,300.00
1991-35450004	CASE EcoBot Program	0.00	0.00	0.00	0.00	0.00	0.00
1991-35450002	Education Foundation Addl Funding	0.00	0.00	0.00	0.00	0.00	0.00
1991-35450006	Future PFC Construction	630,000.00	0.00	0.00	630,000.00	570,000.00	1,200,000.00
1991-35410000	Insurance Deductibles	400,000.00	0.00	0.00	400,000.00	100,000.00	500,000.00
1701-35110000	Fund 199 Local Construction	572,780.00	0.00	(426,345.53)	146,434.47	305,790.53	452,225.00
1999-34920000	One Time LOGO CONV Costs	0.00	0.00	0.00	0.00	0.00	0.00
1991-35450005	Marketing Program	0.00	0.00	0.00	0.00	0.00	0.00
1991-35450008	Program Start Up	565,000.00	0.00	0.00	565,000.00	335,000.00	900,000.00
1991-35250001	QZAB Payment	697,833.00	0.00	0.00	697,833.00	0.00	697,833.00
1991-35250002	PFC Lease Payment	807,915.00	0.00	0.00	807,915.00	0.00	807,915.00
	Safe Alert Software-CSSS	125,000.00	0.00	0.00	125,000.00	0.00	125,000.00
1991-35450011	Head Start Additional Funding	0.00	0.00	0.00	0.00	0.00	0.00
1990-35450009	New Payroll System & Pentamation 5.0	250,000.00	0.00	0.00	250,000.00	45,000.00	295,000.00
1999-35920000	Tech Equip Carryover FY 08	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total Assigned Fund Balance</b>	<b>7,450,241.00</b>	<b>0.00</b>	<b>(524,758.53)</b>	<b>6,925,482.47</b>	<b>2,468,748.53</b>	<b>9,394,231.00</b>
	<b>Total Other Reserves &amp; Inventory:</b>	<b>9,398,188.14</b>	<b>1,421.75</b>	<b>(1,055,790.18)</b>	<b>8,343,819.71</b>	<b>2,722,348.38</b>	<b>11,066,168.09</b>
1990-36110000	<b><i>Unassigned Fund Balance</i></b>	<b>12,425,483.48</b>	<b>46,470,727.13</b>	<b>(42,425,016.96)</b>	<b>16,471,193.65</b>	<b>(2,722,348.38)</b>	<b>13,748,845.27</b>
	<b>Grand Total General Fund: 3-</b>	<b>21,823,671.62</b>	<b>46,472,148.88</b>	<b>(43,480,807.14)</b>	<b>24,815,013.36</b>	<b>0.00</b>	<b>24,815,013.36</b>
				<b>2,991,341.74</b>	<b>2,991,341.74</b>	<b>MUST BE ZERO</b>	
5990	Debt Service Fund	0.00	0.00	0.00	-	0.00	0.00
6993-35110000	PFC Construction Fund	787,135.57	13.00	(26,857.70)	760,290.87	0.00	760,290.87
6983-35110000	PFC Refunding Bonds	261,442.14	5.15	(4.31)	261,442.98	0.00	261,442.98
	<b>Total PFC: 3-</b>	<b>1,048,577.71</b>	<b>18.15</b>	<b>(26,862.01)</b>	<b>1,021,733.85</b>	<b>0.00</b>	<b>1,021,733.85</b>
		22,872,249.33					1,021,733.85
	<b>GENERAL FUND &amp; PFC FUNDS:</b>						<b>25,836,747.21</b>
7530-35990000	Workers Comp Fund	692,839.55	413,782.26	(334,604.21)	772,017.60	0.00	772,017.60
7990	Internal Svcs Fund	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Grand Total All Funds:</b>		<b>46,885,949.29</b>	<b>(43,842,273.36)</b>	<b>772,017.60</b>	<b>0.00</b>	<b>772,017.60</b>

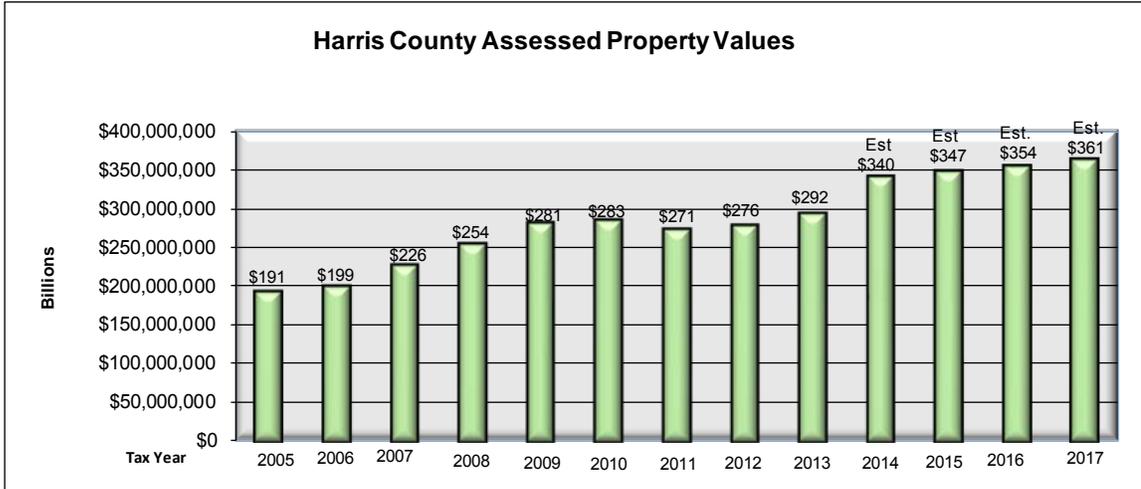
**HARRIS COUNTY DEPARTMENT OF EDUCATION  
INDIRECT COST ESTIMATES  
PROPOSED FY15 BUDGET**

<u>ACCT</u>	<u>DIV</u>	<u>FEDERAL &amp; LOCAL GRANTS</u>	<u>FY 2014-15</u>
<b>STATE:</b>			
58990001	AE	ADULT ED TANF STATE	30,000
		<b>Total State</b>	<b>30,000</b>
<b>FEDERAL:</b>			
59990008	AE	ADULT ED TANF FEDERAL	4,800
59990001	AE	ADULT ED REGULAR	102,400
59990001	AE	ADULT ED ENGLISH LITERACY/CIVICS	3,200
59990006	HS	HEAD START JAN-AUG	550,000
59990007	HS	HEAD START SEPT-DEC	350,000
59990009	SE-ECI	ECI-DARS	500,000
59990010	CASE	AFTER SCHOOL PARTNERSHIP	-
59990021	CASE	AMERICORPS	13,000
59990037	CASE	CASE CYCLE 7	10,000
59990038	ACP	ACP Grant	6,000
		<b>Total Federal</b>	<b>1,539,400</b>

## TAX & DEBT ASSUMPTIONS

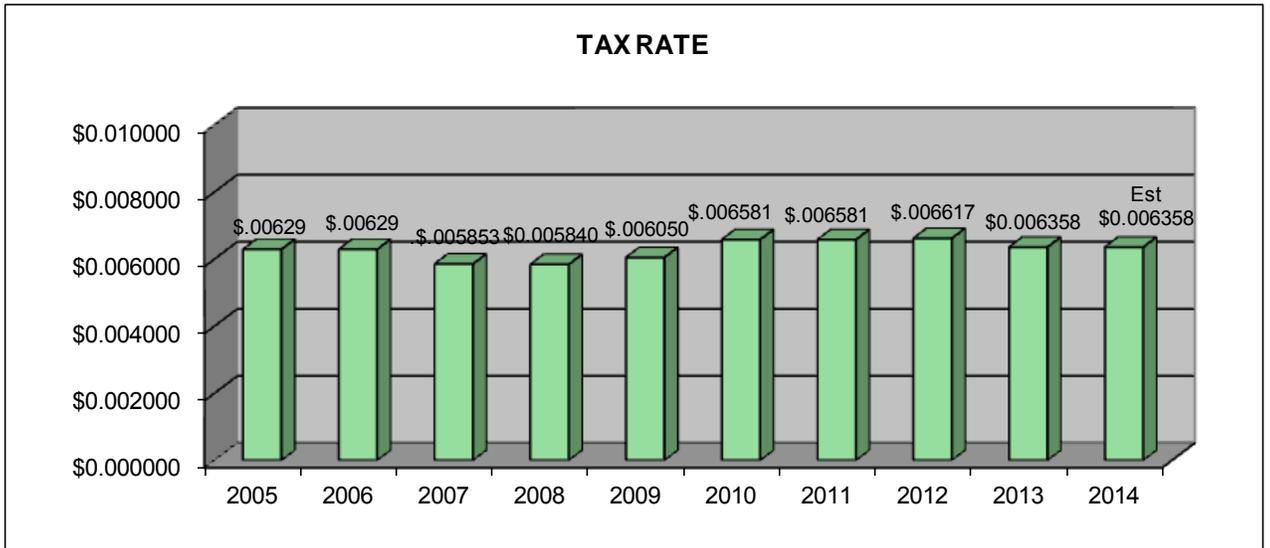
### Taxable Value

Current appraisal district values were used in the early stages of the planning process. During the budget process we received updated information that for fiscal year 2014-2015, the projected property values increased by 7% including values under protest; the tax revenues were updated to reflect the growth. The following graph shows the taxable values for the last ten years and estimates for the next three years with a conservative 2% growth.



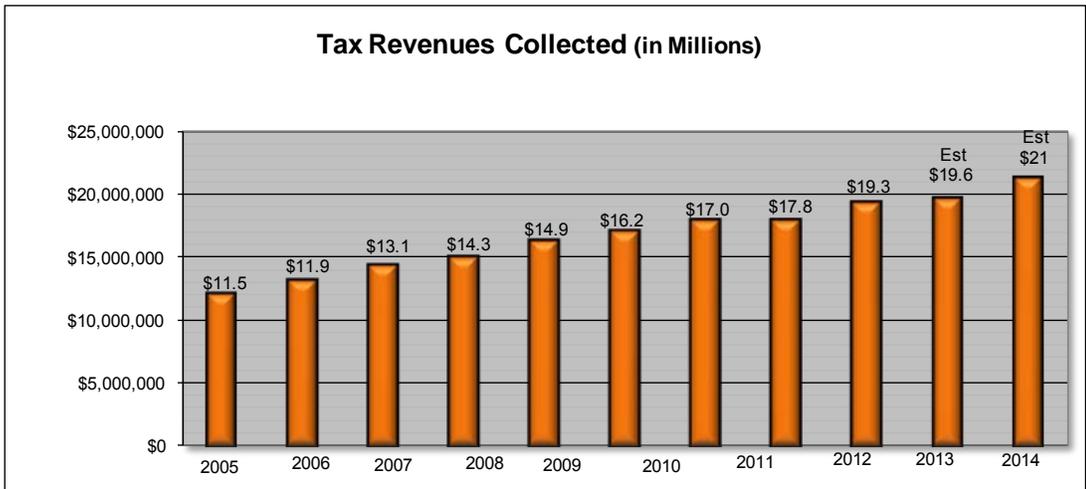
### Tax Rate

The tax rate for 2014-2015 is proposed to be the Effective Tax Rate estimated at \$0.006358 and has at time of this publication not yet calculated. The Effective Tax Rate is calculated by the Harris County Appraisal District (HCAD) and validated by HCDE.



### Tax Collections

Harris County Tax Office collects Tax Revenues for HCDE. The tax collections ratio is 98%.



**Property Tax Revenue Estimate**

The Harris County Appraisal District report dated June 14, 2013 was used to calculate the Tax Revenue Estimate. The assumptions used include:

1. 98% historical average for Current Tax Collections; in addition, Delinquent and P&I combine to make total tax collections >100% budgeted.
2. In preparing the budget, HCDE used total estimate of \$410,500 for Delinquent Tax, P&I and Special Tax Assessments collections.
3. The Harris County Tax Office (HCTO) collects tax revenues for HCDE. A 3% fee is deducted by HCTO before the net revenue is sent to HCDE. Collection fees are estimated at \$400,500.
4. The Harris County Appraisal District (HCAD) appraises property and hears appraisal protests on behalf of HCDE. For these services, HCAD charges HCDE a quarterly fee based on HCDE percentage of the total appraisals for Harris County. Appraisal fees are estimated at \$155,000.

HCAD 2014 Interim Tax Estimate	\$340,945,596,411	
Estimated no change in appraised values	340,945,596,411	
Divide by 100	3,409,455,964	
Multiply by Tax Rate <b>\$0.006358</b>	21,677,321	
Adjust for historical collection rate of 98%	21,243,775	
<b>FY2014-2015 Estimated Current Tax Revenue</b>		<b>\$21,243,775</b>
Estimated Delinquent Tax Collections		270,000
Estimated Penalty & Interest		130,500
Estimated Special Assessments Collections		10,000
<b>Total Estimated Tax Collections for FY2014-2015</b>		<b><u>\$21,654,275</u></b>

**Effect on the Average Taxpayer**

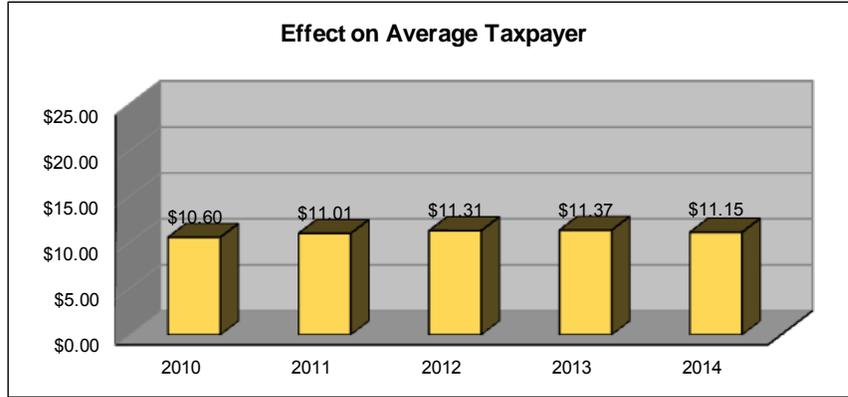
Property taxes are calculated by taking the taxable value (after exemptions) divided by 100 and multiplied by the tax rate:

Average Appraised Value	\$ 180,327
Less Homestead Exemption	<u>5,000</u>
Total Taxable Value	<b><u>\$ 175,327</u></b>

HCDE Proposed Tax Rate \$ .006358/per \$100 valuation

**\$175,327** = **\$1,753** x \$.006358 = **\$11.15** Total Property Tax Due Per Year \$100

It is estimated that for FY2015, the taxpayer will have to pay \$11.15 per year for an average appraised valued home. The effect on the taxpayer is shown on the attached table.



**DEBT**

HCDE does not plan to issue more debt.

**(Total) Annual Debt Service Requirements to Maturity:**

Years Ended August 31	Principal	Interest	Total Requirements
2015	1,901,428	730,841	2,632,269
2016	1,991,429	664,793	2,656,222
2017	2,051,428	588,216	2,639,644
2018	2,126,429	508,112	2,634,541
2019	2,211,429	424,034	2,635,463
2020	2,061,429	337,372	2,398,801
2021	2,151,428	247,488	2,398,916
2022	2,246,429	152,256	2,398,685
2023	2,346,428	51,669	2,398,097
<b>Totals:</b>	<b>\$ 19,087,857</b>	<b>\$ 3,704,781</b>	<b>\$ 22,792,638</b>

### **The Budget Development Process**

The budget process is linked to the accountability system in that all of the performance objectives and financial measures are made part of the annual budget process. Furthermore, during the budget process objectives are reviewed and each division is required to develop a SWOT Analysis for their division prior to projecting and requesting funding. The budget development process includes planning, development, monitoring and evaluation. The budget process is coordinated by the Assistant Superintendent for Business Services.

The Board of Trustees reviews and approves the annual budget process. The link of the budget process, the accountability process and the strategic planning process can be seen below.

## Five Constructs of the HCDE Accountability System

### 1. Service Delivery

#### Program Services

Four different types of measures were reported by fifteen programs/divisions. These include two types of unduplicated count objectives (counts of individuals and counts of district, schools, or other organizations), response (or cycle) time objectives, and coverage objectives.

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#### Types of Service Delivery Objectives for Program Services

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Measurement	Definition	Divisions
Unduplicated counts of individual clients	Each individual client is counted only once no matter how often he/she is served	Head Start
Unduplicated counts of client districts, schools, or organizations	Each served district is counted only once no matter how often it is served. Some objectives state a desired amount of increase in districts served.	Center for Safe & Secure Schools Purchasing Cooperative Food Cooperative Peer Mediation Records Management
Coverage	The unduplicated number of clients served divided by the total number of clients eligible for service. The service in question may include all services, or a specific service may be named in the objective. Client may be defined as an individual or a district.	Adult Education CASE Instructional Support Services ABC Schools Highpoint Schools
Service units	The number of service units provided or units received. The service unit may be expressed as visits, classes, money, days, hours, participants, etc. May be duplicated.	Early Childhood Intervention Therapy Services Digital Learning & Instructional Technology Texas LEARNS

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#### Support Services

Five different types of measures were selected by the eleven divisions/groups providing services to HCDE own internal clients. Each type necessitates a different type of tracking. The table below displays the types of service delivery objectives written for the year, their definitions and the support divisions that use them.

