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# HARRIS COUNTY

## BUDGET BOOK - PART I RESOURCES AND REQUESTS

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1/8/2021



## DOCUMENT CONTROL

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Date	Page	Comment
12/18/2020	-	Initial release
12/29/2020	8	Hearings date change
1/6/2021	64	Chart update (Engineering)
	68	Capital projects update (HCTRA)
1/8/2021	64	Textual update describing structural reorganization

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### PURPOSE

This summary of Resources and Requests, or Part I Budget Book, summarizes:

- on a preliminary basis, the estimated resources available to Harris County;
- operating budget requests from departments and organizations funded by the Harris County General Fund; and
- capital project requests from the Harris County Flood Control District, Toll Road Authority, County Engineer, Universal Services and other county-funded entities

The period covered is March 1, 2021 – February 28, 2022 (the County’s fiscal year 2022).

This is *not* a proposed budget or capital improvements plan (CIP). Based on guidance from Commissioners Court, the Budget Management Department (BMD, also “we” or “our”) will prepare a proposed budget and CIP for Commissioners Court consideration and approval in early February.

### OVERVIEW OF BUDGETS TO APPROVE

Harris County is a political subdivision of the State of Texas, and the Commissioners Court is the governing body of the County. It is composed of the County Judge elected from the County at large, and four Commissioners, each elected from a separate precinct, all elected for four-year terms. The County Judge is the presiding officer of the Commissioners Court. Within Harris County government, there are 90 departments, each with an appointed or elected head.

Commissioners Court must approve budgets for the following in advance of the next fiscal year, which are covered in this Part I Budget Book:

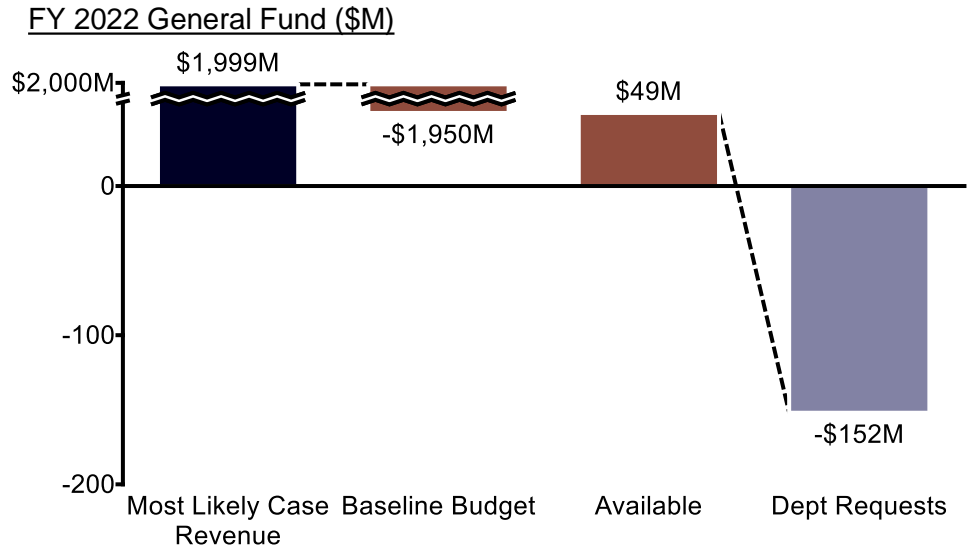
- General Fund (including the contingency fund and mobility transfers from HCTRA)
- Harris County Toll Road Authority (HCTRA)
- Flood Control District

The Budget Management Department will also prepare, and propose for Commissioners Court’s review and approval, a five-year Capital Improvements Plan (CIP) in early February.

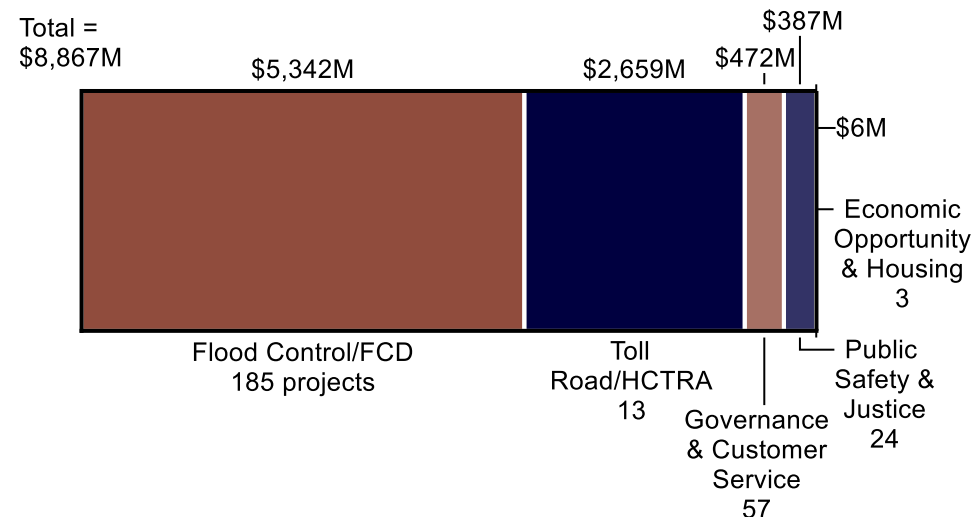
Finally, though operations are managed by an appointed board, Commissioners Court also approves the budget for Harris Health.

## EXECUTIVE SUMMARY – KEY HIGHLIGHTS

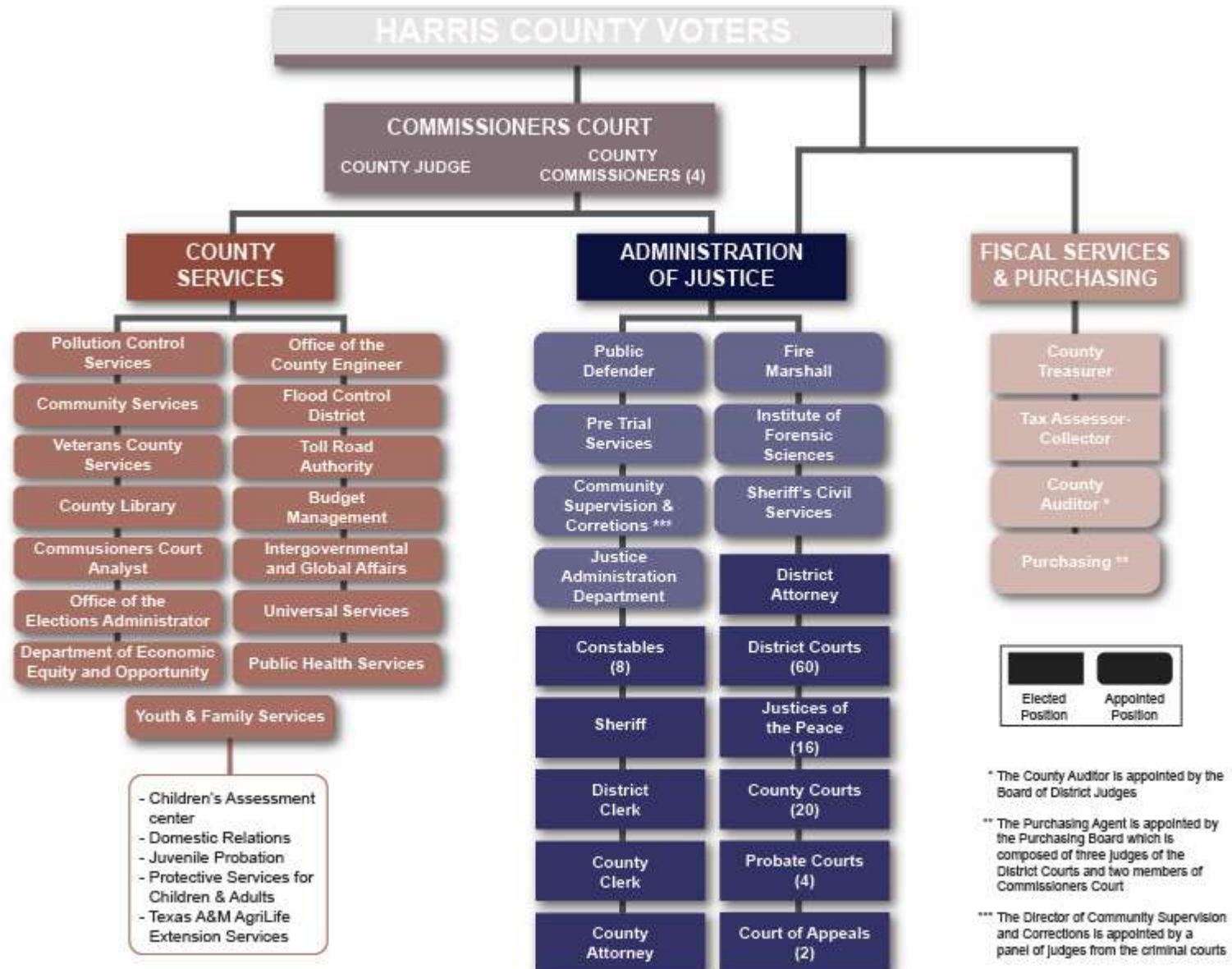
- Together with Harris County departments, BMD is working to reform the budget. This year's budget submissions:
  - reflect department performance metrics
  - link department objectives to Court's goals
  - present service-level spending proposals, costs and headcount
- The County will start FY 2022 from a strong position, with a \$1.4B+ general fund balance. However, COVID-19 will weaken FY 2022 revenues. January 1, 2021- before a vaccine will be widely distributed- is the relevant date for tax appraisals. The preliminary estimate of "Most Likely" General Fund unrestricted revenue is \$1,999M, slightly below FY 2021 estimate (\$2,012M) and well below FY 2020 actuals (\$2,078M).
- Despite the projected decline in revenue, based on the "Most Likely" revenue case, BMD projects that Commissioners Court has available \$49M of new resources to appropriate over the General Fund baseline budget. This approach entails a less conservative approach to budgeting that in past years, but still does not- in the "Most Likely" case- tap into reserves.
- The \$49M compares to total departmental requests to date of \$152M. BMD will assist Commissioners Court to balance the budget through a combination of methods- not funding some proposals, potentially cuts to existing budgets and identifying other funding sources, where appropriate.
- County-funded departments and agencies submitted 282 proposals for capital projects totaling \$8.87B in cost, with \$6.5B to be incurred over the next five years. Other than potentially for flood control debt- which is the largest need and requires voter approval- adequate financing is available for capital projects that meet Commissioners Court's goals.



### Total Value of Proposed Capital Projects (\$M)



## EXECUTIVE SUMMARY – ORGANIZATIONAL CHART



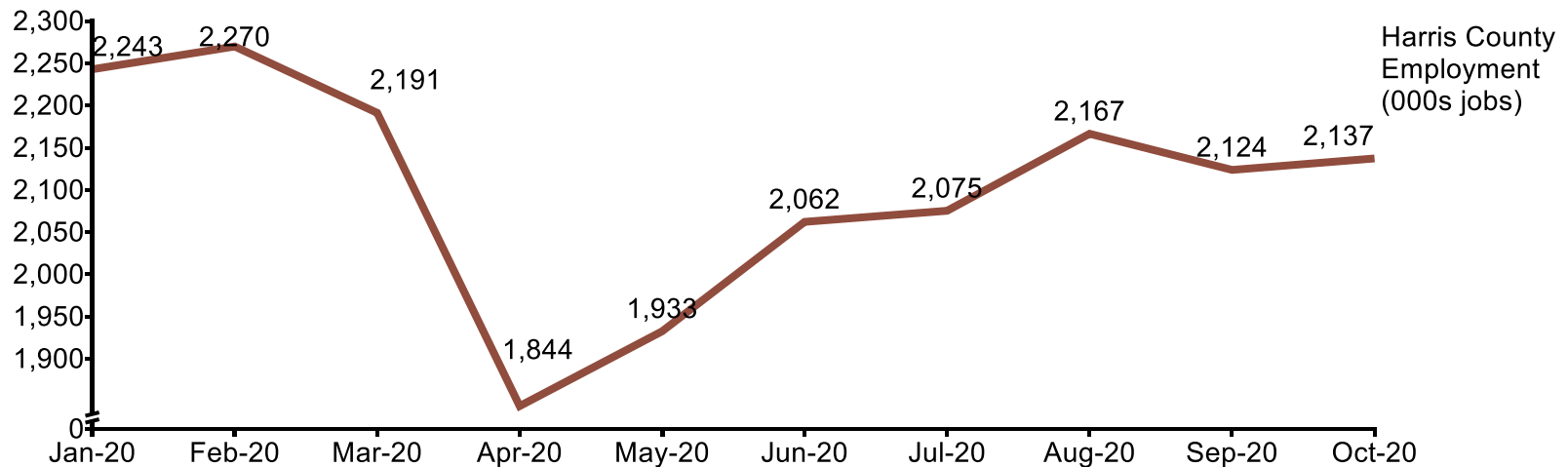
## EXECUTIVE SUMMARY – COVID-19 IMPACTS

The FY 2022 budget process is occurring in the context of the largest public health crisis and economic downturn in the last 80 years. The economic toll on Harris County has been severe. Since January 2020, over 100,000 net jobs have been lost. With employment and income down, industrial and commercial property values and other revenue drivers for the County have been and will be affected.

Nevertheless, the County expects to begin fiscal year 2022 in a strong position, with an unrestricted, general fund balance in excess of \$1.4 billion. The County received \$426M in Coronavirus Aid, Relief and Economic Security (CARES) funding from the federal government. CARES funding, together with expected reimbursements from the Federal Emergency Management Administration, has reduced the impact on the County.

Importantly, the downturn that began in April 2020 will only begin to affect property tax revenue—which is over 75% of the General Fund's revenue—in fiscal year 2022. The County collects property taxes based on appraisals performed about twelve months earlier; the taxes currently being collected by the County are based on appraisals dated before COVID hit the region.

The County will face tough decisions about which priorities to fund. Moreover, it is important the County retains financial flexibility to deal with continued economic uncertainty.



Source: Bureau of Labor Statistics

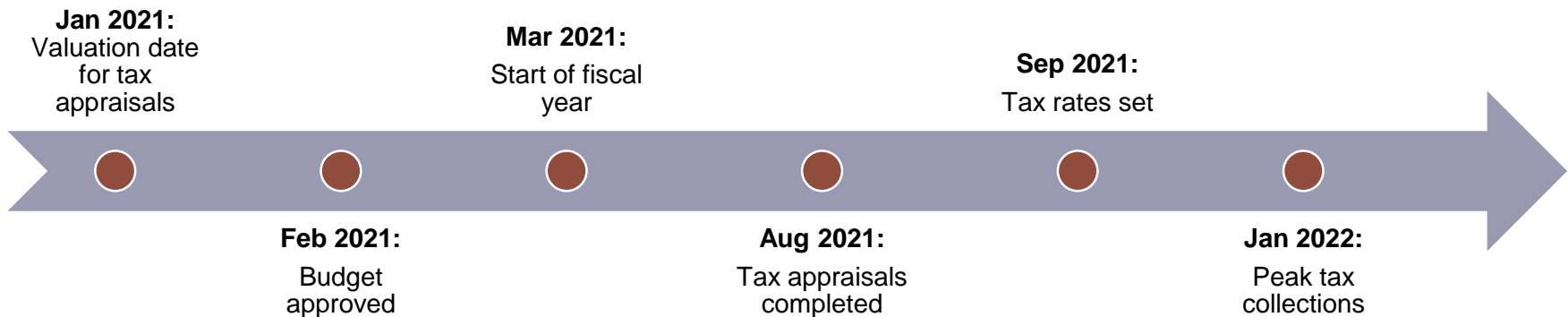
### KEY UPCOMING DATES

- December 18 – Part I Budget Book Delivered
- January 6, 7, 11, 13 – Budget Hearings
- January 26 – Proposed Budget (Part II Budget Book) Presented to Commissioners Court
- February 9 – Target Date for Budget Adoption

### TAX REVENUE TIMELINE VS. BUDGET

Revenue uncertainty poses a special challenge to Harris County. The fiscal year 2022 budget must rely on assumptions about the tax base and tax rate, rather than actuals. Only in September 2021 will the County begin to have a certain estimate of property tax revenues. While BMD, working with the Auditor's Office, has developed a detailed forecast of property values by market segment, there is considerable uncertainty in that forecast- which based on scenario analysis could lead to a ~\$50M swing in revenue.

To reduce uncertainty, BMD has for many years had interest in shifting the fiscal year to October 1-September 30. These discussions are ongoing with the Auditor's Office.





## EXECUTIVE SUMMARY – BUDGET REFORM PROGRESS TO DATE

At the direction of Commissioners Court, Harris County has undertaken significant reforms of the budget process. Six areas of reforms, listed below, seek to modernize the budget process to be more strategic and evidence-based. With the arrival of a new Budget Director in August, the fiscal year 2021-2022 budget process did not kick off until late September. But thanks to the hard work of departments and agencies across the County, in a short time, the County has made meaningful progress on reforms:

Initiative	Progress to Date
<b>1. Focus on Goals</b>	<ul style="list-style-type: none"><li>• Commissioners Court vision and goals in eight areas</li><li>• Budget submissions relate proposals to Court's goals</li></ul>
<b>2. Invest in Services</b>	<ul style="list-style-type: none"><li>• Countywide services map through budget process</li><li>• High-level cost and employee estimates by service</li></ul>
<b>3. Measure Results</b>	<ul style="list-style-type: none"><li>• Over 1,900 performance metrics defined across the County</li><li>• Baseline data and future targets in budget submissions</li></ul>
<b>4. Plan for the Long Term</b>	<ul style="list-style-type: none"><li>• Multi-scenario, five-year forecast of General Fund revenue</li><li>• Five-year capital requests</li><li>• Future needs included in operating budget submissions</li></ul>
<b>5. Stay Fiscally Responsible</b>	<ul style="list-style-type: none"><li>• General Fund spending target based on projected revenue</li><li>• Analysis of debt capacity</li></ul>
<b>6. Improve Governance</b>	<ul style="list-style-type: none"><li>• Clear presentation of starting fund balances and resources.</li><li>• Proposed approval framework for capital projects with a two-stage process ("preliminary" and "final" investment approvals, see later in this section)</li></ul>

## EXECUTIVE SUMMARY – BUDGET REFORM NEXT STEPS

Achieving our goals in budget reform is a multiyear effort, with a long way to go. Below are some of the next steps we will take to continue reform, and BMD will continue to work with other County departments and agencies.

Initiative	Next Steps	
	<u>Short term (&lt;6 mo.)</u>	<u>Long term (&gt; 6 months)</u>
<b>1. Focus on Goals</b>	<ul style="list-style-type: none"><li>Countywide goals matched with measurable outcomes</li></ul>	<ul style="list-style-type: none"><li>Outcome-based budgeting for Commissioners Court priorities</li></ul>
<b>2. Invest in Services</b>	<ul style="list-style-type: none"><li>Accounting system to track actual costs by service</li></ul>	<ul style="list-style-type: none"><li>Service proposals to become core of the budget process</li></ul>
<b>3. Measure Results</b>	<ul style="list-style-type: none"><li>Regular performance reports based on subset of highest-value metrics</li></ul>	<ul style="list-style-type: none"><li>Invest more in data collection and performance analysis</li></ul>
<b>4. Plan for the Long Term</b>	<ul style="list-style-type: none"><li>Multiyear planning for non-General fund revenue</li></ul>	<ul style="list-style-type: none"><li>Multiyear planning for operating expenses</li></ul>
<b>5. Stay Fiscally Responsible</b>	<ul style="list-style-type: none"><li>Monitor budget vs. actual on a regular basis</li></ul>	<ul style="list-style-type: none"><li>Set clear reserve policy</li></ul>
<b>6. Improve Governance</b>	<ul style="list-style-type: none"><li>Transparency website (v 1.0)</li><li>Approval for CIP</li><li>Online budget forum for community input</li></ul>	<ul style="list-style-type: none"><li>Transparency website (v 2.0)</li><li>Community engagement workshops</li></ul>

### COUNTYWIDE VISION STATEMENT

“Harris County will build a more dynamic, vibrant and resilient community while being inclusive, equitable and transparent in all that we do.”

### COUNTYWIDE GOALS

In September 2020, the Commissioners Court adopted a vision statement and eight goals in specific areas. These goals have been an organizing principle of the FY 2022 budget process. Budget submissions now reflect the effort of County-funded organizations to align their own goals and their spending requests with these countywide goals of Commissioners Court. The goals are spelled out in the relevant section of this document.



### DIVERSITY

This year’s budget forms asked departments a series of questions on disparities in the populations they serve. Individual department responses are included in Budget Supplement I. Answers varied across departments but some themes emerged.

Improving accessibility of physical locations, expanding virtual services, increasing language access and waiving fees are the most common ways departments seek to address disparities in providing services. However, departments reported many of the disparities they encounter are beyond their individual ability to address, with budget and capacity as the biggest barriers.

Most departments indicate they encourage staff to attend diversity and inclusion trainings offered by Harris County Human Resources or relevant professional organizations. In many cases, however, the training was not specific to the services provided or the population served.

Finally, many departments use equity and inclusion as a consideration when choosing how to advertise jobs, whether to attend hiring events, and how to invest in training and internships.

## EXECUTIVE SUMMARY – FISCAL YEAR 2022 UNRESTRICTED, GENERAL FUND REVENUE

The General Fund (including the Public Improvement Contingency (PIC) fund) is the County's only truly flexible source of revenue. Other revenues are legally restricted for specific purposes and are not freely appropriated by Commissioners Court.

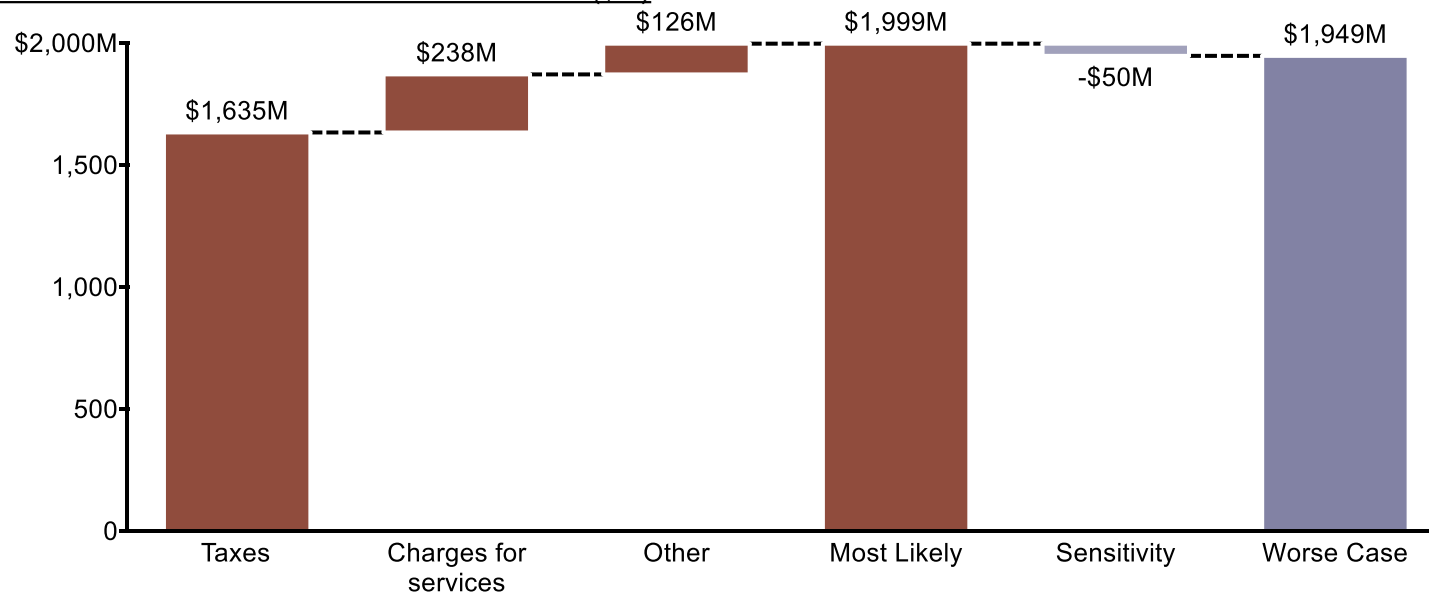
Working with BMD, the Auditor's Office has prepared a preliminary estimate of revenue for FY 2022 of \$1,999M. BMD recommends that this figure be used as the preliminary baseline for appropriation, which compares to a baseline budget of \$1,950M.

Some key assumptions behind this projection are:

- Same total general fund tax rate as tax year 2020
- ~2% decline in the tax base- commercial and industrial property decreases partially offset by residential increases
- Non-tax revenues remain depressed at FY 2021 levels throughout FY 2022

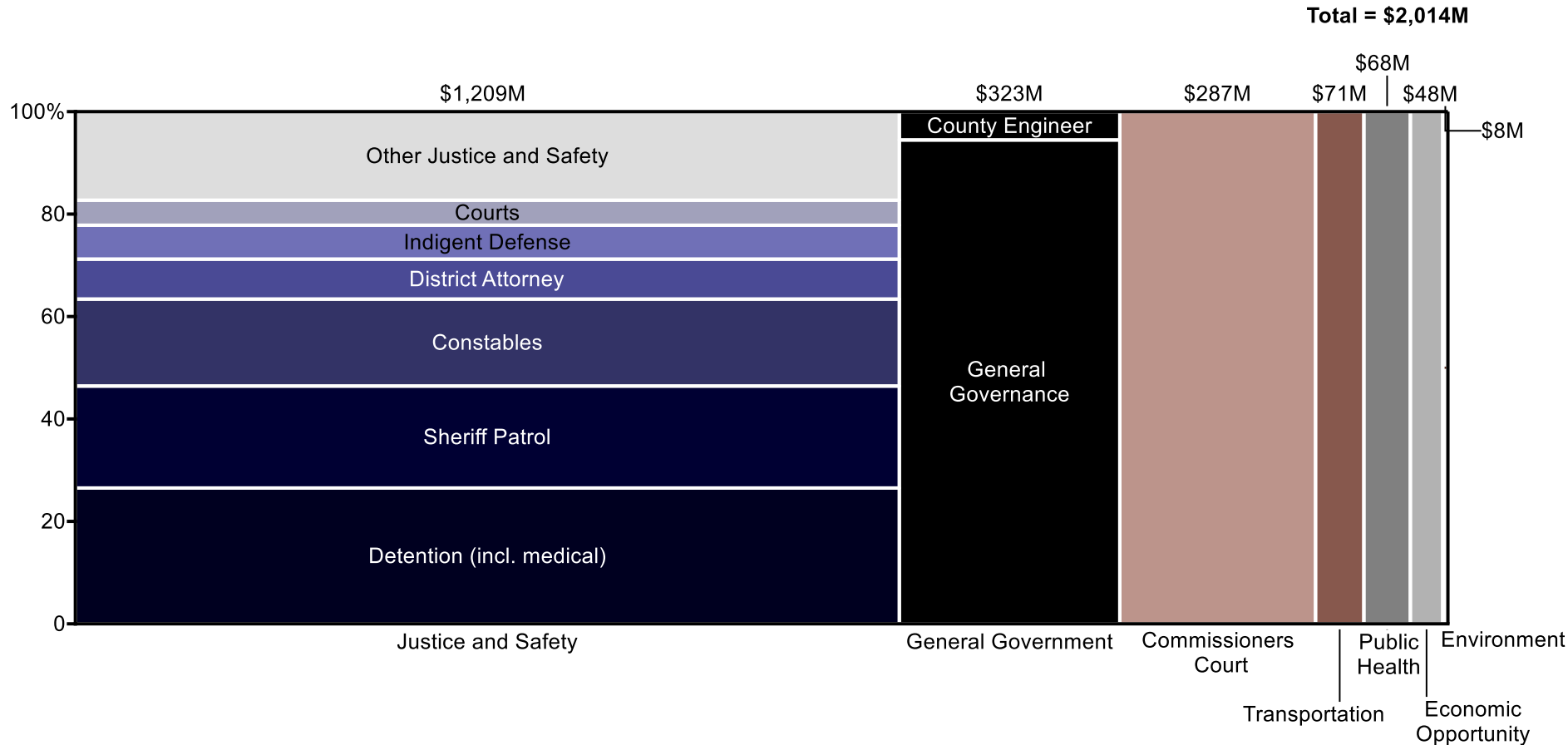
BMD has prepared a "Worse Case" sensitivity for FY 2022 which is \$50M lower than the base case. In evaluating the FY 2022 budget, Commissioners Court should keep in mind this uncertainty around revenue. If this Worse Case materializes, the County may have to make midyear adjustments or dip into reserves.

