



Harris County
Department of
Education

One source for all learners.

#oneforall



Head Start



**CASE
for Kids**



**Therapy
Services**



Schools



**Adult Education
& Workforce
Development**

Operational support for Harris County schools



Teaching and
Learning Center



Center for Safe
and Secure Schools



Educator
Certification



Research



Grants



Facilities



Records
Management



Choice Partners



Business Services



Texas Virtual
School Network

One Source for All Learners



FY 2018-2019 Annual Budget Summary June 5, 2018 Budget Workshop



Submitted to Board of Trustees
by
James Colbert Jr. Superintendent

Dr. Jesus J. Amezcua, Assistant Supt. For Business





Harris County Department of **Education**

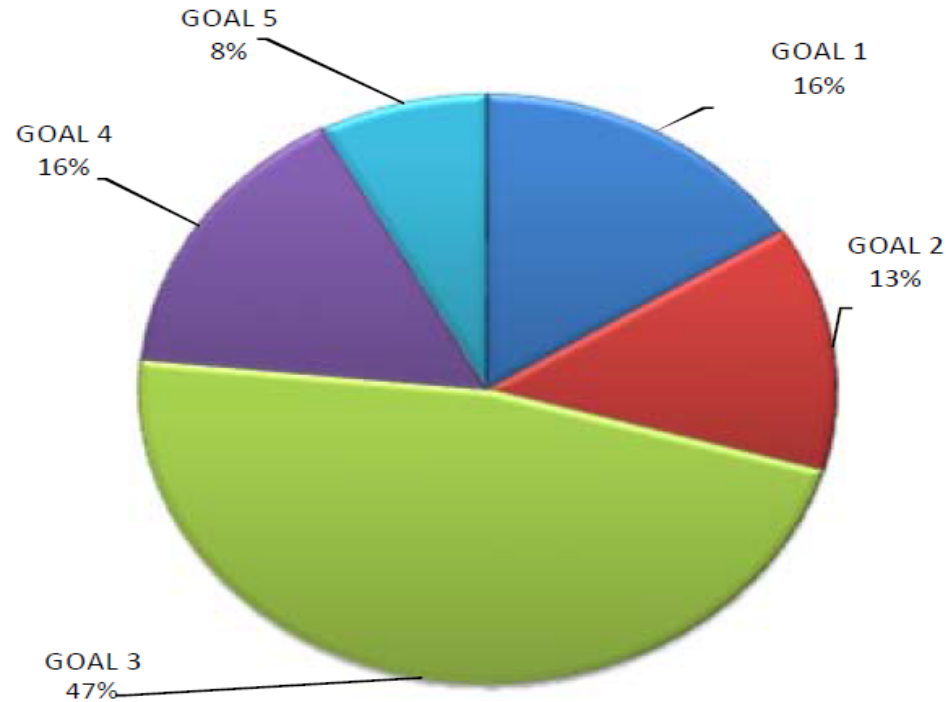
Agenda

1. Introduction
2. Superintendent's Overview
3. Annual Budget Overview FY 2018-2019
4. Next Steps
5. Adjourn



HCDE Goals

**HCDE FY18
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.

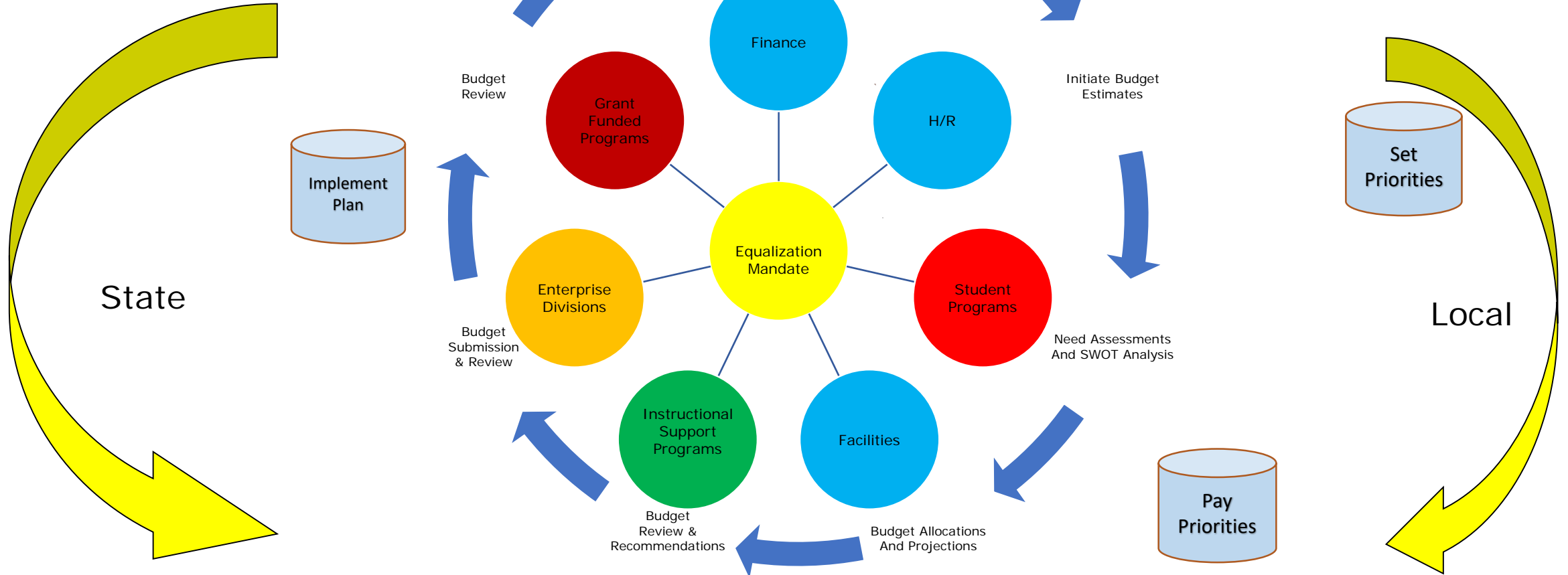
Goal 4:

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

Goal 5:

