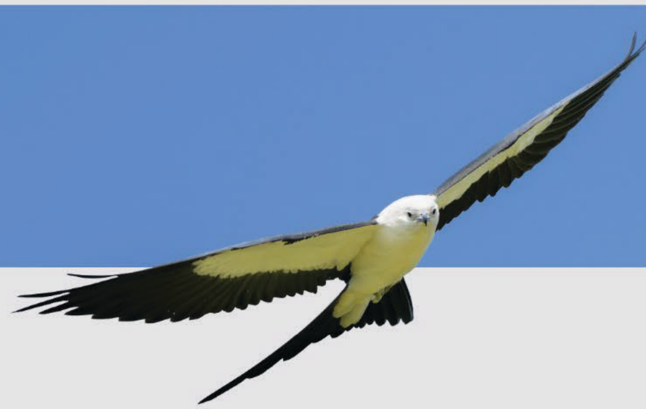


Fiscal Year 2027

PROPOSED BUDGET

HARRIS COUNTY

HARRIS COUNTY OFFICE OF MANAGEMENT AND BUDGET

COUNTY OF HARRIS

PROPOSED ANNUAL BUDGET

FISCAL YEAR 2027

OCTOBER 1, 2026 – SEPTEMBER 30, 2027

COMMISSIONERS COURT

Lina Hidalgo

County Judge

Rodney Ellis

Commissioner,
Precinct 1

Tom S. Ramsey, P.E.

Commissioner,
Precinct 3

Adrian Garcia

Commissioner,
Precinct 2

Lesley Briones

Commissioner,
Precinct 4

PREPARED BY THE OFFICES OF COUNTY ADMINISTRATION AND MANAGEMENT AND BUDGET

Erica Lee Carter, County Administrator
Daniel Ramos, Budget Director

Current and former employees who contributed to the development of the FY27 Budget are listed below.

Adam Prosk	Hannah Shulman	Paul Fagin
Adil Baig	Janet Gonzalez	Rebecca Garcia
Alex Triantaphyllis	Jeff Jackson	Rhea Woodcock
Angela McClue	Jenniffer Rubio	Romeo Solis
Bhumit Shah	Jordan Frijas	Ronny Velez
Brianna Jenkins	Jorge Godinez	Shain Carrizal
Bridgett Sweeny	Kevin Seat	Tammy Narvaez
Deandre Prince	Leslie Wilks	Tom Hargis
Eric Scott	Lindsey Anderson	Tonya Mills
Emily Myers	Lucinda Silva	Traci Donatto
Estella Gonzalez	Marlen Guerrero	Wanwei Tang
Fahad Gulzar	Mike Mattingly	William Landon
Gloria Martinez	Paige Abernathy	William McGuinness

Commissioners Court

Lina Hidalgo
County Judge

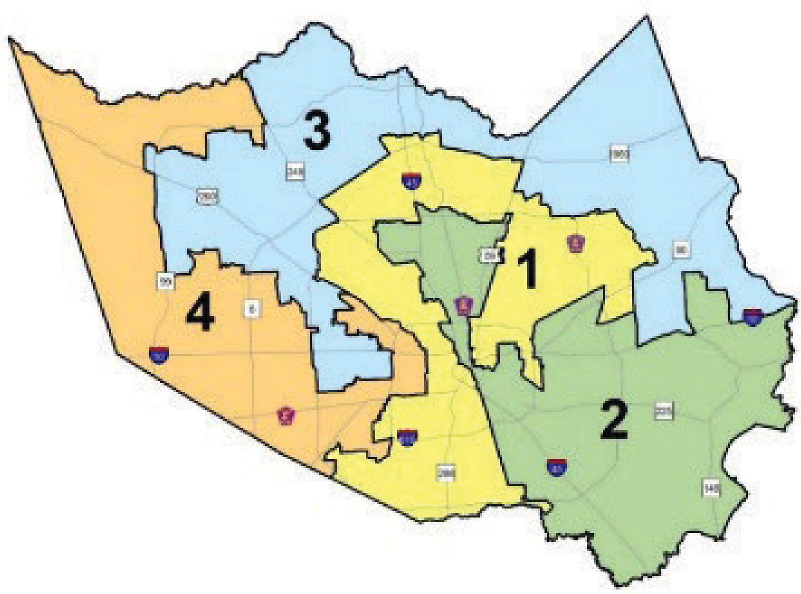
Rodney Ellis
Precinct 1

Adrian Garcia
Precinct 2

Tom S. Ramsey, P.E.
Precinct 3

Lesley Briones
Precinct 4

Harris County Precincts



Message from the County Administrator

Honorable Judge and Commissioners:

I respectfully present—in collaboration with Daniel Ramos, the Executive Director of the Office of Management & Budget—the Proposed Budget for Harris County for Fiscal Year 2027 (FY27). As Harris County's County Budget Officer, it is my responsibility under Texas Local Government Code Chapter 111 to prepare the County budget. This proposal that we offer for your review reflects Commissioners Court's priorities and provides the resources County departments need to serve residents effectively.

This year's budget also reflects the continued work of the Office of County Administration (OCA), Commissioners Court offices through the Strategic Planning Committee, and other County entities to align the County's spending with its strategic priorities. OCA has advanced this alignment by categorizing County services according to the Strategic Plan in Action, connecting services delivered across County departments directly to Strategic Goals, Objectives, and Initiatives (where applicable), as well as Operational Imperatives that are part of the Court-approved FY27 Priorities. We continue making progress toward providing Commissioners Court and the public with a clearer picture of dollars spent and the results those dollars are meant to produce.

Relatedly, this is only the second year the budget has been broken down by Strategic Objective. This breakdown, found on page 54 of this budget book, allows Commissioners Court and the public to see how much the County invests in each Strategic Objective across services, rather than viewing spending only by department and general goal area.

This budget has been developed in the face of significant financial constraints relating to challenging economic conditions, increasing cost pressures, State-imposed unfunded mandates, reduced federal funding, and a growing population to serve. Thank you to the members of Commissioners Court for their continued partnership and leadership throughout this process. I appreciate the staff of the Office of Management and Budget, the Office of County Administration, and every County department that worked to prepare this budget. I commend them for their diligent service to Harris County residents every day as we work toward ONE Harris County.

Together, we remain committed to advancing the vision of ONE Harris County and ensuring that County resources are aligned with the priorities and needs of the residents we serve.

Sincerely,

Erica Lee Carter

Erica Lee Carter
County Administrator and County Budget Officer
Harris County Office of County Administration

Message from the Budget Director

Honorable Judge and Commissioners:

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

The budget is the product of a nearly year-long collaboration between OMB, Harris County Departments, and Commissioners Court. This year's budget presented a unique set of challenges: the second year of law enforcement pay parity, the County's pay equity study's first full year of implementation, as well as historic increases in the County's healthcare spending, in addition to compounding unfunded legislative mandates, and a difficult economic environment.

This budget reflects the County's commitment to being a leader in the region and state on pay and safety for employees. It also includes no recommended layoffs or reduction in force, despite the second straight year of nine-figure deficits. The proposed budget also maintains all priority services at the current level of service. While not popular, this budget attempts to right size the County's spending on benefits and other fixed costs to bring financial stability to future County budgets. This budget continues to make smart and sustainable investments in criminal justice to reduce future costs and reflects a significant planned reduction in the number of outsourced inmates, and a continued increase in the number of indigent defense cases represented by the County's Public Defender.

This budget continues to reflect Harris County's commitment to strategic investment, sound financial management, and delivering high-impact services to our residents, despite economic and legislative challenges

Daniel Ramos
Executive Director
Harris County Office of Management and Budget

Distinguished Budget Presentation Award Winner

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to Harris County for its annual budget presentation for the fiscal year beginning October 1, 2025. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan and a communication device. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Harris County
Texas

For the Fiscal Year Beginning

October 01, 2025

Christopher P. Morrill

Executive Director

Table of Contents

Overview of Harris County

County Government

Harris County is a political subdivision of the State of Texas, governed by Commissioners Court. The Court consists of the County Judge, who is elected countywide, and four County Commissioners, each elected from separate precincts for four-year terms. The County Judge serves as the presiding officer of Commissioners Court. Harris County government includes 87 operating departments, each led by either an elected official or an appointed department head.

In August 2021, Commissioners Court established the Office of County Administration to provide day-to-day oversight of County operations and strengthen coordination among County departments and elected officials. As part of this organizational structure, certain agencies led by appointed department heads that previously reported directly to Commissioners Court now report through the County Administrator. The County Administrator is responsible for advancing the goals and policies established by Commissioners Court.

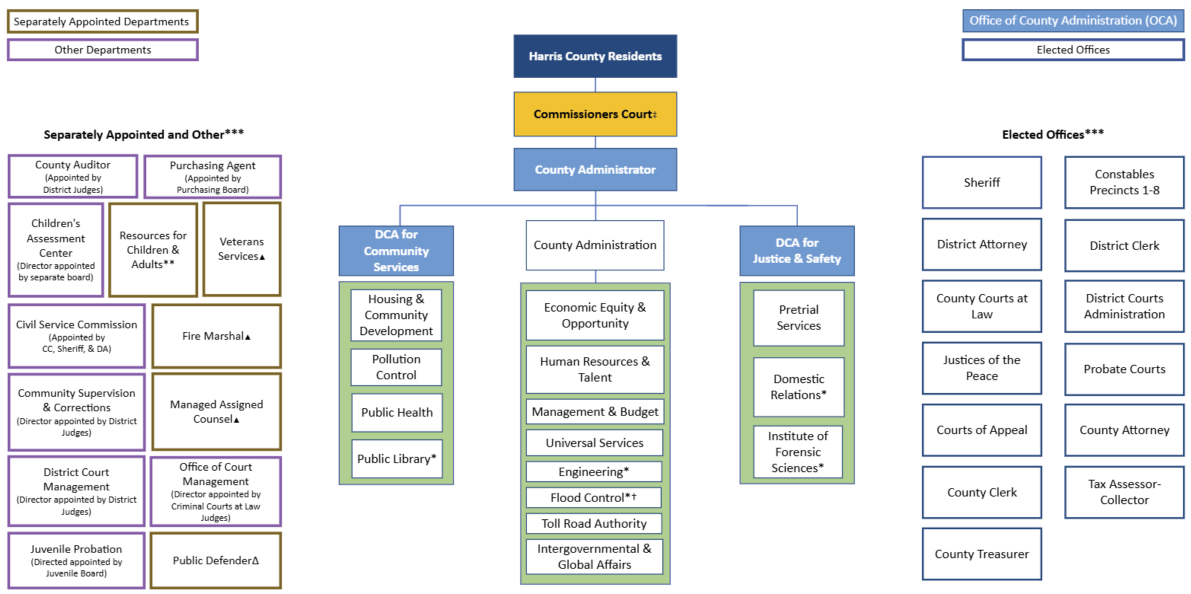
Pursuant to state law, an annual proposed budget must be prepared, which must then be reviewed and adopted by Commissioners Court. The approved budget allocates funding to County departments, affiliated agencies, and designated reserve accounts, serving as a key policy document that establishes priorities and guides operations for the upcoming fiscal year.

Commissioners Court is responsible for approving the budgets for the following funds and departments, which are included in this Volume I Budget Book:

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

Additionally, while operations are overseen by an appointed board, Commissioners Court approves the budget for the Hospital District, doing business as Harris Health System (HHS).

Countywide Organizational Chart



▲ Hiring and firing of department head by Commissioners Court.
* Hiring and firing of department head by the County Administrator require ratification by Commissioners Court.
** Hiring and firing of department head done by a board or group of elected officials other than Commissioners Court.
*** Elected Offices and Separately Appointed and Other Departments may or may not have their funding approved through Commissioners Court and may or may not receive budget, agenda, and operations coordination support from OCA.
Δ Hiring and firing of department head by Commissioners Court must take into account recommendations of a separate board.
† County Administrator serves as Flood Control Manager with the rights and responsibilities set forth in statute to provide oversight of the Flood Control District. Separate Executive Director retains day-to-day operational duties and powers.
‡ County Judge oversees the Office of Homeland Security and Emergency Management.
Not listed: Harris County Historical Commission, Texas A&M Agrilife▲, Law Library (Director appointed by County Attorney).

County Profile

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

Harris County is the largest county in Texas and the third most populous county in the United States. Home to approximately 5 million residents, it includes the City of Houston (the county seat), with a population of more than 2.4 million. Covering 1,777 square miles along the Texas Gulf Coast, Harris County encompasses the Port of Houston and has a population nearly evenly divided between incorporated and unincorporated areas, including 33 small, incorporated cities.

The county is unique nationwide in having an unincorporated area with a population exceeding 2 million residents. If unincorporated Harris County were incorporated as a city, it would rank as the second-largest city in Texas and the fifth largest in the United States. In addition to Houston, Harris County includes all or portions of 33 municipalities and 12 major unincorporated communities, designated by the U.S. Census Bureau as Census Designated Places.

With a real gross domestic product (GDP) of approximately $459 billion, Harris County generates nearly 19.9% of Texas' economic output while accounting for 15.9% of the state's population. The county's workforce totals approximately 2.4 million employees across more than 111,000 employers.

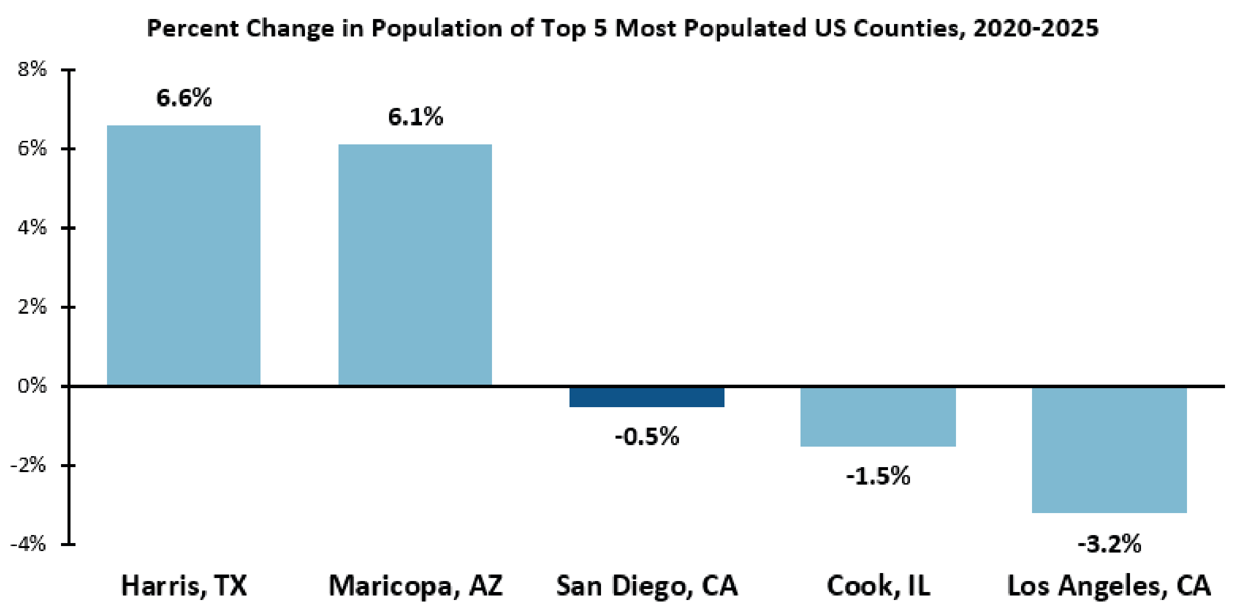
Harris County's economy has long been anchored by the energy sector and related industries, while also experiencing significant growth in healthcare and social assistance, energy transition and clean energy, advanced manufacturing, and life sciences and biotechnology. The Port of Houston, the largest port on the U.S. Gulf Coast and the fifth busiest port in the nation, continues to expand its operations and ranks first in the United States for foreign waterborne tonnage.

The county is also home to the headquarters of 27 Fortune 500 companies, underscoring its position as a major center for business and industry. While the energy sector remains a defining economic strength, Harris County's increasingly diverse industry base continues to drive long-term economic growth and resilience.

Population Growth

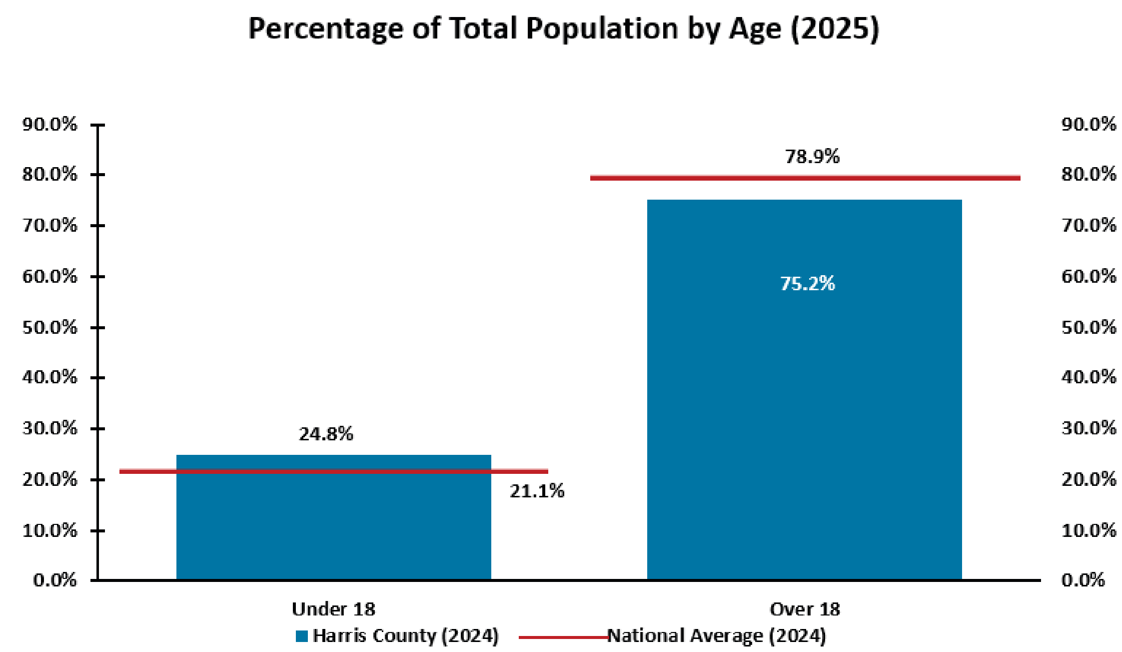
According to the U.S. Census Bureau, Harris County's population increased by 6.6% between 2020 and 2025. The county continues to grow at a rate comparable to or exceeding that of other large U.S. counties.

Harris County is also unique among U.S. counties because its unincorporated area is home to more residents than its incorporated cities. Between 2020 and 2025, the population of the unincorporated areas grew by 8.9%, further increasing the demand for County provided infrastructure, public facilities, and essential services. As the primary provider of municipal services in these areas, Harris County continues to experience increased demand driven by this sustained population growth.