FY 2022 General Fund Unrestricted Revenue (\$M)



## EXECUTIVE SUMMARY – GENERAL FUND FY 2021 ADOPTED BUDGET

Of the \$3,272M adopted FY 2020-21 budget, \$2,014M is allocated to departments with the remaining \$1,258 allocated to General Administration to cover certain administrative costs, the county's working capital, and department rollovers. Spending is estimated to be \$1,926M based on the \$2,014M allocated to departments plus the \$43M of administrative costs less the \$131M of carryover allocations to commissioner precincts. Subsequent adjustments made during the year have increased the estimated baseline spending level for FY 2021-22 to \$1,950M.



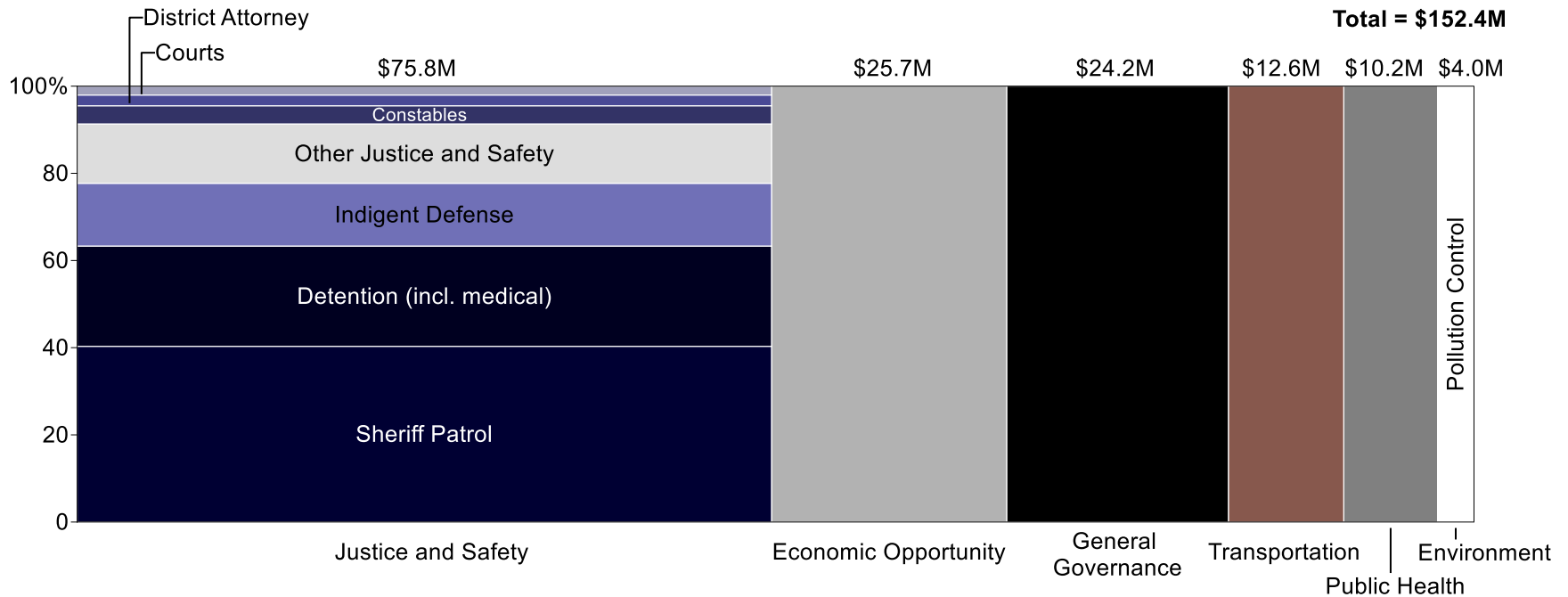
Note: HRRM is currently in a separate fund that is funded via General Fund transfer from General Administration. HRRM will be directly budgeted in the General Fund next year.

## EXECUTIVE SUMMARY – GENERAL FUND NEW REQUESTS

Harris County-funded organizations have submitted budget requests equal to \$152M. Budget Supplement I shows the requests in their entirety- including the rationale and the link to goals and performance metrics.

Due to the timing cutoff for this Part I Budget Book, budget requests are not included from the County Auditor, the Department of Equity and Economic Opportunity, Pretrial Services, Office of Managed Assigned Counsel and Constable Precinct 2. Additionally, we are pursuing further clarifications on some of the requests listed. New elected officials who take office on January 1, 2021 may present additional requests not shown here. The below also does not include any increases to Commissioners Court offices that may be included in the budget.

TOP 5 REQUESTING DEPARTMENTS (\$)	TOP 5 REQUESTING DEPARTMENTS (%)*
1. Sheriff (\$31M)	1. Justice Administration (348%)
2. Community Services (\$15M)	2. Community Services (123%)
3. Engineering (\$13M)	3. Veterans Services (67%)
4. Public Defender (\$11M)	4. Comm. Court Analyst Office (59%)
5. Detention (\$11M)	5. Pollution Control (53%)



Note: In FY 2021, Commissioners Court approved ~\$18M of budget increases for recurring costs. These were added to the Adopted Budget to set the baseline budget for new requests; Some requests which had requested budget for salary/COLA/merit-based increases were removed from the list of requests; Does not include cost centers like District Court Appointed Attorney Fees & County Court Appointed Attorney Fees.

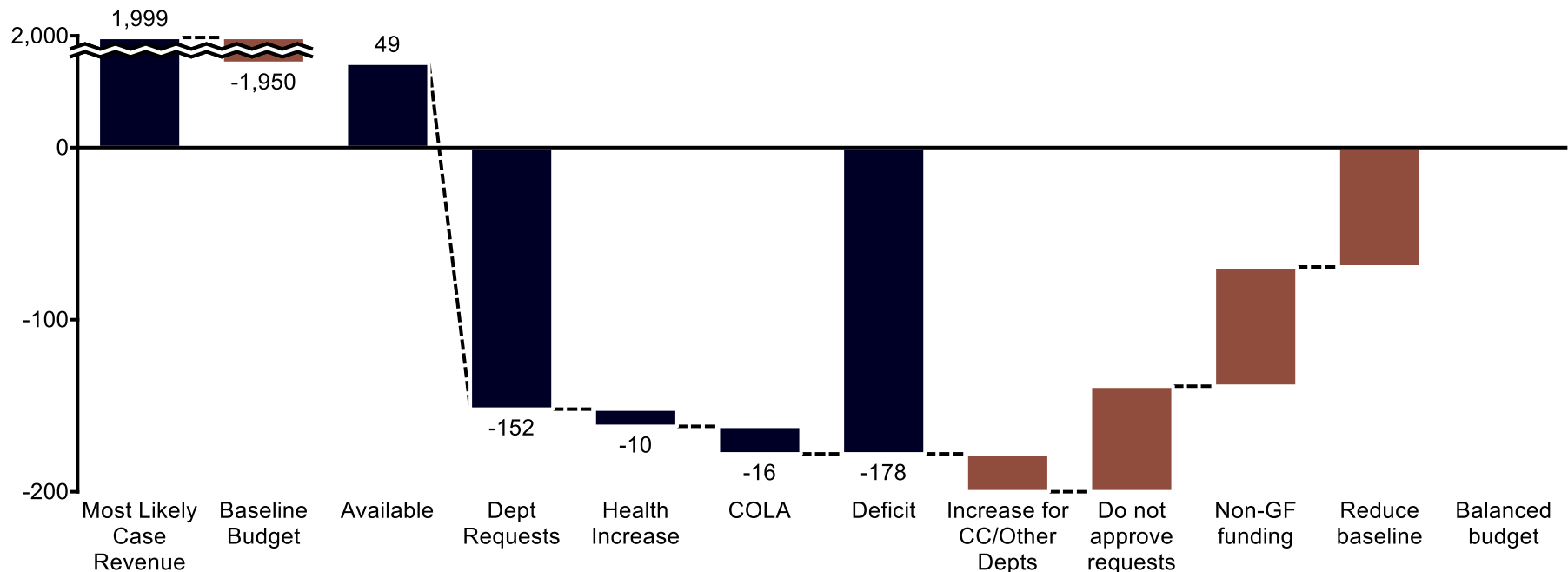
\*Top 5 Requesting departments (%) calculated as amount of additional funds requested/last year's adopted budget

## EXECUTIVE SUMMARY – GENERAL FUND PATH TO BALANCING

In addition to the received requests for new budget, Commissioners Court may consider granting increases to each department to cover health insurance premium increases and COLAs (“cost of living adjustments,” which would be 1.2% of salary based on last-twelve-months inflation). In addition, Commissioners Court may wish to increase precinct/County Judge’s office budgets or save some budget to allocate later in the year.

BMD will present a balanced budget for Commissioners Court’s consideration and adoption in early February 2021. As shown below, possible tools to balance the budget include:

- Not approving departmental requests
- Identifying non-general fund funding (or potentially rollover funds) for some requests
- Finding cost reductions in department’s baseline budgets. BMD believes that in some cases departments may not have fully evaluated how new budget requests create savings elsewhere

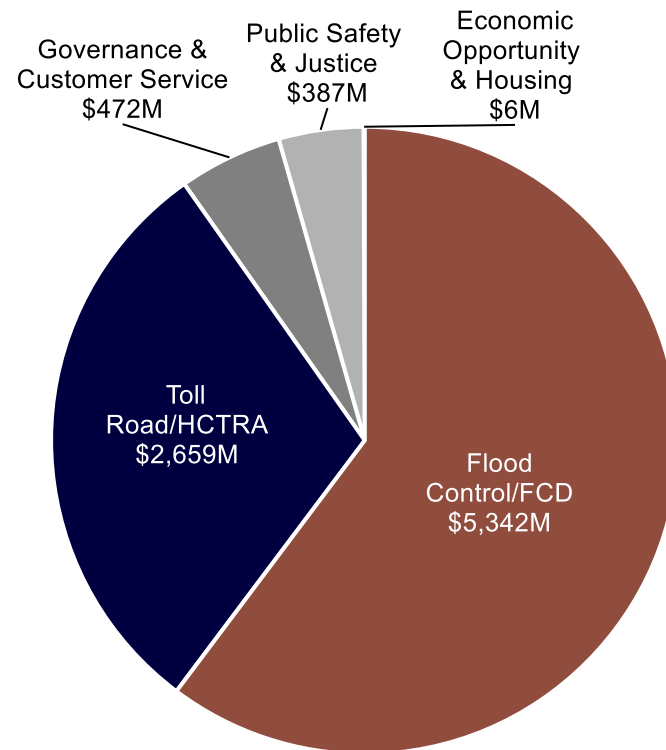


INDICATIVE ONLY

## EXECUTIVE SUMMARY – PROPOSED CAPITAL PROJECTS

Harris County departments submitted proposals for over 280 capital projects with a total cost of over \$8.8 billion. These projects principally fall into five categories, shown below along with total dollars requested. They are in varying stages of approval and execution.

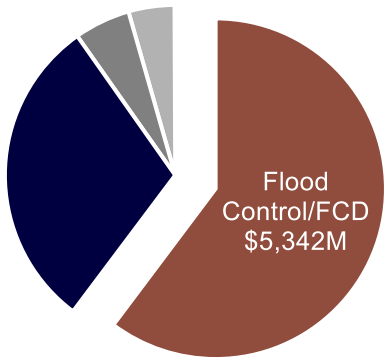
Due to the County's strong balance sheet, there is line of sight to funding for these projects—with the potential exception of flood control projects, which require significant future support from non-county sources. However, all debt-funded projects reduce future revenue available for other purposes and present a tradeoff with operational funding needs. Working from all project proposals to a proposed CIP requires Commissioners Court's input on which projects meet its goals.



Note: These figures do not include roads, parks and other projects executed at the precinct level.



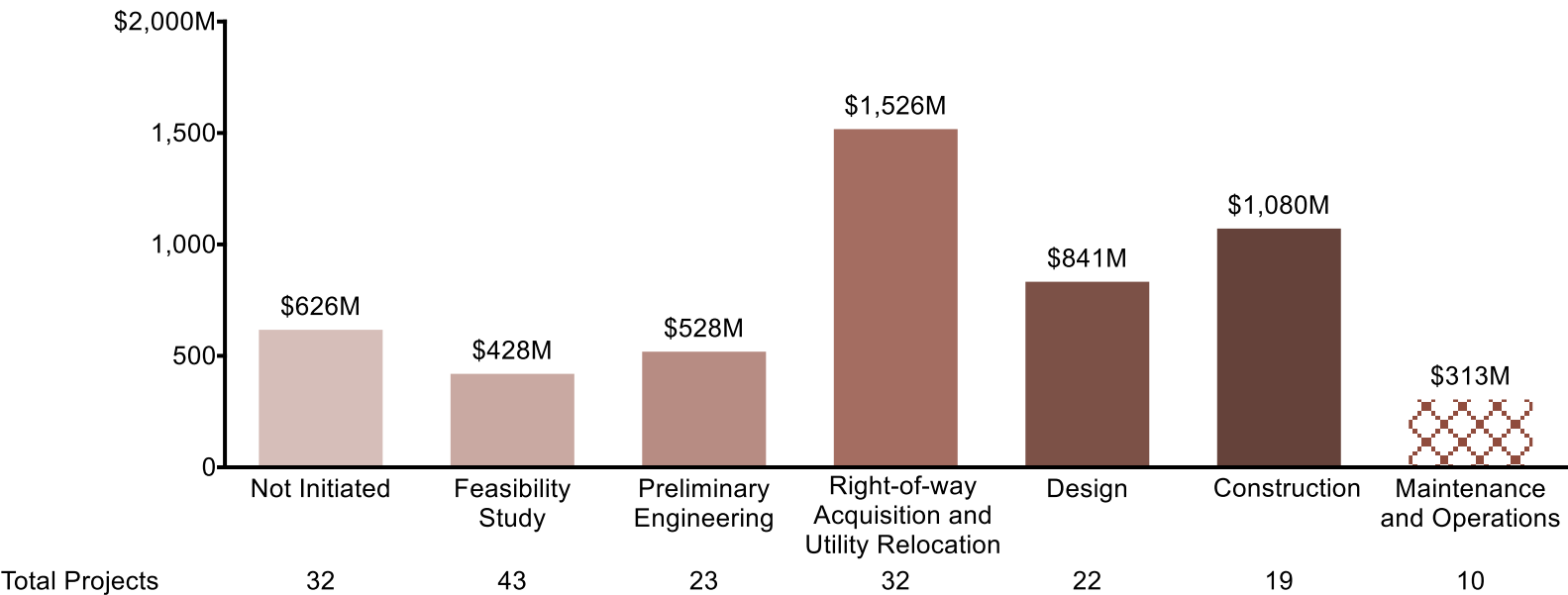
EXECUTIVE SUMMARY – FLOOD CONTROL CAPITAL PROJECTS



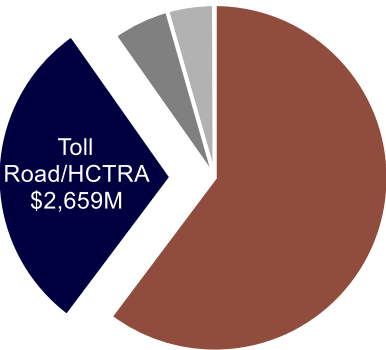
In 2018, voters approved a \$2.5 billion bond package which, along with anticipated support from local, state, and federal partners, would fund approximately 180 projects across 22 watersheds. Since 2018, the original suite of projects has seen costs escalate by \$216M. The Flood Control District (FCD) continues to work on project execution and seek partner funding from the federal, state, and other local governments.

Each flood control project has a lifecycle that includes up to six stages (shown below). These project stages provide opportunities to review and monitor progress. Projects begin with estimated budgets that are further refined through each stage. Following Preliminary Engineering, a cost estimate is produced. The result of the design stage is a set of construction documents that are used to bid out the construction stage. Winning bids for construction are approved by Commissioners Court.

FCD Project Value by Current Project Stage (\$M)

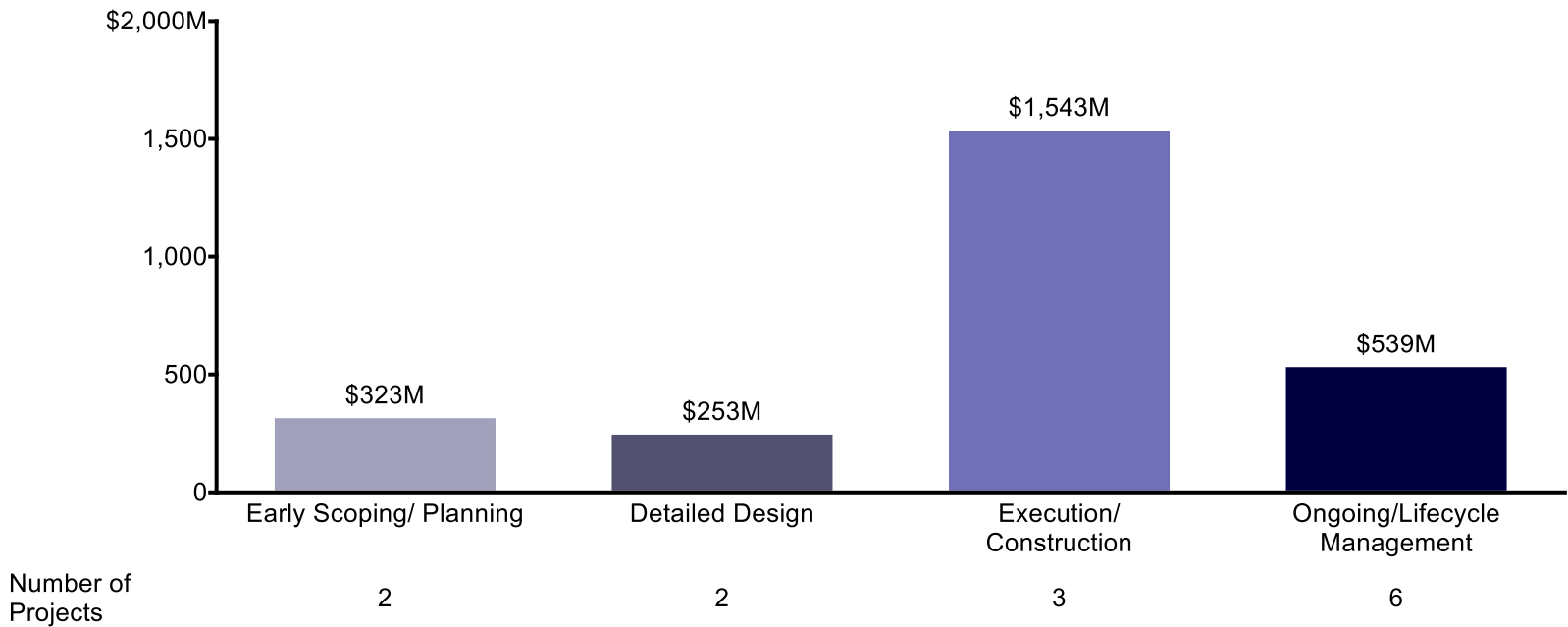


EXECUTIVE SUMMARY – TOLL ROAD CAPITAL PROJECTS

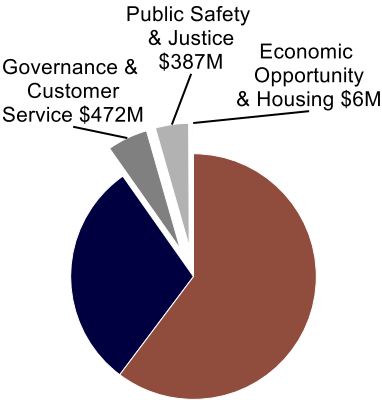


HCTRA projects are largely in the latter stages of execution. The only remaining early-stage projects are the Hardy Toll Road-Beltway 8 Interchange, and the Hardy Downtown Connector which has been returned for re-scoping and redesign. After significant investments over the next three years, HCTRA's capex program will return to much lower levels focused on system maintenance.

HCTRA Project Value by Current Project Stage (\$M)

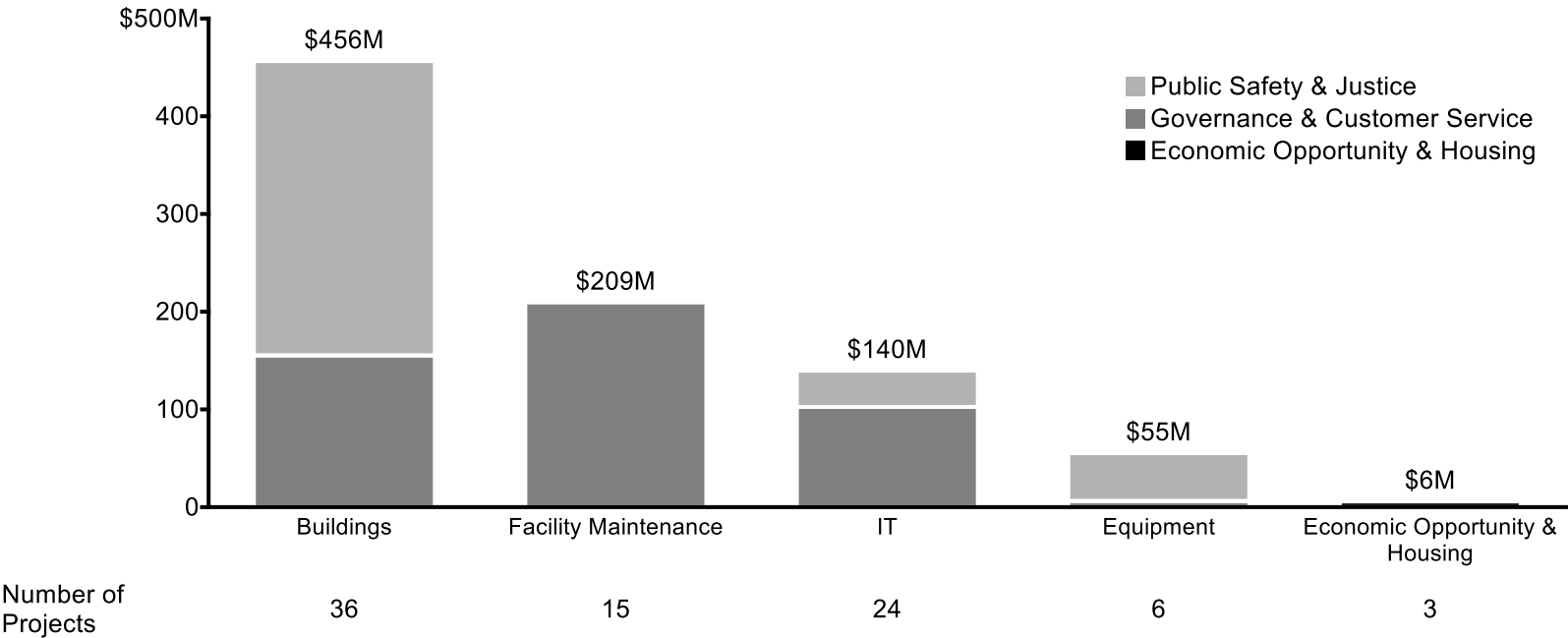


EXECUTIVE SUMMARY – PROPOSED CAPITAL PROJECTS



Over 90% of proposed County capital projects are sponsored by Flood Control and HCTRA. The remaining 10%, \$865M, is split between the three goal areas of Governance & Customer Service (\$472M), Public Safety & Justice (\$387M), and Economic Opportunity & Housing (\$6M). 52% of capital investment outside of Flood Control and HCTRA will be spent on county buildings. The largest single project in this category is the upgrade and renovation of County Detention Facilities. Facility maintenance represents 24% of non-Flood Control, non-HCTRA spending and includes lighting and HVAC upgrades in county buildings as well as other planned maintenance items. Projects are evenly distributed across stages.

General Fund Project Value by Subcategory & Goal Area (\$M)



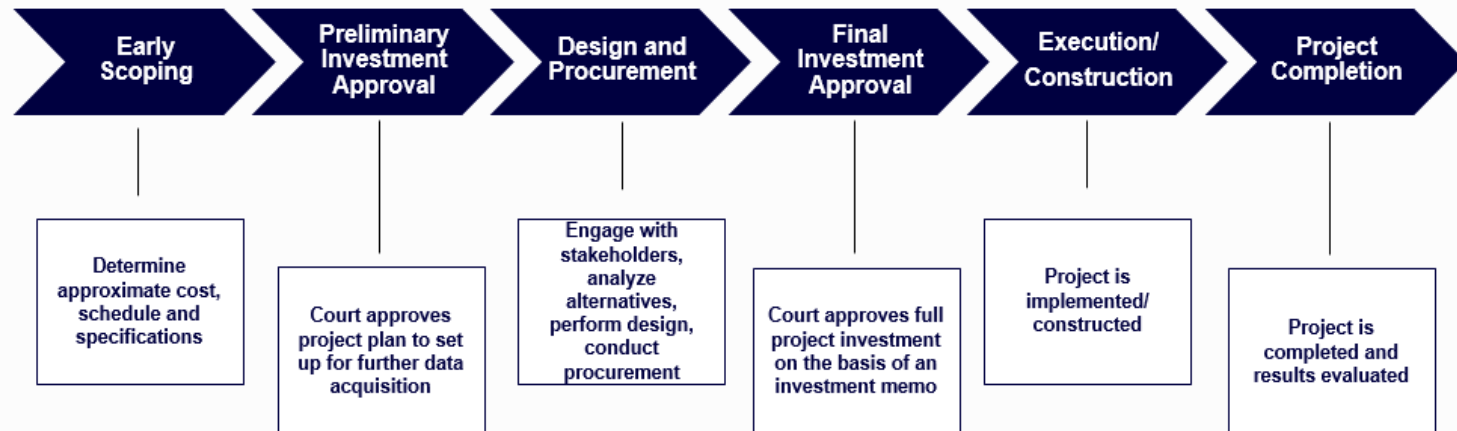
## EXECUTIVE SUMMARY – PROPOSED CAPITAL PLANNING FRAMEWORK

Commissioners Court has identified the need to improve the evaluation process for capital projects and transparency on the status of projects underway. To this end, BMD is suggesting the below framework.