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#### Types of Service Delivery Objectives

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Measure	Definition	Divisions
Response time	The amount of time it takes between when a service request is made and filled or in a manner that reduces response time	Maintenance Human Resources Technology Services
Unduplicated counts of clients	Each served client is counted only once no matter how often he/she is served. In each case, however, "client" is defined as an HCDE division or program.	Business Services Internal Purchasing
Service Units	Number of times services were delivered or number of service hours delivered	C. Harris CPI

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Service Units	Number of times services were delivered or number of service hours delivered	C. Harris CPI R & E
Coverage	The unduplicated number of clients served divided by the total number of clients eligible for service	Resource Development
Accuracy rate	The number of correctly completed services divided by the total number of service events. Accuracy rate (i.e. 1-error rate) is being utilized in this instance to follow the same direction as other divisions	Facilities- Operations/Ancillary Services

## 2. Client Satisfaction

To assess the level of satisfaction HCDE clients have with the services they receive, divisions gathered empirical data from those they served using survey instruments that were customized for each division or program. An agency wide Composite Survey continued to be used to assess employee satisfaction with Support services. Either paper surveys on scannable forms or web surveys were used as appropriate by online capacity. Depending upon the program, clients may have responded about services their district/ organization received or about services they personally received.

The criterion for “satisfied” remains at the third point of a 4 point scale, though this year the scale was 1 - 4 with 3.00 as “satisfied” (conforms to industry standard).

## 3. Compliance

Compliance objectives are written with two or three tiers. Tier 1 represents the division/program compliance with their standard operating procedures (SOP). Tier 2 represents the HCDE level whereby each division/program is reviewed for its compliance with timely agenda submissions for the Board meetings. Tier 3, used only by certain divisions, represents compliance with externally mandated procedures from funders or regulatory agencies. HCDE has a mandated standard achievement of 100% for this category of objectives.

Reviews for Tier 1 and Tier 3 were done at division/program sites by R & E staff. A member of the division/program was present at the review to answer questions and provide access. Tier 1 compliance assumes that written procedures are in place in each division/program. The review for Tier 2 consisted of R & E staff examining logs of Board agenda submissions from the Superintendent’s office, Purchasing, and Contracts.

Some divisions may have more than one program in the accountability system but share compliance measurements. For example, a division may have two service delivery objectives for its programs but only one compliance objective.

## 4. Outcomes

Outcomes are the core of any program evaluation. Programs exist for the benefit or effect they generate for clients and/or the HCDE organization.

With the diversity of services provided by HCDE, the specific outcome assessed varies greatly, as does the method and measure. The ideal method to assess program effects is the experimental (or quasi) method, whereby there are pre-and post-tests given to a treatment group and to a comparison

In lieu of rigorous experimentation, objectives are written to be compatible with one of three general types of designs.

*Change Designs 1:* A pretest-posttest design to estimate the amount of change that has occurred over a given period. Some divisions specified that the amount of change should reach a certain average level; others specified a statistically significant amount of change. Note that conclusions cannot be drawn about the *cause* of the change, just that change did occur.<sup>1</sup>

*Static Designs:* A post-test only or end of year measure or level of attainment is applied with a specified standard desired and stated in the objective. This design does not measure a starting point—only a desired end point.

*Financial Designs:* For the “business cooperatives” (i.e. Records Management) the financial benefit to HCDE is the outcome objective. To minimize redundancy, the financial objective was shifted to one measuring cash flow.

## **5. Financial Effectiveness**

Program services are considered revenue-generating. That is, these divisions are not expected to rely solely upon HCDE tax revenues for support. Rather, they are expected to receive funds from external sources for at least part of their operations. The source of revenues may be from fee-for-services, grants, and/or contracts.

Financial data are supplied by Business Services following the independent audit for each fiscal year. The revenues reported are those billed and received. Revenues from grants do not include indirect costs. For the tests of objectives, allocated facilities costs are subtracted out of the total expenditures. Some divisions which are divided into programs for other accountability objectives are considered as one division for the financial effectiveness construct because the structure of the budget does not isolate program costs.

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<sup>1</sup> A change can occur for many reasons in addition to a possible effect of the program; history, maturation, regression, testing effects are all technical terms for the alternative causes for an observed change.



## Bounceback Anticipated for 2014

March 20, 2014

Economic data released in the last six weeks suggest economic growth has softened since January. However, weather-related distortions of business and consumer activity have temporarily obscured the picture of the underlying economy. The February employment report, industrial production and March Beige Book suggest that this softness is temporary, and private-sector forecasts anticipate a bounceback as growth expectations for the remainder of the year have inched upward.

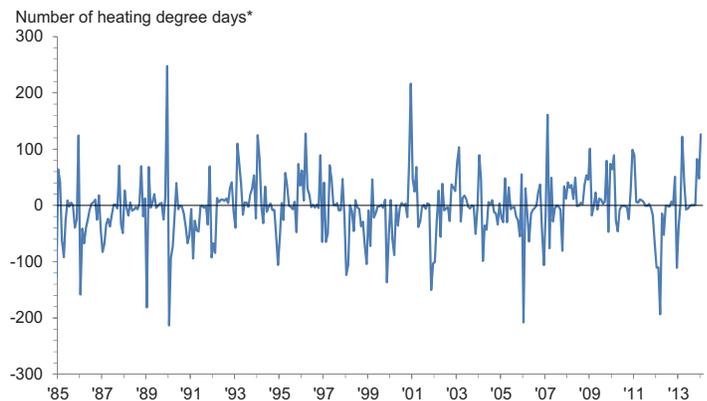
### Fourth Quarter 2013 Output Growth Revised Downward

In February, the Bureau of Economic Analysis revised fourth quarter 2013 real gross domestic product (GDP) growth downward from 3.2 percent to 2.4 percent at a seasonally adjusted, annualized rate (SAAR). These downward revisions, which were anticipated, come largely as a result of lower personal consumption expenditures (PCE) and residential investment. A notable exception was real nonresidential investment growth, which nearly doubled to 7.3 percent (SAAR) in the fourth quarter, in line with annual growth figures from 2011 and 2012.

### Leading Economic Indicators Soft for Beginning of 2014

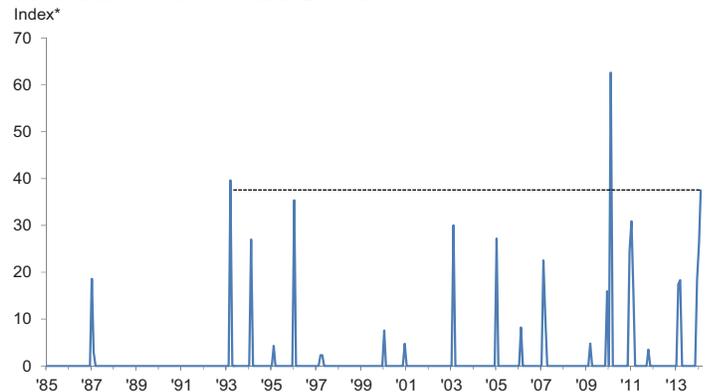
The Conference Board's Leading Economic Index softened in the beginning of 2014, particularly driven by weaknesses in housing and hours worked. A glance at data from the National Oceanic and Atmospheric Administration points to likely weather-related shocks. Heating degree days, which estimate energy demand to heat homes or businesses, deviated largely from the 10-year average in recent months, suggesting that this winter has been relatively frigid (*Chart 1*).<sup>1</sup> In addition, disruptive weather measured by the quasi-national Northeast Snowfall Impact Scale (NESIS)<sup>2</sup> shows a recent bout

**Chart 1**  
Relatively Frigid Winter



SOURCE: National Oceanic and Atmospheric Administration.

**Chart 2**  
Second Worst Snowstorm in 20 Years



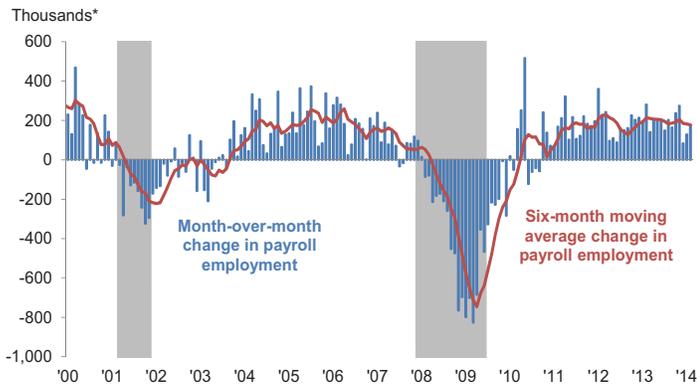
SOURCE: National Oceanic and Atmospheric Administration.

of historically bad storms in terms of duration and severity (*Chart 2*). To what extent weaker recent economic data are attributable to weather remains to be seen.

### But Payrolls and Industrial Production Look Good

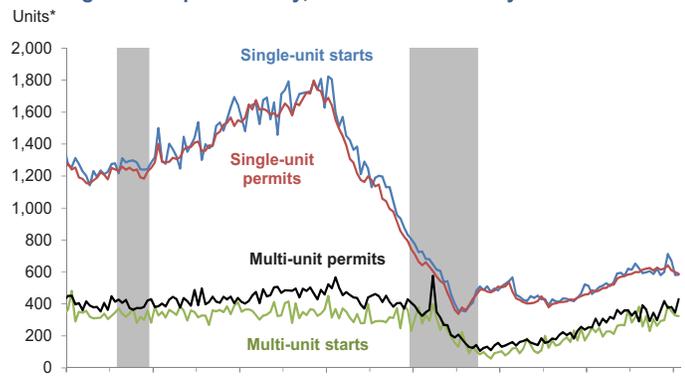
Amid the cold, the economy added 175,000 seasonally adjusted nonfarm jobs in February, surpassing Bloomberg Consensus estimates by 25,000. Upward revisions of 15,000 jobs for January improved the

**Chart 3**  
**Strong Payroll Growth in February**



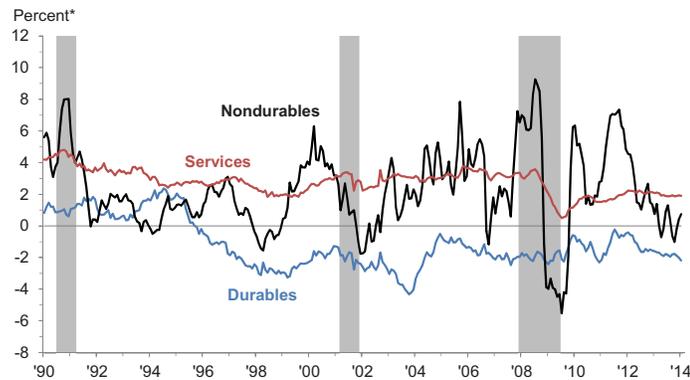
\*Seasonally adjusted.  
NOTE: Shaded regions indicate recession.  
SOURCE: Bureau of Labor Statistics.

**Chart 4**  
**Housing Starts Dip in January, Level Off in February**



\*Thousands, seasonally adjusted, annualized rate.  
NOTE: Shaded regions indicate recession.  
SOURCE: Census Bureau.

**Chart 5**  
**Services Inflation Lower Than Before Recession**



\*Year-over-year.  
NOTE: Shaded regions indicate recession.  
SOURCE: Bureau of Economic Analysis.

labor market picture as well, pushing up the overall six-month moving average—a less-volatile metric of job creation—to a healthy 177,000 (*Chart 3*). Unemployment levels ticked up marginally, but steady labor force participation rates suggest that workers reentering the labor force are a likely cause. The decrease in hours worked is likely due to weather disruptions forcing workers to stay home.

Industrial production also beat expectations with a 0.6 percent increase in February. The increase was driven primarily by auto production, which rose 4.6 percent in February after falling more than 5 percent in January. The positive employment and production reports offer optimism for a bounceback in the spring.

**Sluggish Housing Starts and Sales**

January housing starts fell precipitously by 168,000 units (SAAR) for both multi- and single-family housing (*Chart 4*) and held relatively flat in February. Single-family housing permits, a more forward-looking indicator of housing start performance, have also continued to slow in recent months, although February multifamily permits saw the largest single period rise since June 2008. Existing single-family home sales have continued to decline from the July 2013 high of 4.8 million units to 4 million units in January 2014 (SAAR). However, new single-family home sales rose at a rapid clip of about 10 percent in January and generally tend to lead existing sales by one or two months.

The March Beige Book reports that weather-related factors have slowed residential activity; however, rising house prices and the introduction of new qualified mortgage rules are also likely to have suppressed the housing market. In coming months, construction and sales are likely to pick up in response to low inventories and pent-up demand for housing.

**Inflation Is Still Anchored**

Inflation figures remain persistently low, with core PCE coming in at 1.2 percent year over year for January, and the headline consumer price index (CPI) at 1.1 percent year over year for February. Inflation trends broken down by PCE components show that year-over-year services price inflation, which makes up two-thirds of consumption expenditures, is lower than before the recession (*Chart 5*). Nondurables, which compose about a quarter of consumption expenditures, have fluctuated around zero in recent months. Despite persistently low inflation, expectations for future inflation remain anchored at target rates, and the consensus of many inflation models suggests that inflation will normalize in the coming months.<sup>3</sup>

Slowness in January and February is attributable in part to weather, but some underlying softness may

have also slowed growth. However, recent production and employment reports are encouraging. Blue Chip estimates remain around 3 percent (SAAR) for the rest of 2014, and fiscal drag is waning. Headwinds to growth come from political upheaval in Ukraine and slowing emerging markets.

—Camden Cornwell

### Notes

<sup>1</sup> Heating degree days is the temperature difference between 65 degrees and the average of the daily high and low temperature, provided the average is less than 65 degrees. Daily figures are summed to get heating degree months, years, etc., and are weighted by population to get an accurate idea of total energy demand for heating in a region.

<sup>2</sup> “NESIS scores are a function of the size of the area affected, amount of snow and the population living in the path of the storm,” according to the National Climatic Data Center, [www.ncdc.noaa.gov/snow-and-ice/rsi/nesis](http://www.ncdc.noaa.gov/snow-and-ice/rsi/nesis).

<sup>3</sup> “Forecasting Inflation,” by J. Faust and J. Wright, in *Handbook of Economic Forecasting*, G. Elliott and A. Timmermann, eds., vol. 2a, Amsterdam: Elsevier North-Holland, 2013, pp. 3–56.

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### About the Author

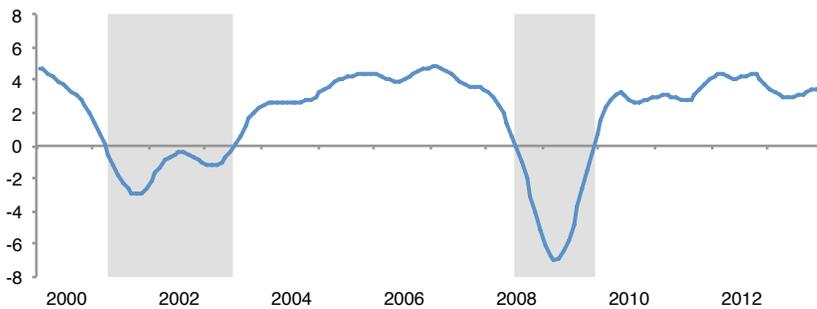
Cornwell is a research assistant in the Research Department at the Federal Reserve Bank of Dallas.



**Summary** The Texas economy continues to expand, with the Texas Business-Cycle Index increasing at a 3.6 percent annual rate in December. Texas single-family construction permits increased in January, while housing starts and existing-home sales declined. Texas exports increased in the fourth quarter of 2013. February manufacturing activity increased at a slightly stronger pace than in January, according to the Texas Manufacturing Outlook Survey.

## Texas Business-Cycle Index

Month-over-month percent change, annualized

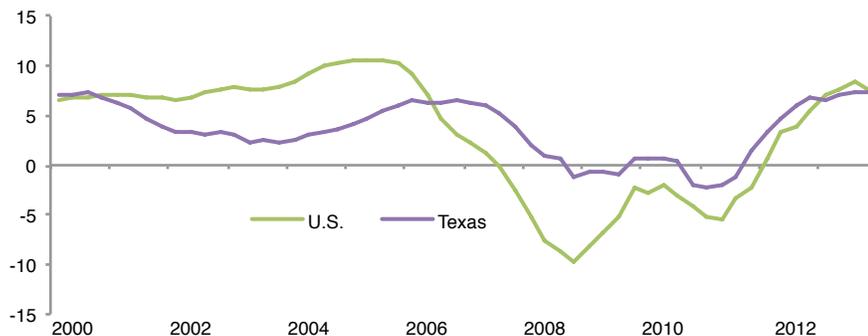


▶ Growth in the Texas Business-Cycle Index weakened from 2012, averaging 3.2 percent in 2013 compared with its 2012 pace of 4.2 percent. Fourth-quarter growth averaged 3.5 percent, with the December pace reaching 3.6 percent.

▶ The index combines movements in employment, the unemployment rate and state real gross domestic product to provide a broader view of the state's economic health. Periods of negative change in the index indicate recessions in Texas.

## Texas House Price Index

Year-to-year percent change



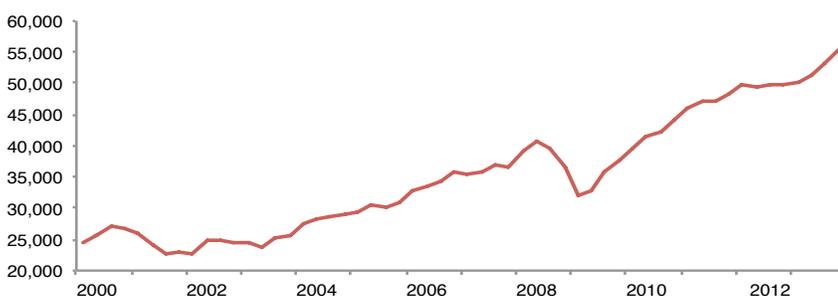
▶ The house price index (purchase only) for Texas, published by the Federal Housing Finance Agency (FHFA), rose 1.9 percent in fourth quarter 2013 and is up 7.3 percent from last year.