Age

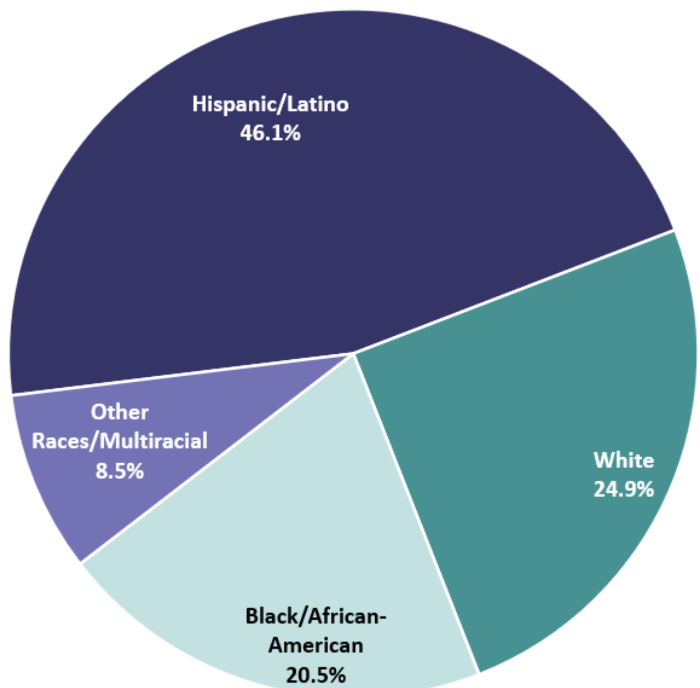
Like much of the nation, Harris County's population is aging. Between 2020 and 2025, the share of residents under the age of 18 remained relatively stable and continued to exceed the national average of 21.1%. Similarly, the proportion of residents age 18 and older remained largely unchanged but continued to fall below the national average of 78.9%. These demographic trends reflect a gradually aging population while maintaining a younger overall age profile than the nation as a whole.



Diversity

Harris County is one of the most diverse communities in the United States. More than one quarter of its residents are foreign born, and nearly half speak a language other than English at home. Reflecting its rich cultural diversity, approximately 145 languages are spoken throughout the county.

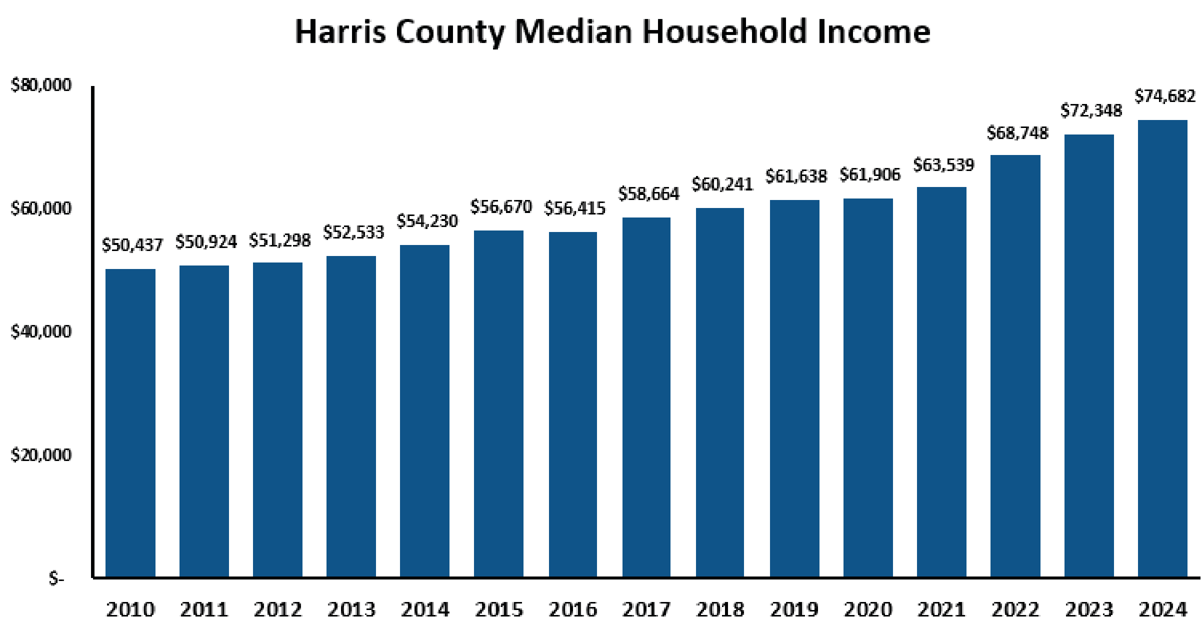
Harris County Population Demographics (2025)



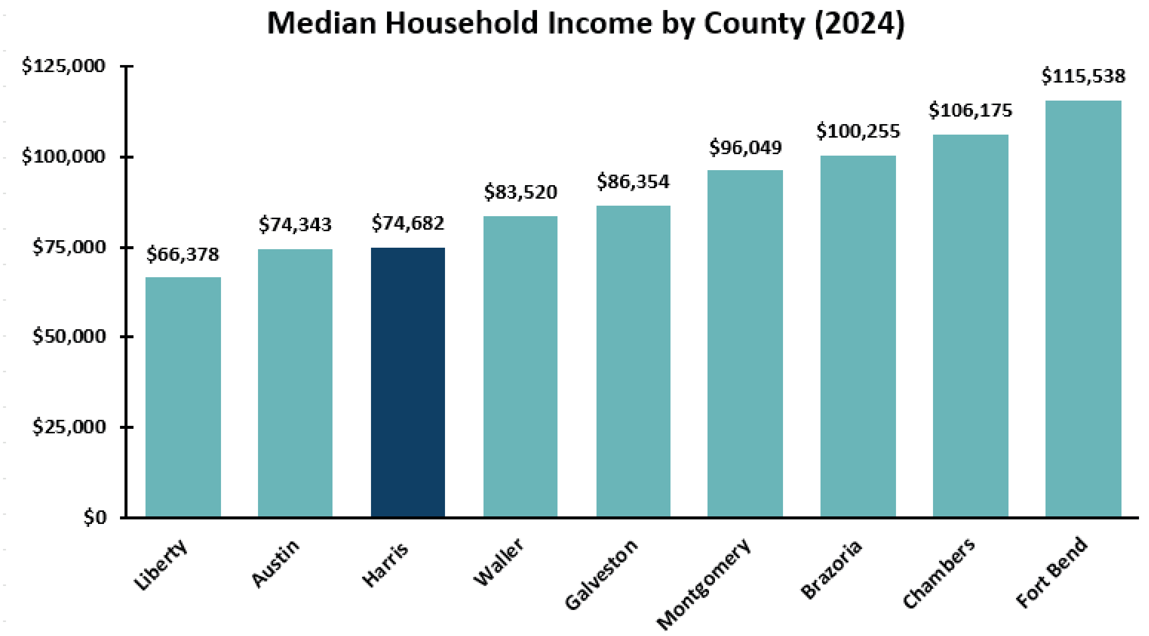
Harris County's population has become increasingly diverse in recent years. Between 2020 and 2025, the Hispanic or Latino population increased from 43.0% to 46.1% of the county's total population. During the same period, the Black or African American population grew from 18.7% to 20.5%, while the share of residents identifying as another race or ethnicity increased from 7.7% to 8.5%. In contrast, the non-Hispanic White population declined slightly, from 26.0% to 24.9%, reflecting the county's continuing demographic diversification.

Median Household Income

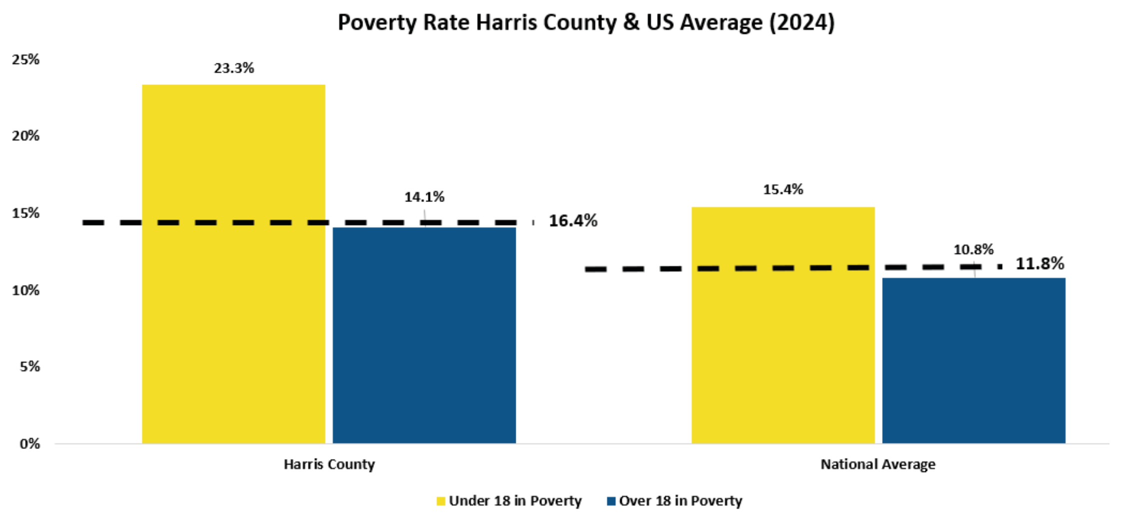
Harris County's median household income has experienced consistent growth over the past 14 years, rising from $50,437 to $74,682 in 2025.



Although Harris County's median household income has increased steadily over the past 14 years, it remains slightly below the Texas median ($74,682 compared with $79,723). Additionally, Harris County trails nearly all neighboring counties in the Greater Houston metropolitan area in median household income. Among the region's counties, only Liberty County and Austin County report a lower median household income.



Poverty Rate



Harris County's poverty rate exceeds the national average across all age groups, with 16.4% of residents living in poverty compared to 11.8% nationally. The largest disparity is among residents under the age of 18, whose poverty rate is more than 7.9 percentage points higher than the national average.

Although Harris County's poverty rate increased from 15.9% in 2020 to 16.4% in 2024, the rate of increase has been slower than in neighboring counties. While poverty rates are generally higher in urban areas compared to suburban and rural communities, several factors may contribute to the County's slower rate of decline. Differences in population demographics, including the County's racial and ethnic composition, play a significant role in shaping these trends.

While poverty rates have increased across all racial and Hispanic origin groups, disparities in poverty and median household income persist. Black and Hispanic residents remain disproportionately represented among individuals experiencing poverty compared to their share of the overall population. Approximately 66.6% of Harris County's population identifies as Hispanic/Latino or Black, a higher proportion than in surrounding counties. The continued concentration of poverty remains a longstanding concern, as communities with persistent economic hardship often experience overlapping challenges that can limit access to opportunity and hinder 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 2027, the Office of Management and Budget (OMB) worked with County departments to catalog and forecast County cost drivers to update the FY27 Budget and develop a Current Level of Service and Spending (CLS/S) forecast. The CLS/S 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. The balance of cash and investments in the General Fund Group, as of the writing of this report, totals $1.88B. This amount represents 201 days of cash on hand (DCOH) based on spending through 7/28. Harris County is also fortunate to have a stable property tax base 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 4.8% through the 2026 tax year, outpacing the compound annual growth rate of the urban consumer price index rate of 3.2%. As FY26 closes, 42% of county departments utilized grant funding to support or enhance public services. The cumulative impact of grant funds for Harris County is $455M through 7/28/26.

Harris County continues to replenish the Contingency Fund and the General Fund via reimbursements from FEMA for past disasters, primarily COVID, Derecho, and Hurricane Beryl. Once reimbursements currently under review by FEMA and the Texas Department of Emergency Management are received, available resources in the Contingency Fund are expected to approximately $336M. Cash and investments in the Contingency Fund are $198M as of June 2026, providing adequate funds for the County to recover from a major disaster.

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 more moderate growth for Tax Years 2024 through 2026 but continues to see new construction averaging almost 2% of the tax roll annually.

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.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026'
Taxable Value ($B)	421B	438B	450B	483B	505B	521B	586B	658B	666B	690B	695B
% Change	7.3%	3.9%	2.7%	7.4%	4.6%	3.1%	12.4%	12.2%	1.2%	3.6%	0.8%
New Construction ($B)	12.0B	12.0B	10.5B	9.9B	12.3B	11.2B	12.4B	13.8B	15.7B	12.8B	13.0B

' Certified estimate used for comparison. Certified values will not be available until the end of August 2026.

There are tools in place to moderate the impact of large, appraised value increases on residential property owners when they 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 $336,000 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. The state's calculation includes several adjustments that affect the maximum tax rate including the increases in the county's cost to hold sentenced inmates while they're awaiting transfer to the state penitentiary, indigent defense spending, and the amount earmarked for tax year 2026 payments to Tax Increment Reinvestment Zones (TIRZ). For tax year 2026 (FY27 budget), these three adjustments are expected to increase the maximum revenue the county can generate from M&O taxes by approximately $60M compared to FY26, although about $42M of that amount will be transferred to the reinvestment zones and is not available for general county use.

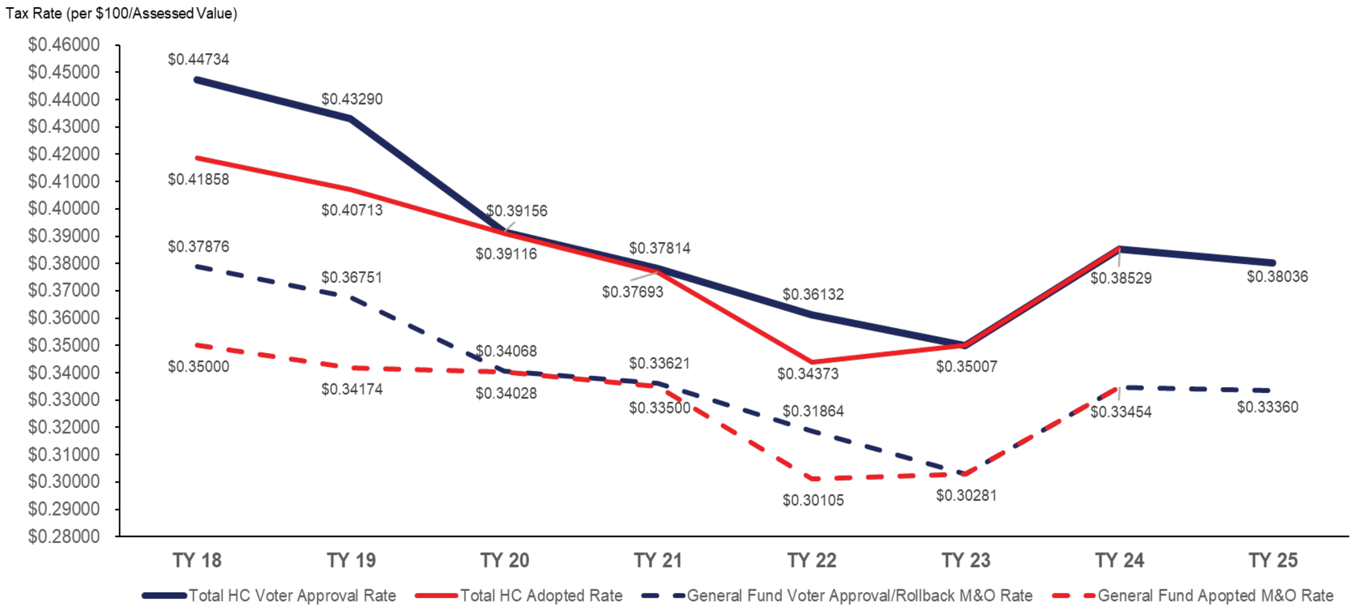
When rates are adopted at less than the 3.5% cap, the County can accrue the difference between the maximum (Voter Approval Rate) and the adopted rate and apply that "unused increment" in any of the following three years. The County will not have any unused increment available to adjust the 2026 tax rate.

After more than a decade of holding the overall tax rate steady, the County lowered its combined tax rate every year between 2019 and 2023, in part to offset large increases in property values and to comply with the state revenue caps. The combined VAR tax rate for 2026 is higher than last year due to several factors including negative taxable value growth for existing properties (a 1% drop), the allowed increase resulting from the 3.5% VAR multiplier, other County tax rate adjustments described previously, an allowed adjustment for the Hospital District's uncompensated indigent healthcare spending, and increases in tax supported debt for a variety of county projects, flood mitigation, and a new hospital.

Historical Court-adopted tax rates and 2026 VAR rates (2026 rates have not been adopted) per $100 of taxable value are shown in the following table.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 VAR
County	0.41801	0.41858	0.40713	0.39116	0.37693	0.34373	0.35007	0.38529	0.38036	0.41934
Flood Control	0.02831	0.02877	0.02792	0.03142	0.03349	0.03055	0.03105	0.04897	0.04966	0.05266
Port of Houston	0.01256	0.01155	0.01074	0.00991	0.00872	0.00799	0.00574	0.00615	0.00590	0.00603
Hospital District	0.17110	0.17108	0.16591	0.16671	0.16221	0.14831	0.14343	0.16348	0.18761	0.23917
Combined Total	**0.62998**	**0.62998**	**0.61170**	**0.59920**	**0.58135**	**0.53058**	**0.53029**	**0.60389**	**0.62353**	**0.71720**

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



Current Level of Service and Spending

Starting in March of 2026, OMB engaged County departments in the Current Level of Service and Spending (CLS/S) 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 a top credit rating. However, the results of the CLS/S 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, rising healthcare costs, significant increases in the cost of providing legal representation for indigent defendants, and continued state-mandated inmate outsourcing have caused fiscal challenges for the County.

Throughout FY27, Commissioners Court approved $6M of recurring transfers that were unplanned. These recurring transfers, coupled with increased costs for departments' operations, severely limit investment opportunities for FY27.

In May 2026, OMB presented the FY27 CLS/S forecast of $3,056M in planned county expenses. The forecast projected a $129M deficit for FY27 based on the VAR revenue forecast of $2,927M, the maximum tax rate Court can set without voter approval. Under an NNR forecast of $2,799M, the deficit would be $257M.

The figure below represents the FY27 CLS/S forecast, as of May 2026.

	Revenue	Expenditure	Surplus/(Deficit)
FY27 NNR	$2,799M	$3,056	$(257M)
FY27 VAR	$2,927M	$3,056	$(129M)

In July 2026, the updated healthcare costs estimates increased from the original CLS/S estimate by an additional $51M and jail outsourcing savings decreased by $1M which increased the deficit from $129M to $181M.