The framework incorporates a two-stage approval into the life cycle of a capital project. First, a sponsoring department scope the project to provide the basics for Commissioners Court to evaluate. On the basis of a concise, written project plan, Commissioners Court would preliminarily approve the project to perform detailed design and conduct procurement. Once project details are known, the sponsoring department would prepare a project investment memo including the rationale for the project, policy or other objectives met, the costs and risks, the schedule and the alternatives studied. Commissioners Court could approve or disapprove the project based on that memo. With a final investment approval, a project can then move into execution/construction and then project completion.

Note that this framework would be adapted slightly for new Flood Control and IT projects. The Flood Control District uses different stages to represent project lifecycles. Flood Control projects could be reviewed by Commissioners Court following the completion of a feasibility study and again alongside a preliminary project budget after completion of a preliminary engineering report. Projects would then receive a preliminary approval. Once all funding is secured, and final designs have been completed, a project would be eligible for final approval. For IT projects, Universal Services should review the scope of a department IT request and evaluate if the department needs can be addressed through use of technology that has been previously purchased by the county. Some IT projects may lend themselves to a single combined approval (preliminary and final).

BMD has had initial discussions with departments on this framework and will continue to work with them to refine it. We look forward to input from Commissioners Court as we work to develop a proposed CIP.



### OVERVIEW

This Resources section provides preliminary recommendations to Commissioners Court on the size of the FY 2022 General Fund budget and capital plan. These recommendations will be refined as the Auditor's Office completes its Final Estimated of Available Resources, which is required by statute.

### FUNDS AVAILABLE FOR GENERAL FUND OPERATING BUDGET

The recommended size of FY 2022 General Fund adopted budget spending allocations (\$1,999M) is based primarily on the estimate of unrestricted, general fund revenues. Fund balances are also considered, as is a multiyear forecast of revenues. However, given strong starting fund balances and the likely recovery of the economy and revenue in FY 2023, FY 2022 revenues are the limiting factor,

Commissioners Court could potentially tap into reserves to support the FY 2022 budget. However, BMD is not recommending the use of reserves since cuts do not appear to be required, and uncertainty remains about the economy and the costs of the COVID response.

### FUNDS AVAILABLE FOR CAPITAL PROJECTS

A benchmark for general fund debt available to fund road, building, IT and other related projects is the amount of debt principal (\$717M) to be paid off over the next five years. The total five-year, general fund capital requests of \$845M would not cause a material increase in debt levels, even if all projects were approved and executed on schedule. A complicating factor is the use of debt by precincts, which is not yet included in countywide financial plans.

HCTRA currently has very strong access to capital markets, and so long as revenues recover, could add well over \$1B of debt while maintaining its key credit metrics. A mix of new debt and surplus revenue will support its capital plan.

Like road debt, but unlike permanent improvements debt, flood control debt must be approved by a referendum. In 2018, Harris County voters approved a \$2.5 billion bond issuance to cover ~180 projects. Cost increases and still-to-be-secured intergovernmental partner funding present a potential funding gap that must be addressed to complete the 2018 bond program.

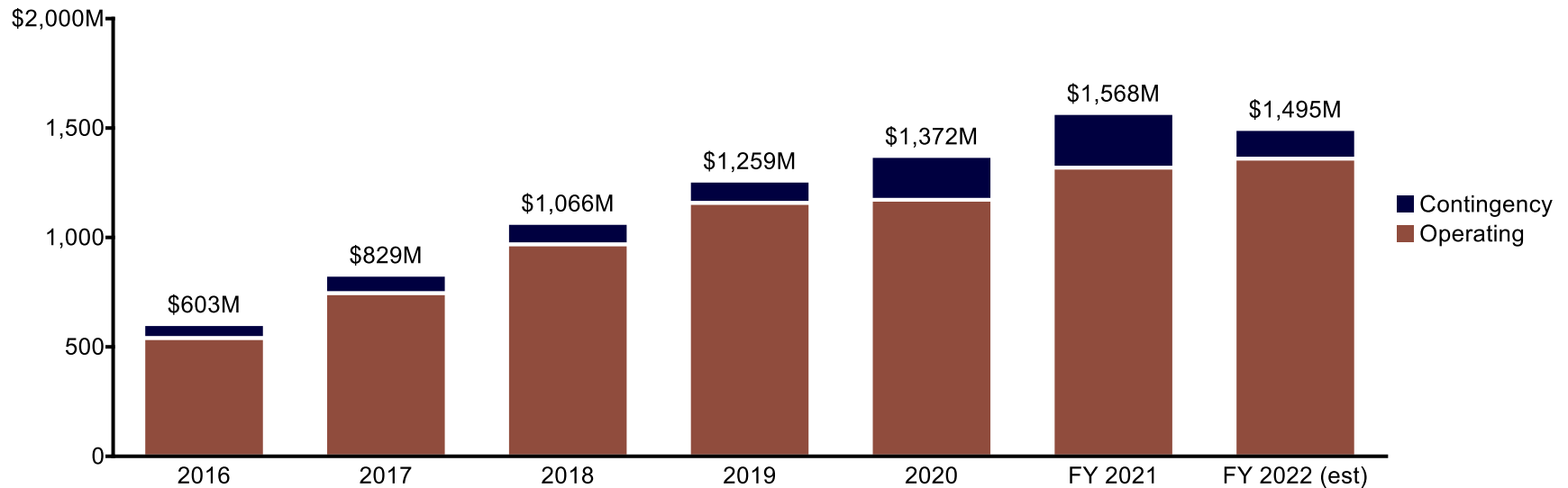
## AVAILABLE RESOURCES – STARTING UNRESTRICTED GENERAL FUND BALANCE (\$M)

The unrestricted general fund includes both the operating general fund and the public improvement contingency (PIC), both of which can be used for any legal purpose.

Harris County has built up a fund balance to sufficient to avoid tax anticipation notes (TANS). The fiscal year starting balance to avoid TANS is ~\$1.1B. The County's FY 2021 starting balance exceeded \$1.1B by about ~\$470M, of which ~\$260M was designated as a contingency fund.

The preliminary estimate of starting, unrestricted fund balance for FY 2022 is \$1.495 billion, including approximately \$100M in the PIC. The County projects over \$100M of COVID-related expense reimbursement from FEMA- which would return the fund balance to the same level as the start of FY 2021, and potentially slightly higher.

General Fund - Starting Unrestricted Balance (\$M)



Note: The general fund family in Harris County's accounting system includes a number of funds-such as mobility and debt service funds- that do have restrictions. These restricted funds are in the discussion of "All Funds."

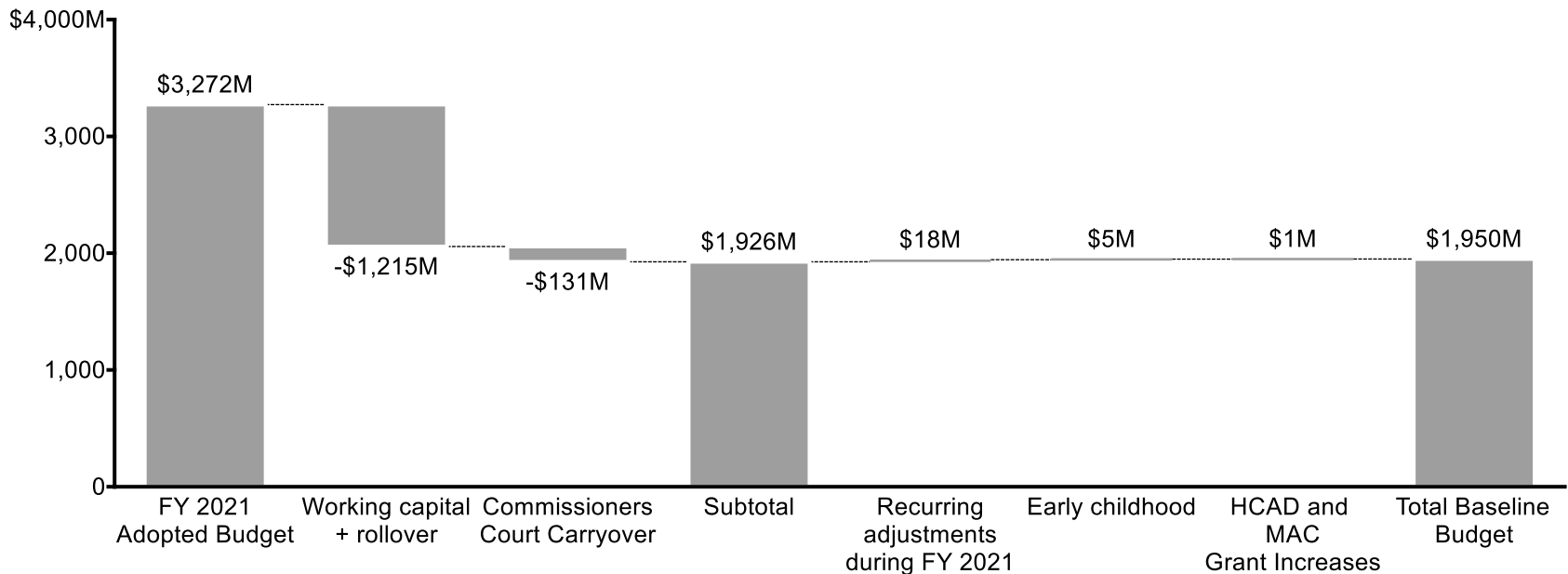
## AVAILABLE RESOURCES – BASELINE GENERAL FUND BUDGET (\$M)

The FY 2021 Adopted Budget was \$3,272M. However, only \$1,926M was new spending allocations to departments and Commissioners Court. The balance, \$1,346M, was appropriated not as new spending but as working capital (to avoid tax anticipation notes), departmental rollovers and carryover funds to Commissioners Court.

In addition, throughout the year, Commissioners Court has so far approved \$18M of recurring increases to departmental budgets (of which \$6M was allocated to Pretrial Services and \$3M to the District Courts). Commissioners Court has also approved \$10M for the Early Childhood Impact Fund, of which \$5M is assumed to be spent next year. In addition, \$1M is committed for HCAD and Managed Assigned Counsel grant match increases.

Incorporating these increases, the FY 2022 baseline budget for the General Fund is \$1,950M. BMD is evaluating increases or decreases for FY 2022 against this baseline budget.

### Baseline Budget (\$M)



## AVAILABLE RESOURCES – GENERAL FUND UNRESTRICTED REVENUE (\$M)

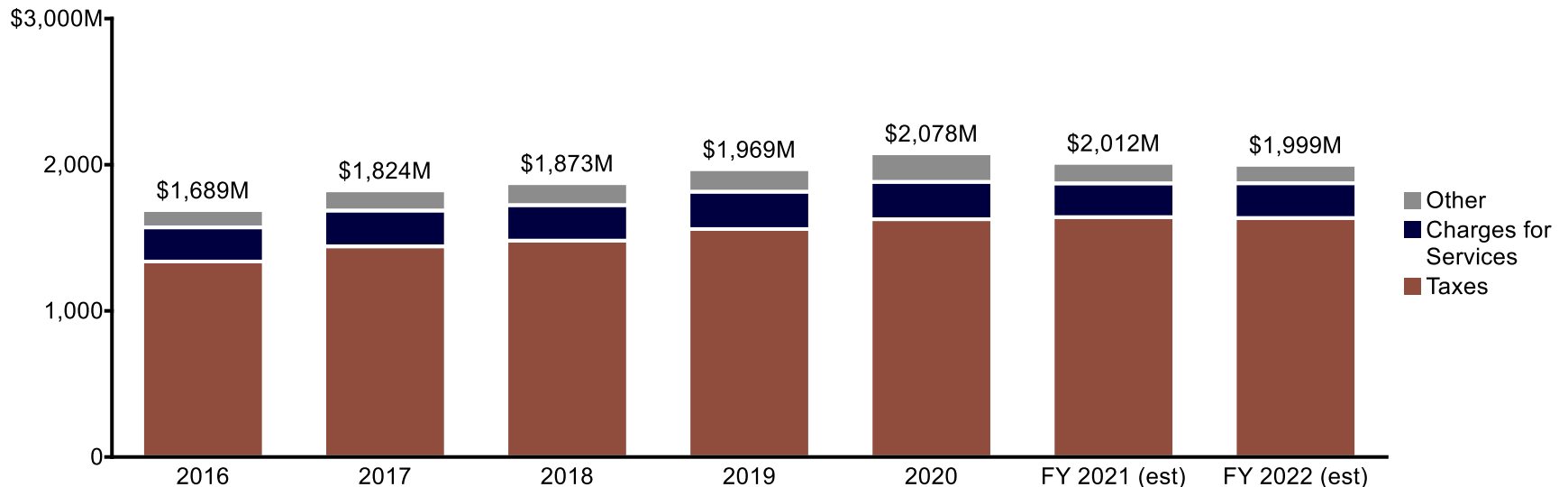
From FY 2016 to 2020, unrestricted general fund revenues rose at an average rate of 4.2 percent. This occurred despite a small tax rate decrease of 0.43 cents per one hundred dollars of assessed value. The growth was driven by a strong local economy, increasing property values and regional population growth.

Due to COVID-19's effect on non-property tax revenue, FY 2021 is likely to see a ~3% decline in revenue vs FY 2020. However, currently-projected FY 2021 revenue is within one percent of the estimate (\$2,018 million) of the Auditor's Final Estimate of Available Resources, on which the FY 2021 budget was based.

For FY 2022, the Auditor's Office, in cooperation with BMD, has preliminarily projected unrestricted revenues to be \$1,999 million. The key assumptions behind the projected revenue are:

- Top-line general fund tax rate remain unchanged from tax year 2020
- Debt service tax rate reflects an assumed commercial paper payoff of \$78M and mobility funds of \$60M to pay debt service on road bonds
- The tax base declines about 2%. Commercial and industrial declines are partially offset by residential gains
- Non-tax revenues remain depressed at levels similar to FY 2021. There is potential upside from an economic recovery and widespread vaccination

General Fund - Unrestricted Revenue (\$M)





## AVAILABLE RESOURCES – GENERAL FUND UNRESTRICTED REVENUE PROJECTION (\$M)

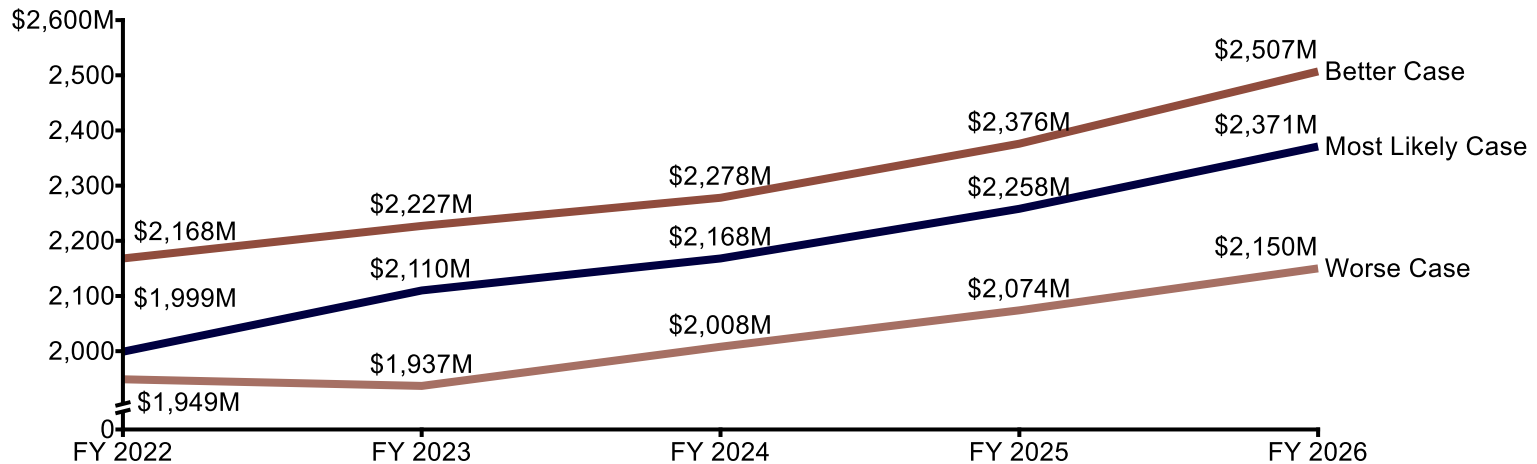
With higher levels of financial uncertainty, we have prepared a multiyear, scenario-based forecast of unrestricted revenues. The forecast allows the County to plan for the long-term across multiple possible scenarios.

Key assumptions of this forecast include:

- Topline general fund tax rate remains unchanged
- Property value reaches its floor on January 1, 2022 (which sets revenue for FY 2023), except for the Better Case, where the floor is January 1, 2021
- The Harris County property sector resumes some level of growth after the pandemic dissipates. The level of growth varies across scenarios
- Non-property tax revenue recovers in FY 2023 with the distribution of a vaccine. The level of recovery varies across scenarios

This forecast provides direction for our planning and a band of likely future revenue outcomes. Harris County's FY 2022 budget should contain enough flexibility to adapt to a "Worse Case" revenue scenario, and should remain robust if FY 2023 is also a depressed revenue year.

General Fund Unrestricted Revenue Projection (\$M)



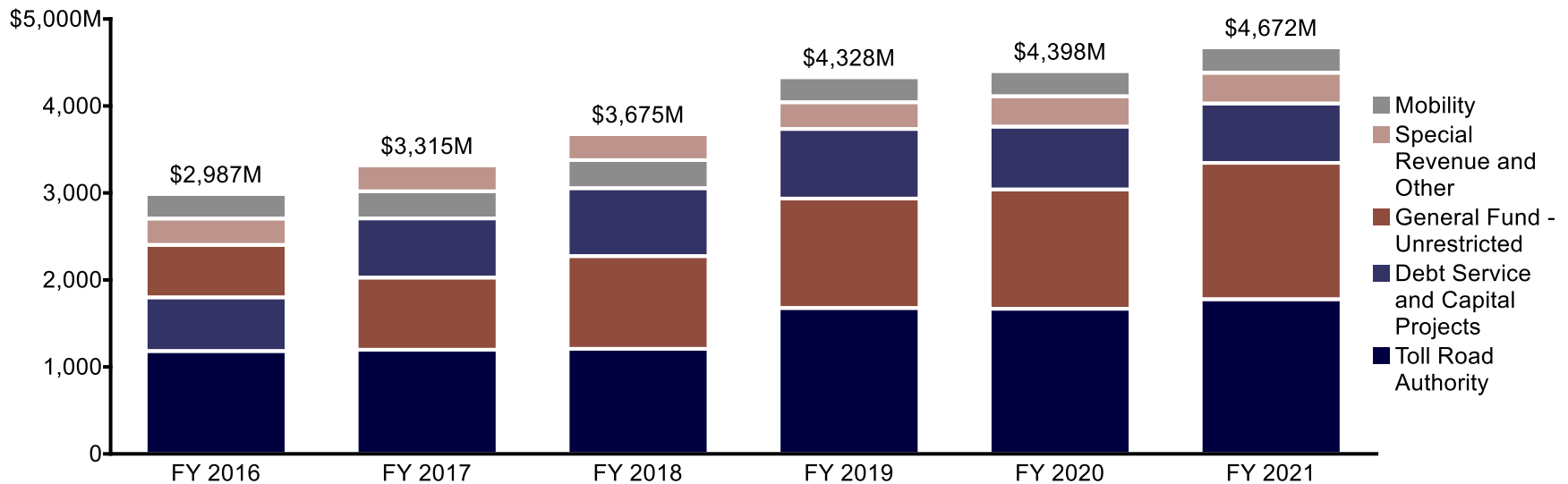
## AVAILABLE RESOURCES – ALL FUNDS STARTING BALANCES (\$M)

In addition to the unrestricted balances and revenue to the General Fund, Harris County includes a number of other funds whose balances and revenue are restricted for specific purposes. The restricted funds include:

- Harris County Toll Road Authority
- Harris County Flood Control District
- Accounts for debt service and debt proceeds for capital projects
- Special revenue funds

While none of these restricted funds can be used to directly pay General Fund expenses, their strong balances underline the overall financial strength of the County. In addition, there may be opportunities to better invest restricted funding to achieve the County's objectives. Use of restricted funds for expenses otherwise paid by the general fund is one potential method to support the general fund budget.

All Funds-Starting Balance (\$M)



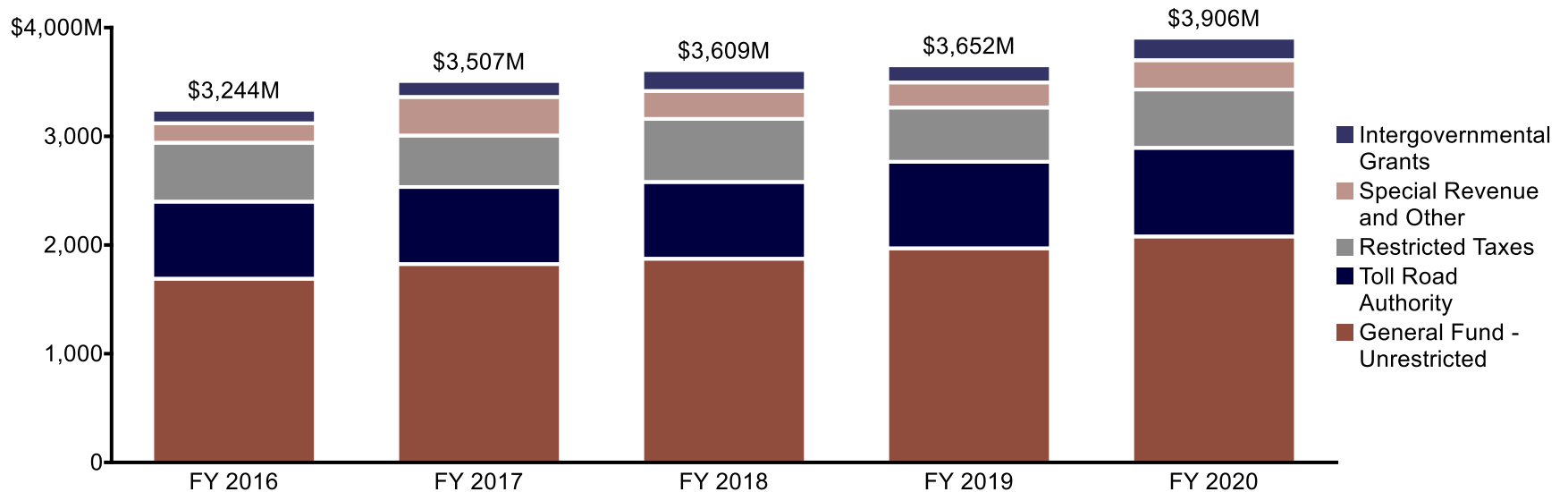
## AVAILABLE RESOURCES – ALL FUNDS REVENUE (\$M)

In addition to unrestricted, general fund revenue, the County's other main sources of revenue include:

- Restricted taxes, including hotel occupancy taxes, property taxes to pay debt service for general fund debt and the property taxes that fund the Flood Control District
- Restricted charges for services, including toll fees on the Harris County Toll Road Authority (HCTRA) system which can fund toll system expenses and other transportation-related expenses around the County
- Grants

The Auditor's Office will produce FY 2022 estimates for many of these revenue streams in connection with its Final Estimate of Available Resources (FEAR), on which the budget will be based. In addition, BMD is developing the capability to forecast restricted County revenues over a multiyear period. While not directly relevant to the General Fund budget, these revenues provide context on the overall strong financial condition of the County.

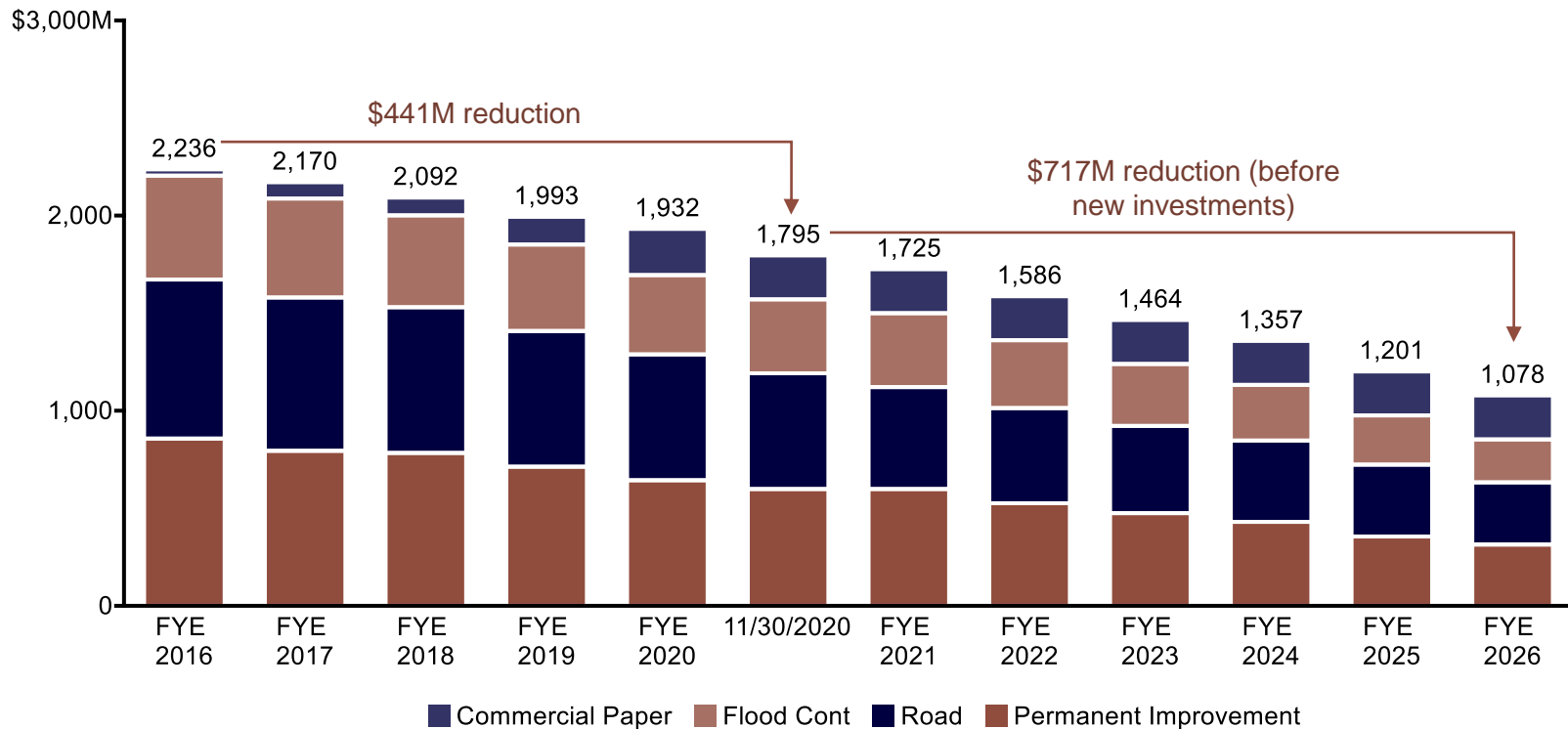
All Funds- Revenue (\$M)



## AVAILABLE RESOURCES – GENERAL FUND DEBT

From February 28, 2016 until November 30, 2020, the County has paid off over \$441M in general fund debt. This has reduced the taxes that must be collected to pay debt service. Over the next five years, the County is set to pay off another ~\$717M in general fund debt (before any new investments or additional commercial paper repayments). In comparison, total requested capital projects that would be funded with general fund revenues are \$865M. This means there is ample debt capacity to support new capital projects-though a complicating factor is that the use of debt by precincts is not yet incorporated into the countywide capital plan.