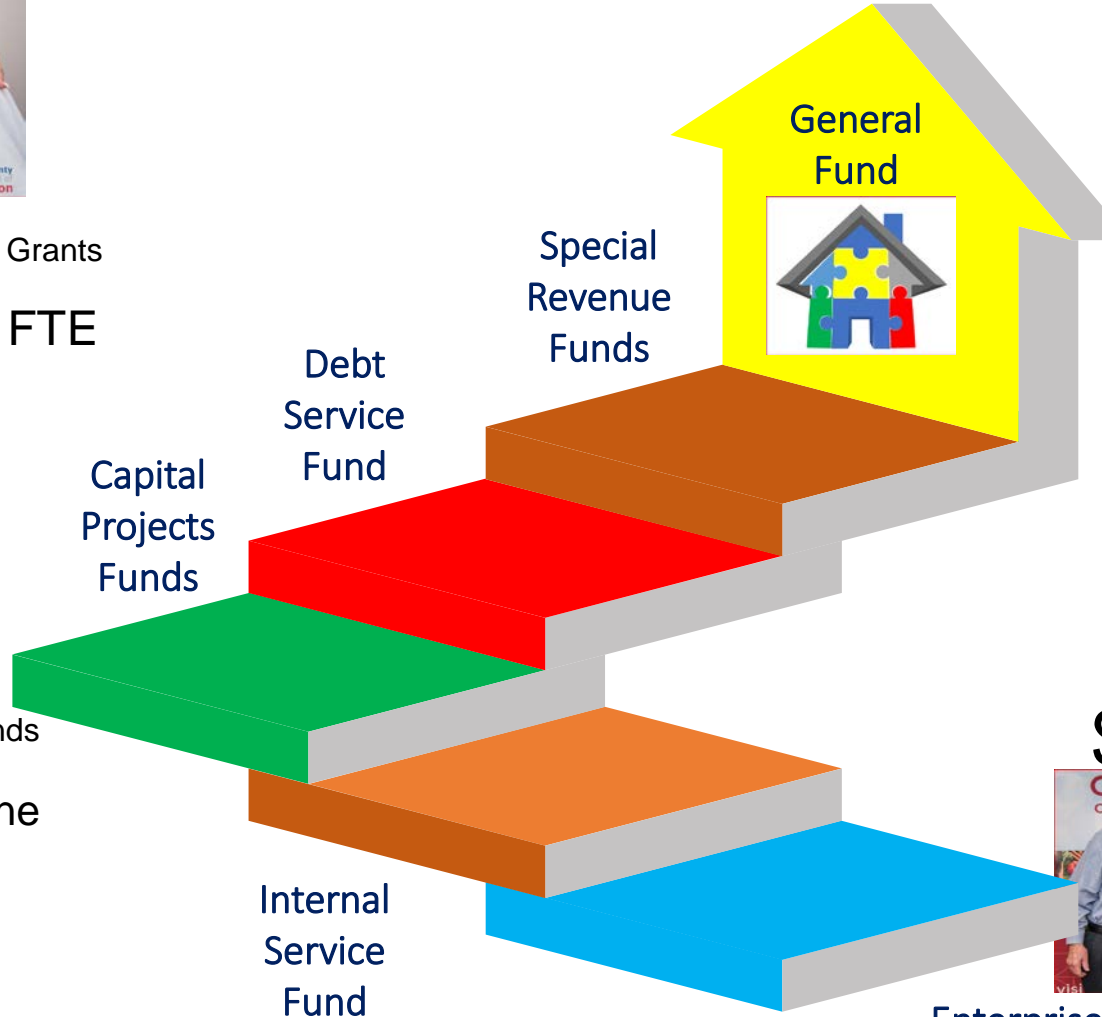
- Recruit and maintain a high-quality professional staff

Goals Planning Cycle



\$117,136,372 TOTAL BUDGET

FY 2018-2019



General Fund
\$56.6M 437.48 Total

48%



Special Revenue Fund Grants
\$34.4 M 386 Total FTE

29%



Debt Service Fund - Bonds
\$3.1 M Total FTE-None

3%



Capital Projects Fund
\$12.5M Total FTE - None

11%



Internal Service Fund- Facilities
\$5.7 M 49.5 Total FTE

5%



Enterprise Fund
\$4.7M 18.37 Total FTE
Choice Partners Cooperative.

4%



Enterprise Fund

6

Budgetary Assumptions

FY 2018-2019



8.5 NEW Positions
Additional positions are requested for School Based Therapy (1.5), Special Schools (4), Choice (2), Records (1)



Business Model
The sum of fees, taxes, indirect cost expenditure needs, compliance, salaries, sustainability and performance ratios



Balanced Approach
Revenues equal Expenditures for Operating
Projected Revenues & Appropriations Include 3% salary increases and reduced worker's comp. rate. No other change in benefits



Capital Improvements that utilize funds to invest in program upgrades and facilities
\$3.925 M Planned Expenditures



Growth Rate 3%
Property Values increased from \$437B to \$450 Billion or 3.5% increase from a year ago, thus recommending a tax rate of \$.005167