Key Budget Drivers

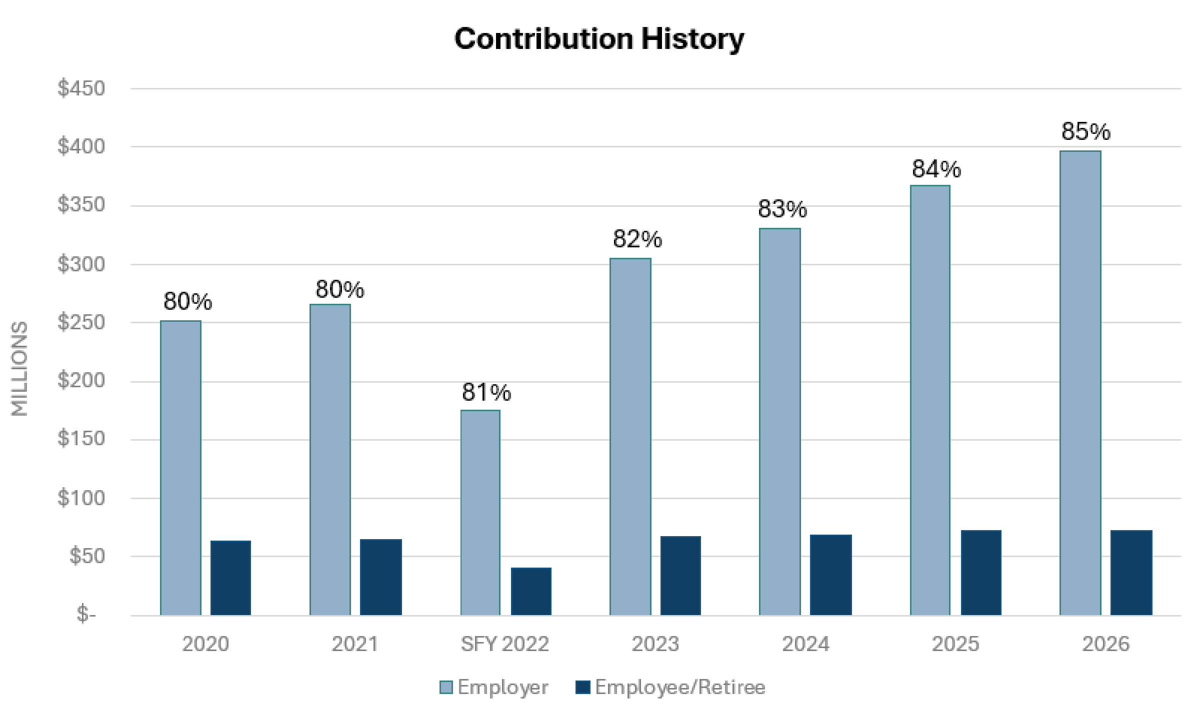
The FY27 Budget was prepared in a time of tremendous change and uncertainty. Factors driving the difficult choices required in the budget process included healthcare costs, jail, indigent defense, contract patrol, and diminishing federal aid.

Countywide Benefits

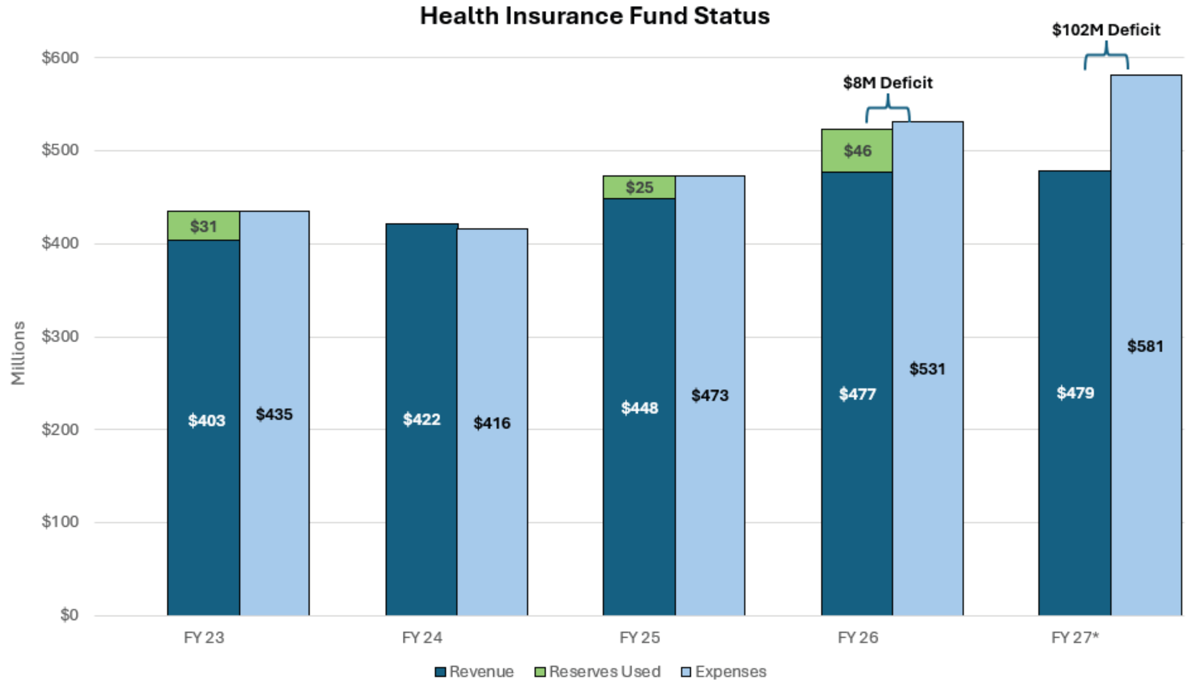
Healthcare Costs

As a self-insured medical plan, Harris County is responsible for the payment of all claims up to a pre-determined individual stop loss limit for nearly 46,000 employees, retirees, and their dependents. Like most U.S. employers, the County is facing exorbitant healthcare costs that far outpace general inflation, creating financial pressure on the County. In 2025, the County's plan experienced a trend of 16% increase for medical and 13% for pharmacy, driven by factors such as increased emergency room visits, hospitalizations, antidiabetic GLP-1 spend, and complex high-cost members. The integrated trend eased somewhat through the first quarter of 2026 to 8%, but this elevated trend is expected to continue through FY27.

Industry standard is an 80/20 cost share with employees. While many employers have responded to their soaring healthcare costs by shifting the burden to employees and retirees through increased deductibles, copayments, and premiums, the County has absorbed nearly all of these costs over the past decade.



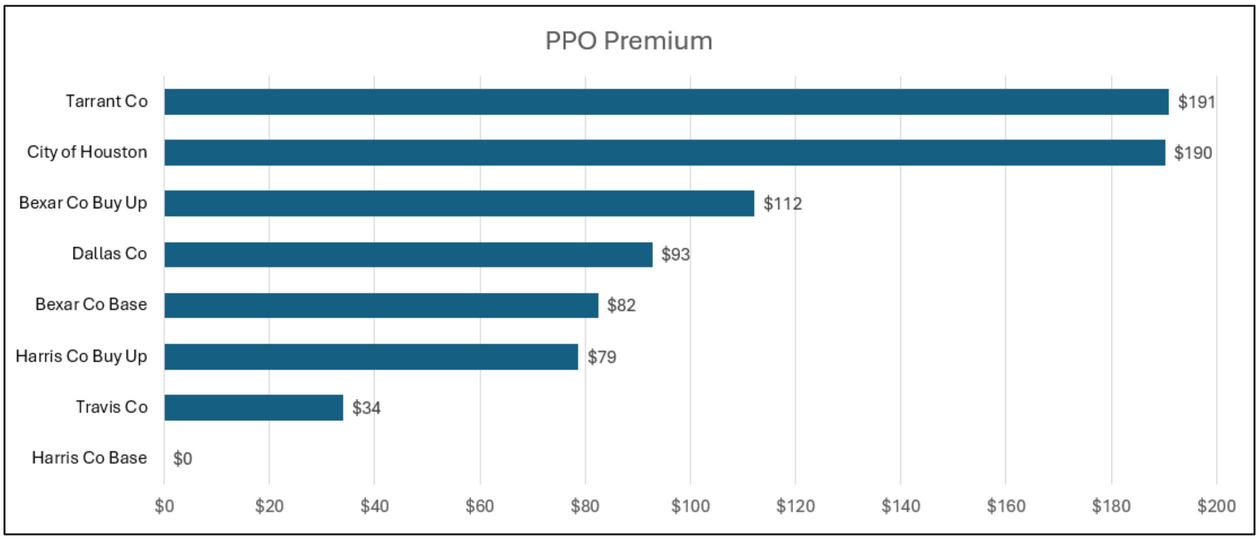
Medical claims and other benefit expenses are projected to exceed revenue and reserves in the Health Insurance Fund by $8M in FY26 and $102M in FY27. If there are no changes made to benefits or employee and retiree premiums in FY27, the County's healthcare contribution would need to increase by $110M.

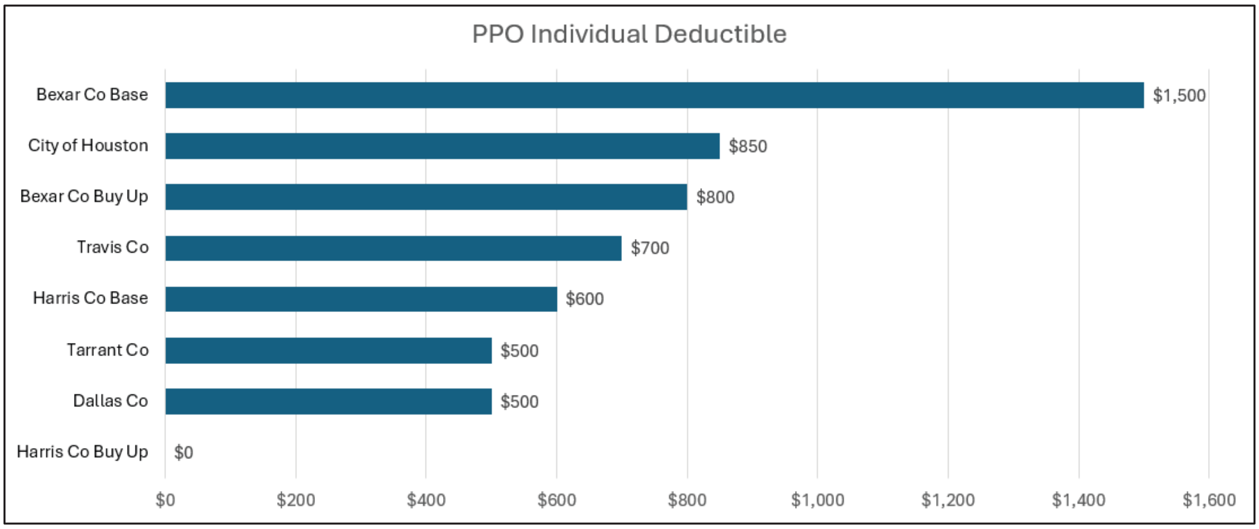


*Assumes no benefit or premium changes.

The FY27 budget recommends moderate benefit changes to assist with managing costs, including higher deductibles and employee premiums on the more lucrative medical plans, and implementing programs such as the exclusion of lower-utilized pharmacies outside of Texas, phototherapy for dermatological conditions, and drug manufacturer assistance for high-cost drugs administered in a provider facility. With the implementation of these benefit changes and a $6M transfer from the Workers Compensation Fund, the County's healthcare contribution will increase by $90M in FY27, and the cost per employee will change from $20,228 to $24,767, for a one-year increase of 22%.

Furthermore, Harris County provides generous medical benefits and spends more than its peers on healthcare because the County has made minimal benefit changes and absorbed nearly all the cost growth over the last 10 years. The illustration below shows a comparison of employees' out-of-pocket medical costs compared to those of other Texas public entities. As healthcare expenses continue to rise, the County will need to continue to explore strategies to manage costs while maintaining access to quality care.





Pension Costs

At December 31, 2025, Harris County actuarial plan assets were $8.9B and accrued liabilities were $9.9B, resulting in a funded ratio of 90.1%. The Texas County & District Retirement System (TCDRS) has a general reserve of $5.8B set aside to help offset future negative economic cycles. If these reserves were passed on to participating employers in proportion to their share of system assets, the County's pension plan would receive approximately $1B and be 100% funded.

The County's unfunded actuarial liability is appropriately amortized by TCDRS and is scheduled to be paid off in 2037. TCDRS allows employers to elect a higher rate than what is required, and the County has elected a rate of 15.1% of payroll since 2019. With the County contributing at the required rate of 14.32% in 2027, pension savings of $10.6M will be realized. This change in contribution has no impact on members' current or future pension benefits.

Jail Costs

The Harris County Sheriff's Office has been required by the State of Texas to outsource inmates to private jail facilities since SFY22.

Over the past several fiscal years, inmate intakes and the overall jail population have increased significantly. In response, the Sheriff's Office worked closely with other criminal justice stakeholders to identify opportunities to reduce the time to case disposition and, ultimately, the number of inmates in custody. Throughout FY25, these efforts proved effective, reducing the average length of stay from nearly 200 days to 136 days. As a result, the average daily jail population declined from nearly 9,900 inmates to fewer than 8,500. Despite these improvements, inmate outsourcing remains necessary to manage the jail population.

During late FY25 and early FY26, HCSO implemented measures to reduce the number of inmates housed in outsourced facilities. In FY26, the reduction of 100 outsourced beds generated approximately $3.9 million in savings. HCSO plans to continue these reduction efforts in FY27 by further decreasing the number of inmates housed outside the County by 550 beds.

To address these ongoing needs, HCSO has submitted a proposal for the Commissioners Court's consideration as part of the FY27 budget. The budget reflects an investment of $3M in staffing costs at the Harris County Jail to bring back outsourced inmates and reduce costs by $6M, for a total savings of $3M in FY27.

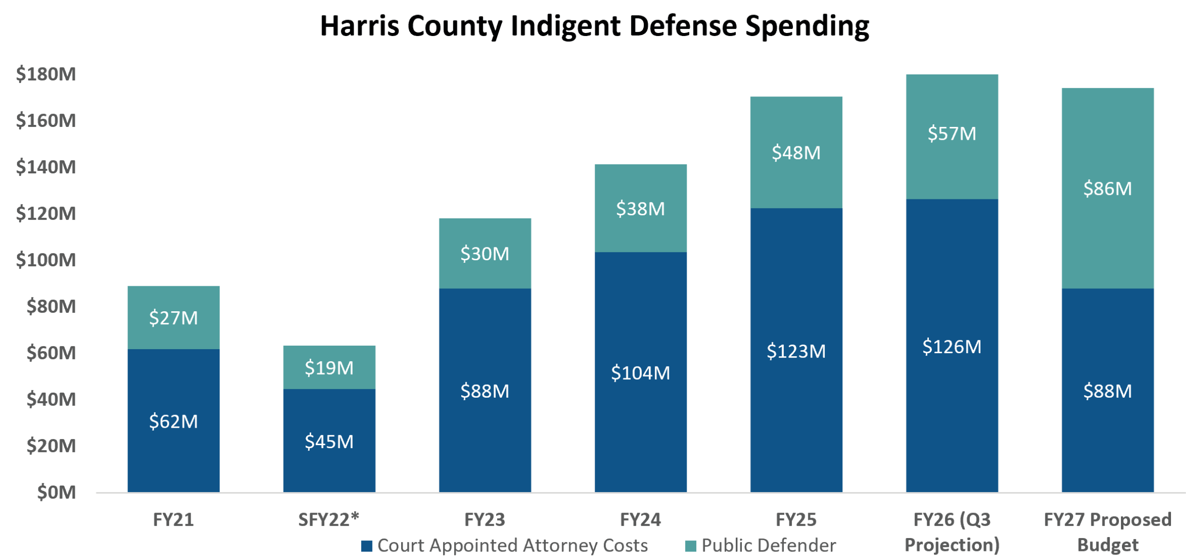
Additionally, the FY27 budget proposal reflects the second full fiscal year of a portion of jail medical expenses ($78M) being moved to the Harris Health System tax rate, which was implemented in FY26.

Indigent Defense

Over the last six fiscal years, Harris County has seen massive cost increases in indigent defense, or county-provided criminal defense services for people accused of crime who cannot afford legal representation. In FY24 and FY25, the County spent $142M and $171M, respectively, on indigent defense costs. In FY26, court-appointed attorney fees and costs of the Office of the Public Defender are projected to total $184M.

The costs are attributed to a combination of significant increases in the number of cases, a change in the fee structure approved by District and County judges in FY23, and the District Attorney's Office's increased prosecution and disposition of backlogged cases. Fees are paid in a lump sum to a court-appointed attorney once the case is complete, so the court-appointed attorney's costs each year include payment for work done in previous years.

The chart below illustrates actual indigent defense costs for defendants over the last five years. Short Fiscal Year 2022 (SFY22) represents 7 months as the county was transitioning to its new fiscal year beginning October 1st.



Beginning in FY24, Commissioners Court started a three-year expansion to help the Public Defender's Office (PDO) represent 50% of all cases. Since the initial investment, PDO has increased its case assignment from 14% up to 22% across felony and misdemeanor cases. The FY27 budget reflects an additional $15M investment in the PDO to continue their growth to 50%.

Contract Patrol

Through the Contract Patrol Program, the Harris County Commissioners Court approves contract patrol agreements under which the Sheriff and Constables provide authorized law enforcement services for eligible third parties, including homeowner's associations, independent school districts, and municipal utility districts.

Under the current program guidelines, contract patrol agreements that begin during a fiscal year are expected to cover 100% of the associated personnel costs, either through contract payments or available funds of the law enforcement agency providing the services. In subsequent fiscal years, participating entities may reduce their level of service commitment to 80%, 70%, or 65% of a deputy's time and corresponding cost. The chart below summarizes the County's expenditures and revenues associated with the Contract Patrol Program (in millions).

	FY21	FY22	FY23	FY24	FY25	FY26
Number of Contracted Officers	***1,015***	***1,040***	***1,142***	***1,201***	***1,208***	***1,233***
Cost Covered by Customers	$78.6M	$82.5M	$95.0M	$104.8M	$111.6M	114.3M
Cost Covered by County	$27.9M	$29.4M	$31.6M	$34.9M	$37.8M	39.1M
Total Cost	**$106.5M**	**$111.9M**	**$126.6M**	**$139.7M**	**$149.4M**	**$153.4M**

Note: FY27 Contract Patrol numbers will be added in the budget book by the end of September.

In 2025, for FY26, Commissioners Court approved historic salary increases for law enforcement personnel to create pay parity with the Houston Police Department, after years of lagging significantly behind.

To manage large price increases for existing customers, and reduce the chances of contracts being cancelled, Commissioners Court approved a five-year phase-in approach to increase rates, as well as lowering the minimum cost split with customers only paying 65%. Based on those projections, contract patrol rates increase by 8.8% annually, allowing contract patrol revenues to gradually align with personnel costs and achieve full cost recovery by the end of the five-year implementation period.

Assuming the current number of contract patrol agreements remains unchanged, the proposed 8.8% annual phase-in rate is expected to generate approximately $5 million in additional annual revenue to offset personnel costs.

Changes to state law effective in FY26 now allow the Sheriff and Constables to directly enter into contracts with landowners, HOAs, and governmental entities for patrol services at any rate mutually agreed to between the parties. These types of contracts follow a different approval and accounting process and will be reflected separately. As of the publication of this budget book, no contracts have been agreed to utilizing this new state authority.