### General Fund Debt Outstanding (\$M)



## AVAILABLE RESOURCES – HCTRA DEBT

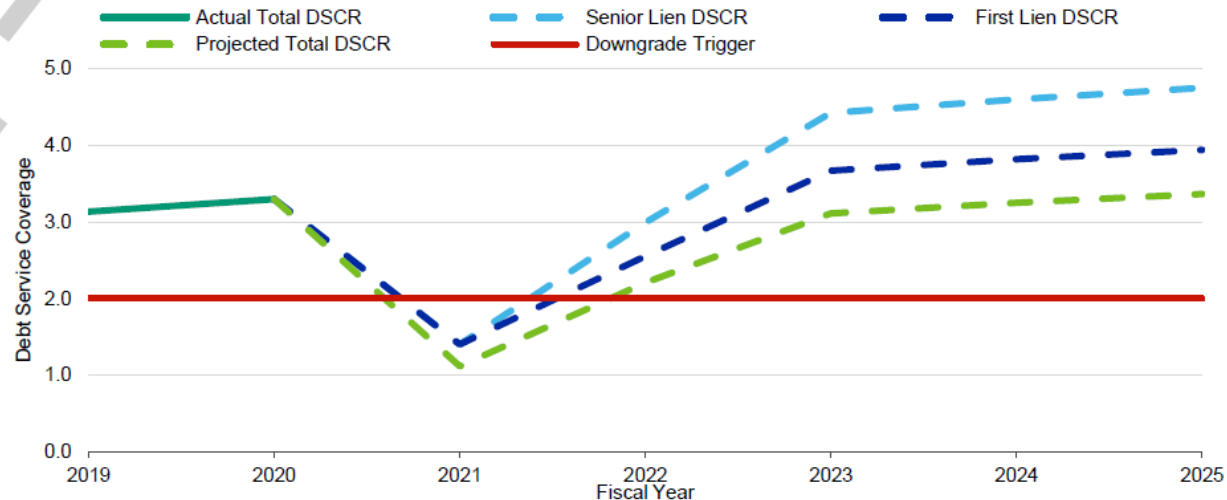
Both the Flood Control District and HCTRA can issue debt to support their respective capital projects.

The Flood Control District can issue up to \$2.5B of bonds under the voter authorization passed in 2018. Of these bonds, \$334M have been issued to date, resulting in a remaining authorization of \$2.166B.

HCTRA's ability to issue revenue bonds does not require voted authority but is limited by the debt service coverage ratios. HCTRA recently priced a ~\$525M 30-year bond issuance at under 2.5%. Based on the recent analysis by Moody's, HCTRA could issue well over \$1B of new debt and remain above the coverage ratios required to keep its credit rating. This relies on the assumption that traffic rebounds in 2022 and 2023, and HCTRA's revenues need to be closely monitored.

### HCTRA debt service coverage ratios

Debt service will drop below downgrade trigger in fiscal 2021 but return above it in fiscal 2022 and increase thereafter



\*Fiscal 2021-2025 represents projected DSCR's based on management's conservative forecast

Source: Moody's Investors Service

## COMMISSIONERS COURT GOAL STATEMENT

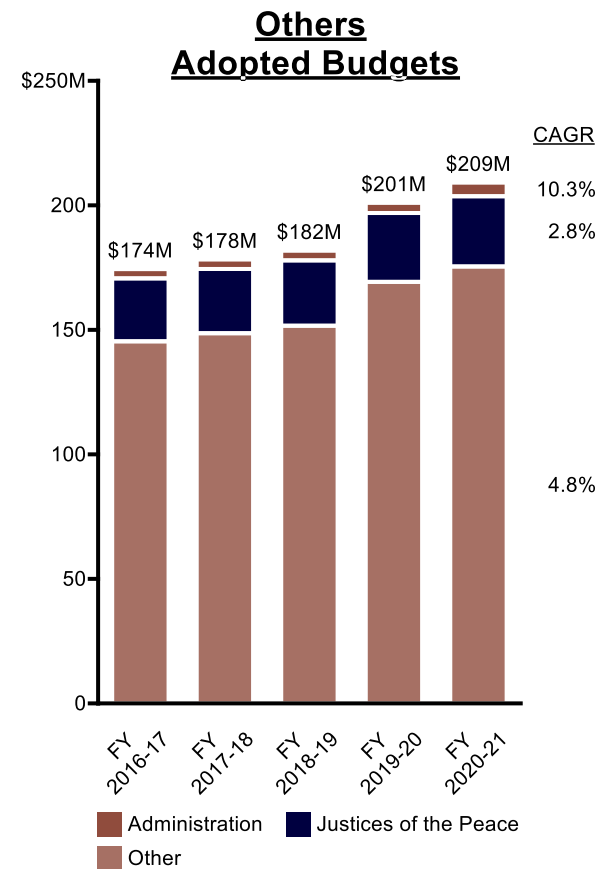
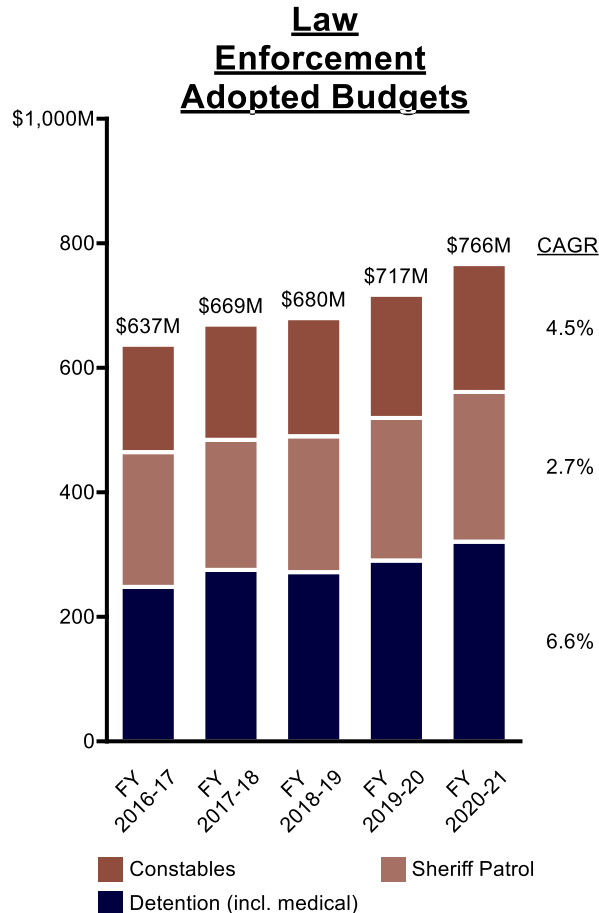
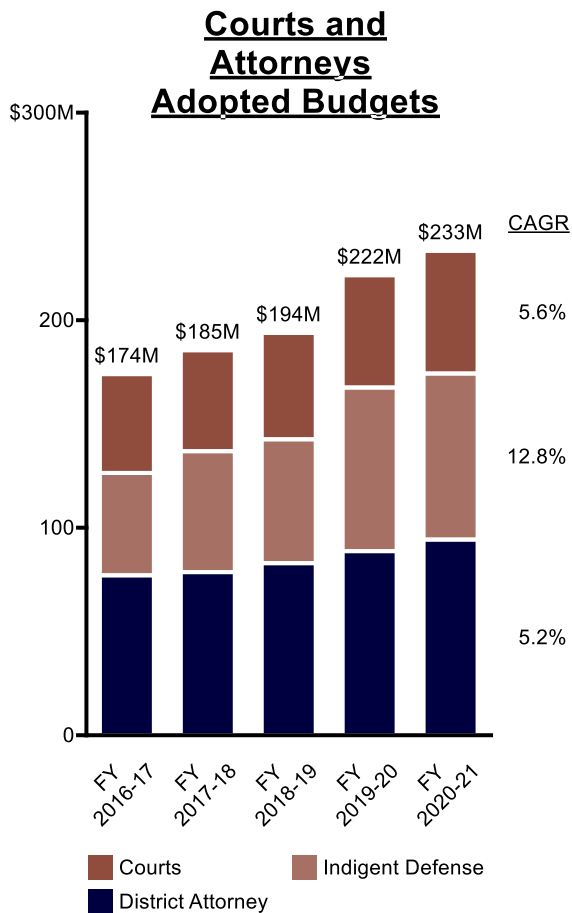
Harris County will promote safe, healthy, thriving communities through restorative and evidence-based strategies that foster public trust, prevent violence and trauma, reduce racial and economic disparities, and minimize criminal justice system exposure where at all possible.

## DEPARTMENTS AND SERVICES

FUNCTIONS	DEPARTMENTS	KEY SERVICES
Law Enforcement	<ul style="list-style-type: none"> <li>• Sheriff Patrol</li> <li>• Sheriff Medical</li> <li>• Constables (8 precincts)</li> <li>• Detention (incl. Medical)</li> </ul>	<ul style="list-style-type: none"> <li>• Patrol services</li> <li>• Juvenile Services</li> <li>• Criminal investigations</li> <li>• Detention Services (including medical)</li> <li>• Justice Management (arrest process)</li> <li>• Mental Health services</li> </ul>
Courts and Attorneys	<ul style="list-style-type: none"> <li>• District Attorney</li> <li>• Public Defender</li> <li>• Managed Assigned Counsel</li> <li>• Court-appointed attorneys</li> <li>• District Courts</li> <li>• County Courts</li> <li>• Courts of Appeals (2)</li> <li>• Probate Courts (4)</li> </ul>	<ul style="list-style-type: none"> <li>• Appellate services</li> <li>• Indigent defense Services</li> <li>• Bail Hearing</li> <li>• Civil case services</li> <li>• Trial service</li> <li>• Victim Services</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Justices of the Peace</li> <li>• Institute of Forensic Science</li> <li>• Fire Marshall</li> <li>• Community Supervision</li> <li>• Pretrial Services</li> <li>• Juvenile Probation</li> <li>• TRIAD Program</li> <li>• Protective Services</li> <li>• Sheriff's Civil Service</li> <li>• Justice Administration</li> <li>• Domestic Relations</li> </ul>	<ul style="list-style-type: none"> <li>• Health Services</li> <li>• Trial Services</li> <li>• Civil Case Services</li> <li>• Criminal Case Services</li> <li>• Forensic Services</li> <li>• Youth Services</li> <li>• Residential services for pre and post Juvenile adjudication</li> <li>• Court Administration</li> <li>• Community Supervision</li> </ul>

## JUSTICE AND SAFETY – GENERAL FUND ADOPTED BUDGETS

- Compound annual growth rate (CAGR) over the last five years for all Justice and Safety departments is **5.2%**
- Total General Fund adopted budget for FY 2020-21 across all Justice and Safety is **\$1.21B** or **~60% of the new spending allocations**

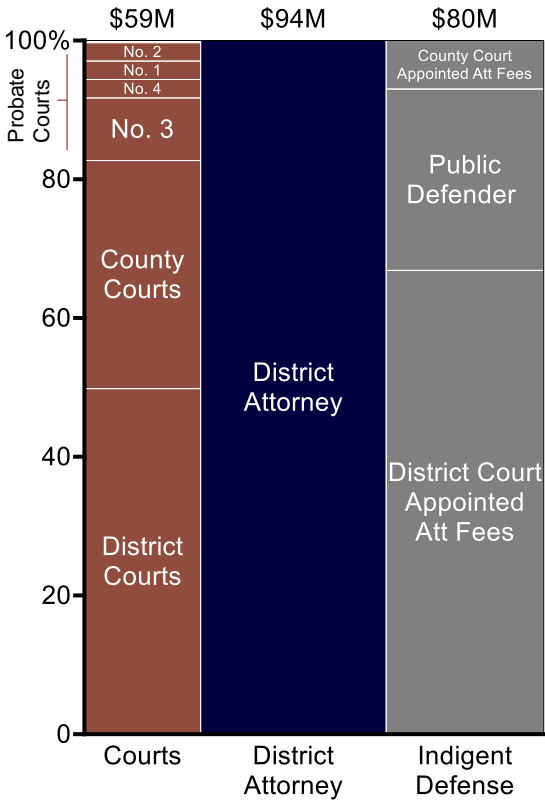


JUSTICE AND SAFETY – FY20-21 ADOPTED BUDGET

Adopted Budget FY20-21(\$M)

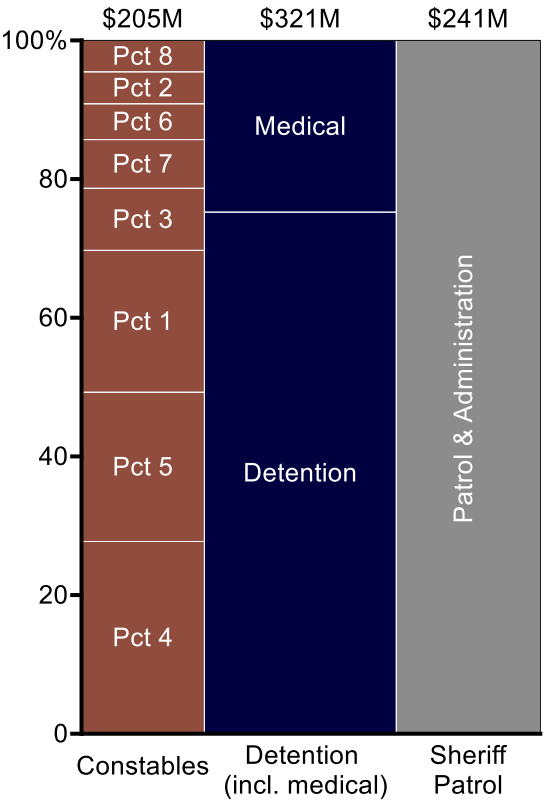
Courts and Attorneys

Total = \$233M



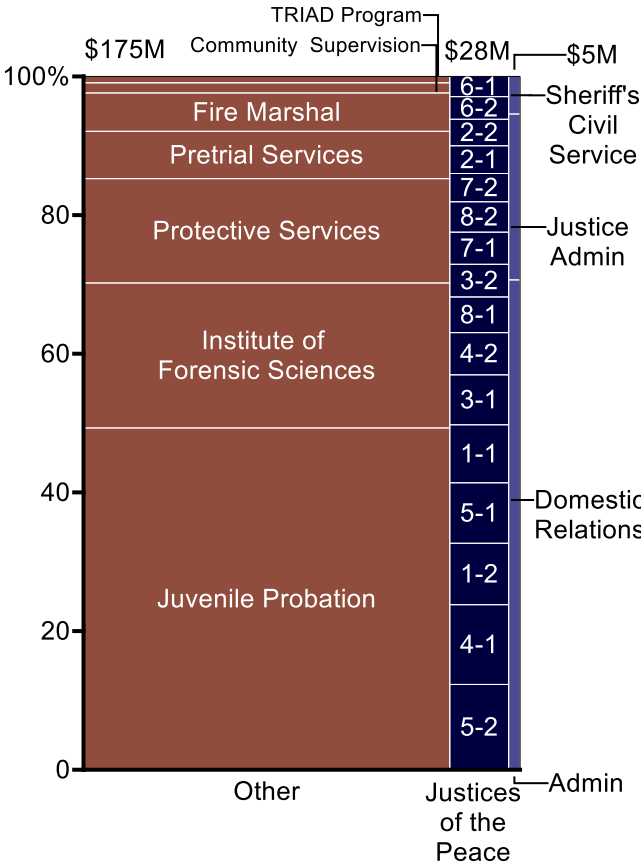
Law Enforcement

Total = \$766M



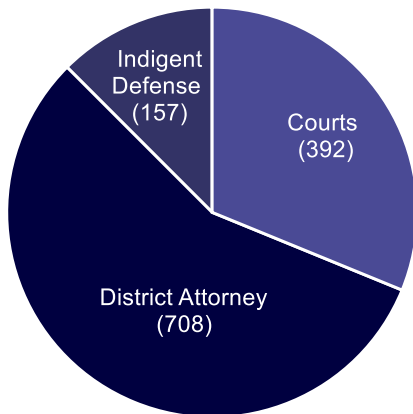
Others

Total = \$209M

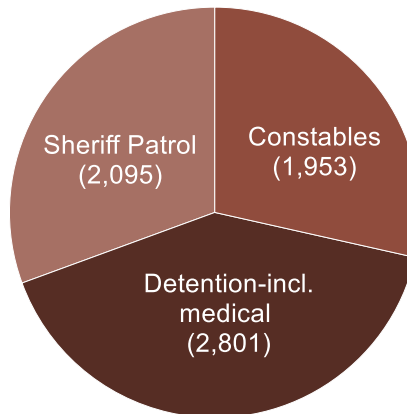




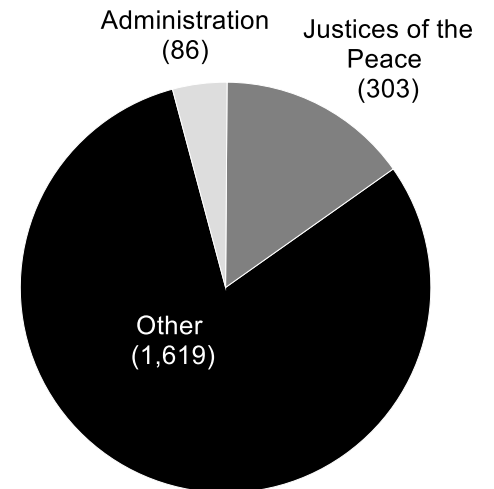
### Courts and Attorneys



### Law Enforcement

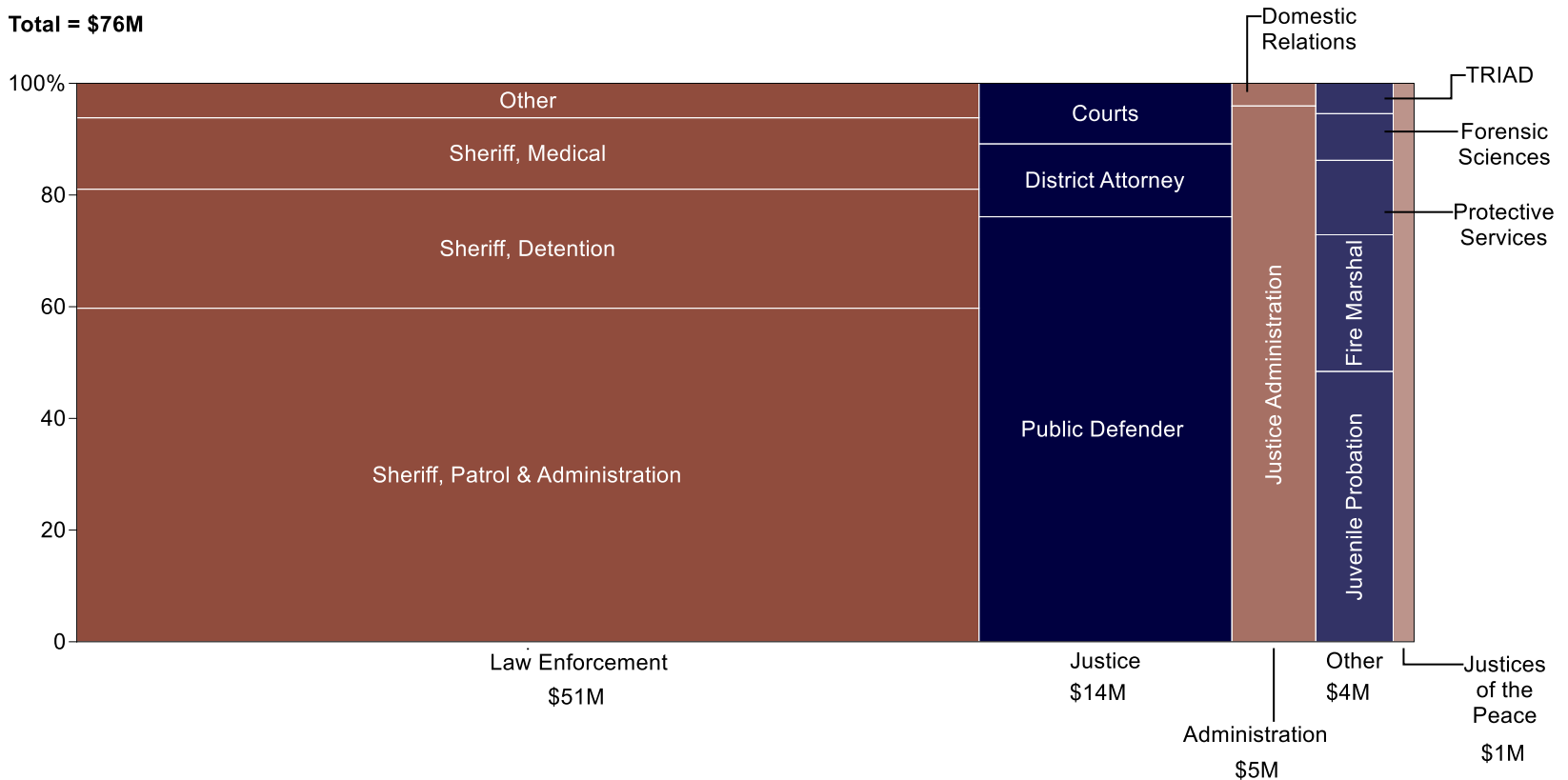


### Others



## JUSTICE AND SAFETY REQUESTS – GENERAL FUND (1/3)

- Total requests of **\$75.8M** represent **50%** of all new requests.
- The largest request is from the Sheriff's Department, representing an 9% increase in the total budget.
- The second largest request is from the Public Defender, which is year one of a two-year plan to represent 50% of indigent defendants. The Public Defender estimates 63% of the cost of the two-year plan will be offset by an eventual \$14M reduction in court-appointed attorneys.



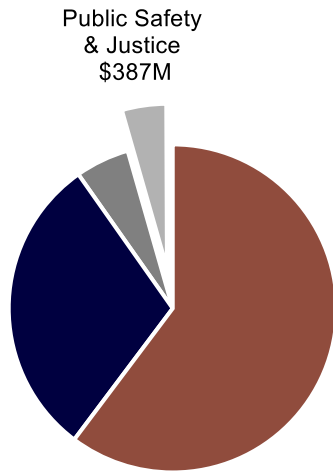
## JUSTICE AND SAFETY – GENERAL FUND REQUESTS OVER \$1M (2/3)

Department	Priority	Service	Description	Amount Requested
Sheriff, Patrol & Administration	BR4	Patrol District	Due to increase in population, more deputies requested to provide 24/7 coverage for the citizens of the unincorporated HC. Additional hires also requested to fill open positions due to staff transfers to other bureaus.	\$17,573,540
Public Defender	BR1	PDO, TRIAL - FELONY	New staff to reach 50% of court appointments in two years.	\$4,489,547
Sheriff, Detention	BR1	701 San Jacinto Jail	Additional staff requested for electronic rounds, additional duties due to the transition of court pulls, medical cart escorts, virtual court set up and cleaning. The request should reduce existing overtime costs.	\$4,150,128
	BR2	1200 Baker St. Jail		\$4,150,128
Public Defender	BR2	PDO, TRIAL – MISDEMEANOR	New staff to reach 50% of court appointments in two years.	\$2,931,238
Sheriff, Patrol & Administration	BR5	New Unit, Problem Oriented Policing	A new unit that would focus on directly addressing concerns of the community, attending meetings, curating a strong social media presence and serving on community boards and associations.	\$2,659,947
Public Defender	BR3	PDO Department Expansion, HOLISTIC SERVICES	Additional personnel requested to expand services to clients such as expunging prior convictions, assistance in obtaining benefits, and handling administrative matters.	\$2,292,127
Justice Administration	BR15	Youth Justice Community Reinvestment Fund	Request for additional funds for meeting families' basic needs and engaging youth in communities of color in order to decrease juvenile detention rates.	\$2,000,000
Juvenile Probation	BR1	Excel Academy Charter School	Funding request for the Excel Academy Charter School to continue to educate students in the juvenile facilities. As the population in the department's facilities continue to decrease, the revenue generated for the charter school decreases as well. Facility structure and design, as well as educational requirements, limits the charter's ability to align its staffing structure to facility population.	\$1,990,258

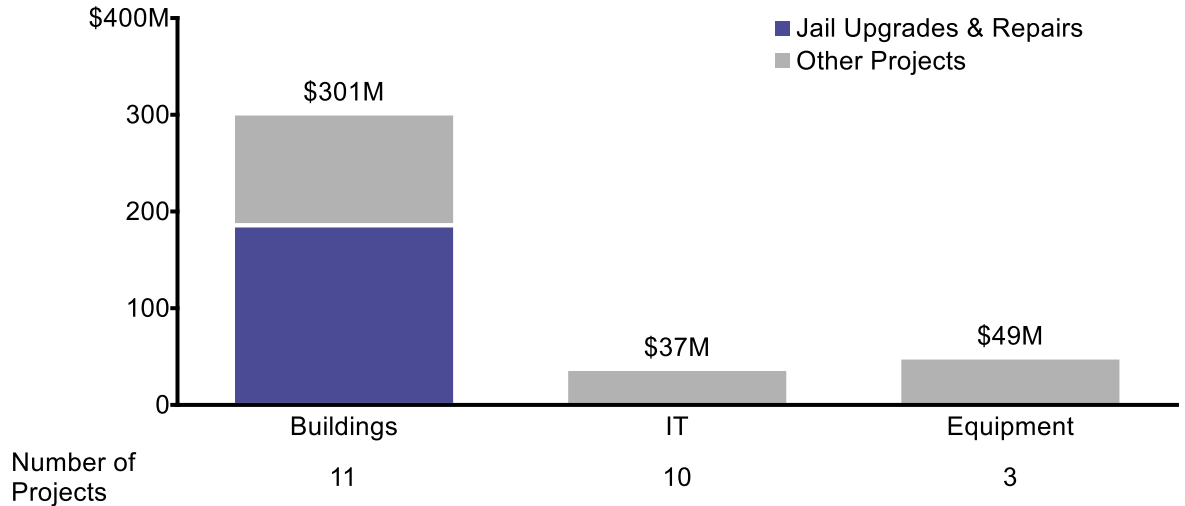
## JUSTICE AND SAFETY – GENERAL FUND REQUESTS OVER \$1M (3/3)

Department	Priority	Service	Description	Amount Requested
Sheriff, Patrol & Administration	BR7	Expand Criminal Investigation Capacity	Additional investigators requested to conduct proper follow-up investigations due increasing reported incidents of crime (over 70,000). These additional investigators will focus on the backlog of violent crimes, such as sexual assaults, aggravated robberies, aggravated assaults and murders.	\$1,969,480
Sheriff, Patrol & Administration	BR1	CIRT, Crisis Intervention Response Team	Request for 20 deputies for 24/7 coverage of critical calls (person in crisis, call de-escalation, etc.).	\$1,773,298
Sheriff, Patrol & Administration	BR6	Business Operations	According to the Replacement Guideline Systems 150 vehicles need to be retired and replaced.	\$1,700,000
District Attorney	BR2	Criminal Charges	Request for 12 additional personnel to handle the volume of new cases, complex cases like murders and the writing of To Be Warrants.	\$1,692,960
Sheriff, Medical	BR9	Nurse Practitioners	More nurses requested to address the increased demand for care and reduce agency cost for third-party providers given the various needs of the patients at HC Jail and additional difficulties caused by COVID-19.	\$1,345,657
Sheriff, Medical	BR2	Registered Nurse	More nurses to address the increase demand for care given the various needs of the patients at HC Jail and additional difficulties caused by COVID-19. This would also allow reductions on agency cost for third-party providers.	\$1,334,504