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

Modified and Accrual



Harris County
Department of
Education

FY 2018-2019 Major Initiatives

95%

Top 3 New Programs



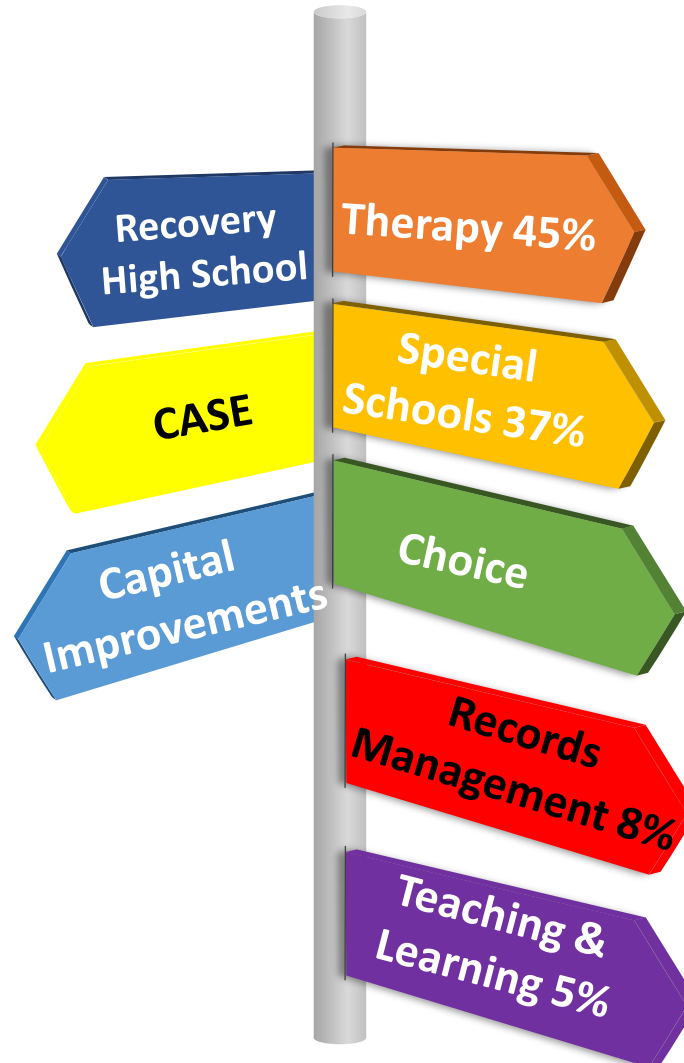
Fortis Academy
Operating Budget \$1,046,998 Plus facilities charges of \$182,187
Personnel 10

CASE Debate Program
Operating Budget \$347,528
Personnel 1
Partnership with ISD and HUDL

Capital Improvements
Development Plans projected for
FY 19 Financial Plan
\$2,300,000 total for various projects

- Building Improvements,
- Adult Ed – Cross-Timbers Renovation
- Culinary Kitchen
- On Going:
- AB West Project
- Recovery HS Program

Top 5 Fee Sources



School Based Therapy (#1 Fee INFLOW Source)
Total Revenue \$9.8 M
Projected Performance Ratio 85%

Special Schools (#2 Fee INFLOW Source)
Total Revenue for 3 schools \$8.2M
Projected Performance Ratio 76%,68%,76%

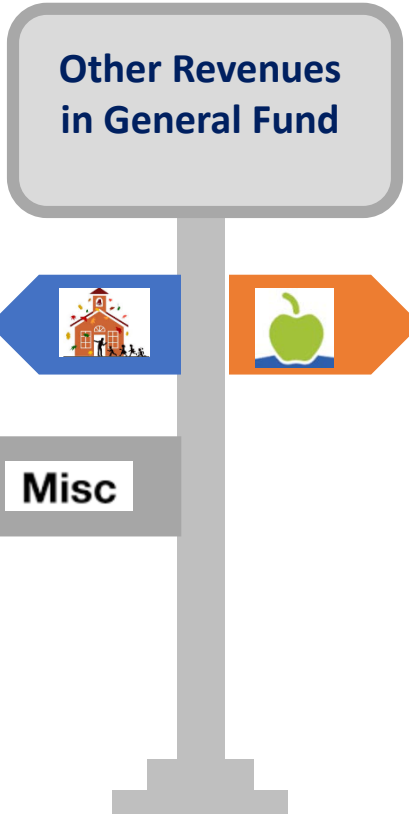
Choice Cooperative (#3 Fee INFLOW Source)
Total Revenue \$4.6 M
Total Transfer to G/Fund \$2.079 M or 4% of overall G/F
Projected Performance Ratio 180% of expenses

Records Management (#4 Fee INFLOW Source)
Total Revenue \$1.8 M
Projected Performance Ratio 96%

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

General Fund Other Revenue Sources of Fees

FY 2018-2019



Safe and Secure Schools
Total Revenue \$229,500
Performance Ratio 38%

Misc. Revenues
Other revenues
\$254,900 includes
HCDE Plus, CASE,
Grants, Research, &
Technology, etc.

Educator Certification
Total Revenue \$400,735
Performance Ratio 62%

General Fund Revenues

\$52,743,191

FY 2018-2019

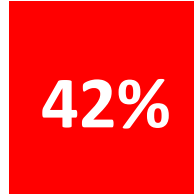


Harris County
Department of
Education

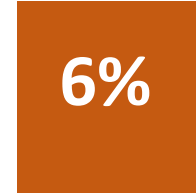
2% Fees for Services

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

\$21,987,099



\$1,970,560 Increase from \$50,772,631
Or **3.88%** Increase



State Funding

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

\$3,490,000

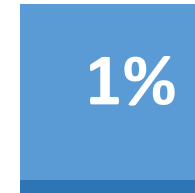
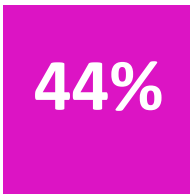
13%

3%

Property Tax Revenues

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

\$23,275,040



Other

Miscellaneous and Interest Costs

\$336,203

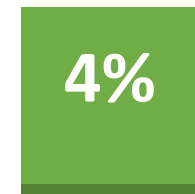
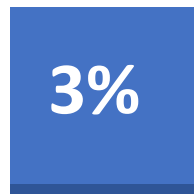
85%

