

Fiscal Year 2025

PROPOSED BUDGET

HARRIS COUNTY



COUNTY OF HARRIS



PROPOSED ANNUAL BUDGET

FISCAL YEAR 2025

OCTOBER 1, 2024 – SEPTEMBER 30, 2025

COMMISSIONERS COURT

Lina Hidalgo

County Judge

Rodney Ellis

Commissioner, Precinct 1

Adrian Garcia

Commissioner, Precinct 2

Tom S. Ramsey, P.E.

Commissioner, Precinct 3

Lesley Briones

Commissioner, Precinct 4

**PREPARED BY THE OFFICES OF COUNTY ADMINISTRATION AND
MANAGEMENT AND BUDGET**

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Daniel Ramos, Budget Director

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Commissioners Court



Lina Hidalgo

County Judge



Rodney Ellis

Precinct 1



Adrian Garcia

Precinct 2



Tom S. Ramsey, P.E.

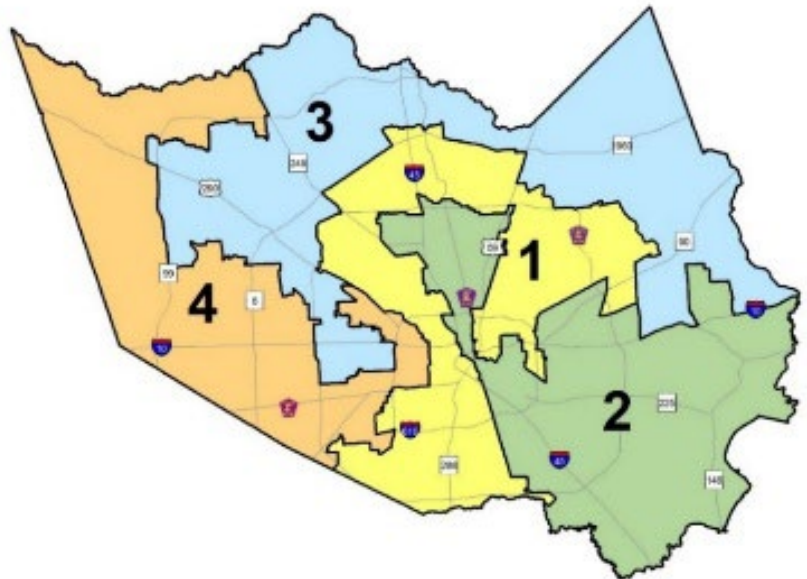
Precinct 3



Lesley Briones

Precinct 4

Harris County Precincts



Message from the Budget Director

Honorable Judge and Commissioners:

I am pleased to present the proposed budget for Harris County, encompassing both the General Fund, the Harris County Toll Road Authority (HCTRA), Harris County Hospital District, and the Flood Control District.

In this budget, OMB sought to sustainably reduce the County's General fund deficit, while better aligning spending with the recently adopted strategic plan. This budget also includes \$50M for compensation to implement the compensation and pay equity study currently being conducted for County employees. This budget reflects the County's commitment to the justice system, with three new district courts opening, as well as a historic investment in the Public Defender. FY25 is the first year of Harris County's 5-year plan and OMB's proposed budget includes the first \$26.3M worth of options. The budget also reflects Commissioners' Court decision to go to the voters for a \$100M increase to Harris County Flood Control's revenue.

I greatly appreciate your consideration of the proposed budget.



Daniel Ramos
Executive Director
Harris County Office of Management and Budget

Harris County 2024 Tax Rates and Fiscal Year 2025 Proposed Annual Budget

The Harris County Commissioners Court sets the 2024 tax rates for Harris County, the Harris County Flood Control District, the Hospital District, and the Port of Houston Authority. Separate tax rates are set for Maintenance and Operations (M&O) and Debt Service (I&S). M&O tax rate increases are capped by state statute unless voters approve a higher rate at an election. For tax year 2024, Commissioners Court has proposed tax rates for both the County and the Flood Control District that, if adopted on August 15, will require a tax rate election in November. As a result, County and Flood Control decisions were expedited in 2024 to meet deadlines to call an election if the Court chooses. The planned 2024 tax rate timeline is:

County and Flood Control District	Hospital District/ Port of Houston
Vote to propose tax rates (August 6)	Vote to propose tax rates (September 10)
Hold a hearing (August 15)	Hold a hearing (September 19)
Formally vote to adopt rates (August 15)	Formally vote to adopt rates (September 19)

Tax rates are calculated using a certified estimate of taxable values provided by the Harris Central Appraisal District (HCAD) in late July. The County can adopt rates using this certified estimate or may choose to wait and adopt rates based on the certified roll which HCAD is expected to provide near the end of August.

The range of tax rates Commissioners Court can adopt is set by statute and cannot exceed the “Voter Approval Rate” (VAR) without an election. If Commissioners Court fails to adopt rates, the rates revert to the “No-New Revenue” (NNR) rates. The Tax Office transmitted the tax rate calculations to Commissioners Court for the County and Flood Control on August 6, 2024 and plans to transmit the calculations for the Port and Hospital District on August 15, 2024.

This book covers Harris County and Harris County Flood Control District. Budget details for the Hospital District dba Harris Health System and the Port of Houston Authority are presented independently.

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Overview of Harris County



County Government

Harris County is a political subdivision of the State of Texas and 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 separate County precincts, all elected for four-year terms. The County Judge is the presiding officer of Commissioners Court. Within Harris County government, there are 87 operating departments, each with an elected official or appointed department head.

In August 2021, the Office of County Administration was created by Commissioners Court to provide day-to-day oversight of County government, as well as coordination with all County elected officials. Some of the agencies with an appointed department head, which previously reported to Commissioners Court, now report through the County Administrator. The County Administrator, who also serves as the County Budget Officer, works to implement goals and policy set by Commissioners Court.

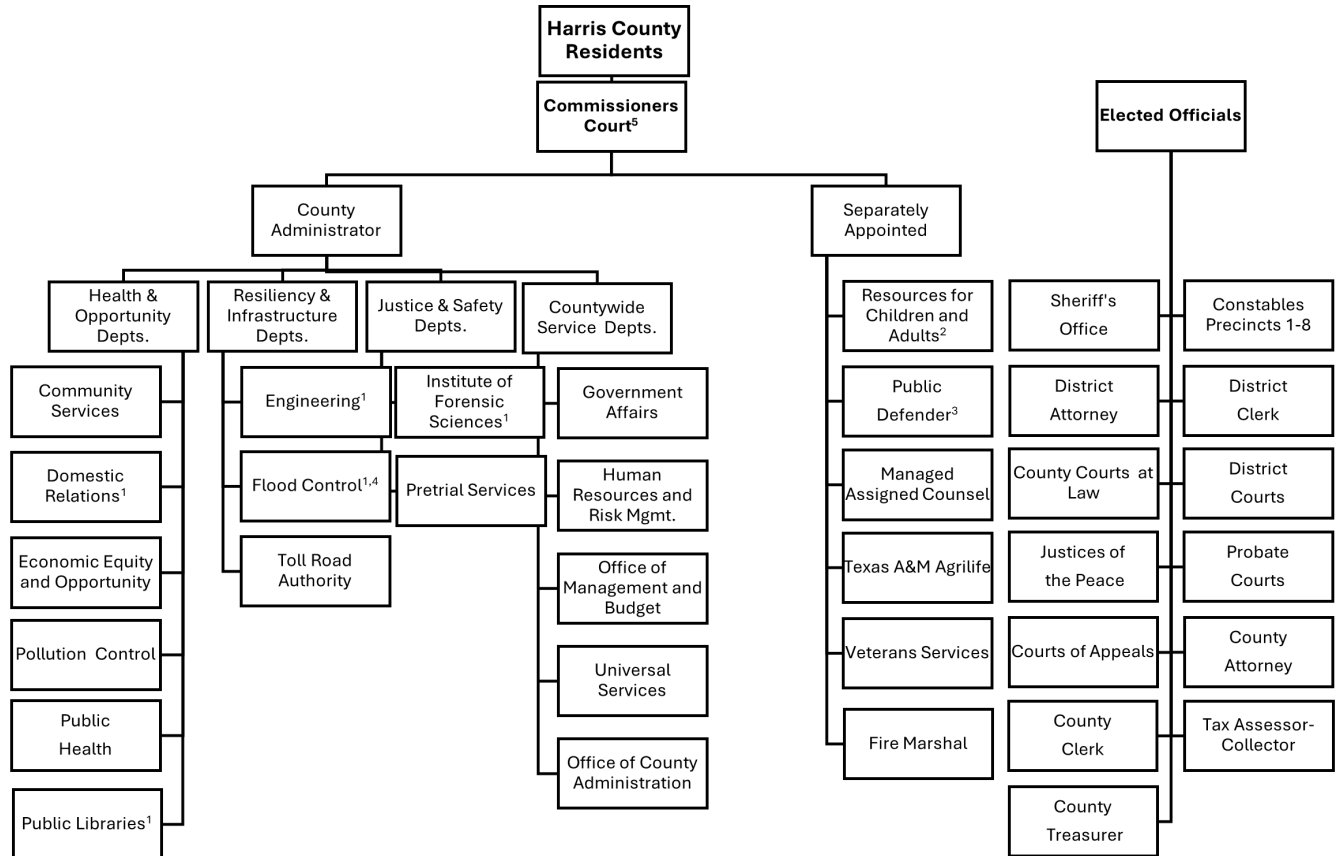
By statute, each year the County Budget Officer must propose a budget and Commissioners Court must approve a budget. The budget appropriates funds to County departments, affiliated agencies, and specific reserve accounts. The budget is a vital policy document which sets priorities for the coming year.

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

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

Finally, though operations are managed by an appointed board, Commissioners Court also approves the budget for the Hospital District dba Harris Health System (HHS).

Countywide Organizational Chart



Other Departments

- **County Auditor** appointed by District Judges
- **Purchasing Agent** appointed by Purchasing Board
- **Juvenile Probation** director appointed by Juvenile Board
- **Office of Court Management** director appointed by County Criminal Courts at Law Judges
- **District Court Management** director appointed by District Judges
- **Children’s Assessment Center** director appointed by a separate board
- **Civil Service Commission** appointed by Commissioners Court, Sheriff, and District Attorney
- **Law Library** director appointed by County Attorney

Notes

¹ Hiring and firing of department head by the County Administrator require ratification by Commissioners Court.
² Hiring and firing of department head done by a board or group of elected officials other than Commissioners Court.
³ Hiring and firing of department head by Commissioners Court must consider recommendations of a separate board.
⁴ County Administrator serves as the Flood Control Manager with the rights and responsibilities set forth in statute to provide oversight of the Flood Control District. A separate Executive Director retains the day-to-day operational duties and powers.
⁵ County Judge oversees the Department of Homeland Security and Emergency Management.

County Profile

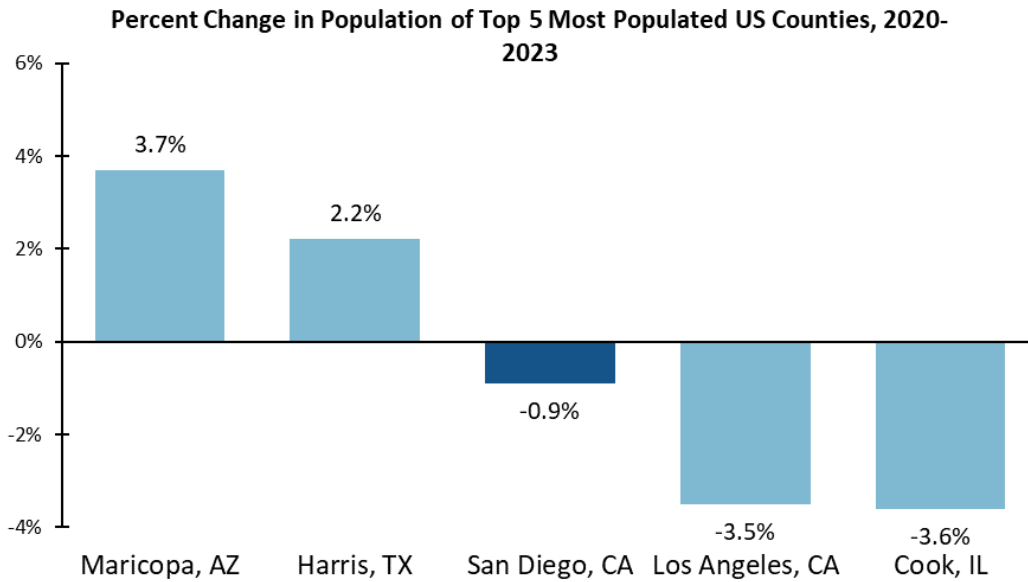
Founded in 1836 and organized in 1837, Harris County is divided into four precincts and governed by a Commissioners Court.

Harris County, Texas is the third largest County in the United States and the largest in Texas, with 2.2M more residents than the next most-populous Texas County. It is home to 4.8M people, including the 2.3M residents of Houston, the County's seat. Covering 1,777 square miles on the Texas Gulf Coast, the County is home to the Port of Houston, and the population is roughly split equally between incorporated and unincorporated areas. Harris County is unique among all counties in the nation for having an unincorporated area with a population of more than 2M residents. If unincorporated Harris County were a city, it would be the second largest city in Texas and the fifth largest city in the U.S. Besides Houston, the County contains all or part of 33 other cities and 12 large unincorporated population clusters, also known as Census Designated Places.

With a real GDP of \$495B, Harris County accounts for 21% of Texas' economic activity and 16% of its population. Its workforce is 2.4M strong, with 67.3% of the population 16 years and older employed. The region's economy is anchored by energy and related industries, but recent years have seen growth in manufacturing, construction, government, education & health services. The Port of Houston, the largest Gulf Coast port and the 5th busiest in the U.S., has also increased its business steadily over the past few years and currently ranks number one in the U.S. in foreign waterborne tonnage. Overall, the County's economy contains more than 100,000 employers. This includes the headquarters of 24 Fortune 500 companies. Out of the 24 companies, the energy sector has dominated the economy.

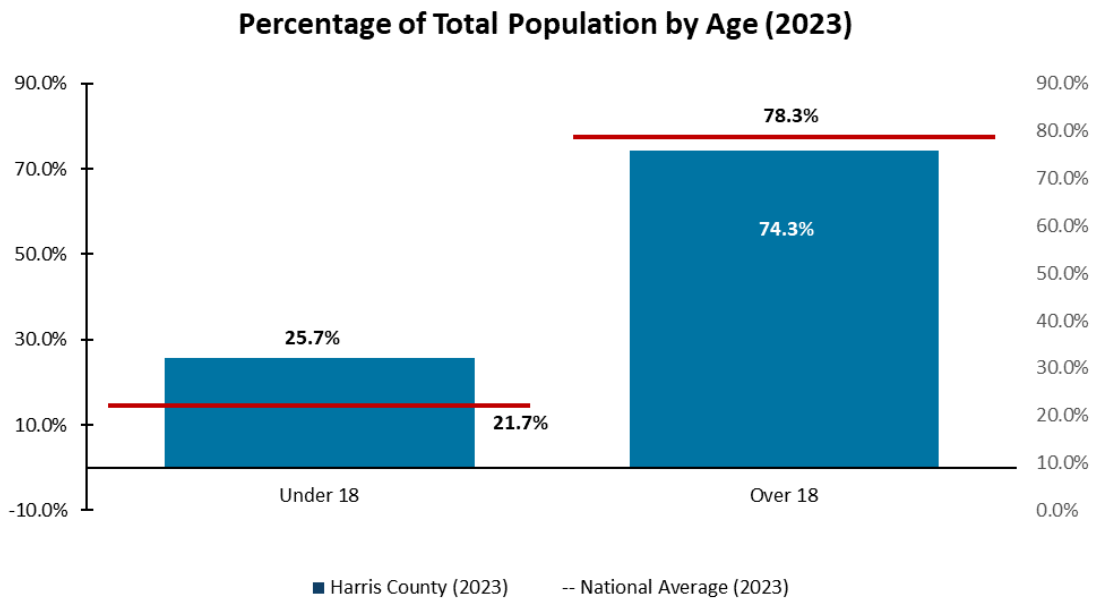
Population Growth

According to the US Census Bureau, between 2020 and 2023 Harris County's population grew by 2.2%, in line with the state's overall growth. Harris County continues to grow as fast or faster than other large counties. As the population grows, the demand for services increases, particularly as the growth has concentrated in the unincorporated parts, where the County is the primary provider of municipal services.



Age

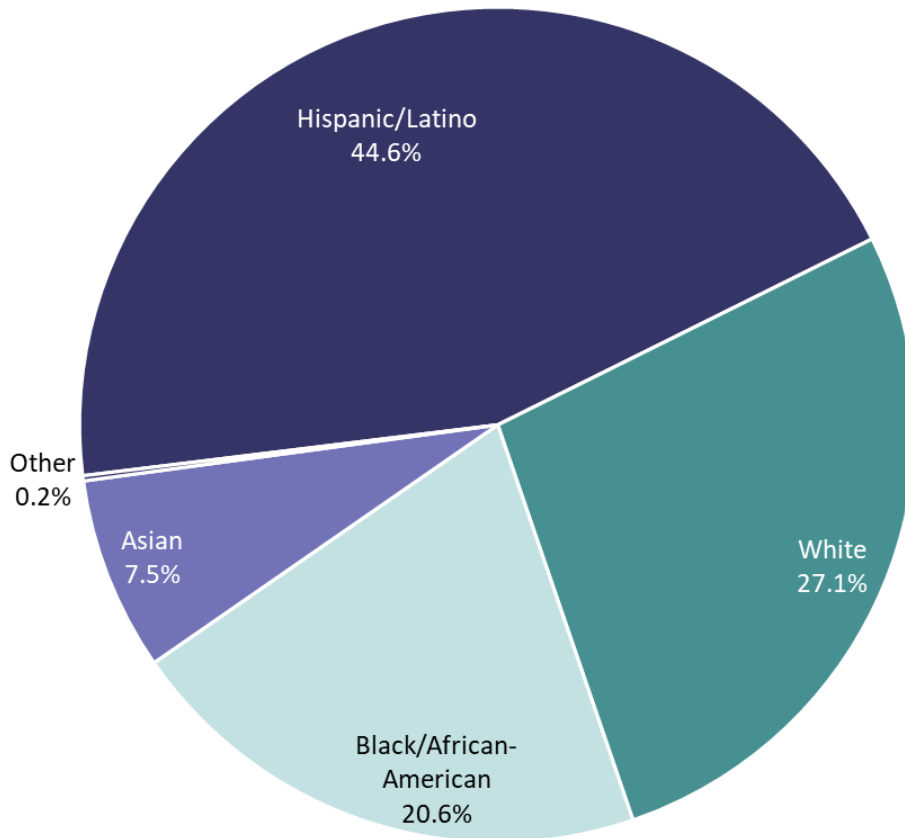
Like much of the nation, the population of Harris County is aging. The share of Harris County’s population that is under 18 has stayed flat from 2020 to 2023 but remains higher than the national average of 21.7%. The population over 18 has stayed flat as well but remains lower than the national average of 78.3%.



Diversity

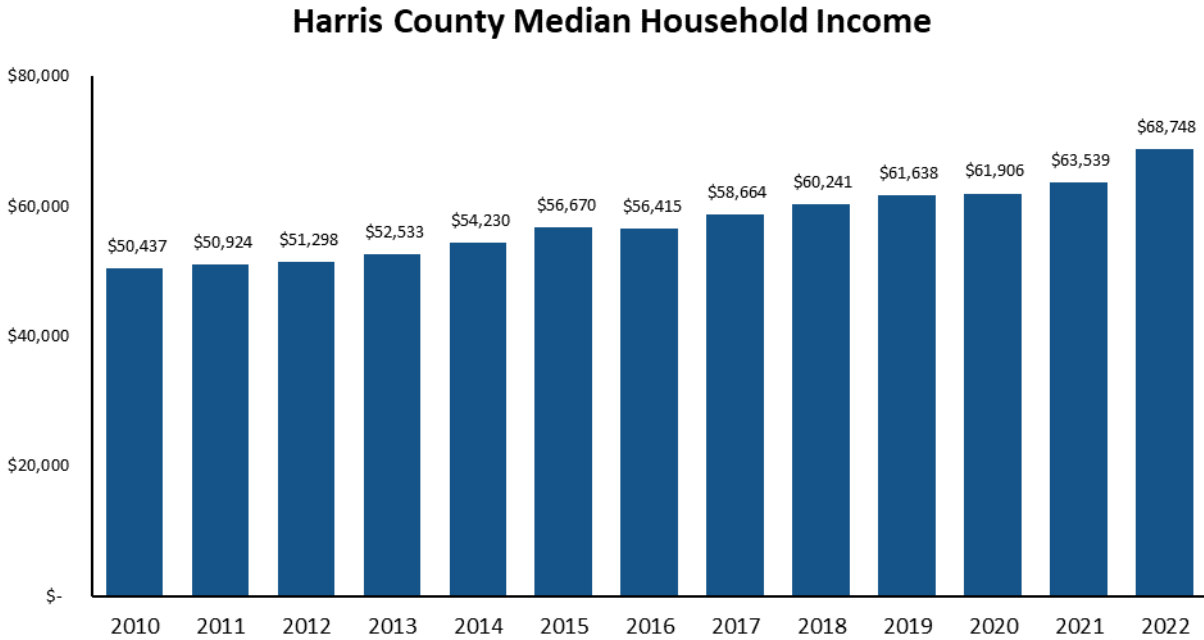
Harris County is one of the most diverse places in the country. More than a quarter of its residents are foreign born and close to half of the population speaks a language other than English at home. In total, 145 languages are spoken in the County.

Harris County Population Demographics (2023)



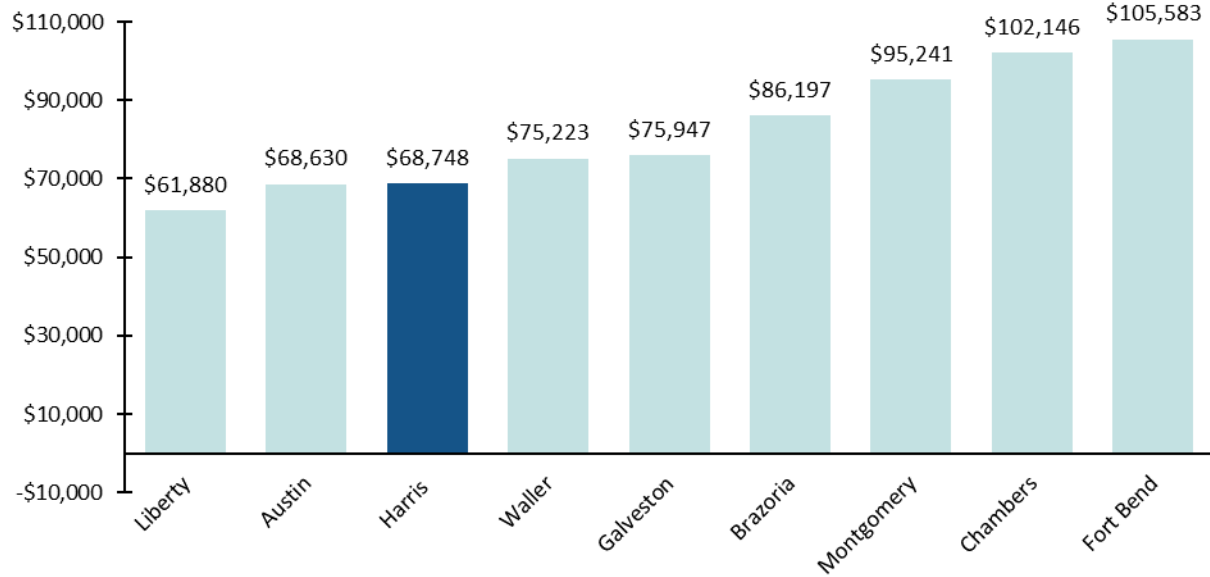
The County’s Hispanic/Latino population grew from 43% in 2020 to 44.6% in 2023. Black/African American population grew from 18.7% in 2020 to 20.6% in 2023, while the population that identifies as Other has fallen from 3.3% in 2020 to 0.2% in 2023.