## JUSTICE AND SAFETY – CAPITAL PROJECT REQUESTS

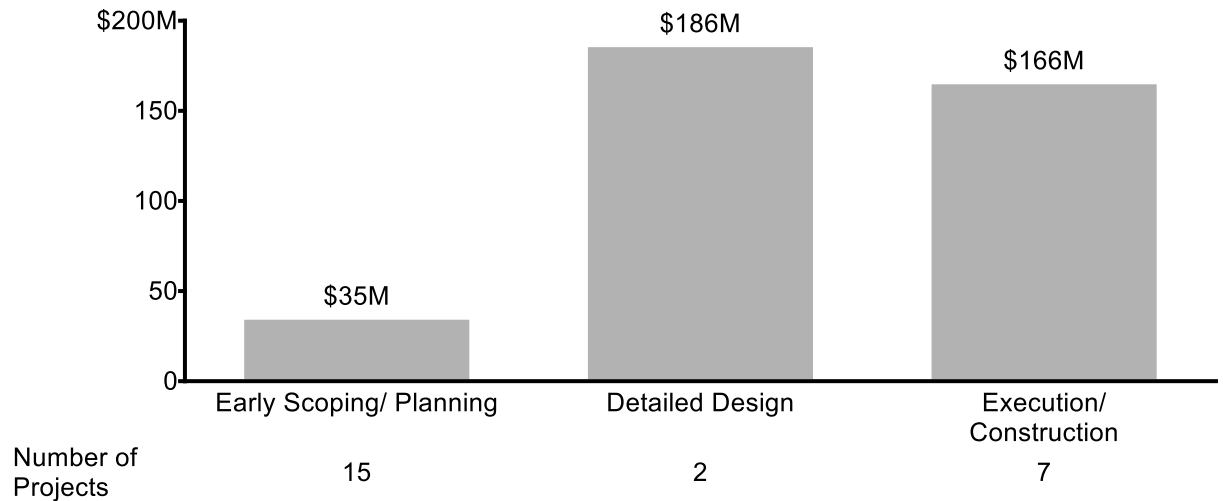


Project Value by Subcategory (\$M)

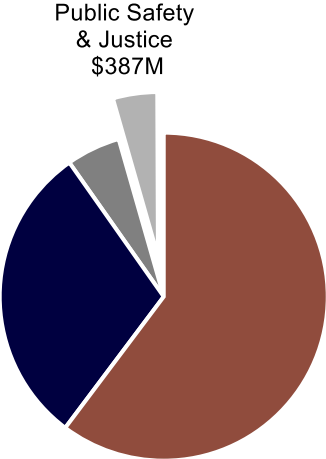


- Upgrades and repairs to County detention facilities make up the largest single capital request for Justice & Safety (\$186M). This project is currently in design phase
- The next largest project is continued construction of Phase II of the CSCD Atascocita facility

Project Value by Current Project Stage (\$M)

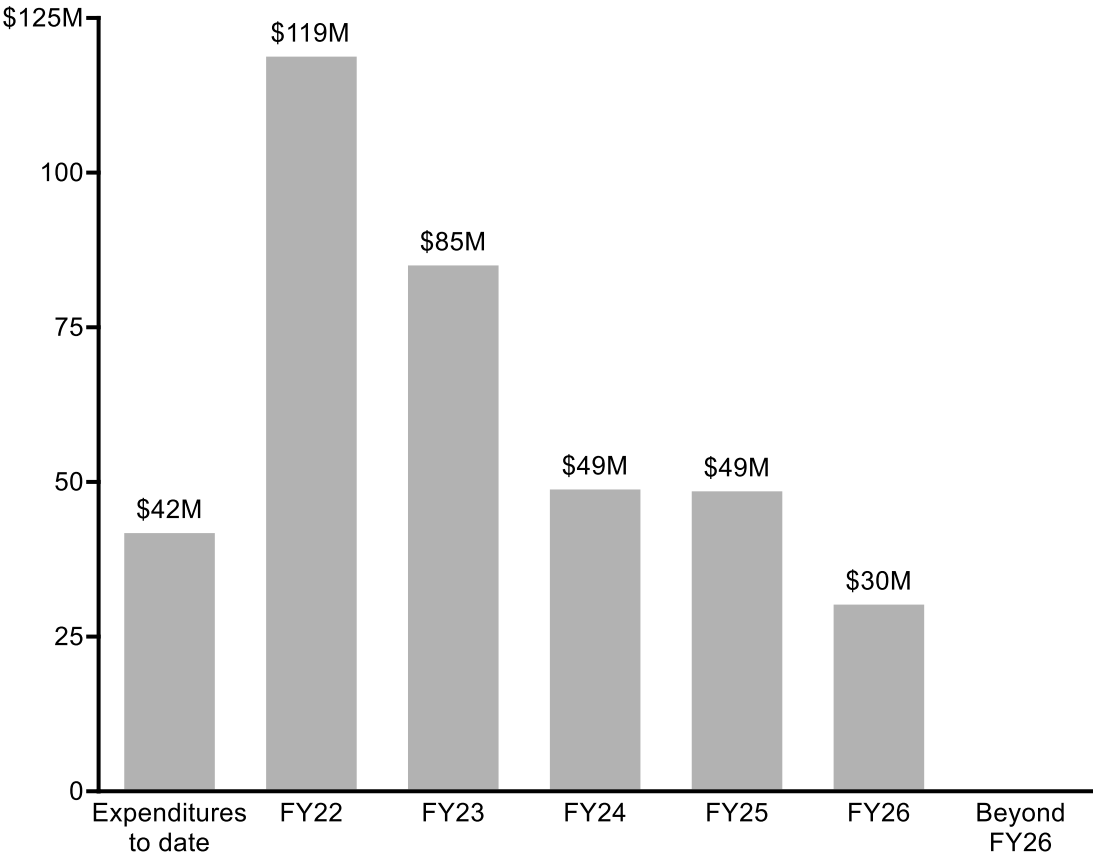


JUSTICE AND SAFETY – CAPITAL PROJECTS SPENDING BY YEAR



Upgrades and renovations to County Detention facilities are scheduled to take place across the next five fiscal years. Outside of those projects, there is much lower planned capital investment in this area past FY23.

Capital Spending by Year (\$M)



Note: Annual totals do not equal the total invested in the goal area. Some projects have a total budget but have not yet determined annual cash flows.

## COMMISSIONERS COURT GOAL STATEMENT

Harris County will exemplify high-quality, transparent, and accountable government by using data and best practices to invest taxpayer dollars wisely; by continually reviewing and improving the effectiveness of our policies, programs, and services; by recruiting and retaining a talented and diverse workforce; and by engaging with, and providing outstanding customer service to, all of our communities.

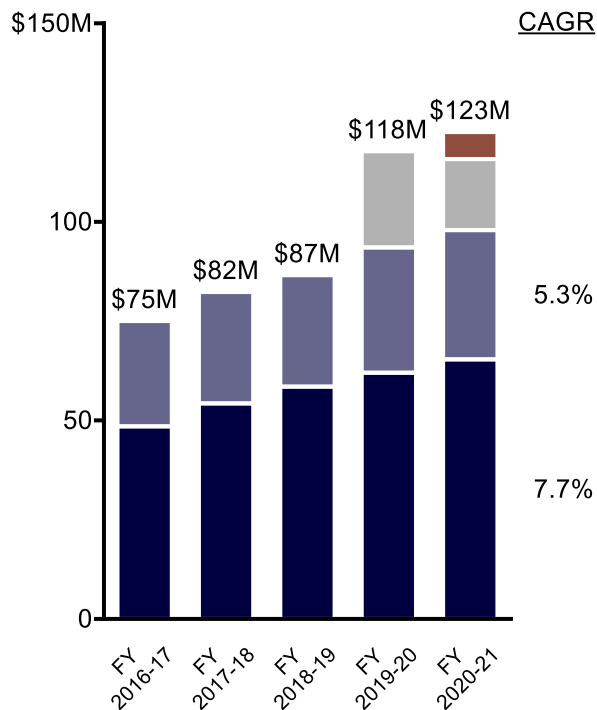
## DEPARTMENTS AND SERVICES

FUNCTIONS	DEPARTMENTS	KEY SERVICES
Buildings & IT	<ul style="list-style-type: none"> <li>FPM - Repairs &amp; Replacement</li> <li>Universal Services</li> <li>Universal Services-R&amp;R</li> <li>Utilities &amp; Leases</li> </ul>	<ul style="list-style-type: none"> <li>Network services</li> <li>Facilities services</li> </ul>
Tax & Finance	<ul style="list-style-type: none"> <li>Appraisal District</li> <li>Budget Management</li> <li>County Auditor</li> <li>County Treasurer</li> <li>Debt Services</li> <li>Purchasing Agent</li> <li>Tax Assessor-Collector</li> </ul>	<ul style="list-style-type: none"> <li>Financial Services</li> <li>Revenue Management</li> </ul>
Other General Government	<ul style="list-style-type: none"> <li>Comm. Court Analyst Office</li> <li>County Attorney</li> <li>County Clerk</li> <li>County Clerk - Elections</li> <li>District Clerk</li> <li>Elections Administration</li> <li>Intergovernmental &amp; Global Affairs</li> </ul>	<ul style="list-style-type: none"> <li>Legal services</li> <li>Civil and Court records</li> <li>Administration of Government</li> </ul>

## GENERAL GOVERNANCE – GENERAL FUND ADOPTED BUDGETS

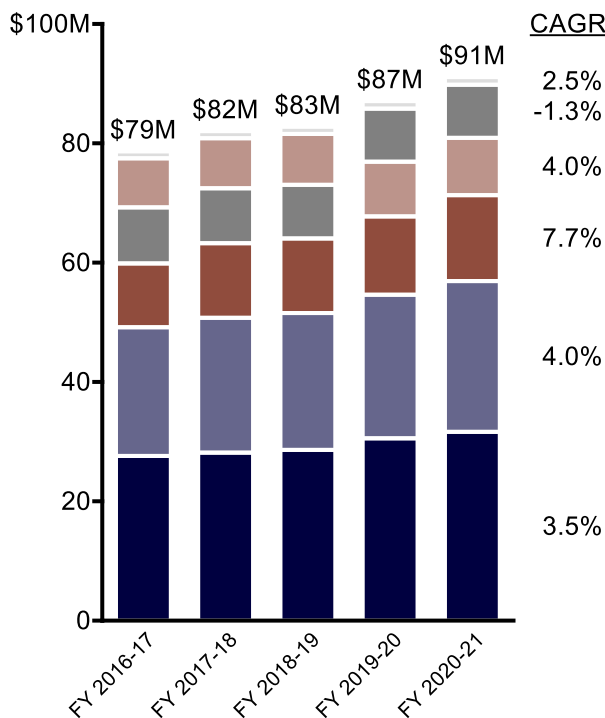
- Compound annual growth rate (CAGR) over the last five years for all General Governance departments is **8%**
- Total General Fund adopted budget for FY 2020-21 across all General Governance is **\$323M** or **~16% of the new spending allocations**

### Buildings & IT Adopted Budgets



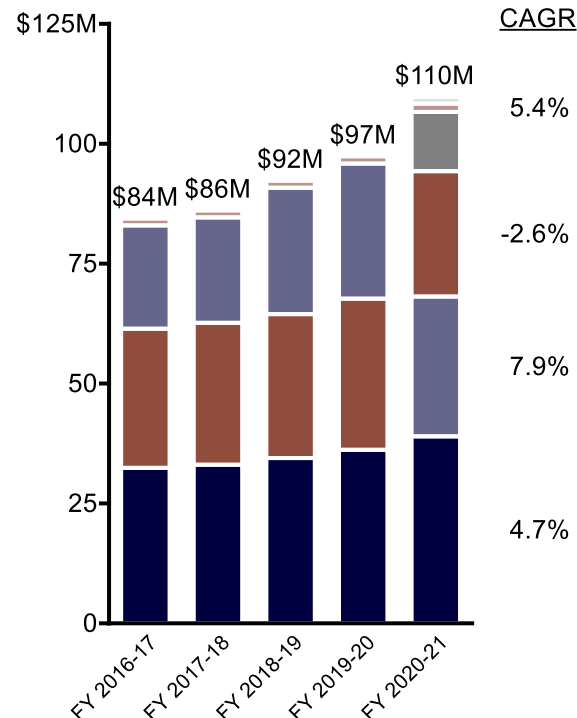
Utilities & Leases  
Universal Services  
Universal Services-R&R  
FPM - Repairs & Replacement

### Tax & Finance Adopted Budgets



County Treasurer  
Budget Mgmt  
County Auditor  
Purchasing Agent  
Appraisal District  
Tax Assessor-Collector

### Others Adopted Budgets



Intergovt. & Global Affairs  
County Clerk - Elections  
County Clerk  
District Clerk  
Comm. Court Analyst Office

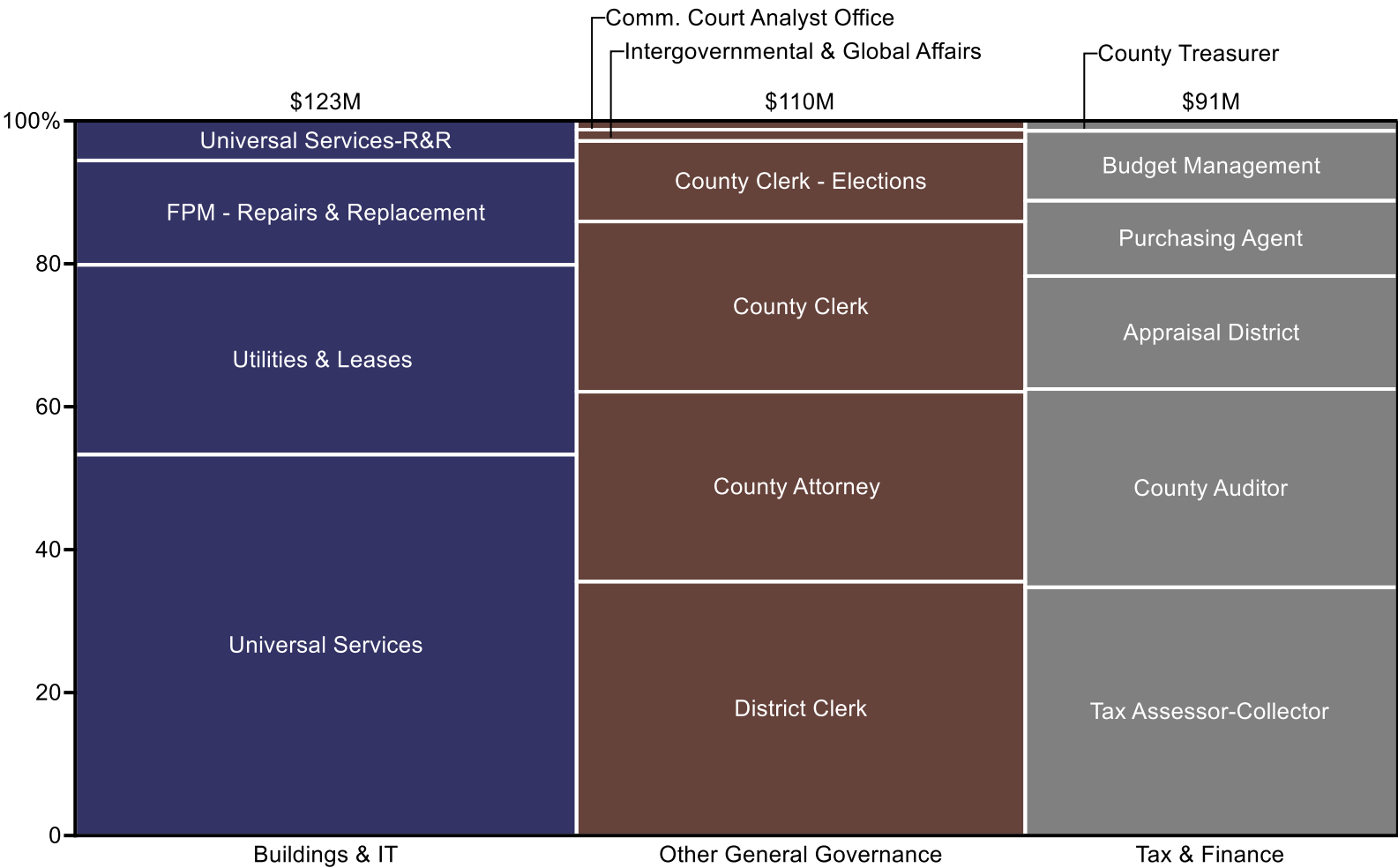
Note: HRRM is currently in a separate fund that is funded via General Fund transfer from General Administration. HRRM will be directly budgeted in the General Fund next year.



GENERAL GOVERNANCE – FY20-21 ADOPTED BUDGET

Adopted Budget FY20-21  
General Governance (\$M)

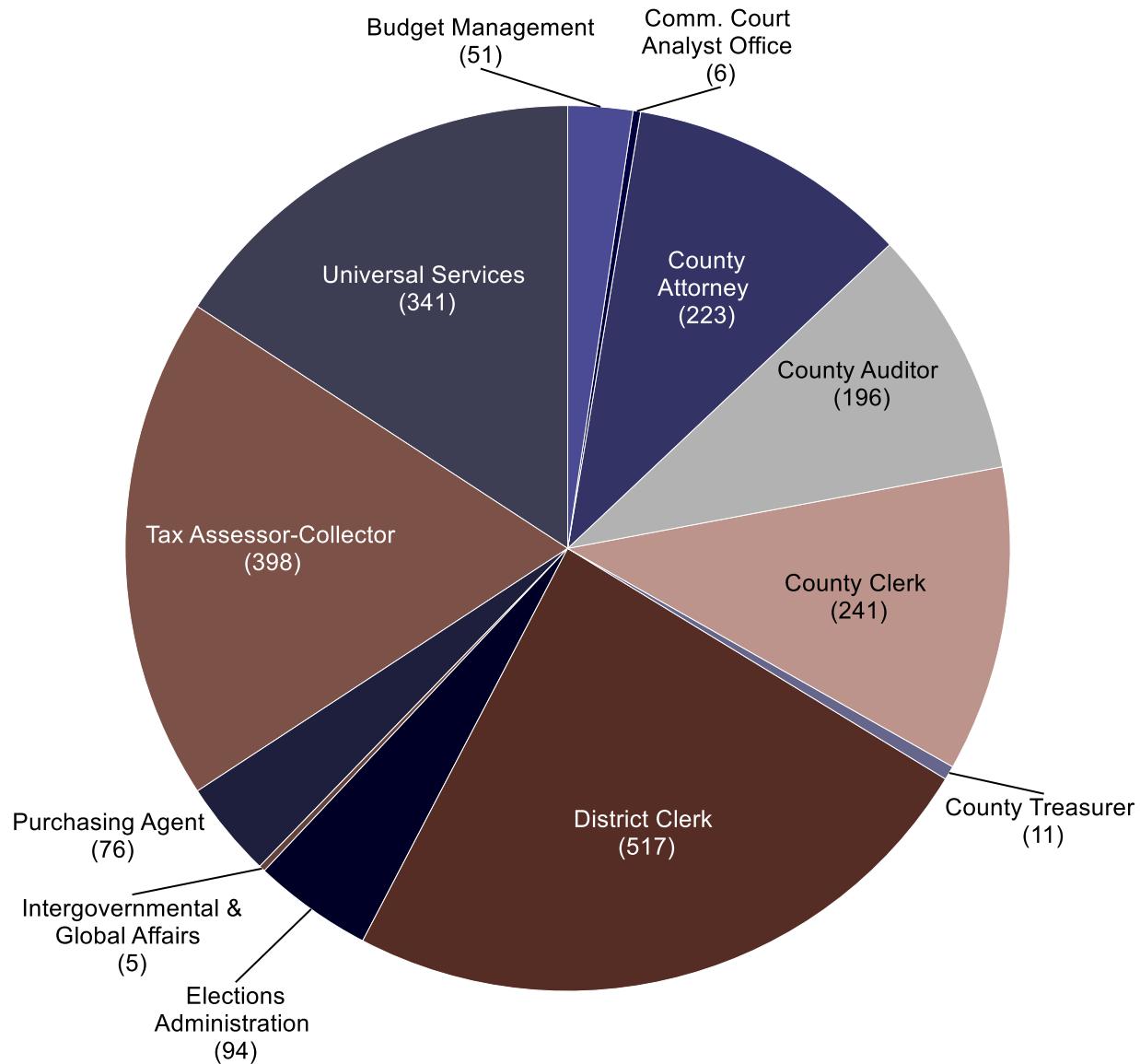
Total = \$323M



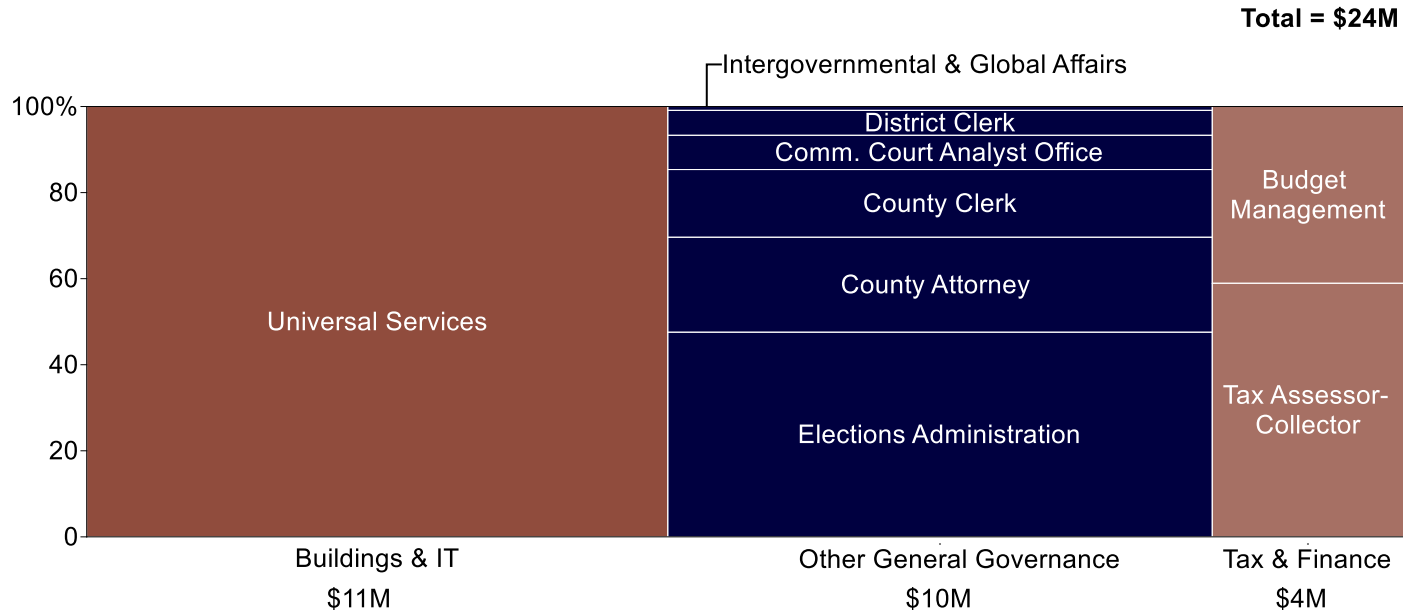
Note: HRRM is currently in a separate fund that is funded via General Fund transfer from General Administration. HRRM will be directly budgeted in the General Fund next year.

## GENERAL GOVERNANCE – FTE COUNT

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## GENERAL GOVERNANCE REQUESTS – GENERAL FUND REQUESTS

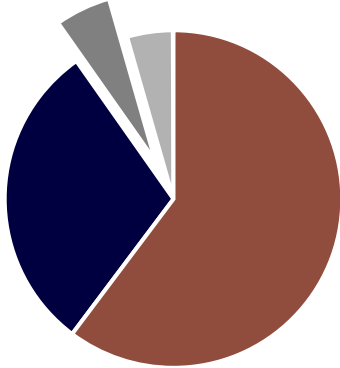


Department	Priority	Service	Description	Amount Requested
Elections Administration	BR1	Outreach	Request for funds to conduct paid media outreach for voter registration, create voter registration outreach team, education on new machines, electoral outreach.	\$4,531,164
County Attorney	BR1	Litigation, Community Outreach	Request for addition of new executive positions, new attorney positions and new non attorney positions.	\$2,157,889

Note: The table only includes additional funding requests greater than \$1M.

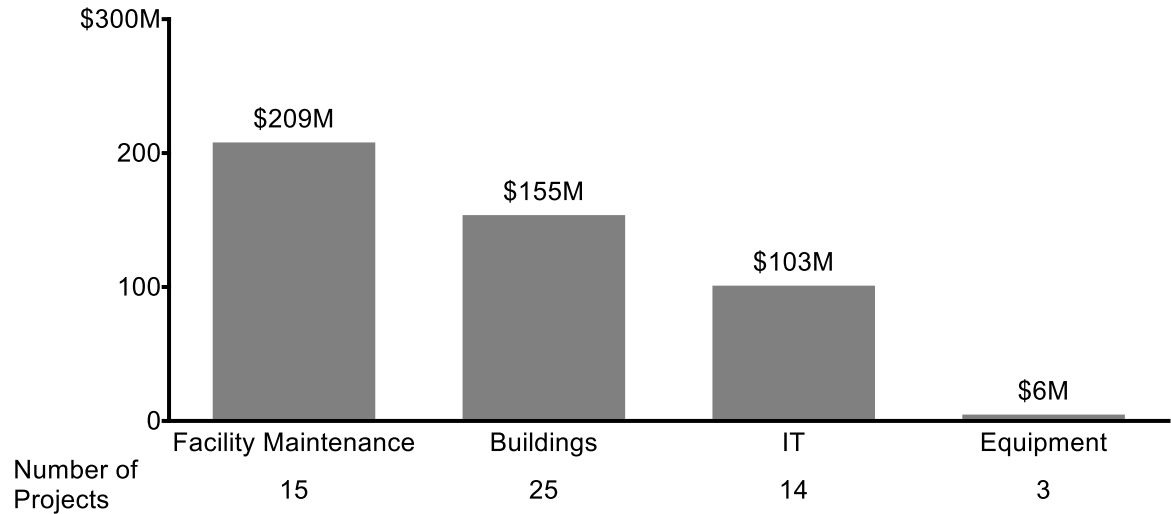
## GENERAL GOVERNANCE – CAPITAL PROJECT REQUESTS

Governance &  
Customer Service  
\$472M

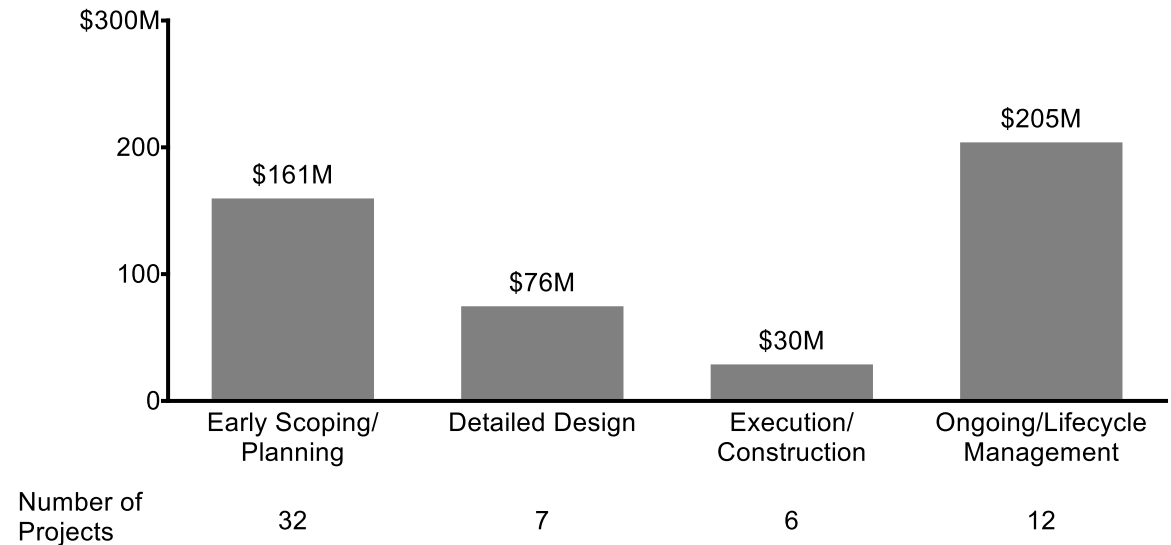


- Facility maintenance projects include multi-year upgrades for LED lighting upgrades, HVAC systems, and electrical maintenance. Additional efforts are needed quantify the financial impact of many of these projects.
- Building projects include the renovation of the South Central Plant and the restoration of the former Riverside hospital.
- Project expenditures are roughly evenly distributed over the next 5 years due to the high contribution of facility maintenance.