14%

Indirect Costs

Indirect cost from grants

\$1,575,629



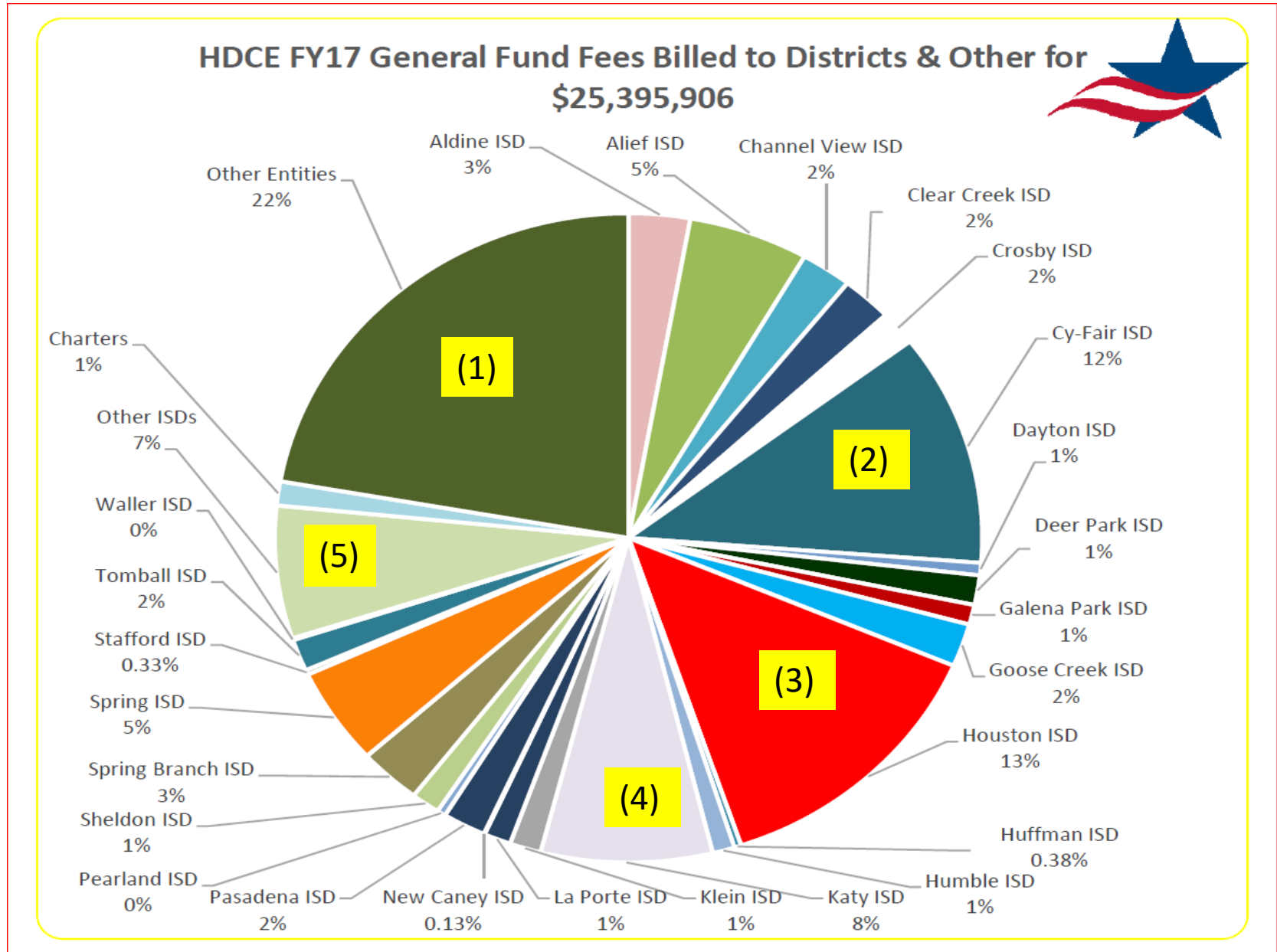
Transfers IN -Choice

Transfer in from Choice Partners Coop

\$2,079,220

9%

Client Fees (INFLOWS)



