



# 2019-2020 SUPERINTENDENT BUDGET OVERVIEW



Harris County  
Department of  
**Education**



# BUSINESS MODEL

HARRIS COUNTY DEPARTMENT OF EDUCATION HAS A COMMITMENT TO DEMONSTRATING  
COMMUNITY STEWARDSHIP THROUGH FISCAL RESPONSIBILITY WHILE POSITIVELY  
IMPACTING OUR COMMUNITY THROUGH EDUCATION AND SERVICE

SYSTEMS - PHILOSOPHY AND EFFICIENCY MODELS

VALUE [EFFICIENCY OF SCALE]

OPPORTUNITY [NOW & FUTURE]

SERVICE



# COMMUNITY STEWARDSHIP

Transparent Systems

Balanced budgets

Lowered Tax Rate:  
2015/2016/2017/2018/2019

Increased Services

New Initiatives



# BUDGET PROCESS

A close-up photograph of a woman with long dark hair and a young child looking down at a document. The woman is wearing a white sweater with black laces on the sleeve. The child is wearing a grey shirt and holding a yellow pencil. The background is blurred, suggesting an indoor setting like a classroom or office.

Internal Needs Assessment  
External Needs Assessment  
SWOT Analysis  
Identify HCDE Priorities  
Budget Balancing

# HCDE PRIORITIES



HEAD START COOLWOOD	-	\$500,000
EMPLOYEE BENEFITS	-	\$500,000
EMPLOYEE SALARIES	-	\$800,000
<b>FUND BALANCE</b>	-	<b>Planned investment for facilities</b>



**Harris County**  
Department of  
**Education**



ADULT EDUCATION



CASE FOR KIDS



HEAD START

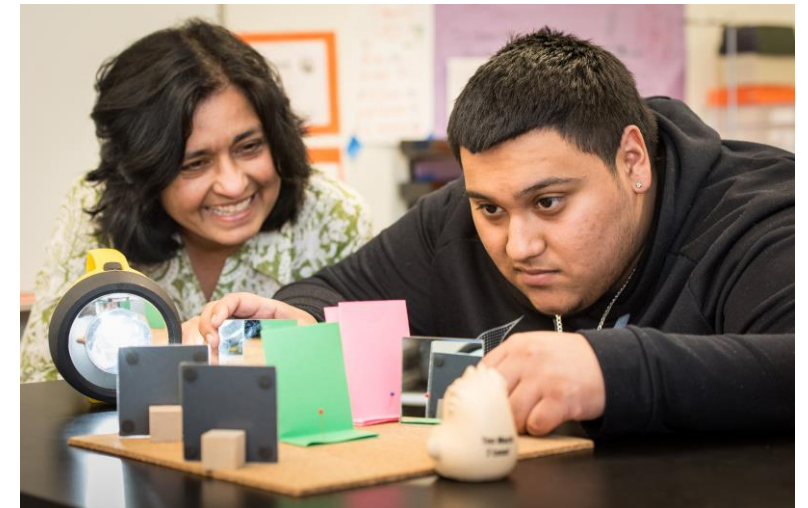


SPECIAL SCHOOLS



THERAPY SERVICES

## **FY 2019-2020 Annual Budget Summary** **June 12, 2019 Budget Workshop**



**Submitted to Board of Trustees**  
**by**  
**James Colbert Jr. Superintendent**  
**Dr. Jesus J. Amezcua, Assistant Supt. For Business**



## Agenda

1. Introduction
2. Superintendent's Overview
3. Annual Budget Overview FY 2019-2020
4. Overview of TASB Salary Schedules
5. Next Steps
6. Adjourn



**STRENGTHS**



**WEAKNESSES**

**OPPORTUNITIES**



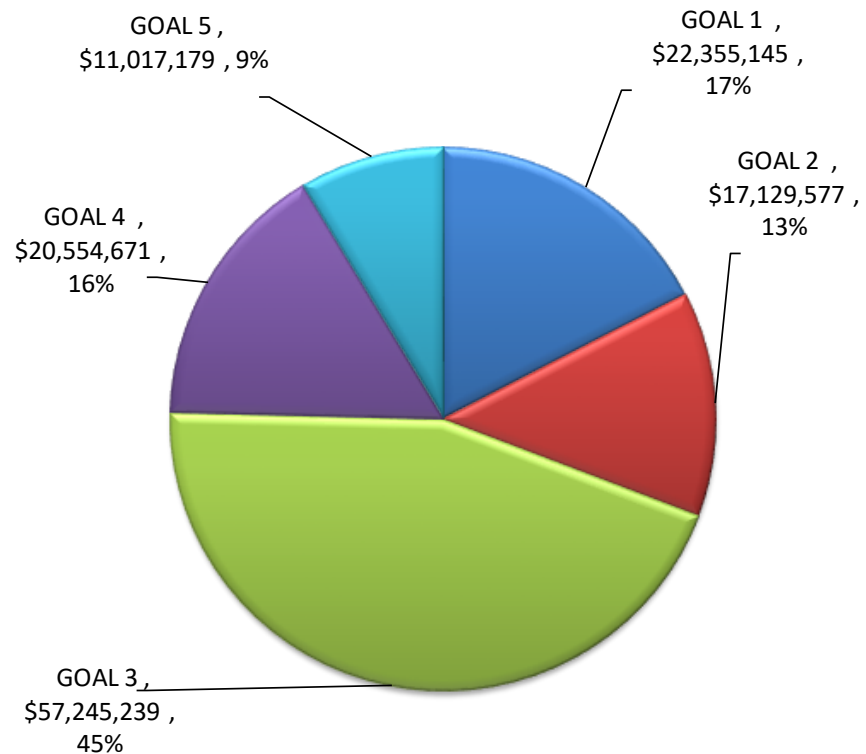
**THREATS**

**Our Mission:**

Support Harris County by enriching educational opportunities and providing value through services.

# HCDE Goals

**HCDE FY20  
Budget by Goals**



**Goal 1:**

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

**Goal 2:**

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

**Goal 3:**

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

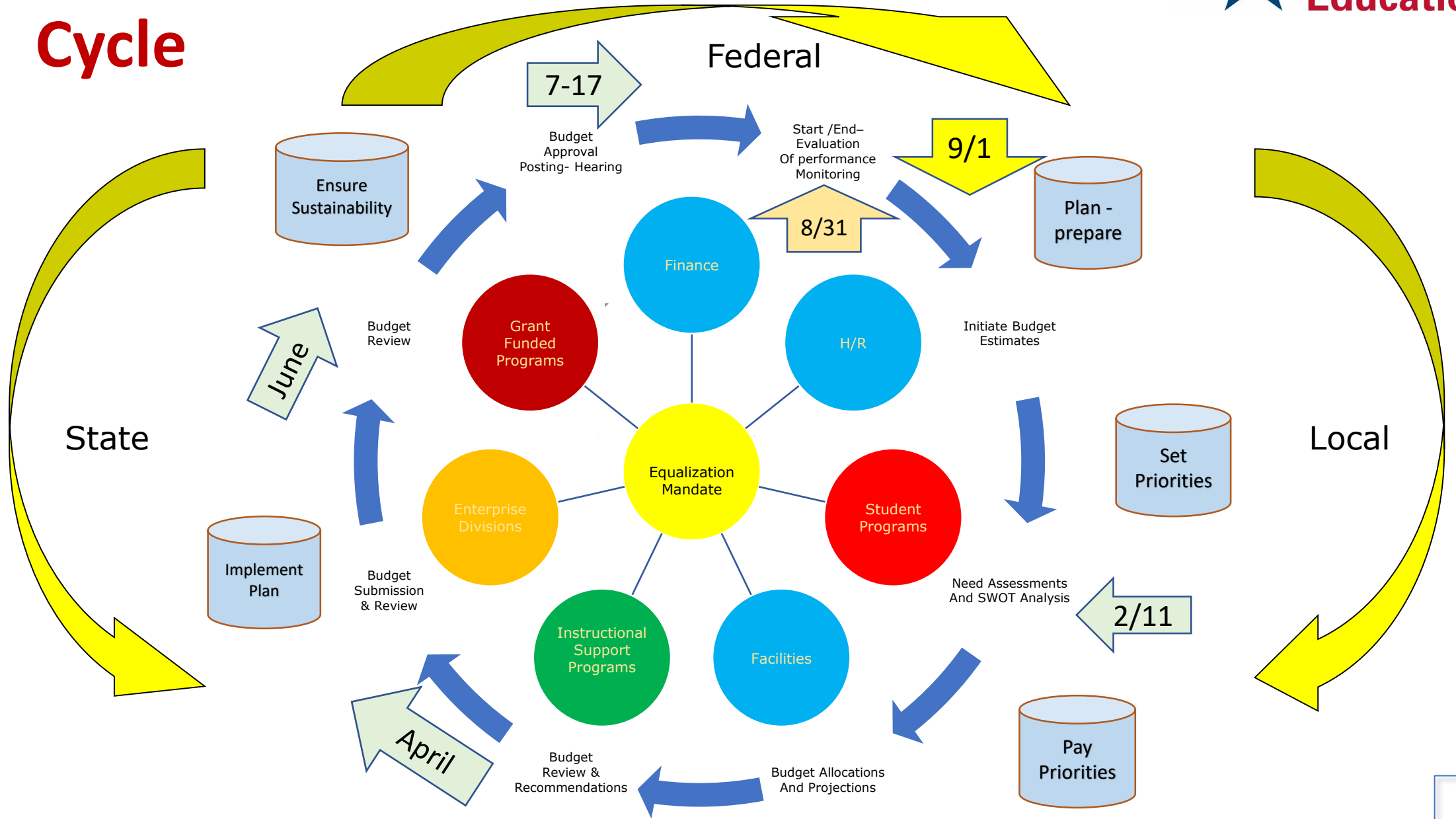
**Goal 4:**

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

**Goal 5:**

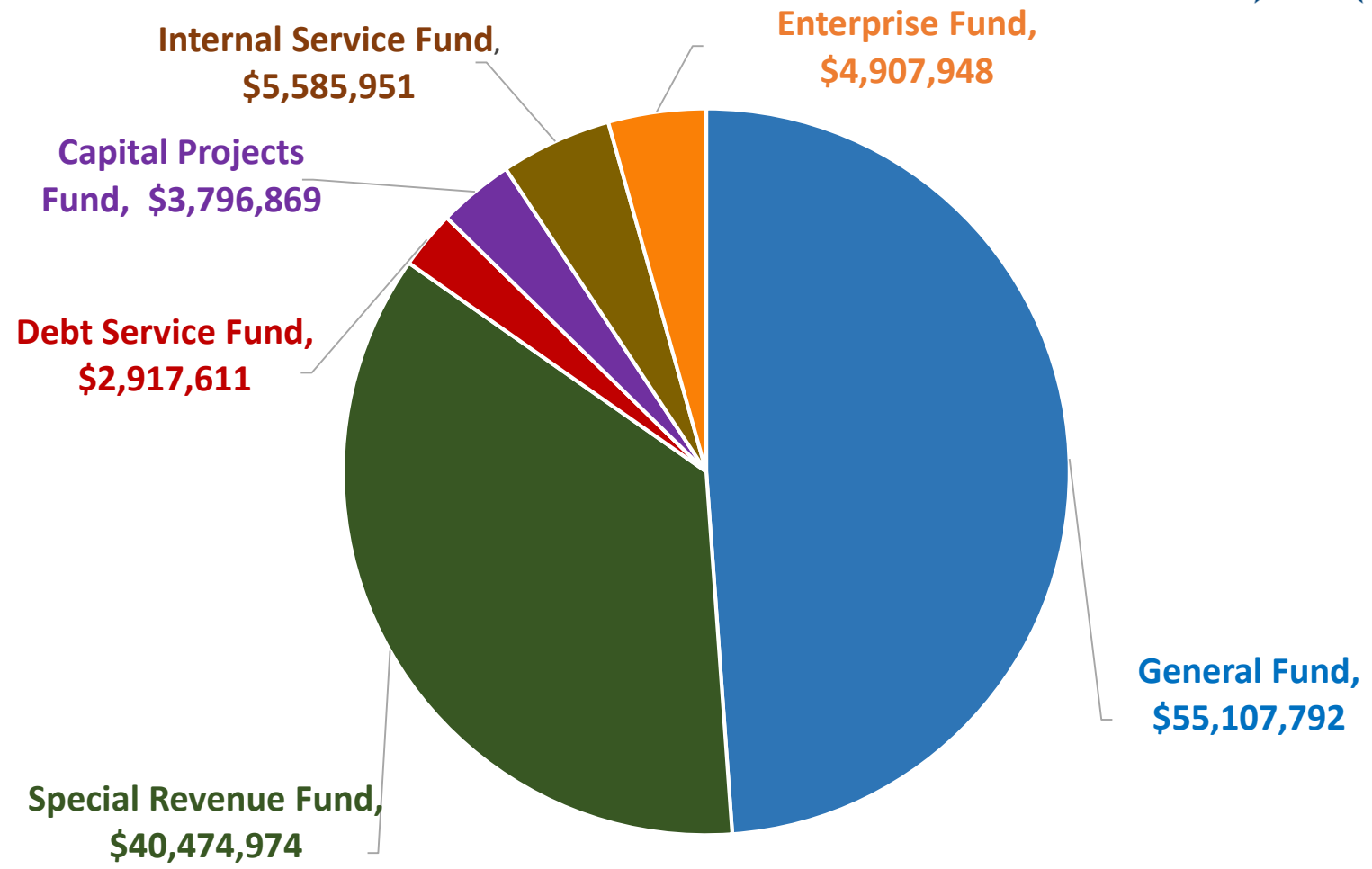
- Recruit and maintain a high-quality professional staff

# Goals Planning Cycle





## 2019-2020 Estimated Revenue (All Funds) \$112,791,145



## General Fund

\$60M - 445.48 FTE



47%

# \$128,301,881 TOTAL BUDGET

### FY 2019-2020

## Capital Projects Fund

\$14.4M - 0 FTE

AB West - Fortis Academy and various maintenance projects.