Median Household Income



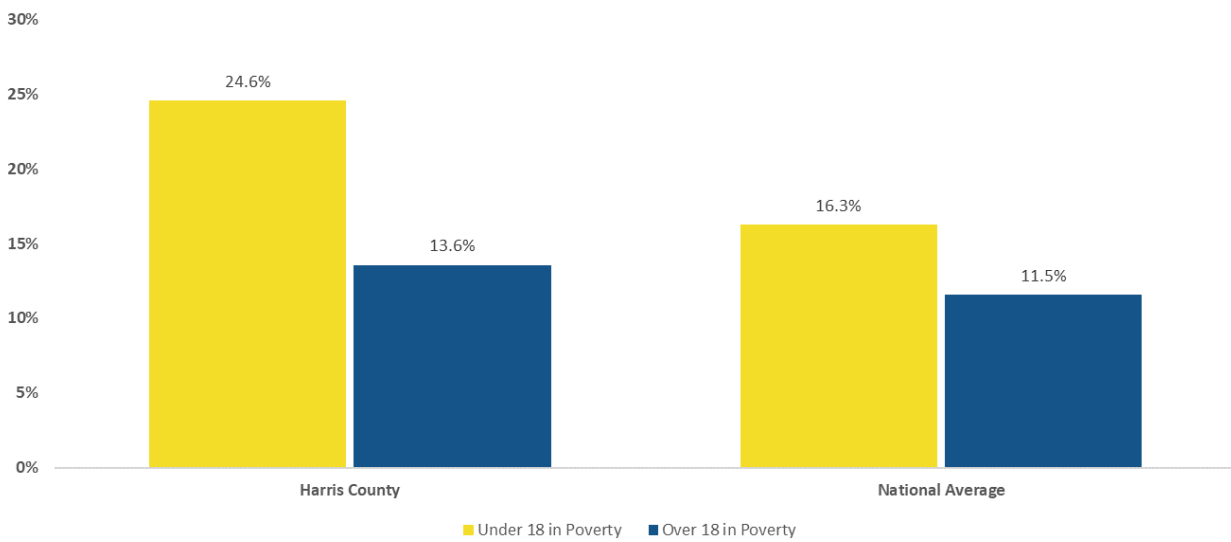
While Harris County’s median household income has grown steadily over the last 12 years, median household income in Harris County is slightly lower than the state overall (\$68,748 versus \$72,279), and lags almost all the surrounding counties in the greater Houston Metro Area. Of area counties, only Liberty and Austin Counties have a lower median household income.

Median Household Income by County (2023)



Poverty Rate

Poverty Rate Harris County & US Average (2023)



The County's poverty rate is higher than the national average (16.4% versus 12.6%) for all age groups. The greatest area of disparity is for residents under 18 years, with a poverty rate of more than 8.3% above the national average.

While Harris County poverty has increased from a peak of 15.9% in 2020 to 16.4% in 2023, the rate of increase is slower than in surrounding counties. Generally, poverty rates are higher among people living in urban areas than those living in suburban or rural areas, but a multitude of factors may contribute to a slower decline in the County's poverty rate. The gap in rate of decline largely reflects differences in the overall racial and ethnic makeup of the County population. Although poverty rates increased for all racial and Hispanic origin groups, racial disparity in poverty and median household income persists. Black and Hispanic residents continue to be over-represented in the population in poverty relative to their representation in the overall population. Nearly 65.2% of Harris County residents are Hispanic/Latino or Black, highest among all surrounding counties. The growing concentration of poverty has been a concern within past decades, and poor neighborhoods tend to cluster disadvantages that stall upward mobility over time.

Executive Summary



Every year, Harris County Commissioners Court sets the budget for Harris County government, including 87 operating departments and agencies. The budget includes General funds and Special Revenue funds which support County services. The budget also includes debt service, with a set of recommended capital projects submitted by County departments.

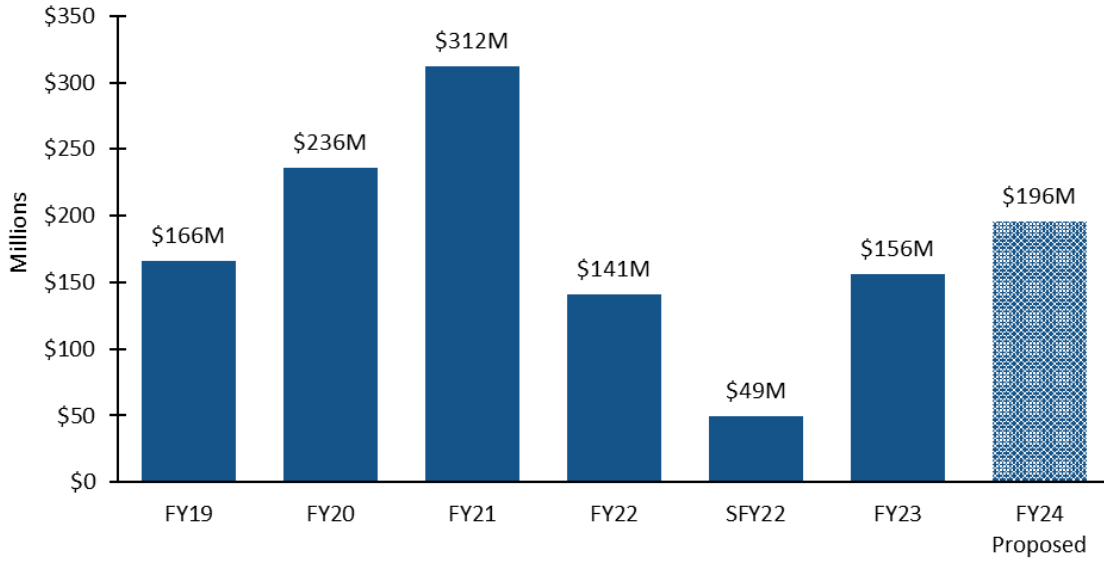
In preparation for Fiscal Year 2025, the Office of Management and Budget (OMB) has worked with County Departments on cataloguing and forecasting County cost drivers to update the FY24 Budget and develop a Current Level of Service (CLS) forecast. The CLS is intended to provide a comprehensive and transparent pre-decisional projection of the County budget that includes inflationary factors, changes to federal or state mandates, operations, and any financial decisions during the current fiscal year.

Financial Strengths

Harris County's liquidity position is robust. After accounting for the funds restricted for mobility and infrastructure, the balance of cash and investments in governmental funds totals \$1.98 billion. This amount provides 201 days of cash on hand (DCOH) based on governmental expenditures, excluding those for mobility and infrastructure. Harris County is also fortunate to have a stable property tax base through the pandemic and strong support from grants. Over the past decade, the tax base has shown notable resilience and growth. The taxable assessed value has grown at a compound annual rate of 7.4% through the 2023 tax year, significantly outpacing the compound annual growth rate of the urban consumer price index, which stands at 2.8%. As FY24 closes, more than half of County departments used supplemental grant funding to support or enhance public services. The cumulative impact of grant funds is nearly \$650M through the first ten months of FY23, including funding from: ARPA, Community Development Block Grant (CDBG) programs, and Flood Control. Over the course of FY23, the County has lived within its General Fund budget with projected spending in line with new revenue.

With two months remaining in FY24, the unencumbered (available) balance in the Contingency Fund is \$172M, plus nearly \$21M of encumbered funds set aside to respond to two major weather events in 2024. Harris County continues to replenish this fund and the General Fund via reimbursements from FEMA for past disasters, primarily COVID, and expects to receive \$202M in additional FEMA reimbursements, which are currently under review by either FEMA or Texas Department of Emergency Management."

Public Contingency Fund Historical Balance



All these factors allow the County to maintain the current level of service for core County operations, while making strategic investments in our public safety and justice systems.

Economy, Growth and Tax Impacts

Following two consecutive years of valuation increases over 12%, and a decade of increases averaging 6.7%, the County experienced relatively flat growth for Tax Year 2024.

While 2021 and 2022 were extraordinary from a valuation perspective, Harris County has a long track record of strong economic growth and property valuation increases. Below are the original certified taxable property values since 2014 and the amount of new construction added to the tax roll each year.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 ¹
Taxable Value (\$B)	347B	392B	421B	438B	450B	483B	505B	521B	586B	658B	666B
% Change	12.1%	13.1%	7.3%	3.9%	2.7%	7.4%	4.6%	3.1%	12.4%	12.2%	1.2%
New Construction (\$B)	8.1B	10.8B	12.0B	12.0B	10.5B	9.9B	12.3B	11.2B	12.4B	13.8B	15.7B

¹ Certified estimate used for comparison. Certified values will not be available until the end of August 2024.

Although the large taxable value increases of prior years did not continue in 2024, there are tools in place to moderate the impact of large taxable value increases on residential property owners when they do occur. First, annual valuation increases for residential homestead properties are capped at 10%. Using 2023 as an example, this 10% cap resulted in more than 90% of County homesteads having 2023 taxable values below their appraisal. The County also provides a 20% exemption for residential homesteads and an additional \$320,000 exemption for homesteads of senior and disabled property owners which further reduces the tax burden.

Apart from these caps and exemptions, Texas statute limits the total amount of taxes the County can generate from

existing properties without calling for a tax rate election. The limit is a targeted maximum increase of 3.5% per year unless the County was impacted by a declared disaster, in which case an 8% cap applies. As the County has been impacted by a declared disaster this year, Commissioners Court directed the Tax Office to calculate the 2024 Voter Approval Rate (VAR) using an 8% “Disaster” multiplier instead of the normal 3.5% rate. This higher multiplier is estimated to generate an additional \$89M in tax year 2024, but it is important to note this is a one-year increase only which would be deducted when calculating the tax levy for 2025.

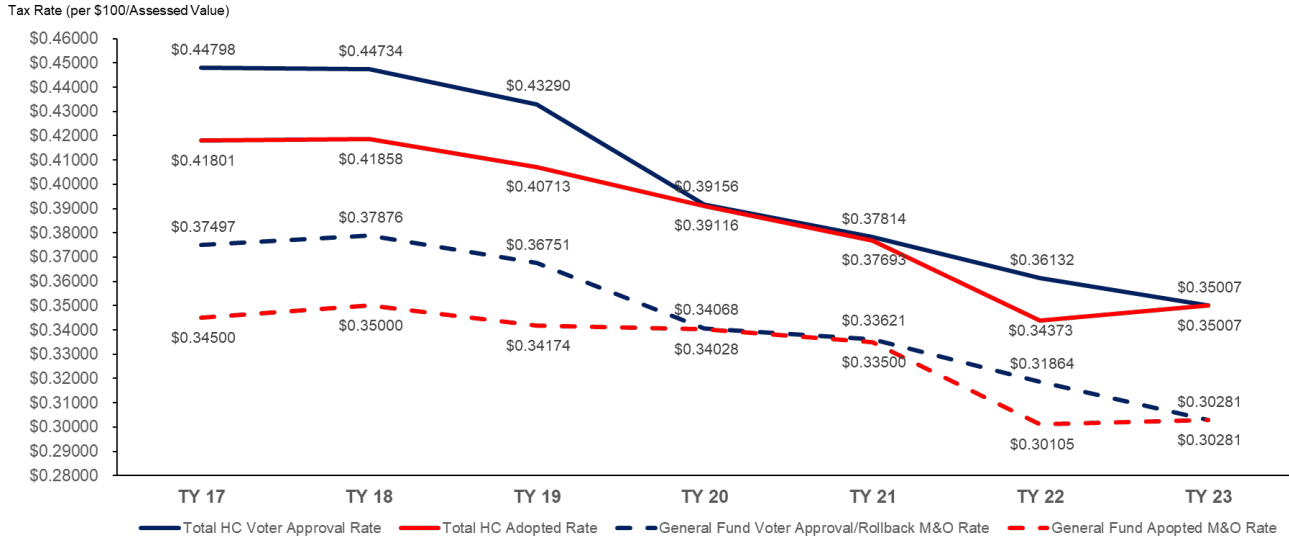
When rates are adopted at less than the 3.5% cap, the County can accrue the difference between the maximum (Voter Approval Rate) and the adopted rate and apply that unused increment in any of the following three years. The County will not have any unused increment available to adjust the 2024 tax rate.

At its August 6, 2024 meeting, Commissioners Court proposed a County tax rate slightly above the disaster rate and a Flood Control rate significantly above the VAR. A public hearing on these proposed rates is scheduled for August 15. If Court chooses to adopt rates above the VAR, a tax rate election will be held on November 5 at which the voters will decide whether to approve or reject the proposed rates. If an election is called and subsequently rejected by the voters, the tax rates would revert to the VAR.

After more than a decade of holding the overall tax rate steady, the County lowered its combined tax rate every year since 2019, in part to offset large increases in property values and to comply with the state revenue caps. Historical Court-adopted tax rates and 2024 proposed rates per \$100 of taxable value are shown in the following table. Unlike previous years with large taxable value growth, 2024 saw a 1.1% drop in values for existing properties. This negative value growth means tax rates must increase if additional revenue is to be generated. About 12% of the tax rate increase proposed for 2024 is caused by the drop in taxable value, with the remainder due to increased revenue generation.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Proposed
County	0.41923	0.41656	0.41801	0.41858	0.40713	0.39116	0.37693	0.34373	0.35007	0.38530
Flood Control	0.02733	0.02829	0.02831	0.02877	0.02792	0.03142	0.03349	0.03055	0.03105	0.04897
Port of Houston	0.01342	0.01334	0.01256	0.01155	0.01074	0.00991	0.00872	0.00799	0.00574	0.00615
Hospital District	0.17000	0.17179	0.17110	0.17108	0.16591	0.16671	0.16221	0.14831	0.14343	0.15959
Combined Total	0.62998	0.62998	0.62998	0.62998	0.61170	0.59920	0.58135	0.53058	0.53029	0.60001

Harris County Total & M&O Tax Rates - Voter Approval vs. Adopted



Current Level of Service

Starting in March of 2024, OMB engaged County departments in the Current Level of Service (CLS) process to project the costs of maintaining the same level of service from one fiscal year to the next. OMB partnered with department and subject matter experts to forecast key budget drivers like facility maintenance, fleet operations, utilities, cost of living adjustments, employee benefits-related expenses, changes to state law, as well as unplanned budget adjustments to services.

Thanks to prudent financial management, the County is currently in a strong financial position— with a balanced annual budget, strong cash reserves, and top credit rating. However, the results of the CLS forecast show that Harris County’s financial picture is becoming more challenging due to factors outside the County’s control. State-mandated revenue caps combined with state mandated minimum spending on law enforcement, growing healthcare costs, and significant increases in the cost of providing legal representation for indigent defendants, as well continued state mandated inmate outsourcing have caused a fiscal reckoning for the County.

Throughout FY24 Court approved \$21M of recurring transfers that were unplanned. These recurring transfers, coupled with the increased costs to departments’ operations, severely limit the investment possibilities for FY25.

In April, OMB presented the FY25 CLS forecast of \$2,657M in planned expenses for the county, which included \$50M for the Pay Equity study. The forecast projected a \$130M deficit for FY25 based on the VAR revenue forecast of \$2,527M, the maximum tax rate Court can set without voter approval. Under a NNR forecast of \$2,458M, the deficit would be \$199M. Through Commissioners Court guidance for the FY25 budget process, the County was able to balance the budget and make several targeted investments for this upcoming fiscal year, described in the Budget Recommendations section. The figure below represents the FY25 CLS forecast, as of June 2024.

	Revenue	Expenditure	Surplus/(Deficit)
FY25 NNR	2,458M	2,657M	(199M)
FY25 VAR	2,527M	2,657M	(130M)

Key Budget Drivers

The FY24 Budget was prepared in a time of tremendous change and uncertainty. Factors driving the difficult choices required in the budget process included: inflation, jail costs, increased utility costs, and increased health care costs.

Jail Costs

Despite continued investments in the County's justice-related departments, the jail population growth has caused \$85M in additional spending on the County's jail. In November 2023, the Texas Commission on Jail Standards reduced the number of variance beds available for utilization at Harris County jail facilities. The Harris County Sheriff's Office lost the use of 580 variance beds, in increments of 144, every month beginning December 2023. Additional inmate outsourcing was therefore needed to ensure Harris County can house all inmates while meeting minimum jail standards for staffing officer-to-inmate ratios. In addition to the surge in population, the proportion of inmates that are high-risk has increased, necessitating additional staffing and the need to outsource inmates to private facilities. Overtime for jail staff is currently 16.1% of the overall labor budget for the Sheriff's Department.

In FY24 the County continues to outsource inmates to Garza County, LaSalle Correctional Center, and Tallahatchie Correctional Facility. Additionally, the County added more outsourcing beds at Tallahatchie Correctional Facility at a cost of \$52M. This cost will be borne fully by the County's General Fund.

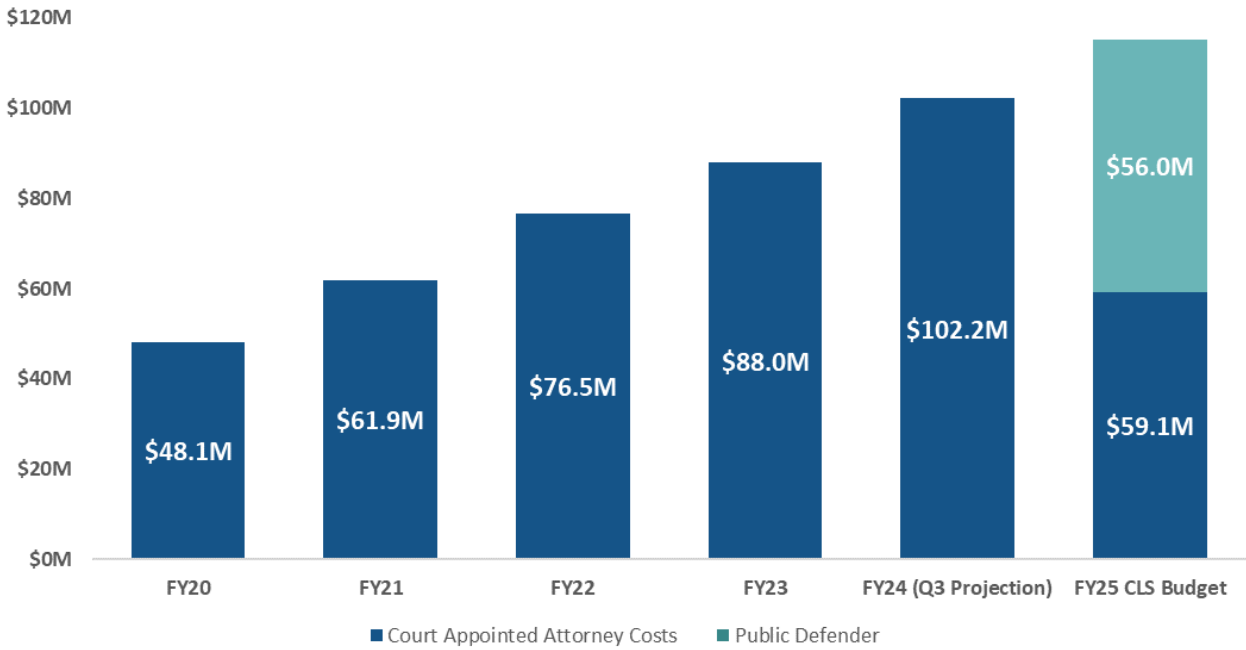
In FY25, there will be an increase to the overall budget totaling \$1.9M for various increases to services to manage the jail. The FY25 budget includes \$827K of General Fund appropriation for continued maintenance to the Offender Management Software and an additional \$651K for increased inmate food expenses. The proposed budget also includes \$10M in additional jail medical costs. The budget proposal reflects a recommendation to transition the FY24 jail medical overage (\$23M) to the Harris Health System tax rate.

Indigent Defense

Over the last three fiscal years Harris County has seen massive cost increases for *indigent defense*, or county-provided criminal defense services for persons accused of a crime that cannot afford to pay for their own legal representation. In FY23 and the annualized SFY22 budgets, the County averaged \$82.3M in indigent defense costs annually. In FY24 alone, Commissioners Court approved a supplemental appropriation of \$29.1M due to cost overruns for court appointed attorney fees, for a total projected spend of \$102.2M.

The unanticipated costs are attributed to a combination of significant increases in the number of cases, as well as a change in fee structure approved by District and County judges in FY23. The chart below illustrates actual expenses for court appointed attorneys representing indigent defendants over the last five years.

Harris County Indigent Defense Spending



In FY25 Harris County will budget more for indigent defense spending overall, but, at the direction of Commissioners Court, funding will be reallocated from Court Appointed Attorneys towards the Public Defender’s Office. The Public Defender’s FY25 Budget will include an additional \$11.7M to support the second-year expansion of the office to represent 50% of all indigent defense cases by FY26.

Natural Disasters

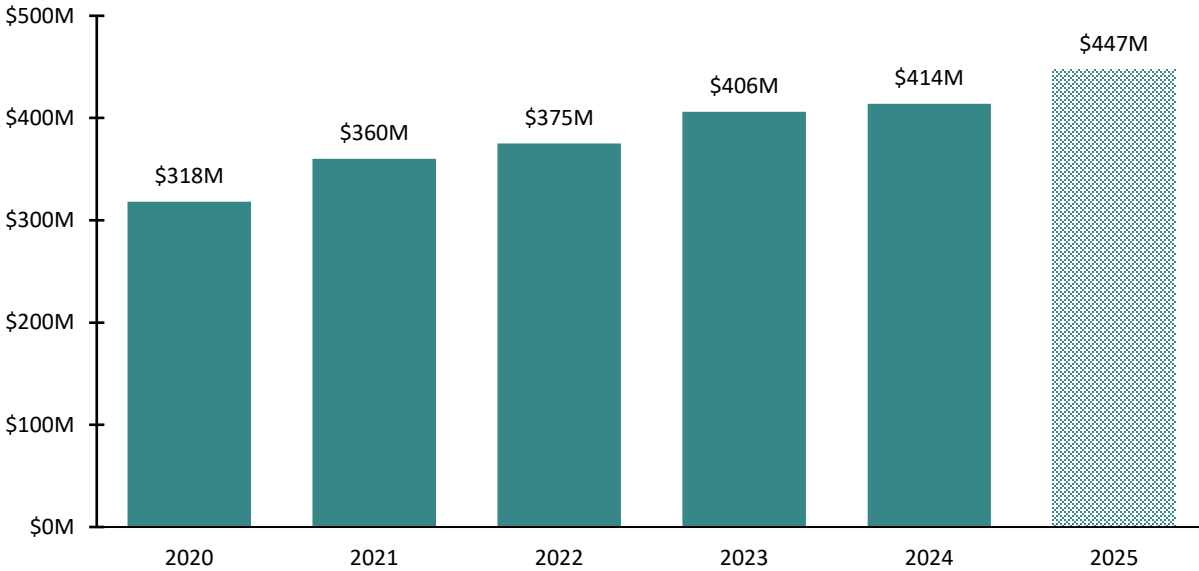
Harris County was impacted by three severe weather events in fiscal year 2024. Hurricane Beryl, the May 16th Derecho, and the May 2nd flooding event. All three events required the activation of the Public Improvement Contingency Fund (PIC) for emergency repairs, cleanup, and monitoring. A federal disaster was declared for Hurricane Beryl, and a combined federal declaration was made for the May weather events. Harris County estimates \$30M in county expenditures to support clean up, recovery, and restoration from these events. The County expects to be reimbursed for 70% of eligible response costs by FEMA.

