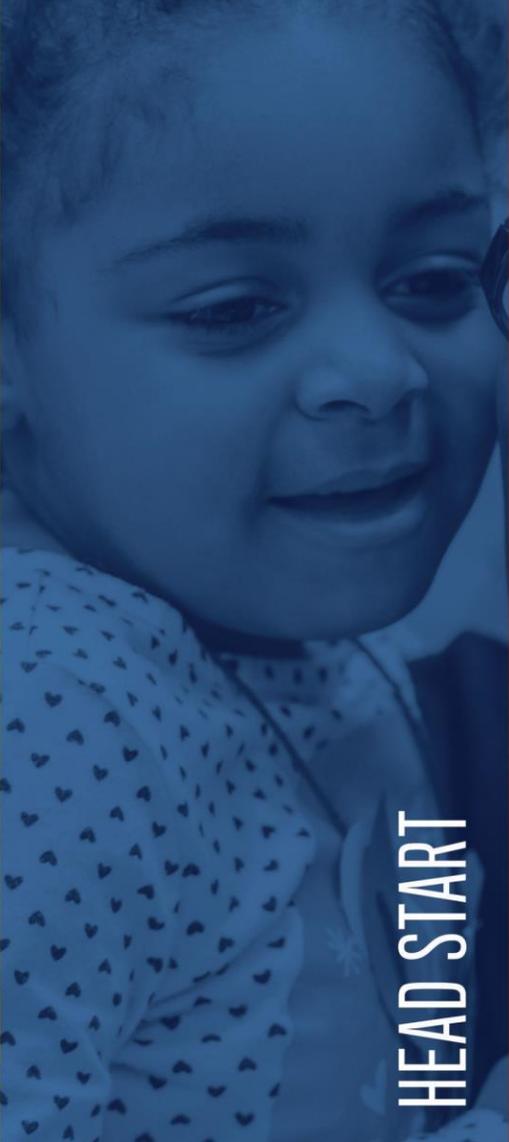




ADULT EDUCATION



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.

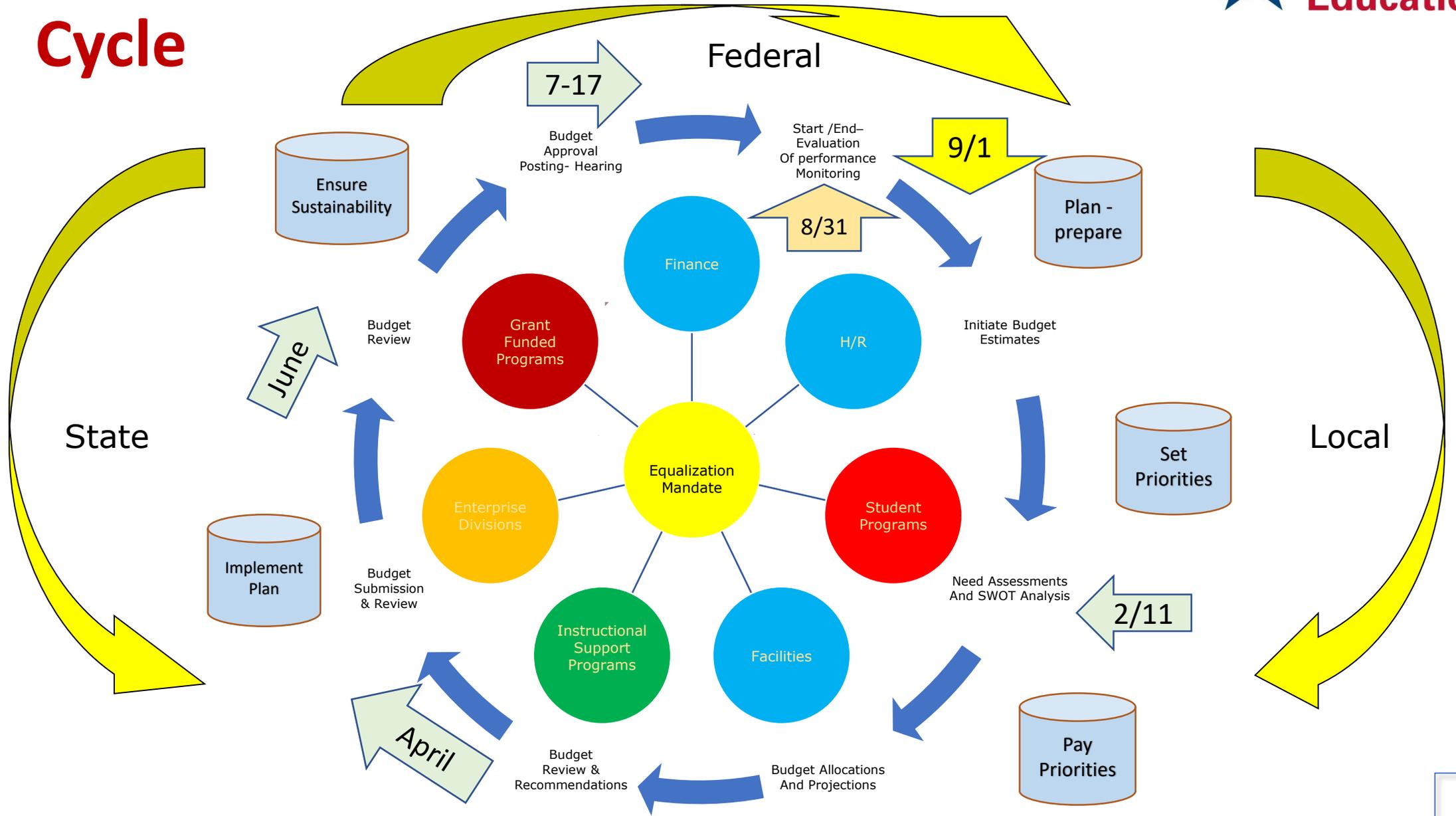
Goal 4:

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

Goal 5:

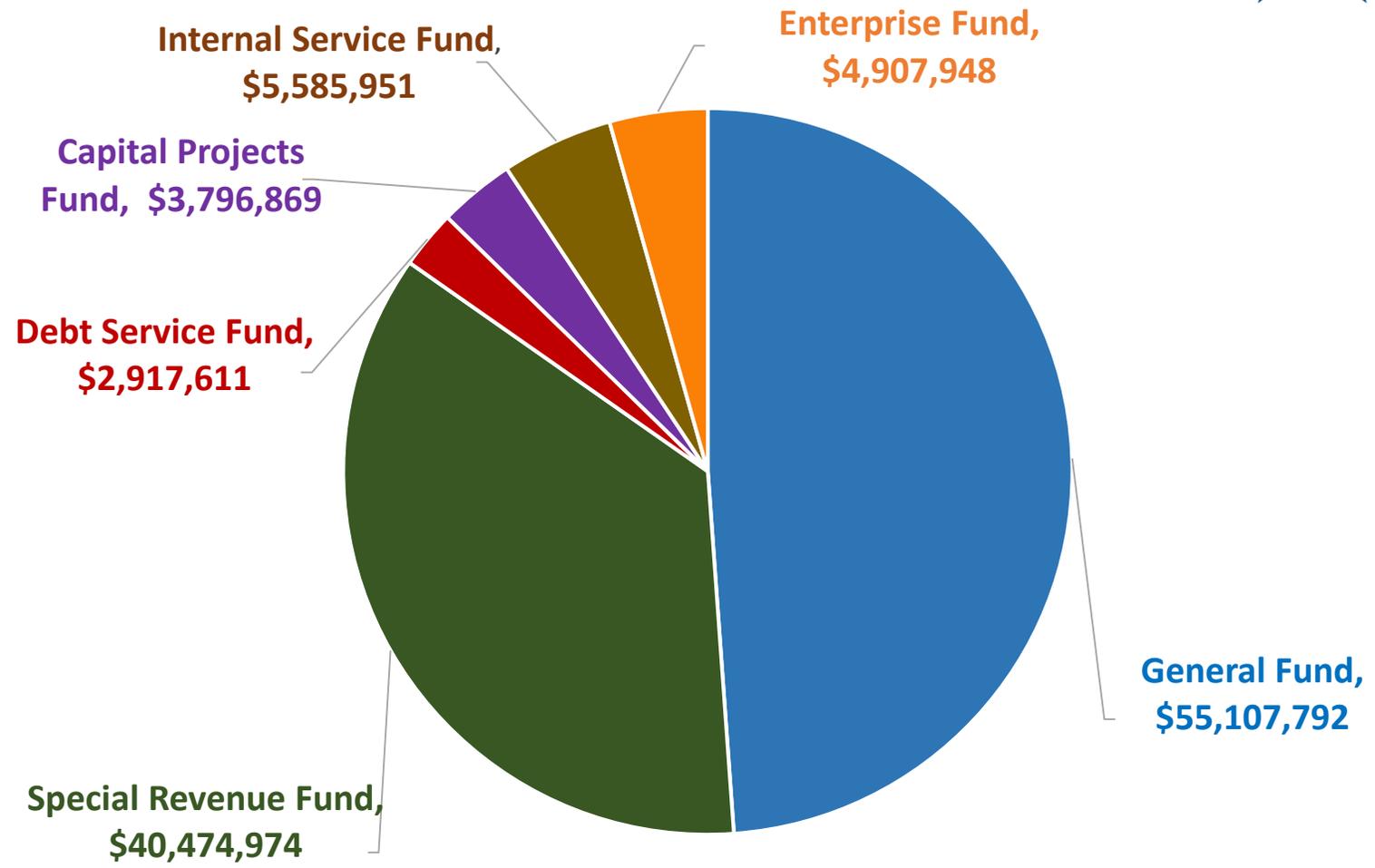
- Recruit and maintain a high-quality professional staff

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.