▶ Single-family housing construction permits increased 3.6 percent from December to January after two months of declines. Texas housing starts plummeted 19.4 percent in January after four months of increases, while Texas existing home sales declined for the fifth consecutive month, dropping 2.2 percent.

▶ Home inventories edged down to 3.6 months of available supply in January and were down 20 percent from their year-ago level of 4.5 months.

## Quarterly Texas Exports

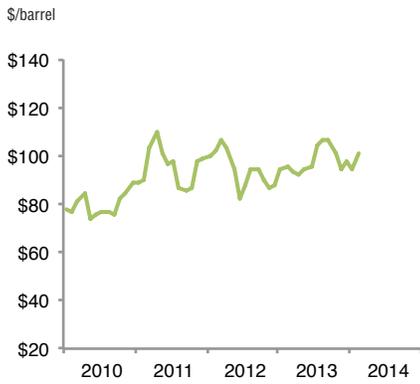
Real 2000 dollars (millions)



▶ Quarterly Texas exports increased a robust 3.9 percent in fourth quarter 2013. The fourth-quarter level of exports was 11.3 percent higher than a year earlier.

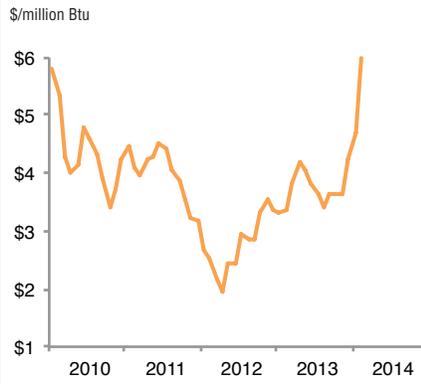
▶ Exports to Asia, Canada and the European Union all grew strongly in the fourth quarter, increasing by 10.2, 14.3 and 9.9 percent, respectively. These three regions made up 40.9 percent of fourth-quarter exports. Exports to Mexico, Texas' largest trading partner, edged up by 1.1 percent, while exports to Latin America excluding Mexico fell 2.9 percent in the fourth quarter.

### Crude Oil Prices



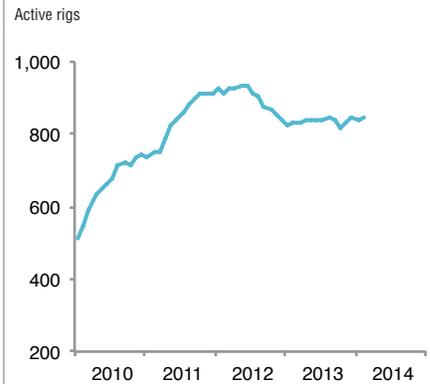
► The West Texas Intermediate crude oil price increased 6.5 percent to \$100.77 per barrel in February and was up 5.7 percent year over year.

### Natural Gas Prices



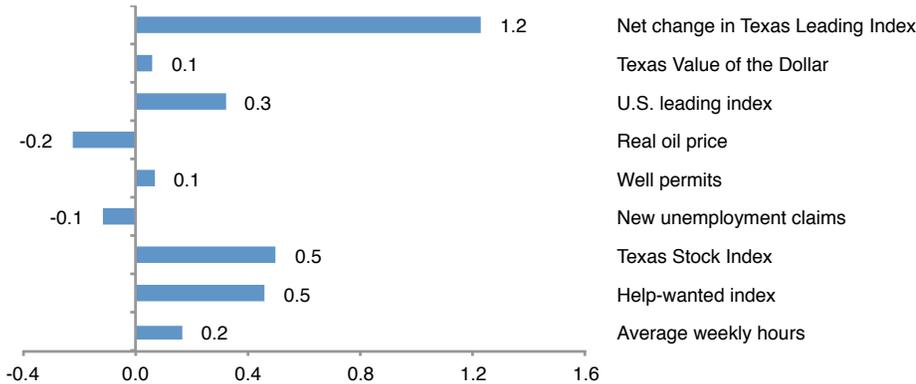
► Natural gas prices rose to \$6.01 per million Btu in February, a 28.1 percent increase from the January level. The price was 79.9 percent higher than in January 2013.

### Texas Rig Count



► The Texas rig count rose to 844 in February from 836 in January and was up 1.3 percent year over year.

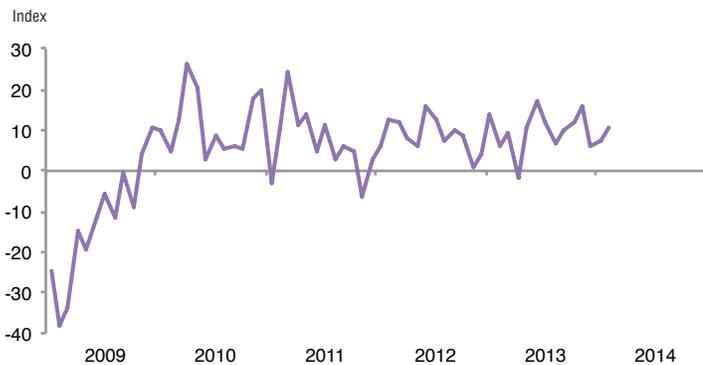
### Texas Leading Index with Components



► The Texas Leading Index, which uses key economic indicators to forecast employment growth, rose 1.2 percent from October to December.

► The Texas Leading Index is used to generate a state employment forecast. The most recent forecast suggests job growth of 2.6 percent in 2014.

### Production Index - Texas Manufacturing



► Texas factory activity increased for the tenth month in a row in February, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, rose from 7.1 to 10.8, indicating output grew at a slightly stronger pace than in January.

► The Dallas Fed conducts the monthly Texas Manufacturing Outlook Survey to obtain a timely assessment of the state's factory activity.

NOTE: Data may not match previously published numbers due to data revisions.

SOURCES: Texas Business-Cycle Index: Federal Reserve Bank of Dallas.

Housing: Federal Housing Finance Agency; Multiple Listing Service; U.S. Census Bureau; Bank of Tokyo-Mitsubishi UFJ. All housing data are seasonally adjusted.

Exports: U.S. Census Bureau; World Institute for Strategic Economic Research; seasonal and other adjustments by Federal Reserve Bank of Dallas.

Energy: *Wall Street Journal*; Henry Hub; Baker Hughes.

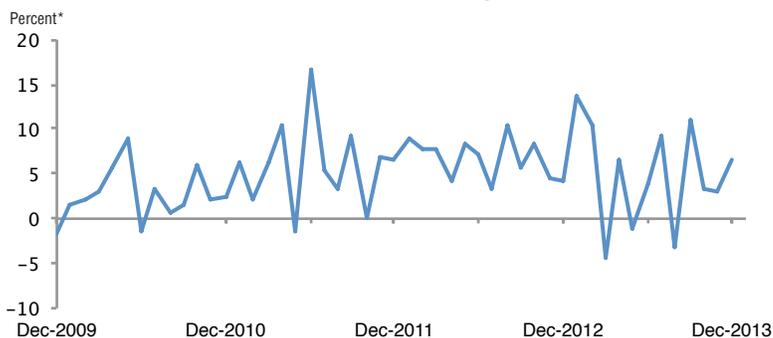
Texas Leading Index: Federal Reserve Bank of Dallas. Data are seasonally adjusted.

Texas Manufacturing Production Index: Federal Reserve Bank of Dallas. Data are seasonally adjusted.

Questions can be addressed to Melissa LoPalo at [melissa.lopalo@dal.frb.org](mailto:melissa.lopalo@dal.frb.org). Texas Economic Indicators is released on the first Wednesday of every month and can be found online at [www.dallasfed.org/research/indicators/index.cfm](http://www.dallasfed.org/research/indicators/index.cfm).

## Economic Activity

### Houston Business-Cycle Index

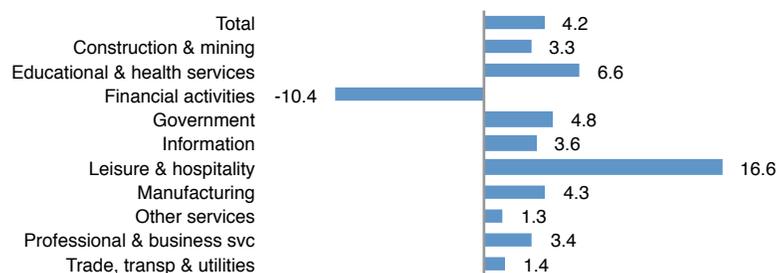


\*Month-over-month growth rate.

▶ The Houston Business Cycle Index surged 6.7 percent in December after rising a revised 2.9 percent in November. A solid jobs report and ongoing strength in housing and construction continue to signal a robust economy, although import and export growth in the region have flattened out. Overall, the outlook for Houston remains healthy.

## Employment

### December Employment Growth



NOTE: Chart shows monthly percent growth by employment supersector; data are seasonally adjusted and annualized.

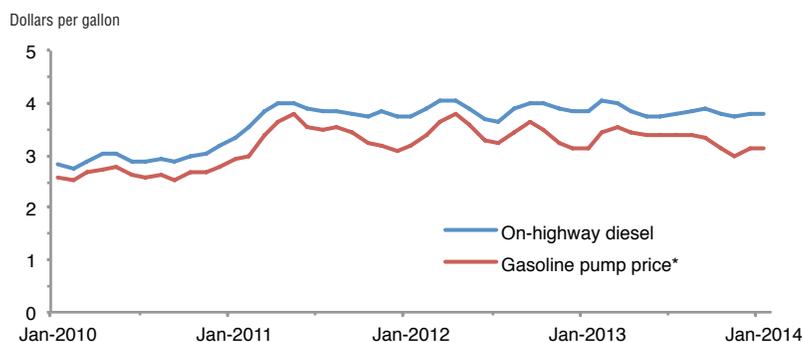
▶ December employment growth was a vigorous 4.2 percent overall. Leisure and hospitality posted the fastest growth rate, while financial activities had a sharply negative month. Education and health accelerated in December due to strong gains in health services.

▶ The Houston-area unemployment rate dropped to 5.8 percent in December, its lowest level since December 2008. This occurred while the labor force continued to expand. November unemployment was a revised 6 percent.

▶ The Conference Board's Help Wanted OnLine Index for Houston indicated the number of new job advertisements in the area fell 2.1 percent in December after rising 10.7 percent in November. While new job advertisements fell from November to December, total job advertisements continued to climb. Professional and related occupations added the most to this measure of employment demand in December, with management, business and financial occupations coming in a close second.

## Energy Prices

### Gulf Coast Fuel Prices



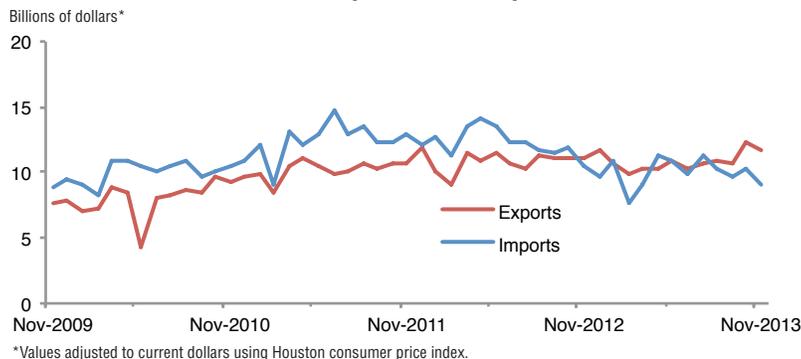
\*Regular unleaded.

▶ Gulf Coast on-highway diesel prices were flat from December to January at \$3.78. The price for gasoline at the pump was also flat at \$3.11. The Gulf Coast refinery utilization rate increased to 94 percent in December from 90.1 in November. A jump in exports of gasoline and propane contributed to increases in ethane and propane prices in December and January.

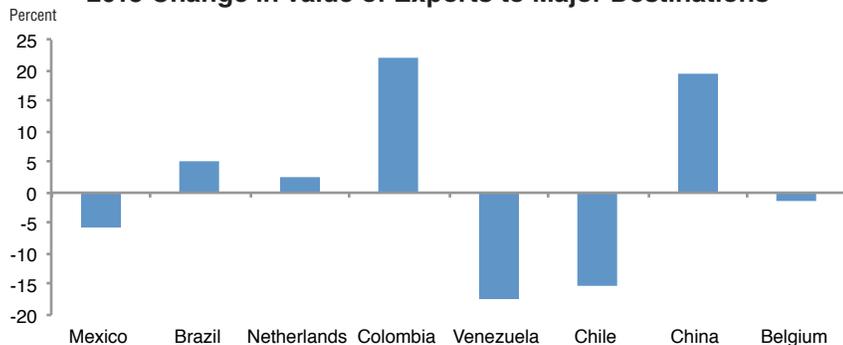
▶ The Henry Hub natural gas spot price reached its highest monthly average since June 2010 at \$4.69 in January (a 10.5 percent increase over November) as harsh winter weather drove up demand. The average monthly price of West Texas Intermediate and Brent oil declined 3.2 and 2.3 percent, respectively, to \$94.64 and \$108.11 in December.

## International Trade

### Real Exports and Imports



### 2013 Change in Value of Exports to Major Destinations



▶ The most recent trade data indicate that the real value of imports and exports both declined from October to November (12.6 and 4.1 percent, respectively).

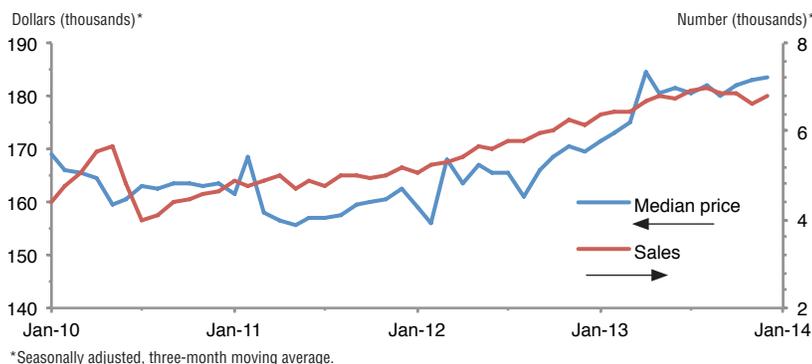
▶ Comparing the January to November real value of trade coming through the Houston-Galveston customs district with the same period in 2012, exports were flat and imports declined. The largest positive contributor to import growth in 2013 was organic chemicals (7.8 percent), while the largest category subtracting from imports was oil and related (down 23.5 percent).

▶ On the export side, the largest contributor was oil and related products (up 4.3 percent), while the largest category subtracting from exports was vehicles excluding rail and related (down 23.3). The latter was moved by a strong drop in vehicles for transporting goods. Excluding the outsized impact oil and petroleum products have on Houston trade, imports and exports both declined, imports by 5 percent and exports by 1.6 percent.

▶ Among the top export destinations from the port of Houston in 2013 (January to November), Colombia and China were the fastest growing when compared with the same period in 2012. Exports to Mexico, the largest destination, weakened. Exports to Venezuela declined sharply almost entirely because of a falloff in exports of certain naphthas, an oil derivative.

## Construction and Real Estate

### Median Home Price and Home Sales

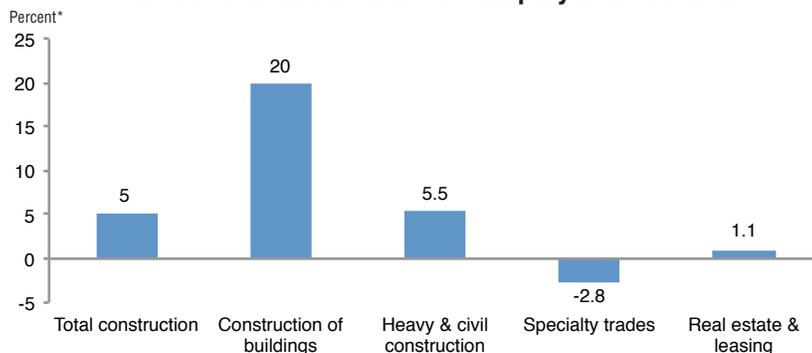


▶ Home sales and prices moved higher in December. Existing-home sales grew 2 percent from November to December but contracted 2.3 percent from the third to fourth quarter. The median home price was \$183,500 in December, up slightly from November. Seasonally adjusted housing inventory fell to 2.9 months in December, a record low. A shortage of available lots continues to keep upward pressure on the prices of single-family and multifamily housing. Permits and starts for single-family units were up in December, but the year-over-year growth rates slowed sharply to near zero in the fourth quarter.

▶ Commercial real estate continued to do well in the fourth quarter, according to CBRE. Vacancy rates were 5.3 percent for industrial, 7.4 percent for retail and 11.8 percent for office real estate. Lease and rental asking rates were higher for all categories in the fourth quarter when compared with both the third quarter and the same period in 2012. The square footage under construction in the fourth quarter was 7.8 million for industrial, 1.9 million for retail and 14.2 million for office space.

▶ In December, construction jobs increased across all sectors except specialty trades. Jobs in building construction towered over other subsectors, growing 20 percent. Feedback from the community indicates a shortage of skilled construction labor.

### Construction and Real Estate Employment Growth



SOURCES: Business-cycle index: Federal Reserve Bank of Dallas; employment: Bureau of Labor Statistics and Federal Reserve Bank of Dallas; energy prices: U.S. Energy Information Agency and *Oil and Gas Journal*; trade: Census Bureau and Wisertrade; home sales and prices: Houston Association of Realtors; construction: Bureau of Labor Statistics and Current Employment Statistics.

CONTACT: For questions or information, contact Jesse Thompson at [jesse.thompson@dal.frb.org](mailto:jesse.thompson@dal.frb.org). Federal Reserve Bank of Dallas, Houston Branch, 1801 Allen Parkway, Houston, TX 77019.