Includes fees from:
General Fund, TX-VSN
& Choice

Projects School Based Therapy Services

Cyfair ISD

\$2,807,100

Houston ISD

\$2,674,350

Katy ISD

\$2,034,550

Spring ISD

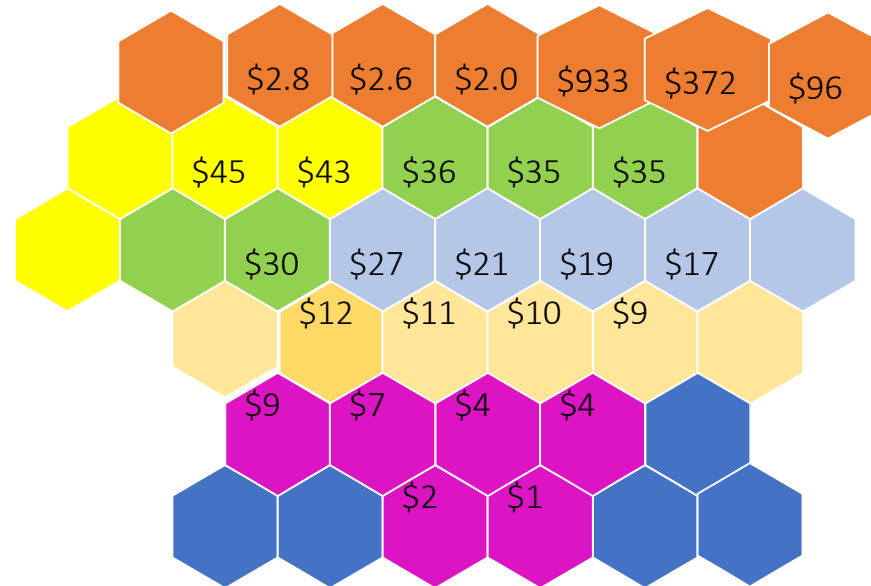
\$933,350

Spring Branch

\$372,875

Dayton ISD

\$96,425



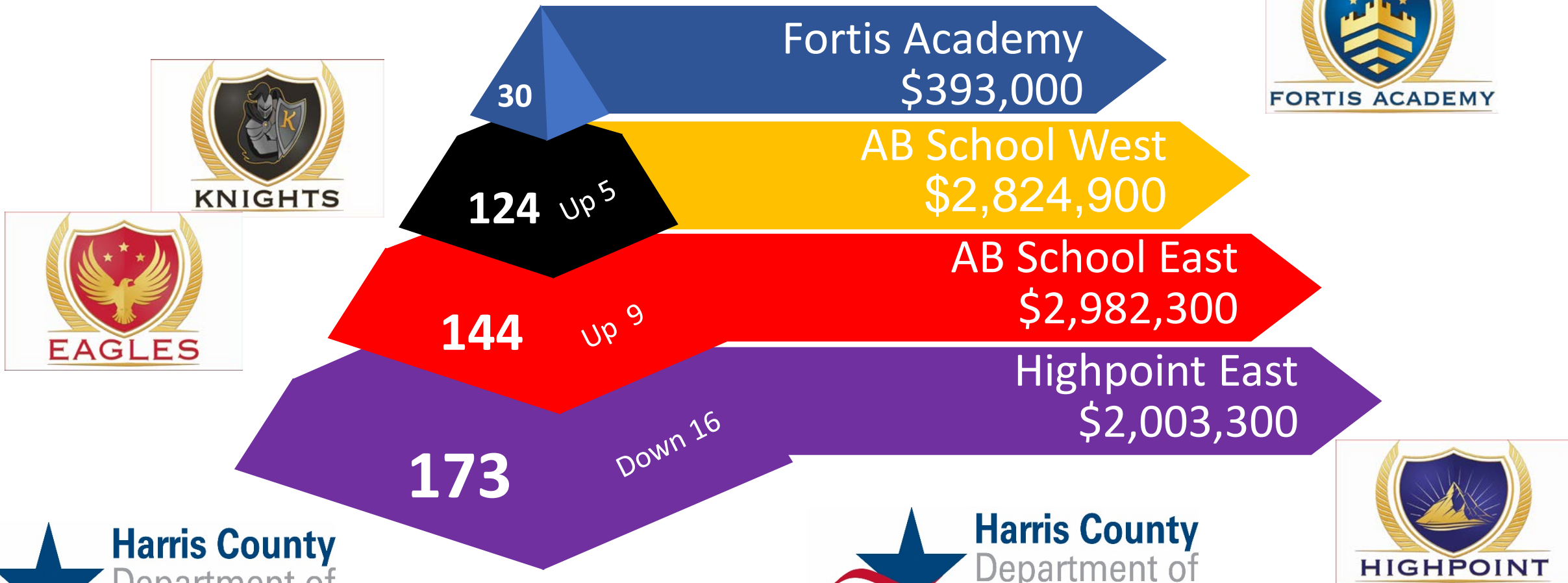
Other ISD Contracts under \$45,000 \$384,787

In County	Therapy In County \$475/Day OT –PT Assistant \$375	Out of County +\$100
	Consulting In County \$1,500/Day Out of County \$1,650	

Rates have been fixed the last four years. 85% to 90% Performance Target.



Special Schools Contracted Seats \$8,203,500 16% of general fund revenue FY 18-19



Special Schools Rates

Rates have been fixed the last four years. 75% to 85% Performance Target.