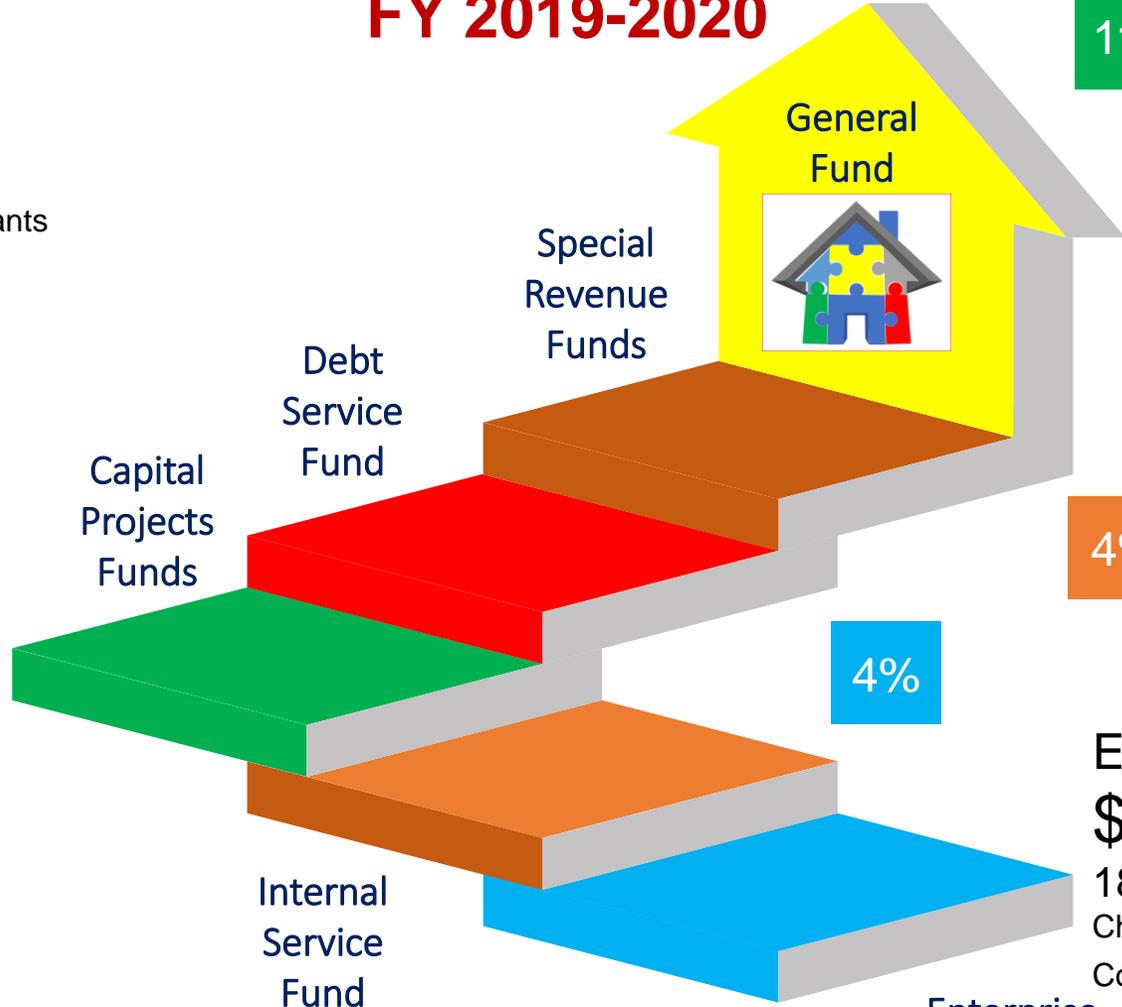


11%

Special Revenue Fund Grants
\$40.4 M - 389.32 FTE



32%



Internal Service Fund - Facilities
\$5.6 M 49 Total FTE



4%

Debt Service Fund - Bonds
\$2.9 M - 0 FTE



2%

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

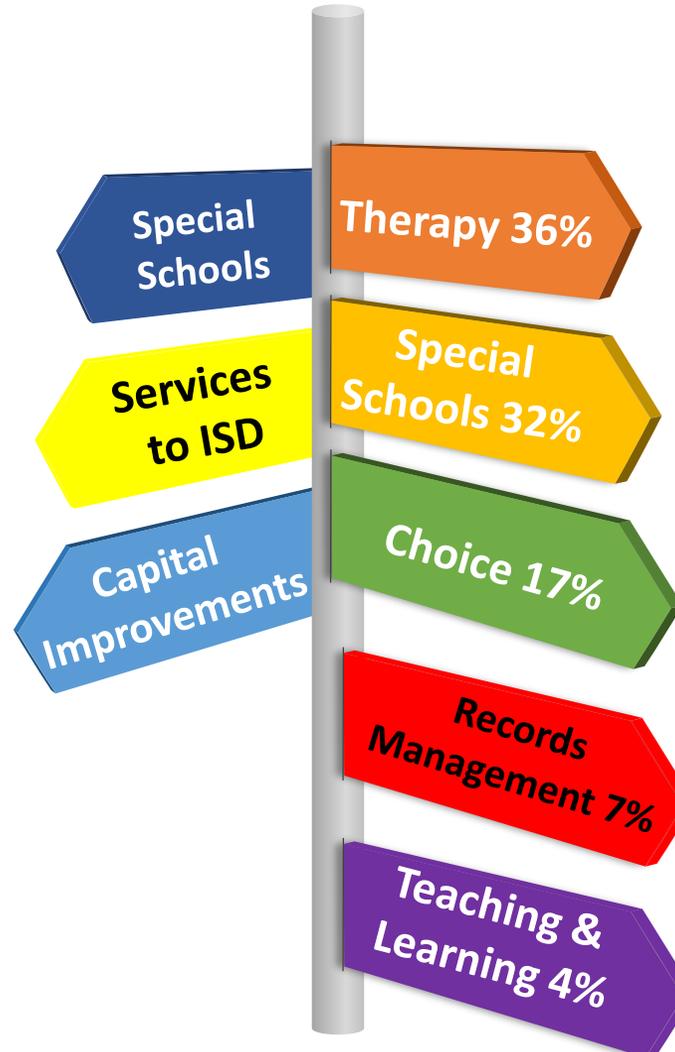


Special Schools