11%

## Special Revenue Fund Grants

\$40.4 M - 389.32 FTE



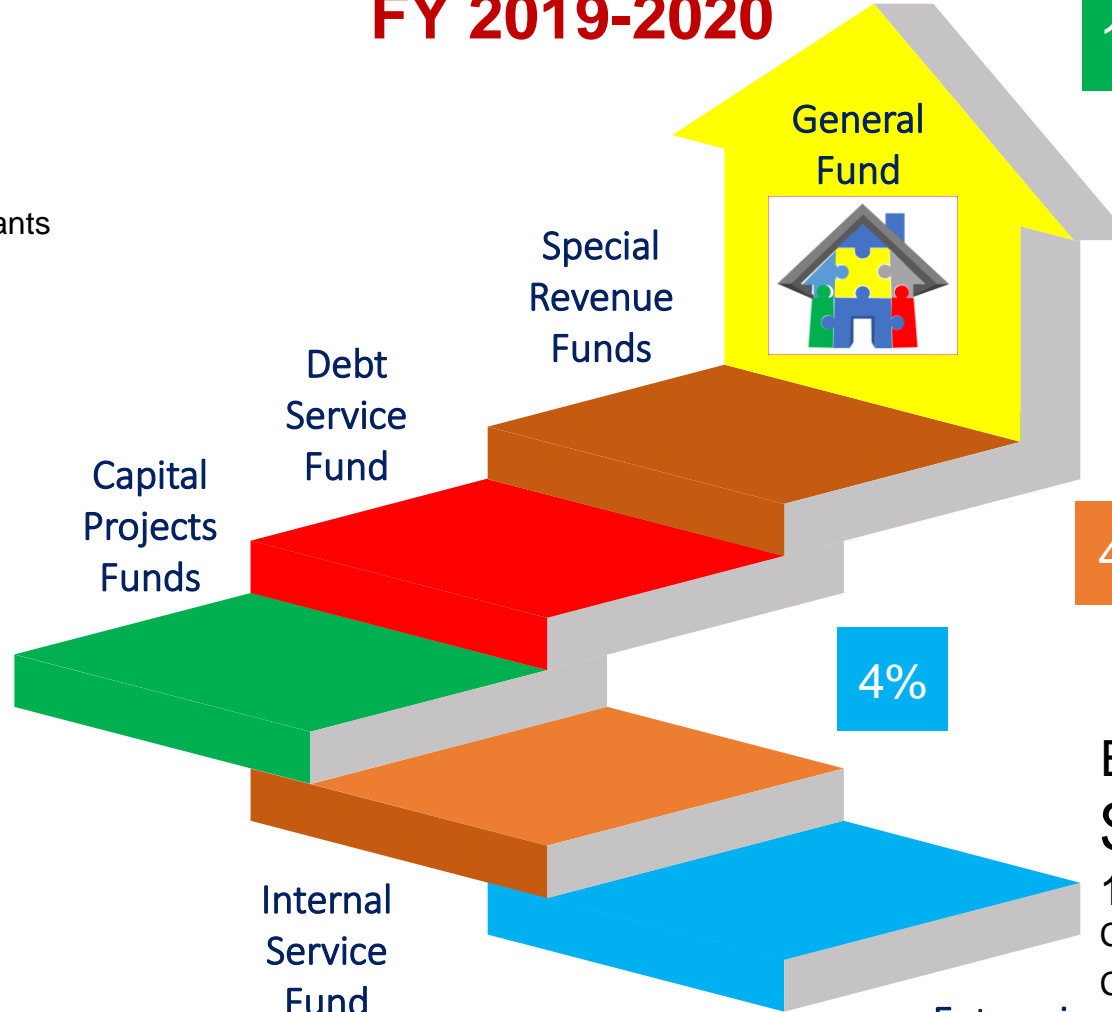
32%

## Debt Service Fund - Bonds

\$2.9 M - 0 FTE



2%



## Internal Service Fund - Facilities

\$5.6 M 49 Total FTE



4%

## Enterprise Fund

\$4.9M

18.37 FTE  
Choice Partners  
Cooperative.



Enterprise Fund

**Budgetary  
Assumptions**

**FY 2019-2020**



**Basis of Accounting**

**Modified and Accrual**

Budgets are prepared based on the projection of cash basis – inflows and outflows to the Department and adjusted at year end for accruals.



**Growth Rate 3%**

Property Values increased from \$450B to \$477 Billion or 6% increase from a year ago, thus recommending a tax rate of \$.00517 which is estimated to be below the Effective Tax Rate.



**\$4.890 M Planned Expenditures**

**One time Capital Expenditures**

Capital improvements that utilize funds to invest in program upgrades and facilities



**Balanced Approach**

**Revenues equal Expenditures for Operating**

Projected Revenues & Appropriations Include 3% salary increases and reduced worker's comp. rate. Health care insurance aid was included for \$250k.



**Business Model**

**Formula:**

The sum of fees, taxes, indirect cost must be balanced with growth, market fees, expenditure needs, compliance, salaries, sustainability and performance ratios



**9 NEW Positions**

Additional positions are requested for School Based Therapy (2), Special Schools (4), Technology (2) , Records (1)

# Major Initiatives

**FY 2019-2020**

**95%**

## Top 3 New Programs

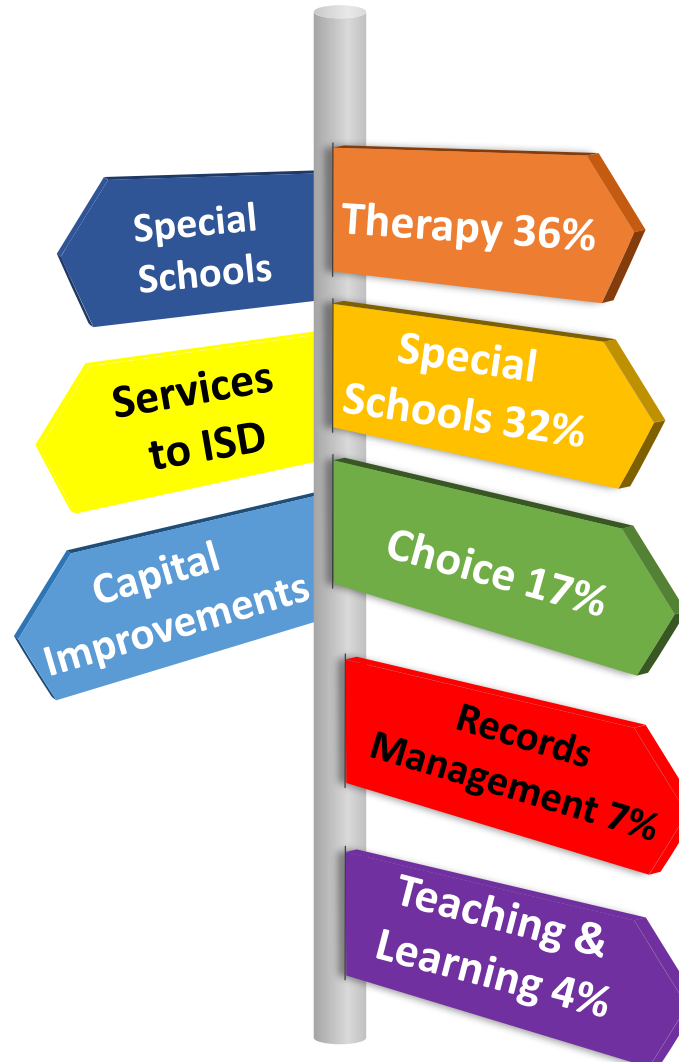


**Special Schools**  
Provide Students with Special Schools  
Personnel 4

**Services to ISDs**  
Continuing our competitive edge to enhance services to school districts

**Capital Improvements**  
Development Plans projected for FY 20 Financial Plan  
**\$4,890,736 total for various projects**

- Upgrade & Building Improvements,
- Head Start – CoolWood Renovation
- Technology and Replacement Assets
- On Going:  
AB West Project



## Top 5 Fee Sources

**School Based Therapy ( #1 Fee INFLOW Source)**  
Total Revenue **\$10.03 M**  
Projected Performance Ratio 82%

**Special Schools (#2 Fee INFLOW Source)**  
Total Revenue for 4 schools **\$8.9M**  
Projected Performance Ratio 81%,83%,63%,55%

**Choice Cooperative (#3 Fee INFLOW Source)**  
Total Revenue **\$4.9 M**  
Total Transfer to G/Fund \$2.375 M or 4.3% of overall G/F  
Projected Performance Ratio 180% of expenses

**Records Management ( #4 Fee INFLOW Source)**  
Total Revenue **\$1.9 M**  
Projected Performance Ratio 95%

**Teaching & Learning( #5 Fee INFLOW Source)**  
Total Revenue **\$1.2M**  
Projected Performance Ratio Varies by Division



# General Fund

## Other Revenue Sources of Fees

**FY 2019-2020**

### Safe and Secure Schools

Total Revenue \$399,750  
Performance Ratio 65%



### Other Revenues in General Fund



### Educator Certification

Total Revenue \$409,210  
Performance Ratio 60%



### Misc. Revenues

Other revenues  
\$287,591 includes  
HCDE Plus, CASE,  
Grants, Research, &  
Technology, etc.