Value * Integrity * Commitment

HP East
In County



\$9,000 /year

Competitor \$12,000

JJAEP
District AEP

HP East
Out of County



\$10,900/yr

Competitor \$12,000

Fortis Academy
In County



\$12,000/yr

Competitors - \$20,000
Archway
Three Oaks

AB Schools
Out of County



\$23,500/yr

Competitors - \$30,000
Avondale -

AB Schools
In County



\$20,300/yr

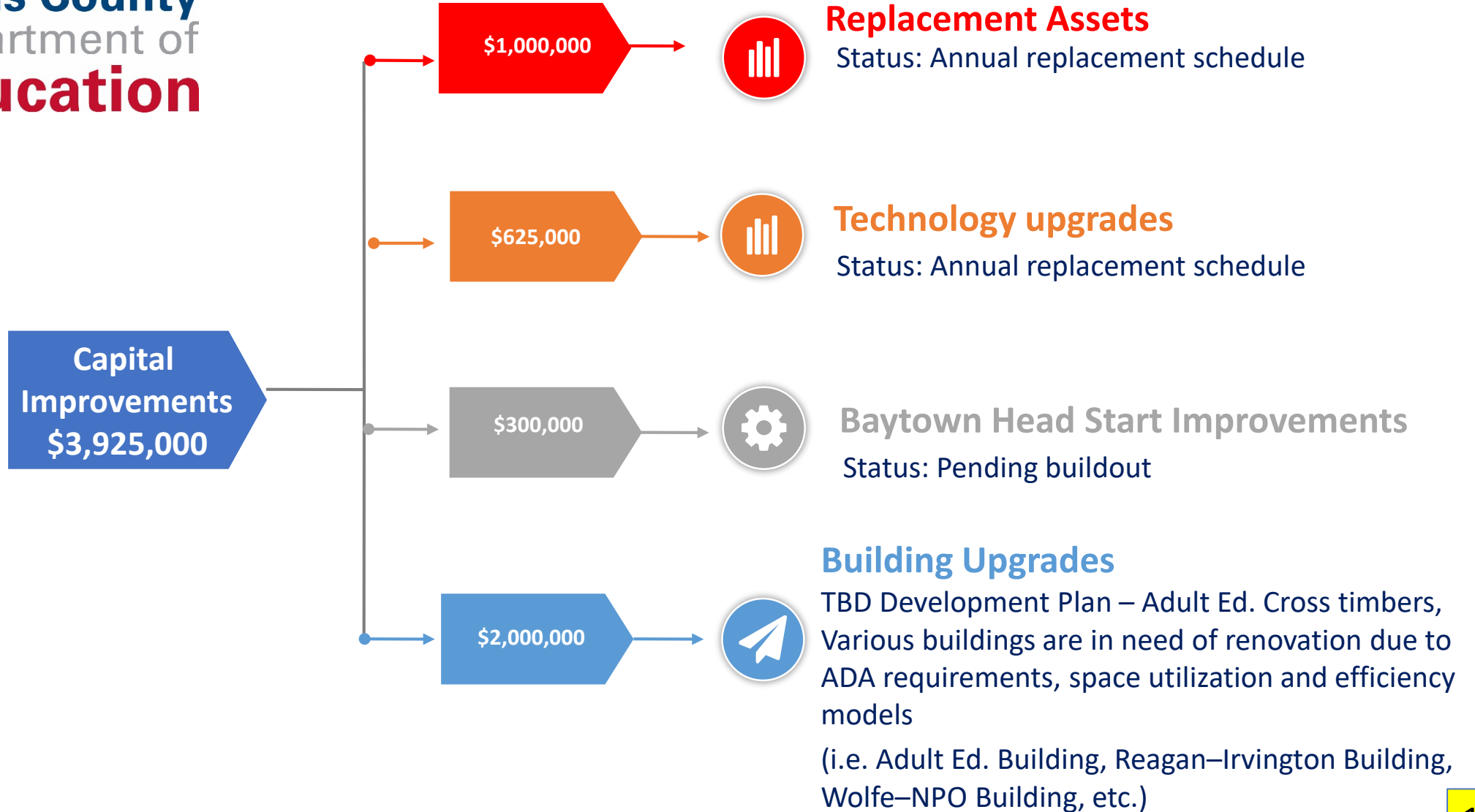
Competitors - \$30,000
Avondale -



Planned Use of Fund Balance for one time expenditures



FY 2018-2019



General Fund Expenditures

\$54,626,631

\$2,041,560 Increase
from \$54,626,631
Or **3.7% Increase**



FY 2018-2019

Payroll

\$36,280,761

6100 Accounts –
Payments for
employee
salaries and
benefits.



64%

Contracted Services

\$4,343,454

6200 Accounts
– Payments to
vendors and
contractors

8%

Supplies & Materials

\$1,955,012

6300 Accounts -
Payments for
Supplies.

3%

Misc. Operating Cost incl. travel

\$6,690,794

6400 Accounts
– Payments for
other costs and
travel

12%

Capital Outlay

\$997,000

6600 Accounts –
Payments for
capitalized assets

2%

Transfers Out

\$6,401,170

6600 Transfers
to other funds
debt service
and grants

11%

Transfers out to other Funds

Outstanding Debt is \$16,257,248

Debt Service Fund
(Bonds)
\$3,149,497

CASE (Local Match)
\$550,787

Head Start Baytown &
Operating
\$400,886/\$300,000

Capital Projects
\$2,000,000

Note: HCDE receives
\$1,450,000 from
Workforce Grant

Transfers out

\$6,401,170

Other uses from General Fund

Note: HCDE receives
\$1,450,000 from
Head Start Grant

F/Bal

F/Bal

8.5 New Positions

2 FTEs Choice Partners

One contract manager and billing clerk to enhance contract coordination and market penetration.



Special Schools - 4 FTEs

Teacher Aides to add resources for classroom assistance due to student severe conditions



Client Engagement - 1 FTE

Marketing Coordinator to improve market coverage and service delivery.



1.5 FTE- School Based Therapy

One Therapist and half a manager to address added client contracts.



All positions are tied to revenue enhancement



Investing in our teacher and classroom workforce

Head Start Teachers
\$4,000 equity to improve classroom quality and recruitment



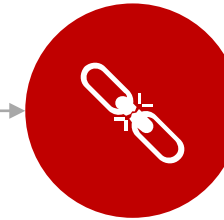
Head Start Early Teachers
\$3,500 equity to improve classroom quality and recruitment



Asst. Center Mgrs. Head Start
\$3,500 equity to improve quality supervision .



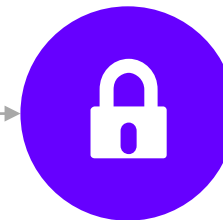
Special Schools Aides
\$3,000 equity to improve special school



Other Staff Salaries
3% salary increase to maintain compensation plan competitiveness.