Federal Aid and American Rescue Plan

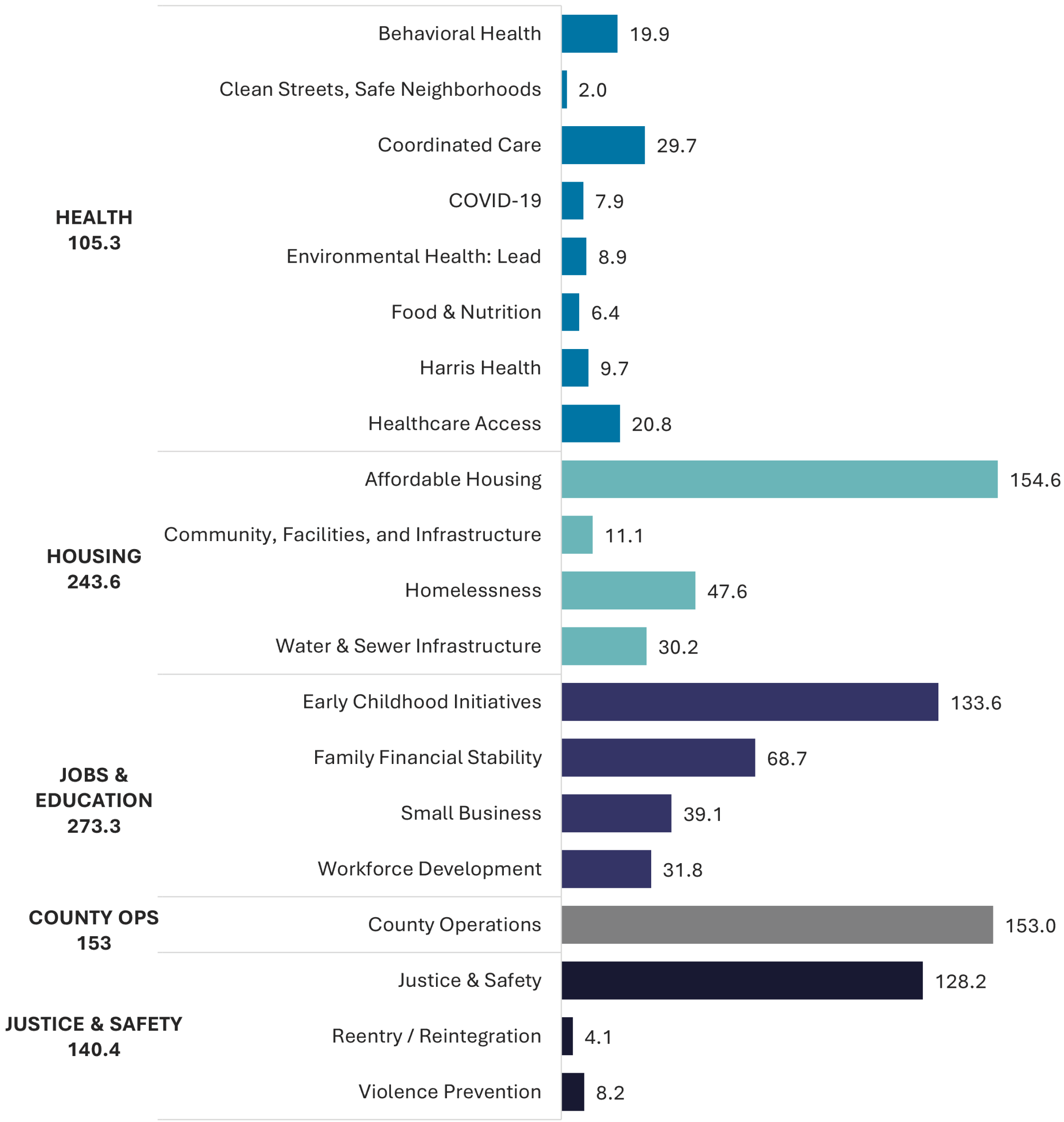
The County has made swift use of federal recovery dollars, fully allocating U.S. Treasury funding made available via the CARES Act and Consolidated Appropriations Act. The ARPA Coronavirus State and Local Fiscal Recovery Fund provided a direct grant of $915.5M to Harris County, which has been fully obligated.

ARPA funds were obligated by the end of 2024; the period of performance extends to 2026. Commissioners Court 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 the 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.

Below is a summary of ARPA funding committed through June 2026:

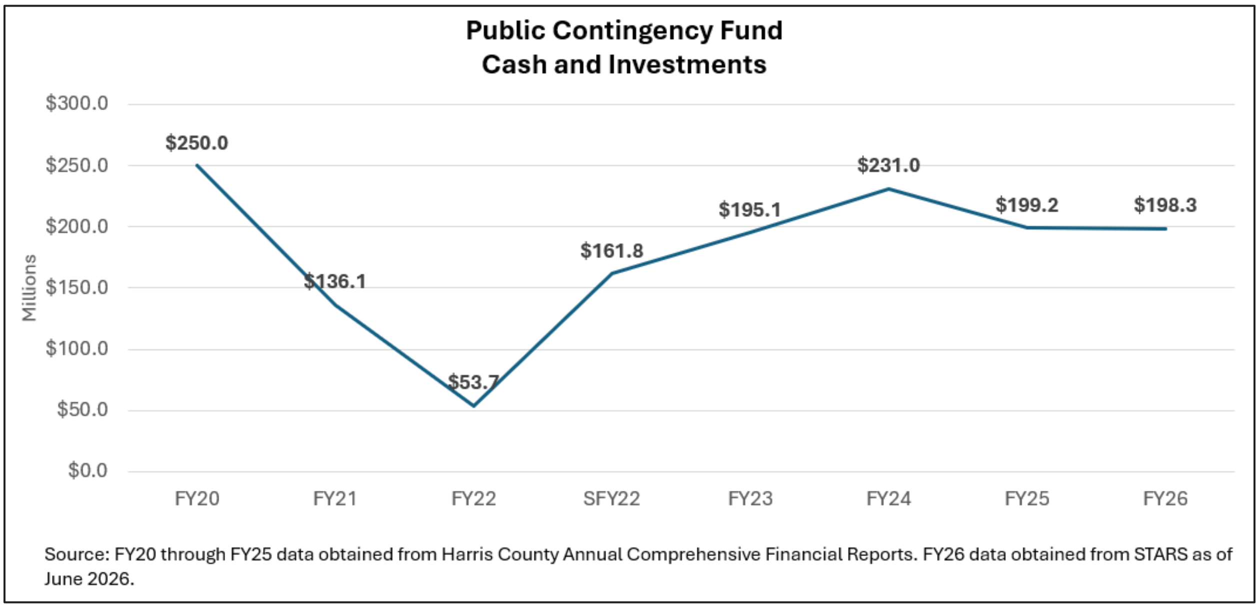
FUNDS COMMITTED BY HARRIS COUNTY COMMISSIONERS COURT THROUGH JUNE 2026 ($M)



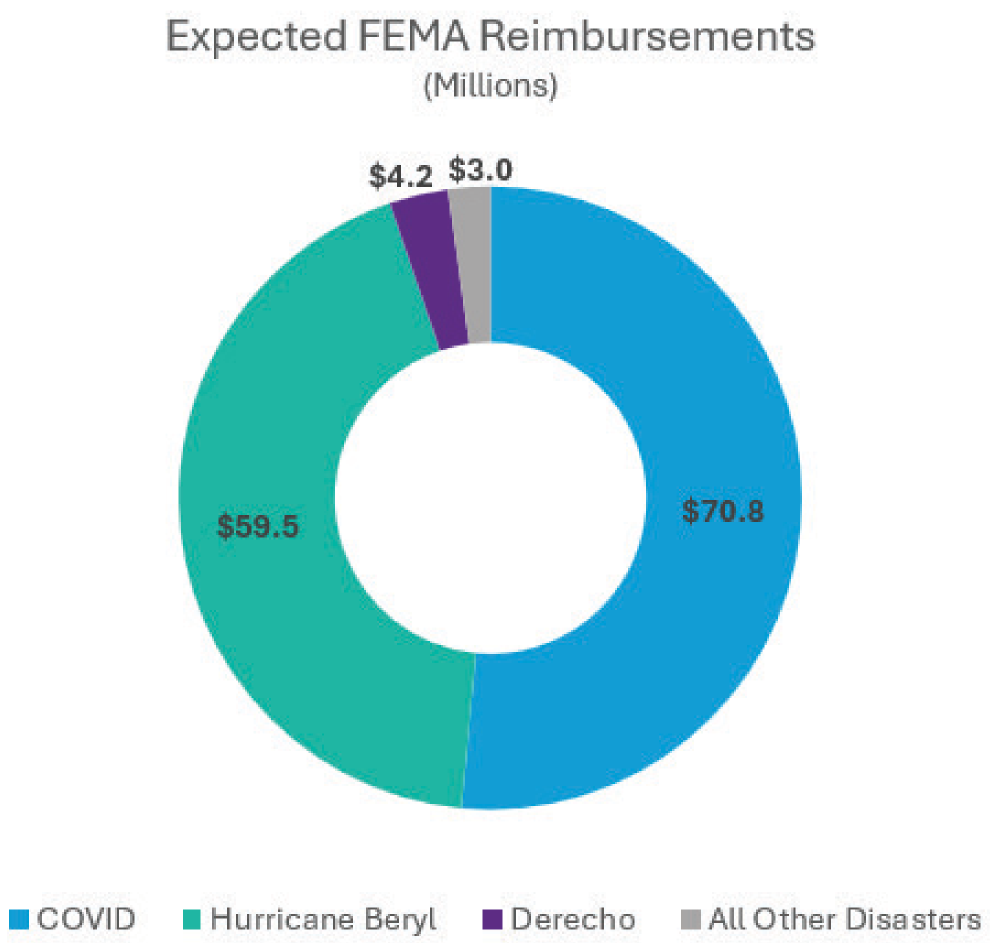
Commissioners Court recommended diverting $4.8M in planned ARPA interest and cost savings to help support the FY27 budget shortfall. The proposed budget includes an additional $8.8M in interest funds to support the FY27 general fund. As ARPA approaches closeout, Harris County is focused on fully expending ARPA funds by the December 31, 2026, expenditure deadline while completing all required closeout activities. An additional $75.2M in ARPA interest will continue to support ongoing eligible expenditures through December 31, 2027.

Public Contingency Fund

The Public Contingency Fund is used to respond to, mitigate, and recover from disasters and emergencies. As a result of the COVID pandemic, cash and investments in the fund decreased from $250M at the end of FY20 to $53.7M by the end of FY22. The County submitted projects for reimbursement through the FEMA Public Assistance Program, and the balance steadily increased until Derecho and Hurricane Beryl struck Harris County in 2024.



The County continues to work with FEMA and the Texas Division of Emergency Management (TDEM) to seek reimbursement for eligible expenses for six open disasters, but as demonstrated by prior events such as Hurricane Harvey, final resolution of outstanding projects and FEMA funding takes time due to project development, eligibility reviews, audits, and appeals. Once all remaining projects are obligated and paid, cash and investments in the Public Contingency Fund are expected to be approximately $336M, depending on the final determination of projects under review by FEMA and TDEM.


Expected FEMA Reimbursements
(Millions)
$4.2
$3.0
$59.5
$70.8
COVID
Hurricane Beryl
Derecho
All Other Disasters

Budget Plan

Proposed Revenues and Expenditures

The proposed FY27 appropriation plan for Harris County's General Fund is $3,096M, which includes $3,080M in projected total revenue, and a $16M drawdown of FY25 surplus* funds.

FY27 Flood Control revenue is estimated to be $266M if Commissioners Court adopts the full Voter Approval tax rate. The recommended HCTRA appropriation is $848M† and $180M of total transfers to the Mobility Fund. Commissioners Court also approves the budget and tax rate for the Harris County Hospital District (Harris Health).

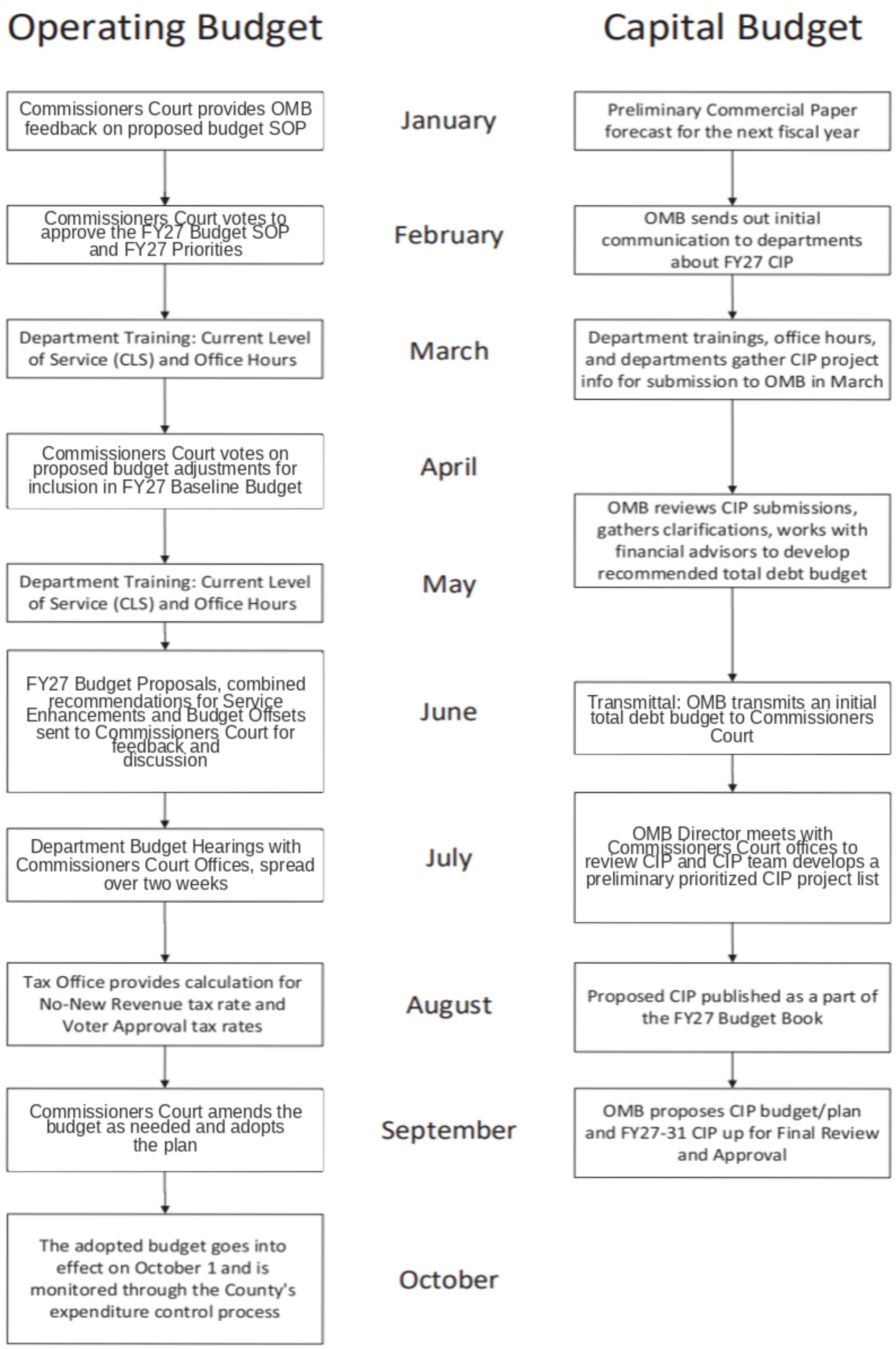
	General Fund	Flood Control	HCTRA	Harris Health‡
Revenue	$3,080M	$266M	$1,167M	$3,053M
Expenditures	$3,096M	$266M	$848M	$2,884M
Transfers In/Out	$16M In	-	$180M Out	-

* *OMB's estimated revenue will differ from the Auditor's estimate as described in the Revenue section. OMB is also planning for a $16M drawdown of FY25 surplus to balance the budget.*
† *HCTRA Revenue consists of Operating revenue + Investment Income; HCTRA Expenditures consists of Operating Expenses + Debt Service + PAYGO Capital Expenses.*
‡*The projections above are based on ta Harris Health M&O tax rate of $0.18932 which is still subject to approval by Harris Health's Board of Trustees.*

Budget Process and Policies

Budget Process Timeline

The budget process timeline below outlines the budget cycle for the fiscal year. The key dates below identify decision points for departments and Commissioners Court, for both the operating and capital budgets.



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) to meet with individual departments in 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 spending, performance, and resource needs for service efficiency.

Strategic Plan

Outcome budgeting, like all budget processes, is an exercise in prioritization. To guide this process, in October 2023 Commissioners Court launched the County's first-ever countywide strategic planning process to increase alignment between the County budget and Court's priorities and to better guide the work of County departments and partners. Commissioners Court approved a strategic framework on April 23, 2024, and the full Harris County Strategic Plan[*] on October 29, 2024. The plan includes Harris County's vision, purpose, and guiding principles; six goals, 23 objectives, and 83 initiatives; and a wide range of metrics for tracking the state of Harris County as a community and the progress of our efforts.

The strategic planning process was informed by one-on-one meetings with each Commissioner Court member, a special meeting of Commissioners Court held on April 1, 2024, numerous workshops and meetings with the Strategic Planning Committee—which consists of representatives from each Commissioners Court office—multiple meetings with and other feedback from leaders of departments reporting to the Office of County Administration (OCA), workshops with "County Champions" from various County departments, a community survey, a County employee survey, charettes (collaborative community planning work sessions involving community stakeholder individuals and organizations) hosted individually by each member of Commissioners Court, and workgroup sessions with subject matter experts for each of the six strategic goal topics.

The strategic plan's objectives and initiatives represent key priorities, and the plan does not include everything the County does in general or must do specifically to achieve the stated goals.

[*] *Strategic Plan can be found at oca.harriscountytx.gov/Portals/oca/Documents/Reports/Strategic Plan.pdf*

Work by County departments that is not included in the strategic plan will continue to be funded as appropriate and tracked for performance improvement and prioritization purposes. The strategic plan is a living document and is intended to adapt and evolve over time to address emerging issues and changes in circumstances.

The Goals and Objectives in the Strategic Plan are listed below. For information on all 83 Strategic Initiatives and the metrics associated with each Strategic Goal and Objective, please refer to the Strategic Plan.*

* *Strategic Plan can be found at oca.harriscountytx.gov/Portals/oca/Documents/Reports/Strategic Plan.pdf*

Goal 1: Make Harris County safer and more just

- Objective A: Reduce violent crime across the County
- Objective B: Reduce criminal legal system exposure that does not advance public safety
- Objective C: Improve safety and health conditions in the jail
- Objective D: Reduce racial, ethnic, and economic disparities in the criminal legal system
- Objective E: Increase efficiency across the legal system

Goal 2: Connect our community with safe, reliable, equitably distributed, and well-maintained infrastructure

- Objective F: Ensure safety and security for all using the county's transportation network in alignment with the County's Vision Zero plan
- Objective G: Expand and optimize multimodal transportation options
- Objective H: Improve the condition and resilience of County transportation, flood control, and other infrastructure
- Objective I: Increase access to safe, clean, and enjoyable green space

Goal 3: Make our economy more inclusive

- Objective J: Grow the number and size of MWBEs
- Objective K: Provide workers with training and other supports (e.g. child care) to participate fully in the local economy
- Objective L: Foster more living-wage jobs that ensure worker safety, benefits, and stability across all educational levels
- Objective M: Ensure that Harris County remains the best place in the region to start and grow a business, with a focus on equitable economic growth

Goal 4: Improve physical and mental health outcomes across all communities

- Objective N: Improve the health behaviors of community members
- Objective O: Increase access to quality health care, including preventive and behavioral health
- Objective P: Improve children's health outcomes

Goal 5: Minimize the impact of climate change and disasters

- Objective Q: Encourage residents, businesses, and public entities to significantly reduce their environmental footprint for the health of our region
- Objective R: Enhance disaster preparedness, response, recovery, and resiliency
- Objective S: Equitably reduce the health, economic, and other impacts of climate change and disasters
- Objective T: Reduce GHG emissions from County operations by 40% by 2030

Goal 6: Help residents achieve housing stability

- Objective U: Build and preserve affordable housing, particularly for low-income families
- Objective V: Reduce eviction and foreclosure rates among residents
- Objective W: Transition people experiencing homelessness into permanent supportive housing

Programs and Services

Harris County seeks to improve Strategic Objectives and execute Strategic Initiatives 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 and OCA worked with departments to complete the second phase of Program and Service updates, furthering the standardized catalogue. A service is defined 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 and OCA have catalogued over 850 services and 300 programs, described further in Volume II – Department Detail. An illustrative example of programs and services are listed below.