Provide Students with Special Schools
Personnel 4

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

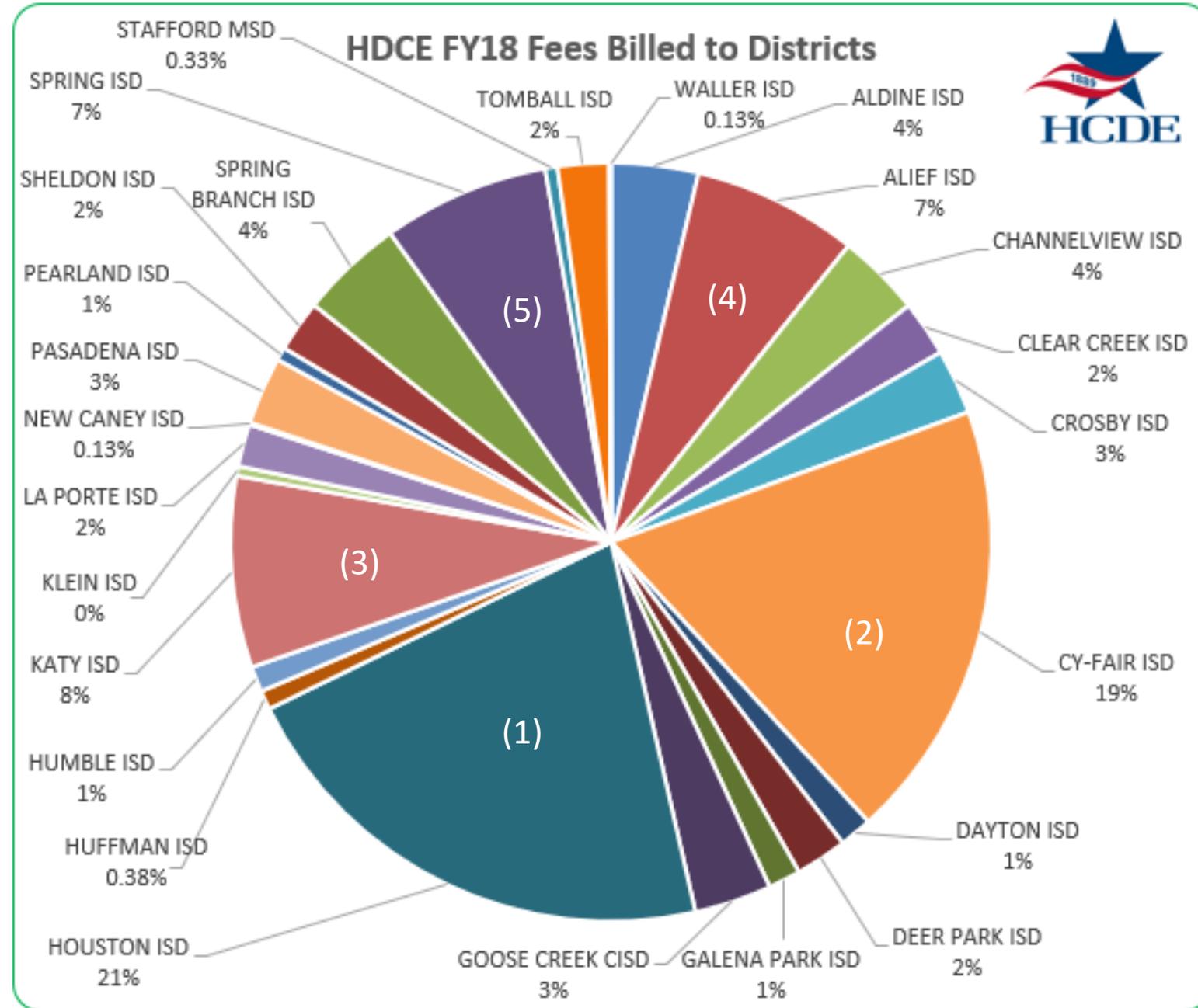
Transfer in from Choice Partners Coop

\$2,375,224

14%

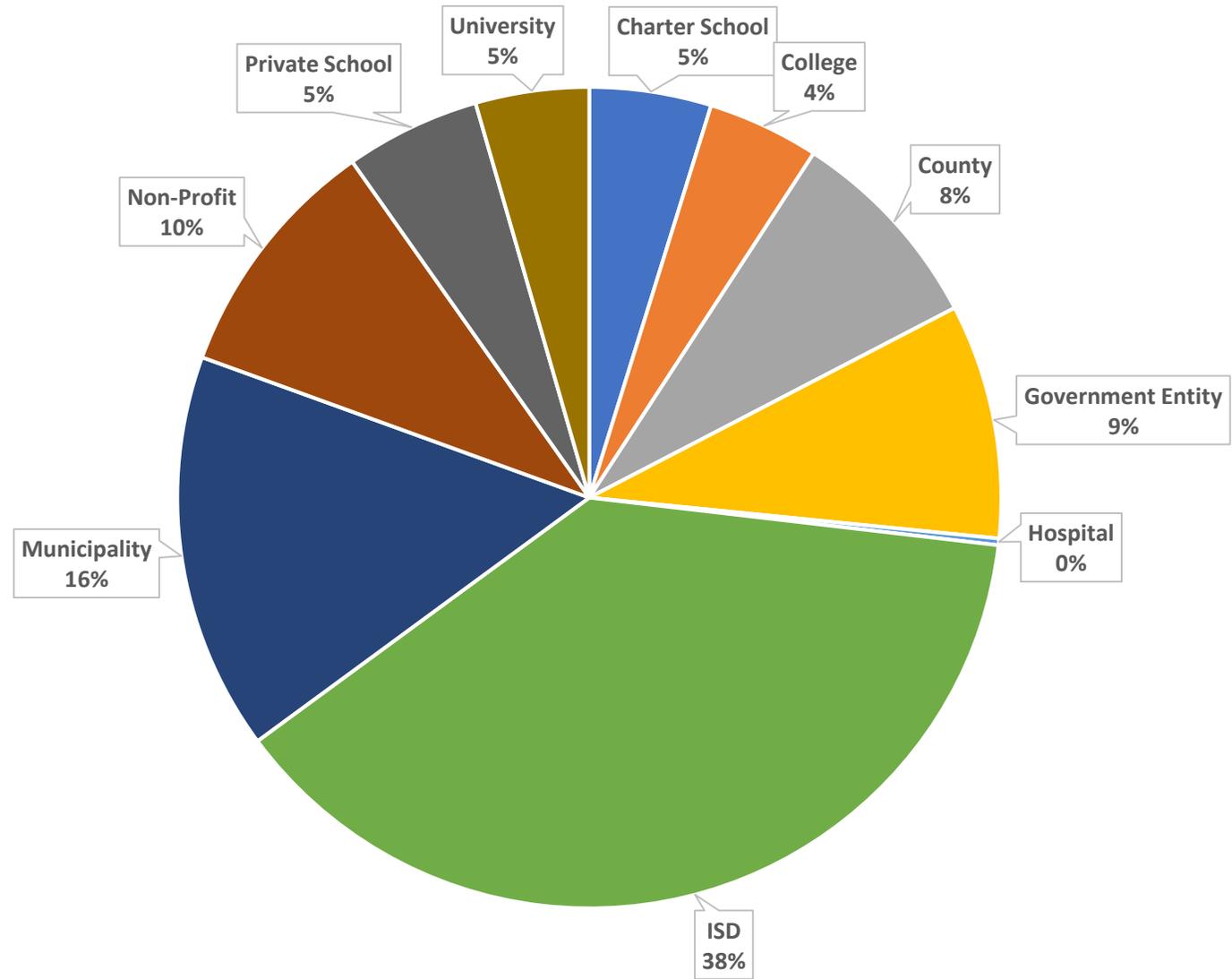


Client Fees (INFLOWS)



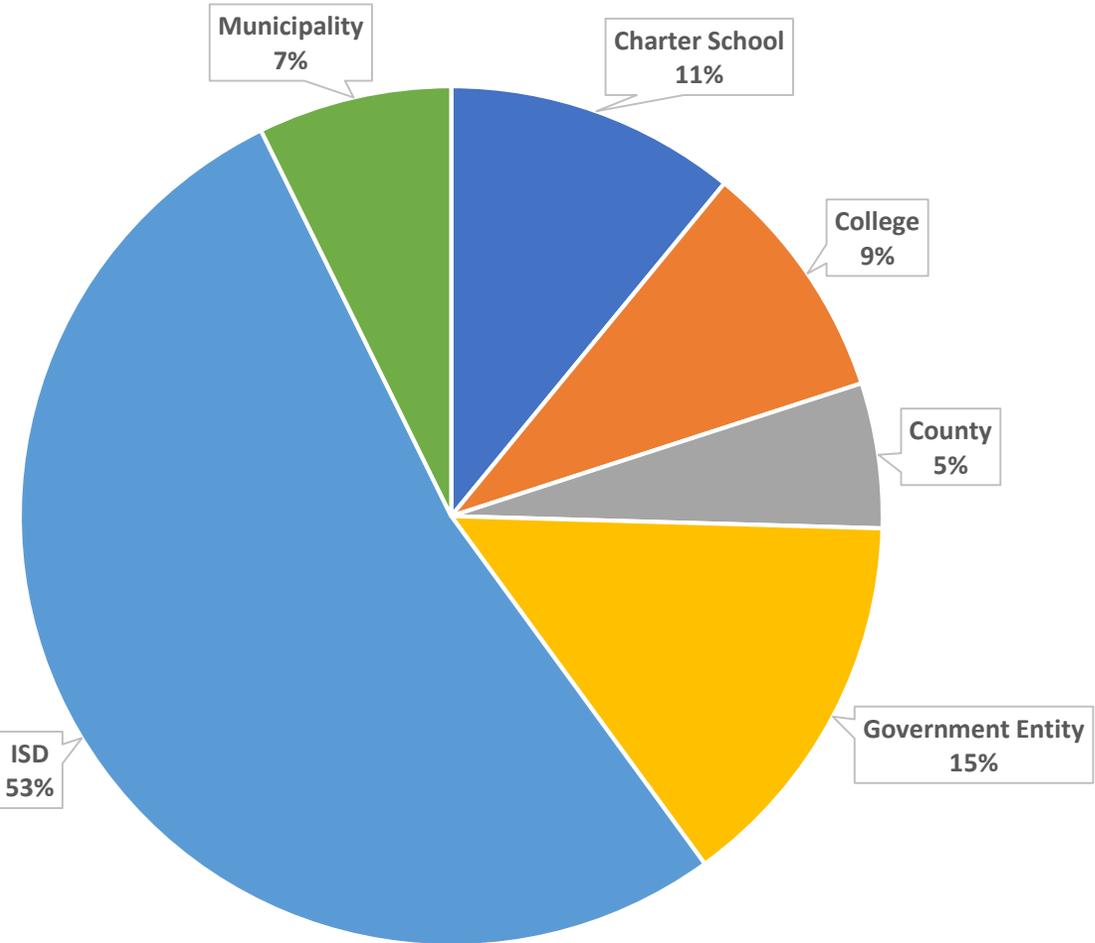
Includes fees from:
General Fund & Choice