# General Fund Revenues

## \$55,107,792

### FY 2019-2020



HB3 Funding Loss \$560K

5%

#### Fees for Services

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

**\$23,118,627**



**\$2,164,601** Increase from \$52,943,191  
Or **4.09%** Increase



#### State Funding

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

**\$3,610,000**

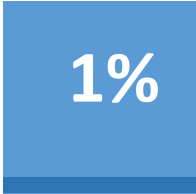
3%

1%

#### Property Tax Revenues

Taxes based on \$450 Billion in value at \$.005167 est. rate. & delinquent taxes

**\$23,771,834**



#### Other

Miscellaneous and Interest Costs

**\$450,727**

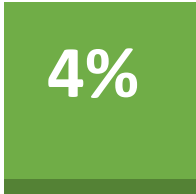
34%

13%

#### Indirect Costs

Indirect cost from grants

**\$1,781,830**



#### Transfers IN -Choice

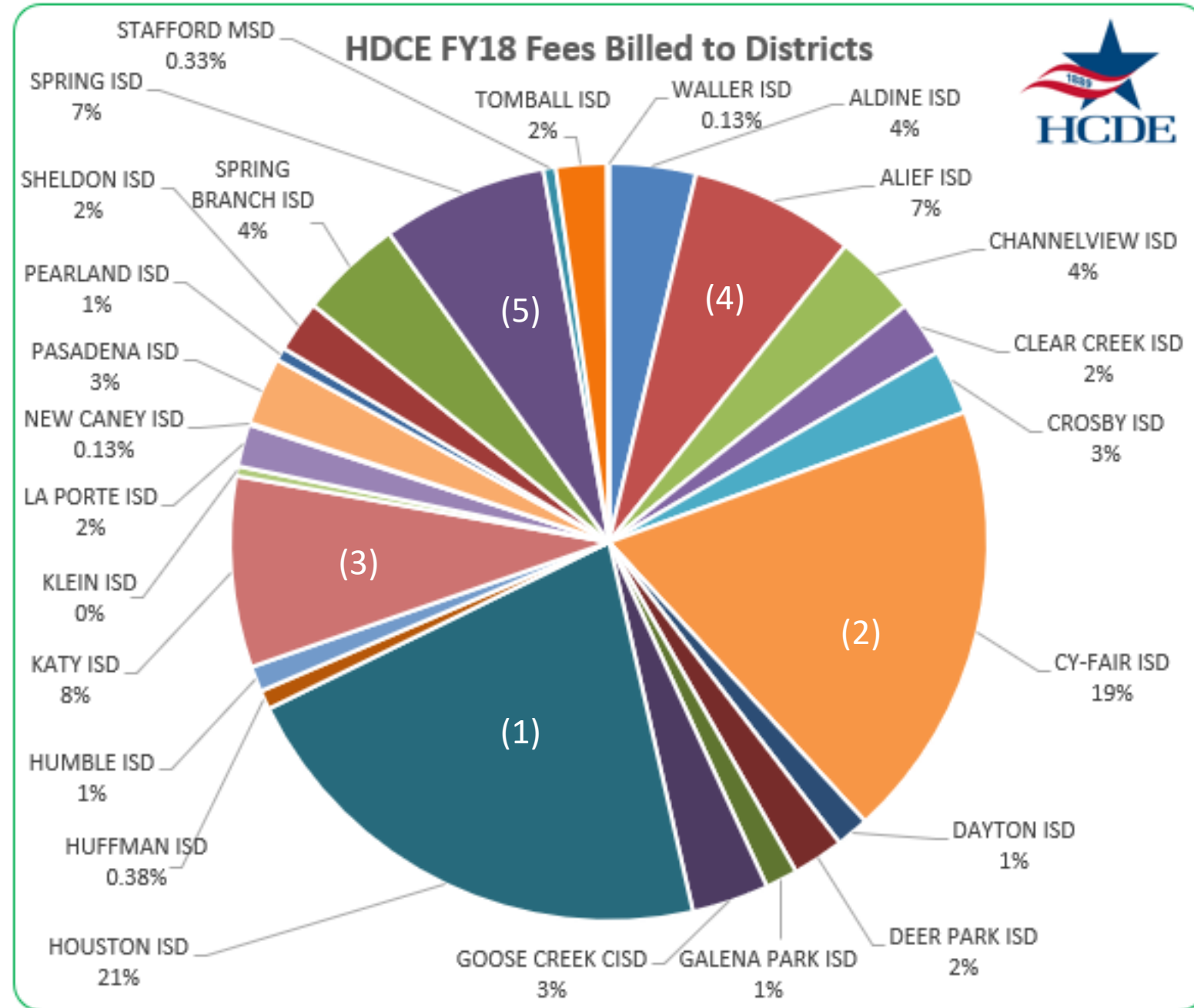
Transfer in from Choice Partners Coop

**\$2,375,224**

14%



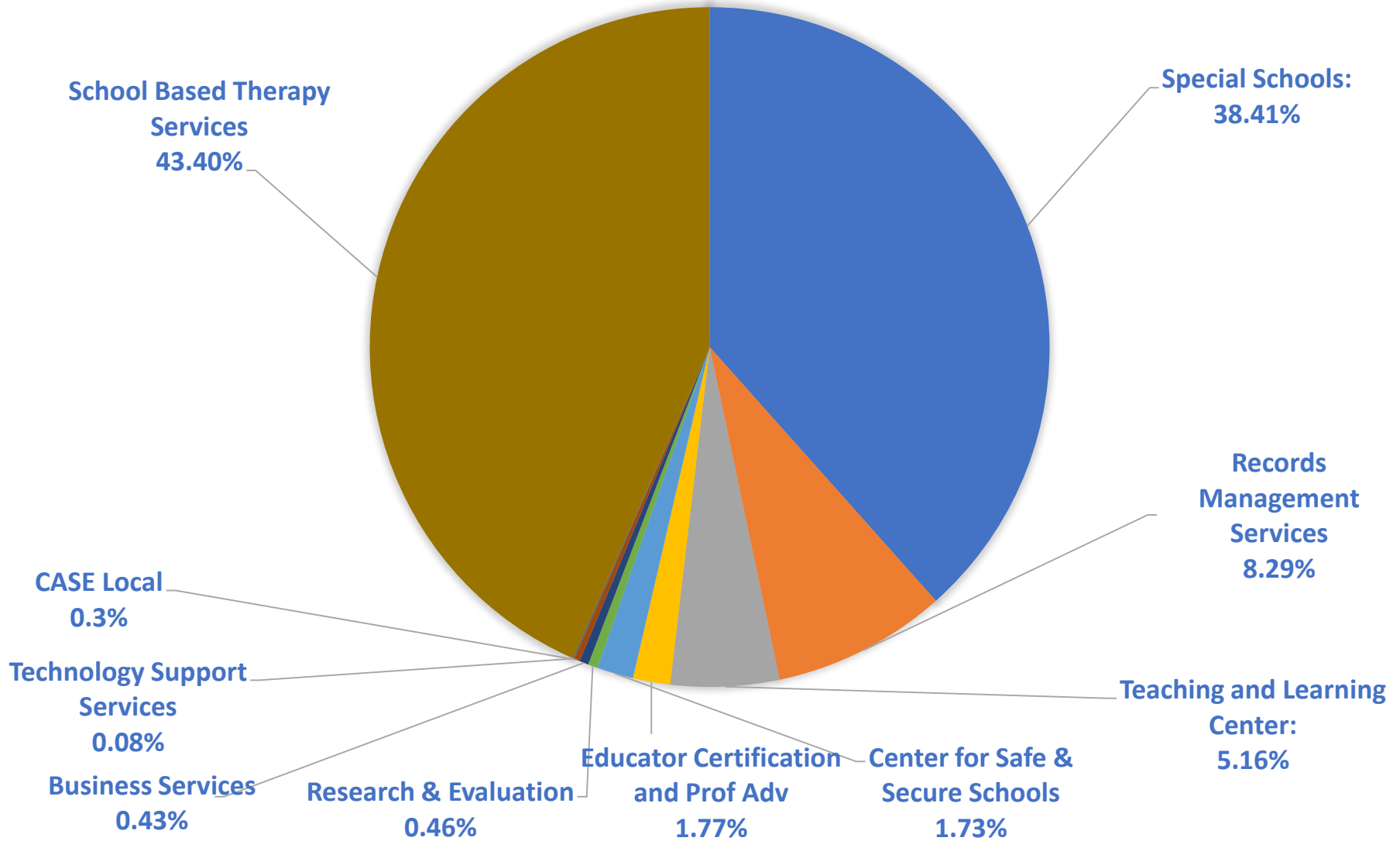
**Client Fees (INFLOWS)**



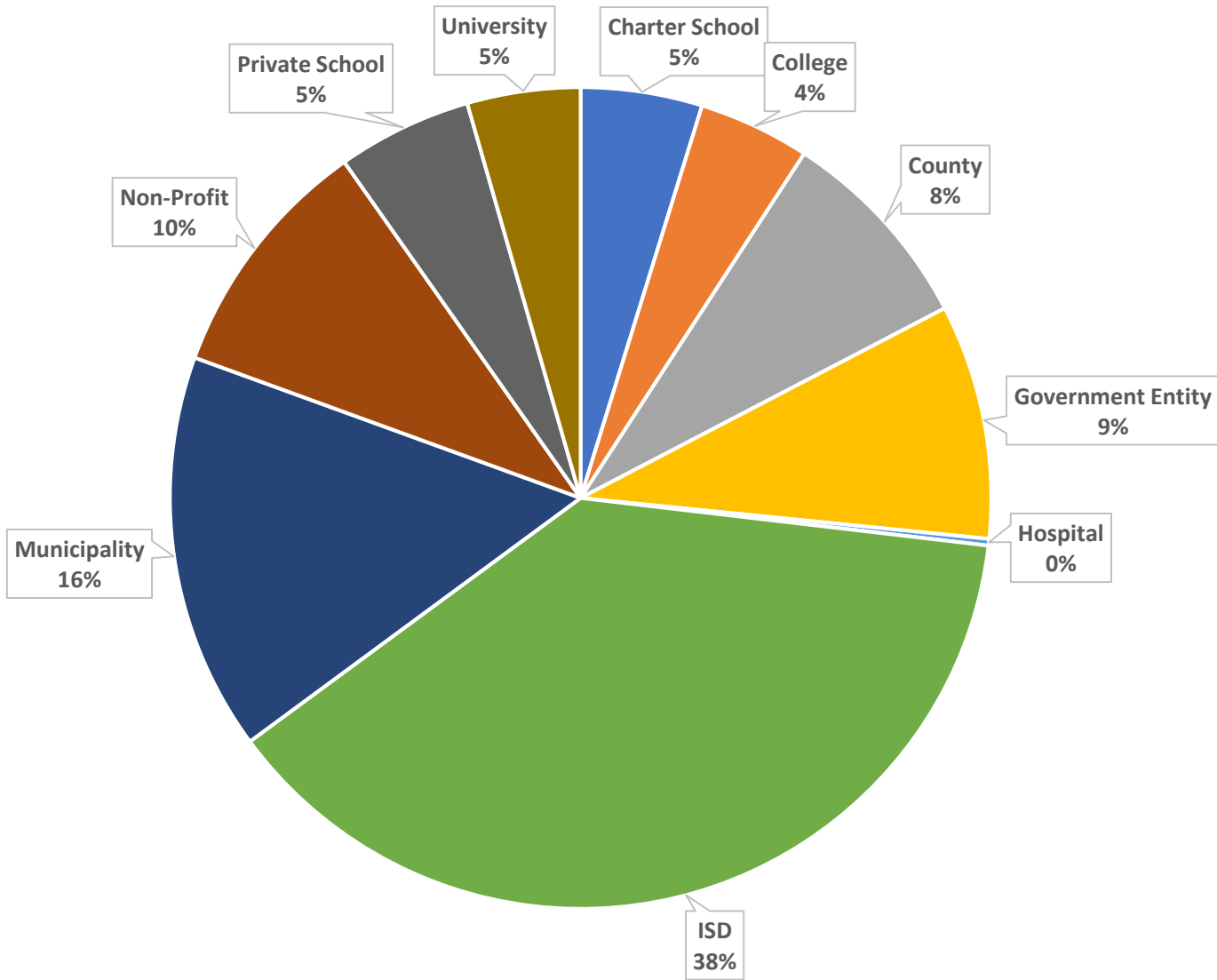
Includes fees from:  
General Fund & Choice



**FY20 CUSTOMER FEES BY DIVISION - GENERAL FUND**  
**\$23,118,627**

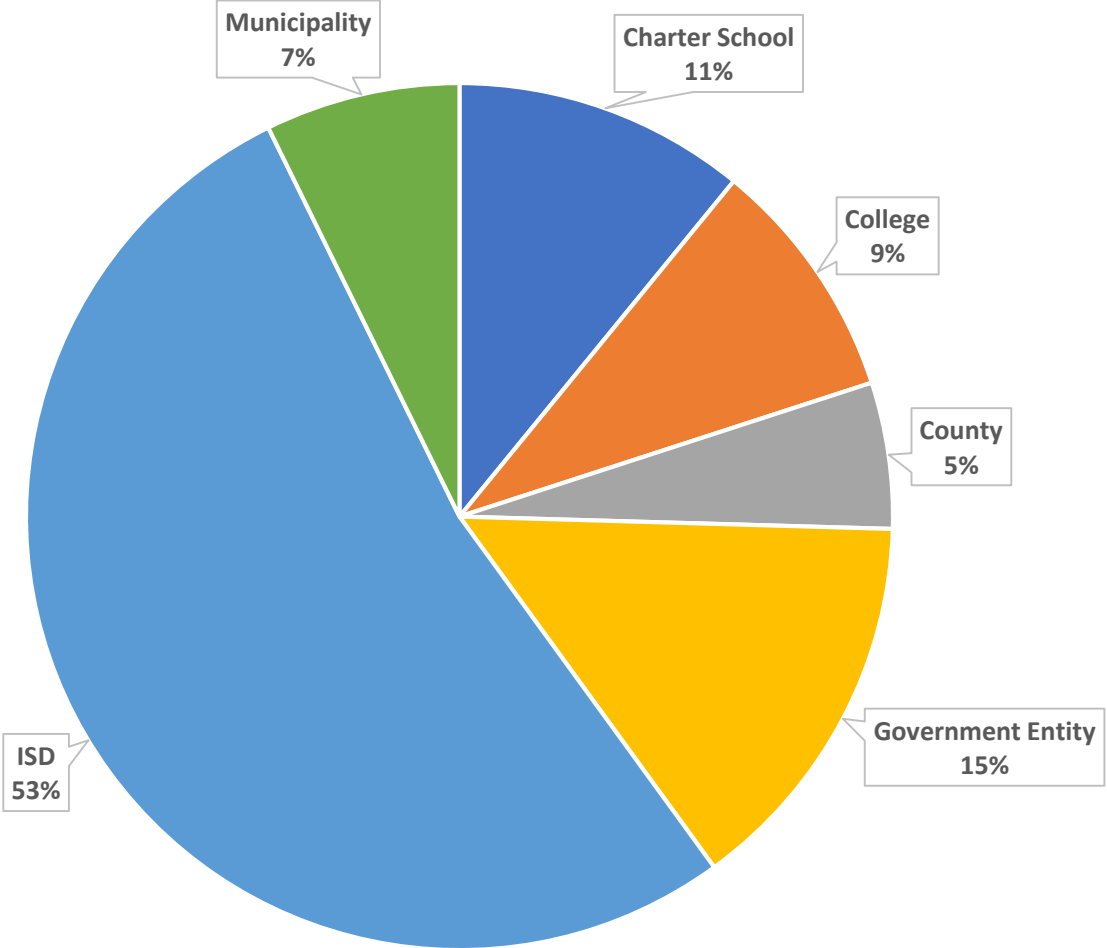


# Choice Partners Cooperative Membership



■ Charter School ■ College ■ County ■ Government Entity ■ Hospital ■ ISD ■ Municipality ■ Non-Profit ■ Private School ■ University