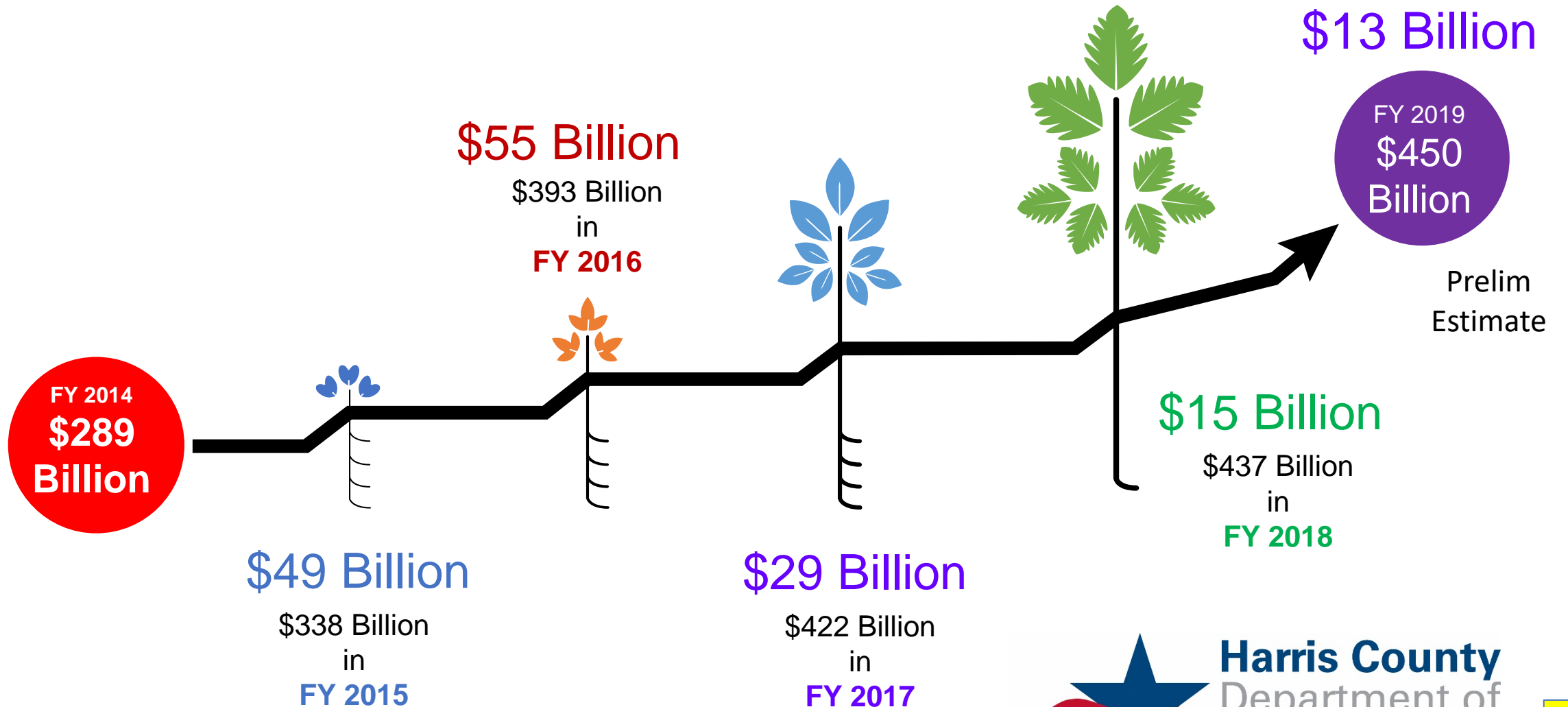


Special Schools Teacher Salary
.5% Additional equity to maintain competitiveness



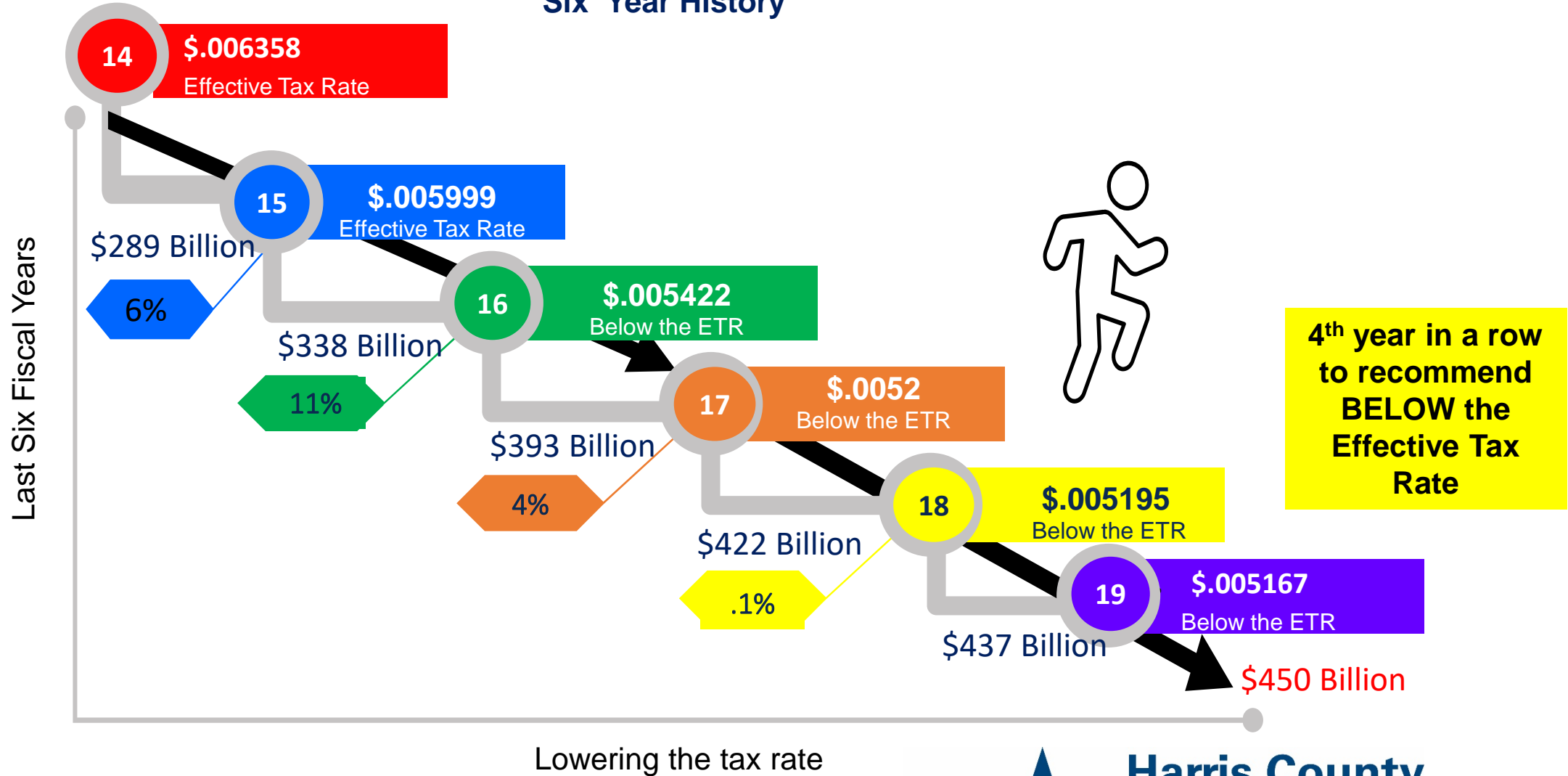
Property Values Growth

Last Six Fiscal Years



Property Tax Rate \$.01 Maximum

Six Year History



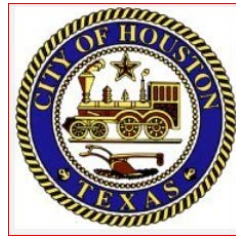
Total Grants \$34,442,824



Early Head Start

Federal Grant – Health & Human Services
Federal Grant –Incl. Matching

\$4,018,982



Local & Federal Grants

\$58,100



CASE

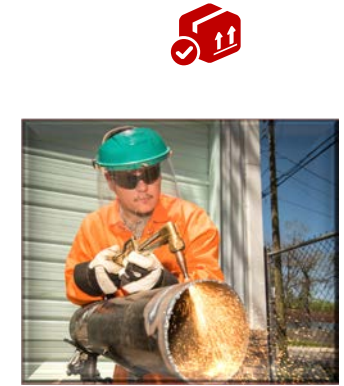
21 Century Grant- US Dept. of ED. Workforce Development – HGAC, COH, H-Endowment Federal Grant



\$5,748,542

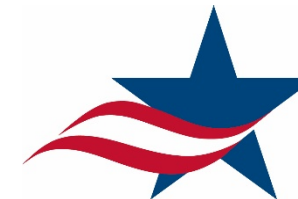
Head Start
Federal Grant – Health & Human Services
Federal Grant – Incl. Matching