Project Value by Subcategory (\$M)



Project Value by Current Project Stage (\$M)



COMMISSIONERS COURT GOAL STATEMENT

**Public Health** – Harris County will improve overall health and quality of life by implementing preventative and responsive public health strategies, providing access to affordable and high-quality health care, and addressing the social determinants of health to eliminate disparities and achieve health equity.

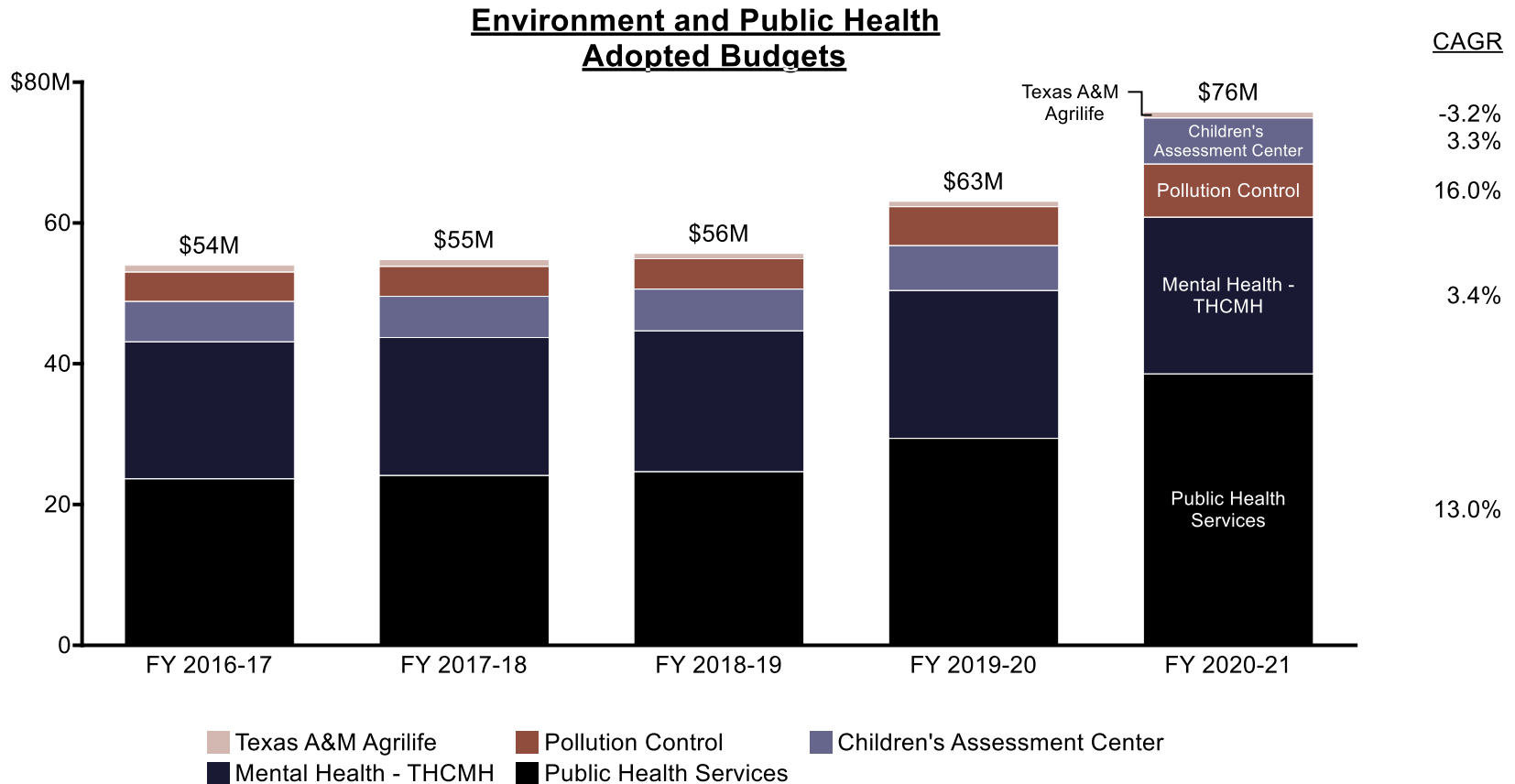
**Environment** – Harris County will combat the underlying causes and disproportionate impact of climate change on marginalized communities by making community-driven improvements to air, water, and soil quality, committing to the use of clean energy, improving flood resiliency with natural infrastructure practices, reducing harmful greenhouse gas emissions, and providing every resident access to quality green spaces.

DEPARTMENTS AND SERVICES

DEPARTMENTS	KEY SERVICES
<ul style="list-style-type: none"><li>• Children's Assessment Center</li><li>• The Harris Center for Mental Health &amp; IDD (Mental Health – THCMH)</li><li>• Pollution Control Services</li><li>• Public Health Services</li><li>• Texas A&amp;M Agrilife Extension</li></ul>	<ul style="list-style-type: none"><li>• Forensic Services</li><li>• Preventive Health</li><li>• Mosquito and Vector Control</li><li>• Environmental Laboratory Services</li><li>• Animal Sheltering and Pet Wellness</li><li>• Mental and Behavioral Health</li><li>• 4-H Youth Development</li><li>• Community Health and Wellness Education</li><li>• Management and Administrative Services</li></ul>

## ENVIRONMENT AND PUBLIC HEALTH – GENERAL FUND ADOPTED BUDGETS

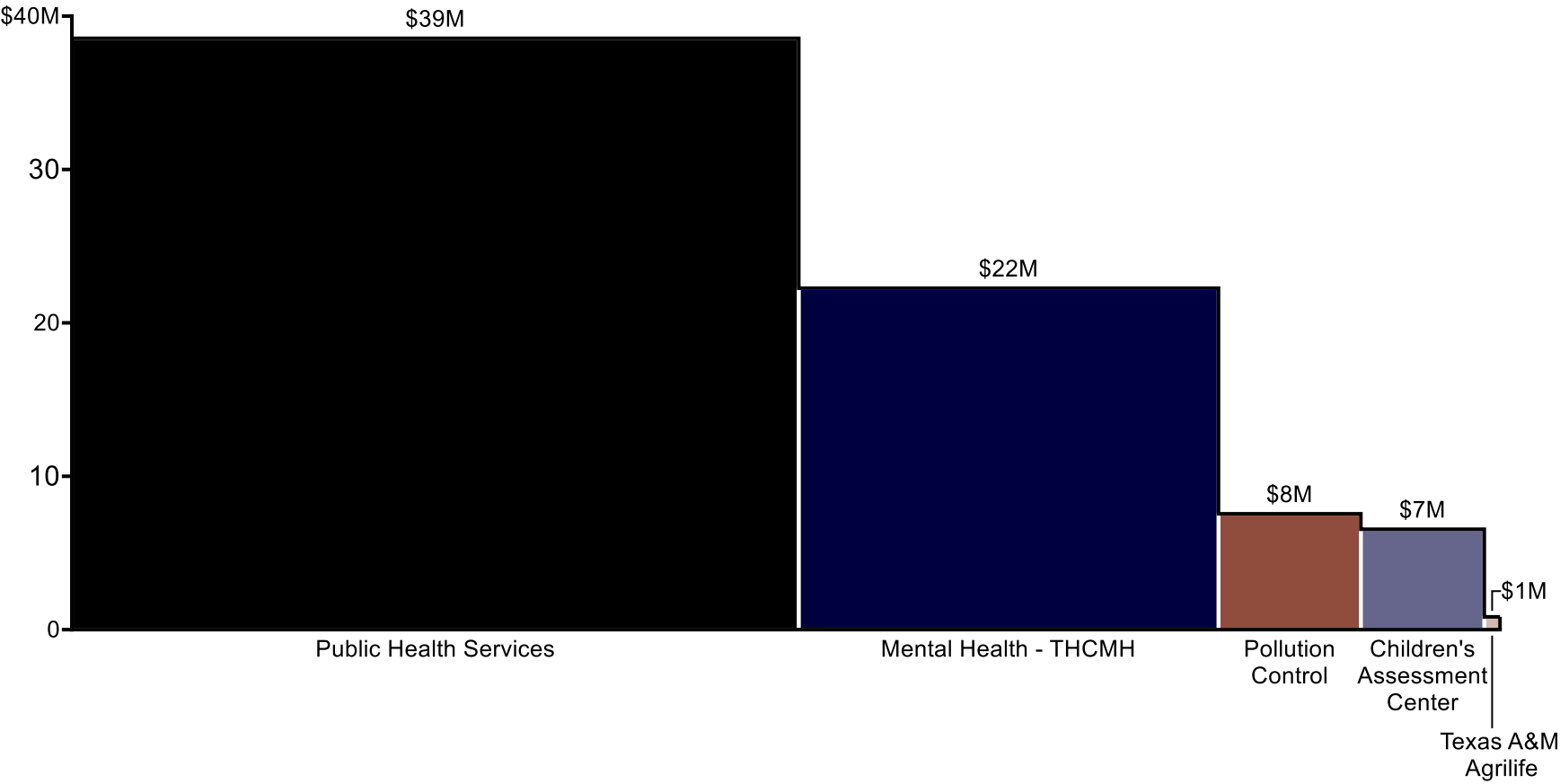
- Compound annual growth rate (CAGR) over the last five years for Environment and Public Health departments is **8.8%**
- Total General Fund adopted budget for FY 2020-21 across all Environment and Public Health is **~\$76M** or **~4% of the new spending allocations**



ENVIRONMENT AND PUBLIC HEALTH – FY20-21 ADOPTED BUDGET

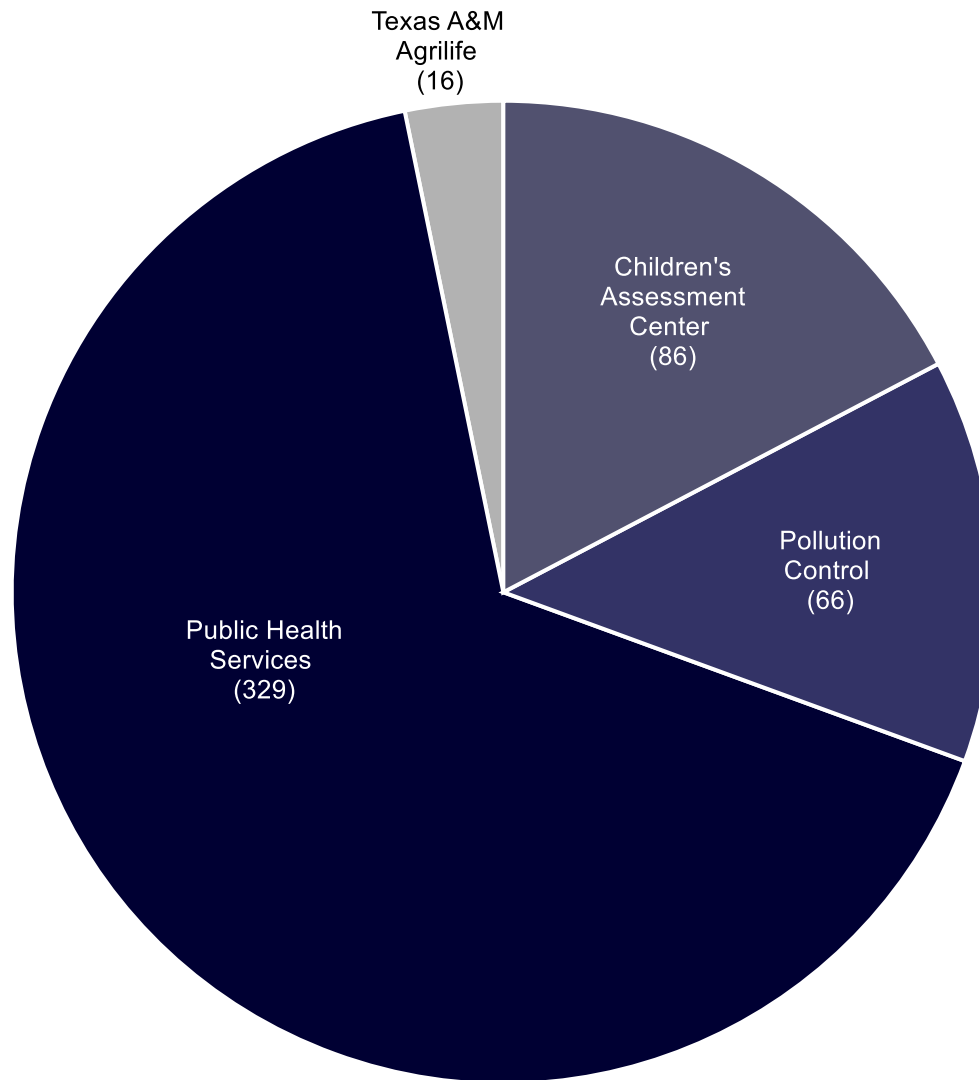
Adopted Budget FY20-21  
Environment and Public Health (\$M)

Total = \$76M



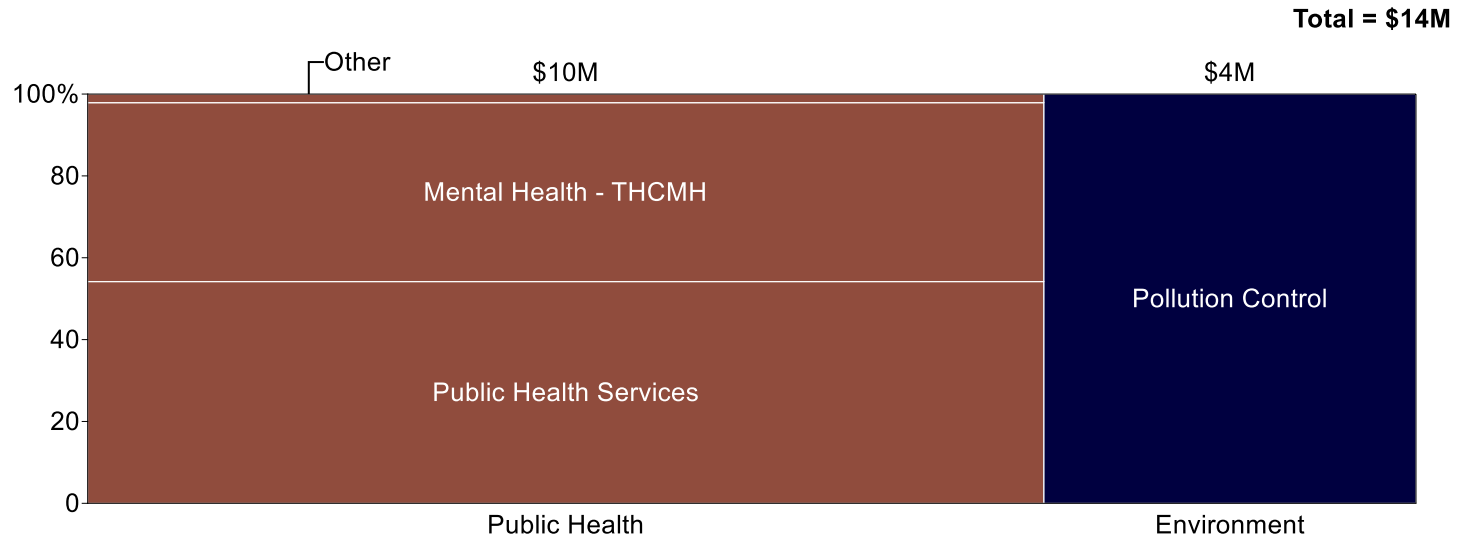
## ENVIRONMENT AND PUBLIC HEALTH – FTE COUNT

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## ENVIRONMENT AND PUBLIC HEALTH – GENERAL FUND REQUESTS



Department	Priority	Service	Description	Amount Requested
Mental Health - THCMH	BR3	The Harris Center for Mental Health & IDD - Holistic Emergency Assistance Response Team (HEART)	Establish the HEART collaborative model in partnership with the 9-1-1 Call Center. This program will allow HCSO dispatch to make a comprehensive risk assessment of an incoming call and determine the most appropriate responder, whether law enforcement or a mental health professional. Staff will include 23 Licensed Practitioners of the Healing Arts and 22 Care Coordinators.	\$4,113,603
Pollution Control	BR5	Pollution Control Services - Field Investigation Services	Add personnel, equipment, and fleet vehicles to support goals of providing timely response to citizen complaints and increasing the number of proactive inspections, while providing data-driven operations. Includes addition of Department Safety Manager.	\$1,256,599

Note: The table only includes additional funding requests greater than \$1M.

COMMISSIONERS COURT GOAL STATEMENT

**Economic Opportunity** – Harris County will promote an inclusive and resilient local economy by working aggressively to remain competitive over time and expand opportunities for workers, small businesses, and community-driven investments, while addressing historical and current economic inequities in doing so.

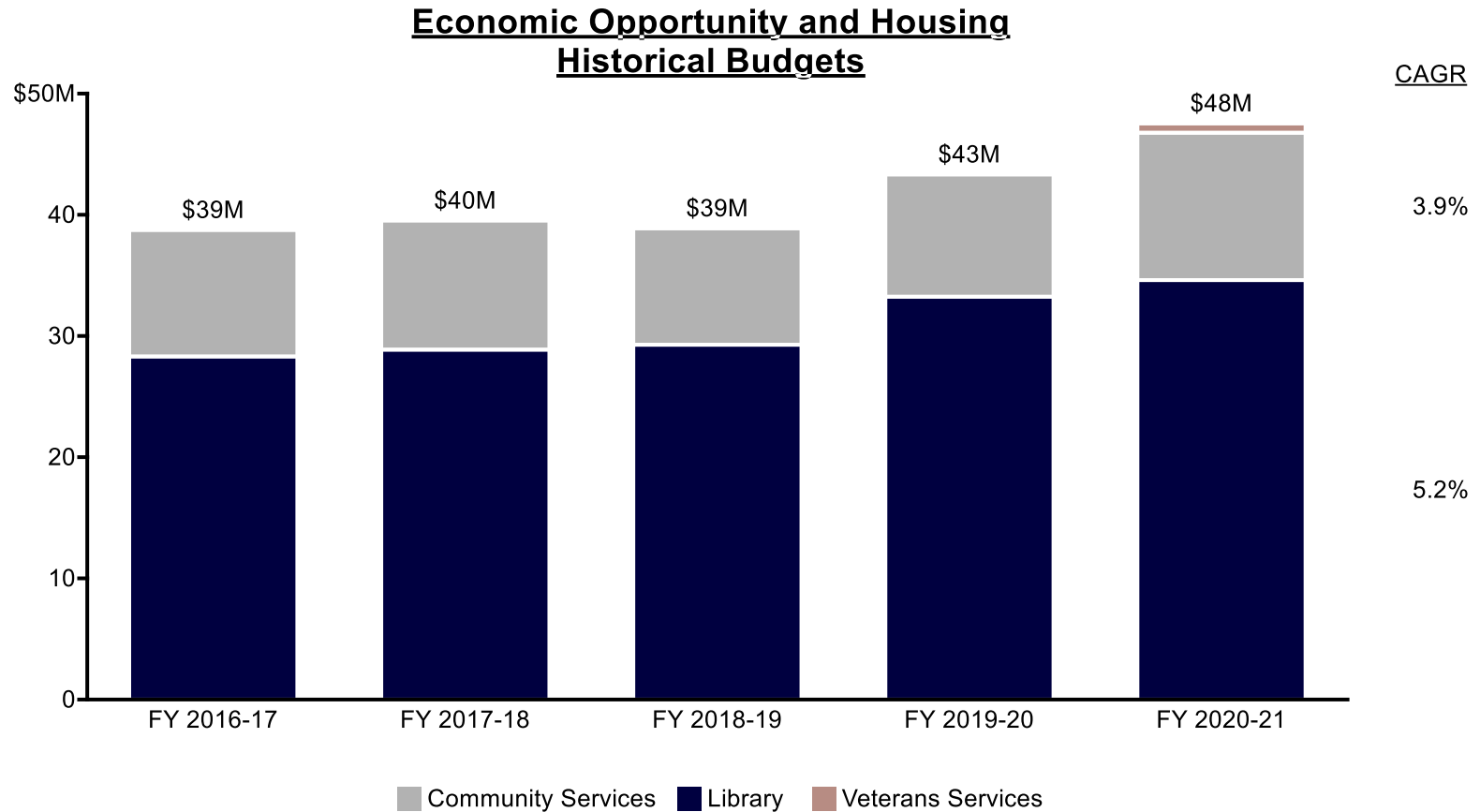
**Housing** – Harris County will increase access to, incentivize, and invest in quality, affordable, and flood resilient housing that is widely accessible throughout the county, builds safe and healthy neighborhoods, facilitates economic opportunity, and provides access to recreational green spaces for all residents.

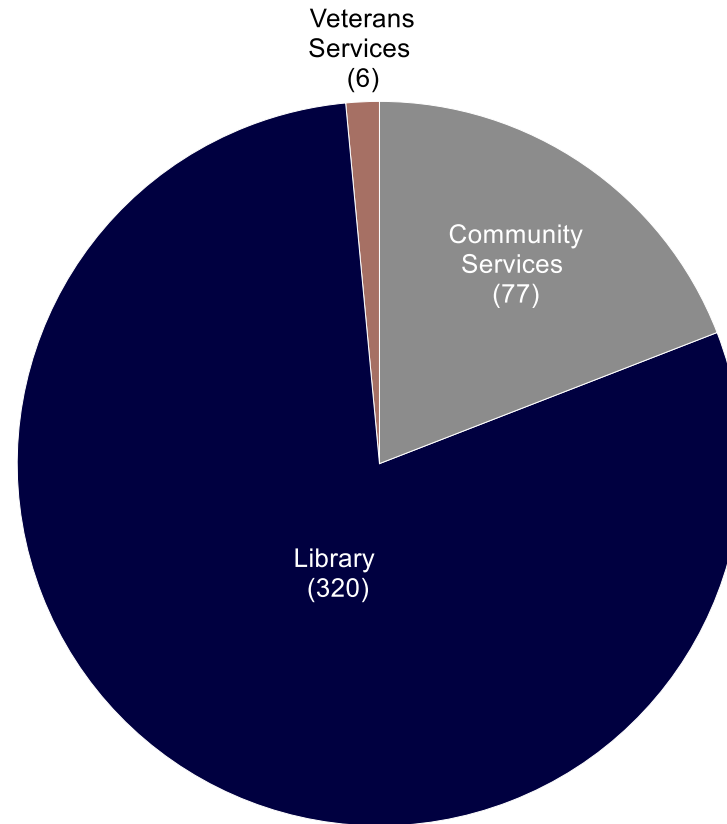
DEPARTMENTS AND SERVICES

DEPARTMENTS	KEY SERVICES
<ul style="list-style-type: none"><li>• Community Services</li><li>• Economic Equity &amp; Opportunity</li><li>• Library</li><li>• Veterans Services</li></ul>	<ul style="list-style-type: none"><li>• Financial Assistance</li><li>• Public Affairs</li><li>• Library Collections</li><li>• Literacy and Economic Development Programs</li><li>• Social Services</li><li>• Housing and Community Development</li><li>• Disaster Recovery</li><li>• Management and Administrative Services</li></ul>

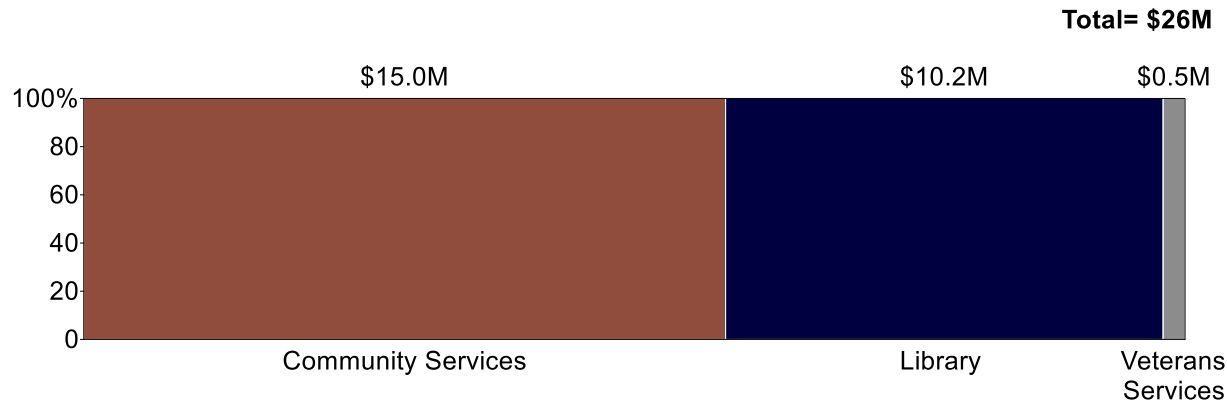
## ECONOMIC OPPORTUNITY AND HOUSING – GENERAL FUND ADOPTED BUDGETS

- Compound annual growth rate (CAGR) over the last five years for Economic Opportunity and Housing departments is ~5%
- Total General Fund adopted budget for FY 2020-21 across Economic Opportunity and Housing is **\$48M** or ~2% of new spending allocations





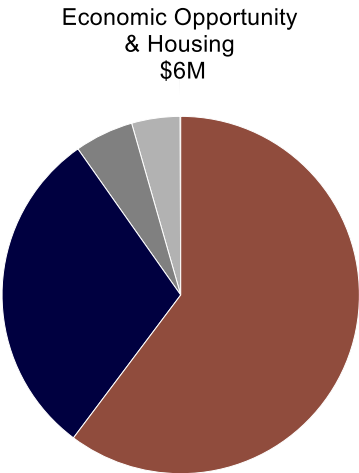
## ECONOMIC OPPORTUNITY AND HOUSING – GENERAL FUND REQUESTS



Department	Priority	Service	Description	Amount Requested
Community Services	BR7	Homeless Response Gap Systems	Funding to support the rental subsidies and supportive services for 627 units of permanent support housing for chronically homeless individuals and families. Specifically, 461 units will be preserved to continue to provide housing and supportive services, and 166 new units will be added to expand the system capacity.	\$5,700,000
Library	BR1	Literacy	Funding for Harris County Public Library to provide a comprehensive literacy program for prenatal stages through adulthood to address low literacy rates, illiteracy, education inequity, social justice, and economic disparities throughout Harris County.	\$5,044,061
Library	BR2	Operating Budget Expansion	Expand services to enhance support for literacy, diverse collections, workforce development, and library services; better support employee development and engagement; maintain clean and welcoming public spaces; expand research services; provide better administrative support for branch libraries; manage wireless broadband for Harris County public access points; and upgrade the technology infrastructure.	\$4,119,984
Community Services	BR4	General Services Technology Expansion & Reorganization	Address the gaps and issues identified through assessment of the department completed by PFM and Universal Services. Enhance the department's capabilities related to reporting, data collection and shared/supportive services and implement the recommended plans provided by Universal Services to include the addition of 13 FTEs.	\$2,259,328

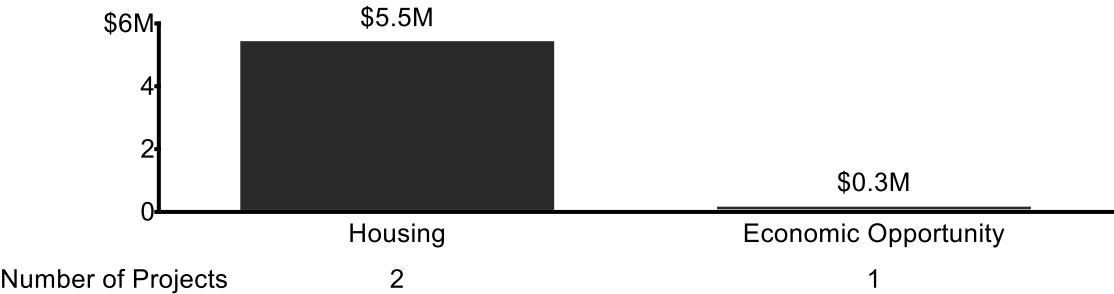
Note: The table and summary statement do not include information from the Economic Equity and Opportunity department, which is currently pending. The table only includes additional funding requests greater than \$1M.