# Records Management Membership

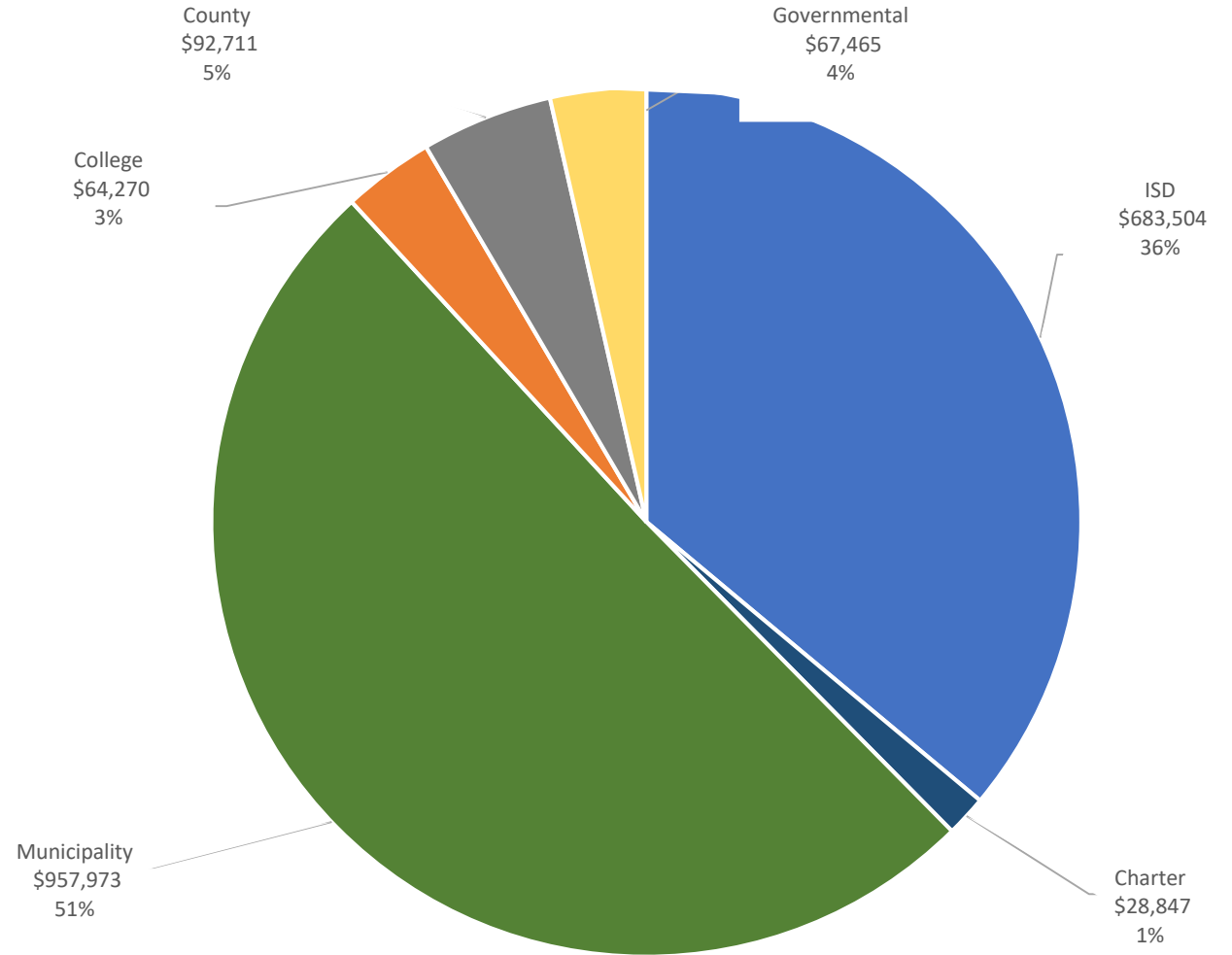


■ Charter School ■ College ■ County ■ Government Entity ■ ISD ■ Municipality ■ ■ ■ ■

# Records Management Fees FY 17-18

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**Record Management Fees by Client  
FY 2017-2018  
\$1,894,771**



HARRIS COUNTY DEPARTMENT OF EDUCATION  
RECORDS MANAGEMENT SERVICES  
September 2019 – August 2020

IN COUNTY FEES

**ANNUAL MEMBERSHIP FEE**

\$ Based on enrollment  
From \$500 to \$12,650

**STORAGE RATES**

Standard Storage Box (10" x 12" x 15") \$0.24 per box/ mo.  
Nonstandard size boxes (\$0.24 per cu.ft./mo)

**SERVICE RATES**

Training and account setup	Membership
Consulting/Records Control Schedules	Membership
Policy and Procedures	Membership
Retrieval (accessing a stored file or box)	Membership
Refile (returning a stored file or box)	Membership
FAX (HCDE to user)/Electronic Transmission	Membership
Document Shredding (pickup from customer's sites)	Membership
Monthly Management Reports (all types)	Membership
Receiving (new boxes, including data entry)	\$1.00 per box
Transportation/Scheduled pick-ups and deliveries Within Harris County (up to 100 boxes)	\$20.00 per stop
Transportation/Rush Services/Weekend and Holidays Within Harris County (up to 100 boxes)	\$45.00 per stop
After Hours/Rush Retrieval and Deliveries Services	\$45.00 per stop
Transportation/Large Volume Scheduled pick-ups and deliveries Within Harris County (over 101 boxes)	\$75.00 per stop
Data Migrations (importing customer's data)	\$25.00 per hour
Interfiling/Indexing per file	\$1.25 each file
Permanent Removal (per box)	\$1.50 each
Permanent Removal to Close the Account	\$2.50 each item

**SUPPLIES**

Box barcodes labels (15 per sheet)	N/C
Standard storage box (packed 25/bundle)	\$1.90 each
Recycling Bin services (monthly rotations) 64 gallon	\$5.00 each
Recycling Bin services (monthly rotations) 95 gallon	\$7.00 each
Recycling Consoles (for confidential papers)	\$5.00 each

\* Supply prices subject to change with notice.

**ELECTRONIC DOCUMENT MANAGEMENT SERVICES**

Rates for 16mm & 35mm microfilming conversions and/or electronic imaging, indexing, scanning and document preparation must be quoted separately due to the wide range of variables associated with each job.

We electronically digitize all types of records including;

- Human Resources Records
- Benefits Records
- Special Education
- High School Transcripts
- Accounts Payables and Receivables
- Large Format Maps
- Converting roll film to digital images

Electronic Document Storage and Retrieval Online \$10.00 per GIG/month

**VAULT STORAGE AND TAPE & FILM SERVICES**

**Storage Rates**

LTO, SDLT, DLT	\$0.25/month
16mm, 35 mm, 8mm, 4 mm	\$0.25/month
Roll film	\$0.25/month
3480/3490/3490E tapes, CD's & Hard Drives	\$0.25/month

Small case storage (standard container)	\$1.50/month
Large case storage (over size cases)	\$2.00/month

**Service Rates** includes bar-coding, filing, data entry and tracking

Tape Retrieval	\$1.50 each
Tape Return	\$1.50 each
Data Entry	\$1.50 each
Daily, Weekly and Monthly Rotation Retrieval Services per case	\$3.00 each
Daily, Weekly and Monthly Rotation roundtrip transportation	\$20.00 each

Rush Services per case/tape	\$6.25 each
After Hour/Rush Transportation	\$45.00 per hour

# Record Management Fees- In County



School Name  
SCHEDULE "A"  
HARRIS COUNTY DEPARTMENT OF EDUCATION  
RECORDS MANAGEMENT SERVICES  
September 2019 – August 2020

**OUT OF COUNTY FEES**

**ANNUAL MEMBERSHIP FEE** \$ Based on enrollment  
From \$500 to \$12,650

**STORAGE RATES**

Standard Storage Box (10" x 12" x 15") \$0.26 per box/ mo.  
Nonstandard size boxes (\$0.26 per cu.ft./mo)

**SERVICE RATES**

Training and account setup	Membership
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Policy and Procedures	Membership
Retrieval (accessing a stored file or box)	Membership
Refile (returning a stored file or box)	Membership
FAX (HCDE to user)/Electronic Transmission	Membership
Document Shredding (pickup from customer's sites)	Membership
Monthly Management Reports (all types)	Membership
Receiving (new boxes, including data entry)	\$1.25 per box
Transportation/Scheduled pick-ups and deliveries	
Outside of Harris County (up to 100 boxes)	\$25.00 per stop
Transportation/Rush Services/Weekend and Holidays	
Outside of Harris County (up to 100 boxes)	\$50.00 per stop
After Hours/Rush Retrieval and Deliveries Services	\$50.00 per hour
Transportation/Large Volume Scheduled pick-ups and deliveries	\$25.00 per hour
Outside of Harris County (over 101 boxes)	\$85.00 per stop
Data Migrations (importing customer's data)	\$1.50 each file
Interfiling/Indexing per file	\$1.75 each
Permanent Removal (per box)	\$2.25 each item
Permanent Removal to Close the Account	

**SUPPLIES**

Box barcodes labels (15 per sheet)	N/C
Standard storage box (packed 25/bundle)	\$1.95 each
Recycling Bin services (monthly rotations) 64 gallon	\$5.50 each
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- Converting roll film to digital images

Electronic Document Storage and Retrieval Online \$11.50 per GIG/month

**VAULT STORAGE AND TAPE & FILM SERVICES**

**Storage Rates**

LTO, SDLT, DLT	\$0.30/month
16mm, 35 mm, 8mm, 4 mm	\$0.30/month
Roll film	\$0.30/month
3480/3490/3490E tapes, CD's & Hard Drives	\$0.30/month

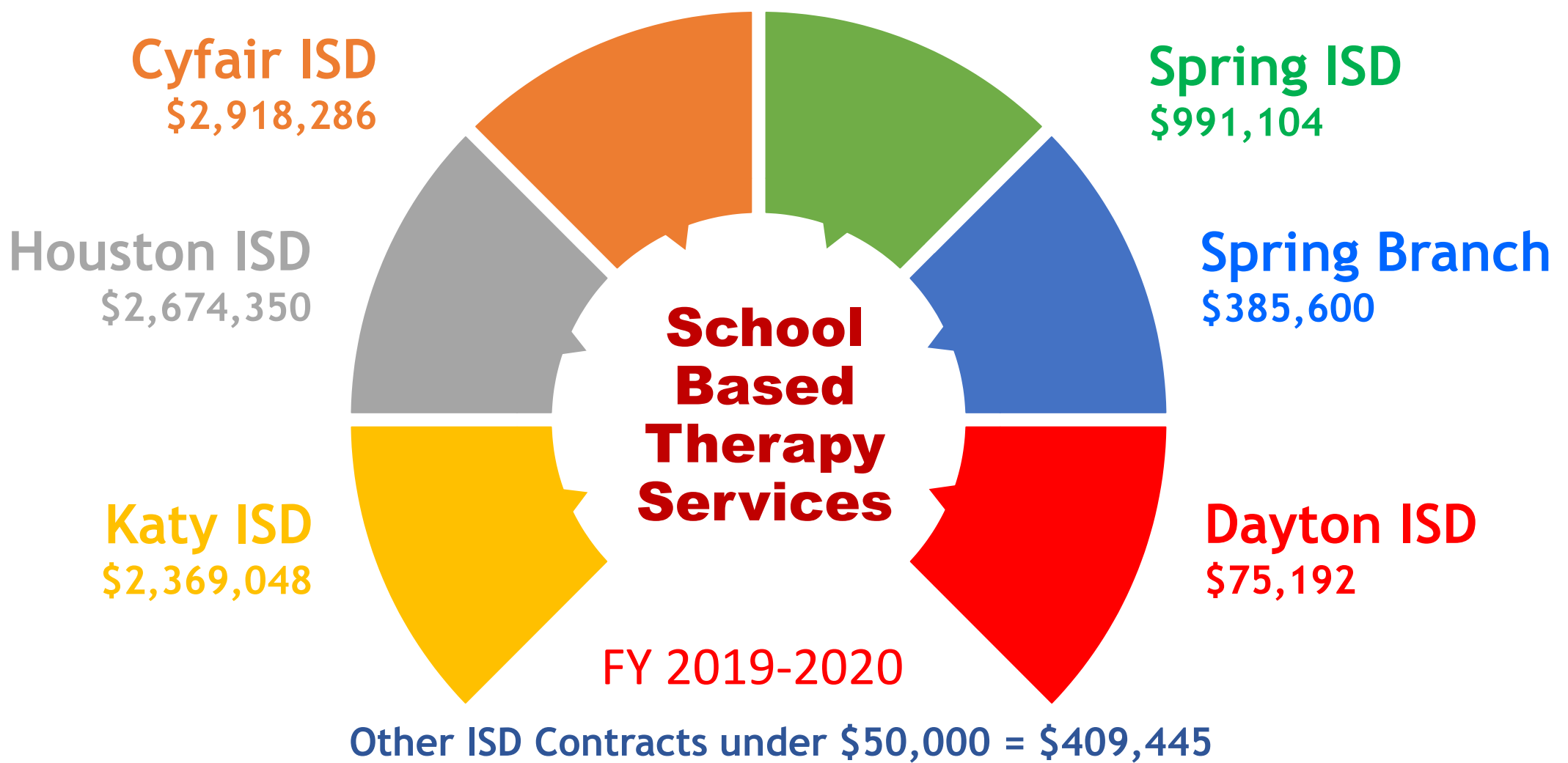
Small case storage (standard container)	\$2.00/month
Large case storage (over size cases)	\$2.50/month

**Service Rates** includes bar-coding, filing, data entry and tracking

Tape Retrieval	\$2.00 each
Tape Return	\$2.00 each
Data Entry	\$2.00 each
Daily, Weekly and Monthly Rotation Retrieval Services per case	\$4.00 each
Daily, Weekly and Monthly Rotation roundtrip transportation	\$25.00 each

Rush Services per case/tape	\$7.25 each
After Hour/Rush Transportation	\$50.00 per hour