\$20,654,937



Adult Ed.
\$3,962,263

US Dept. of ED- HGAC
Federal-State Grant



Harris County
Department of
Education

Estimated Tax Rate

Harris County Department of Education Comparative Analysis of Property Values		DRAFT- AS of April 25 2018		
		A	B	C
		Adopted	CURRENT	If Proj at \$440 Bil
		ADOPTED	ADOPTED	BUDGET PRELIM
		TAX RATE	TAX RATE	Including NEW Improvements
				Estimated TAX RATE
Proposed Collections Tax Year 2018		0.005195	0.005195	0.005167
Certified Taxable Value per HCAD *		\$ 399,079,153,088	\$ 435,918,094,076	\$ 426,959,977,243
Values under protest or not certified		36,649,820,444	2,817,805,053	13,513,460,916
		435,728,973,532	438,735,899,129	440,473,438,159
/ Rate per Taxable \$100		4,357,289,735	4,387,358,991	4,404,734,382
X Tax Rate		22,636,120	22,792,330	22,759,263
		98.40%		
X Estimated collection rate		22,273,942	22,427,653	22,531,670
New Improvements				578,370
				\$ 23,110,040
+Delinquent Tax Collections		155,000	155,000	150,000
+Special Assessments		15,000	15,000	15,000
+ Penalty & Interest		180,000	180,000	-
Estimated Current Tax Available for Operations:		\$ 22,623,942	\$ 22,777,653	\$ 23,275,040
Net Gain or Loss on values				\$ 836,098
				\$ 426,959,977,243
			Growth	3.17%
			Est. Without NEW Values	13,534,631,279
				440,494,608,521

Fund Balance Activity

FY 2018-2019

**\$3.925 Net Use of
Projected Fund Balance**

This is the net effect on fund balance based on planned capital expenditures that are one time use of fund balance.
* (Included in total)

Beginning Fund Balance

This is the projected FY 17-18 beginning fund balance.
The audited fund balance will be available until January 2019.

Plus Revenues

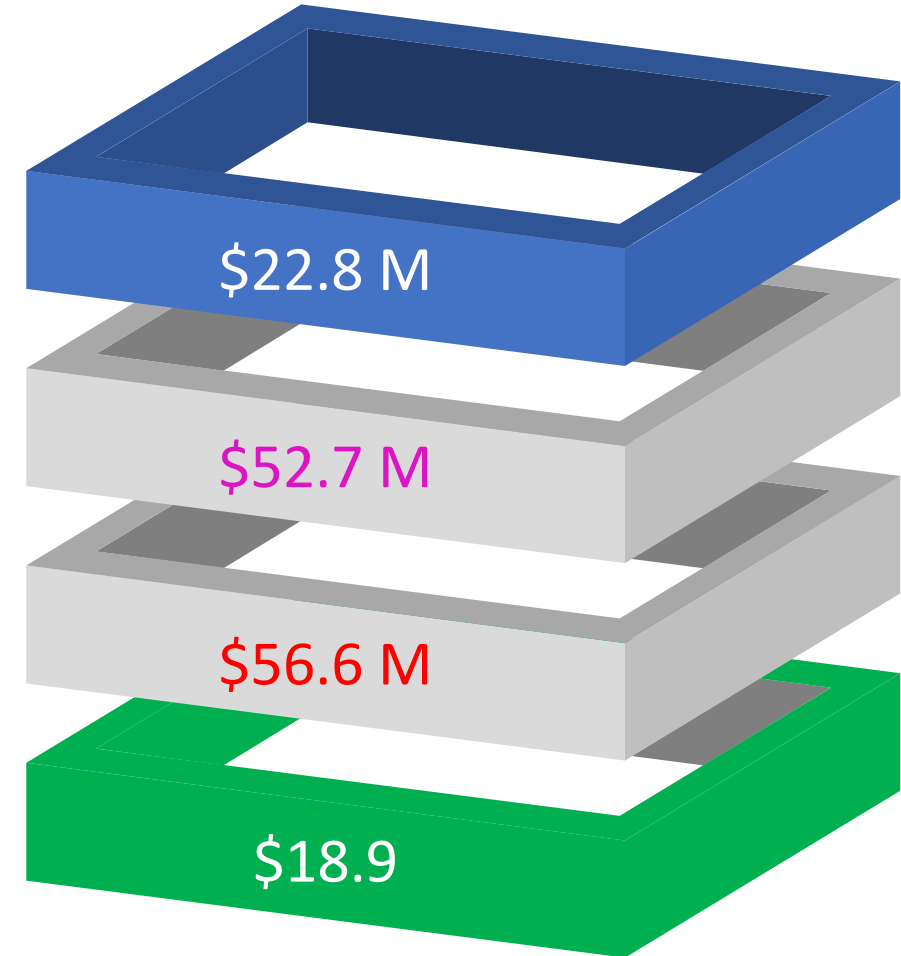
These are the projected revenues-
INFLOWS

* Less Appropriations

These are the projected expenditures.
OUTFLOWS

Ending Fund Balance

This is the projected Ending Fund Balance.



Capital Improvements

FY 2018-2019



Capital Improvements




Estimated Fund Balance


\$18,909,074


FY 2018-2019


\$56,668,191 G/Fund
/\$16,871,140
= 30%


Or 3.57 Months

- 

Non Spendable \$163,555
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 \$575,000
shall mean that portion of the fund balance that is constrained to a specific purpose by the Board of Trustees.
- 

Assigned \$1,299,379
shall mean that portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Board of Trustees and/or the Superintendent.
- 

Unassigned \$16,871,140
includes amounts available for any legal purpose.



Next Steps



Harris County Department of **Education**

- Board Review – June 5, 2018
- Board Workshop – June 20 and/or July 18, 2018
- Required Posting –Houston Chronicle – 10 days prior to board meeting
- **Target Budget Approval Date July 18, 2018**
- Target Date - Certified Value – August 25, 2018
- Target Date - Tax Date Approval Date – September 19, 2018