Choice Partners Cooperative Membership



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

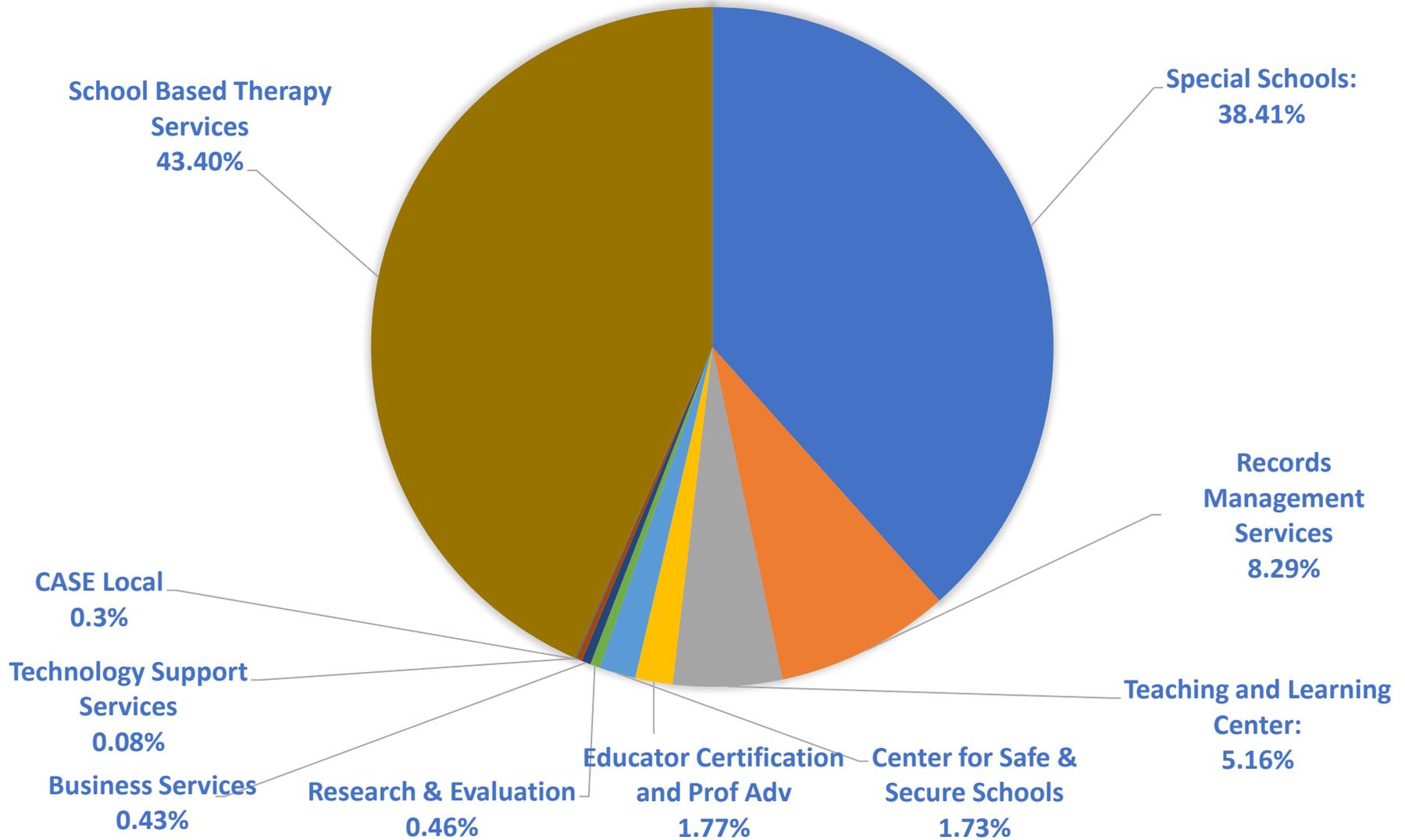
Records Management Membership

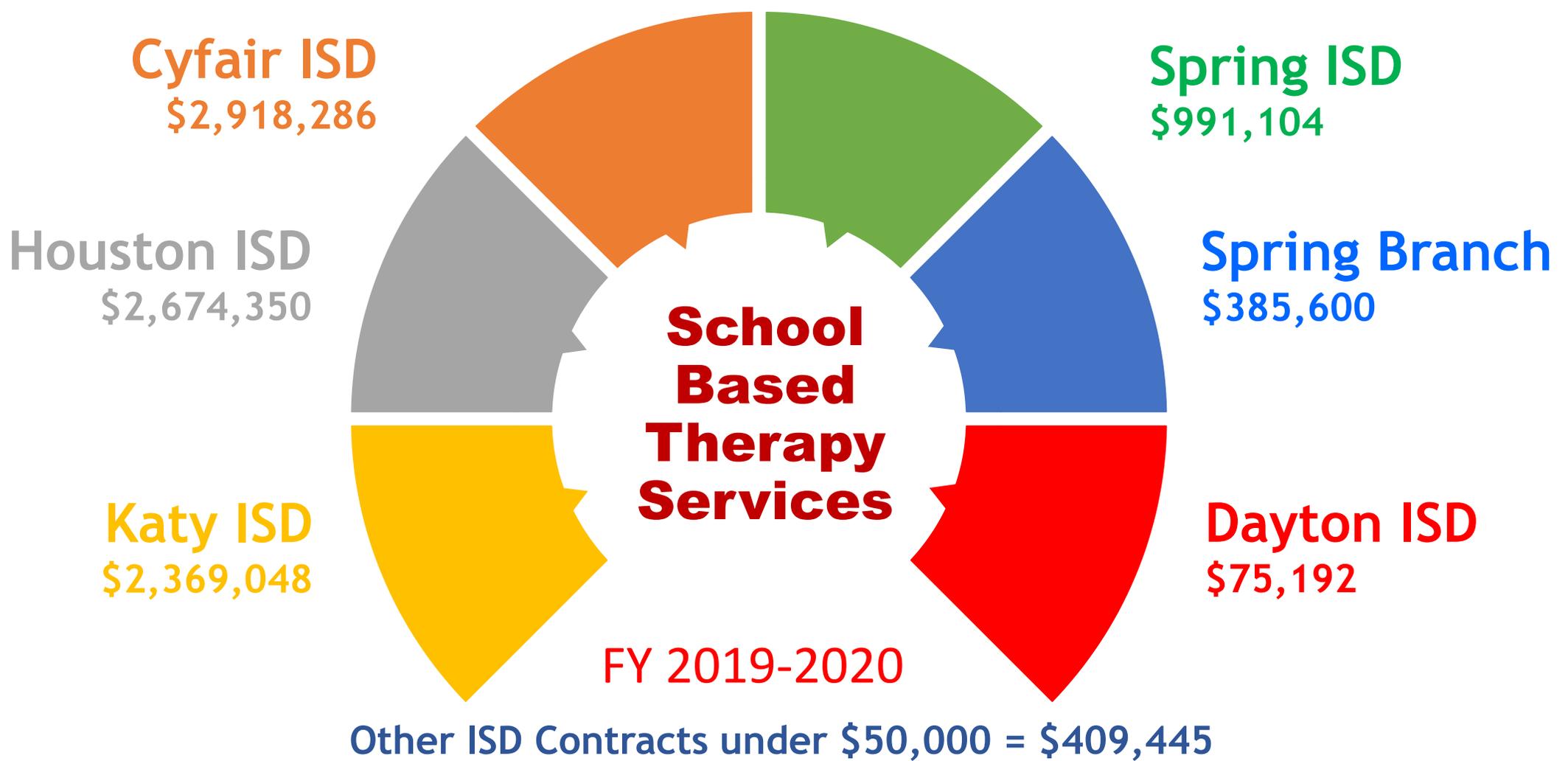


■ Charter School ■ College ■ County ■ Government Entity ■ ISD ■ Municipality ■ ■ ■ ■