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

Once OMB reviewed the services and program designations with the department, OCA reviewed for any further edits or recommendations, seeking consistency in services where possible across County departments. Together, departments, OCA, and OMB finalized the designations to provide greater clarity on specific budgets for specific services and enable categorization of those services based on County priorities such as Strategic Plan Goals and Objectives or Operational Imperatives. With such clarity also comes improved transparency and decision-making related to the County budget, such that the impact of investments or offsets can be more clearly articulated and predicted.

Performance Measures

Departments have developed service-level performance measures and additional Strategic Plan metrics to better understand if they are achieving departmental objectives and if progress is being made related to the County’s Strategic Goals, Objectives, or Initiatives. This approach provides valuable insight into operational performance and Strategic Plan implementation progress.

Each performance measure will fall into one of three categories:

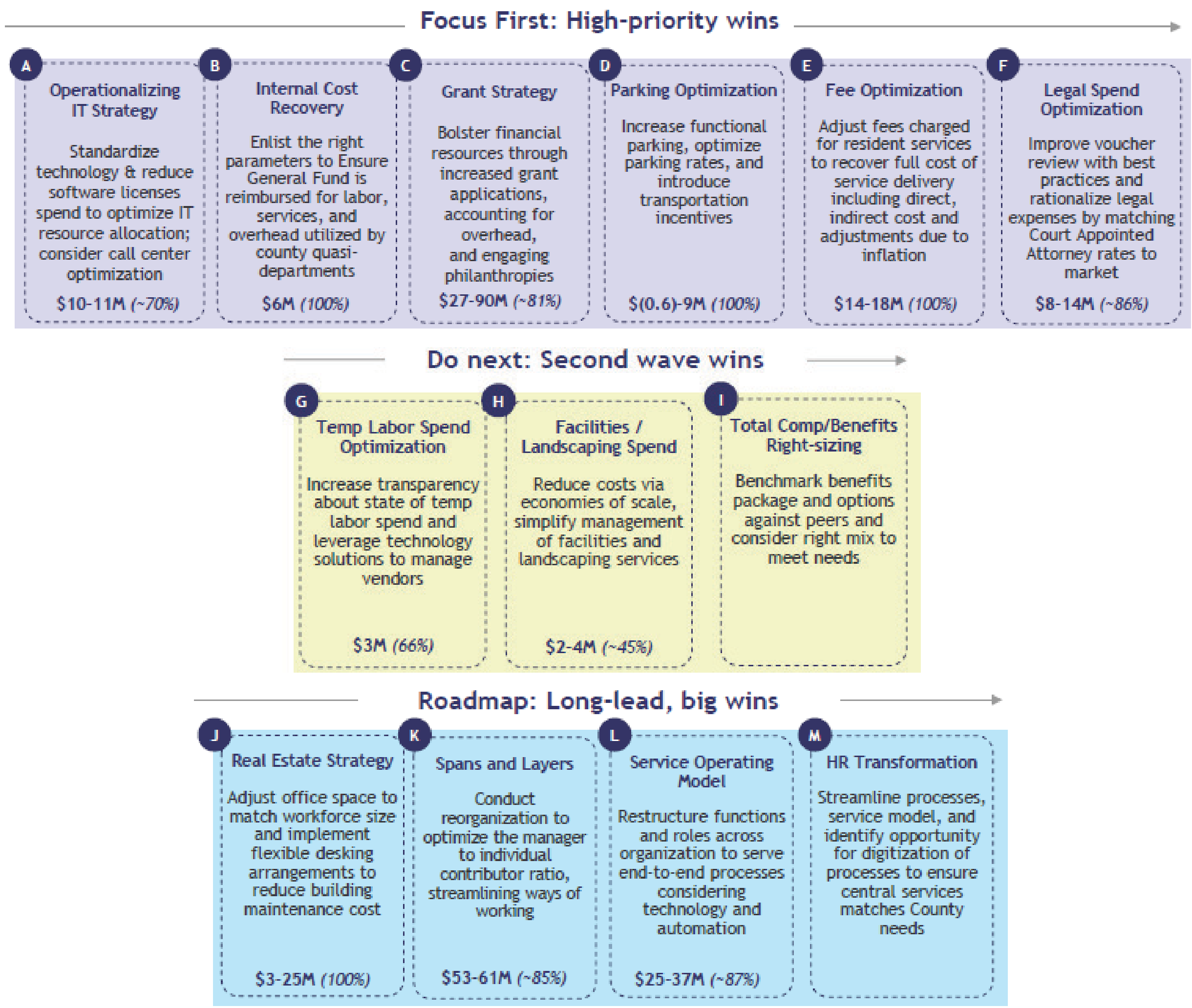
- How much did we do? These measures typically capture the quantity of work received or performed.
- How well did we do it? These measures typically capture the quality of the work performed.
- Is anyone better off? These measures describe the impact on the community and if there is a change in skills, opinion, behavior, or circumstances.

The County has made significant strides in the development of performance measures and creating a consistent cadence of data reporting every quarter; however, this is an iterative process. As departments continue to align services provided with Commissioners Court's strategic priorities 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, and projected future spending would exceed anticipated new revenue and, unless action is taken, General Fund spending will exceed total available resources within the next five years. Through a combination of higher revenue growth, in part due to recommendations from the study, and managed spending, the large deficits the study projected for the last two years have not materialized but the difference between planned spending and recurring revenue in FY27 shows there's still work to do.

The study 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.



Since the conclusion of the study, several recommended revenue enhancements and expenditure reductions have been realized, totaling $28.3M through FY26. In a continuation of this effort, there are additional enhancements/savings available in FY27, totaling $46.1M. Cumulative savings from adoption through FY27 are $74.4M.

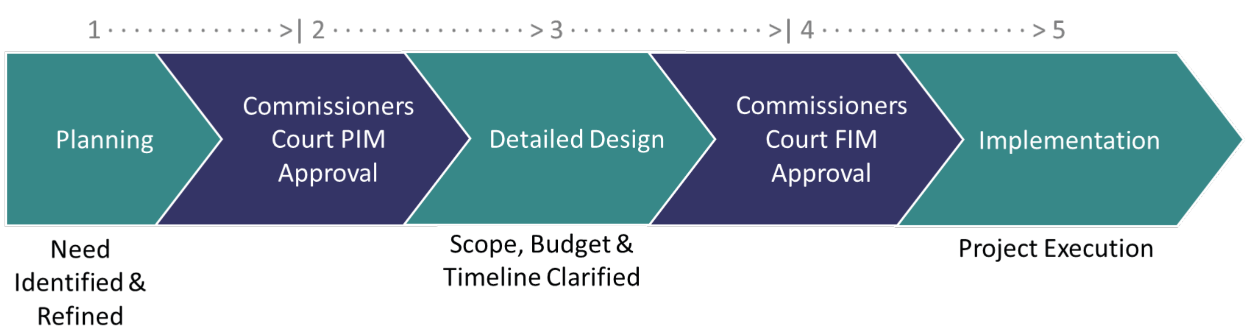
5-Year Plan Options Assumed in the FY27 Budget	$M
Revenue Enhancements	
Engineering Permit Fee Increases	2.0
Increase Constable Fees of Office (primarily eviction-related fees)	3.0
Fee Increase to Recover Full Cost of Property Tax Collection Services	4.3
Recover Cost of Indirect Support Provided to Harris Health	1.6
Recover Cost of Indirect Support Provided to HCTRA	23.1

5-Year Plan Options Assumed in the FY27 Budget	$M
Subtotal – Revenue Enhancements	**34.0**
Expense Reductions	
Healthcare Premium & Deductible Update	9.0
Healthcare Plan Design Savings	3.1
Subtotal – Expense Reductions	**12.1**
FY27 Total Revenue Enhancements + Expense Reductions	**46.1**

Capital Improvement Program (CIP)

As part of the annual budget process, Harris County reassesses its capital improvement program 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 funded with voted debt authorization, are not managed by OMB and are not reflected in the CIP section of the Budget Book.

In FY27, OMB is presenting a proposed CIP for the first time since 2021. While the proposed CIP will outline planned new allocations by project, Commissioners Court will retain authority to amend this plan as needed through approvals of investment memos on individual projects. This will allow Court the flexibility to implement priorities throughout the year, while keeping the entire portfolio in consideration.



Basis of Budgeting

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 Improvement Program 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.

Basis of Accounting

Throughout the fiscal year, the County maintains accounting transactions for all fund types on a cash basis, recognizing revenues when collected and expenditures when paid. For reporting in accordance with Governmental Accounting Standards Board (GASB) standards, the County also maintains modified accrual and accrual basis ledgers. For annual financial reporting, the County's Governmental Funds are reported on a modified accrual basis, recognizing revenues when measurable and available (e.g., property tax revenues collected within 60 days of fiscal year end), and recognizing expenditures when goods or services are received and liabilities are incurred. Proprietary (Enterprise & Internal Svc) and Fiduciary (Agency) Funds are reported on an accrual basis, recognizing revenues when earned, and recognizing expenses when incurred. Certain long-term and actuarially determined adjustments are posted exclusively during the year-end closing process.

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 the County's financial system. The County Auditor implements policies and procedures to assure that departments do not exceed their annual budget allocations. Commitments of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances are recorded during the year each time departments issue a purchase order. 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

Projected FY27 General Fund Revenue

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

The FY26 projected and FY27 Proposed County General Fund revenues are:

	FY26 Projected ($M)	FY27 Proposed ($M)
M&O Tax Estimated Revenue	$2,224.4	$2,422.9
Other Tax Revenue*	$3.2	$3.2
Non-Tax Revenue Estimate	$537.5	$654.1
Total Projected Revenue	**$2,765.1**	**$3,080.2*** **

**Occupation taxes and rendition penalties.*

***Approximately $90M will be distributed to TIRZ and isn't available for County operations*

The County averaged 6.2% General Fund revenue growth between 2015 and 2020 and has averaged 4.9% since 2020. Although revenue growth was robust in FY24 and FY25 as a result of applying the accumulated unused tax increment for FY24 and adopting the disaster tax rate for FY25, growth in FY26 is projected at 2.3% and future revenue growth is expected to be lower than the pre-2020 period 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 plus transfers in) for the last ten fiscal years is shown below.

$ in M	2017	2018	2019	2020	2021	2022	SFY22*	2023	2024	2025	2026 Proj.
General Fund Rev.	1,813	1,843	1,926	2,078	1,982	2,125	334	2,208	2,434	2,702	2,765
Annual Change	8.1%	1.6%	4.5%	7.9%	-4.6%	7.2%	n/a	3.9%	10.2%	11.0%	2.3%

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

Over the last decade, taxes and charges for services accounted for over 90% of the County's General Fund revenue. Tax revenue has averaged about 80% of the total (est. 80% for FY25) and Charges for Services, which includes the Contract Patrol program and Motor Vehicle Sales Taxes among other things, currently makes up about 11% of the General Fund revenue.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Proj.
Tax Revenue*	79	80	79	78	81	81	78	80	80	81
Charges for Services*	14	13	13	12	12	12	13	12	11	11
% of General Fund	93	93	92	90	93	93	91	92	91	92

**Amounts above shown in percentages.*

Tax Revenue

The 2026 tax rates adopted by Commissioners Court will determine the tax revenue for County Fiscal Year 2027. Tax revenue for the coming year is estimated based on the proposed tax rate multiplied by the county's taxable value of properties after adjusting for anticipated future value reductions, most commonly stemming from resolved property value disputes and tax exemptions granted after the initial tax roll. The No New Revenue (NNR) and Voter Approval Rate (VAR) tax rates for 2026 were calculated using the Harris Central Appraisal District's (HCAD) July 25, 2026, certified estimate.

OMB's FY27 General Fund revenue budget assumes the maximum tax rate possible without an election and would generate estimated M&O tax revenue of $2,423M, an increase of $199M vs. projected FY26 taxes, although $42M of the M&O tax revenue increase is the result of increased TIRZ payments and is not available for general county purposes.

An important gauge is the impact of each year's taxes on the average residential homestead. After subtracting the revenue from newly added properties, the tax revenue increase (both M&O and debt tax) from existing properties is about $234M but the impact on individual customers is affected by many factors including individual changes in appraised value, prior year homestead appraisal caps (residential homestead properties cannot increase in value by more than 10% in any year), and exemptions. The 2026 average appraised value of a residential homestead rose to $402,489 from $394,375 last year. At the proposed maximum rate, and after taking into account the 20% homestead exemption, this average residential homestead would pay $1,350 in County property taxes (this excludes Flood Control, Port of Houston, and Hospital District taxes) vs. $1,202 last year, a 12.3% increase.

The following table shows projected General Fund tax revenue for FY26 and estimated amounts for FY2027 - FY2031 assuming 2% annual new construction growth and adopted tax rates at the VAR (3.5% increase on existing properties).

$ in M	Proj.FY 2026	Est. FY 2027	Est.FY 2028	Est.FY 2029	Est.FY 2030	Est.FY 2031
M&O Tax Revenue	$2,224M	$2,423M	$2,556M	$2,697M	$2,845M	$3,002M
Annual Change	- -	8.9%	5.5%	5.5%	5.5%	5.5%

Non-Tax Revenue

The OMB FY27 non-tax revenue projection is $654M which is $116M higher than the most recent (Q3) estimate for FY26. The following table compares the FY25 actual, FY26 projected and FY27 estimated amounts by revenue category.

Revenue Category	FY25 (Act)	FY26 (Proj)	FY27 (Est)
Charges For Services	$294.2M	$304.0M	$322.8M
Intergovernmental	91.0	92.5	91.7
Miscellaneous	88.1	80.4	145.4
Non-Operating	38.7	39.0	39.5
Transfers In	24.5	7.2	40.0
Fines	12.5	13.2	13.4
Lease/User Fees	1.8	1.2	1.2
Total Non-Tax	**$550.8M**	**$537.5M**	**$654.0M**

The FY27 projection assumes several significant sources of new, recurring revenue along with some one-time revenues for which a replacement funding source will be needed in subsequent years.

New, recurring sources of revenue ($20.7M total):

- $7.0M – Interest and investment revenue transfers from special revenue funds
- $4.3M - Tax collection fee increase
- $3.9M - HCTRA indirect cost recovery
- $3.0M - Constable fee increases
- $1.5M – Harris Health indirect cost recovery
- $1.0M - Engineering permit fee increase

New, one-time revenues ($88.9M total):

- $41.0M - Building and property sales
- $19.1M - HCTRA overhead support for 2022-2026
- $18.0M - Special revenue funds investment interest transfer
- $8.8M - ARPA interest
- $2.0M - Prior year security agreement billing

Including the $7M of new, recurring interest and investment revenue from special funds, total recurring General Fund interest and investment revenue is projected at $44.5M for FY2027. The elevated investment income projected for FY2027 reflects the current higher short-term interest rate environment. With a large cash infusion from tax collections early in the year, a substantial pool of investable cash is expected to continue in future years; however, the rates of return on those balances will vary based on market conditions. Because the County's investment portfolio is primarily invested in short-term, highly liquid investments to maintain liquidity, investment income is closely tied to Federal Reserve monetary policy and prevailing short-term market interest rates. Accordingly, future investment earnings are expected to fluctuate as Federal Reserve monetary policy and short-term market interest rates evolve.

A relatively small number of fees and other revenue sources make up most of the non-tax revenue. The top ten revenue accounts, shown in the following table, are projected to comprise about 71% of total FY27 General Fund non-tax revenues.

Revenue Source	FY26 (Proj)	FY2027 (Est)	Difference (FY27 vs FY26 Proj)
Patrol Contracts (Incl. ISDs)*	$116.6M	$122.8M	$6.2M
Motor Vehicle Sales Tax Fees	62.9	64.3	1.4
Fees of Office – Various Charges	40.0	44.0	4.0
Sale of Real Property	0.0	41.0	41.0
Auto Registration Fees	40.0	40.4	0.4
Interest Revenue – Gen. Fund	37.5	37.5	0.0
Interest Revenue – Other Funds	0.0	33.8	33.8
Mixed Beverage Taxes	32.5	33.0	0.5
Toll Road Reimbursement for Constable Services	28.0	29.0	1.0
Property Tax Commissions	14.8	19.3	4.5
Total Top Ten Revenue Accts	**$372.3M**	**$465.1M**	**$92.8M**

**All revenue generated from the contract patrol program is appropriated to the 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.*

Along with the previously listed sources of new revenue, some notable reductions vs. FY26 include:

- Fire Code Fund transfer-in. $2.3M in FY226 vs. $0 in FY27
- District Courts Excess Proceeds. $2.2M transfer-in in FY26 vs. $0 in FY27
- Tobacco Settlement proceeds. $3.2M in FY26 vs. $.9M in FY27 as a result of transferring most reimbursable jail health costs to the Hospital District

By statute, the FY27 revenue budget must match the Auditor's Final Estimate of Available Resources (FEAR) which has not been published at the time this budget book was prepared. While OMB will prepare its final non-tax revenue estimates in coordination with the Auditor's Revenue Accounting section, OMB's estimated revenue will differ from the Auditor's estimate, most notably because the Auditor's estimate excludes certain items with the expectation that those items can later be certified as "supplemental" revenue when the amounts are known and/or when funds are received.

The OMB estimate, on the other hand, tries to account for many of these items up-front. While the Auditor's Office is statutorily responsible for the estimate of resources that determines the maximum budget appropriation, OMB's figures are for informational purposes and are intended to reflect a more comprehensive projection which includes reasonable estimates of supplemental revenue that will be certified by the County Auditor over the course of the year. That said, OMB's estimates only include known or reasonably expected sources of revenue. It is likely some new, currently unknown sources of revenue will come in during the year but due to the inherent uncertainty, OMB does not try to guess an amount to include in the initial estimate, preferring instead to treat these as supplemental revenue that can help offset unexpected costs that occur during the year.

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 cover 23 primary watersheds and 1,777 square miles.

In Tax Year 2024, Commissioners Court adopted a Flood Control M&O tax rate that generated about 70% more revenue than the VAR to address past deferred maintenance and to ensure adequate funds to maintain the billions of dollars of 2018 flood bond program infrastructure projects coming online. The adopted rate was approved by the voters in November 2024 and is expected to allow for a 67-year infrastructure rehabilitation and replacement cycle compared to an estimated 270-year replacement cycle previously.

The District's M&O tax rates for the last ten years are shown below.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 VAR
M&O Tax Rate	0.02736	0.02738	0.02670	0.02649	0.02599	0.02043	0.02010	0.03774	0.03826	0.04023

The 2026 Flood Control M&O VAR is $.04023 per $100 of taxable value and would increase FY27 revenue by about $15M vs the FY26 projection. The projected FY26 and FY27 revenue at the Voter Approval tax rate are below:

	FY26 Projected	FY27 @ VAR
M&O Tax Revenue Estimate	$245.9M	$260.7M
Non-Tax Revenue Estimate	$5.2M	$5.5M
Total Projected Revenue	**$251.1M**	**$266.2M**

Debt Service

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 FY2026, Harris County was in the bond market three times, issuing long-term debt for: Toll Road First Lien Revenue Refunding Bonds ($227.44M) and Road Refunding Bonds, Permanent Improvement Refunding Bonds (PIB), Flood Improvement Refunding Bonds and Permanent Improvement Certificates of Obligation (CO) ($777.71M), for a total of $1,005.15M of new debt. The County also led the transaction for Harris County Hospital District Limited Tax Bonds ($835.10M), this was the second tranche of the $2.5B voter authorization for the Hospital District from November 2023. In addition, the County also had a transaction relating to short-term debt in the form of commercial paper. The credit facility for Series K-2 (Toll Road) was replaced.