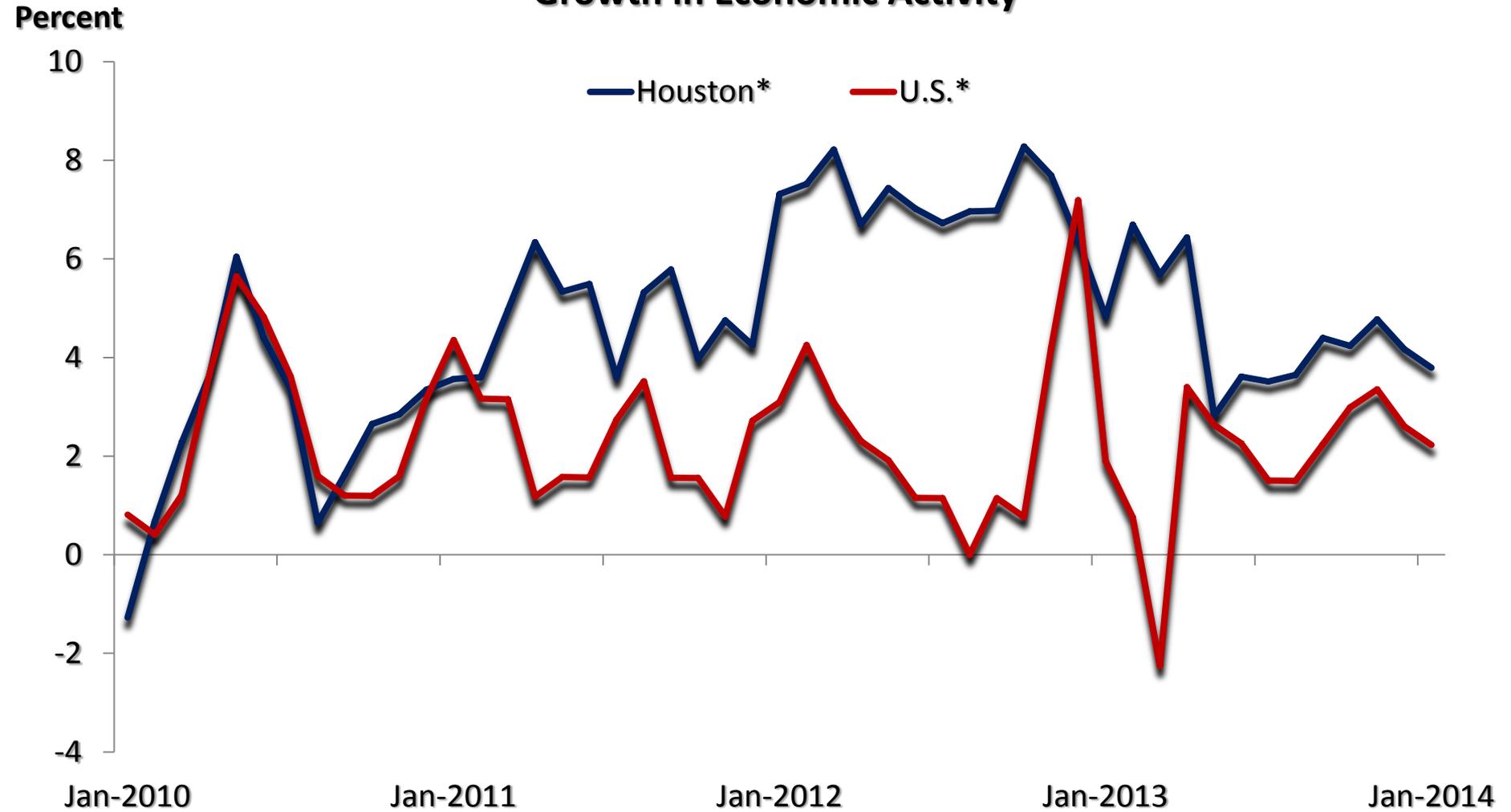
# The Houston Economy



Jesse Thompson  
Regional Business Economist  
The Federal Reserve Bank of Dallas, Houston Branch  
March 2014

# Houston vs U.S.

## Growth in Economic Activity



\*Annualized 3month growth rate

# Labor Market Conditions

## New Job Advertisements

Index (Jan-10=100)



# Labor Market Conditions

---

## Unemployment

- **5.5%** - Houston (January)
  - lowest since October 2008
- **6.7%** - U.S.
  - lowest since October 2008
- **Metro Job Growth Radiating Through Industries**
- **Dallas Fed Research: Texas adding jobs at all income levels.**

# Outlook

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## Uncertainties Persist:

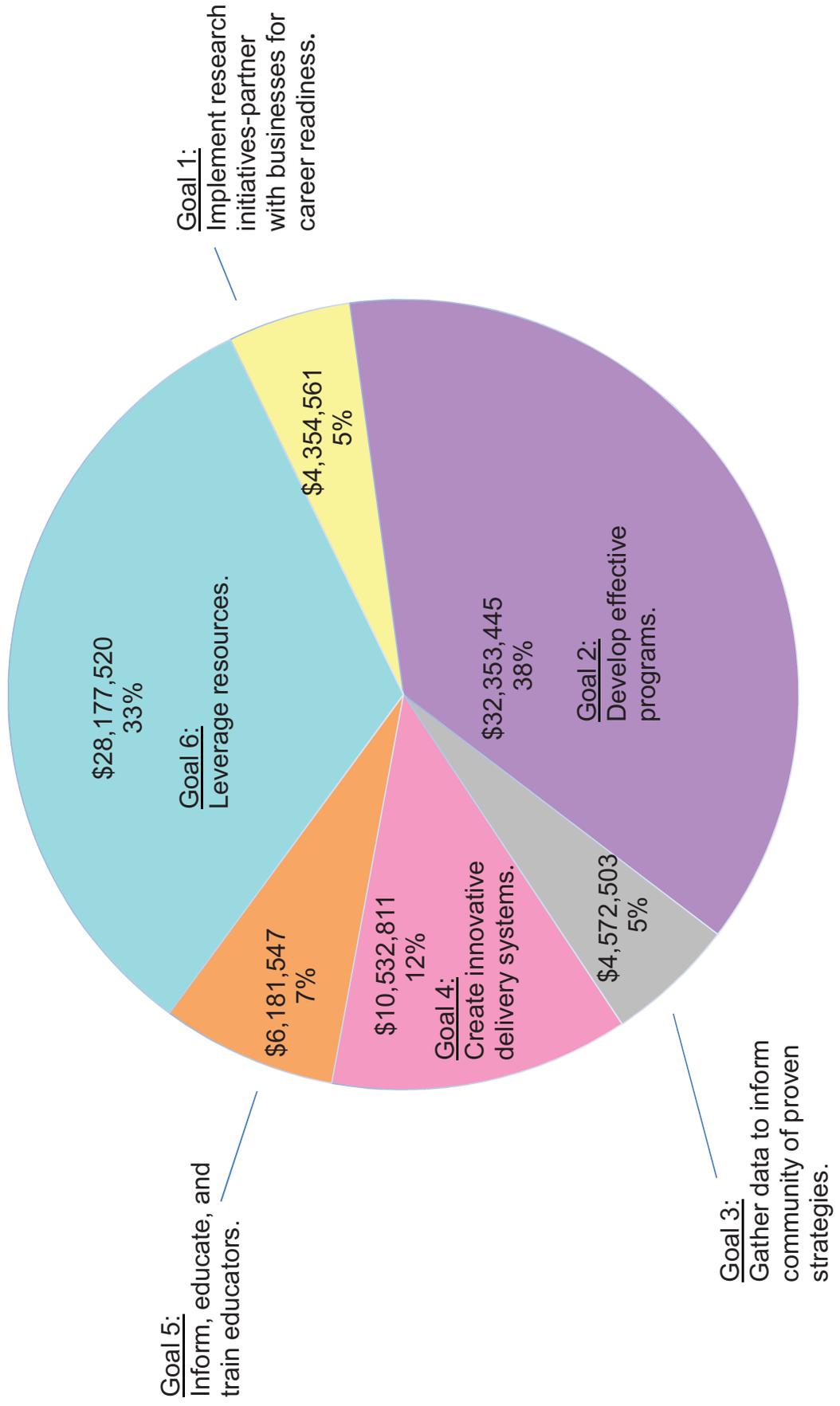
- Regulatory policy
- The Global Economy is Slowing

Texas jobs outlook for 2014: up **2.4%** (+/- 0.5)

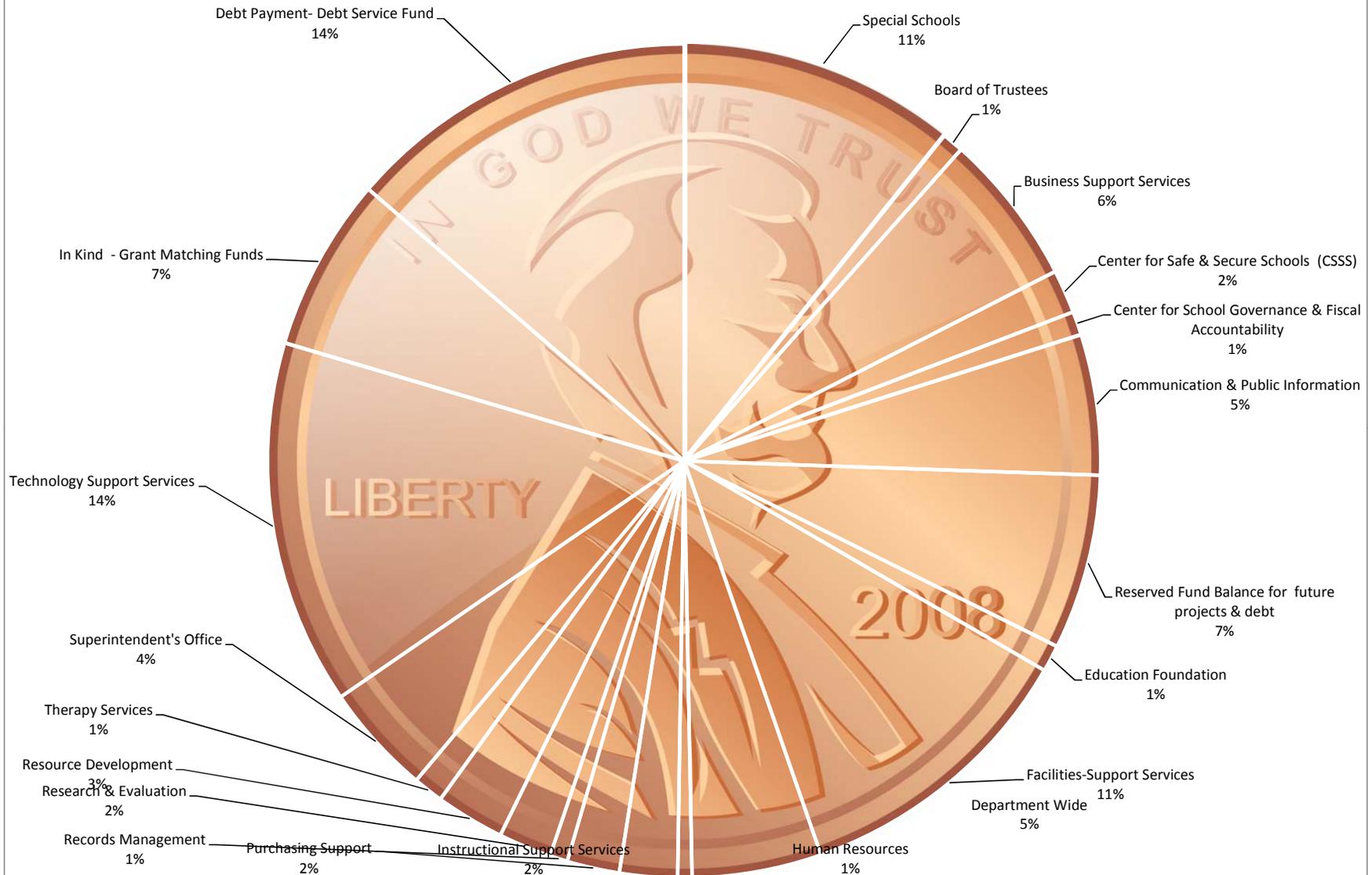
Houston jobs outlook for 2014: up **3%** (+/- 0.5)

U.S. Real GDP for 2014: **2.9%**

**HCDE FY14 Budget by Goals**  
**Total FY14 Adopted Budget \$89,215,221**



**HCDE Property Tax Use - By Division  
For the year ended August 31, 2013  
\$19,375,195**



**ESTIMATED SERVICES TO ALL ISD'S/CHARTER SCHOOLS BY USING 2012-13  
HARRIS COUNTY DEPARTMENT OF EDUCATION SERVICES**

Harris County Department of Education is proud to provide this profile of economic impact to the District relative to the identified programs and services. This partnership maximizes the resources available to the District's students, teachers, and educational leaders and helps HCDE realize its mission as a catalyst for excellence for ALL leaders.

<b>Program</b>	<b>Number of attendees at professional development</b>	<b>Number of students receiving direct services</b>	<b>Total estimated cost of services paid by district</b>	<b>Total estimated cost with HCDE assistance</b>	<b>HCDE grant redistribution to districts/ community</b>
Adult Education	-	12,531	3,845	6,214,929	-
Alternative Certification	24	-	115,317	366,270	-
Business Services	1,165	-	314,339	456,726	-
Center for Safe and Secure Schools	171	1,909	141,767	496,756	-
Center for School Governance	223	-	-	215,195	-
Choice Partners	-	-	3,242,504	2,408,718	-
Cooperative for After-School Enrichment	196	11,966	21,984	-	10,052,008
Early Childhood Intervention	-	1,293	327,873	6,359,592	-
Head Start	-	1,487	16,835	17,732,144	-
Instructional Support Services (Professional Development)	3,703	-	949,772	1,172,727	-
Records Management	-	-	1,382,844	2,318,048	-
Research and Evaluation	-	-	55,150	567,631	-
Resource Development				22,442	-
Special Schools	350	1,290	7,903,760	14,514,944	-
Techology Services Cloud	6,118	11,120	255,096	429,888	-
Tx Virtual School				2,362,180	
Digital Technology				136,968	
Texas Learns	12,218	3,961	-		8,327,669
Therapy Services	-	5,437	7,477,283	9,355,185	-
Dept Wide Reserves			77,241	87,509	
<b>TOTALS</b>	<b>24,168</b>	<b>50,994</b>	<b>22,285,610</b>	<b>65,217,853</b>	<b>18,379,677</b>
			<b>Total of Economic Impact</b>		<b>\$ 83,597,530</b>

Note: TX Virtual School, Digital Technology and Dept Wide Reserves are allocated to more than 25 ISDs.



## GFOA Urges GASB to Delay Implementation of GASB Statement No. 68

By Stephen J. Gauthier

The GFOA's Executive Board passed a resolution urging the GASB to delay implementation of GASB Statement No. 68 as long as needed to eliminate the probability of numerous state and local government employers receiving a modified opinion on the fair presentation of their financial statements.

In June 2012, the Governmental Accounting Standards Board issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which fundamentally changes accounting and financial reporting for state and local government employers. The new standard is scheduled to take effect for the fiscal period that ends June 30, 2015.

GASB Statement No. 68 will require state and local governments that offer defined benefit pensions to report a net pension liability and related accounts in their financial statements for the first time. For most governments in this situation, the amounts reported will be substantial. Accordingly, the independent auditors of such governments will need to obtain reasonable assurance of the reliability of those amounts in order to give an unmodified ("clean") opinion on the employer governments' financial statements.

A unique aspect of public-sector pensions is the existence of independently governed, managed, and audited pension plans. Thus, under GASB Statement No. 68, an employer's independent auditor will have to obtain adequate evidence to support an opinion on information produced by an independent organization. This requirement is especially challenging for auditors of governments that participate in multiple-employer pension

plans that may administer up to several thousand plans. Unfortunately, the necessary authoritative auditing guidance to coordinate audit procedures between the plan and the employers' independent auditors has not yet been provided, making it all but impossible for employer auditors to obtain the assurance they need regarding pension-related amounts in time for the audit of the first financial statements prepared in conformity with GASB Statement No. 68. Consequently, unless the effective date of GASB Statement No. 68 is deferred, governments in multiple-employer pension plans can expect to receive a modified opinion on the fair presentation of their financial statements, through no fault of their own or of their independent auditor. Moreover, the threat of a modified opinion could also result in governments significantly delaying the issuance of their financial statements as they seek solutions, consider ramifications (for example, continuing disclosure requirements, disqualification from "low-risk auditee" status for purposes of the Federal Single Audit), or set times to brief elected bodies prior to issuance.

The GFOA's Committee on Accounting, Auditing, and Financial Reporting and Committee on Retirement and Benefits Administration examined the situation in detail at their winter meetings in January 2014 and concluded

that creating a situation where thousands of governments received modified audit opinions as the direct result of the implementation of GASB Statement No. 68, through no fault of their own or of their auditor, would confuse, rather than enlighten, financial statement users and would be inconsistent with the GASB's objective of improving public confidence in the reliability of financial reporting for pensions. Accordingly, both committees formally asked the GFOA's Executive Board to pass a resolution urging the GASB to defer the implementation date of GASB Statement No. 68 for as long as necessary to permit the implementation of pending authoritative auditing guidance so as to allow auditors to obtain the information necessary to support the reliability of pension-related amounts in employer financial statements.

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**A unique aspect of public-sector pensions is the existence of independently governed, managed, and audited pension plans.**

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The GFOA's Executive Board considered that recommendation at its February meeting and passed a resolution urging the GASB to delay implementation of GASB Statement No. 68 as long as needed to eliminate the probability of numerous state and local government employers receiving a modified opinion on the fair presentation of their financial statements. |

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STEPHEN J. GAUTHIER is director of the GFOA's Technical Services Center in Chicago, Illinois.