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





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
--

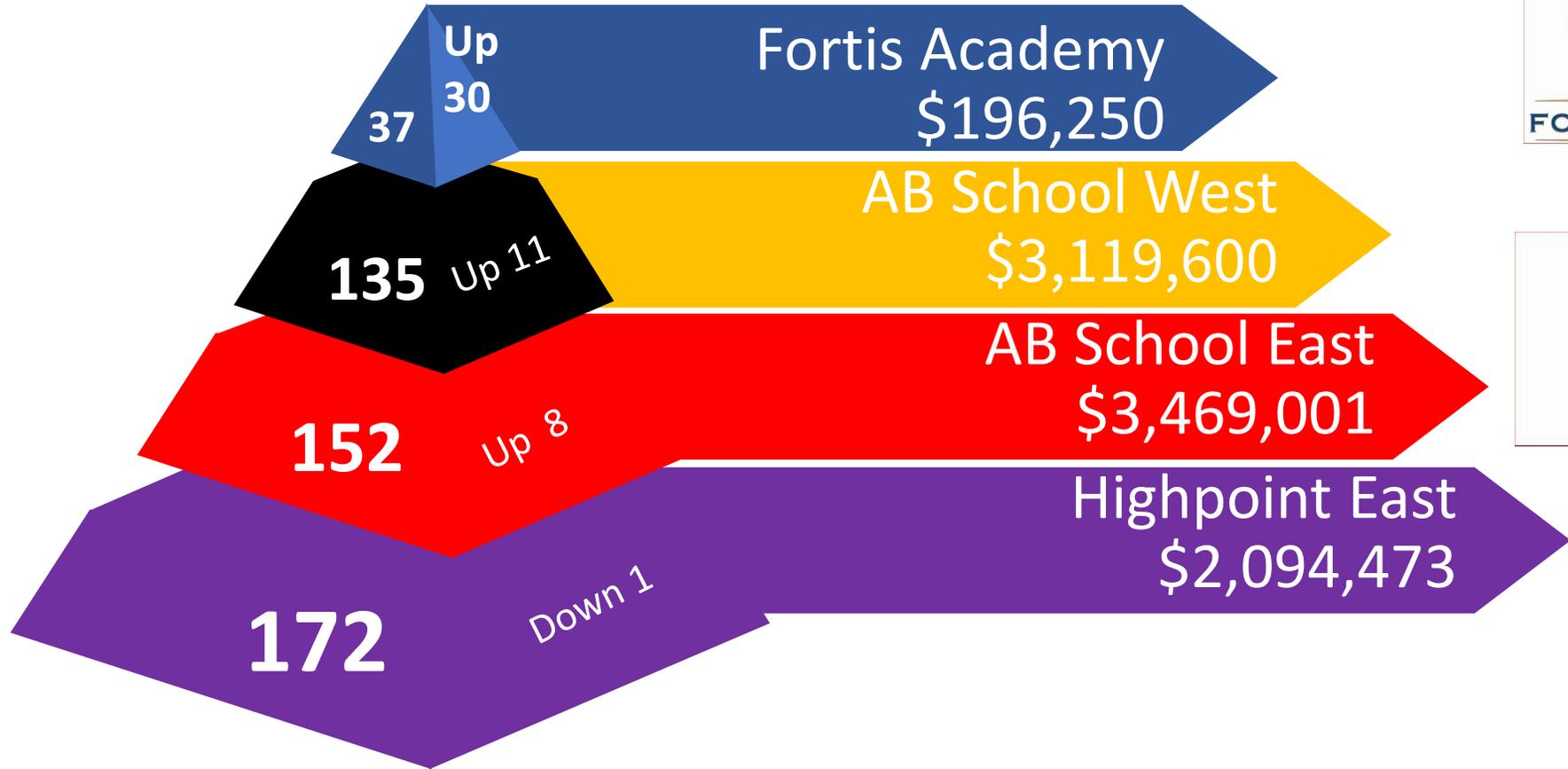
Rates have been fixed the last four years. 85% Performance Target.

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



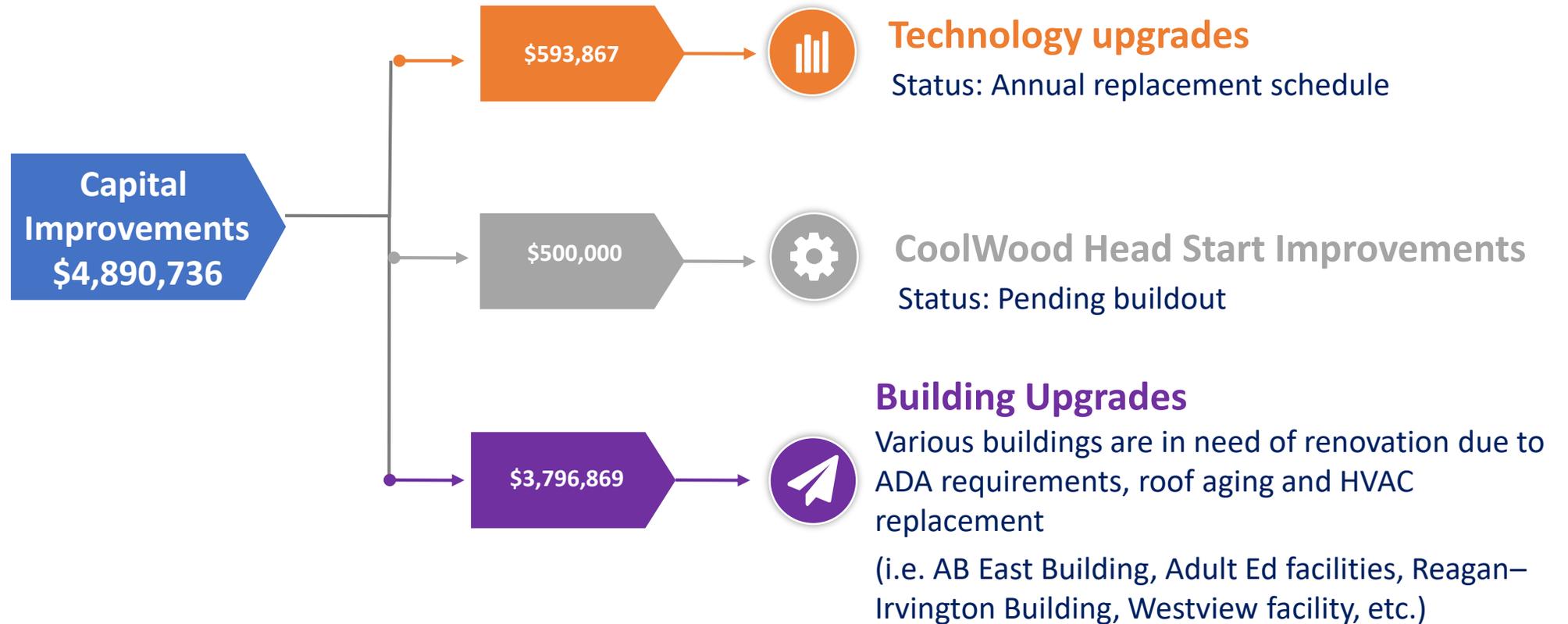
\$20,605/yr.