Health Care Costs

Harris County provides generous medical benefits to its employees and retirees compared to peer organizations and benchmark survey data. For 2024, the health claims forecast is \$414M, which represents a 2% increase from 2023 and nearly 30% increase from just four years ago. Several factors point towards a substantial increase in medical costs in 2025 including inflationary pressure, prescription drug spending, and behavioral health utilization. The projected 2025 health claims amount is \$447M, but implementation of a Medicare Advantage Prescription Drug plan and an Accountable Care Organization

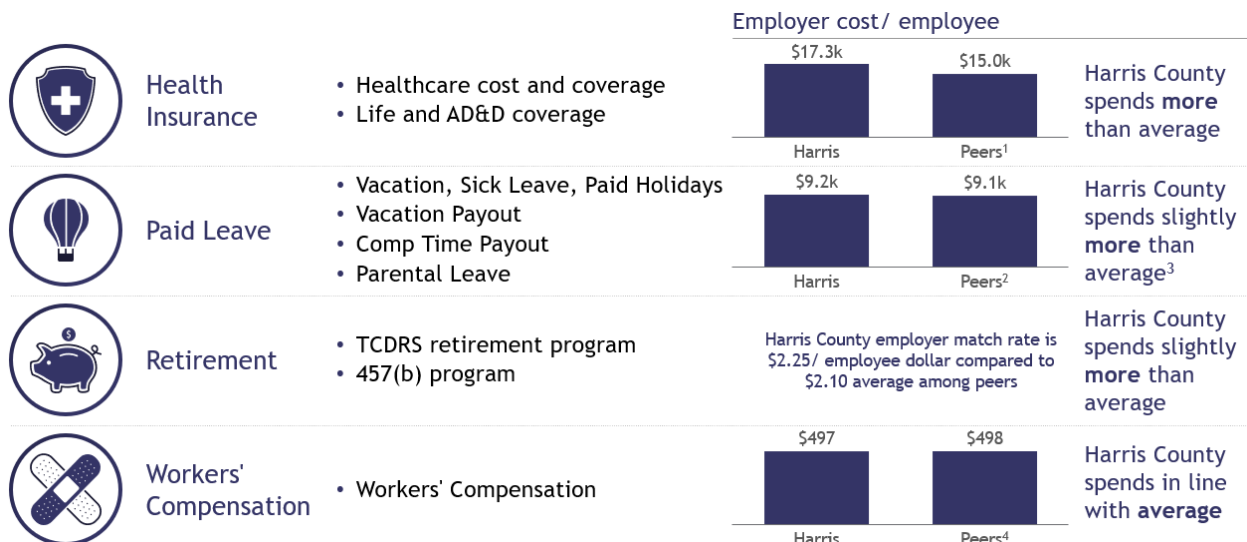
plan should result in healthcare savings. The county will continue to monitor projections when the new plan year begins.

County Medical Claims



The proposed budget increases the County’s healthcare contribution by \$18M, raising the cost per employee from \$18,030 to \$18,980 due to substantial medical inflation anticipated in 2025.

Furthermore, Harris County spends more than peers on insurance, paid leave, and retirement while spending in line with peers on Worker's Compensation.



1. Travis and Bexar County; 2. Avg. TX LA OK AR State & Local Sector; 3. Employer cost/ employee comparison excludes paid parental leave; 4. Dallas, Tarrant, Bexar, and Collin County; Source: Bureau of Labor Statistics

Contract Patrol

Harris County allows the Sheriff’s Department and Constable Precincts to enter into contractual agreements with businesses, homeowner associations, independent school districts, and municipal utility districts to provide dedicated patrol deputies within their area. The current policy requires that contracts starting in the middle of the fiscal year be reimbursed for 100% of the cost of the deputies. In subsequent years, entities can lower their commitment to 70% or 80% of deputies time and cost. Below is a chart of how much the County spends and receives as part of the contract patrol program (in millions).

After the passage of the budget in September, OMB recommends updates to the contract patrol rate to reflect cost increases. In FY24 the rate was updated by 6.6%, which was primarily driven by the 4% COLA for constable deputies as well as 7% for constable supervisors and civilians.

	FY20	FY21	FY22	FY23	FY24
<i>Number of Contracted Officers</i>	975	1,015	1,040	1,142	1,201
Cost Covered by Customers	\$71.9M	\$78.6M	\$82.5M	\$95.0M	\$104.8M
Cost Covered by County	\$25.6M	\$27.9M	\$29.4M	\$31.6M	\$34.9M
Total Cost	\$97.5M	\$106.5M	\$111.9M	\$126.6M	\$139.7M

Federal Aid and American Rescue Plan

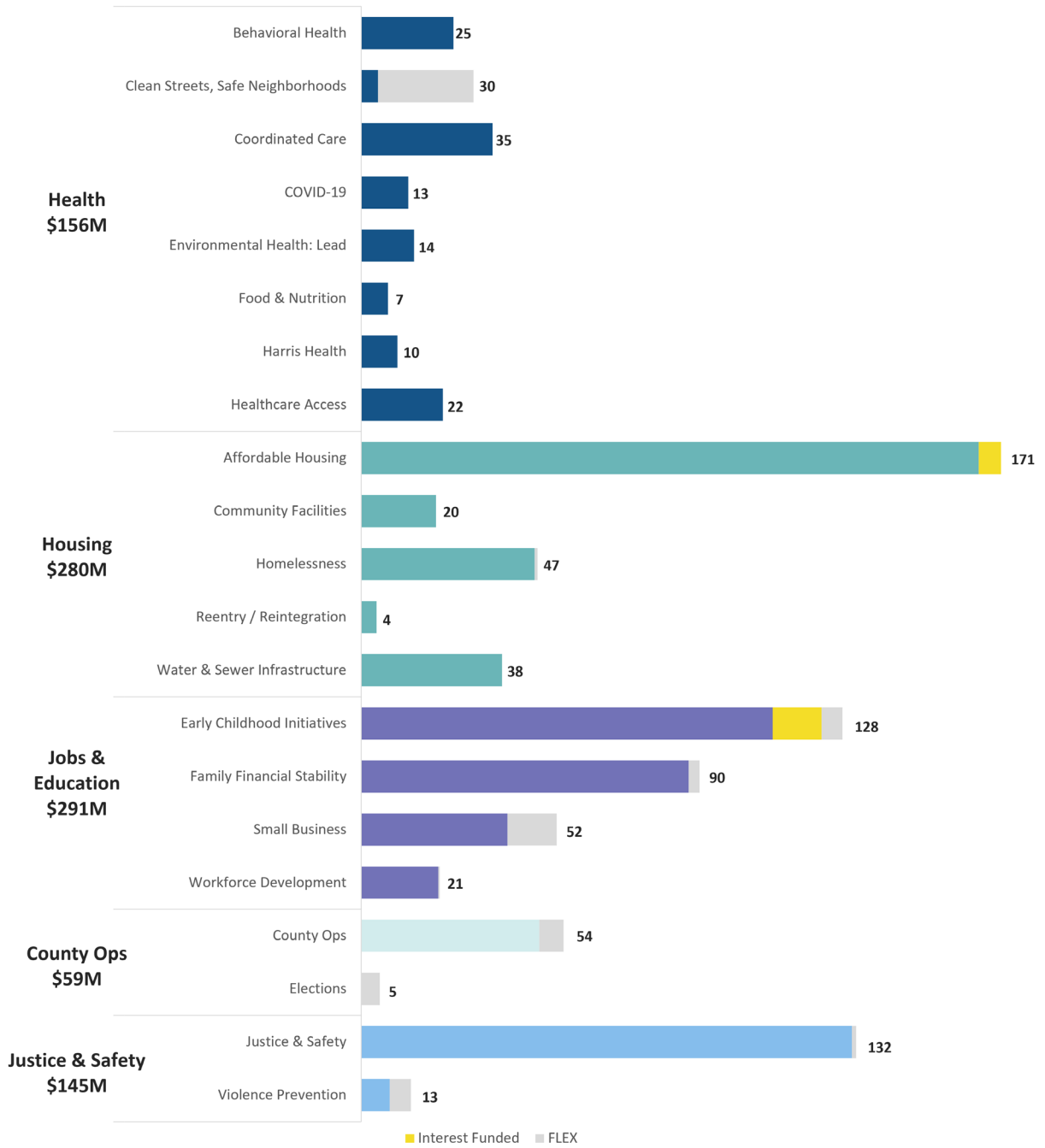
The County has made swift use of federal recovery dollars, fully allocating U.S. Treasury funding made available via the CARES Act and Consolidated Appropriations Act. The ARPA Coronavirus State and Local Fiscal Recovery Fund provided a direct grant of \$915.5M to Harris County, of which \$985.9M has been allocated and \$815M has been fully obligated.

ARPA funds must be obligated by the end of 2024; the period of performance extends to 2026. Commissioners Court has identified Health, Housing, Jobs & Education, Justice & Safety, and County Operations as investment priorities and established an equity framework to guide investments. Input from over 1,000 community members informed creation of target focus areas and priority outcomes.

Details about the community engagement process and active programs, together with our annual Recovery Plan submitted to the U.S. Treasury, can be found at [HarrisCountyARPA.org](https://www.harriscountyarpa.org).

Below is a summary of ARPA funding committed through June 2024:

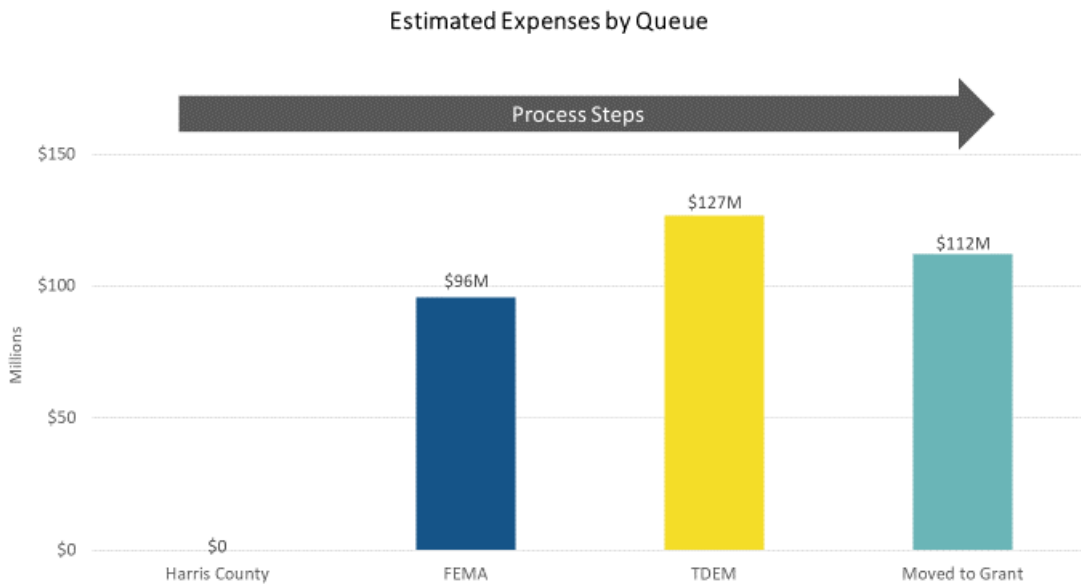
Funds committed by Harris County
Commissioners Court through June 2024 (\$M)



In FY25, the County will focus on project delivery and assessing options for sustainable funding where needed. The FY25 budget assumes \$9.3M in ARPA to fund General Fund operations.

FEMA Public Assistance Program for COVID-19

Through July 2024, a total of 91 projects in the amount of \$239M have been obligated under FEMA’s Public Assistance Program for COVID-19. The County will continue to work with FEMA and the Texas Department of Emergency Management to seek reimbursement for eligible expenses, and an additional \$96M is estimated to be obligated by the end of FY25. As demonstrated by prior events such as Hurricane Harvey, final resolution of outstanding projects and funding from FEMA takes time pending necessary audits, reviews, and appeals. FEMA has approved \$127M in reimbursements, which is awaiting the Texas Department of Emergency Management (TDEM) review to be recognized by the County Auditor.



Budget Plan



Approved Revenues and Expenditures

The proposed FY25 appropriation plan for Harris County’s General Fund is \$2,666M, which includes \$2,666M in projected total revenue*.

Commissioners Court proposed a Flood Control tax rate that, if it is adopted and later approved by the voters at an election in November, is expected to generate \$241M. If the voters do not approve of the higher rate, it will default back to the VAR which is \$141M. The recommended HCTRA appropriation is \$740M† and \$288M of total transfers to the Mobility Fund. Commissioners’ Court also approves the budget and tax rate for the Harris County Hospital District (Harris Health). The Harris Health proposed budget reflects the recommendation of their management and board.

	General Fund	Flood Control	HCTRA	Harris Health‡
Revenue	\$2,666M	\$241M	\$969M	\$2,584M
Expenditures	\$2,666M	\$241M	\$740M	\$2,584M
Transfers	-	-	\$288M	-

* OMB’s estimated revenue will differ from the Auditor’s estimate as described in the Revenue section.

† HCTRA Revenue consist of Operating revenue + Investment Income; HCTRA Expenditures consists of Operating Expenses + Debt Service + PAYGO.

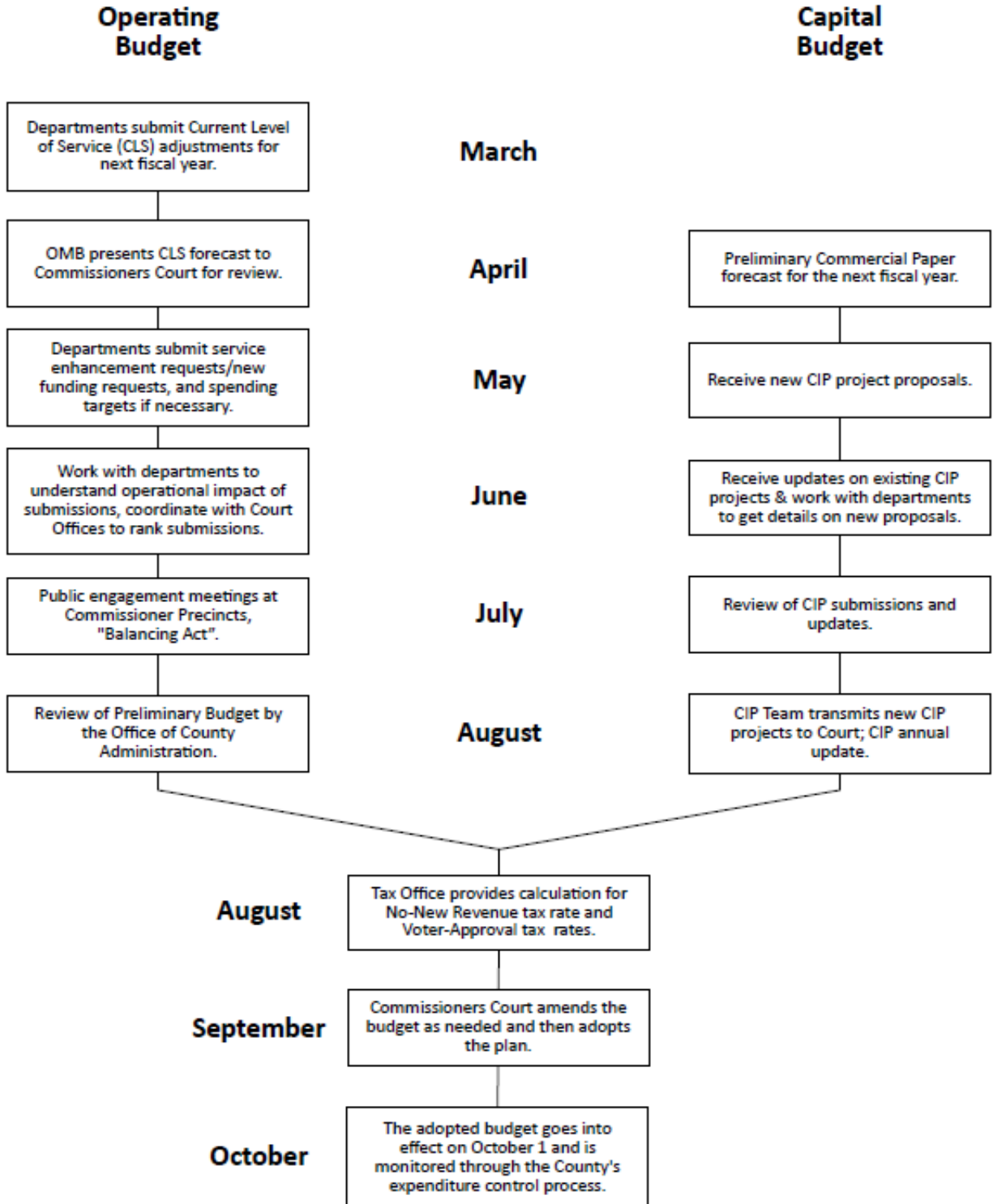
‡Harris Health’s proposed budget is based on the VAR that includes \$997M of Ad Valorem Tax Revenue.

Budget Process and Policies

IN

Budget Process Timeline

As the County’s new fiscal year begins, OMB has created a budget process timeline to help highlight key dates for the FY25 budget cycle. More key dates may be added or removed from this outline in the coming year, and OMB will communicate updates to departments on a regular basis.



Fiscal Year Change

Prior to March 2022, the County’s fiscal year ran from March 1st through February 28th. In 2022, to better align the county’s budgeting and appropriations cycle with tax rate setting timelines, the fiscal year was changed to October 1 through September 30. This change required a short, 7-month transition year from March 1, 2022 through September 30, 2022. The following table shows the various abbreviations and corresponding dates for each fiscal year.

FY21	FY22	SFY22	FY23	FY24	FY25
FY2021	FY2022	SFY 2022	FY2023	FY2024	FY2025
3/1/20- 2/28/21	3/1/21- 2/28/22	3/1/22- 9/30/22	10/1/22- 9/30/23	10/1/23- 9/30/24	10/1/24- 9/30/25

It should be noted that “Tax Years” (TY) are different than the fiscal year and cover very different periods. For reference, the 2023 tax rates (Tax Year 2023) were set in September 2023, while the associated tax revenue is received in County FY24.

Outcome Budgeting

In late 2020, with support from Commissioners Court, OMB embarked on a redesign of the County's budget process. Previously, decision-makers looked at historical spending and focused on the topline allocation to a department or agency. This process emphasized past allocations over present performance and did not make clear the connection between funding choices and community outcomes.

The County's new approach, *outcome budgeting*, reorients the budget process around the actual programs and services provided. In outcome budgeting, decision-makers no longer need to rely on topline allocations as a proxy for real data about what the County is doing for its constituents. They can ask directly: "What is the community impact of our services? And at what level should they be funded?"

In the FY24 budget cycle, the Commissioners Court formulated Goal Area Committees (GACs) that met with individual departments using Department Progress Meetings (DPMs) to understand strategic priorities and service delivery. The services and program structure served as the basis for ongoing conversations with departments on spend, performance, and resource needs for service efficiency.

Strategic Objectives

Outcome budgeting, like all budget processes, is an exercise in prioritization. To guide this process, Commissioners Court has identified six goals and 23 objectives as part of the strategic framework that the Court approved in April of this year:

- **Make Harris County Safer and More Just:**
 - Reduce violent crime across the County
 - Reduce criminal legal system exposure that does not advance public safety
 - Improve safety and health conditions in the jail
 - Reduce racial, ethnic, and economic disparities in the criminal legal system
 - Increase efficiency across the legal system
- **Improve Physical and Mental Health Outcomes Across All Communities**
 - Improve the health behaviors of community members
 - Increase access to quality health care, including preventive and behavioral health
 - Improve children's health outcomes
- **Minimize the Impact of Climate Change and Disasters**
 - Reduce GHG emissions from County operations by 40% by 2030
 - Enhance disaster preparedness and resiliency
 - Equitably reduce the health, economic, and other impacts of climate change and disasters
 - Encourage residents, businesses, and public entities to significantly reduce their environmental footprint for the health of our region
- **Make Our Economy More Inclusive**
 - Grow the number of minority- and women-owned businesses
 - Provide workers with training and other support (e.g., childcare) to participate fully in the local economy

- Ensure that Harris County remains the best place in the region to start and grow a business
- Foster more family-wage jobs that ensure worker safety, benefits, and stability across all educational levels
- **Help Residents Achieve Housing Stability**
 - Build and preserve affordable housing, particularly for low-income families
 - Reduce eviction and foreclosure rates among residents
 - Transition people experiencing homelessness into permanent housing
- **Connect Our Community with Safe, Reliable, Equitably Distributed, and Well-Maintained Infrastructure**
 - Expand and optimize transit options
 - Ensure safety and security for all using the county's transportation network in alignment with the County's Vision Zero plan
 - Increase access to safe, clean, and enjoyable green space
 - Improve the condition and resilience of county transportation, flood control, and other infrastructure

The strategic framework was informed by one-on-one meetings with each Commissioners Court member, a special meeting of Commissioners Court held on April 1, 2024, several workshops and meetings with the Strategic Planning Committee—which consists of representatives from each Commissioners Court office, multiple workshops with and other feedback from leadership from OCA-reporting departments, County Champions from a wide range of County departments, a community survey, a County employee survey, and community engagement charettes hosted individually by each member of Commissioners Court.

The strategic framework serves as the launching point for the development of a strategic plan, which will include initiatives that help the County achieve the objectives and make progress toward the goals set out in the strategic framework. Ultimately, the strategic planning process should result in a countywide system of strategic performance measurement and reporting that is directly linked to and guides budget and other resource allocation decisions, while also aligning the work of departments and County partners with the County's strategic plan.

Programs and Services

Harris County seeks to improve Strategic Objectives through its programs and services. Historically, these activities have been difficult to evaluate: the County lacked a standardized catalogue of programs and services and did not track costs consistently at the program and service level. This year OMB worked with departments to create a standardized catalogue, defining services as an amenity, or set of amenities that addresses a specific community or governmental problem. A service should have an identifiable "customer" and a specific strategy to make them better off. Services are bundled together to form a *program*, a collection of services that work together to provide a community benefit. Altogether, OMB

has catalogued over 700 services and 300 programs, described further in Volume II – Department Detail. Illustrative example of programs and services is listed below.

Program	Service
	Financial Services
	Human Resources
Administration and Support Services	IT
	Communications
	Case Management
Bail Hearing	Bail Hearing
Holistic Defense Services	Holistic Defense Services

Performance Measures

To better understand if a department is achieving its objectives, or if progress is being made towards Commissioners Court Strategic Objectives, departments have developed performance measures to track results at the service, program, and department levels. The multi-level approach allows the County to evaluate operational performance, program objectives, and overall department performance.