# Record Management Fees -Out of county



In County	Therapy In County \$482/Day OT –PT Assistant \$380	Out of County +\$50

Consulting In County \$1,500/Day Out of County \$1,650
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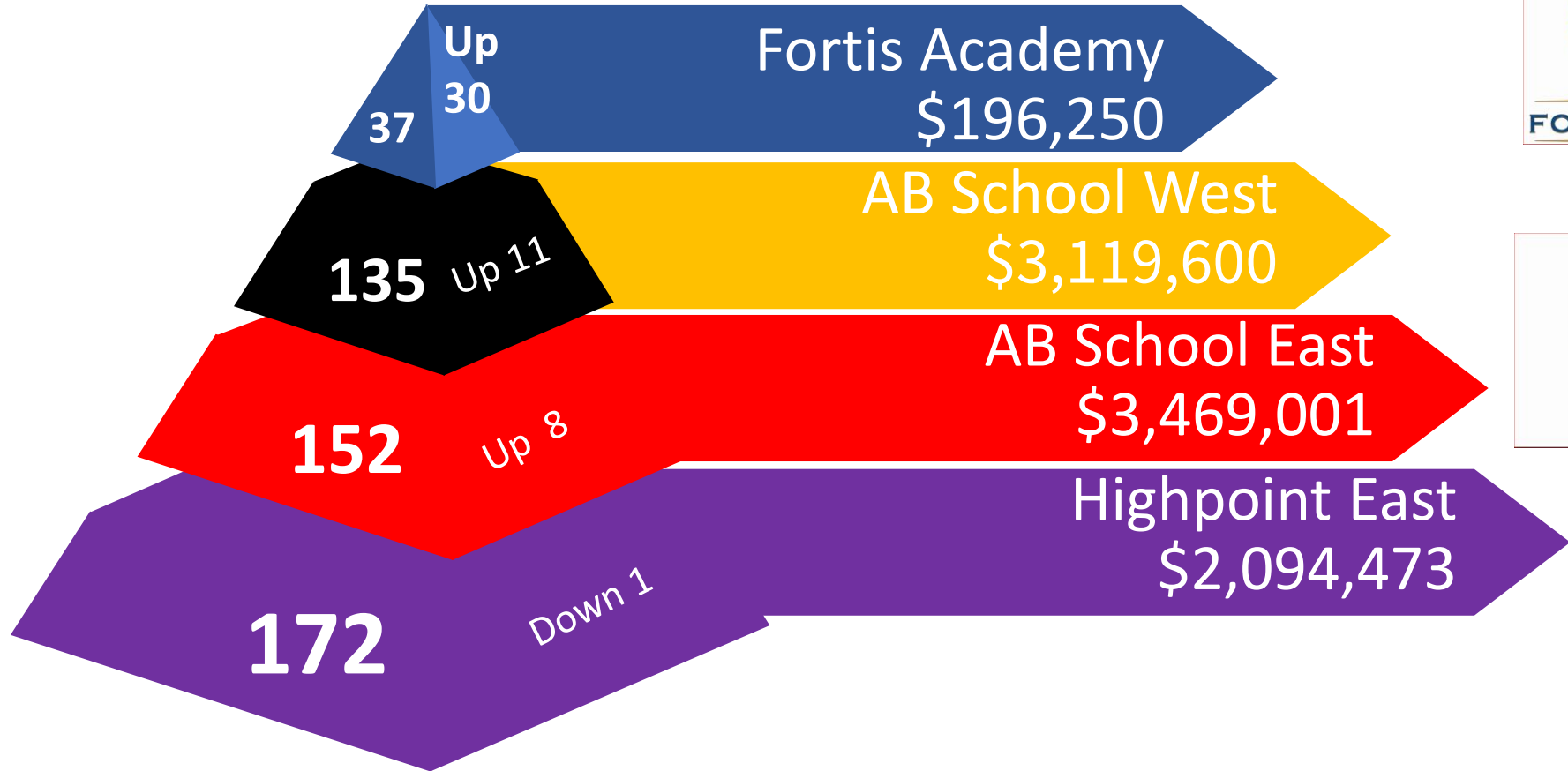
Rates have been fixed the last four years. 85% Performance Target.

# Special Schools Contracted Seats

## \$8,879,324

### 16% of general fund revenue

### FY 2019-2020



# Special Schools

## Rates

### FY 2019-2020

Rates have been fixed the last four years. For FY 20, rates are increasing by 1.5% for AB & HP. Fortis reduced for start up promotion. 75% to 85% Performance Target.

HP East  
In County



**\$10,049** /year

Competitor \$12,000

JJAEP  
District AEP

HP East  
Out of County



**\$11,064**/yr.

Competitor \$12,000

Fortis Academy  
In County



**\$6,250**/yr.

Competitors - \$20,000  
Archway  
Three Oaks

AB Schools  
Out of County



**\$23,853**/yr.

Competitors - \$30,000  
Avondale -

AB Schools  
In County



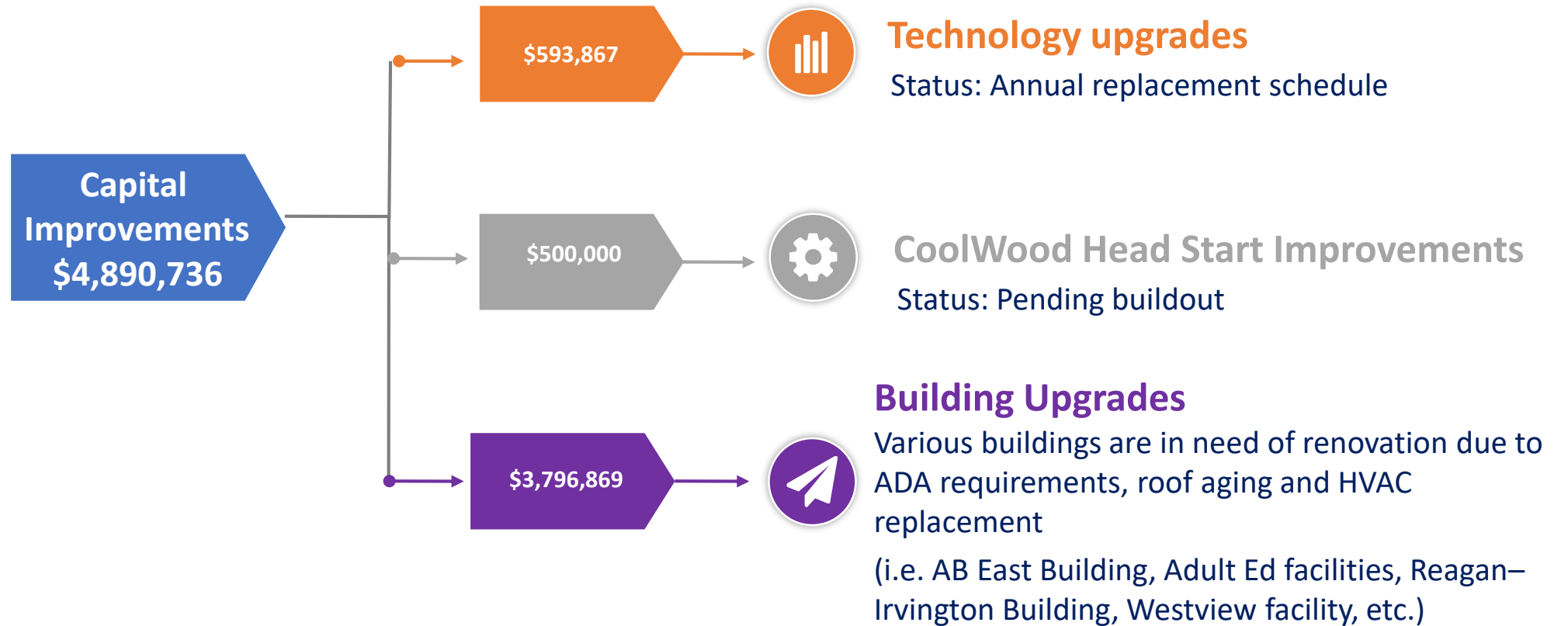
**\$20,605**/yr.