Competitors - \$30,000
Avondale -



Planned Use of Fund Balance for one time expenditures

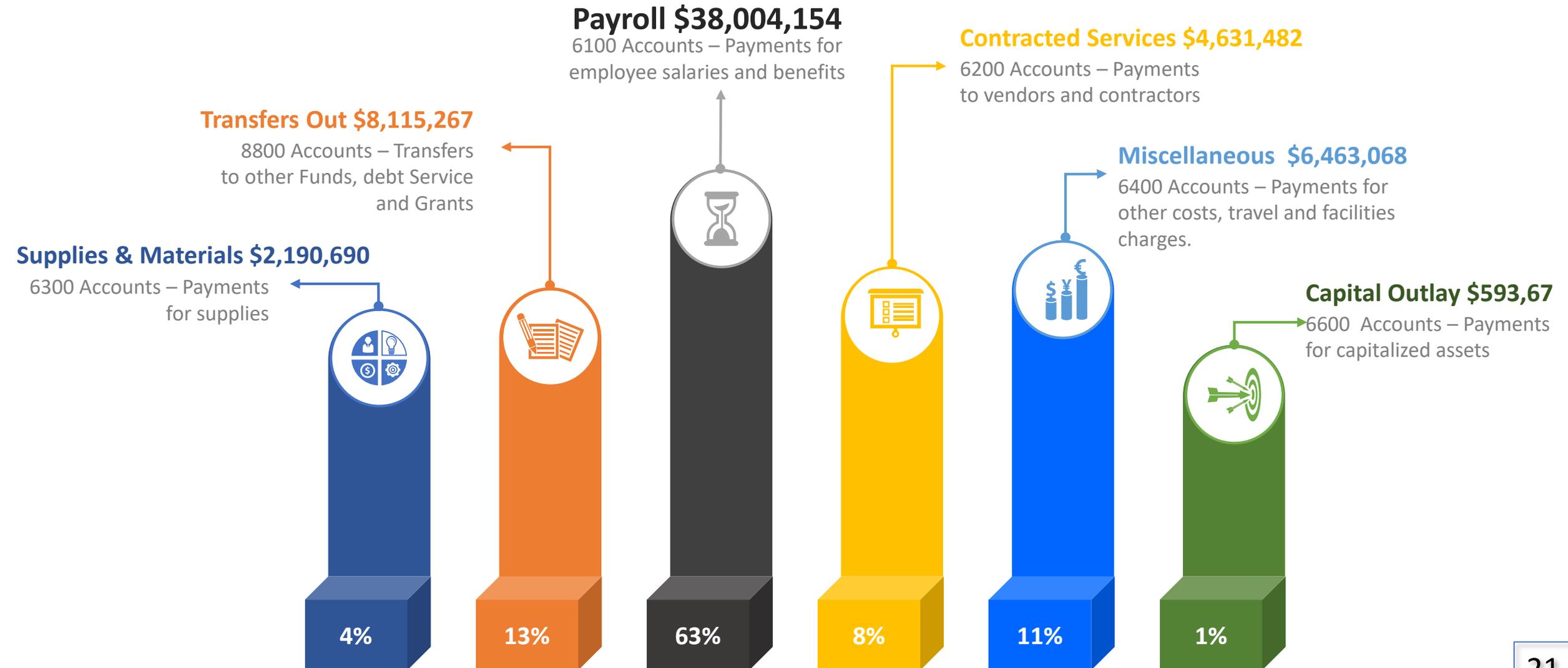
FY 2019-2020



General Fund Expenditures

\$59,998,528

FY 2019-2020

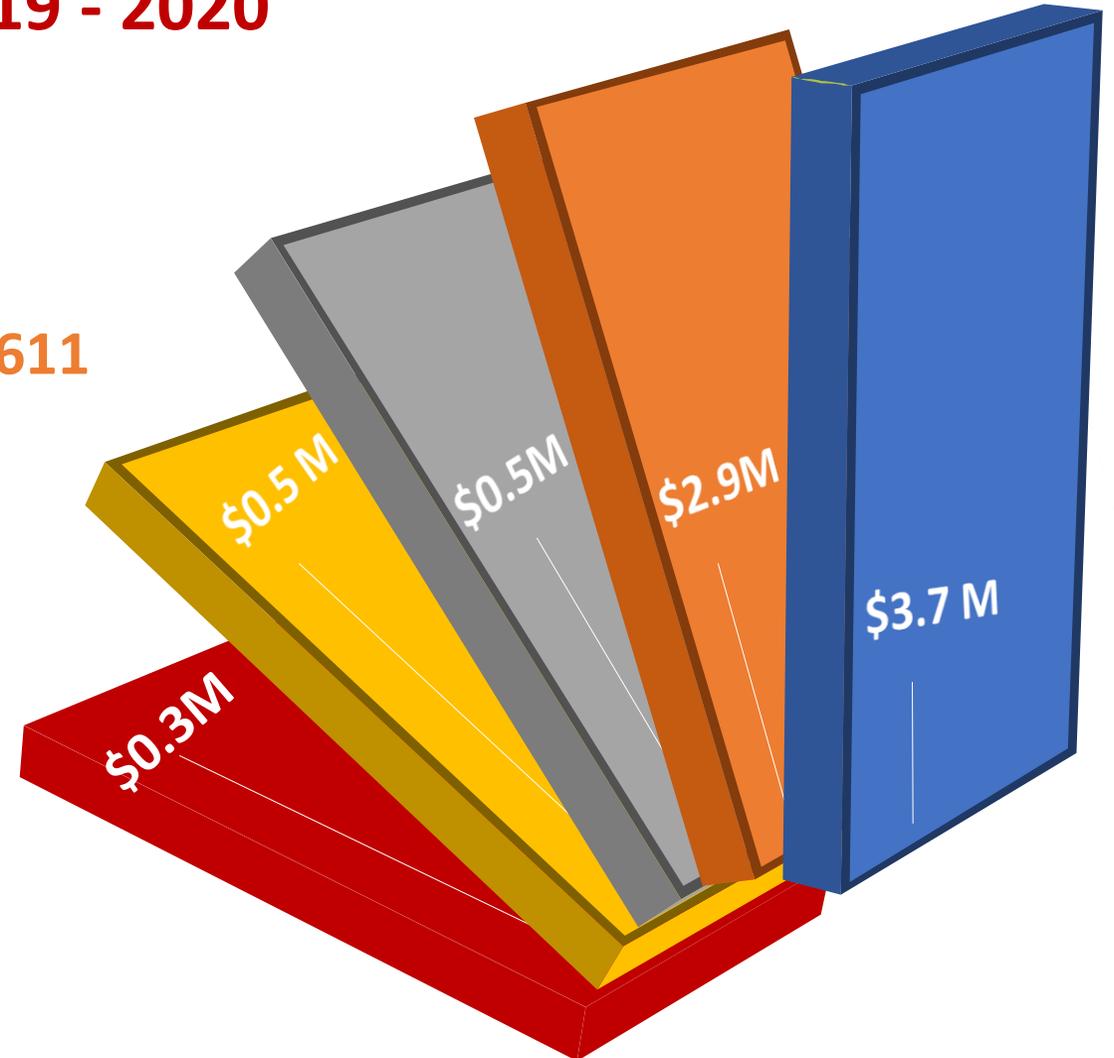


Transfers Out to Other Funds

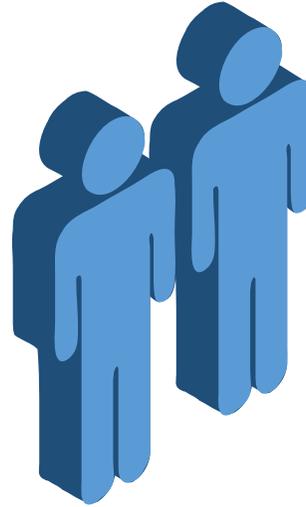
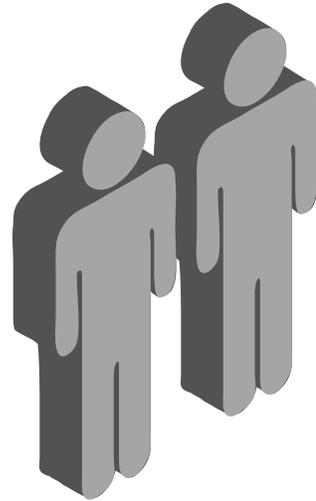
\$8,115,267