Each performance measure will fall into one of three categories:

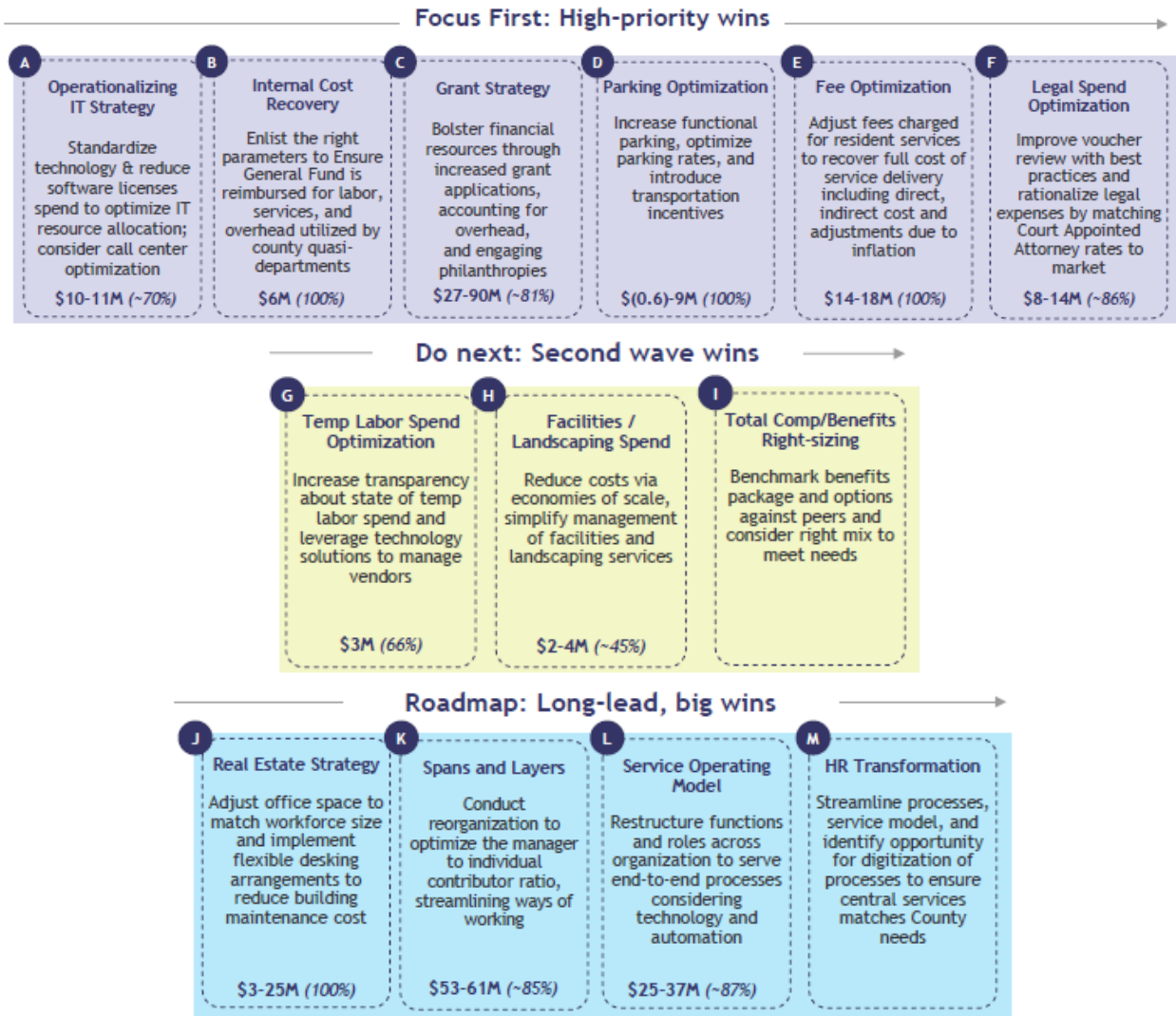
- How much did we do? These measures typically capture the quantity of work received or performed.
- How well did we do it? These measures typically capture the quality of the work performed.
- Is anyone better off? These measures describe the net effect on the community and typically require the most thought.

The County has made significant progress in the curation of performance measures and creating a consistent cadence of data reporting every quarter. However, this is an iterative process. As departments continue to align departmental strategic priorities with services provided and get better visibility into their data, there will be changes to the measures provided.

Five-Year Financial Plan

In anticipation of potential future budget shortfalls caused by rising cost inflation, higher spending, and state revenue caps, OMB commissioned a study to prepare a five-year financial plan. The study was completed in May 2024. The study found that planned spending for the upcoming year exceeds new revenue and, unless action is taken, General Fund spending will exceed total available resources within the next five years.

The study also identified opportunities to reduce costs and increase revenue, primarily focusing on those departments reporting to the Office of County Administration. Below is a summary of the opportunities identified and the potential financial impact for the County including the portion of the impact that affects the General Fund shown in parenthesis.



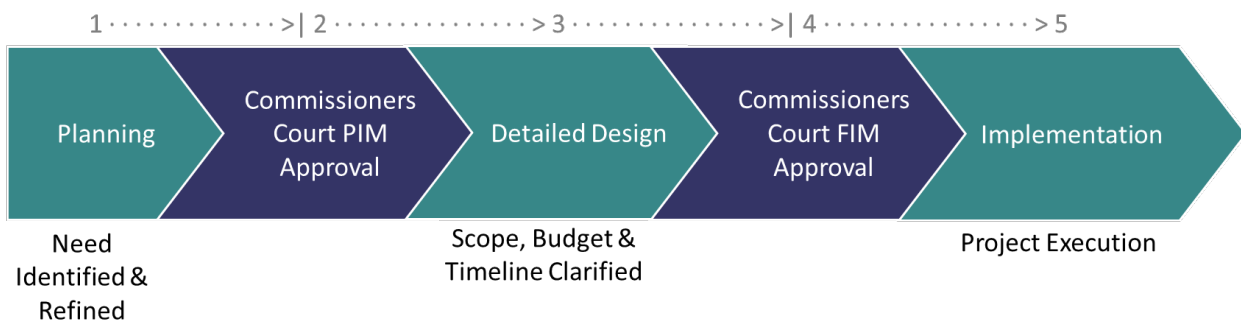
Some opportunities are relatively easy to achieve while others will require substantial time and effort to realize the identified financial gains. For budget purposes, OMB is assuming the following \$26.3M of enhancements/savings will be realized in FY2025. These figures are estimates that have been further refined and discussed in the Revenue Section of this report.

5-Year Plan Options Assumed in the FY2025 Budget		\$M
Revenue Enhancements		
Engineering permit fee increases		2.0
Increase Constable Fees of Office (primarily eviction-related fees)		2.0
Higher recovery of indirect support costs from grants		2.0
Reinstate indirect cost recovery from HCTRA, incl. recovering past years' indirect cost (22-25)		17.8
Higher recovery from HCTRA for Constable Toll Road officer support costs		1.5
Subtotal – Revenue Enhancements		25.3
Expense Reduction		
Laptop standardization		1.0
Total Revenue Enhancements + Expense Reductions		26.3

Capital Improvements Plan (CIP)

As part of the annual budget process, Harris County reassesses its capital improvement plans for facilities, information technology, capital equipment purchases, flood risk reduction, transportation, and other areas. Some operating budget requests may also be included in this program, if OMB determines that they are better addressed through CIP projects. Most precinct-led CIP projects, including precinct road and park projects, are not managed by OMB and are not reflected in the CIP section of the Budget Book.

The capital project development process aims to increase transparency and standardization and to ensure that capital resources are allocated in alignment with County goals and objectives. The plan shown in later sections includes the use of mobility funds, debt funds, grant funds, and other capital project funds necessary to support capital projects over the next fiscal year.



Basis of Budgeting

The County's accounting records for governmental fund types and agency funds are maintained on a modified accrual basis. Revenues are recorded when available and measurable, and expenditures are recorded when the services or goods are received and the liabilities are incurred. Encumbrances are recorded during the year. Property tax revenues are subject to accrual and are considered available to the extent collected within 60 days after the end of the fiscal year. Proprietary/internal service funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when incurred.

Harris County budgets are developed on a cash basis. Revenues are typically recognized only when collected and expenditures are recognized when paid. Under State law, the budget cannot be exceeded in any expenditure group. In addition, the total of the budgets for the General Fund and certain Special Revenue Funds cannot be increased once the budgets are adopted unless certified by the County Auditor and approved by Commissioners Court.

Appropriations in the Capital Improvements Plan and Grant Funds are made on a project basis rather than on an annual basis and are normally carried forward until the projects are completed. On a case-by-case basis, other appropriations may be carried forward into a subsequent fiscal year: for example, for a one-time, multi-year program, or to cover an out-of-the-ordinary encumbrance related to the prior fiscal year.

Budget Controls

Under Texas statute, the County Auditor is responsible for assuring that the County complies with the limitations set forth in the budget. The primary level of budget control is the department. While the budget now contains figures at the program and service level, these more specific budgets will not be binding and may be slightly modified within a department as the Adopted Budget is uploaded into PeopleSoft. The County Auditor implements policies and procedures to assure that departments do not exceed their annual budget allocations. Departments cannot issue new purchase orders unless they have an unused budget sufficient to pay the purchase order. In addition, the Auditor's Office creates a payroll encumbrance equal to the projected payroll for the remainder of the fiscal year.

Revenue



Introduction

The General Fund is the primary fund for County operations and administration and includes all revenues that are not otherwise restricted or designated for use in another fund.

Over the last decade, two revenue categories accounted for over 90% of the County’s General Fund revenue. Tax revenue has averaged about 80% of the total (est. 79% for FY2024) and Charges for Services, which includes the Contract Patrol program and Motor Vehicle Sales Taxes among other things, currently makes up about 12% of the General Fund revenue.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Proj.
Tax Revenue	77%	79%	79%	80%	79%	78%	81%	81%	78%	80%
Charges for Services	15%	14%	14%	13%	13%	12%	12%	12%	13%	12%
% of General Fund	92%	93%	93%	93%	92%	90%	93%	93%	91%	92%

The County averaged 6.2% General Fund revenue growth between 2015 and 2020, but the rate of growth has slowed to an average of 4.1% since 2020 and is not expected to see future periods with sustained revenue growth at pre-2020 levels due to the imposition of a lower tax revenue cap in 2020 by the Texas State Legislature. Total General Fund revenue (taxes plus non-tax revenue but excluding transfers in) for the last ten fiscal years is shown below.

\$ in M	2015	2016	2017	2018	2019	2020	2021	2022	SFY22*	2023	2024 Proj
General Fund Rev.	1,529	1,668	1,801	1,831	1,920	2,063	1,991	2,116	320	2,186	2,425
Annual Change		9%	8%	2%	5%	7%	-3%	6%	n/a	3%	11%

* SFY22 was a 7-month fiscal year to facilitate a change in fiscal year start date from March to October.

Projected FY25 General Fund Revenue

For this preliminary budget book, OMB recommends and is planning for FY2025 revenue based on a Court-proposed tax rate instead of the normal 3.5% tax revenue multiplier. The proposed rate would require voter approval because it is \$.00001 higher than the VAR, which for 2024 is calculated using an 8% disaster rate multiplier. Using either the disaster rate or the Court-proposed rate results in estimated FY2025 revenue of \$2,666M, which is \$89M higher than if the 3.5% multiplier was applied. While the disaster rate and the Court-approved rate are almost identical and would generate about the same amount of revenue in FY2025, the key difference is the Court-approved rate would not be automatically reduced when calculating tax rates in the following year like the disaster rate would.

	Normal VAR 3.5% Multiplier	Proposed Rate & Disaster Rate w/ 8% Multiplier
Prelim Tax Revenue Estimate	\$2,043M	\$2,132M
Prelim Non-Tax Revenue Estimate	\$534M	\$534M
Total FY25 Revenue (Preliminary Estimate)	\$2,577M	\$2,666M

The Preliminary Non-Tax Revenue is inclusive of the following OMB recommendations:

- Receiving a \$13.9M indirect cost reimbursement from the Harris County Toll Road Authority to true up the County for indirect costs incurred over the last several years.
- An operating transfer of \$9.3M of unrestricted and unallocated ARPA interest to the General Fund.

Additional estimated non-tax increases relate to recommended revenue enhancements including increases to selected engineering permit fees and constable fees, which will be determined during the FY25 budget process and implemented in March of FY25. The budget assumes a more complete recovery of certain general fund costs incurred to support grant projects and related agencies. Currently, the Harris County General Fund receives almost nothing in overhead rate to reimburse for services rendered to grants. Starting in FY25, Harris County will move forward with a 5% overhead rate for all eligible grants.

The projections were prepared with the 2024 tax rates based on HCADs 7/25 certified estimate and based on preliminary non-tax revenue estimates being developed in coordination with the Auditor’s Revenue Accounting section.

Tax Revenue

The 2024 tax rates adopted by Commissioners Court will determine the tax revenue for County Fiscal Year 2025. Tax revenue for the coming year is estimated based on the adopted tax rate multiplied by the county's certified taxable value of properties after adjusting for anticipated future value losses, most commonly stemming from resolved property value disputes and tax exemptions granted after the initial tax roll. Other tax revenue includes property-tax related penalty and interest income (~\$13M), property rendition penalty income and occupation taxes (~\$4M combined).

The amount of the original taxable value that is ultimately lost has been rising for several years but has seen a particularly big increase in the 2023 tax year so far. Based on prior years, OMB assumed the original tax levy would drop by about 3.4% in 2023 but, after reviewing 2023 activity to-date, OMB’s estimated 2024 levy decrease will likely be closer to 4.6 to 4.8% of the original roll.

Non-Tax Revenue

The OMB preliminary FY25 non-tax revenue projection is \$534M, which when compared with the April CLS estimate of \$495M includes the following:

- \$18M recommended increase from HCTRA (\$13.9M for prior years indirect cost and an estimated \$4M for FY2025)
- \$9M recommended increase related to interest generated from investing ARPA funding
- \$7M increase in truing up fees for officer fees (various), grant indirect costs, building permit fees
- \$2M increase in motor vehicle sales tax fees
- \$2M increase Federal SCAAP estimate from \$6M
- \$1M net increase in all other accounts

The following table provides a comparison of the FY23 actuals and the FY24 and FY25 projected/ estimated amounts by category.

Revenue Category	FY2023 (Act)	FY2024 (Est)	FY2025 (Est)
Charges For Services	\$274M	\$280M	\$297M
Intergovernmental	93	103	102
Miscellaneous	64	89	79
Non-Operating	28	29	26
Transfers In	22	8	17
Fines	15	11	11
Lease/User Fees	1	2	2
Charges To Departments	-	1	-
Total Non-Tax	\$497M	\$523M	\$534M

The table below shows the top ten revenue accounts based on 2024 projections. Those ten accounts comprise nearly 73% of total General Fund non-tax revenues. Detailed projections for FY2025 will be included in the second budget book volume when more complete information is available.

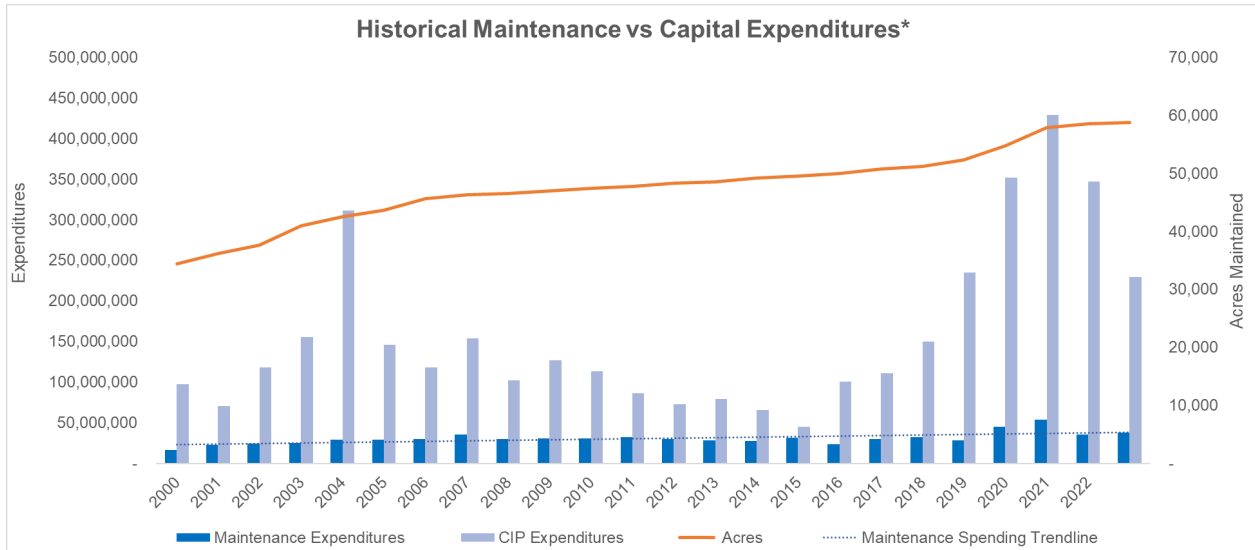
Revenue Source	FY2024	% of Total
Patrol Contracts (Incl. ISDs)*	\$105.0M	20.1%
Motor Vehicle Sales Tax Fees	59.9	11.4%
Auto Registration Fees	38.5	7.4%
Fees of Office – Various Charges	37.2	7.1%
Mixed Beverage Taxes	32.0	6.1%
County Litigation Settlements	28.9	5.5%
Interest Earnings on Cash Balances	27.7	5.3%
Toll Road Reimbursement for Constable Services	21.0	4.0%
Property Tax Commissions	15.3	2.9%
Auto Registration Collection Fees	14.5	2.8%
Total – Top Ten Revenue Accounts	\$380.0M	72.6%

Flood Control District

The Harris County Flood Control District is a special purpose district created by the Texas Legislature in 1937 and governed by Harris County Commissioners Court. The Flood Control District's jurisdictional boundaries coincide with Harris County and covers 23 primary watersheds and 1,777 square miles.

While the amount of acreage included in the Flood Control District’s portfolio nearly doubled since 2000, maintenance spending did not keep pace, resulting in a deferred maintenance challenge (see figure/graph below). This deferred maintenance issue is exacerbated by the volume of new capital investments coming online now and in the next several years. New infrastructure includes more than \$5 billion dollars of projects through the 2018 Bond Program and an additional \$843 million dollars in projects funded through Community Development Block Grant (CDBG) Mitigation and Disaster Recovery programs.

**All revenue generated from contract patrol program is appropriated to corresponding law enforcement departments to pay for positions and non-labor. The county receives less money than contract patrol costs and the difference is paid out of the general fund.*



source: Harris County Flood Control District*

Flood Control’s financial challenges increased in 2022 after Commissioners Court was unable to agree on a tax rate and defaulted to the No New Revenue (NNR) rate. This resulted in FY23 tax revenue \$25M below what the Court could have authorized. Because each year’s adopted rate becomes the starting point for the following year’s tax calculation, the maximum revenue for all future years was decreased by \$25M as well. In most cases, when a jurisdiction adopts a rate below the Voter Approval Rate (VAR), it can increase the following year’s rate to make up the difference (this is the unused increment component of the annual tax rate calculation). In this case, however, Flood Control’s adopted tax rate dropped below \$.025 in tax year 2022 which, by state statute, reclassified it to a “Special District” which allows for a higher annual tax rate increase but makes it ineligible to apply the unused increment in future years. The District’s M&O tax rates for the last ten years are shown below.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (VAR)
M&O Tax Rate	0.02620	0.02745	0.02736	0.02738	0.02670	0.02649	0.02599	0.02043	0.02010	0.02193

The FY2025 preliminary CLS revenue projection for Flood Control was \$141M, which was based on adopting a tax rate at the full VAR. Flood Control proposed several budget and tax rate options based on higher levels of service for infrastructure rehabilitation and replacement and covering maintenance for new bond and CDBG assets coming online over the next five years. The following table shows the operations budget needed to achieve three different asset replacement cycles.

*Expenditures are inflation adjusted and reflect 2024 dollars.

Asset Replacement Cycles	2025 Budget
CLS (Est. VAR)	\$141,200,000
67-Year Cycle	\$241,100,000

To address Flood Control’s maintenance demands, which includes maintaining system capacity and reducing the risk of system failures, Commissioners Court proposed a 2024 Flood Control M&O tax rate corresponding to the 67-year cycle. The proposed M&O rate is \$.03774, which is \$.01581 higher than the VAR. If the Court chooses to adopt the proposed rate, a tax rate election will be called and held on the uniform election date in November. If an election is called and rejected by the voters, the Flood Control rate would revert to the calculated VAR of \$.02193. The revenue difference between the proposed rate and the VAR is \$100M.

The proposed 2024 tax rate is expected to generate more revenue than is needed for current year maintenance in FY2025. The reason for “overshooting” current year maintenance needs in FY2025 is because of the rapid expansion of flood control infrastructure over the next five years combined with insufficient maintenance funding for existing infrastructure. The new bond and CDBG infrastructure will result in future M&O cost increases that will grow faster than Flood Control is able to increase its revenue under the statutory revenue caps. Furthermore, maintenance funding for Flood Control’s existing portfolio of \$5.7B in infrastructure assets only supports a 270-year repair and replacement lifecycle resulting in \$700M to \$1B in estimated deferred maintenance. Given the annual cap on revenue increases and because it isn’t practical or cost effective to hold tax rate elections every year, the recommended approach is to possibly over-collect for current maintenance needs in FY25 and set aside any surplus in reserve to offset future year needs. Revenues within FY25 and FY26 will also support startup costs for the scale-up of operations (to include adding new staff, equipment, facilities, and contracts, as well as addressing up-front design/engineering, right-of-way acquisition, and permitting approvals that may be required for major maintenance projects).

Debt Service

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Overview

The County issues long-term debt instruments such as general obligation bonds, certificates of obligation, and revenue bonds to fund capital improvements such as infrastructure improvements, transportation system, machinery and equipment, vehicles, flood mitigation, and other capital needs. The County also issues short-term debt instruments, such as commercial paper, to provide interim financing for various long-capital projects and the financing of shorter-term assets that have depreciation schedules such as vehicles and technology.

In FY2024, Harris County was in the bond market twice, issuing long-term debt for: Road, Certificates of Obligation (CO), and Permanent Improvement Bonds (PIB) (\$750.9M), and HCTRA (\$950M), for a total of \$1.7B of new debt. The County will be issuing HOT Bonds in an amount not to exceed \$35M to fund the roof and sound system of the NRG Park Facility. The County also had several transactions relating to short-term debt in the form of commercial paper. The dealer for the issuance of Commercial Paper programs Series programs Series H & H-2 (Flood) and Series K (Toll Road) was replaced. In addition, the credit facility for Series D-3 (PIB) will be replaced, and the credit agreements for Series C (Road) and Series H will be renewed.

Harris County is proud to have AAA rating from Moody's, S&P, Fitch, and KBRA Rating agencies for our General Obligation (GO) credit. The County has been able to maintain the highest credit rating allowed by being able to demonstrate a low default risk. The Harris County Toll Road Revenue credit is the highest rated Toll Road in the United States, with ratings of AA/Aa1/Aa-. These ratings keep our bonds in high demand among investors, which in turn keeps our borrowing costs low.

The Interest & Sinking (I&S) tax rate is established by including all the County's mandatory debt service payments for the upcoming fiscal year, as well as any commercial paper repayments that meets the amended definition of debt defined in HB 1869. The I&S rate is calculated by adjusting the debt service by (1) the unencumbered fund balance; (2) the amount paid from other resources; and (3) the collection rate. To calculate the I&S rate, the total amount of GO debt service is divided by the total property assessments, as calculated by HCAD.