Competitors - \$30,000  
Avondale -



# Planned Use of Fund Balance for one time expenditures

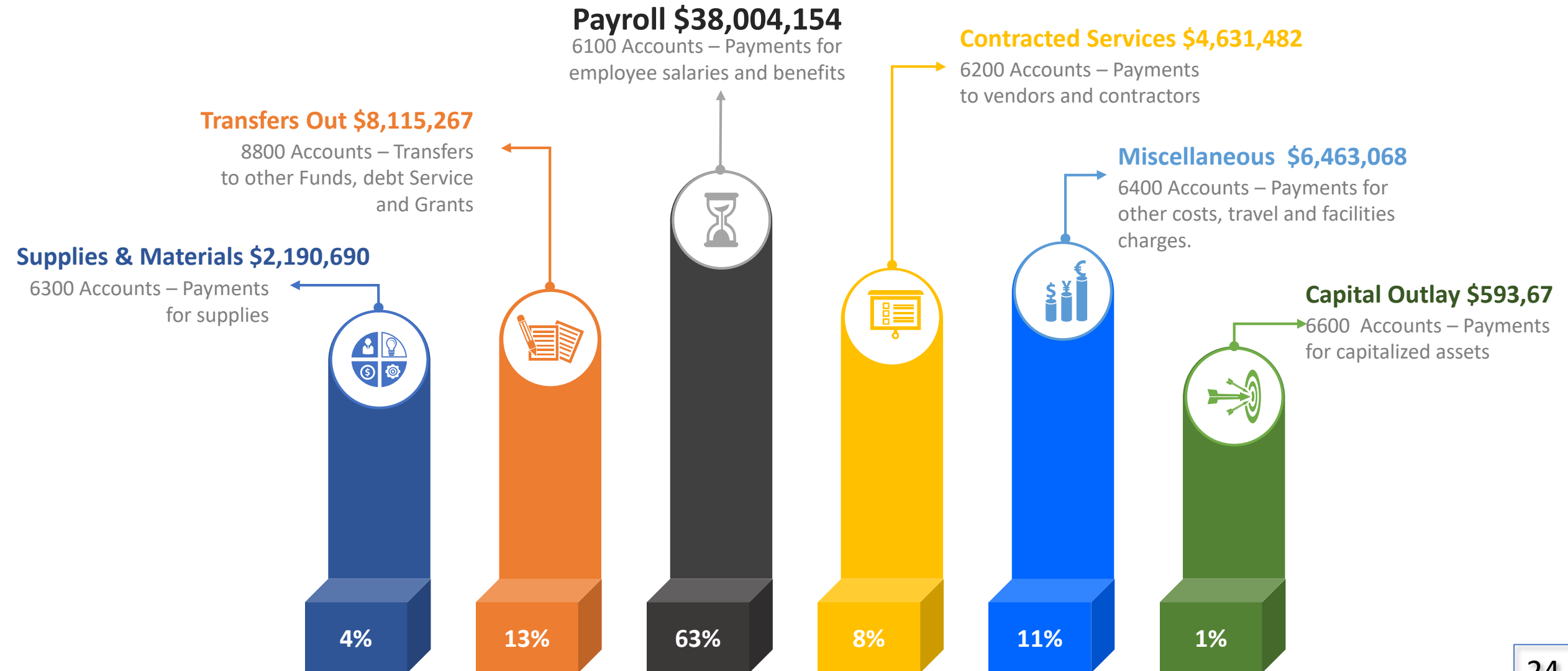
**FY 2019-2020**



# General Fund Expenditures

**\$59,998,528**

**FY 2019-2020**

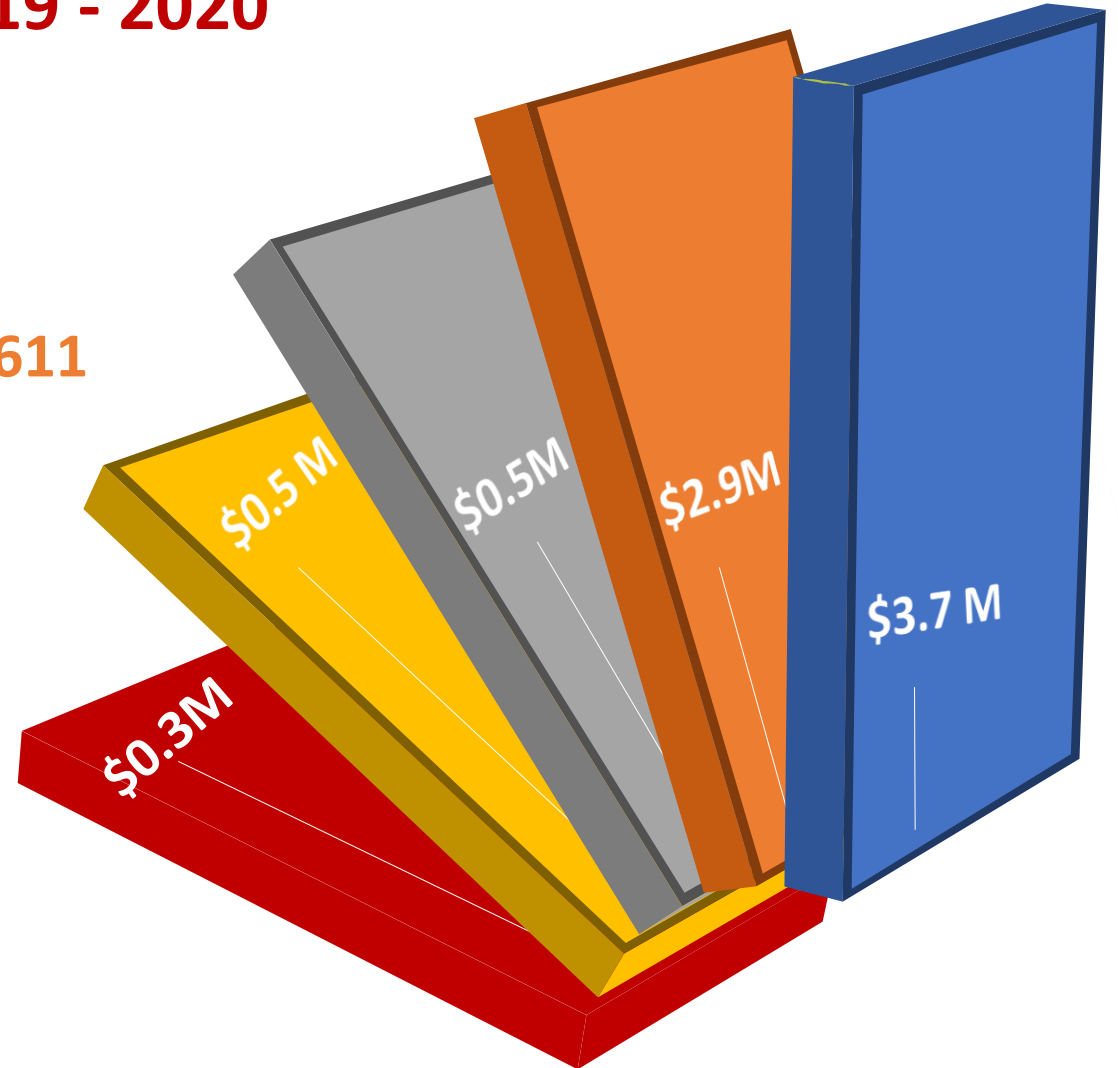


# Transfers Out to Other Funds

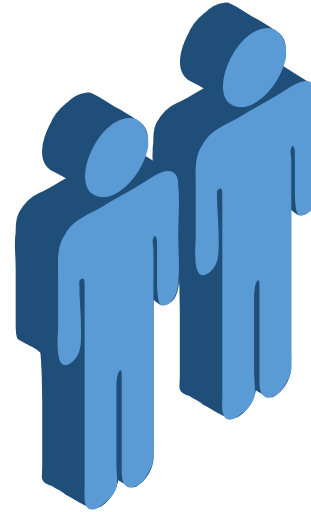
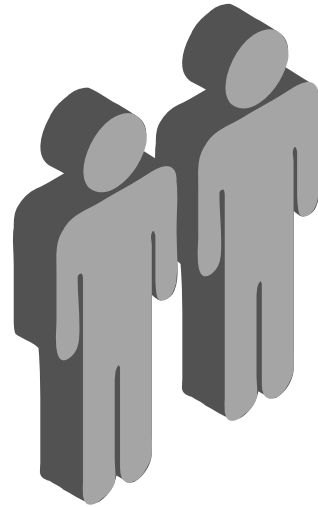
**\$8,115,267**

**FY 2019 - 2020**

- ✓ Capital Projects \$3,796,869
- ✓ Debt Service Fund – Bonds \$2,917,611
- ✓ CASE – Local Match \$550,787
- ✓ Head Start – Coolwood \$500,000
- ✓ Head Start – Operating \$350,000




# FY 2019-2020




## 9 New Positions

### Therapy

 Two occupational therapists to cover additional demand from ISDs. Budget Neutral.


### Technology

 Two help desk technicians from contracted to employees. Budget Neutral

### Records Management

 One Imaging clerk from contracted to employee. Budget Neutral.

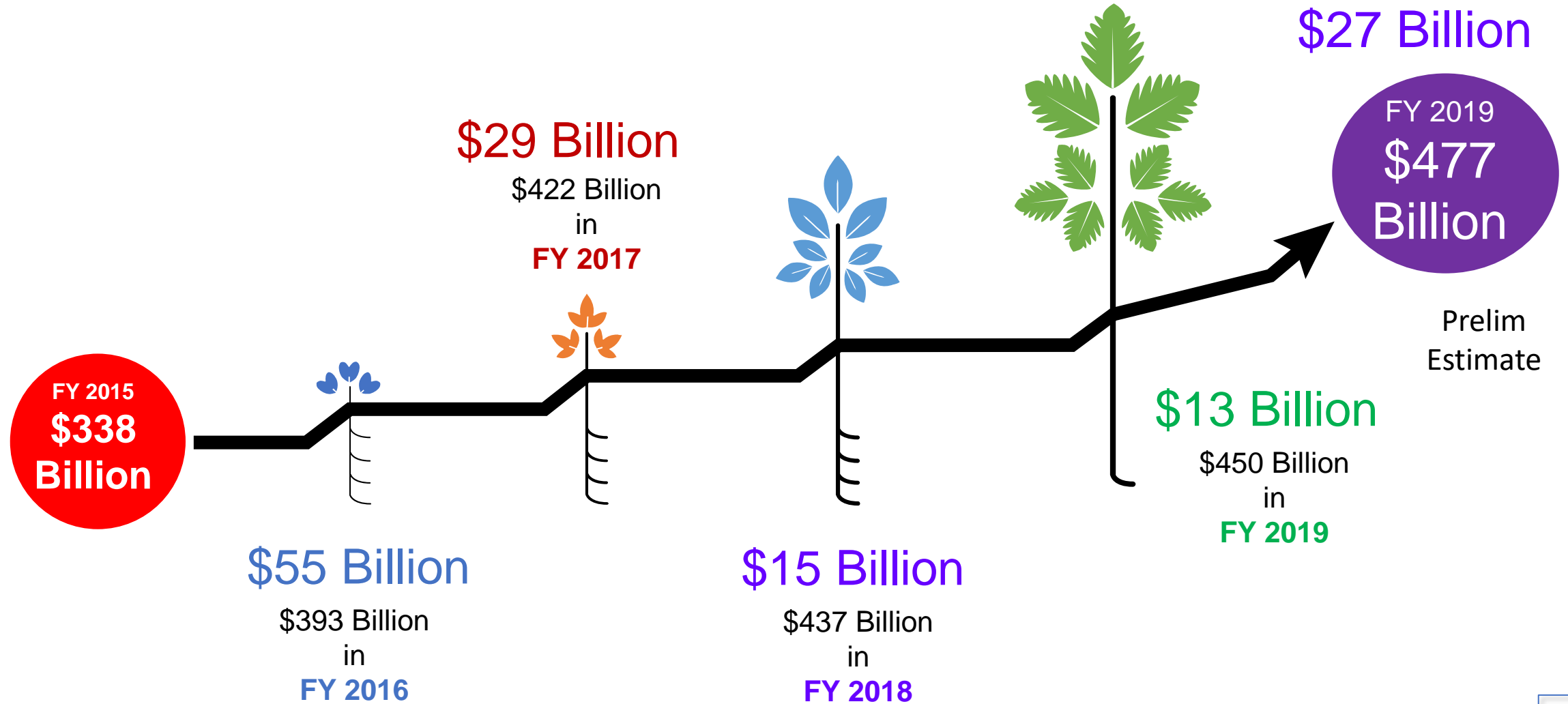
### Special Schools

 One Parent Liaison, one instructional coach, one teacher for Highpoint, and one bus driver. Funding from ISDs will fund these positions. Budget neutral.



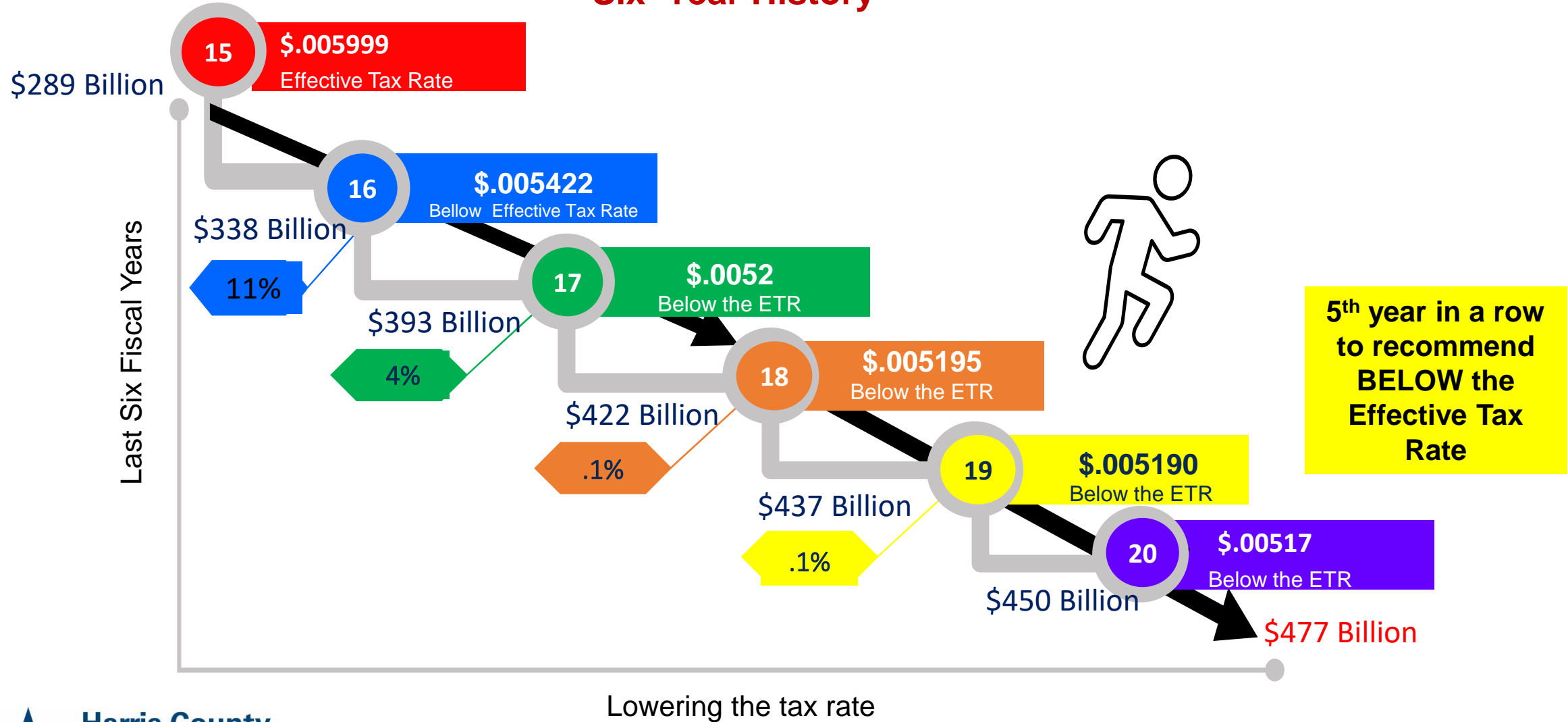
# Property Values Growth

Last Six Fiscal Years



# Property Tax Rate \$.01 Maximum

## Six Year History



# Estimated Tax Rate

Harris County Department of Education Comparative Analysis of Property Values				
	A	B	C	D
	Adopted	CURRENT March	If Proj at \$461 Bil BUDGET PRELIM	Actual Estimate Per HCAD
	ADOPTED TAX RATE	ADOPTED TAX RATE	Including NEW Improvements Estimated TAX RATE	Including NEW Improvements Estimated TAX RATE
Proposed Collections Tax Year 2018	0.005190	0.005190	0.005190	0.005170
Certified Taxable Value per HCAD *	\$ 412,526,038,722	\$ 448,050,463,110	\$ 426,609,240,021	\$ 426,609,240,021
Values under protest or not certified	37,168,447,726	1,011,894,807	34,802,332,739	34,802,332,739
	449,694,486,448	449,062,357,917	461,411,572,760	461,411,572,760
/ Rate per Taxable \$100	4,496,944,864	4,490,623,579	4,614,115,728	4,614,115,728
X Tax Rate	23,339,144 99.88%	23,306,336	23,947,261	23,854,978
X Estimated collection rate	23,311,137	23,278,369	23,707,788	23,616,429
	23,311,137	23,278,369	\$ 23,707,788	\$ 23,616,429
+Delinquent Tax Collections	-	-	-	-
+Special Assessments	15,000	15,000	15,000	15,000
+ Penalty & Interest	150,000	150,000	150,000	150,000
Estimated Current Tax Available for Operations:	\$ 23,476,137	\$ 23,443,369	\$ 23,872,788	\$ 23,781,429

**TAX YEAR 2018 COLLECTION SUMMARY**  
**As of April 30, 2019**

DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
<b>REVENUES:</b>					
Current Tax	\$ 23,310,040	\$ 176,114	\$ 22,635,594	\$ 674,446	97.1%
Delinquent Tax	150,000	(5,313)	(55,609)	205,609	-37%
Penalty & Interest	-	19,204	125,457	(125,457)	0%
Special Assessments and	15,000	1,361	11,258	3,742	75%
<b>Subtotal Revenues:</b>	<b>\$ 23,475,040</b>	<b>\$ 191,367</b>	<b>\$ 22,716,700</b>	<b>\$ 758,340</b>	<b>96.8%</b>
<b>EXPENDITURES:</b>					
LESS: HCAD Fees	\$ 180,000.00	\$ -	\$ 127,380.00	\$ 52,620.00	71%
LESS: HCTO Fees	475,000	-	458,226	16,774	96%
<b>Subtotal Expenditures:</b>	<b>\$ 655,000</b>	<b>\$ -</b>	<b>\$ 585,606</b>	<b>\$ 69,394</b>	<b>89%</b>
<b>Net Tax Collections:</b>	<b>\$ 22,820,040</b>	<b>\$ 191,367</b>	<b>\$ 22,131,094</b>	<b>\$ 688,946</b>	<b>97.0%</b>