ECONOMIC OPPORTUNITY AND HOUSING – CAPITAL FUND PROJECT VALUE

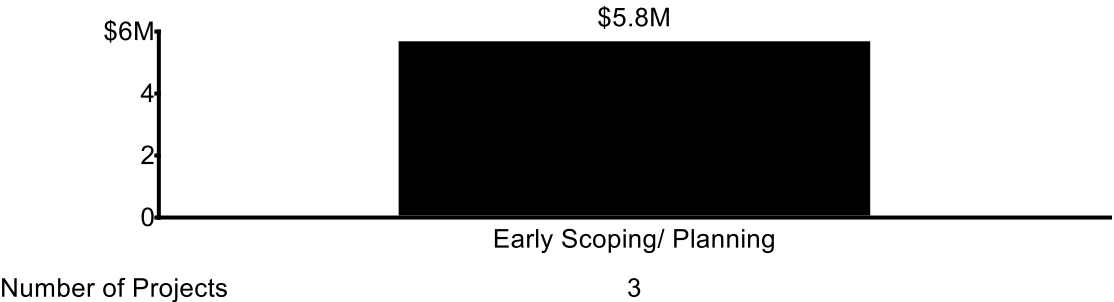


- The capital investment associated with Economic Opportunity is a \$250,000 project to place civic art in and around downtown County public Spaces.
- The two Housing projects are intended to develop affordable housing. \$500,000 is for a pilot project to develop affordable residential prototypes that can then be cost-effectively replicated. \$5M is a new request from Community Services to potentially buy land or build infrastructure to support an affordable housing partner; this project may ultimately not require a capital investment from the County if partner funding is secured.

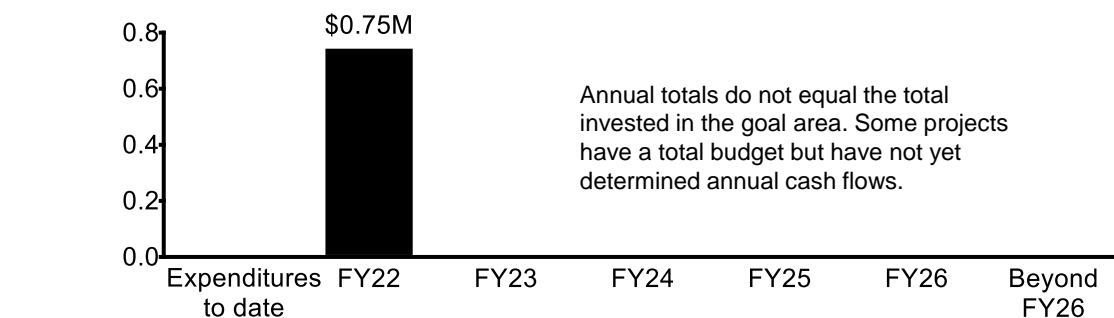
Project Value by Goal Area (\$M)



Project Value by Current Project Stage (\$M)



Capital Spending by Year (\$M)



**COMMISSIONERS COURT GOAL STATEMENT**

Harris County will reduce flood risk and strengthen resiliency through holistic, equitable, and effective prevention, mitigation, and response strategies.

**DEPARTMENTS AND SERVICES**

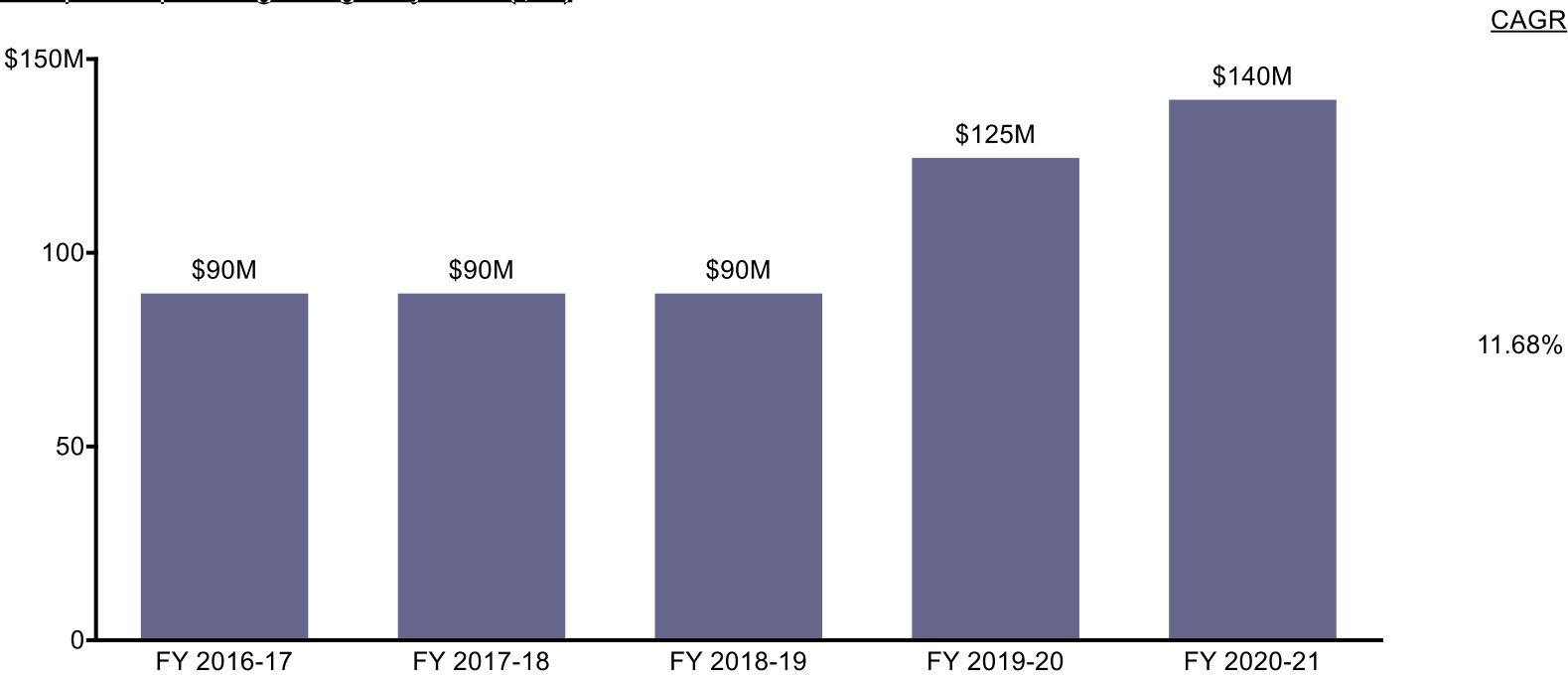
DEPARTMENTS	KEY SERVICES
<ul style="list-style-type: none"><li>Flood Control</li></ul>	<ul style="list-style-type: none"><li>Engineering and Design</li><li>Project Management</li><li>Infrastructure Maintenance</li><li>Construction</li><li>Grants Management</li><li>Planning</li><li>Community Engagement</li></ul>

---

# FLOODING – ADOPTED BUDGETS

- Prior to the 2018 Bond Election, the Flood Control District had an annual operating budget of \$90M plus a \$60M budget for capital projects.
- The growth in the operating budget in FY20 and FY21 is associated with expanded personnel/staff augmentation to manage and implement the 2018 bond projects.
- The \$60M traditionally set aside for capital projects was reduced to cover maintenance activities and funds were redirected towards the operating budget.

Flooding - Adopted Operating Budget by Year (\$M)

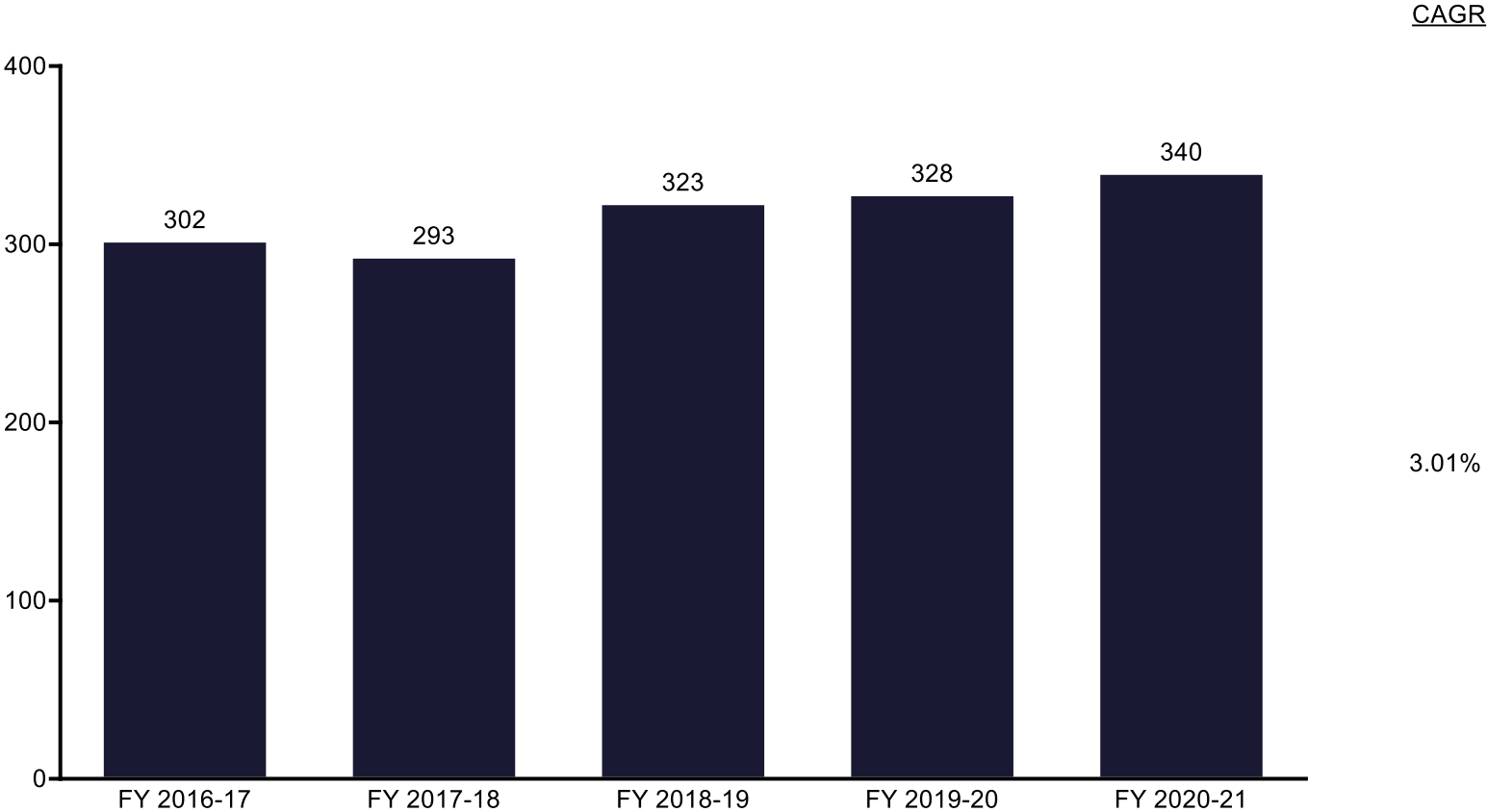


Note: Data from Fund 2890



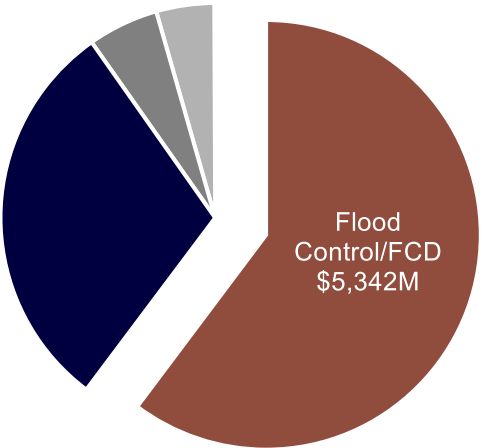
FLOODING – FLOOD CONTROL DISTRICT FTE COUNT

Flood FTE Counts



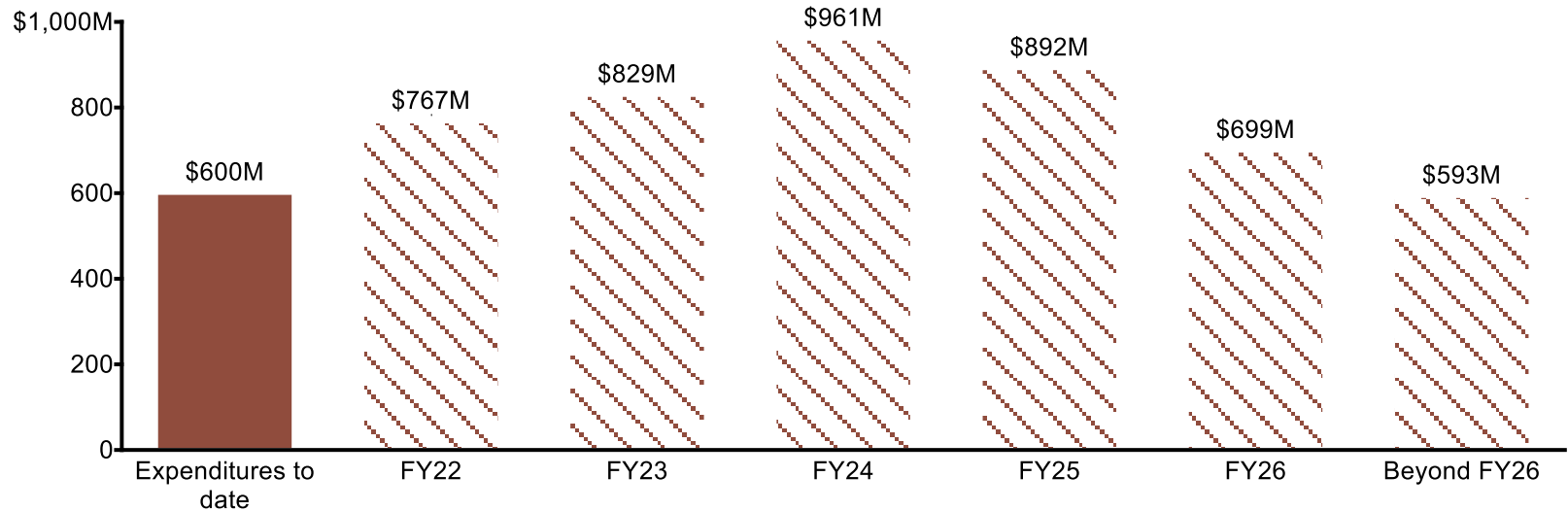
Note: Data for filled positions only

FLOODING – CAPITAL SPENDING BY YEAR

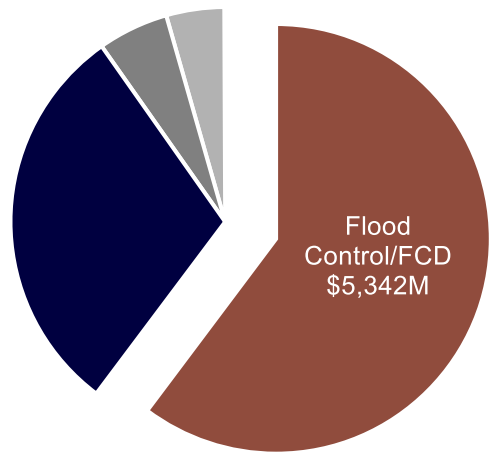


- Over the next five years, the County is projected to spend more than \$4.1B on flood control projects (including partner funds). The Harris County Flood Control District continues to increase its capacity to manage the permitting, design, and construction of projects at the scale needed to complete the more than 170 projects that currently comprise the 2018 Bond program.
- The \$767M projected to be spent in FY 22 is nearly double the \$409M that was spent in the 12 months ending August 31, 2020.

Capital Spending by Year (\$M)

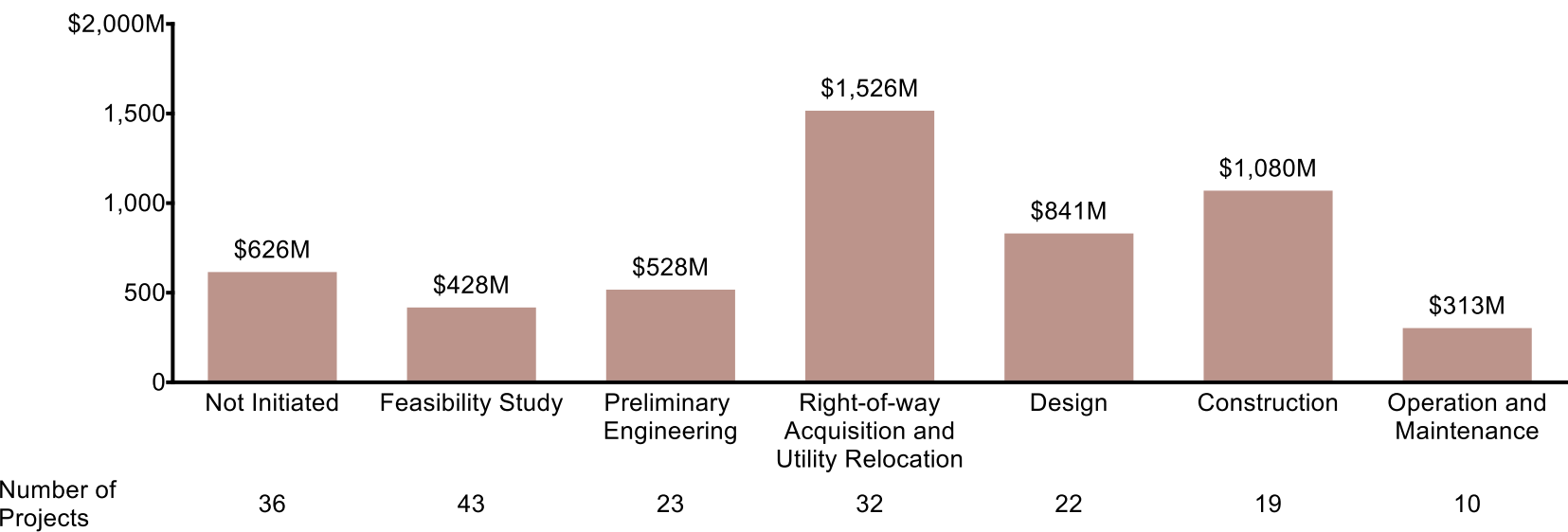


FLOODING – PROJECT VALUE BY STAGE



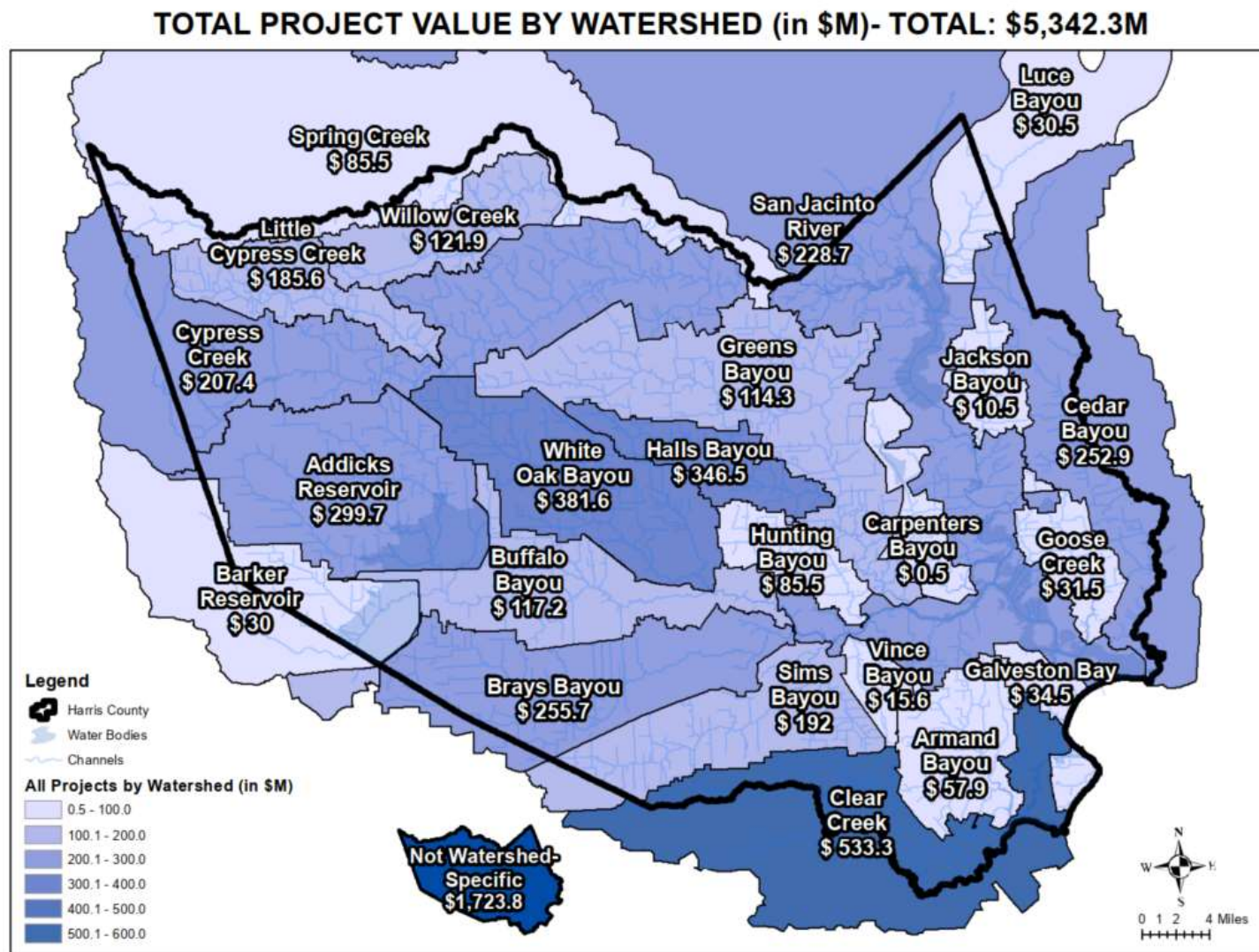
- Flood Control projects are organized into one of six lifecycle stages. The first two, Feasibility and Preliminary Engineering, are considered early stage with the bulk of project budgets spent on right-of-way acquisition and construction.
- Following the design stage, Flood Control bids out projects for construction, and once bids are awarded the contract must be approved by Commissioners Court.

Project Value by Current Project Stage (\$M)

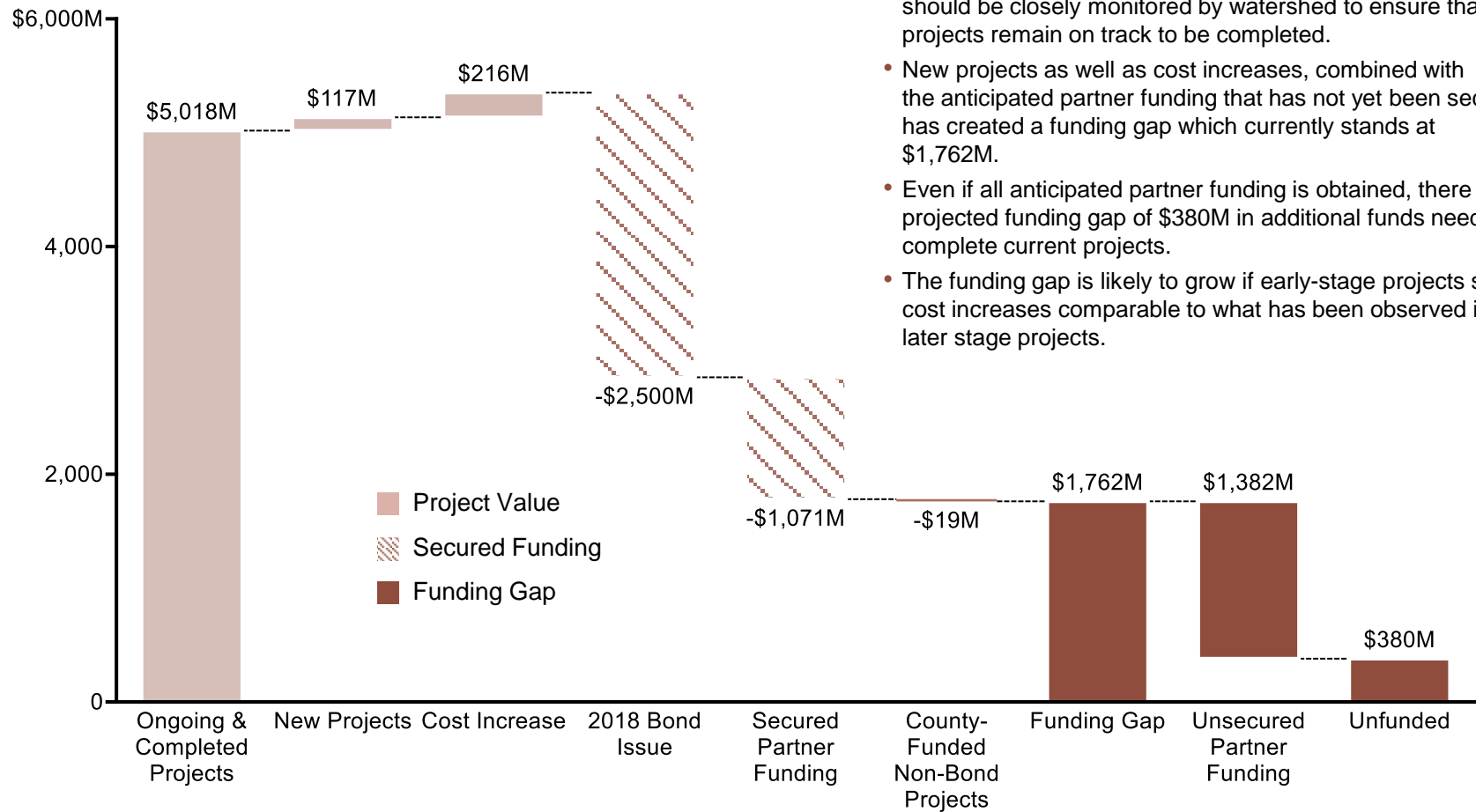


## FLOODING – PROJECT VALUE BY WATERSHED

- Flood Control's 181 projects are divided among 23 separate watersheds. Each watershed represents a set of creeks, channels, or bayous and presents its own flooding issues.
- The maps shows Flood Control capital investments by watershed.