Types of Debt Instruments

Long-term debt instruments include:

General Obligation (GO) Bonds and Certificates of Obligation (CO) are direct obligations backed by the full faith and credit of the County and secured by the receipt of annual ad valorem taxes. The County issues both voter authorized and non-voted GO bonds. The County currently issues the following GO bonds to finance capital assets:

- Road Bonds
- Permanent Improvement Bonds
- Flood Control Bonds
- Toll Road Tax & Subordinate Lien Bonds
- Tax & Subordinate Lien Revenue (HOT) Bonds

Revenue Bonds are generally payable from the pledged revenue generated by the respective activity for which the bonds are issued. The County issues the following revenue bonds:

- Toll Road Senior Lien Revenue Bonds
- Toll Road First Lien Revenue Bonds

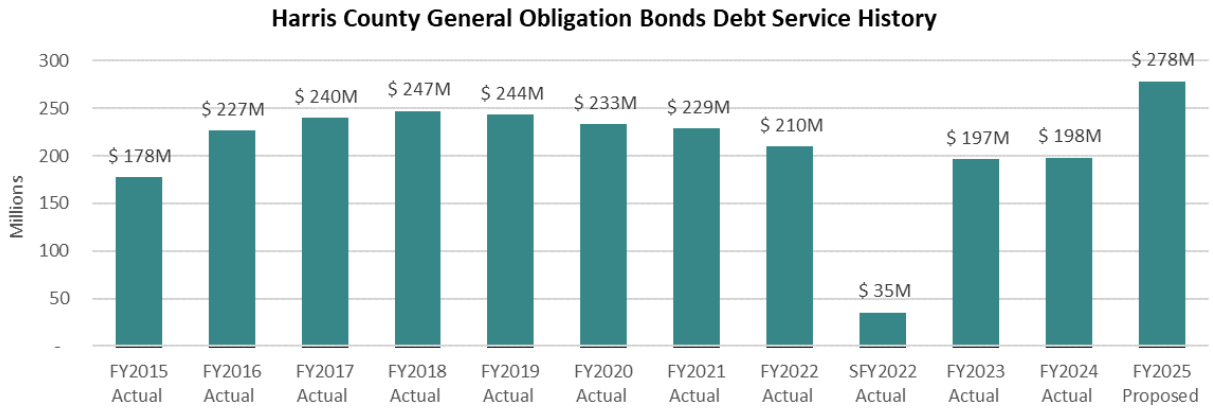
Short-term debt instruments include:

General Obligation (GO) Commercial Paper is a general obligation of the County secured by ad valorem taxes to provide interim financing for various short-term assets and long-term capital assets. There are currently ten GO commercial paper programs totaling \$2.15B in total authority.

Revenue Commercial Paper is payable from pledged revenue of the Harris County Toll Road Authority to provide interim financing of capital assets. There are two commercial paper programs for Toll Road in the total amount of \$350M.

Historical Debt Service

Historically, Harris County has leveraged its strong credit rating to issue debt to make investments into County infrastructure such as roads and parks. OMB has endeavored to balance the amount of debt service Harris County residents would be responsible for with the need for new infrastructure as the County grew in population. As new debt is added or refunded the strategy is to fill in gaps in maturities that keeps the debt service stable. As seen in the chart below, Harris County will pay off approximately \$278.5M of its General Obligation debt in FY25. Also shown later in this section, HCFCD will pay off \$67.4M in FY25. As debt is paid off it will decrease the Interest and Sinking component of the tax rate, unless replaced by new debt. The issuance of new debt in FY24 (Road, Permanent Improvement Bonds and Certificates of Obligation) in the total amount of \$750.9M increased the General Obligation outstanding bonds with principals maturing from 2025 to 2054 which increased the debt service in FY25.



The chart below shows historically that the I&S rate for the County’s debt service has remained reasonably consistent over the years. However, the Flood Control’s part of the rate will continue to increase as we issue debt from the 2018 voted authority. Even as we add new Flood Control debt, taxable assessed values continue to increase through assessments and new construction, and it has kept our overall I&S rate low. In tax years 2020 and 2021, the County chose to pay debt service on the unlimited tax road bonds from HCTRA surplus funds.

	TY2014	TY2015	TY2016	TY2017	TY2018	TY2019	TY2020	TY2021	TY2022	TY2023	TY2024
Harris County											
Constitutional Debt Service	0.04802	0.05237	0.05111	0.05234	0.05084	0.04711	0.05088	0.04193	0.03084	0.03398	0.03602
Road Debt Service	0.02382	0.02139	0.02045	0.02067	0.01774	0.01828	-	-	0.01184	0.01328	0.01476
Harris County Total	0.07184	0.07376	0.07156	0.07301	0.06858	0.06539	0.05088	0.04193	0.04268	0.04726	0.05078
Flood Control District											
Debt Service	0.00116	0.00113	0.00084	0.00095	0.00139	0.00122	0.00493	0.0075	0.01012	0.01095	0.01122
Total Debt Service	0.07300	0.07489	0.07240	0.07396	0.06997	0.06661	0.05581	0.04943	0.05280	0.05821	0.06200

Harris County & Flood Control District Authorized/Unissued Bonds

As of: 6/30/2024

	Election	(Amounts in Thousands)	
		Original Authorization	Unissued Authorization
Limited Tax:			
Civil Justice Center	1999	119,000	33,000
Parks	2015	60,000	11,040
Forensic Center	2007	80,000	5,180
Parks	2022	200,000	200,000
Public Safety	2022	100,000	100,000
Total Limited Tax Bonds		559,000	419,220
Unlimited Tax			
Road	2015	700,000	302,780
Road	2022	900,000	900,000
Total Unlimited Tax Bonds		1,600,000	1,202,780
Toll Road Unlimited Tax and Revenue			
Toll Road	1983	900,000	15,148
Total TR Unlimited Tax Bonds		900,000	15,148
Flood Control District Limited Tax Bonds			
Flood	2018	2,500,000	1,491,775
Total FC Limited Tax Bonds		2,500,000	1,491,775
Total County & Flood Control District		5,559,000	3,128,923

Road and Park Bonds

The Texas Constitution authorizes the County to levy, with voter approval, a tax, without legal limit as to rate, to pay debt service on County Road bonds. Road bonds are issued to finance land acquisition, construction, development, maintenance and operation of County roads and bridges.

Parks are considered a permanent improvement. The Texas Constitution authorizes the County to levy a tax rate up to 0.80 tax rate limitation, to pay debt service on the permanent improvement bonds. The bonds are issued for the purpose of financing land acquisition, development, improvement, and maintenance of County parks.

Road and Park bonds can be issued under voted authority. The debt payments for Road and Park bonds in FY25 will be approximately \$97.8M. In fiscal year 2024, the County issued approximately \$222M in road bonds.

The County issues road bonds for the purpose and amount specified in the bond election. The County also uses Commercial Paper Notes, Series C and Series C-2 to fund road projects. The County uses Commercial Paper Notes, Series B and Series D to fund park projects. The notes issued are counted against voted authority and the outstanding notes will eventually roll into long term bonds to restore the commercial paper capacity.

The table represents road and parks authorized but unissued bonds as of June 30, 2024:

Bond Election	Authorized Amount	Issued	Unissued	Encumbrances	Remaining Budget
2015 Road bonds	700,000,000	397,220,000	302,780,000	98,200,617	204,579,383
2022 Road bonds	900,000,000	-	900,000,000	-	900,000,000
2015 Park bonds	60,000,000	48,960,000	11,040,000	7,318,068	3,721,932
2022 Park bonds	200,000,000	-	200,000,000	-	200,000,000
Total	1,860,000,000	446,180,000	1,413,820,000	105,518,685	1,308,301,315

Permanent Improvement Bonds (PIB)

The Texas Constitution authorizes the County to levy a tax rate up to 0.80 tax rate limitation to pay debt service on the permanent improvement bonds. Permanent Improvement Bonds are issued to finance construction, buildings, improvements, juvenile facilities, public facilities, parks, vehicles, machinery and equipment, and other capital needs. The bonds are a combination of voted and non-voted authority.

For voted projects, the County issues bonds and/or uses Commercial Paper Notes, Series B, Series D and Series D-2 for the purpose and amount specified in the voted authorization. Notes issued are counted against voted authority and will eventually roll into long term bonds.

Non-voted projects are funded by Commercial Paper Notes, Series A-1, Series D, Series D-2, and Series D-3. Notes issued to finance capital assets with useful life of less than five years will be repaid from tax collections, while notes issued to finance capital assets with a longer useful life will be refunded with bonds.

The debt payments for Permanent Improvement Bonds in FY25 will be approximately \$131.1M.

The table represents authorized but unissued bonds as of June 30, 2024:

Bond Election	Authorized Amount	Issued	Unissued	Remaining Budget
1999 Civil Justice Center	119,000,000	86,000,000	33,000,000	33,000,000
2007 Forensic Center	80,000,000	74,820,000	5,180,000	5,180,000
2022 Public Safety	100,000,000	-	100,000,000	100,000,000
Total	299,000,000	160,820,000	138,180,000	138,180,000

Flood Control Contract Tax

The Flood Control Contract Tax Bonds are special obligations of the HCFCF, secured by a pledge on the County’s payments to the HCFCF under the Flood Control Project Contract. The County and the District have entered into a contract, as amended and restated, to which the County has agreed to make payments to the District to enable the District to provide certain flood control projects for the benefit of the County. The County’s payments to the District are secured by and payable from the County’s \$0.80 tax rate limit.

The FY25 budget assumes \$45.6M in debt payments supported by Flood Control Contract Tax.

Flood Control District

The Flood Bonds are obligations of the HCFCF, secured by a pledge and payable from the District’s \$0.30 tax rate limit. Flood bonds require voters’ approval. The bonds are issued to finance flood control projects including purchasing lands, easements, rights-of-way, and structures and for the acquisition and construction of improvements, including detention basins, channel modifications, and other works suitable for use in connection with flood damage reduction.

HCFCF bonds are used on the 2018 Flood Control Bond Program (2018 Bond Program). The 2018 Bond Program consists of 181 “Bond IDs,” which represent logical groupings of projects. Aside from a small reserve of \$87M, the entirety of the \$2.5B in bond authority has been allocated to a particular Bond ID. As of July 2024, work has started on all 181 Bond IDs: 42 have been completed, 20 are in construction, 60 are in design or engineering, and 59 are in earlier stages like feasibility or right-of-way acquisition.

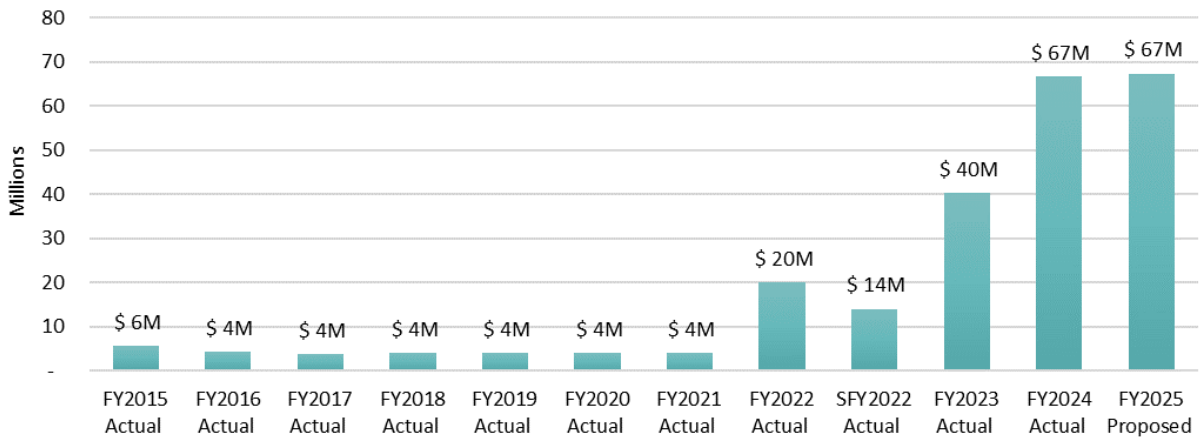
HCFCF uses Commercial Paper Notes, Series H, and Series H-2 or issues bonds to fund flood control projects. The issuance of notes is counted against voted authority and the outstanding notes will be refunded with bonds to restore the commercial paper capacity.

The table represents authorized but unissued bonds as of June 30, 2024:

Bond Election	Authorized Amount	Issued	Unissued	Encumbrances	Available Budget
2018 Flood Bonds	2,500,000,000	1,008,225,000	1,491,775,000	133,559,922	1,358,215,078
Total	2,500,000,000	1,008,225,000	1,491,775,000	133,559,922	1,358,215,078

Flood Control bonds require voted authority. The debt payments for Flood bonds in FY25 will be \$67.4M.

Flood Control District Debt Service History

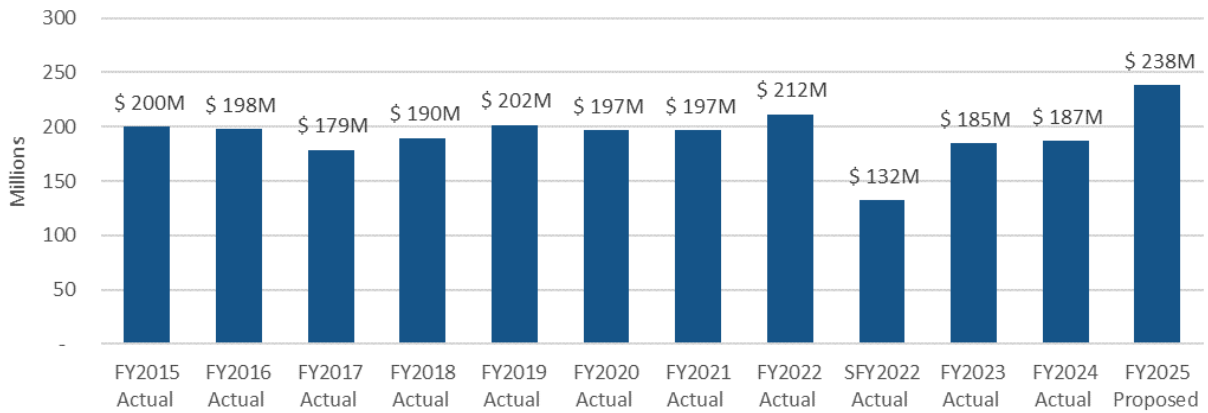


Harris County Toll Road Authority

The County is authorized to issue Toll Road Unlimited Tax and Subordinate Revenue Bonds, Toll Road Senior Lien Revenue Bonds and Toll Road First Lien Revenue Bonds pursuant to Chapters 1207 and 1371, Texas Government Code, as amended, Chapter 284, Texas Transportation Code. All Toll Road bonds are payable from toll revenues. The bonds are issued to finance construction, acquisition, and improvement of the County’s toll roads.

The County issues Toll Road bonds or uses Commercial Paper Notes, Series K and Series K-2, to finance toll road projects. Notes issued are eventually rolled into long term bonds to restore the commercial paper capacity.

Harris County Toll Road Bonds Debt Service History



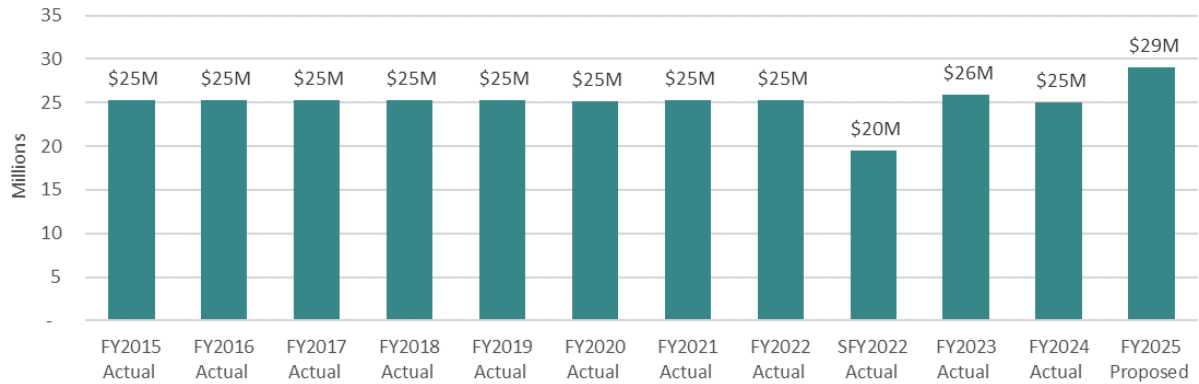
The HCTRA Budget assumes \$238.1M in debt service payments in FY25. HCTRA’s debt service has increased due to new bond issues to support construction on several large projects, including the Ship Channel Bridge replacement, Hardy Downtown Connector, SH225 partial interchange at the Sam Houston Tollway, and improvements to the Hardy Toll Road interchange with Beltway 8 and the Sam Houston Tollway.

Hotel Occupancy Tax

The Tax and Subordinate Lien Revenue bonds are supported by the County’s Hotel Occupancy Tax (HOT) are used for authorized County purposes including the construction of public works at NRG Park for the purposes of attracting visitors and promoting tourism. The County has pledged its \$0.80 ad valorem tax rate and the receipts of the hotel occupancy tax to the payment of the bonds. Although the County pledged its ad valorem taxes, HOT bonds debt service is paid from hotel occupancy tax revenues and no tax has been levied to pay on these bonds. The debt service projection assumes a bond sale to replace the NRG stadium roof and sound system, secured solely by HOT revenues.

The HOT fund assumes \$29M in debt payments in FY25.

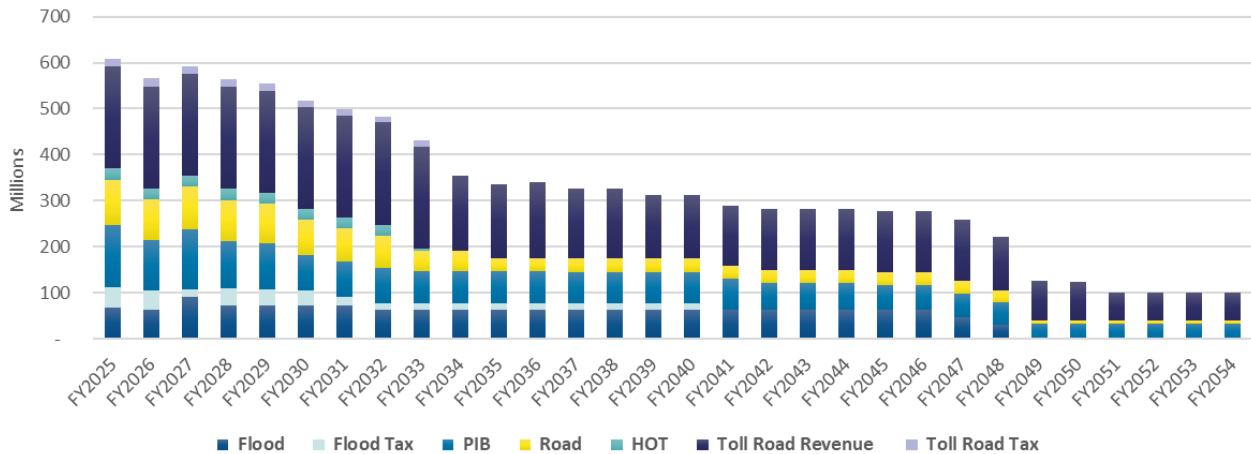
Harris County HOT Bonds Debt Service History



Overall Debt to Maturity

Harris County manages a debt portfolio equating to \$6.3B in outstanding debt. The below bar chart represents annual debt service payments composed of principal and interest from FY2025 through maturity of the bonds. Debt service payments are paid semi-annually.

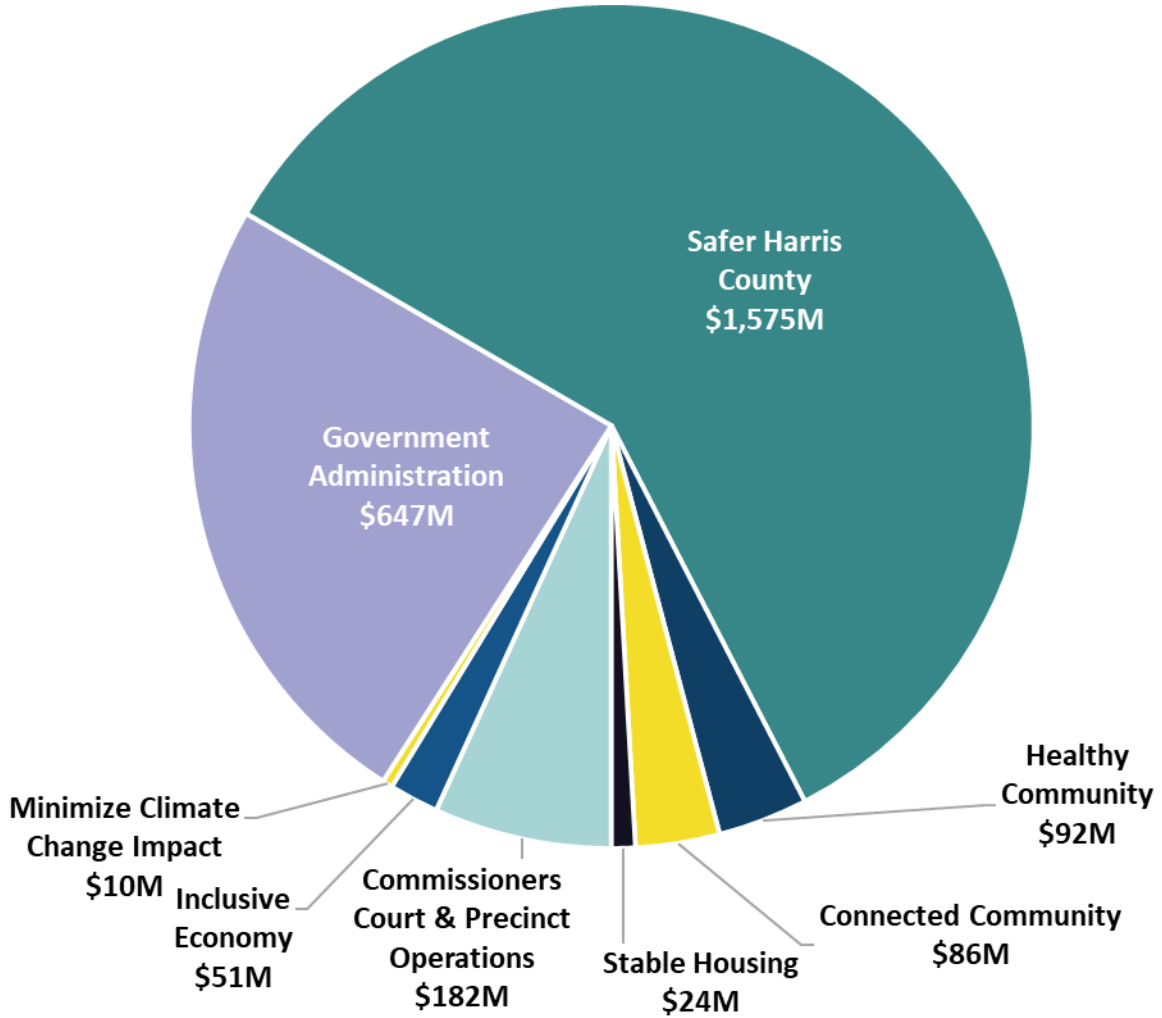
Debt Service through Maturity



Budget Recommendations

VMI

FY25 Proposed General Fund Budget



FY25 Proposed Budget recommends \$2,666M of appropriations, of which \$2,416M is allocated to departments and \$250M allocated to General Administration to cover certain nondepartmental administrative costs like TIRZ payments, legal costs, property insurance, annual software maintenance costs, and countywide investments (see “Department 202 Budget Detail”). These amounts exclude the County's unallocated fund balance and Commissioner Court offices’ carryover funds.

Make Harris County Safer and More Just

Residents deserve to live safely. Yet, addressing safety only through traditional criminal legal system solutions has led to jail overcrowding, court backlogs, and strains on the county budget. We can make our communities safer and support victims through effective, holistic approaches that prevent violence and trauma, narrow racial and ethnic disparities, elevate both the efficiency and fairness of the justice system, center rehabilitation, and minimize unnecessary legal system exposure.

Focused Objective: Reduce violent crime across the county.

Key budget recommendations for this Focused Objective include:

- Investing \$1.3M to provide the newly created HCSO District 6 office supervisors.
- Investing \$1.5M in overtime to help reduce the backlog of open criminal cases.