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 one of the highest rated Toll Roads in the United States, with ratings of AA/Aa2/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 meet the definition of debt under state law. 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 (COs) 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. Unlike GO bonds, COs do not require voter approval, however, it is required to post a notice of intent to issue COs in local newspapers. The County currently issues the following GO bonds and COs to finance capital assets:

- Road Bonds
- Permanent Improvement Bonds

- Flood Control Bonds
- Toll Road Tax & Subordinate Lien Bonds
- Tax & Subordinate Lien Revenue (HOT) Bonds
- Certificates of Obligation

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
- Hotel Occupancy Tax Senior Lien Revenue Bonds

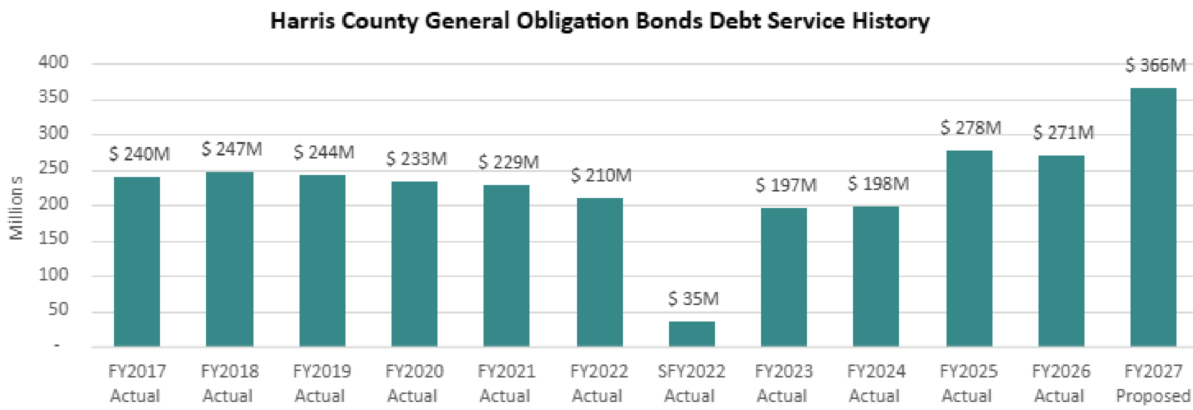
Short-term debt instruments include:

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 the Toll Road in 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 for the population growth in the County. 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 $365.6M of its General Obligation debt in FY27. Also shown later in this section, HCFCD will pay off $72.2M in FY27. 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 $349M of Road and Permanent Improvement Bonds in FY26 increased General Obligation debt outstanding with principal maturities from 2027 through 2056, contributing to higher scheduled debt service in FY27. However, the adjusted debt service used to calculate the FY26 tax rate was artificially lower due to three one-time adjustments: an $18 million pay-down from the anticipated sale of a capital asset, a beginning cash balance approximately $10 million higher than projected for FY27, and an approximately $18 million lower Flood Control debt service contribution in FY26.



The chart below shows 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.

Historical Rates	TY17	TY18	TY19	TY20	TY21	TY22	TY23	TY24	TY25	TY26
Harris County										
Constitutional Debt Service	0.05234	0.05084	0.04711	0.05088	0.04193	0.03084	0.03002	0.03602	0.03307	0.04021
Road Debt Service	0.02067	0.01774	0.01828	-	-	0.01184	0.01338	0.01476	0.01369	0.01517
Harris County Total	**0.07301**	**0.06858**	**0.06539**	**0.05088**	**0.04193**	**0.04268**	**0.0434**	**0.05078**	**0.04676**	**0.05538**
Flood Control District										
Debt Service	0.00095	0.00139	0.00122	0.00493	0.0075	0.01012	0.01096	0.01122	0.0114	0.01243
Total Debt Service	**0.07396**	**0.06997**	**0.06661**	**0.05581**	**0.04943**	**0.0528**	**0.05436**	**0.06200**	**0.05816**	**0.06781**

6/30/2026

(Amounts in Thousands)

Limited Tax:	Election	Original Authorization	Unissued Authorization
Civil Justice Center	1999	119,000	33,000
Parks	2015	60,000	-
Forensic Center	2007	80,000	5,180
Parks	2022	200,000	186,798
Public Safety	2022	100,000	94,567
Total Limited Tax Bonds		559,000	319,545
Unlimited Tax			
Road	2015	700,000	116,770
Road	2022	900,000	900,000
Total Unlimited Tax Bonds		1,600,000	1,016,770
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	1,390,355
Total FC Limited Tax Bonds		2,500,000	1,390,355
Total County & Flood Control District		**5,559,000**	**2,741,818**
Harris County Hospital District	2023	2,500,000	856,395
Port of Houston Authority		-	-
Total County-Wide Authorized but Unissued Bonds		**8,059,000**	**3,598,213**

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 FY2027 will be approximately $134.8M. In Fiscal Year 2026, the County issued approximately $110M 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, Series D and Series D-3 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. We anticipate fully utilizing the remaining authorization from the 2015 Road Bond Program during FY2027.

The table represents road and parks authorized but unissued bonds as of June 30, 2026:

Bond Election	Authorized Amount	Issued	Unissued	Encumbrances	Remaining Budget
2015 Road Bonds	700,000,000	583,230,000	116,770,000	62,355,780	54,414,220
2022 Road Bonds	900,000,000	-	900,000,000	45,289,490	854,710,510
2015 Park Bonds	60,000,000	60,000,000	-	-	-
2022 Park Bonds	200,000,000	13,202,000	186,798,000	52,274,557	134,523,443
Total	**1,860,000,000**	**656,432,000**	**1,203,568,000**	**159,919,827**	**1,043,648,173**

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, Series D-2 and Series D-3 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 (including Certificates of Obligation) in FY2027 will be approximately $154.9M.

The table represents authorized but unissued bonds as of June 30, 2026:

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	5,433,000	94,567,000	94,567,000
Total	**299,000,000**	**166,253,000**	**132,747,000**	**132,747,000**

*Note: The remaining authorization under the 1999 Civil Justice Center Bond Election and 2007 Forensic Center are beyond the customary issuance period and is anticipated to be administratively closed in FY2027. Upon closure, it will no longer be reported as authorized but unissued capacity.

Flood Control Contract Tax

The Flood Control Contract Tax Bonds are special obligations of the HCFCD, secured by a pledge on the County's payments to the HCFCD 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 FY2027 budget assumes $34.8M in debt payments supported by Flood Control Contract Tax.

Flood Control District

The Flood Bonds are obligations of the HCFCD, 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.

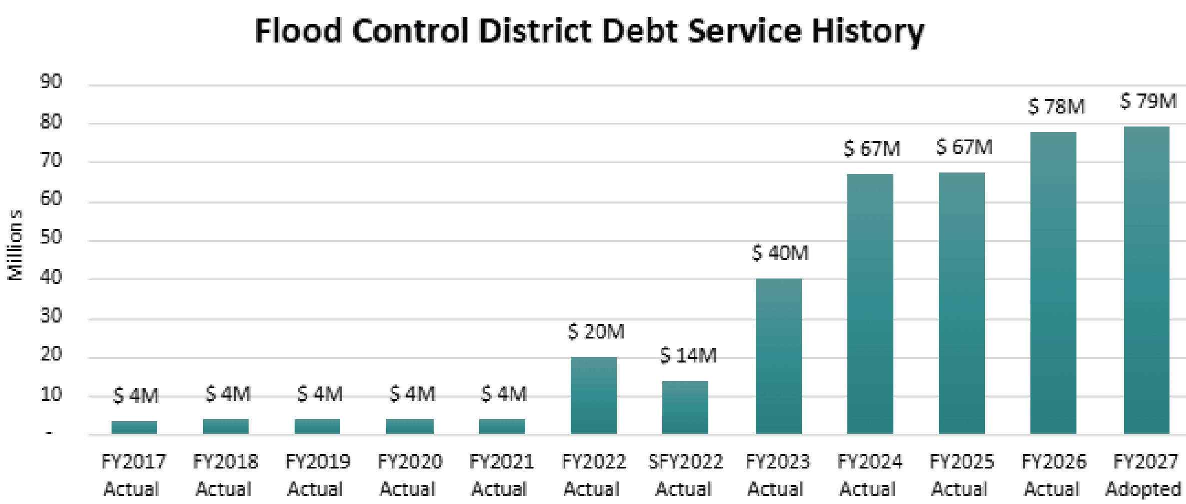
HCFCD bonds are used on the 2018 Flood Control Bond Program (2018 Bond Program). The 2018 Bond Program consists of 181 "Bond IDs," which represent logical groupings of projects. Aside from a small reserve of $87M, the entirety of the $2.5B in bond authority has been allocated to a particular Bond ID. As of June 2026, work has started on all 181 Bond IDs: 58 have been completed, 15 are closing, 11 are transferred, 25 are paused and 72 are active.

HCFCD 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, 2026:

Bond Election	Authorized Amount	Issued	Unissued	Encumbrances	Available Budget
2018 Flood Bonds	2,500,000,000	1,109,645,000	1,390,355,000	127,994,420	1,262,360,580
Total	**2,500,000,000**	**1,109,645,000**	**1,390,355,000**	**127,994,420**	**1,262,360,580**

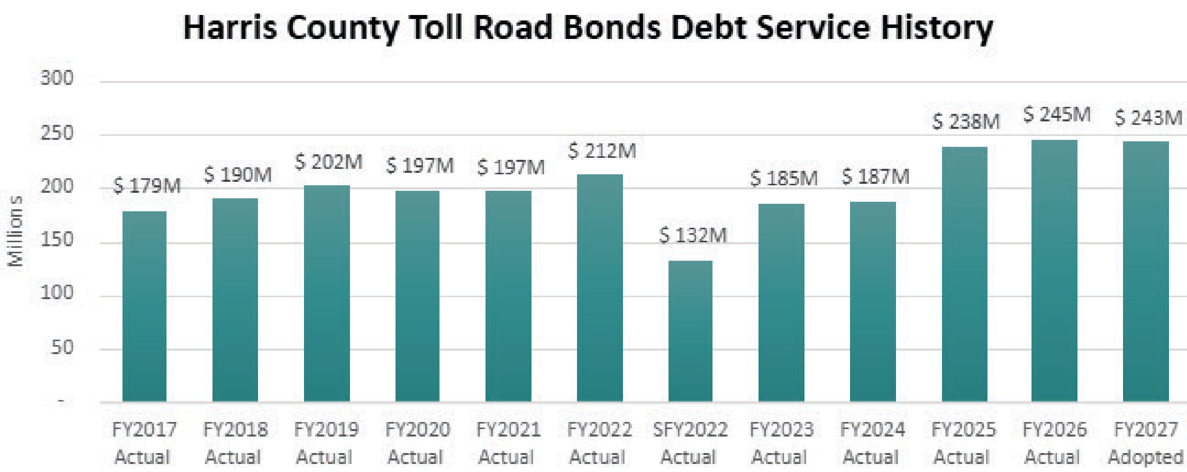
Flood Control bonds require voted authority. The debt payments for Flood bonds in FY2027 will be $79.1M.



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, and 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.

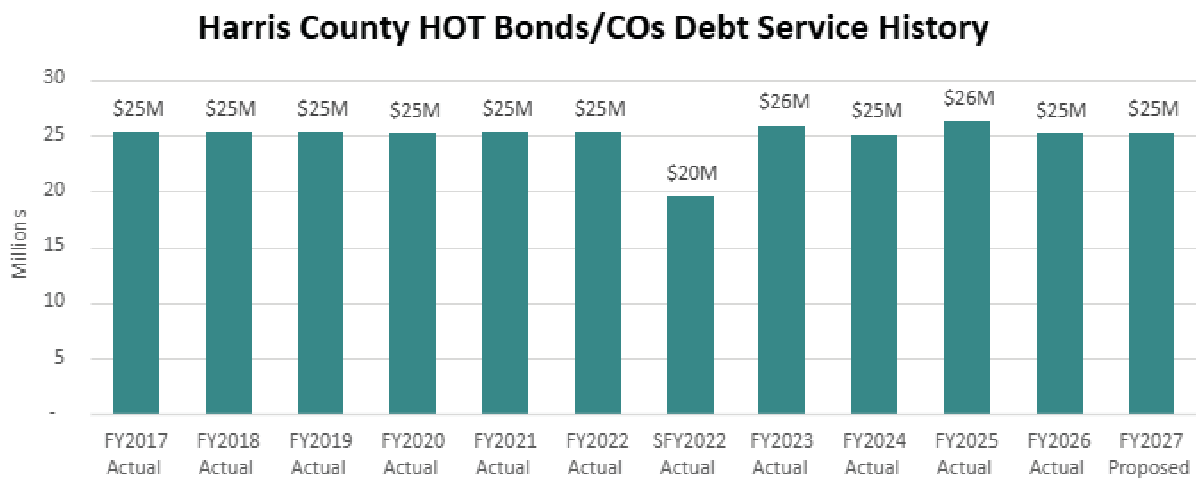


The Toll Road Budget assumes $243M in debt service payments in FY2027. The County anticipates issuing Toll Road Senior Lien Revenue Refunding Bonds in FY2027. The refunding is expected to generate approximately $35 million in future debt service savings, further strengthening the Toll Road's long-term financial position and providing additional financial flexibility for the system.

Hotel Occupancy Tax

The Tax and Subordinate Lien Revenue bonds/COs are issued to finance the authorized County purposes including the construction of public works at Reliant 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. In FY2025, the County issued HOT Revenue Bonds secured solely from a pledge on hotel occupancy tax revenues. These bonds have financed major capital improvements at NRG Park, including portions of the stadium roof replacement, video board, and sound system projects.

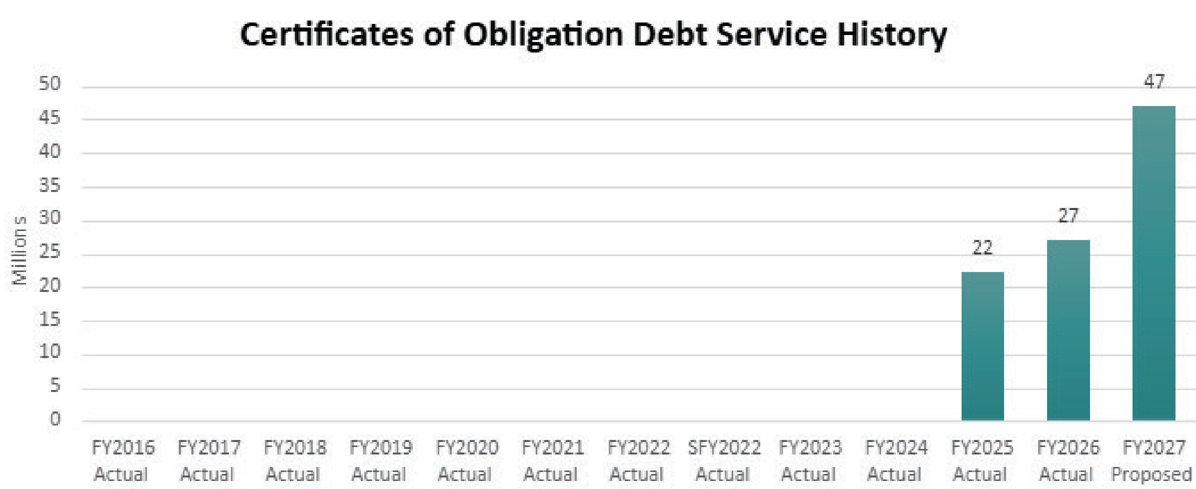
The debt payments for HOT Bonds/COs in FY2027 will be approximately $23.3M, including $1.9M debt payments for the HOT Revenue Bonds secured solely from a pledge on hotel occupancy tax revenues.



Certificates of Obligation (COs)

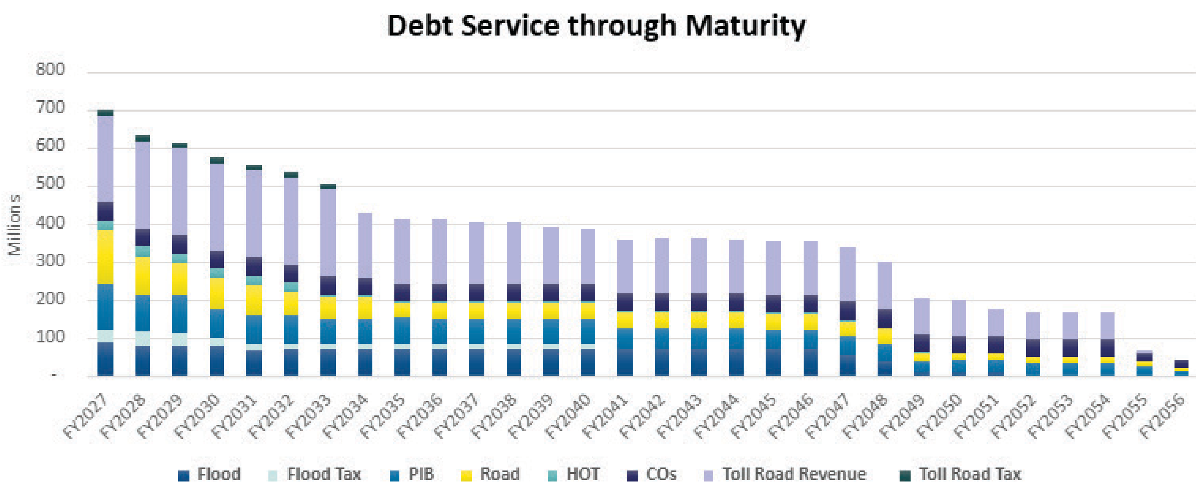
The Texas Constitution authorizes the County to levy a tax rate up to $0.80 tax rate limitation to pay debt service on the certificates of obligation. COs are issued to finance the construction, improvement, renovation, enlargement, equipping, relocation and/or design of certain County owned facilities, purchase of materials, supplies, equipment, machinery, building, land, and rights-of-way for authorized County projects and pay for related professional services. COs are non-voted. In FY2026, the County issued $320M Permanent Improvement Tax & Revenue Certificates of Obligation.

The debt payments for COs in FY2027 will be approximately $47.1M.



Overall Debt to Maturity

Harris County manages a debt portfolio equating to $6.7B in outstanding bonds. The bar chart below represents annual debt service payments composed of principal and interest from FY2027 through maturity of the bonds. Debt service payments are paid semi-annually.



Budget Recommendation

FY27 Proposed General Fund Budget by Strategic Objectives

The chart below provides a closer look at projected spending on the County's Strategic Objectives in the context of the proposed General Fund budget.

County Operations	Amount
Government Administration and Other	$1,093M
Countywide Financial Obligations	$284M
Commissioners Court	$202M
Total	**$1,579M**

Strategic Goals	Amount
Goal 1	$886M
Goal 2	$8M
Goal 3	$12M
Goal 4	$32M
Goal 5	$1M
Goal 6	$1M
Total	**$940M**

Strategic Objectives	Amount
Objective A	$242M
Objective B	$72M
Objective C	$31M
Objective D	$76M
Objective E	$10M
Objective F	$21M
Objective G	$1M
Objective H	$6M
Objective I	$M
Objective J	$2M
Objective K	$5M
Objective L	$2M
Objective M	$1M
Objective N	$7M
Objective O	$42M
Objective P	$16M
Objective Q	$7M
Objective R	$21M
Objective S	$7M
Objective T	$1M
Objective U	$2M
Objective V	$M
Objective W	$6M
Total	**$577M**

Please see Page 27 for the full list of Strategic Goals and Objectives.