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

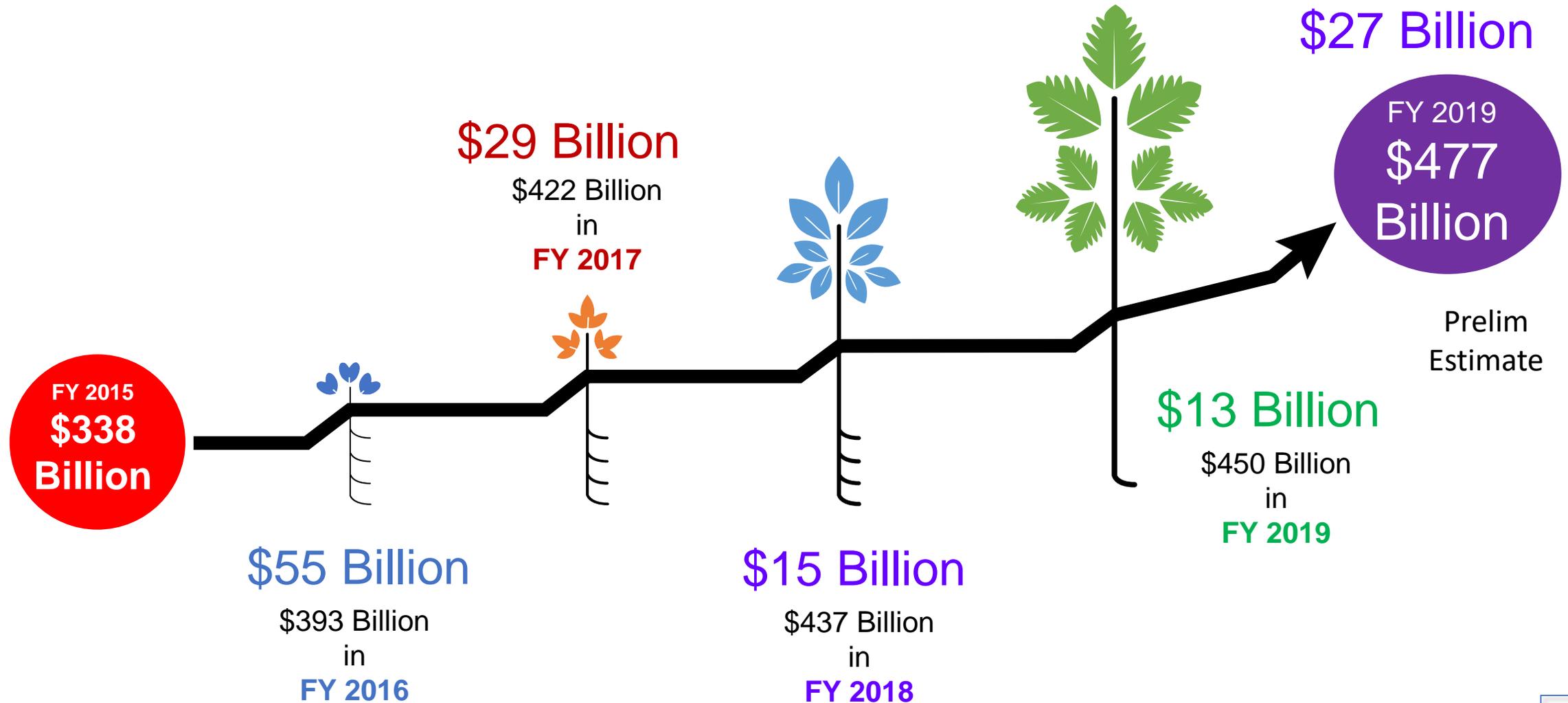
● One Imaging clerk from contracted to employee. Budget Neutral.

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.

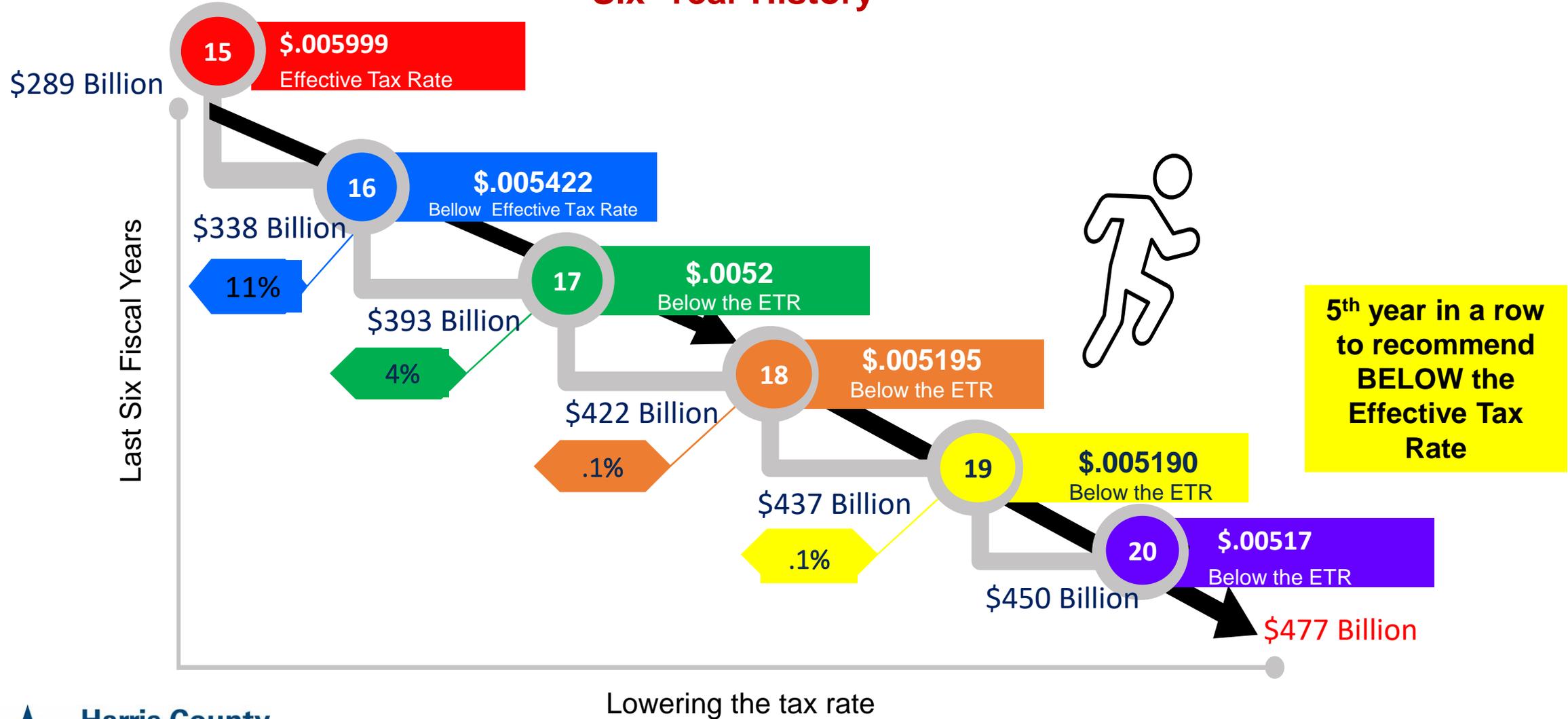
Property Values Growth

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
REVENUES:					
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%
Subtotal Revenues:	\$ 23,475,040	\$ 191,367	\$ 22,716,700	\$ 758,340	96.8%
EXPENDITURES:					
LESS: HCAD Fees	\$ 180,000.00	\$ -	\$ 127,380.00	\$ 52,620.00	71%
LESS: HCTO Fees	475,000	-	458,226	16,774	96%
Subtotal Expenditures:	\$ 655,000	\$ -	\$ 585,606	\$ 69,394	89%
Net Tax Collections:	\$ 22,820,040	\$ 191,367	\$ 22,131,094	\$ 688,946	97.0%

Total Grants \$40.4 M



FY 2019-2020



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**

Head Start

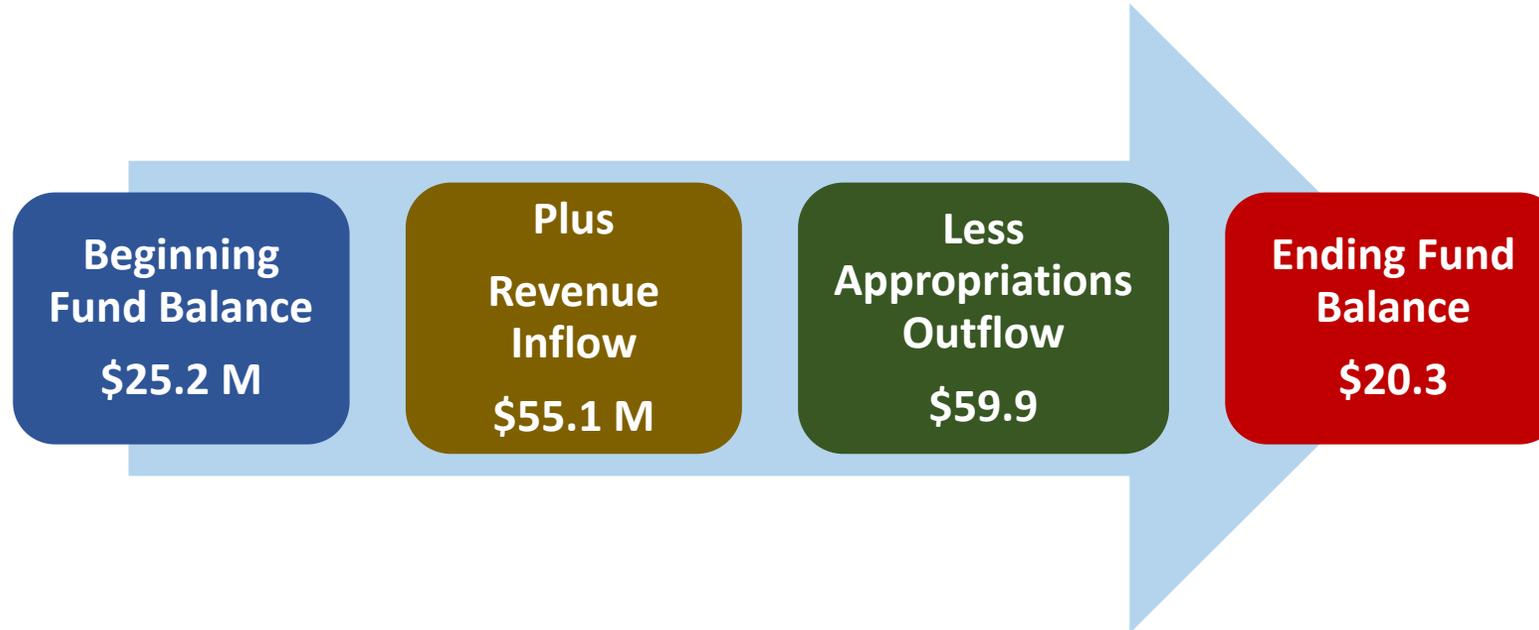
**Federal Grant – Health & Human Services Federal Grant – Incl. Matching
\$22,118,713**

Adult Ed.