 Government Finance Officers Association

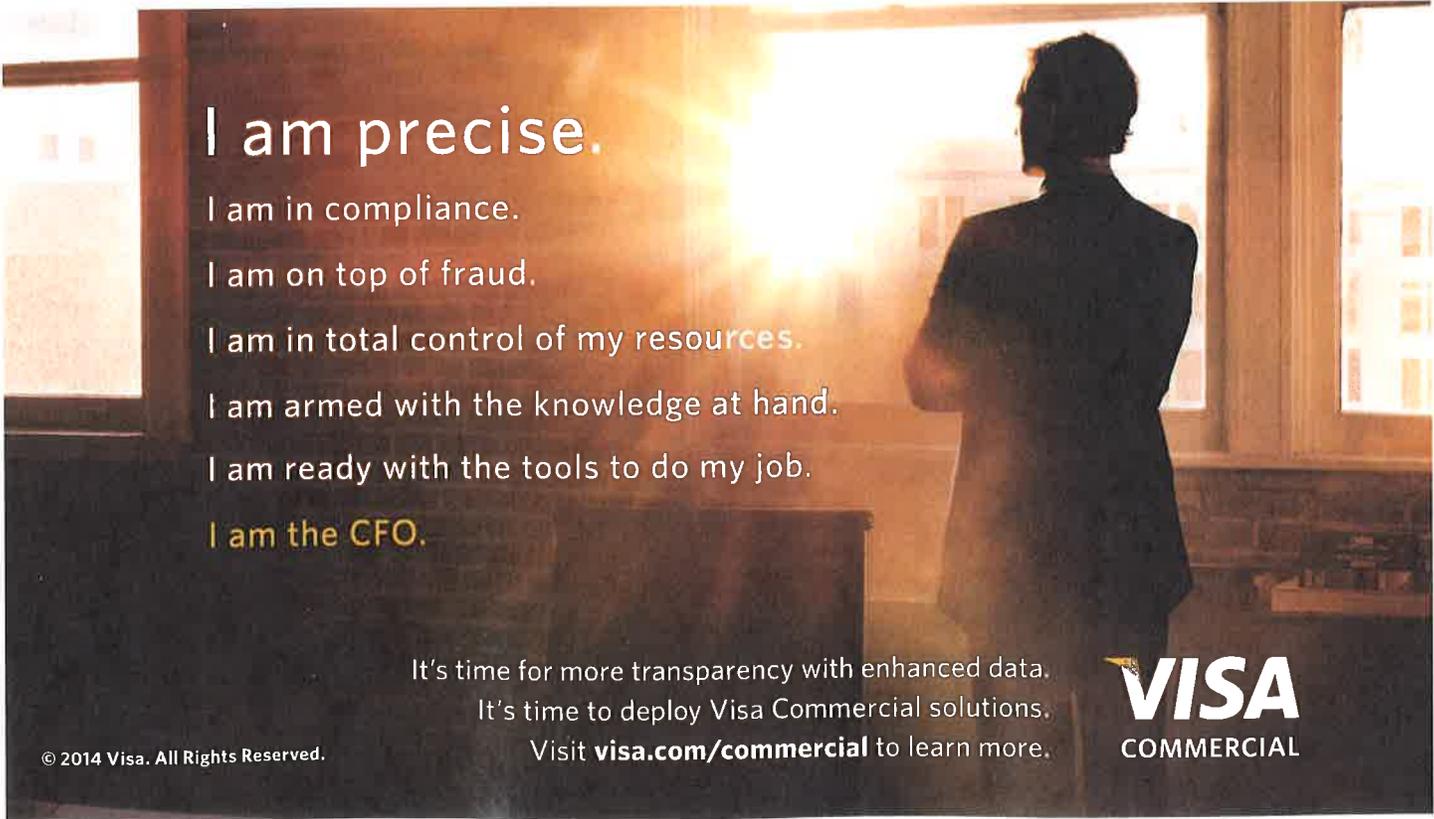
GFOA Consulting

### What Governments are Saying About GFOA Consulting

"The GFOA provided consultants with actual public-sector experience who took the time to identify our needs and understand the ERP market. They provided valuable insight during the project, from needs assessment through go-live, and have helped make our project a success."

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Research and Consulting Center  
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[www.gfoaconsulting.org](http://www.gfoaconsulting.org)



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I am on top of fraud.

I am in total control of my resources.

I am armed with the knowledge at hand.

I am ready with the tools to do my job.

I am the CFO.

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# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Adult Education-Local

### Budget Trend Analysis for Fiscal Year 2014-2015

	As of 5/16/14					
	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5740 - Local Revenue-Other	3,845	3,845	2,414	156	-	
	3,845	3,845	2,414	156	-	(2,414)
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	184,263	135,102	182,384	68,938	182,394	10
Total <b>REVENUES:</b>	188,108	138,947	184,798	69,094	182,394	(2,404)
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	10,050	-	10,050	996	10,050	-
6200 - Contracted Services	5,565	-	5,565	-	4,565	(1,000)
6300 - Supplies & Materials	8,083	4,001	8,679	660	6,850	(1,829)
6400 - Other Operating Costs	14,725	5,984	14,805	1,291	15,230	425
	38,423	9,985	39,099	2,947	36,695	(2,404)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	149,685	128,962	145,699	85,885	145,699	-
Total <b>EXPENDITURES:</b>	188,108	138,947	184,798	88,832	182,394	(2,404)

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Alternative Certification

### Budget Trend Analysis for Fiscal Year 2014-2015

	As of 5/16/14					
	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	212,000	115,317	214,650	157,429	342,225	127,575
5740 - Local Revenue-Other	-	-	-	90	-	-
	212,000	115,317	214,650	157,519	342,225	127,575
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	2,095	81,275	55,796	-	60,847	5,051
<b>Total REVENUES:</b>	214,095	196,592	270,446	125,899	403,072	132,626
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	143,170	142,234	210,298	132,995	278,502	68,204
6200 - Contracted Services	36,355	35,403	97,678	52,305	64,600	(33,078)
6300 - Supplies & Materials	12,575	7,132	13,600	6,029	16,100	2,500
6400 - Other Operating Costs	14,302	10,663	15,450	11,845	15,450	-
	206,402	195,432	337,026	203,174	374,652	37,626
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	1,347	1,161	28,420	16,753	28,420	-
<b>Total EXPENDITURES:</b>	207,749	196,592	365,446	219,927	403,072	37,626

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

Asst. Supt. for Student Services

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	229,296	227,893	233,850	150,142	242,264	8,414
Total <b>REVENUES:</b>	229,296	227,893	233,850	150,142	242,264	8,414
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	209,656	211,208	212,711	152,099	221,125	8,414
6200 - Contracted Services	350	1,249	1,350	304	1,350	-
6300 - Supplies & Materials	3,242	1,310	2,642	1,005	2,642	-
6400 - Other Operating Costs	9,574	8,549	10,846	2,904	10,846	-
	222,822	222,315	227,549	156,312	235,963	8,414
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	6,474	5,578	6,301	3,714	6,301	-
Total <b>EXPENDITURES:</b>	229,296	227,893	233,850	160,026	242,264	8,414

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

Budget Trend Analysis for Fiscal Year 2014-2014

## Asst Supt. for Prof Support Svcs

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	237,600	230,819	242,557	157,538	249,300	6,743
Total <b>REVENUES:</b>	237,600	230,819	242,557	157,538	249,300	6,743
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	219,431	217,813	224,971	158,460	231,714	6,743
6200 - Contracted Services	740	720	400	455	400	-
6300 - Supplies & Materials	3,330	2,859	3,630	3,064	3,120	(510)
6400 - Other Operating Costs	5,904	2,365	5,579	1,380	6,089	510
	229,405	223,758	234,580	163,359	241,323	6,743
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	8,195	7,060	7,977	4,702	7,977	-
Total <b>EXPENDITURES:</b>	237,600	230,819	242,557	168,061	249,300	6,743

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

Board of Trustees

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	196,873	158,757	117,219	92,610	228,667	111,448
Total <b>REVENUES:</b>	196,873	158,757	117,219	92,610	228,667	111,448
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	38,440	32,795	36,065	24,671	42,677	6,612
6200 - Contracted Services	81,614	67,235	14,764	42,477	108,200	93,436
6300 - Supplies & Materials	24,098	15,756	15,906	10,958	20,056	4,150
6400 - Other Operating Costs	29,744	23,174	27,849	10,742	35,099	7,250
	173,896	138,961	94,584	88,848	206,032	111,448
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	22,977	19,796	22,635	13,343	22,635	-
Total <b>EXPENDITURES:</b>	196,873	158,757	117,219	102,191	228,667	111,448

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Business Support Services

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	100,000	290,732	74,600	195,086	-	(74,600)
5730 - Local Rev-Other Entities	-	17,555	3,000	7,388	3,000	-
5740 - Local Revenue-Other	2,200	6,052	2,200	895	2,200	-
5990 - Fed Rev - Indirect Costs	723,816	338,621	736,555	14,536	736,555	-
	826,016	652,959	816,355	217,905	741,755	(74,600)
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	931,356	952,631	899,295	829,636	944,385	45,090
<b>Total REVENUES:</b>	<b>1,757,372</b>	<b>1,605,591</b>	<b>1,715,650</b>	<b>1,047,541</b>	<b>1,686,140</b>	<b>(29,510)</b>
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	1,237,995	1,117,037	1,177,500	849,663	1,227,440	49,940
6200 - Contracted Services	294,475	279,744	253,850	171,551	240,700	(13,150)
6300 - Supplies & Materials	57,367	55,524	67,788	51,775	56,000	(11,788)
6400 - Other Operating Costs	81,672	79,309	132,936	37,023	78,424	(54,512)
	1,671,509	1,531,615	1,632,074	1,110,012	1,602,564	(29,510)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	85,863	73,976	83,576	49,265	83,576	-
<b>Total EXPENDITURES:</b>	<b>1,757,372</b>	<b>1,605,591</b>	<b>1,715,650</b>	<b>1,159,277</b>	<b>1,686,140</b>	<b>(29,510)</b>

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Center for Safe & Secure Schools

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	326,502	141,767	534,128	110,342	93,185	(440,943)
5740 - Local Revenue-Other	-	-	-	3	-	-
	<b>326,502</b>	<b>141,767</b>	<b>534,128</b>	<b>110,345</b>	<b>93,185</b>	<b>(440,943)</b>
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	294,514	267,297	364,103	281,551	437,444	73,341
<b>Total REVENUES:</b>	<b>621,016</b>	<b>409,064</b>	<b>898,231</b>	<b>391,896</b>	<b>530,629</b>	<b>(367,602)</b>
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	163,484	156,252	177,587	86,814	283,630	106,043
6200 - Contracted Services	256,075	167,214	402,813	269,336	70,818	(331,995)
6300 - Supplies & Materials	57,249	21,186	453,749	14,339	136,916	(316,833)
6400 - Other Operating Costs	116,357	40,417	55,367	24,996	30,550	(24,817)
6600 - Capital Assets	125,000	-	-	-	-	-
	<b>718,165</b>	<b>385,069</b>	<b>1,089,516</b>	<b>395,485</b>	<b>521,914</b>	<b>(567,602)</b>
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	27,851	23,995	8,715	5,137	8,715	-
<b>Total EXPENDITURES:</b>	<b>746,016</b>	<b>409,064</b>	<b>1,098,231</b>	<b>400,622</b>	<b>530,629</b>	<b>(567,602)</b>

**Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.**

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Center-School Gov & Fiscal Accountability

### Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	12,500	-	9,080	29,805	-	(9,080)
5740 - Local Revenue-Other	-	-	-	-	-	-
	12,500	-	9,080	29,805	-	(9,080)
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	178,618	177,207	191,314	63,881	198,956	7,642
<b>Total REVENUES:</b>	191,118	177,207	200,394	93,686	198,956	(1,438)
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	20,203	20,045	20,483	-	23,625	3,142
6200 - Contracted Services	146,355	141,075	165,705	90,515	161,125	(4,580)
6300 - Supplies & Materials	6,359	5,737	2,462	448	1,962	(500)
6400 - Other Operating Costs	15,048	7,635	8,675	3,332	9,175	500
	187,965	174,491	197,325	94,295	195,887	(1,438)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	3,153	2,716	3,069	1,809	3,069	-
<b>Total EXPENDITURES:</b>	191,118	177,207	200,394	96,104	198,956	(1,438)

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Communications & Public Information

### Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5740 - Local Revenue-Other	-	-	-	-	-	-
	-	-	-	-	-	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	653,799	653,799	682,535	235,665	666,760	(15,775)
<b>Total REVENUES:</b>	<b>653,799</b>	<b>653,799</b>	<b>682,535</b>	<b>235,665</b>	<b>666,760</b>	<b>(15,775)</b>
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	385,354	385,871	461,603	311,950	467,446	5,843
6200 - Contracted Services	175,471	185,651	112,548	41,968	99,548	(13,000)
6300 - Supplies & Materials	34,699	32,833	40,404	25,260	38,400	(2,004)
6400 - Other Operating Costs	17,523	14,627	28,314	14,831	21,700	(6,614)
	613,047	618,982	642,869	394,009	627,094	(15,775)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	40,752	34,817	39,666	23,382	39,666	-
<b>Total EXPENDITURES:</b>	<b>653,799</b>	<b>653,799</b>	<b>682,535</b>	<b>417,391</b>	<b>666,760</b>	<b>(15,775)</b>

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Client Development Services

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5740 - Local Revenue-Other	-	2,600	-	-	-	-
	-	2,600	-	-	-	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	415,011	401,390	438,653	256,379	480,280	41,627
<b>Total REVENUES:</b>	<b>415,011</b>	<b>403,990</b>	<b>438,653</b>	<b>256,379</b>	<b>480,280</b>	<b>41,627</b>
	<u>2012-2013</u> Budget	<u>2012-2013</u> Expenditures	<u>2013-2014</u> Budget	<u>2013-2014</u> Expenditures	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	267,257	267,241	266,428	161,593	283,393	16,965
6200 - Contracted Services	82,880	78,864	82,283	62,844	85,245	2,962
6300 - Supplies & Materials	16,455	14,017	18,825	9,075	16,525	(2,300)
6400 - Other Operating Costs	46,398	42,127	63,094	31,192	87,094	24,000
	412,990	402,249	430,630	264,704	472,257	41,627
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	2,021	1,741	8,023	4,729	8,023	-
<b>Total EXPENDITURES:</b>	<b>415,011</b>	<b>403,990</b>	<b>438,653</b>	<b>269,433</b>	<b>480,280</b>	<b>41,627</b>

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

CASE Local

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	9,195	2,020	13,000	882	10,000	(3,000)
5730 - Local Rev-Other Entities	17,254	14,864	4,000	16,095	12,000	8,000
5740 - Local Revenue-Other	5,100	5,100	-	-	-	-
5790 - Local Rev-Local Grants	-	-	10,000	-	15,000	5,000
	31,549	21,984	27,000	16,977	37,000	10,000
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	130,047	137,756	183,484	83,634	196,151	12,667
Total <b>REVENUES:</b>	161,596	159,740	210,484	100,611	233,151	22,667
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	106,389	108,769	96,417	62,135	101,101	4,684
6200 - Contracted Services	36,534	34,068	23,355	4,183	41,183	17,828
6300 - Supplies & Materials	15,543	14,564	11,694	2,167	12,900	1,206
6400 - Other Operating Costs	3,130	2,339	6,351	3,141	5,300	(1,051)
	161,596	159,740	137,817	71,626	160,484	22,667
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	-	-	72,667	42,835	72,667	-
Total <b>EXPENDITURES:</b>	161,596	159,740	210,484	114,461	233,151	22,667

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Budget Trend Analysis for Fiscal Year 2014-2015

### Department-Wide

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5610 - Other Sources	-	-	-	-	-	-
5720 - Local Rev-Schl Districts	368,703	-	189,301	-	-	(189,301)
5730 - Local Rev-Other Entities	-	320	-	120	-	-
5740 - Local Revenue-Other	20,000	33,463	130,000	22,212	-	(130,000)
5790 - Local Rev-Local Grants	-	-	3,074	-	-	(3,074)
5890 - State Rev-Shared Services	8,691	16,592	9,725	6,055	-	(9,725)
5990 - Fed Rev - Indirect Costs	428,567	39,562	(34,278)	3,250	-	34,278
	825,961	89,936	297,822	31,637	-	(297,822)
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	5,010,716	8,243,939	5,338,868	13,195,162	-	(5,338,868)
Total <b>REVENUES:</b>	5,836,677	8,333,875	5,636,690	13,226,799	-	(5,636,690)

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	24,003	120,662	(346,280)	113,932	(648,153)	(301,873)
6200 - Contracted Services	954,737	755,250	896,734	565,471	970,000	73,266
6300 - Supplies & Materials	(10,430)	(21,223)	(54,470)	(33,903)	(45,000)	9,470
6400 - Other Operating Costs	588,104	330,156	248,554	53,300	192,000	(56,554)
6600 - Capital Assets	43,122	41,582	-	-	-	-
8900 - Other Uses	3,819,571	3,684,584	4,491,424	2,274,027	5,446,949	955,525
	5,419,107	4,911,010	5,235,962	2,972,827	5,915,796	679,834
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	2,701,614	2,016,480	2,530,570	1,359,466	-	(2,530,570)
Total <b>EXPENDITURES:</b>	8,120,721	6,927,490	7,766,532	4,332,293	5,915,796	(1,850,736)

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## ECI-Keep Pace Program Local