Key budget recommendations for this Focused Objective include:

- Increasing the Public Defender's budget by \$11.7M, to support the second year of its expansion to represent 50% of all cases by FY26.
- Investing \$8.5M for the remaining three out of six new Criminal District Courts, approved by the Texas State Legislature, to provide additional trial capacity and assist with processing of the court backlog:
 - District Attorney's Office \$3.5M
 - Public Defender's Office \$1.0M
 - District Courts \$1.0M
 - District Clerk's Office \$901K
 - Sheriff's Office \$754K
 - Pretrial Services \$738K
 - Community Supervision \$625K
- Increasing funding for the Institute of Forensic Sciences by \$2.0M to acquire equipment necessary to ensure accreditation standards for chain of custody, sustain necessary maintenance and calibration cycles for equipment, and support purchasing power for crime lab supplies in the face of rising vendor costs for DNA testing kits.
- Funding an additional \$1M for the Institute of Forensic Sciences to provide decedent transport internally by hiring 11 positions and eliminating contractor costs.
- Sustaining \$1.7M in lapsing grant funds, for the District Attorney, to provide victims assistance communication and coordination as well as a newly required county grant match, following changes to available funding for the Victims of Crime Act (VOCA).
- Maintaining a \$1.2M supplemental appropriation, for the District Courts, to address the Harris Center Competency evaluation backlog.
- Investing an additional \$400K for Pretrial Services to hire 4 additional Pretrial Officer positions to comply with the Public Safety Report requirement under Texas Senate Bill 6, and free up time and capacity to existing staff.

- Funding an additional \$350K in the District Clerk's Office for 4 additional Clerk positions to 24-Hour Hearing Court, as well as complying with State of Texas mandates for restitution payments.

Focused Objective: Improve safety and health conditions in the jail.

Key budget recommendations for this Focused Objective include:

- Investing \$385K in HCSO Detention to manage the HR workload more effectively and establish a dedicated team to process detention officer applicants year-round.
- Sustaining \$998K from lapse in grant funding for Jail Based Competency Restoration, JBCR is more effective at reducing wait times for treatment, improving restoration rates, and reducing the competency and jail populations.
- Invested \$696K for contract expansion to 24/7 medical care at LaSalle Facility.
- Increasing HCSO Medical budget by \$10.1M for additional services and equipment maintenance.
- Transferring \$39.3M of inmate outsourcing cost from ARPA to General Fund.
- Sustaining \$11.3M in funding for additional inmate outsourcing to Tallahatchie Correctional Facility.

Focused Objective: Reduce racial, ethnic, and economic disparities in the criminal legal system.

Key budget recommendations for this Focused Objective include:

- Providing \$725K of additional funding for the District Courts (\$250K) and the County Courts (\$475K) to meet demand for interpreter services in the courtrooms and overall language access services.
- Investing an additional \$315K for the District Courts to maintain adequate funding for indigent defense case transcripts (\$300K), and budget for an increase in medication hearings (\$15K) witnessed throughout FY24.
- Funding Probate Court #4 for \$35K to budget for administrative fee increases by the staffing agency used for ward visitations.

Focused Objective: Increase efficiency across the legal system.

Key budget recommendations for this Focused Objective include:

- Sustaining \$1.1M in lapsing grant funds for the Office of Managed Assigned Council to oversee and manage the court appointed attorneys list within the County Criminal Courts, following the final year of a Texas Indigent Defense Commission (TIDC) grant to establish the office.

Budget Overview

Below is an overview of actuals for SFY22 and FY23, as well as the Adopted FY24 Budget and the FY25 Proposed Budget for each department within the *Make Harris County Safer* goal area. Certain

departments are also planned to receive transfers at the beginning of FY25 to their adjusted budget – these departments and the transfer amounts are included in a separate table below.

Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
14th Court of Appeals	-	4,171	38,881	38,881
1st Court of Appeals	-	6,334	38,881	38,881
Community Supervision	2,017,147	3,487,540	4,110,116	4,738,731
Constable, Precinct 1	30,571,862	51,498,887	49,108,913	49,981,948
Constable, Precinct 2	7,164,564	12,870,704	12,227,590	12,447,481
Constable, Precinct 3	12,617,530	23,113,753	20,950,166	21,334,139
Constable, Precinct 4	39,848,754	67,773,494	66,361,426	67,290,136
Constable, Precinct 5	28,685,304	49,528,064	48,829,729	49,421,878
Constable, Precinct 6	6,388,193	10,750,451	12,053,393	12,513,338
Constable, Precinct 7	8,711,861	14,292,892	16,307,891	16,511,913
Constable, Precinct 8	5,855,176	9,980,932	10,494,620	10,653,096
County Courts	12,512,909	20,309,931	22,763,313	23,341,018
County Courts Court Appointed Attorney Fees	5,992,799	14,871,291	9,600,000	5,600,000
District Attorney	64,367,952	103,100,950	116,116,536	115,969,259
District Clerk	24,946,877	38,151,770	47,227,075	48,843,423
District Courts	19,542,163	32,131,045	36,456,289	39,357,093
District Courts Court Appointed Attorney Fees	38,639,848	73,169,985	63,500,000	53,500,000
Domestic Relations	4,417,717	7,263,503	7,944,943	8,137,408
Fire Marshal	6,761,386	12,207,917	12,542,585	13,130,335
Harris County Resources for Children and Adults	16,963,526	27,830,294	30,510,373	31,279,753
Institute of Forensic Sciences	22,647,441	37,678,092	41,555,180	45,000,381
Justice of the Peace, 1-1	1,436,449	2,356,819	2,602,185	2,627,066
Justice of the Peace, 1-2	1,378,262	2,243,731	2,730,787	2,749,947
Justice of the Peace, 2-1	664,364	1,191,170	1,268,258	1,279,781
Justice of the Peace, 2-2	568,987	1,044,953	1,165,473	1,181,637
Justice of the Peace, 3-1	1,107,470	1,855,077	2,067,736	2,085,938
Justice of the Peace, 3-2	814,310	1,210,881	1,444,034	1,476,741
Justice of the Peace, 4-1	1,928,871	3,401,970	3,593,741	3,626,313
Justice of the Peace, 4-2	989,398	1,608,809	1,833,341	1,856,543

Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
Justice of the Peace, 5-1	1,271,734	2,338,974	2,685,539	2,710,447
Justice of the Peace, 5-2	1,933,211	3,024,049	3,582,775	3,638,241
Justice of the Peace, 6-1	572,542	982,478	1,078,545	1,102,625
Justice of the Peace, 6-2	434,841	852,474	1,000,566	1,009,188
Justice of the Peace, 7-1	711,597	1,212,690	1,433,089	1,445,543
Justice of the Peace, 7-2	595,941	994,802	1,234,709	1,245,247
Justice of the Peace, 8-1	810,878	1,246,801	1,473,817	1,493,742
Justice of the Peace, 8-2	482,361	806,554	1,031,367	1,038,073
Juvenile Probation	49,558,573	86,666,119	93,212,970	97,859,802
Office of Managed Assigned Counsel	820,358	2,207,199	2,252,664	3,344,900
Pretrial Services	13,327,784	23,798,596	27,953,755	29,111,920
Probate Court No. 1	1,080,743	1,802,249	2,002,603	2,014,099
Probate Court No. 2	957,975	1,556,215	1,768,842	1,780,338
Probate Court No. 3	3,341,228	5,560,315	6,038,513	6,058,631
Probate Court No. 4	1,024,838	1,745,466	1,934,105	1,980,601
Probate Court No. 5	-	-	1,713,193	1,635,724
Public Defender	18,769,383	30,241,846	43,047,988	55,986,227
Sheriff - Detention	163,535,851	282,489,413	301,901,978	306,066,699
Sheriff - Medical	57,320,778	94,884,649	97,379,232	107,568,632
Sheriff - Patrol & Administration	160,633,711	263,318,125	293,112,002	301,231,154
Sheriff's Civil Service	154,929	284,363	338,914	333,288
Total	844,880,376	1,430,948,787	1,531,620,621	1,574,668,179

Improve Physical and Mental Health Outcomes Across All Communities

According to the US Centers for Disease Control (CDC), Harris County scores lower than peer counties on resident health outcomes, and severe disparities exist across communities in those outcomes. We will continue addressing the social determinants of health through County services to equitably improve health outcomes.

Focused Objective: Improve the health behaviors of community members.

Key budget recommendations for this Focused Objective include:

- Increasing \$560k to expand the Crisis Intervention Response Team (CIRT) with an additional 6 clinicians from The Harris Center for Mental Health and IDD.

Focused Objective: Increase access to quality health care, including preventive and behavioral health.

Key budget recommendations for this Focused Objective include:

- Sustaining \$3.5M in general funds for comprehensive Project ACCESS support that covers health, housing, and legal intervention support.
- Sustaining FY24 supplemental of \$4.4M specifically for equitable expansion of community health initiatives, such as mobile health pods, increasing access to health care across the county.
- Reducing Public Health Services fees and services by \$350K by eliminating a duplicative conference.
- Committing continued ARPA funding up to \$5.8M to support access to the full spectrum of reproductive healthcare options for low-income, uninsured Harris County residents to help individuals achieve desired reproductive life goals.
- Allocating continued funding up to \$6M in ARPA funding to expand Chronic Disease Prevention and create 20 positions to support the program in efforts to reduce the prevalence and impact of chronic disease-causing risk behaviors in Harris County.
- Committing continued up to \$23.7M in ARPA funding to (1) support 11 programs to expand access to counseling services for youth and families, treatment for substance use, and growing the behavioral health workforce, and (2) to empower community members with tools and training to support each other's emotional health, strengthening community behavioral health, emotional wellness, and resiliency.
- Reducing Public Health's general fund budget by approximately \$1M and transferring the costs and associated positions to a PHS Donation/Special Revenue Fund.

Focused Objective: Improve children's health outcomes.

Key budget recommendations for this Focused Objective include:

- Committing continued funding of up to \$7.7M in ARPA funding to support Maternal and Child Health programs.
- Recurring \$7.5M in federal grant funding for the regional Special Supplemental Nutrition Program for Woman, Infant’s, and Children.

Budget Overview

Below is an overview of actuals for SFY22 and FY23, as well as the Adopted FY24 Budget and the FY25 Proposed Budget for each department within the *Improve Physical and Mental Health Outcomes Across All Communities* goal area. Certain departments are also planned to receive transfers at the beginning of FY25 to their adjusted budget – these departments and the transfer amounts are included in a separate table below.

Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
Children's Assessment Center	6,132,436	10,004,083	10,636,098	10,819,256
Public Health Services	23,359,611	44,709,043	56,113,006	56,958,140
Texas A&M Agrilife	558,228	845,147	1,119,555	1,128,177
The Harris Center for Mental Health	13,455,850	23,067,171	23,067,171	23,067,171
Total	43,506,125	78,625,444	90,935,830	91,972,744

Minimize the impact of climate change and disasters

Flooding, extreme heat, increasingly intense storms, and other climate-induced risks continue to plague our region, along with environmental and human-caused threats and hazards. We will equitably champion climate adaptation, resilience, and mitigation strategies as well as respond to environmental hazards to make Harris County a sustainable and livable county for decades to come.

Focused Objective: Reduce GHG emissions from County operations by 40% by 2030.

Key budget recommendations for this Focused Objective include:

- Allocating \$400K in utilities savings from Office of Sustainability initiatives and investments to the Revolving Energy Efficiency Fund to implement energy efficiency projects within Harris County's facilities portfolio.
- Investing \$60M to expand and re-equip the County's main South Central Plant with new, energy-efficient variable frequency drive (VFD) chillers and upgrade related pumps and cooling towers to save energy and reduce GHG emissions.
- Securing a \$3.4M loan at 0.25% interest with the Texas State Energy Conservation Office to replace 1970s-era chillers at 1111 Fannin with new, variable speed chillers that are expected to provide over 40% energy savings.
- Investing \$3.9M in an electric vehicle pilot to reduce GHG emissions and fleet cost.

Focused Objective- Equitably reduce the health, economic, and other impacts of climate change and disasters.

Key budget recommendations for this Focused Objective include:

- Increasing Pollution Control Services' budget by \$215k to fund increased lab operating costs and field work requirements.
- Continued commitment of up to \$20M in ARPA funding to the Lead Abatement and Prevention program to include a Healthy Homes Initiative, focused on raising awareness of lead-related issues in "hot spot" areas.

Focused Objective: Enhance disaster preparedness and resiliency.

Key budget recommendations for this Focused Objective include:

- Providing the County Judge's Office with up to \$3M in non-voted debt funding per biennium for general use, which can be used on vehicles, equipment, and other investments for disaster preparedness and the Office of Homeland Security and Emergency Management.
- Transferred the Risk Management and FEMA reimbursement responsibilities from HRRM to OMB to better coordinate financial management of disaster response.
- Proposing an increased Flood Control tax rate to voters dedicated to accelerating and improving maintenance of flood mitigation infrastructure, with some resources supporting resilient and

nature-based flood control solutions—including acquiring property along channels, especially natural and earthen channels—that reduce flood risk and total lifecycle maintenance costs.

Focused Objective: Encourage residents, businesses, and public entities to significantly reduce their environmental footprint for the health of our region.

Key budget recommendations for this Focused Objective include:

- Leading the Texas Solar for All Coalition, which secured \$249.7M in grant funding from the EPA’s Solar for All program for investments in solar energy for not only Harris County but also for other municipalities and non-profit organizations throughout Texas, including Dallas County, Houston, Austin, San Antonio, Opportunity Home San Antonio, Waco, the Texas Energy Poverty Research Institute, Clean Energy Fund of Texas, and the Houston Advanced Research Center.
- Installing more than 30 MW of community solar and batter storage in Harris County through the Solar for All program. Harris County will invest alongside EPA to maximize the number of County residents who can benefit from lower energy bills.

Budget Overview

Below is an overview of actuals for SFY22 and FY23, as well as the Adopted FY24 Budget and the FY25 Proposed Budget for each department within the *Minimize the impact of climate change and disasters* goal area. Certain departments are also planned to receive transfers at the beginning of FY25 to their adjusted budget – these departments and the transfer amounts are included in a separate table below.

Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
Pollution Control	4,617,317	7,773,000	10,243,594	10,358,948
Total	4,617,317	7,773,000	10,243,594	10,358,948

Make Our Economy More Inclusive

Education, income, and wealth disparities across races, ethnicities, and gender persist for Harris County, despite a growing economy. We will expand access to high-paying, quality jobs and opportunities to build wealth for all residents, so all are included in regional prosperity.

Focused Objective: Grow the number of minority- and women-owned businesses.

Key budget recommendations for this Focused Objective include:

- Allocating \$1M in general funds for an updated County-wide disparity study to continue the County's MWBE program.
- Continued funding for three Vendor Diversity Project Monitors to support the increase in MWBE project monitoring using \$309K in general funds.
- Committing up to \$6.4M in ARPA funds for the Harris Hub small business assistance program to provide hands-on tailored technical assistance and accelerator grants to small businesses and entrepreneurs.
- Continued commitment of up to \$600K in FLEX funds for a comprehensive evaluation of the Harris Hub Program to ensure program metrics and ARPA requirements are being met.
- Funding an additional \$634K for the Department of Economic Equity and Opportunity to improve programming and policies for workers, small businesses, and economic development opportunities.

Focused Objective: Provide workers with training and other support (e.g. childcare) to participate fully in the local economy.

Key budget recommendations for this Focused Objective include:

- Allocating \$7.9M in ARPA funds to the Early Childhood Impact Fund to support the Texas Children's Hospital UpWORDS Program, First3Years Safe Babies Program, and The Alliance Home-Based Child Care Program.
- Investing \$1.5M in ARPA funds to support County Connections to contract with 63 organizations across the County to provide summer enrichment programs for school age children to address educational disparities throughout the County.
- Investing \$48M in ARPA funds to support the Child Care Capacity: Contracted Slots Pilot Program to contract with centers and serve 1,000 families.

Focused Objective: Ensure that Harris County remains the best place in the region to start and grow a business.

Key budget recommendations for this Focused Objective include:

- In FY24 Commissioners Court approved a 100% property tax credit for childcare facilities to assist with the increased cost of operations of their facilities.

Focused Objective: Foster more family-wage jobs that ensure worker safety, benefits, and stability across all educational levels.

Key budget recommendations for this Focused Objective include:

- Continued funding of three Wage Rate Monitors to support the increase in compliance monitoring to ensure county contractors are meeting prevailing wage and fringe benefits requirements, using \$309K in general funds.
- Committing \$9.7M in ARPA funds for participating organizations to implement the Hire Up Harris Program providing high-quality job training programs that offer residents technical or sectoral-based training, licenses, degrees, or other industry-recognized qualifications, coupled with career success training, a concrete pipeline to employment, and wraparound services support.
- Investing \$10.9M for the Apprenticeship Advantage Program to expand and create opportunities for Harris County residents experiencing under-employment by providing support and financial resources to increase successful completion of programs and transition to work.

Budget Overview

Below is an overview of actuals for SFY22 and FY23, as well as the Adopted FY24 Budget and the FY25 Proposed Budget for each department within the *Make Our Economy More Inclusive* goal area. Certain departments are also planned to receive transfers at the beginning of FY25 to their adjusted budget – these departments and the transfer amounts are included in a separate table below.

Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
Economic Equity & Opportunity	2,777,031	5,130,572	6,521,020	8,147,817
Library	22,258,660	38,210,175	42,381,681	42,400,085
Total	25,035,691	43,340,747	48,902,701	50,547,902

Help Residents Achieve Housing Stability

Over half of Harris County renter households (and more than 35% of all households) paid more than 30% of their income on housing costs in 2022 (defined by the U.S. Department of Housing and Urban Development as housing cost–burdened), as the pandemic exacerbated housing inequities. We will develop policies and make investments to address the shortfall of affordable housing and enable people to access and stay in safe and stable housing environments.

Focused Objective: Build and preserve affordable housing, particularly for low-income families.

Key budget recommendations for this Focused Objective include:

- Continued funding of 13 new full-time positions in the Housing and Community Development Department to support the successful implementation and monitoring of affordable housing projects using ARPA funds.
- Continued funding of up to \$15M in ARPA funds to purchase more than 100 single-family homes, many of which will go into the county's Community Land Trust program to provide and preserve long-term affordable housing.
- Investing up to \$7.3M in ARPA funds for the acquisition and pre-development of the Yellow Cab Project, which will comprise of a mix of single-family and multi-family units with community space, green space, and walkable and pedestrian friendly amenities.
- Continued purchasing of the land under the Kingsland Park multi-family development, creating five new affordable units and preserving 141 existing ones, using up to \$4.2M in ARPA funds.
- Establishing a policy allowing applications for tax exemptions from certain low-income housing projects, under Texas Tax Code 11.1825, of up to \$1.5M total.
- Providing up to \$20M investment in housing and relocation assistance due to construction impacts as a part of the Hardy Downtown Connector project.

Focused Objective: Reduce eviction and foreclosure rates among residents.

Key budget recommendations for this Focused Objective include:

- Investing up to \$320K in grant funding from the National Center for State Courts (NCSC) for a pilot project in Justice Courts Precinct 1 Place 2 and Precinct 2 Place 2, that establishes a full-time eviction diversion team to collect data and implement strategies to reduce the harm of eviction.

Focused Objective: Transition people experiencing homelessness into permanent housing.

Key budget recommendations for this Focused Objective include:

- Continued allocation of \$329K in general funds for 4 full-time positions previously funded by a federal Victims of Crime Act (VOCA) grant that will not be renewed in FY24. This funding for Harris County Resources for Children and Adults will retain existing housing case management services to foster youth at risk of homelessness.

Budget Overview

Below is an overview of actuals for SFY22 and FY23, as well as the Adopted FY24 Budget and the FY25 Proposed Budget for each department within the *Help Residents Achieve Housing Stability* goal area. Certain departments are also planned to receive transfers at the beginning of FY25 to their adjusted budget – these departments and the transfer amounts are included in a separate table below.

Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
Housing and Community Development	15,715,559	19,886,286	23,486,201	22,635,533
Veterans Services	793,624	1,373,966	1,478,890	1,542,844
Total	16,509,183	21,260,252	24,965,091	24,178,377

Connect Our Community with Safe, Reliable, Equitably Distributed, and Well-Maintained Infrastructure

Harris County is responsible for maintaining thousands of miles of roadway, as well as bridges, channels, culverts, sidewalks, and other infrastructure. Historically, public investment in infrastructure has not been distributed across communities based on need. We will modernize our infrastructure and use all available mobility options to improve quality of life, advance equity, and strengthen our economy.

Focused Objective: Expand and optimize transit options.

Key initiatives included in the budget for the Focused Objective:

- Allocating \$50M of bond funding to multimodal transportation investments in pedestrian and bicycle infrastructure.
- Providing \$55M in METRO General Mobility Program revenue received in FY24 to precincts that can be used on, among other things, pedestrian, and bicycle transportation infrastructure.

Focused Objective: Ensure safety and security for all using the county's transportation network in alignment with the County's Vision Zero plan.

Key budget recommendations for this Focused Objective include:

- Allocating \$50M of bond funding to address safety issues on a substantial portion of a high-injury network identified in Harris County's Vision Zero Action Plan. Vision Zero has been adopted by Commissioners Court with the goal of eliminating fatalities and serious injuries on the transportation system.
- Investing in the Barrier Free program in FY24 to accelerate the transformation of the County's existing 820 lane-mile toll road system to an all-electronic roadway.

Focused Objective: Increase access to safe, clean and enjoyable green space.

Key budget recommendations for this Focused Objective include:

- Provide up to \$200M in investments to County park and trail facilities from voted debt, including investments on new construction and maintenance.
- Provide precincts with up to \$15M in non-voted debt funding per biennium for general use, which can include improvements to park facilities.

Focused Objective: Improve the condition and resilience of county transportation, flood control, and other infrastructure.

Key budget recommendations for this Focused Objective include:

- Proposing a tax rate to voters that will provide an extra \$100M annually to Flood Control to accelerate and improve infrastructure rehabilitation and replacement from a 283-year lifecycle to once every 67 years. These funds will be invested in replacement of aging flood control structures

and assets, sediment removal and erosion repairs, scaling up in-house maintenance construction teams, and implementing new resilient and nature-based solutions that are aligned to other objectives, and which reduce risks and total lifecycle maintenance costs.

- Allocating \$200M in bond funding to improve neighborhood drainage, which will decrease flooding risk in neighborhoods, while improving the resiliency of the transportation network during disasters.
- Maintaining \$287.7M in HCTRA surplus revenue mobility transfers to precincts and County departments to support eligible, mobility-nexus projects, activities, and initiatives.
- Allocating \$100M in bond funding to improve road quality where it is most needed.
- Providing precincts with up to \$15M in non-voted debt funding per biennium for general use, which can include improvements to community centers and other infrastructure.
- Creating a Facility Fund during FY24 to track expenditures by facility and capture income from real estate sales to reinvest in our facilities.
- Providing \$5.8M to Flood Control to improve maintenance capabilities and coverage, including \$1.6M for replacing outdated equipment and \$1.2M in labor budget for 17 positions.
- Allocating \$1.5M to Flood Control to further establish Flood Control’s Asset Management Program to manage maintenance equitably and efficiently, including 4 positions and \$328K in labor budget.
- Providing 6 positions and \$965K in additional labor budget to Flood Control to support resilience, grants, and strategic initiatives.
- Providing 4 positions and \$470K in labor budget to Flood Control for CDBG & 2018 Flood Control Bond Program support.

Budget Overview

Below is an overview of actuals for SFY22 and FY23, as well as the Adopted FY24 Budget and the FY25 Proposed Budget for each department within the *Connect our community with safe, reliable, equitably distributed, and well-maintained infrastructure* goal area. Certain departments are also planned to receive transfers at the beginning of FY25 to their adjusted budget – these departments and the transfer amounts are included in a separate table below.

Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
Engineering	37,510,382	64,100,436	79,270,033	85,782,174
Total	37,510,382	64,100,436	79,270,033	85,782,174

Government Administration/Other

Background

Over several months in the fall of 2023, stakeholders from all court offices participated in developing the strategic framework. Each goal was deliberated on and given thoughtful consideration. The framework represents the counties road map to achieving better outcomes. This Government Administration/Other section is not a goal within the County's Strategic Framework, but a collection of investment decisions and departments that did not tie directly to the framework, but still support the core functions of the county.

Key budget recommendations for this Focused Objective include:

- Transferring 5 FTEs in the Engineering Permitting service from General Fund to Fire Code for a General Fund savings of \$724K.
- Investing \$2.5M in Universal Service's cyber security initiatives.
- Reducing Universal Services' non-labor budget by \$3M for consulting and technology services that are no longer needed.
- Reducing Universal Services' non-labor budget by \$1.9M thanks to savings achieved in software contract renegotiations or consolidation.
- Funding an additional \$2M in Universal Services for increased cost on Microsoft contracts.
- Allocating up to \$3M dollars in commercial paper for the first phase of the centralized replacement of laptops and computers for County departments.
- Transferring \$1.5M of County Attorney expenses to other special funds.
- Sustaining \$11M in investment to sustain in house collections in county attorney.

Budget Overview

Below is an overview of actuals for SFY22 and FY23, as well as the Adopted FY24 Budget and the FY25 Proposed Budget for each department within the *Other* section. Certain departments are also planned to receive transfers at the beginning of FY25 to their adjusted budget – these departments and the transfer amounts are included in a separate table below.

Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
Appraisal District	7,000,537	14,289,154	14,960,000	18,310,000
Auditor's Office	15,690,402	25,998,877	29,026,567	29,577,895
County Attorney	19,410,754	35,591,783	44,140,993	44,192,957
County Clerk	11,710,263	17,897,743	34,369,271	40,924,059
County Treasurer	723,530	1,200,630	1,345,032	1,694,612
Elections Administration	8,771,809	14,561,532	-	-
Elections Operations	18,712,100	12,916,017	24,620,276	17,510,948
General Administration	122,859,231	75,387,116	55,613,078	250,805,620
Human Resources and Risk Management	4,914,023	8,783,298	10,371,708	6,396,243
Intergovernmental & Global Affairs	872,605	1,480,679	2,396,402	3,558,066
Office of County Administration	2,717,996	6,328,559	21,011,114	22,806,259
Office of Management & Budget	4,096,020	6,661,863	6,618,089	10,648,627
Purchasing Agent	6,180,252	10,136,104	13,647,642	16,138,724
Tax Assessor-Collector	19,267,560	33,451,638	37,885,223	40,505,051
Universal Services	42,835,496	73,080,957	93,727,129	96,127,745
Universal Services Repair & Replacement	12,109,043	12,903,625	16,600,000	18,600,000
Universal Services Utilities & Leases	12,905,256	23,297,701	29,483,935	29,483,935
Total	310,776,877	373,967,276	435,816,459	647,280,741

Commissioners Court

Budget Overview

Below is an overview of actuals for SFY22 and FY23, as well as the Adopted FY24 Budget and the FY25 Proposed Budget for each department within the Commissioners Court goal area. Note, the FY25 Proposed Budget only reflects new funding amounts, and Commissioners Court Carryover will be included in the adopted budget:

Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
Harris County Judge's Office	5,855,769	9,230,733	11,103,671	11,160,193
Commissioner Precinct 1	20,359,101	48,844,178	77,449,837	42,617,660
Commissioner Precinct 2	24,682,462	37,980,424	59,476,804	42,617,660
Commissioner Precinct 3	26,442,970	39,035,052	53,268,348	42,617,660
Commissioner Precinct 4	21,203,351	34,513,925	67,210,985	42,617,660
Total	98,543,653	169,604,312	268,509,645	181,630,833

Department Name	75% of Estimated Opening Balance	FY25 New Budget	FY25 Total Proposed
Harris County Judge's Office	-	11,160,193	11,160,193
Commissioner, Pct 1	26,168,971	42,617,660	68,786,631
Commissioner, Pct 2	16,109,766	42,617,660	58,727,426
Commissioner, Pct 3	8,846,086	42,617,660	51,463,746
Commissioner, Pct 4	15,598,341	42,617,660	58,216,001
Total	66,723,164	181,630,833	248,353,997

General Government - Department 202 Expenditure Budget Detail

Department 202 is a General Administration department in the budgeting and accounting system designed to capture expenditures that cannot be allocated to a specific department due to the county-wide nature of the costs. Capital Reserve is also budgeted in Department 202 but is not shown here.

Description	SFY22 Actuals	FY23 Adopted	FY24 Adopted	FY25 Proposed
Annual TIRZ Payments	14,374,849	15,656,134	16,308,140	32,308,140 *
Litigation Costs	5,102,983	11,000,000	12,500,000	14,000,000
Jail Outsourcing	-	-	12,000,000	52,990,000
Patrol Contracts	-	4,436,000	15,909,606	21,843,206
Annual Property Insurance	6,409,600	7,666,689	7,666,689	9,566,689
Misc. Fees & Services	6,781,163	2,950,049	7,879,000	8,505,285
Unbudgeted Reserve	4,317,880	15,000,000	5,000,000	10,000,000
PIC Contribution	-	-	-	10,000,000
Unallocated	-	-	-	10,000,000
ACT Collections Software	-	-	4,000,000	4,500,000
District Attorney Budget Restoration	-	-	-	4,500,000
EPIC Annual Maintenance (Jail & Harris Center)	-	3,200,000	3,200,000	3,600,000
Final Benefits	4,622,952	3,307,803	3,010,394	4,160,094
Hospital District Reimbursement (Juvenile Detention)	643,830	1,750,000	2,000,000	2,600,000
Inmate Care - Memorial Hermann/St. Josephs	3,768,241	500,000	1,515,686	3,515,686
Cadence/AMEX Service Charges	578,009	767,593	1,113,563	2,376,520

* In FY24 the county entered into TIRZ 20, which accounts for the anticipated increase in FY25. However, the higher payments on the General Fund will be offset by higher revenue.

Description	SFY22 Actuals	FY23 Adopted	FY24 Adopted	FY25 Proposed
Audit Fees/Studies	709,820	950,000	1,000,000	1,400,000
Cybersecurity Insurance	-	1,000,000	1,000,000	1,000,000
Annual Memberships	295,209	450,000	510,000	540,000
HR Based Claims/Torts	254,694	400,000	400,000	600,000
Pay Equity Implementation				50,000,000
Bilingual Pay Incentive		-	-	2,800,000
Inflation and Investments		22,996,814		
ARPA Backouts			(34,400,000)	
Vacancy Savings			(5,000,000)	
Total	47,859,230	92,031,082	55,613,078	250,805,620

Capital Program Recommendations

VMII

Harris County's Capital Improvement Plan (CIP) includes projects that involve investment in County assets. These assets can be tangible, like a building or specialized equipment, or intangible, like custom software. These projects are typically funded by County debt and are paid back through ad valorem taxes, HCTRA revenue, and partner funding such as grants. This section discusses the County's capital plan with a focus on FY25.

FY25 Capital Plan

Harris County will continue to make significant capital investments, with the largest share of investment going to infrastructure projects and a significant share devoted to projects that make Harris County safer and more just.

The data shown for FY25 are planned program needs. As projects become further defined, costs or scope and timelines may change and not all projects may go forward. Furthermore, additional needs may be identified through the year. The data below presents a plan, not necessarily a formal budget.

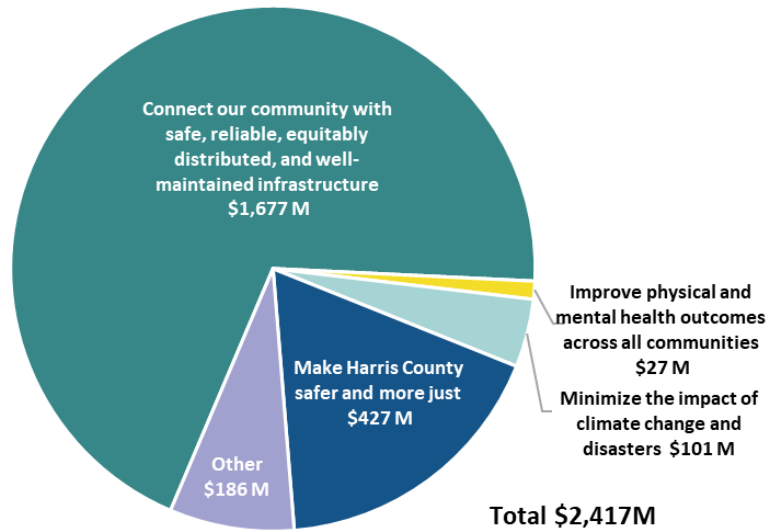
Projected FY25 Capital Plan Needs

Overall, it is estimated that the Harris County capital plan will need approximately \$2.4B in resources expected for approved projects in the next fiscal year. This represents a notable increase from \$1.8B in FY24 as many projects and programs are entering construction phases across many goal areas, including major portions of the 2018 Flood Control Bond, Ship Channel Bridge, Hardy Downtown Connector, Riverside Health and Safety Complex, new HCSO headquarters at 5910 Navigation, and various 2022 Public Safety Bond projects.

Projected FY25 Capital Plan Funding Sources

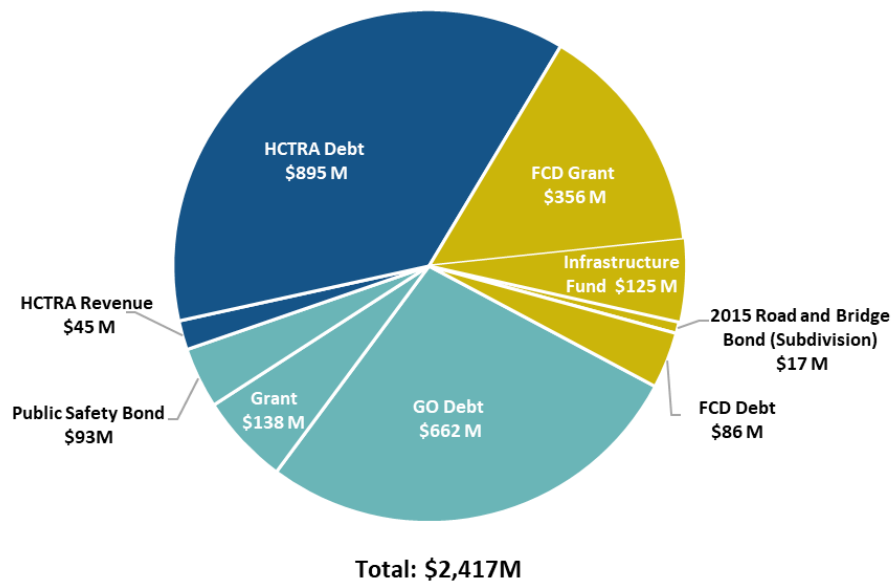
The projected sources for these funds are presented in the chart below. This year's estimates reflect significantly increased funding from CDBG-MIT grants for the 2018 Flood Control Bond program, including the Road and Bridge Subdivision Drainage Program. Additionally in summer 2024 Harris County issued a \$450M Certificate of Obligation to fund new construction of and improvements to County facilities, some of which is included in General Obligation (GO) Debt.

FY25 Capital Program by Goal Area



- Connect our community with safe, reliable, equitably distributed, and well-maintained infrastructure
- Improve physical and mental health outcomes across all communities
- Minimize the impact of climate change and disasters
- Make Harris County safer and more just
- Other

FY25 Capital Program by Funding Source



- GO
- HCTRA
- Flooding

FY25 Capital Projects

Approved Projects in Progress

Some of the notable initiatives underway include:

- 2018 Flood Control Bond Program – significant initial investment in “worst-first” projects to achieve equitable flood mitigation; significant construction using CDBG-MIT grant funds on both the HCED-led Road and Bridge Subdivision Drainage Program and the FCD-led portion of the Bond Program is expected to begin in FY25.
- Ship Channel Bridge – largest single CIP investment in County history to replace the outdated bridge and improve safety for drivers and Ship Channel users.
- Riverside Health and Safety Complex – The complex will repurpose historical buildings to host the ACCESS Harris initiative and community engagement centers. Additionally, a new building will serve as the headquarters for Harris County Public Health.
- Adult Detention Facility Renovation – The program will address urgent deferred maintenance needs at adult detention facilities, including security, emergency generators, fire alarms, fire sprinklers, communications, elevators, plumbing, electrical, heating, ventilation, and air conditioning (HVAC) to ensure detention facilities can operate safely in the coming years.
- Investments in Voting – Upgrading voting equipment across the county, including additional marking machines, controllers, ballot scanners, and related equipment to accommodate upcoming elections. Capital investments have been approved for upgrades in voting equipment storage facilities, including shelving and other warehouse infrastructure.
- 1010 Lamar renovations – The recently acquired 20-story building will be renovated and upgraded inside and out to optimize space utilization and mechanical, electrical, and plumbing systems.
- Commissioners Court office non-voted debt – Commissioners Court authorized non-voted debt to be allocated to Commissioners Court offices to improve facilities and purchase equipment or vehicles to directly support our residents.

Voted Authority

A significant part of the debt that Harris County incurs is authorized by voters at elections. In November 2022, Harris County voters approved the issuance of up to \$1.2B of debt, including up to \$100M for public safety projects, up to \$900M for road and bridge projects, and up to \$200M for parks and trails. Furthermore, while having its own tax rate, board of directors, and debt rating, the Harris Health System received voter approval to issue up to \$2.5B in bonds in November 2023.

- **Public Safety Bond (up to \$100M):** Commissioners Court has already approved up to \$92.69M in funding for 8 projects and program administration, including two renovated patrol district headquarters, a vehicular crimes processing facility, and various training facilities for the Sheriff academy, precision driving, firearms, active shooter response, and swift water rescue. Budget has been transferred to Engineering for design work, real estate acquisition, and make-ready work on several of these projects.

- **Road and Bridge (up to \$900M)/Parks and Trails (up to \$200M):** While these projects are managed by precincts and not formally reflected as a part of OMB’s CIP, these large bond authorizations will impact tax rates and County operations. Commissioners Court has authorized 10% of total voted authority to be allocated to Engineering for project management and administration. OMB has begun issuing budget to precincts for these projects.

Continuous Projects

There are 24 continuous (formerly called “ongoing”) projects for items like capital maintenance and equipment that represent a significant investment in County infrastructure. These projects were authorized for \$153.1M in FY24, and we expect a request for a total authorization of at least \$148.1M for FY25.

Continuous projects are projects that have no specific end date or target, but still represent significant capital investments in County facilities, property, or intangible assets, like software. These are commonly used for specialized equipment purchases and capital facility & IT projects. The largest continuous projects include purchases of vehicles, one-time cyber security investments, law enforcement radio replacement, and upgrades to HVAC, lighting, and other building systems.

FY25 Proposed Potential Projects

In preparing the FY25 CIP Plan, OMB has gathered proposals for potential new CIP projects from County departments. OMB has received 67 new project requests across multiple strategic frameworks*

Countywide New CIP Project Proposals

OMB solicited proposals from all departments for additional projects that have not yet been approved by Commissioners Court. The 67 potential projects total over \$228M across several Goal Areas:

- **Make Harris County safer and more just (\$78M):** 27 projects were proposed by various safety and justice departments. These projects vary in size and include:
 - Universal Services proposal to replace the current JWEB criminal justice software with a modern “integration platform” which allows for data to be instantly shared among justice agencies.
 - Expansion of new office space for the Fire Marshal’s Office at 2318 Navigation.
- **Improve physical and mental health outcomes across all communities (\$14M):** Harris County Public Health has proposed 13 projects to enhance Public Health’s service. These include:
 - New construction for a birthing center to enhance access to critical medical and social services for birthing people and newborns.
 - Lab expansion for Mosquito Vector Control program to expand testing ability.
 - Purchasing a mobile dental unit to increase and expand dental services to Harris County citizens.

* Not all projects will start in FY25, and not all projects may ultimately go forward due to project feasibility/desirability, but OMB wants to provide a full inventory of department requests. Any projects will go through the standard Investment Memo process for Commissioners Court approval before launch.

- Help residents achieve housing stability (~\$6M): 2 projects were proposed by the Housing and Community Development Department for an affordable housing program.
- Minimize the impact of climate change and disasters (~\$1M): 1 project from Pollution Control Services to upgrade analytical equipment.
- Connect our community with safe, reliable, equitably distributed, and well-maintained infrastructure (~\$0.5M): 5 projects were proposed from various departments to improve Harris County's public facing infrastructure.
- Others (~\$130M): 19 projects proposed by various Harris County entities including building renovations at various locations and hardware and software upgrades to support Harris County functions including:
 - Replacing and upgrading Harris County fuel stations with new fuel pumps, piping, and advanced monitoring technology.
 - Replacing the existing Vehicle Maintenance Center to accommodate a growing fleet and reduce vehicle maintenance time.

All Other Funds

IX

The following funds include revenue from special sources or funds that are allocated to specific needs due to legal, operational, or other considerations. Residual resources in these other special funds carry over from year to year. As such, the Adopted Budget will be based not only on new revenue, but also available resources at the end of FY24. The Adopted Budget for these funds will be set once the FEAR is published.

Contingency Fund, R&R Fund

Most of the allocations from the Contingency Fund are for specific, one-time expenses that respond to COVID or other unexpected events. For the purposes of allocating the Contingency Fund, OMB proposes to allocate the current remaining balances and make specific adjustments where funds are no longer needed.

Energy Efficiency Fund

The Energy Efficiency Fund is used to serve as a continuous source of funding for implementation of energy efficiency projects within Harris County's facilities portfolio.

Mobility Fund

The Mobility Fund consists of transfers of surplus revenue from HCTRA which fund eligible transportation projects throughout the County. Eligible uses are governed by Section 284.0031 of the Texas Transportation Code and include the study, design, construction, maintenance, repair, or operation of roads, streets, highways, or other related facilities.

Facility Fund

The Facility Fund was created in FY24 to improve the financial management of County real estate and facility maintenance and management. It is used for non-debt-eligible facility expenses, including both labor and non-labor, and the sale and purchase of County real estate.

Infrastructure Fund

The Infrastructure Fund was created in FY21 following a one-time transfer of \$300M of surplus toll road revenue from HCTRA, of which \$230M was allocated to the County's Road and Bridge Subdivision Drainage Program (Subdivision Program). Infrastructure Fund monies are restricted by Section 284.0031 of the Texas Transportation Code.

IJIS Fund

The Integrated Justice Information System (IJIS) Fund was created in FY24 to fund expenses related to the IJIS Delivery Team at Universal Services.

American Rescue Plan

In 2021, following passage of the American Rescue Plan Act (ARPA), the U.S. Treasury allocated \$915 million in Coronavirus Local Fiscal Recovery Funds to Harris County, with a goal of accelerating recovery

from the economic and public health impacts of the COVID-19 pandemic. Commissioners Court quickly adopted a governance approach, established an equity framework to guide project selection and delivery, and identified major investment priorities to ensure a holistic recovery.

Since then, Commissioners Court has committed \$931 million across five priorities:

- Health - \$155 million
- Housing - \$280 million
- Jobs & Education - \$292 million
- Justice & Safety - \$145 million
- County Operations - \$59 million

Portfolio	Focus Area	ARPA Local Fiscal Recovery Funds	Interest Funded	FLEX Fund	Total as of June 2024 (\$M)	
Health	Food & Nutrition	7.1			7.1	
	Clean Streets, Safe Neighborhoods	4.5		25.5	30.0	
	COVID-19	12.6			12.6	
	Coordinated Care	35.1			35.1	
	Environmental Health: Lead	14.1		0.1	14.2	
	Healthcare Access	21.8			21.8	
	Behavioral Health	24.6			24.6	
	Harris Health	9.7			9.7	
	Total		129.5		25.6	155.1
	Housing	Reentry / Reintegration	4.2			4.2
Water & Sewer Infrastructure		37.6			37.6	
Community Facilities		20.0			20.0	
Homelessness		46.3		0.7	47.1	
Affordable Housing		164.8	6.0		170.8	
Total		272.9	6.0	0.7	279.6	
Jobs & Education	Workforce Development	20.6		0.4	21.0	
	Small Business	39.1		13.1	52.2	

	Early Childhood Initiatives	109.9	13.0	5.6	128.5
	Family Financial Stability	87.4		2.9	90.3
	Total	257.0	13.0	22.0	292.0
Justice & Safety	Violence Prevention	7.6		5.6	13.2
	Justice & Safety	131.0		1.1	132.1
	Total	138.6		6.7	145.3
	Elections			5.0	5.0
County Ops	County Ops	47.5		6.5	54.0
	Total	47.5		11.5	59.0
Total Committed		845.5	19.0	66.5	931.0

The Flex Fund was established by Commissioners Court in June 2022 to support projects aligned with ARPA priority outcomes for which General funds are more appropriate than federal funds. General funds offer additional flexibility in the use of locally procured vendors, reduced compliance burden, different eligibility considerations, and the ability to execute some projects more quickly.

Flex Fund budget is made available by reclassing ARPA-eligible expenses originally budgeted in General Fund 1000 to ARPA Fund 2651.

Debt Service and Capital Funds

Used to account for the County’s capital fund resources allocated for construction of capital projects. Capital Funds can be raised by issuing debt and can be paid back over a period by making scheduled debt service payments. Debt Service funds account for the funds reserved for the required scheduled payments of principal and interest on long-term debt obligations of the County. The budgeted debt service payments will fluctuate if the County refunds outstanding bonds or issues new debt.

Special Revenue Funds

Used to account for the proceeds of specific revenue sources that are statutorily/legally restricted or committed to expenditures for specified purposes other than capital projects or debt service. Special Revenue funds for Harris County are numerous and include the Flood Control District, Sports & Convention Corporation, and Hotel Occupancy Tax Revenue.

Proprietary Funds

Used to account for operations that are financed similar to those in the private sector, where the determination of net income is appropriate for sound financial administration. Proprietary funds are

either enterprise or internal service. Proprietary funds for Harris County include the HCTRA, vehicle maintenance, radio operations, inmate industries, health insurance, and risk management services.

Other Funds

As noted above, the Adopted Budget will be based on the FEAR once finalized.