**HGAC Federal-State Grant
\$7,869,492**

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.

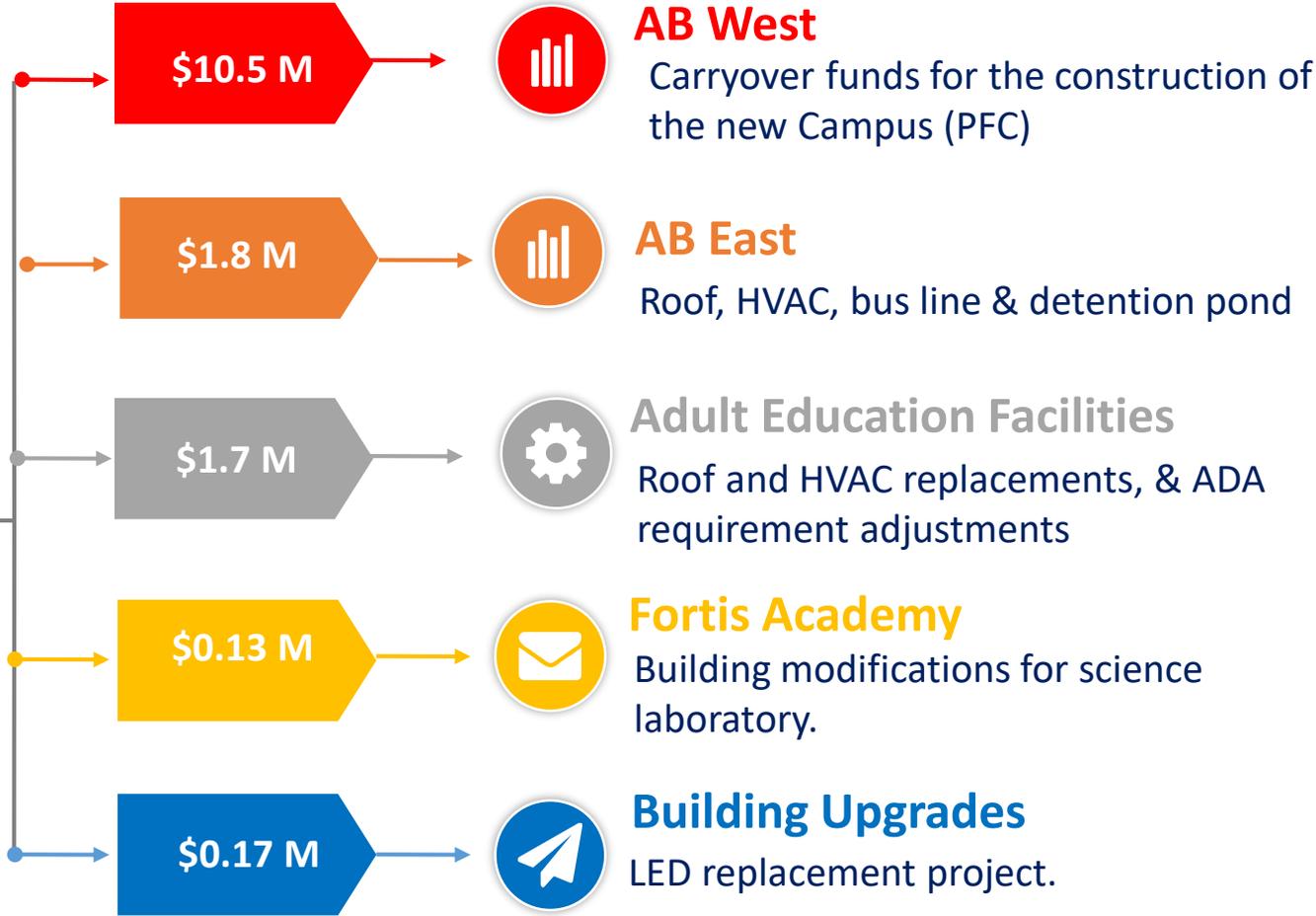
* (Included in \$59.9 M total)

Capital Project Funds

FY 2019-2020



Capital Improvements
\$14.6M



Estimated Fund Balance

\$20,384,139

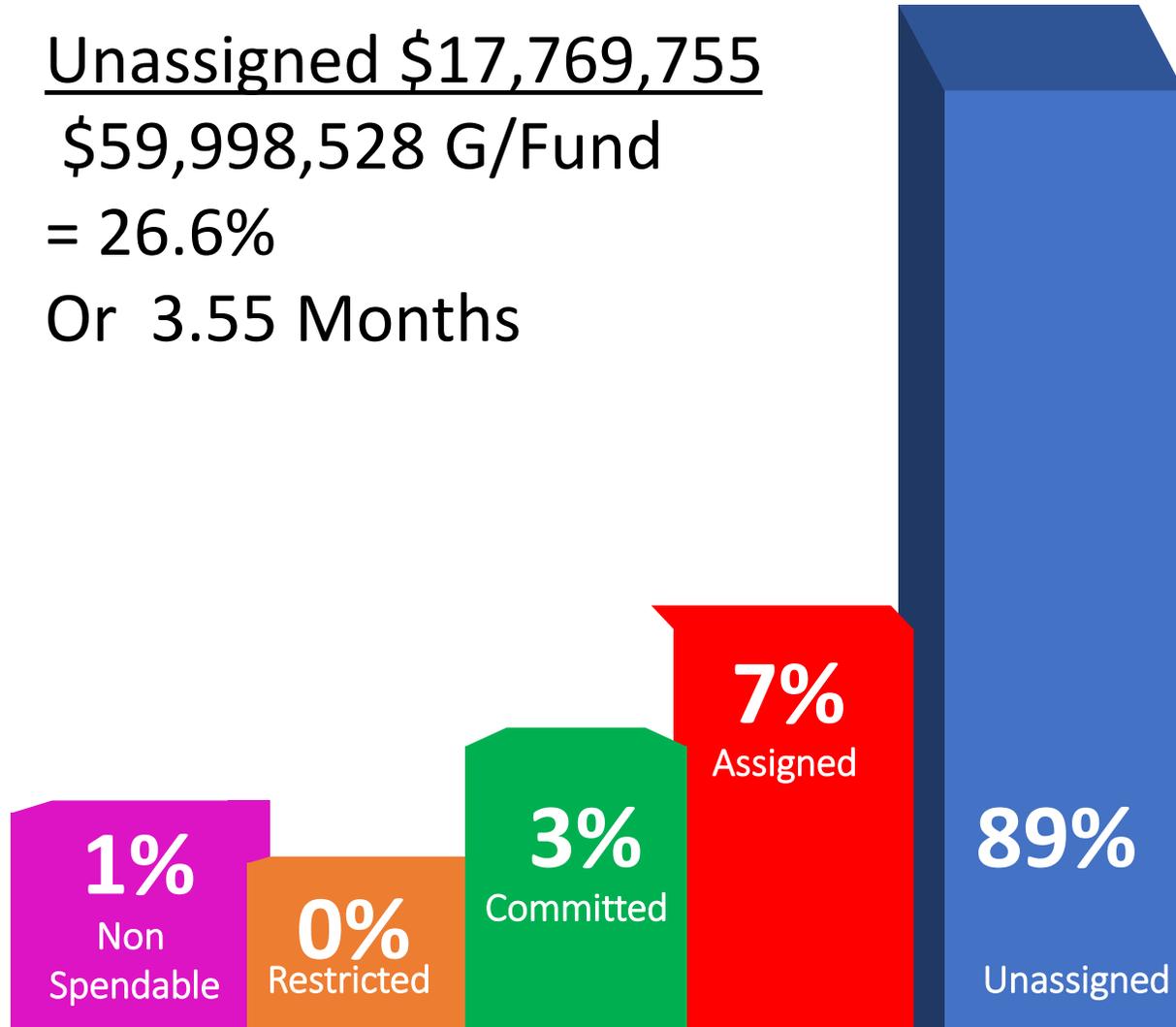
FY 2019-2020

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