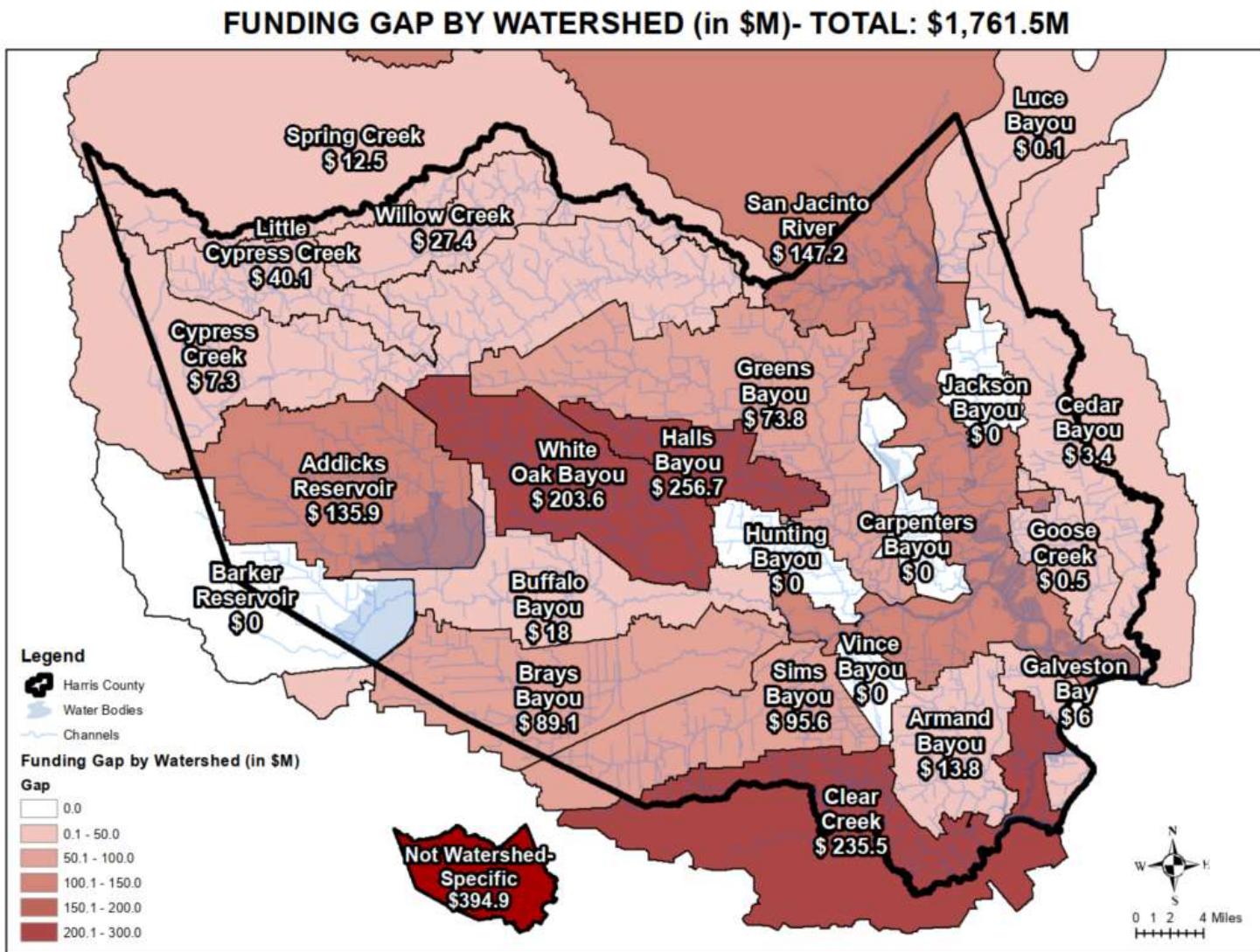


## FLOODING – FUNDING GAP



- Flood Control projects rely on local, state, and federal partnerships to fund nearly half the cost of the planned infrastructure buildout.
- While over \$1B in 'partner funding' has already been secured through legal agreements, an additional \$1.38B of budgeted partner funding has not yet been secured. Partner funding should be closely monitored by watershed to ensure that projects remain on track to be completed.
- New projects as well as cost increases, combined with the anticipated partner funding that has not yet been secured has created a funding gap which currently stands at \$1,762M.
- Even if all anticipated partner funding is obtained, there is a projected funding gap of \$380M in additional funds needed to complete current projects.
- The funding gap is likely to grow if early-stage projects see cost increases comparable to what has been observed in later stage projects.





Note: Funding Gap = Increases over original budget + anticipated partner funding yet to be secured

### COMMISSIONERS COURT GOAL STATEMENT

Harris County will promote accessible, affordable, equitable, reliable, safe and sustainable transportation options and networks to facilitate efficient movement of people and goods throughout the region.

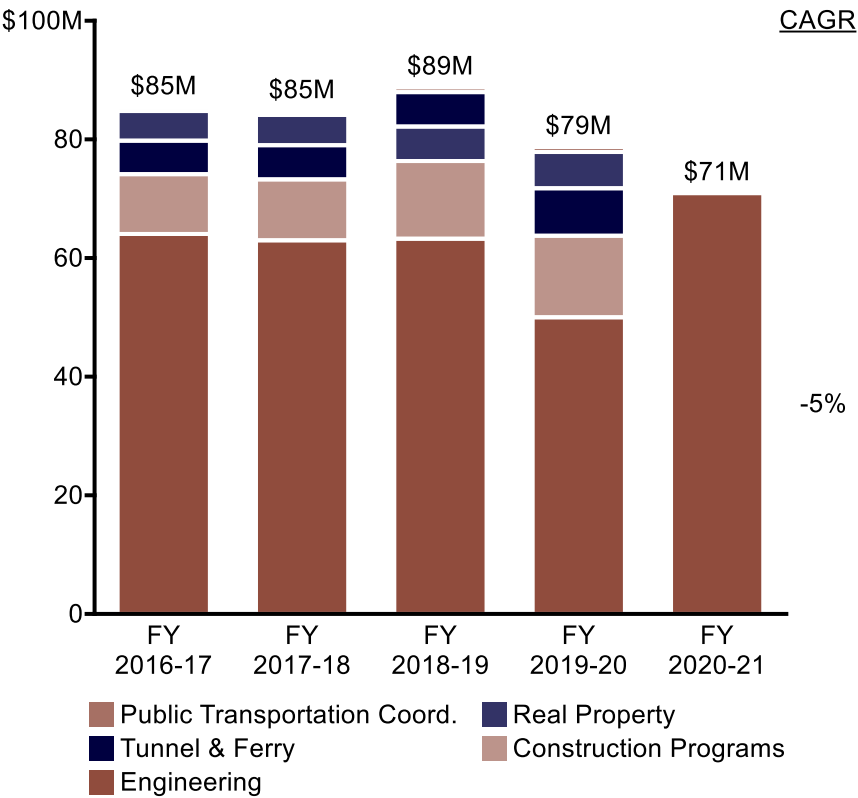
### DEPARTMENTS AND SERVICES

DEPARTMENTS	KEY SERVICES
<ul style="list-style-type: none"><li>• Engineering*</li></ul>	<ul style="list-style-type: none"><li>• Construction and maintenance of county facilities</li><li>• Study, bid and construction of road, bridge, and traffic signals</li><li>• Permitting services</li></ul>
<ul style="list-style-type: none"><li>• HCTRA</li></ul>	<ul style="list-style-type: none"><li>• Construction and maintenance of toll road facilities</li><li>• Customer service (i.e. call center, EZ Tag store)</li><li>• Toll operations (i.e. cash collection &amp; image review audit and validation)</li><li>• Incident Management (i.e. crash response)</li></ul>

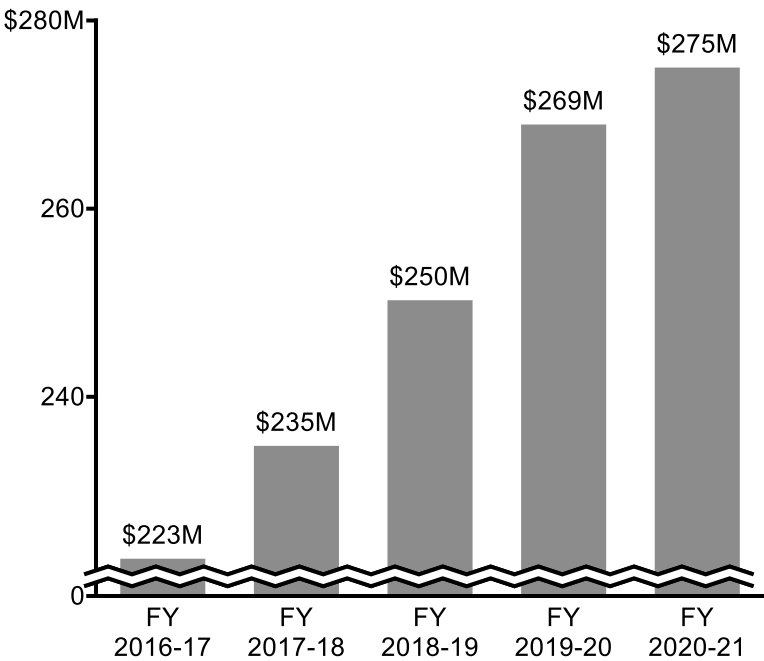
TRANSPORTATION – ADOPTED BUDGETS

- Compound annual growth rate (CAGR) over the last five years for General Fund transportation is ~5%.
- Tunnel and Ferry operations were moved to the Toll Road in FY2020-21.
- In FY2020-21, the Office of the County Engineer was re-organized, consolidating multiple budgets under one department.
- Total General Fund adopted budget for FY 2020-21 across Engineering is **\$71M** or ~4% of new spending allocations.

**General Fund - Engineering  
Adopted Budgets**

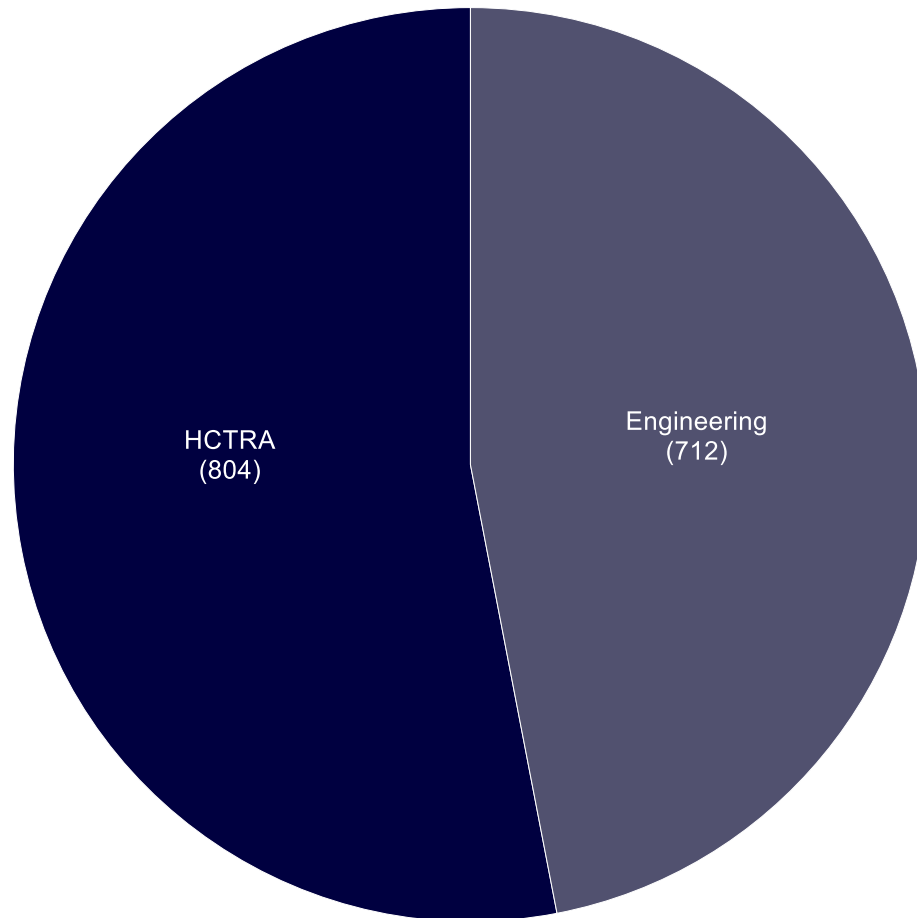


**M&O - HCTRA  
Adopted Budgets**

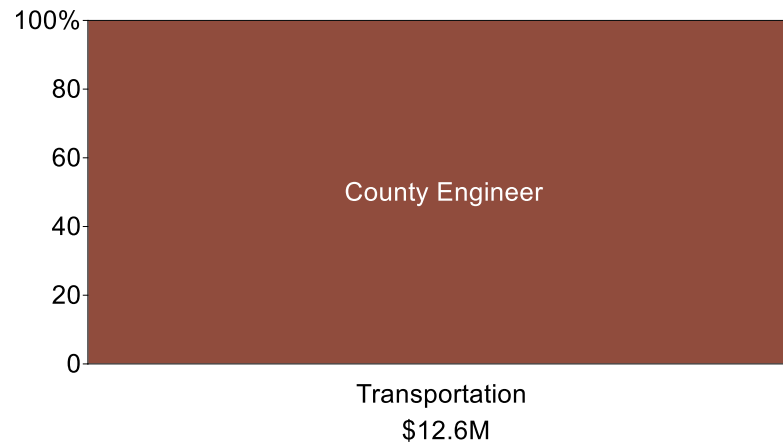


Note: The M&O HCTRA funds pulled from funds 5302, 5740





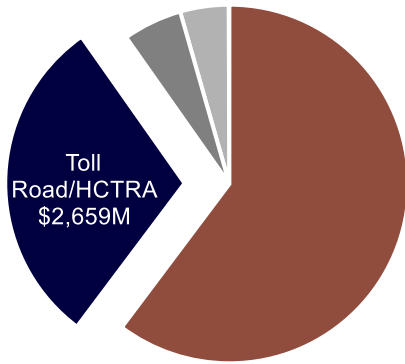
## TRANSPORTATION – GENERAL FUND REQUESTS



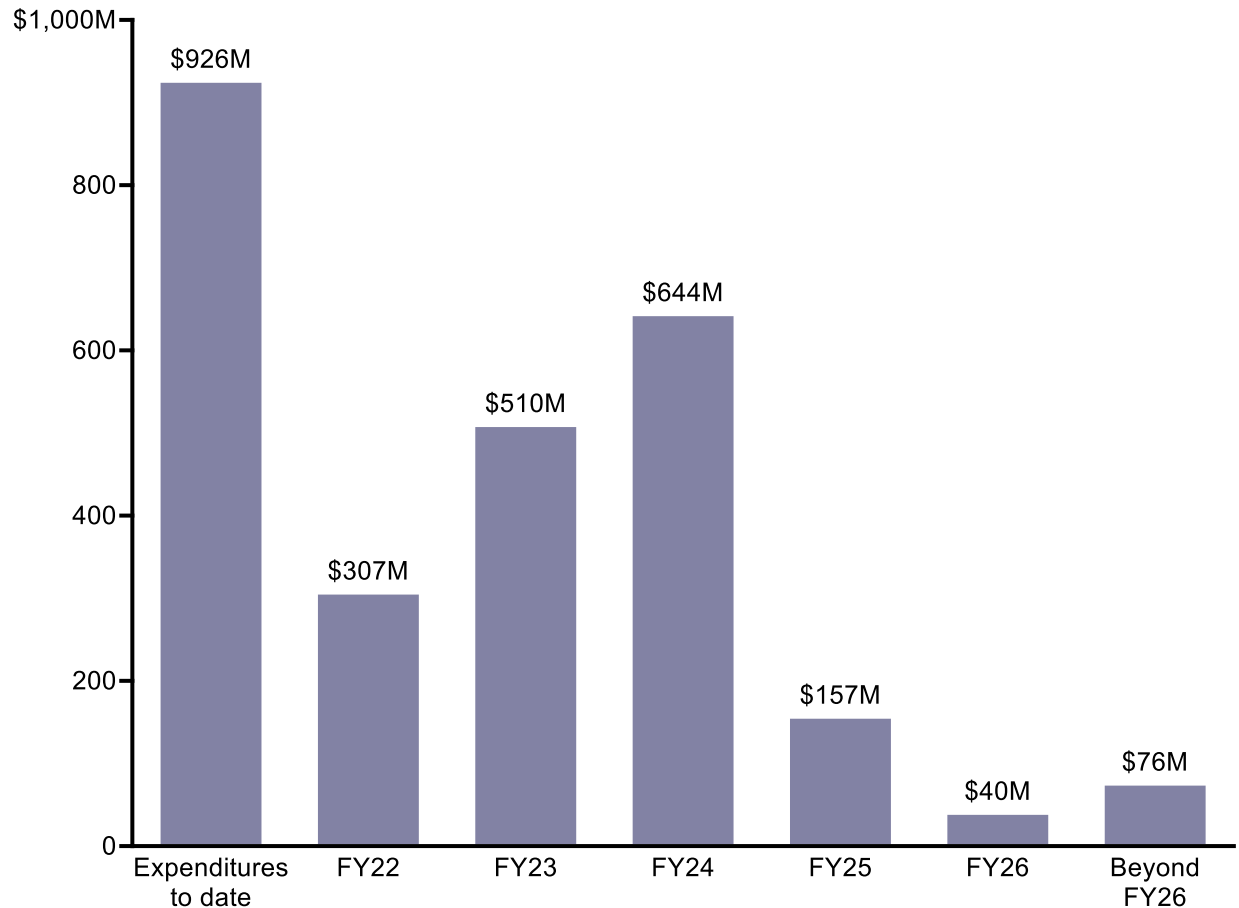
Department	Priority	Service	Description	Amount Requested
County Engineer	BR8	Study, design, bid and construction for roads, bridges, parks, sidewalks, trails and traffic signals	Funding to augment staffing to manage potential of an additional \$300M in mobility funded R&B work.	\$5,740,800
County Engineer	BR3	Study, design, bid and construction for roads, bridges, parks, sidewalks, trails and traffic signals	Funding to increase staffing to manage a projected 15% increase in precinct activity to include lease space for 50 people.	\$2,914,993
County Engineer	BR2	Adjustment for base operating run rate from FY 21 to FY 22	Annualization of new hires, salary adjustment and contract increases.	\$2,431,266

Note: The table only includes additional funding requests greater than \$1M.

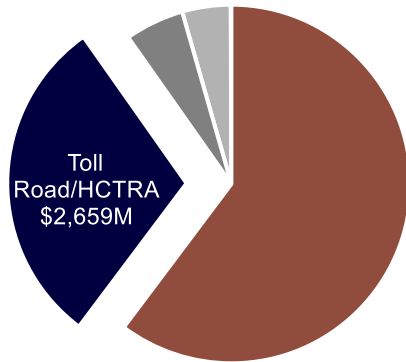
## HCTRA – CAPITAL PROJECTS SPENDING BY YEAR



Capital Spending by Year (\$M)

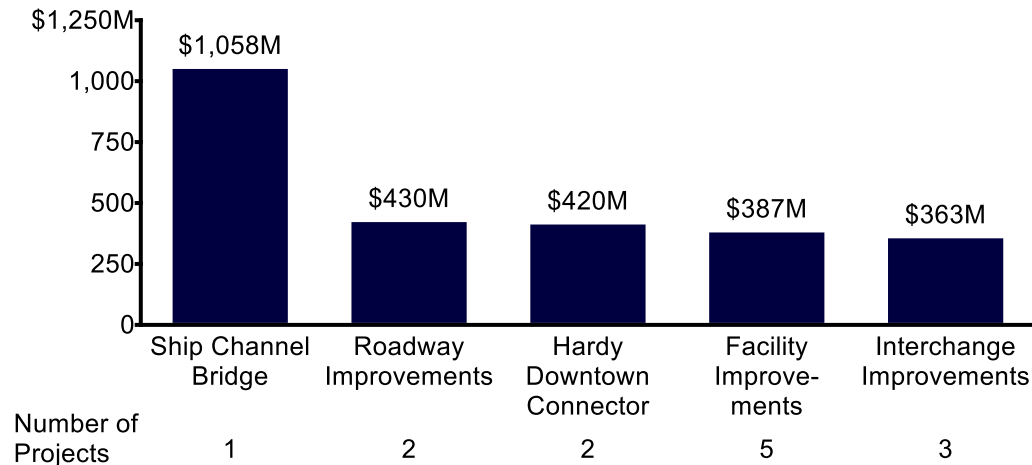


- The Harris County Toll Road Authority (HCTRA) anticipates investing \$306.8M in capital projects for FY2022 and \$1.65B over the next five years.
- HCTRA also provides Mobility funding to the Precincts for transportation related capital improvements. The capital investments made by the Precincts are not reflected in this presentation.

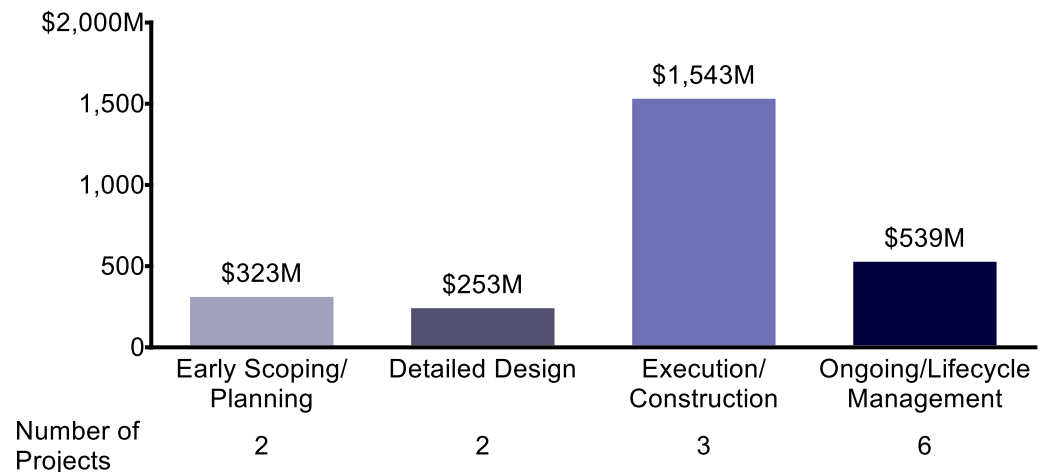


- HCTRA is making significant investments over the next five years to complete large projects, like the Ship Channel Bridge and converting all toll lanes to 'cashless'.
- The Hardy Downtown Connector Phase II project is under review as HCTRA engages with the impacted communities to redesign the project for minimal impacts.
- After these projects are completed, HCTRA's capital investments are anticipated to scale back to focus on maintaining existing assets.

Project Value by Investment Area (\$M)



Project Value by Current Project Stage (\$M)





## CATEGORIES AND DEPARTMENTS – JUSTICE AND SAFETY

Category	Department	Category	Department	Category	Department
Courts	District Courts	Detention (incl. Medical)	Detention	Other Justice and Safety	Juvenile Probation
	1st Court of Appeals		Medical		Institute of Forensic Sciences
	14th Court of Appeals	Sheriff Patrol	Patrol & Administration		Protective Services
	County Courts	Justices of the Peace	Justice of the Peace, 1-1		Pretrial Services
	Probate Court No. 1		Justice of the Peace, 1-2		Fire Marshal
	Probate Court No. 2		Justice of the Peace, 2-1		Community Supervision
	Probate Court No. 3		Justice of the Peace, 2-2		TRIAD Program
	Probate Court No. 4		Justice of the Peace, 3-1		
			Justice of the Peace, 3-2		
Indigent Defense	Public Defender		Justice of the Peace, 4-1		
	District Court Appointed Attorney Fees		Justice of the Peace, 4-2		
	County Court Appointed Attorney Fees		Justice of the Peace, 5-1		
	Bail Bond Board		Justice of the Peace, 5-2		
District Attorney	District Attorney		Justice of the Peace, 6-1		
Constables	Constable, Precinct 1		Justice of the Peace, 6-2		
	Constable, Precinct 2		Justice of the Peace, 7-1		
	Constable, Precinct 3		Justice of the Peace, 7-2		
	Constable, Precinct 4		Justice of the Peace, 8-1		
	Constable, Precinct 5		Justice of the Peace, 8-2		
	Constable, Precinct 6	Administration	Domestic Relations		
	Constable, Precinct 7		Justice Administration		
	Constable, Precinct 8		Sheriff's Civil Service		

## CATEGORIES AND DEPARTMENTS – GENERAL GOVERNANCE

Category	Department
Buildings and IT	Universal Services
	Universal Services-R&R
	FPM - Repairs & Replacement
	Utilities & Leases
Tax and Finance	Appraisal District
	Budget Management
	Debt Services
	County Treasurer
	Tax Assessor-Collector
	County Auditor
	Purchasing Agent

Category	Department
Other General Governance	County Attorney
	County Clerk
	County Clerk - Elections
	Elections Administration
	District Clerk
	Comm. Court Analyst Office
	General Administrative
	Intergovernmental and Global Affairs

## CATEGORIES AND DEPARTMENTS – OTHER GOAL AREAS

Goal Area	Department
Environment	Pollution Control
Public Health	Harris Health System
	Public Health Services
	Mental Health - THCMH
	Texas A&M Agrilife
	Children's Assessment Center
Economic Opportunity	Economic Equity & Opportunity
	Veterans Services
	Library
	Community Services
Commissioners Court	County Judge
	Commissioner, Pct. 1
	Commissioner, Pct. 2
	Commissioner, Pct. 3
	Commissioner, Pct. 4
Flooding	Flood Control

Category	Department
Transportation	Tunnel & Ferry
	Public Infrastructure Coord.
	CE Shared Services
	Real Property
	Construction Programs
	Engineering
	Toll Road