# Total Grants \$40.4 M

FY 2019-2020



## Head Start

Federal Grant –  
Health & Human  
Services

Federal Grant –  
Incl. Matching

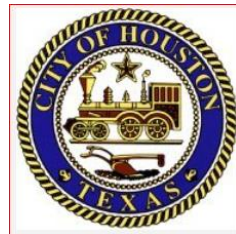
**\$22,118,713**

## Early Head Start

Federal Grant –  
Health & Human  
Services

Federal Grant –Incl.  
Matching

**\$3,025,301**



## Local Grants

**\$167,174**

## CASE

21 Century Grant-  
US Dept. of ED.

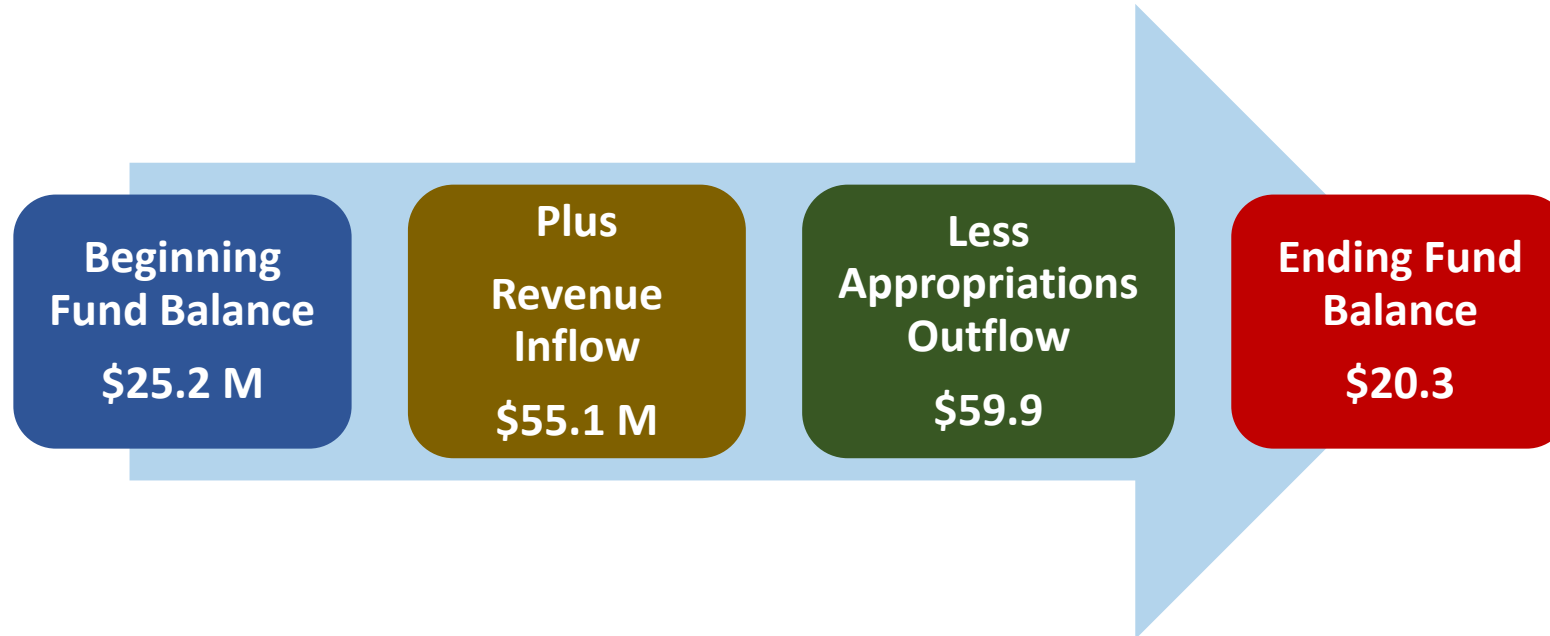
Workforce  
Development –  
HGAC, COH,  
Houston

Endowment

Federal Grant  
**\$7,294,294**

# Fund Balance Activity

FY 2019 - 2020



**\$4.890 Net Use of Projected Fund Balance**

This is the net effect on fund balance based on planned capital expenditures that are a one time use of fund balance.

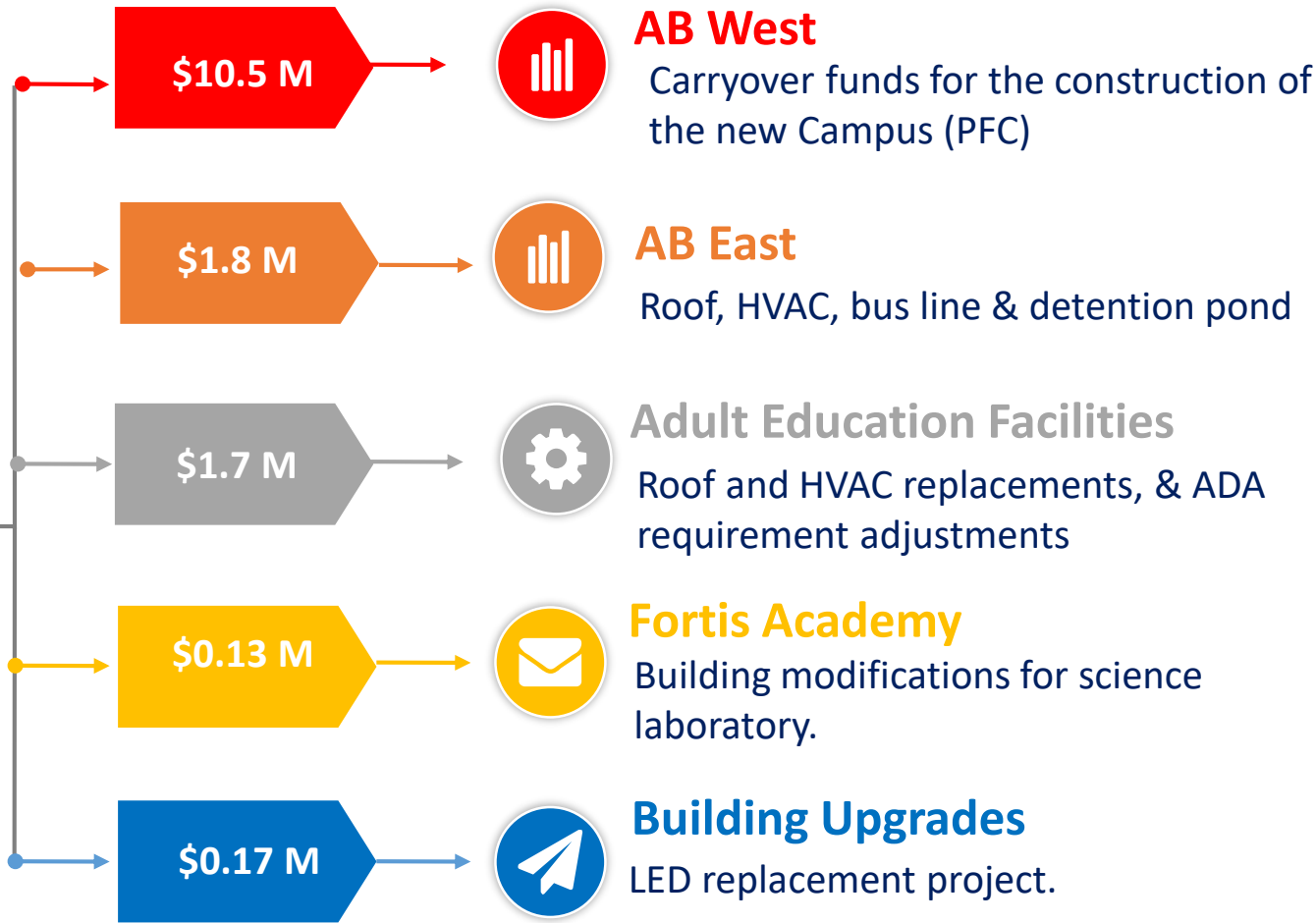
\* (Included in \$59.9 M total)

# Capital Project Funds

## FY 2019-2020



Capital Improvements  
\$14.6M



# Estimated Fund Balance

## \$20,384,139

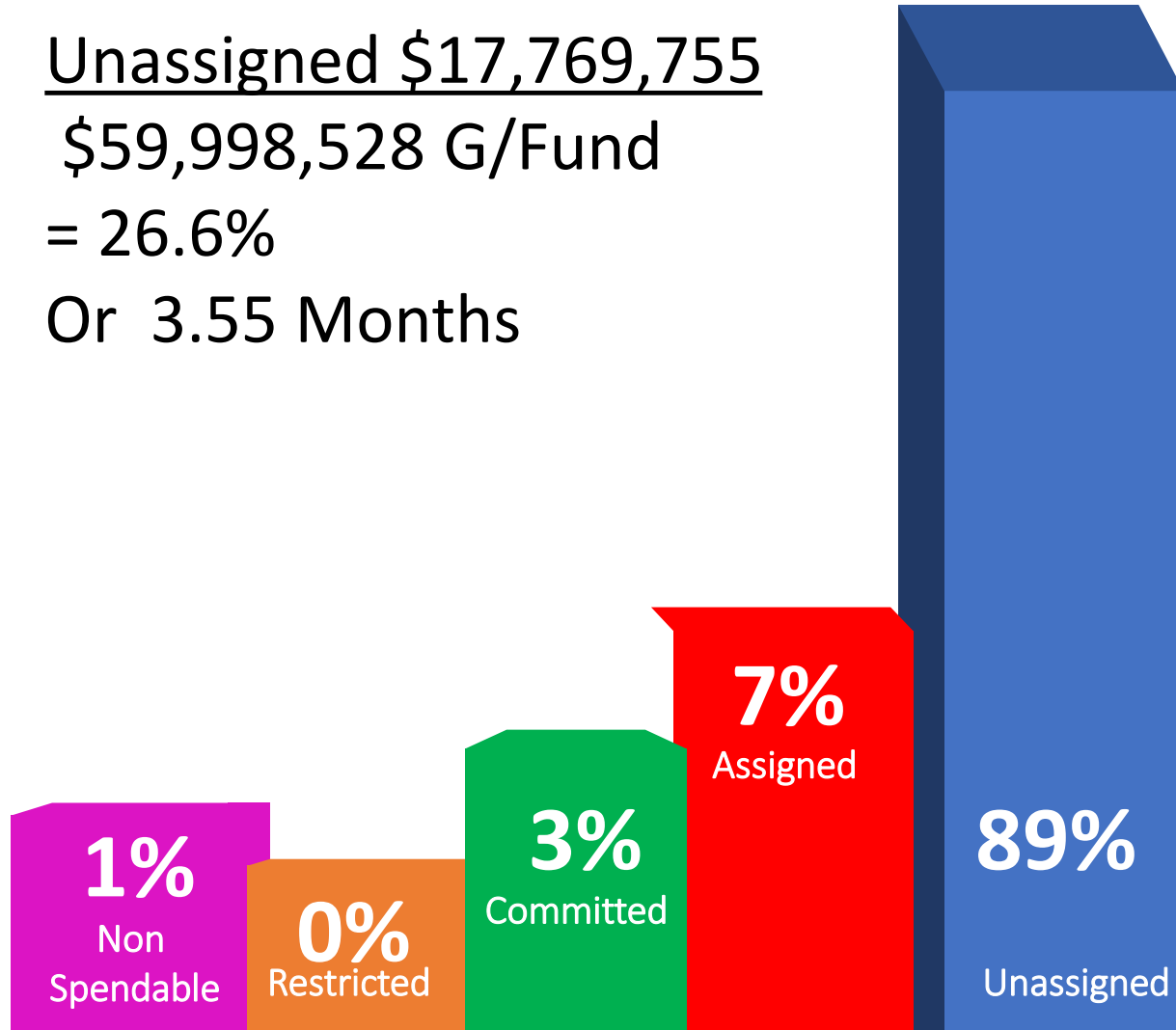
### FY 2019-2020

Unassigned \$17,769,755

\$59,998,528 G/Fund

= 26.6%

Or 3.55 Months



**Non Spendable \$125,000**

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



**Restricted \$0**

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



**Committed \$550,000**

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



**Assigned \$1,939,384**

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



**Unassigned \$17,769,755**

Includes amounts available for any legal purpose.