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5730 - Local Rev-Other Entities	-	-	-	-	-	-
5740 - Local Revenue-Other	324,000	327,873	324,000	243,460	324,000	-
Total <b>REVENUES:</b>	324,000	327,873	324,000	243,460	324,000	-
	<u>2012-2013</u> Budget	<u>2012-2013</u> Expenditures	<u>2013-2014</u> Budget	<u>2013-2014</u> Expenditures	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	111,807	42,099	25,044	12,081	-	(25,044)
6200 - Contracted Services	26,220	1,740	24,000	15,284	-	(24,000)
6300 - Supplies & Materials	60,487	-	60,000	35,152	-	(60,000)
6400 - Other Operating Costs	875	19	-	35	-	-
Total <b>EXPENDITURES:</b>	199,389	43,859	109,044	62,552	-	(109,044)

**Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.**

**Revenues: Indirect costs \$500,000 local revenue \$324,000 Transfer out \$1,860,045**

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Budget Trend Analysis for Fiscal Year 2014-2015

## Education Foundation

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5740 - Local Revenue-Other	-	-	-	-	-	-
	-	-	-	-	-	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	201,647	200,035	202,107	197,453	201,337	(770)
<b>Total REVENUES:</b>	<b>201,647</b>	<b>200,035</b>	<b>202,107</b>	<b>197,453</b>	<b>201,337</b>	<b>(770)</b>
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6200 - Contracted Services	190,000	190,000	190,770	190,770	190,000	(770)
	190,000	190,000	190,770	190,770	190,000	(770)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	11,647	10,035	11,337	5,147	11,337	-
<b>Total EXPENDITURES:</b>	<b>201,647</b>	<b>200,035</b>	<b>202,107</b>	<b>195,917</b>	<b>201,337</b>	<b>(770)</b>

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Choice Partners Cooperative

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	3,468,349	3,219,102	3,220,000	1,527,547	3,281,440	61,440
5730 - Local Rev-Other Entities	16,151	5,971	-	3,665	-	-
5740 - Local Revenue-Other	16,000	17,430	16,000	21,583	16,000	-
Total <b>REVENUES:</b>	3,500,500	3,242,503	3,236,000	1,552,795	3,297,440	61,440
<b>REVENUES in EXCESS OF EXPENDITURES</b>						
		<b>1,662,983</b>	<b>1,164,541</b>	<b>480,747</b>	<b>1,199,499</b>	
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	1,214,898	925,110	1,147,103	649,120	1,167,625	20,522
6200 - Contracted Services	490,600	372,190	489,700	239,375	542,140	52,440
6300 - Supplies & Materials	131,800	79,338	114,000	38,452	114,000	-
6400 - Other Operating Costs	232,600	127,043	243,982	99,904	256,232	12,250
	2,069,898	1,503,681	1,994,785	1,026,851	2,079,997	85,212
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	88,025	75,839	76,674	45,197	76,665	(9)
Total <b>EXPENDITURES:</b>	2,157,923	1,579,520	2,071,459	1,072,048	2,097,941	26,482

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Choice Facility Partners

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	2,300,000	1,510,108	1,875,000	1,056,611	1,936,440	61,440
5730 - Local Rev-Other Entities	-	-	-	-	-	-
5740 - Local Revenue-Other	-	-	-	-	-	-
<b>Total REVENUES:</b>	<b>2,300,000</b>	<b>1,510,108</b>	<b>1,875,000</b>	<b>1,056,611</b>	<b>1,936,440</b>	<b>61,440</b>
<b>REVENUES in EXCESS OF EXPENDITURES</b>		<b>337,757</b>	<b>364,592</b>	<b>258,707</b>	<b>307,969</b>	
	<u>2012-2013</u> Budget	<u>2012-2013</u> Expenditures	<u>2013-2014</u> Budget	<u>2013-2014</u> Expenditures	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	840,971	624,489	746,020	436,638	864,083	118,063
6200 - Contracted Services	428,000	324,257	424,200	209,337	431,200	7,000
6300 - Supplies & Materials	80,700	52,440	80,500	20,404	68,500	(12,000)
6400 - Other Operating Costs	186,800	105,192	185,445	87,761	190,445	5,000
	<b>1,536,471</b>	<b>1,106,378</b>	<b>1,436,165</b>	<b>754,140</b>	<b>1,554,228</b>	<b>118,063</b>
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	76,574	65,973	74,243	43,764	74,243	-
<b>Total EXPENDITURES:</b>	<b>1,613,045</b>	<b>1,172,351</b>	<b>1,510,408</b>	<b>797,904</b>	<b>1,628,471</b>	<b>118,063</b>

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Choice Food Coop

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	650,000	1,102,374	615,000	238,804	615,000	-
5730 - Local Rev-Other Entities	-	-	-	-	-	-
5740 - Local Revenue-Other	-	-	-	-	-	-
Total <b>REVENUES:</b>	650,000	1,102,374	615,000	238,804	615,000	-
<b>REVENUES in EXCESS OF EXPENDITURES</b>						
		<b>917,108</b>	<b>304,938</b>	<b>77,666</b>	<b>306,143</b>	
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	203,978	135,324	232,129	137,966	227,924	(4,205)
6200 - Contracted Services	31,100	31,008	30,600	11,337	33,600	3,000
6300 - Supplies & Materials	20,500	10,532	20,000	3,687	15,500	(4,500)
6400 - Other Operating Costs	26,000	6,250	24,902	6,715	29,402	4,500
	281,578	183,114	307,631	159,705	306,426	(1,205)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	2,498	2,152	2,431	1,433	2,431	-
Total <b>EXPENDITURES:</b>	284,076	185,266	310,062	161,138	308,857	(1,205)

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Choice Purchasing Coop

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	525,000	606,620	730,000	232,136	730,000	-
5730 - Local Rev-Other Entities	15,500	5,971	-	3,665	-	-
5740 - Local Revenue-Other	10,000	17,430	16,000	21,578	-	(16,000)
Total <b>REVENUES:</b>	550,500	630,021	746,000	257,379	730,000	(16,000)
<b>REVENUES in EXCESS OF EXPENDITURES</b>						
		<b>408,118</b>	<b>495,011</b>	<b>144,375</b>	<b>569,378</b>	
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	169,949	165,297	168,954	74,516	78,337	(90,617)
6200 - Contracted Services	27,000	16,925	27,900	18,700	27,900	-
6300 - Supplies & Materials	30,000	16,366	30,000	14,360	30,000	-
6400 - Other Operating Costs	24,900	15,602	24,135	5,428	24,385	250
	251,849	214,190	250,989	113,004	160,622	(90,367)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	8,953	7,713	-	-	-	-
Total <b>EXPENDITURES:</b>	260,802	221,903	250,989	113,004	160,622	(90,367)

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Construction Services

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	127,349	119,015	125,577	125,577	126,770	1,193
Total <b>REVENUES:</b>	127,349	119,015	125,577	125,577	126,770	1,193
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	110,831	110,474	114,249	80,404	117,678	3,429
6200 - Contracted Services	1,000	624	1,000	415	1,000	-
6300 - Supplies & Materials	3,900	2,925	3,500	1,758	3,500	-
6400 - Other Operating Costs	8,250	2,090	3,550	2,045	3,550	-
	123,981	116,113	122,299	84,622	125,728	3,429
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	3,368	2,902	3,278	1,932	3,278	-
Total <b>EXPENDITURES:</b>	127,349	119,015	125,577	86,554	126,770	1,193

**Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.**

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Facilities Support Services

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5790 - Local Rev-Local Grants	4,813,916	4,167,246	4,678,357	2,849,895	4,802,114	123,757
	4,813,916	4,167,246	4,678,357	2,849,895	4,802,114	123,757
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	6,371	7,374	1,837	-	-	(1,837)
Total <b>REVENUES:</b>	4,820,287	4,174,620	4,680,194	2,849,895	-	(4,680,194)
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	2,093,519	1,789,543	1,941,032	1,292,201	2,065,742	124,710
6200 - Contracted Services	1,606,354	1,490,430	1,592,538	872,833	1,626,812	34,274
6300 - Supplies & Materials	317,850	269,324	352,880	112,429	364,795	11,915
6400 - Other Operating Costs	668,250	569,149	661,763	564,413	656,765	(4,998)
6600 - Capital Assets	106,314	56,174	131,981	131,455	88,000	(43,981)
Total <b>EXPENDITURES:</b>	4,792,287	4,174,620	4,680,194	2,973,331	4,802,114	121,920

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Operations

### Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5790 - Local Rev-Local Grants	997,284	839,434	978,089	484,400	976,946	(1,143)
Total <b>REVENUES:</b>	997,284	839,434	978,089	484,400	976,946	(1,143)
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	375,535	326,404	348,340	218,902	347,197	(1,143)
6200 - Contracted Services	502,000	392,799	509,700	220,306	509,700	-
6300 - Supplies & Materials	115,749	95,488	104,249	58,054	104,249	-
6400 - Other Operating Costs	5,800	1,945	6,800	2,198	6,800	-
6600 - Capital Assets	26,200	22,798	9,000	8,886	9,000	-
Total <b>EXPENDITURES:</b>	1,025,284	839,434	978,089	508,346	976,946	(1,143)

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.



# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Budget Trend Analysis for Fiscal Year 2014-2015

## Records Management Services

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	1,413,856	1,317,266	1,427,229	778,704	1,524,384	97,155
5740 - Local Revenue-Other	72,594	65,578	72,594	20,339	-	(72,594)
	1,486,450	1,382,845	1,499,823	799,043	1,524,384	24,561
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	229,579	133,769	234,578	92,663	140,253	(94,325)
Total <b>REVENUES:</b>	1,716,029	1,516,613	1,734,401	891,706	1,664,637	(69,764)
	<u>2012-2013</u> Budget	<u>2012-2013</u> Expenditures	<u>2013-2014</u> Budget	<u>2013-2014</u> Expenditures	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	682,611	644,389	684,271	448,339	662,607	(21,664)
6200 - Contracted Services	93,185	69,584	81,700	60,100	70,500	(11,200)
6300 - Supplies & Materials	169,795	138,497	182,100	74,974	122,350	(59,750)
6400 - Other Operating Costs	1,300	1,487	9,240	697	7,640	(1,600)
6600 - Capital Assets	-	-	8,750	-	33,200	24,450
	946,891	853,957	966,061	584,110	896,297	(69,764)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	769,138	662,656	768,340	452,912	768,340	-
Total <b>EXPENDITURES:</b>	1,716,029	1,516,613	1,734,401	1,037,022	1,664,637	(69,764)

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

Budget Trend Analysis for Fiscal Year 2014-2015  
 Funds beginning with: 1, 7

## Human Resources

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5740 - Local Revenue-Other	-	2,800	-	-	-	-
5990 - Fed Rev - Indirect Costs	723,816	763,764	736,555	202,694	736,555	-
	723,816	766,564	736,555	202,694	736,555	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	216,557	107,729	209,455	461,929	247,207	37,752
Total <b>REVENUES:</b>	940,373	874,293	946,010	664,623	983,762	37,752
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	725,645	704,961	727,389	518,107	745,471	18,082
6200 - Contracted Services	50,804	35,995	47,158	30,192	43,500	(3,658)
6300 - Supplies & Materials	46,206	41,481	44,856	25,370	53,000	8,144
6400 - Other Operating Costs	57,966	40,375	64,166	25,731	79,350	15,184
	880,621	822,813	883,569	599,400	921,321	37,752
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	59,752	51,480	62,441	36,807	62,441	-
Total <b>EXPENDITURES:</b>	940,373	874,293	946,010	636,207	983,762	37,752

**Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.  
 Annual Staff meeting included \$15,000**

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Bilingual Education

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	144,500	56,719	144,500	61,017	144,500	-
5740 - Local Revenue-Other	-	-	-	1,150	-	-
	144,500	56,719	144,500	62,167	144,500	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	68,204	45,949	74,422	19,130	75,291	869
Total <b>REVENUES:</b>	212,704	102,668	218,922	81,297	219,791	869
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	91,085	90,891	97,737	65,960	98,606	869
6200 - Contracted Services	50,976	(550)	50,976	6,700	50,976	-
6300 - Supplies & Materials	49,619	8,981	49,619	5,734	49,619	-
6400 - Other Operating Costs	21,024	3,347	20,590	5,424	20,590	-
Total <b>EXPENDITURES:</b>	212,704	102,668	218,922	83,818	219,791	869

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Digital Learning

### Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	170,000	69,568	115,000	113,270	99,991	(15,009)
5740 - Local Revenue-Other	8,000	8,000	-	-	-	-
	178,000	77,568	115,000	113,270	99,991	(15,009)
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	1,011	35,222	-	-	-	-
Total <b>REVENUES:</b>	179,011	112,789	115,000	113,270	99,991	(15,009)
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	94,300	99,333	11,209	-	-	(11,209)
6200 - Contracted Services	4,011	2,181	85,769	14,225	89,554	3,785
6300 - Supplies & Materials	8,600	281	4,800	-	4,800	-
6400 - Other Operating Costs	17,060	7,899	5,270	4	1,485	(3,785)
	123,971	109,694	107,048	14,229	95,839	(11,209)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	3,592	3,095	4,152	2,447	4,152	-
Total <b>EXPENDITURES:</b>	127,563	112,789	111,200	16,676	99,991	(11,209)

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

Division Wide

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	134,000	69,215	71,300	-	71,300	-
	134,000	69,215	71,300	-	71,300	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	94,672	69,379	169,106	90,808	171,903	2,797
Total <b>REVENUES:</b>	228,672	138,594	240,406	90,808	243,203	2,797
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	38,697	26,704	54,262	28,692	57,059	2,797
6200 - Contracted Services	99,161	39,020	97,500	25,463	97,500	-
6300 - Supplies & Materials	5,979	2,049	5,979	2,627	5,979	-
6400 - Other Operating Costs	3,350	617	3,350	335	3,350	-
	147,187	68,390	161,091	57,117	163,888	2,797
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	81,485	70,204	79,315	46,754	79,315	-
Total <b>EXPENDITURES:</b>	228,672	138,594	240,406	103,871	243,203	2,797

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Early Childhood Winter Conference

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	175,000	96,930	175,000	87,985	175,000	-
5730 - Local Rev-Other Entities	20,000	10,900	20,000	9,850	20,000	-
5740 - Local Revenue-Other	-	250	-	3,000	-	-
	195,000	108,080	195,000	100,835	195,000	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	37,331	57,093	47,694	32,688	21,583	(26,111)
<b>Total REVENUES:</b>	<b>232,331</b>	<b>165,173</b>	<b>242,694</b>	<b>133,523</b>	<b>216,583</b>	<b>(26,111)</b>
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	65,302	73,885	75,962	53,507	49,851	(26,111)
6200 - Contracted Services	71,800	49,158	71,800	43,208	71,800	-
6300 - Supplies & Materials	33,079	15,324	33,279	13,542	33,279	-
6400 - Other Operating Costs	62,150	26,806	61,653	25,297	61,653	-
<b>Total EXPENDITURES:</b>	<b>232,331</b>	<b>165,173</b>	<b>242,694</b>	<b>135,554</b>	<b>216,583</b>	<b>(26,111)</b>

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Budget Trend Analysis for Fiscal Year 2014-2015

## English Language Arts

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	87,000	133,238	250,000	139,281	250,000	-
5740 - Local Revenue-Other	-	-	-	-	-	-
	87,000	133,238	250,000	139,281	250,000	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	59,446	-	55,671	5,374	62,462	6,791
Total <b>REVENUES:</b>	146,446	133,238	305,671	144,655	312,462	6,791
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	56,399	57,942	71,912	49,016	78,703	6,791
6200 - Contracted Services	63,157	48,136	191,260	73,654	191,260	-
6300 - Supplies & Materials	10,540	5,382	11,300	2,630	11,300	-
6400 - Other Operating Costs	16,350	11,806	31,199	10,309	31,199	-
Total <b>EXPENDITURES:</b>	146,446	123,266	305,671	135,609	312,462	6,791

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

Math

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	86,990	127,175	278,000	156,695	278,000	-
5740 - Local Revenue-Other	-	-	-	946	-	-
	86,990	127,175	278,000	157,641	278,000	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	81,422	-	66,952	-	121,964	55,012
<b>Total REVENUES:</b>	<b>168,412</b>	<b>127,175</b>	<b>344,952</b>	<b>157,641</b>	<b>399,964</b>	<b>55,012</b>
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	100,266	90,664	106,213	72,516	108,226	2,013
6200 - Contracted Services	48,140	19,161	208,200	40,254	261,200	53,000
6300 - Supplies & Materials	6,537	4,212	14,487	9,048	14,487	-
6400 - Other Operating Costs	13,469	8,240	16,051	5,795	16,051	-
<b>Total EXPENDITURES:</b>	<b>168,412</b>	<b>122,277</b>	<b>344,951</b>	<b>127,613</b>	<b>399,964</b>	<b>55,013</b>

**Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.  
Includes \$53,000 Lead4ward Initiative.**

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Professional Development

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	28,000	9,574	38,000	150	38,000	-
5730 - Local Rev-Other Entities	1,000	-	1,000	-	1,000	-
	29,000	9,574	39,000	150	39,000	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	-	1,666	-	-	-	-
Total <b>REVENUES:</b>	29,000	11,240	39,000	150	39,000	-
	<u>2012-2013</u> Budget	<u>2012-2013</u> Expenditures	<u>2013-2014</u> Budget	<u>2013-2014</u> Expenditures	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6200 - Contracted Services	13,400	-	26,500	-	26,500	-
6300 - Supplies & Materials	10,000	6,940	7,000	-	7,000	-
6400 - Other Operating Costs	5,600	4,301	5,500	-	5,500	-
Total <b>EXPENDITURES:</b>	29,000	11,240	39,000	-	39,000	-

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

Science

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	86,000	38,379	86,000	46,493	86,000	-
5740 - Local Revenue-Other	-	-	-	-	-	-
5790 - Local Rev-Local Grants	-	-	-	-	-	-
	86,000	38,379	86,000	46,493	86,000	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	79,417	78,695	84,837	46,542	86,182	1,345
<b>Total REVENUES:</b>	<b>165,417</b>	<b>117,074</b>	<b>170,837</b>	<b>93,035</b>	<b>172,182</b>	<b>1,345</b>
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	105,226	100,215	111,276	73,191	112,621	1,345
6200 - Contracted Services	6,731	570	10,037	4,875	7,731	(2,306)
6300 - Supplies & Materials	34,281	8,891	33,281	12,205	33,281	-
6400 - Other Operating Costs	19,179	7,398	16,243	5,947	18,549	2,306
<b>Total EXPENDITURES:</b>	<b>165,417</b>	<b>117,074</b>	<b>170,837</b>	<b>96,218</b>	<b>172,182</b>	<b>1,345</b>

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Social Studies

As of 5/16/14

### Budget Trend Analysis for Fiscal Year 2014-2015

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	76,000	74,141	76,000	5,320	76,000	-
5740 - Local Revenue-Other	-	-	-	-	-	-
	76,000	74,141	76,000	5,320	76,000	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	39,196	8,889	37,259	46,160	38,586	1,327
Total <b>REVENUES:</b>	115,196	83,030	113,259	51,480	114,586	1,327
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	63,048	60,601	74,523	51,203	75,850	1,327
6200 - Contracted Services	33,202	13,089	21,000	500	21,000	-
6300 - Supplies & Materials	5,546	3,747	5,546	1,437	5,546	-
6400 - Other Operating Costs	13,400	5,592	12,190	1,907	12,190	-
Total <b>EXPENDITURES:</b>	115,196	83,030	113,259	55,047	114,586	1,327

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Speaker Series

### Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	50,000	203,548	170,000	86,430	170,000	-
	50,000	203,548	170,000	86,430	170,000	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	-	-	-	-	13,233	13,233
Total <b>REVENUES:</b>	50,000	203,548	170,000	86,430	183,233	13,233
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	-	-	-	-	27,733	27,733
6200 - Contracted Services	34,200	32,681	125,000	65,490	125,000	-
6300 - Supplies & Materials	7,965	7,620	23,400	974	23,400	-
6400 - Other Operating Costs	6,700	6,601	7,100	5,028	7,100	-
Total <b>EXPENDITURES:</b>	48,865	46,903	155,500	71,492	183,233	27,733

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.



# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Purchasing Support Services

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	438,099	394,816	458,632	278,507	519,851	61,219
Total <b>REVENUES:</b>	438,099	394,816	458,632	278,507	519,851	61,219
	<u>2012-2013</u> Budget	<u>2012-2013</u> Expenditures	<u>2013-2014</u> Budget	<u>2013-2014</u> Expenditures	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	359,248	335,202	386,507	277,398	446,736	60,229
6200 - Contracted Services	27,400	22,006	20,600	4,100	20,600	-
6300 - Supplies & Materials	23,598	18,416	18,500	6,117	18,500	-
6400 - Other Operating Costs	18,900	11,479	24,310	5,572	25,300	990
	429,146	387,103	449,917	293,187	511,136	61,219
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	8,953	7,714	8,715	5,137	8,715	-
Total <b>EXPENDITURES:</b>	438,099	394,816	458,632	298,324	519,851	61,219

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Research & Evaluation Institute

### Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	46,500	55,150	16,000	26,800	73,000	57,000
	46,500	55,150	16,000	26,800	73,000	57,000
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	443,368	398,225	476,226	271,252	437,085	(39,141)
Total <b>REVENUES:</b>	489,868	453,375	492,226	298,052	510,085	17,859
	<u>2012-2013</u> Budget	<u>2012-2013</u> Expenditures	<u>2013-2014</u> Budget	<u>2013-2014</u> Expenditures	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	425,714	399,371	437,426	296,257	454,763	17,337
6200 - Contracted Services	14,010	12,053	6,670	599	7,500	830
6300 - Supplies & Materials	22,695	20,113	18,886	11,305	19,150	264
6400 - Other Operating Costs	4,435	2,010	6,842	128	6,270	(572)
	466,854	433,547	469,824	308,289	487,683	17,859
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	23,014	19,828	22,402	13,205	22,402	-
Total <b>EXPENDITURES:</b>	489,868	453,375	492,226	321,494	510,085	17,859

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

# Center for Grants Development

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	16,000	10,891	-	2,415	-	-
5730 - Local Rev-Other Entities	80,000	21,646	-	-	-	-
	96,000	32,537	-	2,415	-	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	511,533	518,531	525,939	331,450	561,761	35,822
<b>Total REVENUES:</b>	<b>607,533</b>	<b>551,068</b>	<b>525,939</b>	<b>333,865</b>	<b>561,761</b>	<b>35,822</b>
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	506,740	484,140	456,370	324,085	475,706	19,336
6200 - Contracted Services	8,540	2,849	5,407	2,057	6,771	1,364
6300 - Supplies & Materials	24,448	14,724	21,341	3,903	20,082	(1,259)
6400 - Other Operating Costs	27,745	14,842	20,315	6,538	20,210	(105)
	567,473	516,554	503,433	336,583	522,769	19,336
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	40,060	34,514	38,992	22,985	38,992	-
<b>Total EXPENDITURES:</b>	<b>607,533</b>	<b>551,068</b>	<b>542,425</b>	<b>359,568</b>	<b>561,761</b>	<b>19,336</b>

**Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.**

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Retirement Leave Benefits Fund 190

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5740 - Local Revenue-Other	-	904	-	4,524	-	-
	-	904	-	4,524	-	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	50,000	-	50,000	-	150,000	100,000
<b>Total REVENUES:</b>	<b>50,000</b>	<b>904</b>	<b>50,000</b>	<b>4,524</b>	<b>150,000</b>	<b>100,000</b>
					<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	300,000	219,305	50,000	214,605	150,000	100,000
<b>Total EXPENDITURES:</b>	<b>300,000</b>	<b>219,305</b>	<b>50,000</b>	<b>214,605</b>	<b>150,000</b>	<b>100,000</b>

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Scholastic Arts

### Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5730 - Local Rev-Other Entities	8,000	15,130	8,000	19,245	8,000	-
5740 - Local Revenue-Other	6,000	5,275	6,000	-	6,000	-
	14,000	20,405	14,000	19,245	14,000	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	79,775	51,556	80,409	29,522	83,598	3,189
Total <b>REVENUES:</b>	93,775	71,961	94,409	48,767	97,598	3,189
	<u>2012-2013</u> Budget	<u>2012-2013</u> Expenditures	<u>2013-2014</u> Budget	<u>2013-2014</u> Expenditures	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	41,108	41,745	41,887	29,950	45,861	3,974
6200 - Contracted Services	14,000	7,445	14,000	2,880	14,000	-
6300 - Supplies & Materials	8,160	1,496	8,160	413	8,160	-
6400 - Other Operating Costs	25,090	16,608	25,090	15,284	25,090	-
	88,358	67,294	89,137	48,527	93,111	3,974
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	5,417	4,667	5,272	3,108	5,272	-
Total <b>EXPENDITURES:</b>	93,775	71,961	94,409	51,635	97,598	3,189

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

ABC East

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	1,943,500	1,939,055	1,961,900	1,889,400	2,383,300	421,400
	1,943,500	1,939,055	1,961,900	1,889,400	2,383,300	421,400
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	1,180,483	969,402	1,131,514	50,262	884,119	(247,395)
<b>Total REVENUES:</b>	<b>3,123,983</b>	<b>2,908,457</b>	<b>3,093,414</b>	<b>1,939,662</b>	<b>3,267,419</b>	<b>174,005</b>
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	2,552,675	2,414,471	2,529,613	1,763,129	2,704,396	174,783
6200 - Contracted Services	77,132	63,786	83,258	57,982	82,686	(572)
6300 - Supplies & Materials	49,506	44,396	45,709	22,180	45,709	-
6400 - Other Operating Costs	14,121	14,863	15,750	8,871	15,544	(206)
	2,693,434	2,537,515	2,674,330	1,852,162	2,848,335	174,005
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	430,549	370,942	419,084	247,036	419,084	-
<b>Total EXPENDITURES:</b>	<b>3,123,983</b>	<b>2,908,457</b>	<b>3,093,414</b>	<b>2,099,198</b>	<b>3,267,419</b>	<b>174,005</b>

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

New Positions Requested 2 Aides \$64,314 & 0.5 Speech Pathologist \$39,635

# HARRIS COUNTY DEPARTMENT OF EDUCATION

ABC West

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	1,867,300	1,783,000	2,034,700	1,823,388	1,843,100	(191,600)
5740 - Local Revenue-Other	-	-	-	-	-	-
	1,867,300	1,783,000	2,034,700	1,823,388	1,843,100	(191,600)
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	757,884	508,140	807,231	-	1,153,970	346,739
Total <b>REVENUES:</b>	2,625,184	2,291,140	2,841,931	1,823,388	2,997,070	155,139
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	2,280,577	1,975,614	2,505,908	1,615,558	2,661,230	155,322
6200 - Contracted Services	80,405	71,284	80,995	54,422	80,812	(183)
6300 - Supplies & Materials	35,078	34,778	26,264	16,236	28,064	1,800
6400 - Other Operating Costs	25,319	25,693	21,144	10,158	19,344	(1,800)
	2,421,379	2,107,369	2,634,311	1,696,374	2,789,450	155,139
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	213,301	183,771	207,620	122,385	207,620	-
Total <b>EXPENDITURES:</b>	2,634,680	2,291,140	2,841,931	1,818,759	2,997,070	155,139

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

New Position requested: 0.5 Speech Pathologist \$39,635

# HARRIS COUNTY DEPARTMENT OF EDUCATION

Highpoint East

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	2,357,500	2,481,965	2,151,800	2,084,535	2,081,800	(70,000)
	2,357,500	2,481,965	2,151,800	2,084,535	2,081,800	(70,000)
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	463,439	-	541,212	-	549,081	7,869
Total <b>REVENUES:</b>	2,820,939	2,481,965	2,693,012	2,084,535	2,630,881	(62,131)
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	1,844,519	1,704,810	1,828,806	1,254,324	1,854,307	25,501
6200 - Contracted Services	267,554	200,860	244,100	139,142	159,100	(85,000)
6300 - Supplies & Materials	139,987	83,389	62,500	26,418	62,500	-
6400 - Other Operating Costs	12,950	3,722	16,482	1,214	13,850	(2,632)
	2,265,010	1,992,780	2,151,888	1,421,098	2,089,757	(62,131)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	555,929	478,965	541,124	318,975	541,124	-
Total <b>EXPENDITURES:</b>	2,820,939	2,471,745	2,693,012	1,740,073	2,630,881	(62,131)

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

Highpoint North

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	1,286,300	1,681,740	1,266,600	1,570,280	1,769,300	502,700
5740 - Local Revenue-Other	-	-	18,711	245	-	(18,711)
	1,286,300	1,681,740	1,285,311	1,570,525	1,769,300	483,989
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	604,011	152,040	789,060	-	369,284	(419,776)
<b>Total REVENUES:</b>	1,890,311	1,833,780	2,074,371	1,570,525	2,138,584	64,213
	<u>2012-2013</u> Budget	<u>2012-2013</u> Expenditures	<u>2013-2014</u> Budget	<u>2013-2014</u> Expenditures	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	1,444,479	1,481,280	1,612,458	1,136,805	1,707,504	95,046
6200 - Contracted Services	191,267	134,269	192,490	110,058	165,000	(27,490)
6300 - Supplies & Materials	53,981	46,675	76,793	41,869	58,500	(18,293)
6400 - Other Operating Costs	12,290	9,331	8,350	2,019	9,300	950
6600 - Capital Assets	-	-	1,000	-	15,000	14,000
	1,702,017	1,671,554	1,891,091	1,290,751	1,955,304	64,213
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	188,294	162,226	183,280	108,038	183,280	-
<b>Total EXPENDITURES:</b>	1,890,311	1,833,780	2,074,371	1,398,789	2,138,584	64,213

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Special Schools Administration

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	18,000	18,000	18,000	25,200	9,000	(9,000)
	18,000	18,000	18,000	25,200	9,000	(9,000)
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	518,052	454,240	506,475	155,537	516,740	10,265
Total <b>REVENUES:</b>	536,052	472,240	524,475	180,737	525,740	1,265
	<u>2012-2013</u> Budget	<u>2012-2013</u> Expenditures	<u>2013-2014</u> Budget	<u>2013-2014</u> Expenditures	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	371,774	363,905	376,325	259,780	375,517	(808)
6200 - Contracted Services	29,070	20,870	36,550	12,027	39,200	2,650
6300 - Supplies & Materials	82,580	50,056	67,100	21,428	65,650	(1,450)
6400 - Other Operating Costs	24,300	13,002	16,927	3,608	17,800	873
	507,724	447,834	496,902	296,843	498,167	1,265
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	28,328	24,406	27,573	16,253	27,573	-
Total <b>EXPENDITURES:</b>	536,052	472,240	524,475	313,096	525,740	1,265

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

Superintendent's Office

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	400,739	370,259	389,238	238,743	464,849	75,611
Total <b>REVENUES:</b>	400,739	370,259	389,238	238,743	464,849	75,611
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	329,641	322,567	330,940	231,862	406,551	75,611
6200 - Contracted Services	15,604	14,076	3,700	705	3,700	-
6300 - Supplies & Materials	11,936	3,440	13,736	2,760	13,736	-
6400 - Other Operating Costs	26,148	15,176	23,915	6,984	23,915	-
	383,329	355,259	372,291	242,311	447,902	75,611
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	17,410	15,000	16,947	9,990	16,947	-
Total <b>EXPENDITURES:</b>	400,739	370,259	389,238	252,301	464,849	75,611

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## State TEA Employee Portion Health Ins

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5830 - Revenue-Other Tx Agencies	588,000	589,348	588,000	346,074	588,000	-
Total <b>REVENUES:</b>	588,000	589,348	588,000	346,074	588,000	-
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	588,000	534,263	588,000	378,588	588,000	-
Total <b>EXPENDITURES:</b>	588,000	534,263	588,000	378,588	588,000	-

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Budget Trend Analysis for Fiscal Year 2014-2015

## State TRS On Behalf Payments

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5830 - Revenue-Other Tx Agencies	1,600,000	1,732,483	1,600,000	-	1,750,000	150,000
Total <b>REVENUES:</b>	1,600,000	1,732,483	1,600,000	-	1,750,000	150,000
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	1,600,000	1,732,483	1,600,000	-	1,750,000	150,000
Total <b>EXPENDITURES:</b>	1,600,000	1,732,483	1,600,000	-	1,750,000	150,000

# HARRIS COUNTY DEPARTMENT OF EDUCATION

Chief Information Officer

## Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	178,465	56,589	181,855	113,718	188,249	6,394
Total <b>REVENUES:</b>	178,465	56,589	181,855	113,718	188,249	6,394
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	153,798	41,664	158,185	112,561	164,579	6,394
6200 - Contracted Services	5,000	2,981	3,000	608	3,000	-
6300 - Supplies & Materials	3,000	2,158	5,000	2,050	5,000	-
6400 - Other Operating Costs	13,000	6,626	12,100	3,599	12,100	-
	174,798	53,429	178,285	118,818	184,679	6,394
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	3,667	3,159	3,570	2,104	3,570	-
Total <b>EXPENDITURES:</b>	178,465	56,589	181,855	120,922	188,249	6,394

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Technology Support Services

Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Revenues</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Revenues</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5610 - Other Sources	-	100	-	-	-	-
5720 - Local Rev-Schl Districts	122,100	201,596	159,700	30,148	164,100	4,400
5740 - Local Revenue-Other	-	-	-	350	-	-
5890 - State Rev-Shared Services	35,396	30,036	35,396	13,437	35,396	-
5990 - Fed Rev - Indirect Costs	688,420	1,089,128	701,159	726,712	701,159	-
	845,916	1,320,860	896,255	770,647	164,100	(732,155)
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	2,846,737	2,397,333	2,771,702	1,546,876	3,919,748	1,148,046
<b>Total REVENUES:</b>	<b>3,692,653</b>	<b>3,718,193</b>	<b>3,667,957</b>	<b>2,317,523</b>	<b>4,083,848</b>	<b>415,891</b>
	<u>2012-2013</u> <u>Budget</u>	<u>2012-2013</u> <u>Expenditures</u>	<u>2013-2014</u> <u>Budget</u>	<u>2013-2014</u> <u>Expenditures</u>	<u>2014-2015</u> <u>Budget</u> <u>Requested</u>	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	1,910,387	1,835,137	1,878,023	1,291,623	2,000,331	122,308
6200 - Contracted Services	712,538	507,042	768,000	403,538	748,000	(20,000)
6300 - Supplies & Materials	729,135	650,122	695,766	409,930	739,480	43,714
6400 - Other Operating Costs	111,576	103,559	93,955	24,782	93,955	-
6600 - Capital Assets	624,222	487,720	580,131	136,215	350,000	(230,131)
	4,087,858	3,583,580	4,015,875	2,266,088	3,931,766	(84,109)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	156,243	134,612	152,082	89,647	152,082	-
<b>Total EXPENDITURES:</b>	<b>4,244,101</b>	<b>3,718,193</b>	<b>4,167,957</b>	<b>2,355,735</b>	<b>4,083,848</b>	<b>(84,109)</b>

**Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.**

Capital Outlay-Replacement Assets \$591,173, Purchases \$350,000

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Technology Cloud Project

### Budget Trend Analysis for Fiscal Year 2014-2015

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	-	53,500	200,000	1,000	200,000	-
	-	53,500	200,000	1,000	200,000	-
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	108,000	287,093	125,170	172,908	109,803	(15,367)
<b>Total REVENUES:</b>	<b>108,000</b>	<b>340,593</b>	<b>325,170</b>	<b>173,908</b>	<b>309,803</b>	<b>(15,367)</b>
	<u>2012-2013</u> Budget	<u>2012-2013</u> Expenditures	<u>2013-2014</u> Budget	<u>2013-2014</u> Expenditures	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	170,645	36,593	272,930	180,520	262,510	(10,420)
6200 - Contracted Services	75,738	75,737	30,000	-	28,000	(2,000)
6300 - Supplies & Materials	46,542	17,939	5,800	38	12,800	7,000
6400 - Other Operating Costs	20,800	8,541	16,440	4,089	11,440	(5,000)
6600 - Capital Assets	199,200	199,015	-	-	-	-
	512,925	337,825	325,170	184,647	314,750	(10,420)
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	-	2,768	-	-	-	-
<b>Total EXPENDITURES:</b>	<b>512,925</b>	<b>340,593</b>	<b>325,170</b>	<b>184,647</b>	<b>309,803</b>	<b>(15,367)</b>

**Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.**

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Budget Trend Analysis for Fiscal Year 2014-2015

## Therapy Services

As of 5/16/14

	<u>2012-2013</u> Budget	<u>2012-2013</u> Revenues	<u>2013-2014</u> Budget	<u>2013-2014</u> Revenues	<u>2014-2015</u> Budget Requested	DIFF B/W FY15 & FY14
<b>REVENUES</b>						
<b>REVENUES - Local, State, and Federal</b>						
5720 - Local Rev-Schl Districts	7,722,168	7,477,283	8,269,888	6,369,404	8,486,638	216,750
5740 - Local Revenue-Other	-	-	-	-	-	-
	7,722,168	7,477,283	8,269,888	6,369,404	8,486,638	216,750
<b>REVENUES - Tax Revenues</b>						
5710 - Local Property Taxes	225,739	226,435	404,271	-	294,150	(110,121)
Total <b>REVENUES:</b>	7,947,907	7,703,718	8,674,159	6,369,404	8,780,788	106,629
<b>EXPENDITURES</b>						
<b>EXPENDITURES before Facilities</b>						
6100 - Payroll Expenditures	7,538,359	7,456,335	8,257,291	5,522,218	8,349,470	92,179
6200 - Contracted Services	42,836	22,345	46,050	20,927	42,500	(3,550)
6300 - Supplies & Materials	78,853	37,905	86,500	41,833	104,500	18,000
6400 - Other Operating Costs	219,098	127,890	217,388	83,590	217,388	-
	7,879,146	7,644,476	8,607,229	5,668,568	8,713,858	106,629
<b>EXPENDITURES - Facilities</b>						
6487 - Facilities Supprt Charges	68,761	59,242	66,930	39,453	66,930	-
Total <b>EXPENDITURES:</b>	7,947,907	7,703,718	8,674,159	5,708,021	8,780,788	106,629

Note: Used FY14 Facilities costs to estimate FY15 Facilities costs and FY15 property taxes.

# Harris County Department of Education

## Glossary of Financial Terms

**Account Code** – This is the second part of the Pentamation Account Code. It is an eight digit numerical sequence consisting of the 4-digit object code and 4-digit sub-object code used to accounting purposes. Follows the Budget Code. See **Object Code** and **Sub-object Code**.

**Account Number (Budget Number)** – Consists of the **Budget Code** and the **Account Code**; the numerical sequence necessary to reflect budget operations and conditions, such as estimate revenues, appropriations, and encumbrances, the net balance, and other related information.

**Accounting Period** – A period at the end of which and for which financial statements are prepared; for example, September 1 through August 31.

**Accrual Basis** – Accrual accounting attempts to records the financial effects on an enterprise of transactions and other events and circumstances that have cash consequences for an enterprise in the periods in which those transactions, events, and circumstances occur rather than only in the periods in which cash is received or paid by the enterprise. Accrual accounting is concerned with the process by which cash expended on resources and activities is returned as more (or perhaps less) cash to the enterprise, not just with the beginning and end of that process. It recognizes that the buying, producing, selling, and other operations of an enterprise during a period, as well as other events that affect enterprise performance, often do not coincide with the cash receipts and payments of the period.

**Adopted Tax Rate** – The total adopted rate is composed of a maintenance and operation rate (M&O) and a debt service rate (sometimes referred to as the Interest and Sinking, or I&S, rate). Rates are expressed per \$100 of taxable value.

**Allocation** – A part of a lump-sum appropriation, which is designated for expenditure by specific organization units and/or for special purposes, activities, or objects.

**Appraisal** – (1) The act of appraising; (2) The estimated value resulting from such action.

**Appraise** – To make an estimate of value, particularly of the value of property. Note: if the property is valued for purpose of taxation, the less-inclusive term “assess” is usually used.

**Appropriation** – Budget dollars that have been set aside for a particular expenditure.

**Appropriation Account** – A budgetary account set up to record specific authorization to spend. The account is credited with original and any supplemental appropriations and is charged with expenditures and encumbrances.

**Arbitrage** – In the context of government finance, the reinvestment of the proceeds of tax-exempt securities in materially higher-yielding taxable securities.

**Assess** – To value property officially for the purpose of taxation. Note: the term is also sometimes used to denote the levy of taxes, but such usage is not correct because it fails to distinguish between the valuation process and the tax levy process.

**Assessed Valuation** – A valuation set upon real estate or other property by a government as a basis for levying taxes.

**Assets/Personal Property** – Property (fixed assets or capital assets) that is generally portable and owned by an entity (sometimes leased); which has a monetary value.

**Assets/Real Property** – Real estate or other property owned by an entity; which has a monetary value.

**Balanced Budget** – A budget with total expenditures not exceeding total revenues and monies available in the fund balance within an individual fund.

**Bill** – A term used to denote a law or statute passed by certain legislative bodies. A bill has greater legal formality and standing than a resolution.

**Board of Education** – The elected or appointed body that has been created according to State law and vested with responsibilities for educational activities in a given geographical area. These bodies are sometimes called school boards, governing boards, school trustees, etc.

**Bond** – A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality.

**Bonded Debt** – The part of debt which is covered by outstanding bonds. Sometimes called “Bonded Indebtedness.”

**Bonds Issued** – Bonds sold.

**Bonds Payable** – The face value of bonds issued and unpaid.

**Budget** – A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

**Budget Code** – This is the first part of the Pentamation Account Code. It is fourteen digit numerical sequence consisting of the 3-digit fund code, 1-digit year code, 2-digit function code, 3-digit location code, 2-digit program code, and the 3-digit budget manager code, used to accounting purposes; precedes the **Account Code**. See **Fund Code**, **Function Code**, **Location Code**, **Program Code**, and **Budget Manager Code**.

**Budget Manager Code** – Denotes a program, purpose, or division applicable to the revenue or expenditure; part of the **Budget Code**: XXX-X-XX-XXX-XX-XXX.

**Capital Asset** – Same as **Fixed Asset**. Usually depreciated in governmental accounting

**Capital Budget** – A plan of proposed capital outlays and the means of financing them for the fiscal period. It is usually a part of the current budget. A capital program is sometimes referred to as a capital budget.

**Capital Outlay** – Expenditures which result in the acquisition of or addition to fixed assets. A fixed asset is defined as a tangible item whose expected useful life is over one year and whose value is more than \$1,000 and less than \$5,000 per item. It is not depreciated. A capital asset is defined as a tangible item (fixed asset)

whose expected useful life is over one year and whose value exceeds \$5,000 per item. It is depreciated if applicable.

**Capital Expenditure** – charges for the acquisition at the delivered price including transportation, costs of equipment, land, buildings, or improvements of land or buildings, fixtures and other permanent improvements of land or buildings, fixtures, and other permanent improvements with a value in excess of \$5,000 and a useful life expectancy of greater than 1 year.

**Capital Project** – A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long term work program. It sets forth each project or other contemplated expenditure in which the local education agency is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

**CASE – Cooperative for After School Enrichment** – A division of Harris County Department of Education formed in 1999, to mobilize the community to work together to ensure that every child in Harris County has access to an after-school program.

**CDA** – A HCDE investment policy that covers all financial assets under the direct control of the Department. Transactions involving the purchase, sale, and maintenance of all Department financial investments are included within the jurisdiction of this policy.

**CH** – A HCDE policy in which the Board delegates to the Superintendent or the Superintendent's designee the authority to determine the method of purchasing, in accordance with CH(LEGAL), and to make budgeted purchases. However, any purchase that costs or aggregates to a cost of \$50,000 or more shall require Board approval before a transaction is culminated.

**Community Services** – Those services, which are provided for the community as a whole, or some segment of the community and the activities are other than regular public education and adult basic education services.

**Consultant** – A resource person who provides assistance to the regular personnel through conference, demonstration, research, or other means.

**Contracted Services** – Labor, material, and other costs for services rendered by personnel who are not on the payroll of the local education agency.

**Current** – As used in this manual, the term has reference to the fiscal year in progress.

**Current Budget** – The annual budget prepared for and effective during the present fiscal year.

**Current Year's Tax Levy** – Taxes levied for the current fiscal period.

**Debt** – An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, warrants, and notes, etc.

**Debt Service Fund** – A fund used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on all bonds.

**Deficit** – The excess of the expenditures of a fund over the fund's resources.

**Delinquent Taxes** – Taxes remaining unpaid on and after the date on which they become

delinquent by statute.

**Depreciate/Depreciation** – [Verb] to consider something as having less value each year over a fixed period, for the calculation of income tax; [Noun] the amount or percentage by which something decreases in value over time, usually one year.

**Designated Fund Balance** – Management’s intended use of available expendable financial resources in governmental funds reflecting actual plans approved by the Education Board.

**Direct Debt** – Debt that is to be repaid by the reporting government itself rather than by an overlapping or underlying government.

**ECI – Early Childhood Intervention** – Is one of 58 ECI programs in Texas, helps families with infants who are developing later than children their age in sitting, walking, talking or playing with toys

**EFT – Electronic Funds Transfer** – Electronic payments and collections.

**Effective Tax Rate** – tax rate would impose the same total taxes as last year if you compare properties taxed in both years

**Encumbrance** – Commitments related to unperformed contracts for goods or services.

**Enterprise Fund** – Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

**FASRG – Financial Accountability System Resource Guide** – Describes the rules for financial accounting for Charter Schools, Education Service Centers and School Districts. Texas Administrative Code (TAC) §109.41.

**Fiduciary Funds** – A category of funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government’s own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

**Final Amended Budget** – Term used in connection with budgetary reporting. The original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

**Financial Resources** – Resources that are or will become available for spending.

**Fiscal Year (FY)** – A twelve-month period of time to which the annual budget applies and at the end of which the entity determines its financial position and the results of its operations.

**Fixed Asset** – A permanently owned thing; an asset of a business that is central to its operation and is not traded. Usually not depreciated in governmental accounting.

**Food Service** – Function 35; those activities that have as their purpose the preparation and serving of regular and incidental meals, lunches, or snacks in connection with school activities.

**Full-time Equivalent (FTE)** – is a ratio that represents the number of hours that an employee works compared to 40 hours.

**Function Code** – As applied to expenditures, this term has reference to an activity or service aimed at accomplishing a certain purpose; for example, Instruction, Administration, etc.; part of the **Budget Code**: XXX-X-XX-XXX-XX-XXX.

**Fund** – A sum of money or other resources set-aside for specific activities of a school district. The fund accounts constitute a complete entity and all of the financial transactions for the particular fund are recorded in them.

**Fund Code** – 3-digit code assigned to accounts for funds with separate purposes; part of the **Budget Code**: XXX-X-XX-XXX-XX-XXX.

**Fund Balance** – The difference between assets and liabilities reported in a governmental fund.

**Fund Balance:**

**Assigned** – Amounts constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Intent should be expressed by: the Texas Legislature, or a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** – represents fund balance that has not been assigned to other funds and has not been restricted, committed or assigned to specific purposes within the general fund

**Committed** – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Texas Legislature)

**Restricted** – constraints placed on the use of resources are either: Externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

**Non-Spendable** – classification includes amounts that cannot be spent because they are either: Not in spendable form, or legally or contractually required to be maintained intact.

**GASB – Governmental Accounting Standards Board** – An independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.

**General Fund** – A fund used to finance the ordinary operations of the local education agency. It is available for a legally authorized purpose and consists of money not specifically designated for some other particular purpose.

**GFOA – Government Finance Officers Association** – An association that educates professionals about financial policy, best practices, education, training, networking, and leadership.

**Governmental Funds** – A generic classification used by the GASB to refer to all funds other than proprietary and fiduciary funds. The General Fund, special revenue funds, capital projects funds, debt service funds, and permanent funds are the types of funds referred to as *governmental funds*.

**Grant** – A contribution, either money or material goods, made by an outside entity or a governmental unit to another unit and for which the contributing unit expects no repayment. Grants may be for specific or general purposes.

**HCAD – Harris County Appraisal District** – Establishes the appraisal value of property within Harris County. This is done to allocate taxes fairly among all taxpayers.

**HCOEM – Harris County Office of Emergency Management** – Helps prepare the residents and property of Harris County for disasters with training, education, and preparedness.

**HCTO – Harris County Tax Office** – Manages automobile registration, titling, property tax services, and voter registration for Harris County.

**Internal Service Funds** – Proprietary fund type that may be used to report any activities that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

**I & S Tax** – Interest and sinking is a term that is used interchangeably with debt service fund in discussing the components of the tax rate.

**IGR – Internal Grant Resources** – A program in HCDE’s Resource Development Division.

**IRB – Institutional Review Board** – A committee designated to review, monitor, and approve research involving humans.

**ITB – Invitation to Bid** – A request made by a purchaser to prospective suppliers for their competitive price quotations on goods or services.

**Location Code** – Denotes the physical address of the revenue or expenditure; part of the **Budget Code**: XXX-X-XX-XXX-XX-XXX.

**Levy** – [Verb] To impose taxes or special assessments. [Noun] The total of taxes or special assessments imposed by a governmental unit.

**Major Fund** – Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to separate opinion in the independent auditor’s report,

**M & O Tax** – Maintenance and operations is a term that is used interchangeably with general fund in discussing the components of the tax rate.

**Modified Accrual Basis** - Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

**Nominal Rate** – the rate that appears on the tax bills

**Object Code** – As applied to expenditures, this term has reference to an article or services received; for example, payroll costs, or purchased and contracted services; part of the **Account Code**: XXXX-XXXX.

**Other Resources** – An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends.

**Other Uses** – A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends.

**Pentamation Account Code** – The Pentamation Account Code is divided into two codes: The Budget Code (14 digit numerical sequence) and the Account Code (an 8 digit numerical sequence) These are both further described in this glossary.

**Principal of Bonds** – The face value of bonds.

**Professional Staff** – This is a full time equivalent count of teachers, professional support staff, campus administrators, and central administrators.

**Program Code** – The definition of an effort to accomplish a specific objective or objectives consistent with funds or resources available; part of the **Budget Code**: XXX-X-XX-XXX-XX-XXX.

**Proprietary Fund** - Sometimes referred to as *income-determination, business-like, or commercial-type* fund of state or local government. Examples are enterprise funds and internal service funds.

**PFC** – stands for Public Facility Corporation

**QZAB – Qualified Zone Academy Bonds** – A Federal Grant Program that provides funding for schools to renovate building and developing curricular.

**Refunding** – The issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time.

**Reimbursement** – Cash or other assets received as a repayment of the cost of work or services performed, or of other expenditures made for or on behalf of another governmental unit or department, or for an individual, firm, or corporation.

**Reserve** – An amount set aside for a specified purpose, or an account which records a portion of the fund balance that is to be segregated for some future use and, therefore, is not available for further appropriation and expenditure.

**Rollback Rate** – tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures

**Sinking Fund** – See Debt Service Fund

**Special Education** – This refers to the population served by programs for students with disabilities.

**Special Revenue Fund** – A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes.

**Sub-object Code** – A subdivision within an expenditure object classification.

**TASB – Texas Association of School Boards** – A nonprofit statewide educational association that serves and represents local Texas school districts.

**TEA** – Texas Education Agency.

**TRS** – The **Teacher Retirement System** of Texas is a public employee retirement system that is a multiple employer defined benefit pension plan. Based on salary and wages, for FY 2005-06 State law provides for a

- State or Federal grant contribution rate of 6.0% and a
- member contribution rate of 6.4% for TRS retirement and 0.65% for TRS active care, and
- reporting entity contribution of 0.55%.

**Tax Rate Components** – **See I & S Tax** (Interest and sinking) **M & O** (Maintenance and Operations) **Tax**.

**Taxes** – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

**Unreserved and Undesignated Fund Balance** – Available expendable financial resources in a governmental fund that are not the object of tentative management plans.

## List of Acronyms

ABC-Adaptive and Behavior Center  
CAFR-Comprehensive Annual Financial Report  
CPI-Communication and Public Information  
CSSS-Center for Safe and Secure Schools  
ECI-Early Childhood Initiative  
ISS-Instructional Support Services  
GFOA-Government Finance Officers Association  
HCAD-Harris County Appraisal District  
HCDE-Harris County Department of Education  
HCTO-Harris County Tax Office  
IRB-Institutional Review Board  
PAFR-Popular Annual Financial Report  
RD-Resource Development  
TEA-Texas Education Agency  
TxVSN-Texas Virtual School Network  
TMS-Travel Management System  
WMS-Workshop Management System

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*It is the policy of Harris County Department of Education not to discriminate on the basis of race, color, national origin, gender, limited English proficiency, or handicapping condition(s) in its programs.*