Appendix



Appendix A – Department Budgets

General Fund Budgets

Dept	Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
91	Appraisal District	7,000,537	14,289,154	14,960,000	18,310,000
100	Harris County Judge's Office	5,855,769	9,230,733	11,103,671	11,160,193
101	Commissioner Precinct 1	20,359,101	48,844,178	42,285,500	42,617,660
102	Commissioner Precinct 2	24,682,462	37,980,424	42,285,500	42,617,660
103	Commissioner Precinct 3	26,442,970	39,035,052	42,285,500	42,617,660
104	Commissioner Precinct 4	21,203,351	34,513,925	42,285,500	42,617,660
200	Office of County Administration	2,717,996	6,328,559	21,011,114	22,806,259
201	Office of Management & Budget	4,096,020	6,661,863	6,618,089	10,648,627
202	General Administration	122,859,231	75,387,116	55,613,078	250,805,620
204	Intergovernmental & Global Affairs	872,605	1,480,679	2,396,402	3,558,066
205	Economic Equity & Opportunity	2,777,031	5,130,572	6,521,020	8,147,817
208	Engineering	37,510,382	64,100,436	79,270,033	85,782,174
212	Human Resources and Risk Management	4,914,023	8,783,298	10,371,708	6,396,243
213	Fire Marshal	6,761,386	12,207,917	12,542,585	13,130,335
270	Institute of Forensic Sciences	22,647,441	37,678,092	41,555,180	45,000,381
272	Pollution Control	4,617,317	7,773,000	10,243,594	10,358,948
275	Public Health Services	23,359,611	44,709,043	56,113,006	56,958,140
283	Veterans Services	793,624	1,373,966	1,478,890	1,542,844
285	Library	22,258,660	38,210,175	42,381,681	42,400,085
286	Domestic Relations	4,417,717	7,263,503	7,944,943	8,137,408
289	Housing and Community Development	15,715,559	19,886,286	23,486,201	22,635,533
292	Universal Services	42,835,496	73,080,957	93,727,129	96,127,745

Dept	Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
293	Universal Services Repair & Replacement	12,109,043	12,903,625	16,600,000	18,600,000
296	The Harris Center for Mental Health	13,455,850	23,067,171	23,067,171	23,067,171
298	Universal Services Utilities & Leases	12,905,256	23,297,701	29,483,935	29,483,935
301	Constable, Precinct 1	30,571,862	51,498,887	49,108,913	49,981,948
302	Constable, Precinct 2	7,164,564	12,870,704	12,227,590	12,447,481
303	Constable, Precinct 3	12,617,530	23,113,753	20,950,166	21,334,139
304	Constable, Precinct 4	39,848,754	67,773,494	66,361,426	67,290,136
305	Constable, Precinct 5	28,685,304	49,528,064	48,829,729	49,421,878
306	Constable, Precinct 6	6,388,193	10,750,451	12,053,393	12,513,338
307	Constable, Precinct 7	8,711,861	14,292,892	16,307,891	16,511,913
308	Constable, Precinct 8	5,855,176	9,980,932	10,494,620	10,653,096
311	Justice of the Peace, 1-1	1,436,449	2,356,819	2,602,185	2,627,066
312	Justice of the Peace, 1-2	1,378,262	2,243,731	2,730,787	2,749,947
321	Justice of the Peace, 2-1	664,364	1,191,170	1,268,258	1,279,781
322	Justice of the Peace, 2-2	568,987	1,044,953	1,165,473	1,181,637
331	Justice of the Peace, 3-1	1,107,470	1,855,077	2,067,736	2,085,938
332	Justice of the Peace, 3-2	814,310	1,210,881	1,444,034	1,476,741
341	Justice of the Peace, 4-1	1,928,871	3,401,970	3,593,741	3,626,313
342	Justice of the Peace, 4-2	989,398	1,608,809	1,833,341	1,856,543
351	Justice of the Peace, 5-1	1,271,734	2,338,974	2,685,539	2,710,447
352	Justice of the Peace, 5-2	1,933,211	3,024,049	3,582,775	3,638,241

Dept	Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
361	Justice of the Peace, 6-1	572,542	982,478	1,078,545	1,102,625
362	Justice of the Peace, 6-2	434,841	852,474	1,000,566	1,009,188
371	Justice of the Peace, 7-1	711,597	1,212,690	1,433,089	1,445,543
372	Justice of the Peace, 7-2	595,941	994,802	1,234,709	1,245,247
381	Justice of the Peace, 8-1	810,878	1,246,801	1,473,817	1,493,742
382	Justice of the Peace, 8-2	482,361	806,554	1,031,367	1,038,073
510	County Attorney	19,410,754	35,591,783	44,140,993	44,192,957
515	County Clerk	11,710,263	17,897,743	34,369,271	40,924,059
516	Elections Operations	18,712,100	12,916,017	24,620,276	17,510,948
517	County Treasurer	723,530	1,200,630	1,345,032	1,694,612
520	Elections Administration	8,771,809	14,561,532	-	-
530	Tax Assessor-Collector	19,267,560	33,451,638	37,885,223	40,505,051
540	Sheriff - Patrol & Administration	160,633,711	263,318,125	293,112,002	301,231,154
541	Sheriff - Detention	163,535,851	282,489,413	301,901,978	306,066,699
542	Sheriff - Medical	57,320,778	94,884,649	97,379,232	107,568,632
545	District Attorney	64,367,952	103,100,950	116,116,536	115,969,259
550	District Clerk	24,946,877	38,151,770	47,227,075	48,843,423
560	Public Defender	18,769,383	30,241,846	43,047,988	55,986,227
601	Community Supervision	2,017,147	3,487,540	4,110,116	4,738,731
605	Pretrial Services	13,327,784	23,798,596	27,953,755	29,111,920
610	Auditor's Office	15,690,402	25,998,877	29,026,567	29,577,895
615	Purchasing Agent	6,180,252	10,136,104	13,647,642	16,138,724
700	District Courts	19,542,163	32,131,045	36,456,289	39,357,093
701	District Courts Court Appointed Attorney Fees	38,639,848	73,169,985	63,500,000	53,500,000
821	Texas A&M Agrilife	558,228	845,147	1,119,555	1,128,177
840	Juvenile Probation	49,558,573	86,666,119	93,212,970	97,859,802
845	Sheriff's Civil Service	154,929	284,363	338,914	333,288

Dept	Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
880	Harris County Resources for Children and Adults	16,963,526	27,830,294	30,510,373	31,279,753
885	Children's Assessment Center	6,132,436	10,004,083	10,636,098	10,819,256
930	1st Court of Appeals	-	6,334	38,881	38,881
931	14th Court of Appeals	-	4,171	38,881	38,881
940	County Courts	12,512,909	20,309,931	22,763,313	23,341,018
941	County Courts Court Appointed Attorney Fees	5,992,799	14,871,291	9,600,000	5,600,000
945	Office of Managed Assigned Counsel	820,358	2,207,199	2,252,664	3,344,900
991	Probate Court No. 1	1,080,743	1,802,249	2,002,603	2,014,099
992	Probate Court No. 2	957,975	1,556,215	1,768,842	1,780,338
993	Probate Court No. 3	3,341,228	5,560,315	6,038,513	6,058,631
994	Probate Court No. 4	1,024,838	1,745,466	1,934,105	1,980,601
995	Probate Court No. 5	-	-	1,713,193	1,635,724
Total		1,381,379,604	2,189,620,254	2,402,000,000	2,666,419,898

Toll Road Operating Funds

Dept	Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted*	FY25 Proposed*
050	Toll Road Authority - 5302 (Toll Road)**	138,838,417	245,124,836	385,361,003	372,467,796
050	Toll Road Authority - 5310 (Tunnel & Ferry)**	3,003,522	5,945,338	12,354,979	12,199,768
Total		141,841,939	251,070,174	397,715,982	384,667,564

Flood Control Operating Funds

Dept	Department Name	SFY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed
090	Flood Control District	57,824,609	97,841,486	128,200,000	241,100,000
Total		57,824,609	97,841,486	128,200,000	241,100,000

*Adopted budget includes carryforward. Proposed budget does not include carryforward, which will be added before final adoption.

**The Toll Road Authority utilizes Funds 5302 & 5310 for their Operation & Maintenance budget

Appendix B – Glossary of Terms

Term	Description
Accrual	The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time), and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at that time).
Ad Valorem Tax	Is a tax whose amount is based on the value of a transaction or of property.
Allocation	An amount or portion of a resource assigned to a particular Department.
Appraisal	An assessment or estimate of the value of property.
Appropriation	The legislative authority to spend and obligate a specified amount from a designated fund account for a specific purpose.
ARPA	The American Rescue Plan Act (ARPA) is a \$1.9 trillion economic stimulus package passed by the U.S. Congress and signed into law in March 2021. ARPA includes State and Local Fiscal Recovery Funds (SLFRF), which provides direct aid to state, local, and Tribal governments to support the response to and recovery from the COVID-19 public health emergency.
Bond	A debt instrument that organizations can sell and agree to repay the face amount of the bond by a designated date, called the “maturity date.”
Capital Funds	Funds set aside for purpose of funding a long-lived asset that depreciates over time.
Capital Improvement Plan (CIP)	A list of capital projects and funding sources for the next 5-10 years.
Capital Improvement Project	An investment in a county asset. The asset can be tangible or intangible. Examples include streets and drainage facility construction, major reconstruction or repair of buildings, and development of custom software.
Capital Reserve	A fund or account set aside for major long-term investment projects or other anticipated expenses.
Carryover	Balances in each fund at the end of the fiscal year that will be the beginning fund balances of the next fiscal year.
Carry-Forward	Prior year appropriation that is brought into the current fiscal year to pay for encumbered expenses that have not been paid.
Community Development Block Grant (CDBG)	Federal block grant through the Housing and Urban Development Department (HUD) designed to support community development activities to build stronger and more resilient communities.
Community Development Block Grant-Disaster Recovery (CDBG-DR)	Federal block grant through the Housing and Urban Development Department (HUD) designed to support/help cities, counties, and states to recover from Presidentially declared disasters.
Community Development Block Grant-Mitigation (CDBG-MIT)	Federal block grant through the Housing and Urban Development Department (HUD) designed to support/help cities, counties, and states to mitigate impacts of future disasters before they happen.

Term	Description
Certificates of Obligation (CO)	An instrument of public debt that can be issued without voter approval and are backed by tax and/or fee revenue. COs can be issued for the purchase of major capital outlay, building demolition, and infrastructure improvements.
Current Level of Service (CLS)	The annual OMB pre-decisional projection of the County’s costs in the next fiscal year.
Cost of Living Adjustments (COLA)	Salary increases designed to maintain purchasing power for employee compensation with inflation.
Commercial Paper	An interim funding tool for capital expenditures. A promissory note secured by pledged revenues and a revolving credit agreement. Maturities range from 1 to 270 days. Commercial paper liabilities are typically paid off directly or rolled into longer-term debt, like bonds.
Consumer Price Index (CPI)	A measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.
Contingency	A budgetary reserve usually set aside for emergencies or unforeseen expenditures not otherwise budgeted. A contingency may also be set for a program or service for which the exact costs are not determined.
Debt Service	Principal and interest payments on outstanding bonds. The series of payments of interest and principal required on a debt over a given period of time to repay an outstanding debt on an obligation resulting from the issuance of bonds, certificates of obligation notes or other debt.
Deficit	The amount that expenditures exceed projected revenue.
Encumbrance	Obligations in the form of purchase orders, contracts, or salary commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is released.
Enterprise Fund	A fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supporting by user charges. This type of fund uses the accrual basis of accounting.
Expenditure	Costs of goods received, or services rendered that are recorded in the accounting system. Accounts are kept on an accrual or modified accrual basis and expenditures are recognized whether or not cash payments have been made. When accounts are kept on a cash basis, they are recognized only when cash payments have been made.
FEAR	Final Estimate of Available Resources prepared by the County Auditor.
Federal Grants	Grant awards received either directly from the Federal Government or funded by the Federal Government that flow thru the State prior to being awarded to the County.

Term	Description
Fiscal Year (FY)	A twelve-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations.
Fitch Rating	Internationally recognized credit rating agency.
Flex Fund	Special Fund created to support projects aligned with ARPA priority outcomes, funded from budget made available by transferring ARPA-eligible expenses to Fund 2651. Fund 1040 will be part of the General Fund Group.
Flood Contract Tax Bonds	Bonds issued by the County to fund Flood Control projects. They are payable from payments received from the county pursuant to a flood control projects contract. The County's obligation to make the payments is backed by a pledge of its tax levy, limited to \$0.80 per \$100 assessed value.
Flood Control Bonds	Bonds issued by the Flood Control to fund Flood Control projects. They are paid from the annual property tax levy limited to \$0.30 per \$100 assessed value for operations and debt service.
Forfeited Fund	Seized funds awarded to law enforcement entities by federal and state courts.
Full-Time Equivalent (FTE)	Total estimated annual person-hours for all employees expected to fill positions within an organization for all or a portion of a year divided by 2,088. The annual paid hours for a fulltime employee working 26.1 pay periods are 2,088, including holidays, vacation, and sick leave.
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying out specific activities or attaining certain objectives.
General Fund	The largest fund within the County. It was established to finance and account for the general receipts and expenditures and is operated under a modified accrual basis. This fund may be used for any legitimate municipal purpose. The sources of revenues for this fund include property and sales taxes, licenses, and permits, fines, fees, and others. This fund is used for most basic operating services such as public safety, human and cultural services, parks and recreation, public works, and general government administration.
General Obligation (GO)	A municipal bond backed by the credit and "taxing power" of the issuing jurisdiction rather than the revenue from a given project. They are paid back from the County's limited \$0.80 tax levy. They are issued pursuant to voter authorization.
Grant	Contribution by one government unit of funding source to another. The contribution is usually made to aid in the support of a specified function, i.e., library materials, drug enforcement, etc.

Term	Description
Healthcare Fund	The county maintains a separate fund to account for employee healthcare expenses and sources of revenue, including county contributions and employee premiums.
Hotel Occupancy Tax (HOT)	A tax levied on hotel stays. In Houston there is 6 percent state tax, 7 percent Houston tax, 2 percent Harris County tax and 2 percent Harris County - Houston Sports Authority tax.
I&S Rate	Interest and Sinking is the tax rate needed to generate enough funds to cover all debt service and commercial paper repayments for the year.
Indigent Defense	County-provided criminal defense services for those persons accused of a crime that cannot afford to pay for their own lawyer/counsel.
Infrastructure Fund	Special Fund created to track Road & Bridge Subdivision Drainage Program costs.
M/WBES	Minority and Women Owned Business Enterprises.
Maintenance and Operation Rate (M&O)	Maintenance and Operation rate is the portion of the County’s tax rate supporting the county’s operational spending. The County also sets a debt service rate which is used to pay the county’s debt obligations.
Maturity	The date on which the principal or stated value of investments or debt obligations is due and may be reclaimed.
Mobility Fund	Special Fund to track road and bridge related projects that are part of the county-wide transportation plan linked to the Toll Road network.
Mobility-nexus	Having relation to road, street, or highway projects, as defined in Section 284.0031 of the Texas Transportation Code.
Moody’s	Internationally recognized credit rating agency.
Operating Budget	Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and services delivery activities of the County are controlled, and is required by state law.
Outcome Budgeting	Outcome Budgeting is a budget process that aligns resources with results. The budget is organized at the service level around the County’s Priority Outcomes.
PEAR	Preliminary Estimate of Available Resources (prepared by the County Auditor).
Permanent Improvement Bonds (PIB)	General Obligation debt that is issued to fund construction of public works, purchase of automobiles, equipment and machinery, improvements of lands and buildings and professional services related to any of these projects.
Portfolio	A collection of departments that an OMB Portfolio Manager works closely with to identify budgetary needs.
Precinct	A defined area for each Harris County Commissioner.

Term	Description
Priority Outcomes	Desirable outcomes identified by Commissioners Court throughout the eight County goal areas: Justice & Safety, Economic Opportunity, Housing, Public Health, Transportation, Flooding, Environment, and Governance & Customer Service. The budget funds priorities in each of these areas.
Proprietary Funds	Special business type funds created to track revenue and expenses of the business type functions (ex. Parking Fund, Radio Fund, etc.). These funds are also known as Enterprise funds.
Public Improvement Contingency Fund (PIC)	Emergency Fund created to be used in case of County-wide emergencies, many costs of which are expected to be reimbursed by FEMA (hurricanes, COVID-19, etc.).
COVID R&R Fund	Special Fund created to track COVID-related costs that are not expected to be reimbursed by FEMA.
Revenue Bonds	Bonds whose debt service is paid through a non-General Fund dedicated revenue stream such as tolls or hotel tax.
Request for Proposals (RFP) Process	Process in which requests for proposals are obtained from vendors interested in conducting business with the County. It is required for purchases over a certain limit.
Road Bonds	General Obligation debts used to fund road projects.
Rollover	The prior Harris County practice of departments carrying forward their total budget surplus into the new Fiscal Year. Discontinued for all County Departments, except for Commissioners Court precincts, in FY22.
Standard & Poor’s (S&P)	Internationally recognized credit rating firm.
SB2	Senate Bill 2 was a property tax reform bill that went into effect on January 1, 2020. A primary aspect of this bill was to reduce the amount of property tax the County can collect from existing properties without an election from 8% to 3.5% per year.
SB6	Senate Bill 6 banned the release of people accused of violent crimes on personal bonds, requiring instead that they be able to post the amount of cash set by the court, or pay a percentage to a bail bonds company. It also disallowed cashless release for those arrested on any felony charge if they were already out of jail on bond in a violent criminal case.
Senior Lien	The first security interest placed upon property at a time before other liens.
SFY22	Short Fiscal Year 2022 (March 2022 - September 2022).
Special Revenue Fund	Non-General funds that are supported by something other than property taxes (i.e., special taxes, tolls, fees for service).
Subordinate Lien Revenue Bonds	Bonds issued to fund capital projects and facilities related to the revenue stream, i.e., Toll Road revenue. Subordinate Lien bonds are issued when there are existing Senior Lien bonds outstanding due to certain bond restrictions.
Surplus	The amount that revenues or appropriation exceed actual spending.

Term	Description
Tax & Subordinate Lien Revenue (HOT) Bonds	Hotel Occupancy Tax bonds can be issued to fund projects that promote tourism and the convention/hotel industry. The County pledges it's \$0.80 tax pledge to back the bonds, but ultimately, they are paid back with revenue collected from HOT taxes.
Tax Increment Reinvestment Zones (TIRZ)	An economic development tool used by cities and the county to attract developers to invest in projects on vacant land or run-down properties.
Transfer	Movement of budget/items between different departments within the same fund or between funds.
Truth in Taxation (TNT)	Truth-in-taxation is a concept embodied in the Texas Constitution that requires local taxing units to make taxpayers aware of tax rate proposals and to afford taxpayers the opportunity to limit tax increases.

Appendix C – Department Fund Relationship

DEPARTMENTS	GOVERNMENTAL FUNDS							PROPRIETARY FUNDS			
	GENERAL FUND (1000)	MOBILITY FUND (1070)	GF SUB-FUNDS ()	GRANT FUNDS	CAPITAL PROJECT FUNDS	DEBT SERVICE FUNDS	SPECIAL REVENUE FUNDS	TOLL ROAD (5302)	TOLL ROAD (NM)	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
14TH COURT OF APPEALS	X						X				
1ST COURT OF APPEALS	X						X				
APPRAISAL DISTRICT	X										
AUDITOR'S OFFICE	X			X							
BAIL BOND BOARD							X				
CHILDREN'S ASSESSMENT CENTER	X			X			X				
COMMISSIONER PRECINCT 1	X	X	X	X	X		X				
COMMISSIONER PRECINCT 2	X	X	X	X	X		X				
COMMISSIONER PRECINCT 3	X	X		X	X		X				
COMMISSIONER PRECINCT 4	X	X	X	X	X		X				
COMMISSIONERS COURT ANALYST	X										
HOUSING & COMMUNITY DEVELOPMENT	X		X	X			X				
COMMUNITY SUPERVISION AND CORRECTIONS	X			X			X				
CONSTABLE PRECINCT 1	X		X	X			X				
CONSTABLE PRECINCT 2	X			X			X				
CONSTABLE PRECINCT 3	X			X			X				
CONSTABLE PRECINCT 4	X			X			X				
CONSTABLE PRECINCT 5	X			X	X		X				
CONSTABLE PRECINCT 6	X			X			X				
CONSTABLE PRECINCT 7	X			X			X				
CONSTABLE PRECINCT 8	X			X			X				
COUNTY ATTORNEY'S OFFICE	X	X		X	X		X				X
COUNTY CLERK ELECTION COSTS	X		X	X			X				
COUNTY CLERK'S OFFICE	X						X				
COUNTY COURT APPOINTED ATTORNEYS	X										
COUNTY COURT MANAGEMENT	X			X			X				
COUNTY ENGINEER SHARED SERVICES	X	X	X	X	X					X	
COUNTY ENGINEER'S OFFICE	X	X	X	X	X		X				X
COUNTY JUDGE'S OFFICE	X			X			X				
DEBT SERVICES					X	X	X		X		
DISTRICT ATTORNEY'S OFFICE	X			X			X				
DISTRICT CLERK'S OFFICE	X			X	X		X				
DISTRICT COURT OPERATIONS	X										
DISTRICT COURTS	X			X	X		X				
DOMESTIC RELATIONS	X			X			X				
ECONOMIC EQUITY AND OPPORTUNITY	X		X	X							
ELECTIONS ADMINISTRATION	X		X	X	X		X				
FIRE MARSHAL	X			X	X		X				
FLOOD CONTROL DISTRICT				X							X
GENERAL ADMINISTRATION	X	X	X	X	X		X				
HUMAN RESOURCE RISK MANAGEMENT	X										X
INSTITUTE OF FORENSIC SCIENCES	X			X	X		X				
INTERGOVT AND GLOBAL AFFAIRS	X										
JUSTICE OF THE PEACE 1-1	X										
JUSTICE OF THE PEACE 1-2	X										
JUSTICE OF THE PEACE 2-1	X										
JUSTICE OF THE PEACE 2-2	X										
JUSTICE OF THE PEACE 3-1	X										
JUSTICE OF THE PEACE 3-2	X										
JUSTICE OF THE PEACE 4-1	X										
JUSTICE OF THE PEACE 4-2	X										
JUSTICE OF THE PEACE 5-1	X										

* The General Fund Group sub funds include the following funds: IIS Fund (1015), Public Improvement Contingency Fund (1020), Covid Response and Recovery (1030), Facility Fund (1035), Flex Fund (1040), Energy Efficiency Fund (1045) and the Infrastructure Fund (1080)

DEPARTMENTS	FUND							PROPRIETARY			
	GENERAL FUND (1000)	MOBILITY FUND (1070)	GF SUB-FUNDS (')	GRANT FUNDS	CAPITAL PROJECT FUNDS	DEBT SERVICE FUNDS	SPECIAL REVENUE FUNDS	TOLL ROAD (5302)	TOLL ROAD (NM)	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
JUSTICE OF THE PEACE 5-2	X						X				
JUSTICE OF THE PEACE 6-1	X										
JUSTICE OF THE PEACE 6-2	X										
JUSTICE OF THE PEACE 7-1	X										
JUSTICE OF THE PEACE 7-2	X										
JUSTICE OF THE PEACE 8-1	X										
JUSTICE OF THE PEACE 8-2	X										
JUVENILE PROBATION OFFICE	X			X			X				
MANAGED ASSIGNED COUNSEL	X			X							
MHMRA	X										
OFFICE OF COUNTY ADMINISTRATION	X		X	X	X						
OFFICE OF JUSTICE AND SAFETY	X			X			X				
OFFICE OF MANAGEMENT & BUDGET	X			X	X		X				
POLLUTION CONTROL OFFICE	X			X	X		X				
PRE-TRIAL SERVICES	X			X							
PROBATE ADMINISTRATOR							X				
PROBATE COURT 1	X						X				
PROBATE COURT 2	X						X				
PROBATE COURT 3	X						X				
PROBATE COURT 4	X				X		X				
PROBATE COURT 5	X										
PROTECTIVE SERVICES FOR CHILDREN AND ADULTS	X			X	X		X				
PUBLIC DEFENDER'S OFFICE	X			X							
PUBLIC HEALTH	X		X	X	X		X				
PUBLIC LIBRARY	X		X	X	X		X				
PURCHASING OFFICE	X			X							
SHERIFF'S CIVIL SERVICE	X										
SHERIFF CRIMINAL JUSTICE ADMIN	X		X	X	X					X	
SHERIFF EXECUTIVE ADMINISTRATION	X		X	X			X				X
SHERIFF HEALTH SERVICES ADMIN	X		X	X	X						
SPORTS AND CONVENTION CORP				X	X		X				
TAX ASSESSOR	X			X							
TEXAS A&M AGRILIFE EXT SERV	X			X			X				
TOLL ROAD AUTHORITY				X	X	X		X	X		
TREASURER'S OFFICE	X										
UNIVERSAL SERVICES	X		X	X	X		X				X
US REPAIR AND REPLACEMENT	X		X	X	X		X			X	
US UTILITIES AND LEASES	X										
VETERANS SERVICES	X			X			X				