## Next Steps

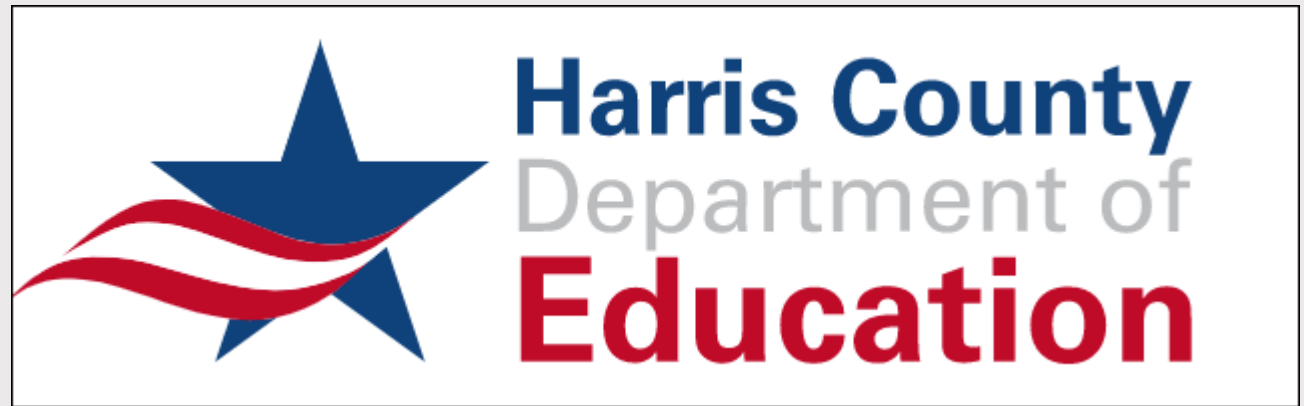


# Harris County Department of **Education**

- Required Posting –Houston Chronicle – 10 days prior to board meeting
- Board Workshop – July 17, 2019

### **Target Budget Approval Date July 17, 2019**

- Target Date - Certified Value – August 2, 2019
- Beginning New Fiscal Year September 1, 2019
- Target Date - Tax Date Approval Date – September 18, 2019



# Employee Pay Systems Review 2018-19

Cindy Clegg, TASB Consultant

June 2019



*This information is provided for educational purposes only to facilitate a general understanding of the law or other regulatory matter. This information is neither an exhaustive treatment on the subject nor is this intended to substitute for the advice of an attorney or other professional advisor. Consult with your attorney or professional advisor to apply these principles to specific fact situations*



# Background

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- TASB has worked with HCDE since 2002 to maintain competitive pay practices.
- Employee pay and HCDE pay structures compared to market benchmarks.
- Proposed adjustments and cost estimates based on a snapshot of 807 employees as of January, 2019.
- Reviewed with HCDE leaders in March.



# HCDE Market Data Sources

District	Enrollment
Aldine ISD	70,434
Alief ISD	47,015
Alvin ISD	22,030
Clear Creek ISD	41,500
Cypress-Fairbanks ISD	113,689
Deer Park ISD	13,142
Fort Bend ISD	72,412
Galena Park ISD	22,509
Goose Creek CISD	23,612
Houston ISD	210,987
Humble ISD	40,431
Klein ISD	57,000
La Porte ISD	7,755
Pasadena ISD	55,577
Pearland ISD	21,000
Spring Branch ISD	35,100
Spring ISD	36,438

Other Data Sources:

2 Houston third party salary surveys



# Current Market Conditions

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- Market districts budgeted for pay increases of 2.0% for 2018-19.
- April poll predicted average pay increase of 2.5% for 2019-20.
- Effects of HB3 uncertain for several months.
- Annual inflation rate for Houston was 1.8% as of April.



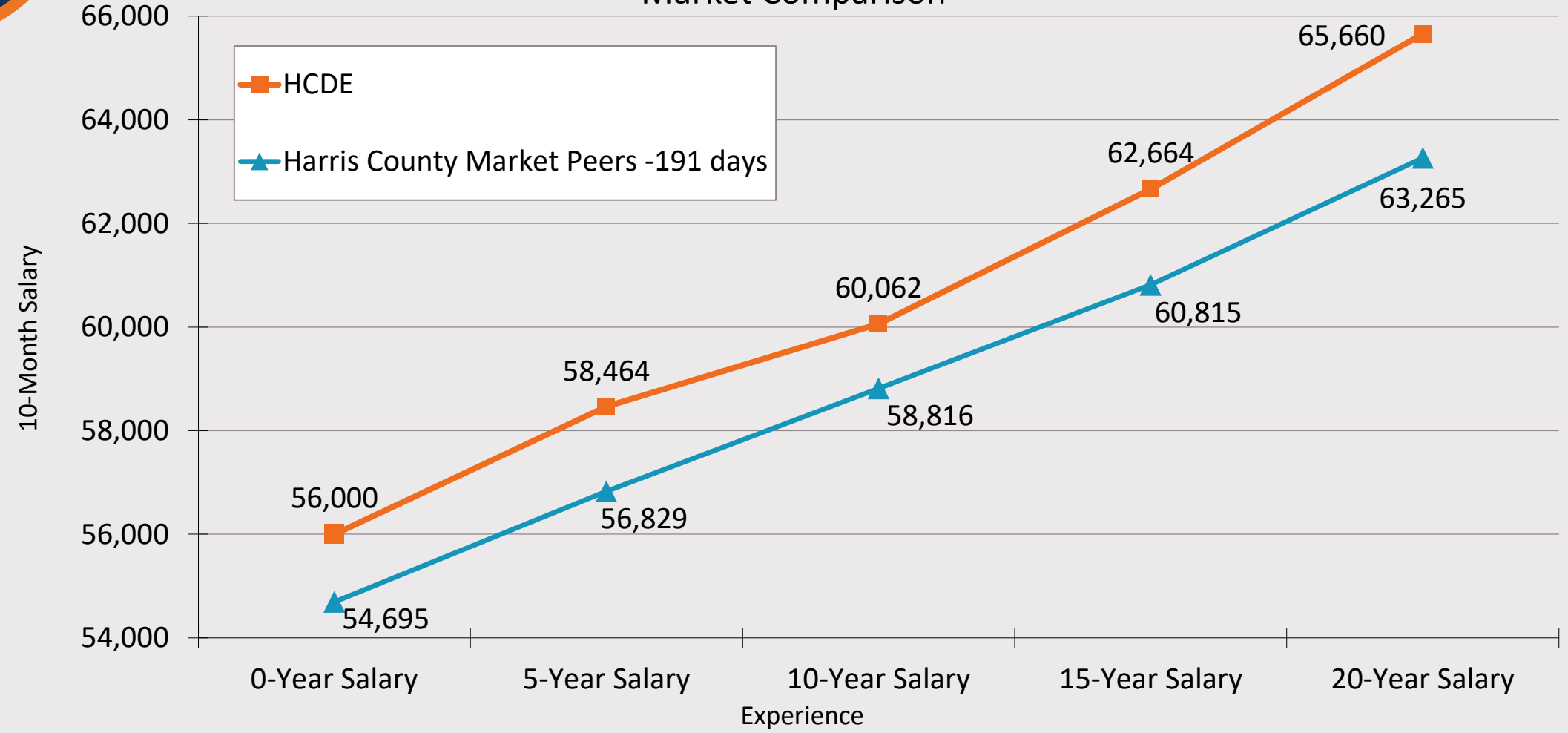
# HCDE Current Market Positions

Pay Group	Number of Positions Benchmarked	Overall Market Position 2019
Teachers	1	107%
Professional Support	6	102%
Administrators	27	103%
Technology	12	105%
Administrative Support	9	109%
Instruction Support	6	112%
Operations Support	6	112%



# Teachers – Market Salaries

Teacher Salary Plan, 2018-2019  
Market Comparison





# HCDE Health Benefits

Employee Only Health Coverage	Annual Health Insurance Contribution	Employee Contribution Required *
HCDE – TRS 1-HD	\$3,026	\$1,378
Region 4 Districts	\$3,324	\$1,200

\* Of 20 responding districts, only 3 pay the full cost of employee health insurance.





# Recommendations

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- Adjust all pay ranges for market inflation and give a general pay increase.
  - 3% of each range midpoint is modeled.
  - Teacher pay raise would be \$1,800.
  - Teacher starting salary would be \$57,000 (leading in Harris County).
- Increase the bilingual teacher stipend to \$4,200 for potential future hires.



# Recommendations

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- Make strategic adjustments to pay range structures for Technology, Instruction Support, and Operations Support.
  - Improve range capacity for network analysts.
- Improve pay range and incumbent pay for degreed/certified Head Start teachers
  - Added market adjustment of \$1.50 to increase average wage to \$23.15 (market is \$23.08).



# Recommendations

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- Raise minimum wage from \$10.38 to \$12.00 for Operations Support.
  - Add in-range adjustments for experience.



# Estimated Costs

<b>3% General Pay Increase Model</b>			
<b>Pay Group</b>	<b>General Pay Increase</b>	<b>Adjustments</b>	<b>Estimated Total Increase</b>
Certified Instructional Staff	\$126,592	\$0	\$126,592
Administrative	\$458,031	\$0	\$458,031
Professional Support	\$256,421	\$709	\$257,130
Technology	\$57,850	\$0	\$57,850
Administrative Support	\$86,181	\$0	\$86,181
Instructional Support	\$179,835	\$163,984	\$343,819
Operations Support	\$72,083	\$19,190	\$91,273
<b>Total</b>	<b>\$1,236,993</b>	<b>\$183,883</b>	<b>\$1,420,876</b>
<b>% of Current Costs</b>	<b>3.0%</b>	<b>0.4%</b>	<b>3.5%</b>

\* \$472,571 of the total cost is for Head Start and Adult Education

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HCDE's use of resources –  
A business model to leverage \$1 of local tax into \$4.86



By Dr. Jesus Amezcua

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## HCDE Legal Requirements, Mission & Goals



Applicable sections of TEC former Ch. 17 and Ch. 18 require that the Department utilize the revenues from the tax rate for the equalization of educational opportunities in Harris County and for the payment of administration expense



Mission: **Harris County Department of Education supports Harris County by enriching educational opportunities and providing value through services.**



To this end, the Board of Trustees adopted five goals for the Department:

**Goal 1:** Impact education by responding to the evolving needs of Harris County

**Goal 2:** Deliver value to Harris County by utilizing resources in an ethical, transparent, and



fiscally responsible manner

**Goal 3:** Advocate for all learners by using innovative methods to maximize students'



potential.

**Goal 4:** Provide cost-savings to school districts by leveraging tax dollars

**Goal 5:** Recruit and maintain a high-quality professional staff

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## TYPES OF PROGRAMS

### HOW

**TYPE A** - Providing various services to ISDs at reduced rates to save them time and money

SPECIAL SCHOOLS; SCHOLASTIC ART PROGRAMS; SCHOOL BASED THERAPY SERVICES; TEACHING AND LEARNING CENTER; CENTER FOR SAFE & SECURE SCHOOLS; EDUCATOR CERTIFICATION

**TYPE B** - Infrastructure support systems to leverage grant funding  
CASE FOR KIDS; EARLY HEAD START AND HEAD START PROGRAMS;  
ADULT EDUCATION –GED PROGRAMS

**TYPE C** - Reduce costs and pass on savings

RECORDS MANAGEMENT AND CHOICE PARTNERS COOPERATIVE PROGRAMS



4

**TYPE A -**  
Providing  
various  
services to ISDs  
at reduced  
rates to save  
them time and  
money

SPECIAL SCHOOLS at 70 to 85%	Targeted
SCHOLASTIC ART PROGRAMS at 60 to 70%	Targeted
SCHOOL BASED THERAPY SERVICES at 80 to 90%	Targeted
TEACHING AND LEARNING CENTER at 70 to 85%	Targeted
CENTER FOR SAFE & SECURE SCHOOLS at 60% to 85%	Targeted
EDUCATOR CERTIFICATION at 70 to 85%	Targeted

Self-sustaining levels. The difference is projected to be paid through other resources, including excess enterprise activities, indirect costs and/or tax revenues.

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# **TYPE B -** Infrastructure support systems to leverage grant funding

AFTER-SCHOOL PROGRAMS – Local Match to leverage \$550K

EARLY HEAD START AND HEAD START PROGRAMS – Local Match and additional support

ADULT EDUCATION–GED PROGRAMS – Local support to leverage \$4M

Support includes Business Services, Human Resources, Communications, Technology and Facilities

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## TYPE C - Reduce costs and pass on savings

- ▶ RECORDS MANAGEMENT PROGRAM Targeted  
at 5% to 10% excess
- ▶ Similar to a shared service arrangement
- ▶ Cost of providing services to ISDs and cost of facilities
- ▶ By adding other local governments, the cost of charges allocation is lower and reduces overhead to ISDs and HCDE

## TYPE C - Reduce costs and pass on savings

► CHOICE PARTNERS PURCHASING COOP Targeted  
at 45% Excess

Individual

margin of 15% to 25%

### PROCESS

1. Legal, competitive procurement of vendors – RFP – Board-approved contracts
2. Members join Coop through interlocal agreements
3. Members of Coop – use contracts and benefit from economies of scale and contract pricing as well as save time and resources by not procuring themselves
4. Vendors pay administrative participation fee on contracts

As the  
business  
model is  
determined,  
HCDE  
develops a  
budget  
calendar

- The calendar includes:
  1. review of programs,
  2. SWOT analysis,
  3. developing an operations plan that includes goals and objectives, funding plans and application and evaluation of sustainability and performance ratios

# Board Policy on Budget requirements CE (Legal) and (Local)

## Strategies

1. Balanced Budget
2. Utilize all resources by maximizing outside resources while utilizing efficient local tax support through the use of effective tax rate
3. Implement monitoring tools, risk assessments, accountability systems and interim and year end financial reporting

## Key points

- Local tax base is used to leverage and bring \$4.86 to ISDs for every \$1 of local taxes
- Be efficient, accountable and prudent
- Utilize sound business practices to deliver services needed and requested by ISDs