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.

Strategic Objective: Reduce violent crime across the county.

Key budget recommendations for this Strategic Objective include:

- Increasing the budget by $900K for victims of domestic violence through the Domestic Violence Assistance Fund under Public Health supporting removal of survivors from dangerous situations including housing, transportation, childcare, etc.

Strategic Objective: Reduce criminal legal system exposure that does not advance public safety.

Key budget recommendations for this Strategic Objective include:

- Investing $15M in the Public Defender's budget to support approximately 95 additional positions, including attorneys and support staff across the Post-Bar Fellows and Lateral Hires initiatives. This funding is intended to help the office make progress toward its year-one FY27 case share targets for felonies and misdemeanors, as part of a multi-year expansion plan to reach 50%.
- Provides $498K to maintain mental health and trauma counseling, substance use recovery support, and education and employment opportunity services within Public Health at the Women's Empowerment Center (WEC) previously funded through the American Rescue Plan Act (ARPA).
- Provides $500K to maintain meal provisions and services to residents at the Youth Diversion Center previously funded through ARPA.

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

Key budget recommendations for this Strategic Objective include:

- Investing $3M to fund 100 detention officer positions to reduce the need for jail outsourcing.
- Increasing funding by $900K to sustain the Harris Center for Mental Health contract, which provides psychiatric evaluations in the jail.
- Increasing funding by $450K to maintain the Aramark maintenance contract for the jail.

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

Key budget recommendations for this Strategic Objective include:

- Provides $166K to sustain administrative support for the Women's Empowerment Center (WEC), which prepares women in custody for successful reentry by providing wraparound services and support during incarceration.

Strategic Objective: Increase efficiency across the legal system.

Key budget recommendations for this Strategic Objective include:

- Provides $3.8M for 5 new Civil District Courts which begin operations for two courts on September 1, 2026, and an additional three courts on October 1, 2026:
  - District Courts: $2M
  - District Clerk: $1.1M
  - Sheriff’s Office: $800K
- Provides $1.2M to cover costs related to Senate Bill 9’s changes to bail procedures:
  - $580K to District Courts for three positions and overtime expenses
  - $330K to the District Clerk’s office for overtime expenses
  - $150K to the Public Defender’s Office for overtime expenses
  - $111K to Pre-Trial Services for overtime expenses
- Allocates $1M for 1 new Civil County Court, which began operations on September 1, 2025:
  - County Courts at Law: $650K
  - County Clerk: $200K
  - Sheriff’s Office: $100K
- Provides an additional $450K for juror payments to the District Clerk’s Office, due to an increased number of courts.
- Provides $300K to Probate Court No. 3 to strengthen court operations for increased court-ordered mental health-related probate needs across Harris County.
- Builds in $98K for an additional Voucher Assistant position within the Office of Managed Assigned Counsel approved during FY26 to improve voucher processing time.
- Allocates an additional $48K to the Justice of the Peace Courts to absorb rising postal rates and maintain required statutory court notifications across all precincts.

Budget Overview

Below is an overview of actuals for FY24 and FY25, as well as the Adopted FY26 Budget and the FY27 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 FY27 to their adjusted budget – these departments and the transfer amounts are included in a separate table below.

The Proposed budget allocations in the table below are for departments most closely associated with the goal above.

Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
14th Court of Appeals	14,423	14,261	38,881	38,881
1st Court of Appeals	15,640	19,503	38,881	38,881
Community Supervision	4,238,664	4,738,664	4,828,874	4,828,874
Constable, Precinct 1	56,050,637	57,594,505	59,629,016	72,512,025
Constable, Precinct 2	13,614,729	13,474,657	14,784,702	18,037,531
Constable, Precinct 3	24,546,437	25,810,815	26,510,985	30,919,672
Constable, Precinct 4	75,578,349	82,352,513	83,231,067	98,458,791
Constable, Precinct 5	53,748,081	57,471,576	60,010,856	70,442,814
Constable, Precinct 6	11,571,347	13,141,355	14,777,241	18,603,061
Constable, Precinct 7	13,802,308	16,383,536	19,374,557	21,420,778
Constable, Precinct 8	10,133,359	10,725,050	12,373,803	14,837,419
County Courts	21,834,795	21,759,139	23,777,794	26,654,876
County Courts Court Appointed Attorney Fees	21,365,534	24,555,654	15,600,000	15,600,000
District Attorney	115,647,091	128,922,069	141,148,855	152,247,941
District Clerk	46,471,916	49,903,372	50,897,490	62,709,181
District Courts	37,246,729	39,182,325	40,146,476	44,792,186
District Courts Court Appointed Attorney Fees	82,254,358	98,044,073	87,500,000	72,500,000
Domestic Relations	7,865,944	8,242,378	8,507,595	9,304,520
Fire Marshal	13,956,764	15,196,959	13,358,086	16,043,584
Harris County Resources for Children and Adults	29,506,948	30,999,294	32,359,206	35,914,151
Institute of Forensic Sciences	40,860,436	45,440,488	47,126,655	47,800,909
Justice of the Peace, 1-1	2,364,900	2,677,444	2,592,613	2,872,746
Justice of the Peace, 1-2	2,256,593	2,371,570	2,681,475	2,761,876
Justice of the Peace, 2-1	1,267,079	1,325,460	1,146,073	1,230,995
Justice of the Peace, 2-2	1,082,268	1,227,185	1,077,548	1,144,523
Justice of the Peace, 3-1	1,906,912	2,105,430	1,998,738	2,209,678
Justice of the Peace, 3-2	1,363,631	1,437,146	1,326,663	1,397,402
Justice of the Peace, 4-1	3,581,741	3,553,123	3,597,515	3,791,500
Justice of the Peace, 4-2	1,747,102	1,869,632	1,738,068	1,815,637
Justice of the Peace, 5-1	2,334,829	2,566,882	2,673,335	3,049,313
Justice of the Peace, 5-2	3,158,020	3,727,626	3,556,081	3,820,390
Justice of the Peace, 6-1	1,031,531	1,093,668	944,836	1,012,682

Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
Justice of the Peace, 6-2	918,325	968,389	861,451	918,732
Justice of the Peace, 7-1	1,220,936	1,176,067	1,298,152	1,415,833
Justice of the Peace, 7-2	1,081,975	1,181,700	1,129,587	1,265,839
Justice of the Peace, 8-1	1,341,484	1,474,374	1,361,623	1,509,100
Justice of the Peace, 8-2	832,001	860,890	867,232	892,966
Juvenile Probation	93,411,675	99,195,349	100,888,865	105,934,992
Office of Managed Assigned Counsel	2,252,664	3,035,390	3,390,094	4,025,552
Pretrial Services	24,207,271	27,483,325	28,961,256	31,492,206
Probate Court No. 1	1,847,604	1,929,877	2,065,217	2,125,425
Probate Court No. 2	1,723,259	1,771,400	1,835,715	1,908,701
Probate Court No. 3	5,699,932	6,090,887	5,990,940	6,399,030
Probate Court No. 4	1,848,548	1,827,074	2,036,380	2,095,662
Probate Court No. 5	1277167	1,683,210	1,776,118	1,860,446
Public Defender	37,958,828	48,044,899	69,191,863	86,317,411
Sheriff - Detention	302,308,886	307,501,733	324,311,202	351,466,082
Sheriff - Medical	96,942,113	111,898,374	30,068,632	30,968,632
Sheriff - Patrol & Administration	291,816,833	299,168,435	353,965,233	390,520,457
Sheriff's Civil Service	244,559	199,666	323,184	361,373
Total	**1,569,353,155**	**1,683,418,390**	**1,709,676,709**	**1,880,291,256**

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.

Strategic Objective: Improve the health behaviors of community members.

- **Key budget recommendations** for this Strategic Objective include: Provides $2.3M to continue Public Health's food distribution and food and nutrition benefits enrollment services previously funded through ARPA.

- Investing $1.1M to continue Public Health's chronic disease prevention services including improving health behaviors and increasing disease prevention awareness previously funded through ARPA.

Strategic Objective: Increase access to quality healthcare, including preventive and behavioral health.

Key budget recommendations for this Strategic Objective include:

- Providing $1M to maintain behavioral health counseling, substance use disorder services, and overdose response services under Public Health previously funded through ARPA.
- Increasing Veterans Services' budget by $25K for case management software for continued support of Veteran needs.
- Building in a resource sharing agreement of $4M of Public Health costs for eligible services to be billed to Harris Health.

Strategic Objective: Improve children's health outcomes.

Key budget recommendations for this Strategic Objective include:

- Investing $1.2M to continue home visitation, case management, and care coordination maternal and child health services under Public Health previously funded through ARPA.
- Providing $30K for increased contract costs to maintain medical and doctor services to youth under care in the Children's Assessment Center.

Budget Overview

Below is an overview of actuals for FY24 and FY25, as well as the Adopted FY26 Budget and the FY27 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 FY27 to their adjusted budget – these departments and the transfer amounts are included in a separate table below. The Proposed budget allocations in the table below are for departments most closely associated with the goal above.

Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
Children's Assessment Center	11,278,697	12,394,622	13,324,693	14,605,024
Public Health Services	40,035,546	56,640,135	59,601,461	72,123,765
Texas A&M AgriLife	1,015,159	1,008,711	1,189,785	1,294,390
The Harris Center for Mental Health	23,067,171	24,067,171	24,067,171	24,067,171
Total	**75,396,573**	**94,110,639**	**98,183,110**	**112,090,350**

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.

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

Key budget recommendations for this Strategic Objective include:

- Allocating $546K in utilities savings from the Office of Sustainability initiatives and investments to the Revolving Energy Efficiency Fund to implement energy efficiency projects within Harris County's facilities portfolio.
- Funding construction on a $60M project 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.
- Investing $3.9M in an electric vehicle pilot program to reduce GHG emissions and fleet cost.

Strategic Objective: Equitably reduce the health, economic, and other impacts of climate change and disasters.

Key budget recommendations for this Strategic Objective include:

- Increasing Pollution Control Services' budget by $64K for operating costs associated with the Rapid Ambient Air Monitoring (RAAM) vehicle, which conducts routine baseline air quality monitoring and responds to emergency environmental incidents.

Strategic Objective: Enhance disaster preparedness, response, recovery, and resiliency.

Key budget recommendations for this Strategic Objective include:

- Continuing to provide 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.
- Funding $38.9M for emergency generators at facilities throughout the County that will provide power during emergencies to residents and County staff.

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

Key budget recommendations for this Strategic 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 battery 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 FY24 and FY25, as well as the Adopted FY26 Budget and the FY27 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 FY27 to their adjusted budget – these departments and the transfer amounts are included in a separate table below. The Proposed budget allocations in the table below are for departments most closely associated with the goal above.

Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
Pollution Control	8,604,046	8,804,483	9,981,380	10,829,513
Total	**8,604,046**	**8,804,483**	**9,981,380**	**10,829,513**

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.

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

Key budget recommendations for this Strategic Objective include:

- Based on the FY27 Proposed Budget, there are no identifiable key investments under this Strategic Objective.

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

Key budget recommendations for this Strategic Objective include:

- Investing $4M to maintain workforce training and career pathway assistance under the Apprentice Advantage Program previously funded through ARPA.

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

Key budget recommendations for this Strategic Objective include:

- Providing $700K for four new positions and non-labor funding to the Department of Economic Equity and Opportunity and $1.1M to Engineering for ten General Fund positions to implement and maintain the Worksite Safety Policy ensuring compliance with federal and state regulations and requirements.
- Allocating $361K in funding to the Department of Economic Equity and Opportunity to maintain interlocal agreements supporting the Port of Houston prevailing wage monitoring activities.
- Maintaining $559K for the Harris County Disparity Study under the Department of Economic Equity and Opportunity for continued efforts of mitigating racial and gender disparities in procurement practices, reducing barriers in contract procurement, and increasing access to economic opportunities.

Strategic Objective: Ensure that Harris County remains the best place in the region to start and grow a business, with a focus on equitable growth.

Key budget recommendations for this Strategic Objective include:

- Providing $90K for returning active military personnel position servicing Harris County's Veteran owned businesses.

Budget Overview

Below is an overview of actuals for FY24 and FY25, as well as the Adopted FY26 Budget and the FY27 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 FY27 to their adjusted budget – these departments and the transfer amounts are included in a separate table below. The Proposed budget allocations in the table below are for departments most closely associated with the goal above.

Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
Economic Equity & Opportunity	6,202,452	9,299,770	7,177,050	12,616,225
Library	42,138,152	43,428,346	43,981,134	47,641,069
Total	**48,340,604**	**52,728,116**	**51,158,184**	**60,257,294**

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.

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

Key budget recommendations for this Strategic Objective include:

- Leveraging resources outside of General Fund to complete and publish the Houston-Harris County Affordability Strategy, a joint initiative with the City of Houston, which is a data-driven, comprehensive, and actionable housing strategy designed to guide implementation over the next decade, ensuring long-term housing affordability and availability for all residents.
- Continuing implementation of over a billion dollars in one-time housing recovery programs including more than $260M in ARPA and $887M in Harvey CDBG-DR creating and preserving almost 7,000 affordable single-family and multi-family homes, assisting over 6,000 individuals through homelessness support and prevention services, constructing 38 public facilities and infrastructure projects, 733 households and businesses relocated, and 8,541 individuals served through community partnerships.
- Preserving $1M in rapid recovery and mitigation staff and other resources that can be readily deployed for effective countywide delivery of complex federal funds.
- Increasing partnership participation in tax exemption program for certain low-income housing projects, under Texas Tax Code 11.1825, of up to $500K total.
- Increasing housing access in advancement of Harris County strategic priorities by working collaboratively with Commissioners Court, County Administrator, and partners to move forward in building and optimizing critical tools like the newly formed Public Facilities Corporation (PFC), Putting Assets to Work (PAW) initiative, Housing Trust Fund, Tax Increment Reinvestment Zones (TIRZ), and others.

Strategic Objective: Reduce eviction and foreclosure rates among residents.

Key budget recommendations for this Strategic Objective include:

- Providing $1M to maintain eviction prevention programs including legal aid defense and flexible rental assistance under Housing and Community Development previously funded through ARPA.
- Maintaining the highest senior and disabled homestead exemptions in the state.

Strategic Objective: Transition people experiencing homelessness into permanent supportive housing.

Key budget recommendations for this Strategic Objective include:

- Providing $2.2M to maintain coordinated homelessness response services including outreach, case management, emergency shelter, and temporary housing under Housing and Community Development previously funded through ARPA.

Budget Overview

Below is an overview of actuals for FY24 and FY25, as well as the Adopted FY26 Budget and the FY27 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 FY27 to their adjusted budget – these departments and the transfer amounts are included in a separate table below. The Proposed budget allocations in the table below are for departments most closely associated with the goal above.

Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
Housing and Community Development	28,696,788	24,516,603	20,987,084	24,050,763
Veterans Services	1,586,604	1,727,518	1,820,859	2,155,755
Total	**30,283,392**	**26,244,121**	**22,807,943**	**26,206,518**

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.

Strategic Objective: Expand and optimize multimodal transportation options.

Key budget recommendations for this Strategic Objective include:

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

Strategic 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 Strategic Objective include:

- Spending down $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 to accelerate the transformation of the County's existing 830 lane-mile toll road system to an all-electronic roadway.
- Providing HCTRA an additional $3.1M for constable contract patrol on toll roads to enhance road safety.

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

Key budget recommendations for this Strategic Objective include:

- Spending down $200M on investments in County park and trail facilities from voted debt, including investments in new construction and maintenance.
- Increasing allocations from $15M to $20M in non-voted debt funding per biennium for general use, which can include improvements to park facilities once precincts' voted debt has been programmed.

Strategic Objective: Improve the condition and resilience of County transportation, flood control, and other infrastructure.

Key budget recommendations for this Strategic Objective include:

- Providing $180M in mobility funds for operational needs and issuing an additional $300M, split over two fiscal years, in certificates of obligation to support mobility projects.
- Providing Flood Control with $15.4M in additional budget to maintain the level of service voters approved in November 2024 and accelerate investments in infrastructure. 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 to reduce risks and total lifecycle maintenance costs.
- Drawing down $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.
- Drawing down on $100M in bond funding to improve road quality where it is most needed.
- Increasing allocations from $15M to $20M in non-voted debt funding per biennium to precincts for general use, which can include improvements to community centers and other infrastructure.

Budget Overview

Below is an overview of actuals for FY24 and FY25, as well as the Adopted FY26 Budget and the FY27 Proposed Budget for each department within the *Connect our community with safe, reliable, equitably distributed, and well-maintained infrastructure* goal area. The Proposed budget allocations in the table below are for departments most closely associated with the goal above.

Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
Engineering	76,240,481	84,889,354	78,800,251	83,078,882
Total	**76,240,481**	**84,889,354**	**78,800,251**	**83,078,882**

Government Administration/Other

Background

This Government Administration/Other section is not a goal within the County's Strategic Plan, but a collection of investment decisions and departments that did not tie directly to the plan but still support the core functions of the county.

Key budget recommendations for this area include:

- Distributing $6M to County departments to sustainably fund vehicle maintenance and repair and the Fleet Fund.
- Reducing Universal Services' non-labor budget by $3.8M through contract renegotiations and service level rationalization.
- Reducing Universal Services' non-labor budget by $1.5M, reflecting a transfer to the IFIS fund by other, eligible special funds.
- Invests $1.1M in Harris County Public Library collections and materials for continued education and literary services to the community.
- Allocating $366K for Microsoft Licensing cost increases for the Harris County Public Library maintaining information technology and education services to Harris County.
- Providing $45K for continued educational materials, technology access, literacy support, and workforce development library resources to the Lone Star College System community.
- Investing $173K for increased burial needs serviced by Housing and Community Development.

Budget Overview

Below is an overview of actuals for FY24 and FY25, as well as the Adopted FY26 Budget and the FY27 Proposed Budget for each department within the *Government Administration/Other* section. Certain departments are also planned to receive transfers at the beginning of FY27 to their adjusted budget – these departments and the transfer amounts are included in a separate table below.

Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
Appraisal District	19,256,579	18,189,335	21,010,000	22,010,000
County Auditor	28,167,862	28,983,909	30,328,978	31,845,426
County Attorney	41,172,835	42,480,383	39,676,955	41,234,274
County Clerk	33,598,962	38,553,939	43,111,039	47,835,137
County Treasurer	1,323,863	1,554,184	1,836,768	2,071,083
Elections Operations	26,620,473	19,402,467	34,342,236	24,775,474
General Administration	92,654,870	125,854,644	193,881,962	283,848,557

Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
Human Resources & Talent	8,996,414	6,747,408	7,700,410	8,720,586
Intergovernmental & Global Affairs	2,489,033	3,096,032	3,334,146	3,614,816
Office of County Administration	13,362,462	13,407,823	12,825,009	13,129,535
Office of Management & Budget	3,253,339	9,583,620	10,467,842	10,287,708
Purchasing Agent	11,819,202	13,712,215	16,401,710	20,062,502
Tax Assessor-Collector	41,571,054	43,865,063	49,439,356	57,707,532
Universal Services	84,245,380	93,955,736	92,213,017	95,776,137
Universal Services Repair & Replacement	18,632,514	18,180,555	17,200,000	23,200,000
Universal Services Utilities & Leases	24,270,905	26,153,396	31,794,763	34,912,239
Total	**451,435,747**	**503,720,708**	**605,564,191**	**721,031,006**

Commissioners Court

Budget Overview

Below is an overview of actuals for FY24 and FY25, as well as the Adopted FY26 Budget and the FY27 Proposed Budget for each department within the Commissioners Court goal area. Note, the FY26 Proposed Budget only reflects new funding amounts, and Commissioners Court Carryover will be included in the adopted budget:

Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
Harris County Judge's Office	10,244,307	10,753,535	11,808,736	12,272,524
Commissioner Precinct 1	46,493,316	45,739,359	45,361,205	47,525,968
Commissioner Precinct 2	40,977,196	43,595,657	45,361,205	47,525,968
Commissioner Precinct 3	37,004,967	35,379,038	45,361,205	47,525,968
Commissioner Precinct 4	44,933,469	43,144,226	45,361,205	47,525,968
Total	**179,653,255**	**178,611,816**	**193,253,556**	**202,376,396**

Department Name	75% of Estimated Opening Balance	FY27 New Budget	FY27 Total Proposed
Harris County Judge's Office	1,123,433	12,272,524	13,395,957
Commissioner Precinct 1	33,666,981	47,525,968	81,192,949
Commissioner Precinct 2	23,413,000	47,525,968	70,938,968
Commissioner Precinct 3	19,152,197	47,525,968	66,678,165
Commissioner Precinct 4	16,067,617	47,525,968	63,593,585
Total	**93,423,228**	**202,376,396**	**295,799,624**

General Fund Countywide Financial Obligations/Fund Balance - Department 202 Expenditure Budget Detail

Department 202-Countywide Financial Obligations/Fund Balance is where in the budgeting and accounting system expenditures that cannot be allocated to a specific department due to the county-wide nature of the costs. Capital Reserve, also known as fund balance (unassigned cash reserves) is also budgeted in Department 202 but is not shown here. Appropriations here are for the General Fund only and not intermingle with Department 202's in other funds, including the Mobility Fund.

Description	FY25 Adopted	FY26 Adopted	FY27 Proposed
Annual TIRZ Payments	32,308,140*	61,308,140	91,308,140
Litigation Costs	14,000,000	12,000,000	18,000,000
Jail Outsourcing	52,990,000	48,690,000	39,785,305
Patrol Contracts	21,843,206	24,543,206	29,943,206
Annual Property Insurance	9,566,689	10,066,689	10,066,689
Misc. Fees & Services	8,505,285	11,255,285	13,505,285
PIC Contribution	20,000,000	-	-
ACT Collections Software	4,500,000	4,750,000	5,250,000
District Attorney Budget Restoration	4,500,000	-	-
EPIC Annual Maintenance (Jail & Harris Center)	3,600,000	3,850,000	3,350,000
Final Benefits	2,960,094	591,868	371,238
Hospital District Reimbursement (Juvenile Detention)	2,600,000	2,600,000	2,600,000
Inmate Care - Memorial Hermann/St. Josephs	3,515,686	4,515,686	4,515,686
Cadence/AMEX Service Charges	2,376,520	2,376,520	2,876,520
Audit Fees/Studies	1,400,000	1,550,000	1,850,000
Cybersecurity Insurance	1,000,000	1,000,000	1,000,000

** In FY24 the county began participating in City of Houston TIRZ No. 20, which accounts for the anticipated increase in FY27. However, the higher payments on the General Fund will be offset by higher revenue.*

Description	FY25 Adopted	FY26 Adopted	FY27 Proposed
Annual Memberships	540,000	840,000	840,000
HR Based Claims/Torts	600,000	1,417,745	1,417,744
Pay Equity Implementation	48,600,000	50,000,000	22,959,909*
Bilingual Pay Incentive	2,800,000	2,203,094	2,203,094
Law Enforcement Pay Increase	-	3,000,000	-
Building Security	-	10,292,507	11,792,507
Reserve	-	1,331,041	21,723,233
Fleet Charges	-	-	6,000,000
SB9 Funding	-	1,000,000	-
ARPA Backouts	-	(20,813,621)	-
Fund 2417	-	(4,500,000)	-
Vacancy Savings	(6,000,000)	-	-
Lease backout	(850,810)	-	-
Court Ordered Studies and Reimbursements	-	-	2,190,000
FY27 Hiring Freeze	-	(25,000,000)	(5,000,000)
Transferred Expenses	-	(14,987,198)	(4,700,000)
Total	**231,487,394**	**193,881,962**	**283,848,557**

**This budget will be allocated to departments, pending pay equity finalization.*

Capital Program Recommendations

Harris County's Capital Improvement Program (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 FY27.

FY27 Capital Plan

For the first time since March 2021, OMB will present a proposed CIP for Commissioners Court approval as a part of the budget process. The proposed CIP will provide suggestions for an overall budget across all projects that are a part of the CIP. As in past years, HCTRA, FCD, Harris Health, and voted-debt precinct projects are not included.

The proposed CIP will also include proposed new allocations for each project during FY27. The proposed CIP is intended to provide a hard number for budget overall, but suggestions for each individual project. The proposed CIP is intended to provide $650 million for program budget overall, including a $40 million reserve for project needs that arise mid-year. OMB will present proposed amounts for each project but does not intend these to be formal budget approvals for each project. OMB recommends continuing to provide project-level formal approvals through the investment memo process.

Investment memos will allow Commissioners Court and the public to receive more information about individual projects when they are ready to have a design, implementation, or construction phase ready to start rather than just the planning numbers available now. This will also ensure budget is going to projects that are ready to spend, which will help us manage our debt capital funds more efficiently, minimizing fees for the County.

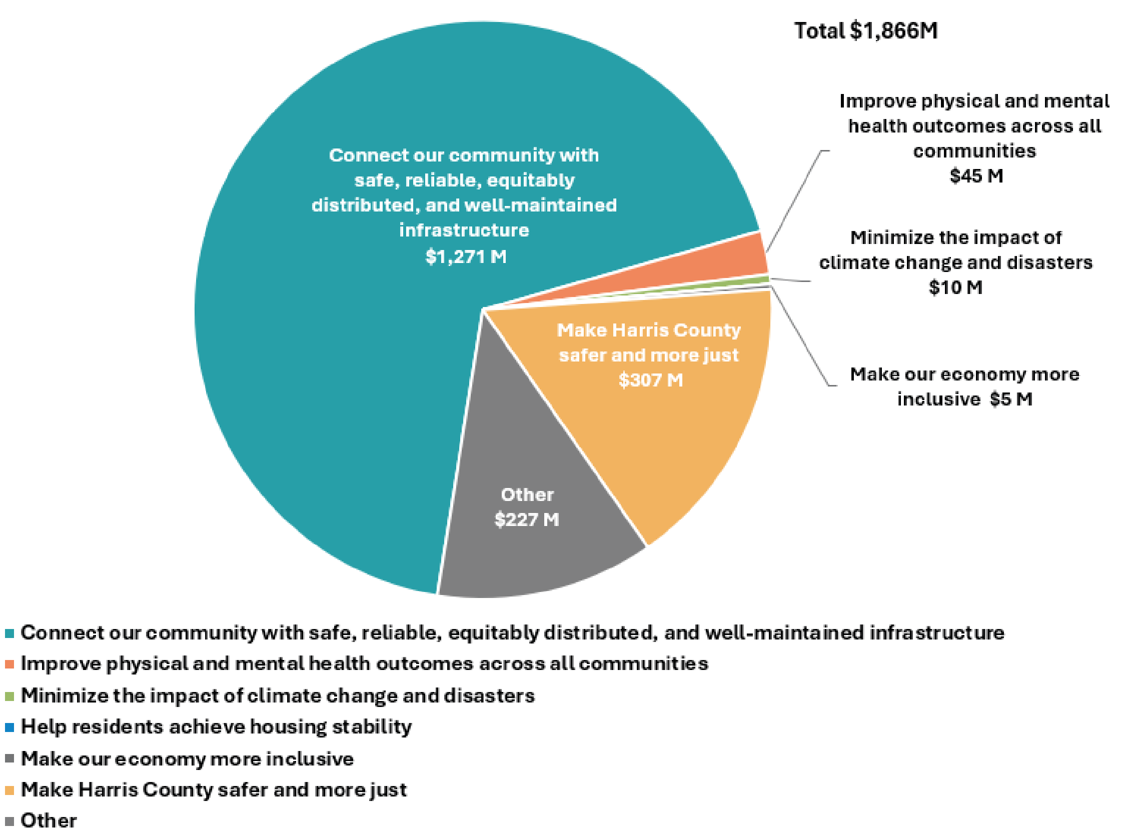
Harris County will continue to make significant capital investments, with the largest share of investment going to infrastructure projects and significant shares devoted to projects that make Harris County safer and more just; and minimize the impact of climate change and disasters.

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 throughout the year.

Projected FY27 Capital Plan Needs

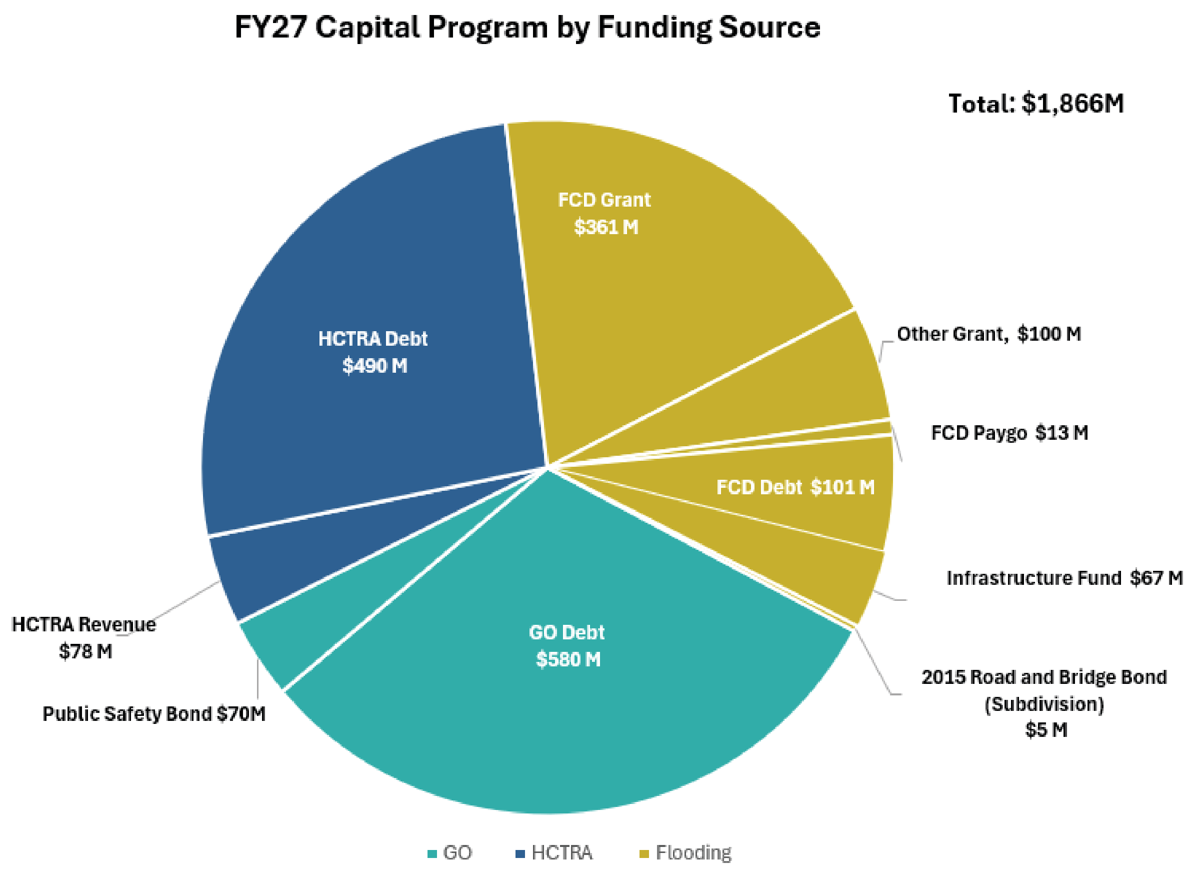
Overall, it is estimated that the Harris County capital plan, including HCTRA and FCD, will need approximately $1.9B in resources for approved projects in the next fiscal year, a similar amount to FY26. Many projects and programs are entering or continuing their construction phase across many goal areas, including major portions of the 2018 Flood Control Bond, Road and Bridge Subdivision Drainage Program, HCTRA Barrier Free Program, Hardy Downtown Connector, Riverside Health and Safety Complex, new HCSO headquarters at 5910 Navigation, and various 2022 Public Safety Bond projects.

FY27 Capital Program by Goal Area



Projected FY27 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.



FY27 Capital Projects

Approved Projects in Progress

Some of the notable initiatives underway include:

- 2018 Flood Control Bond Program – This program has 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.
- HCTRA Barrier Free Program – This program will remove toll plazas to reduce accidents, save lives, and decrease injuries on toll roads. The program also encompasses drainage and other improvements along toll roads. It will reduce maintenance and operating costs and improve traffic flow.
- Hardy Downtown Connector – This new road will extend the Hardy Toll Road to downtown Houston, improving traffic flow and generating revenue, while incorporating community input and environmental mitigation.

- 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.
- New Harris County Sheriff's Office headquarters at 5910 Navigation – This new facility will provide a new headquarters for the Sheriff's Office and a community center for 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 ($100M):** Commissioners Court has approved the full $100M in voted funding authority 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 every approved project. Any additional funding needed to complete the program will use non-voted debt authority.
- **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 Engineering and precincts for these projects.

Continuous Projects

There are 30 continuous projects for items like capital maintenance and equipment that represent a significant investment in County infrastructure. These projects were authorized for $183M in FY26, and we expect a similar level of resource need for FY27.

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, cybersecurity investments, law enforcement radio replacement, and upgrades to HVAC, lighting, and other building systems.

FY27 Proposed Potential Projects

In preparing the FY27 CIP Plan, OMB has gathered proposals for potential new CIP projects from County departments. OMB has received 113 new project requests across multiple strategic frameworks.*

New CIP Project Proposals

OMB solicited proposals from all departments for additional projects that have not yet been approved by Commissioners Court. The 113 potential projects total over $129M across several Goal Areas:

- Make Harris County safer and more just (~$34M): 26 projects were adopted by various safety and justice departments. These projects vary in size and include:
    - The Harris County Fire Marshal's Office’s emergency response equipment warehouse expansion, focused on enhancing the County’s hazardous materials response mission.
    - Facility renovations and build-out for the Institute of Forensic Sciences DNA lab
- Improve physical and mental health outcomes across all communities (~$0.3M): Harris County Resources for Children and Adults has proposed 11 projects to enhance the physical and mental health of the residents. These include:
    - Equipment upgrade in the dental clinic to support accurate diagnostic imaging and enhance the quality and efficiency of dental examinations and patient care
    - Facility upgrade and renovation to enhance the clinical service to the patients and caregivers
- Make our economy more inclusive (~$2.35M): 5 projects adopted by the Harris County Library that provide critical digital services such as job applications, online education, telehealth, and government resources.
- Connect our community with safe, reliable, equitably distributed, and well-maintained infrastructure (~$28.5M): 31 projects were adopted from various departments to improve Harris County’s public-facing infrastructure. These include:
    - Expansion of the Harris County Public Library branches
    - Development and renovations of several Tax Assessor facilities
- Others (~$23.5M): 39 projects adopted by various Harris County entities, including building renovations at various locations and hardware and software upgrades to support Harris County functions:

* *Not all projects will start in FY27, 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.*

    - Technology infrastructure modernization to upgrade the Harris County Tax Office's hardware and software to streamline digital workflows, enhance cybersecurity, and expand online service capabilities.
    - AI program delivering advanced technology solutions that create permanent, County-owned assets to improve efficiency, accessibility, scalability, and transparency
- Reserve ($40M): funding to be held in reserve to fund CIP project needs that arise mid-year or for projects that need additional budget above OMB or department estimates. Allocation to specific projects will be approved by Commissioners Court via investment memos.

All Other Funds

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 Proposed Budget will be based not only on new revenue but also on available resources at the end of FY26. The Proposed 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.

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.

Flex Fund

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.

Energy Efficiency Fund

The Energy Efficiency Fund is used to serve as a continuous source of funding for the 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.

The Proposed budget recommends $180M in transfers to precincts. At a special meeting on April 21, 2025, Commissioners Court approved a new formula for dividing the transfer among the precincts, effective starting FY26. The formula equally weights historical mobility transfers (since 2002), lane-miles of County Road, and pavement condition in determining transfer amounts.

Department	New Revenue FY27
101-Commissioner Pct 1	39,357,339
102-Commissioner Pct 2	41,462,555
103-Commissioner Pct 3	57,393,176
104-Commissioner Pct 4	41,786,930
Total	**180,000,000**

The proposed FY27 budget includes $44.1M in mobility funding to be transferred from precincts after the start of the fiscal year to the Office of the County Engineer to carry out precinct eligible transportation projects. Funding for new and rebuilt traffic signals as well as traffic studies will continue to remain with the precincts at the direction of Commissioners Court.

Initiative	FY27 Transfer from Precinct to OCE
357 positions to support precinct mobility projects	37,260,000
Precinct Traffic Signal Maintenance	6,830,000
Total	**44,090,000**

Mobility Fund Interest

Harris County invests funds not immediately needed in authorized instruments under the Texas Public Funds Investment Act—including U.S. Treasury and agency securities, municipal bonds, fully collateralized certificates of deposit, high-grade commercial paper, and participation in local government investment pools such as TexPool and TexSTAR—to generate investment income on public funds and reduce the overall tax burden.

In the interest of greater transparency, Harris County will note funds allocated at the beginning of the year and whether the source is mobility transfers or mobility fund interest once the FEAR is finalized by the County Auditor.

While these funds are not direct transfers of surplus revenue from HCTRA, Harris County is maintaining the same list of eligible uses for these funds to be governed by Section 284.0031 of the Texas Transportation Code, including the study, design, construction, maintenance, repair, or operation of roads, streets, highways, or other related facilities.

Infrastructure Fund

After being created in FY21 via a surplus revenue transfer from HCTRA, the Infrastructure Fund has been used primarily for the County's Road and Bridge Subdivision Drainage Program

(Subdivision Program), with uses restricted by Section 284.0031 of the Texas Transportation Code. The majority of the transferred funds have been spent, and the exact amount remaining will be provided by the County Auditor in the FEAR. There are no planned future surplus revenue transfers to this fund.

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 that supports and improves JWEB, the County's justice system software of record.

American Rescue Plan

In 2021, following passage of the American Rescue Plan Act (ARPA), the U.S. Treasury allocated $915M in Coronavirus Local Fiscal Recovery Funds to Harris County, to accelerate 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 a total $995M across five priorities, including $915M from the original federal award and $80M from interest earned:

- Health - $142M
- Housing - $298M
- Jobs & Education - $307M
- County Operations - $98M
- Justice & Safety - $150M

Harris County has spent 96% of the $915M federal award and is on track to fully spend these funds by the December 31, 2026, expenditure deadline. The remaining $80M will be spent by December 31, 2027.

Portfolio	Focus Area	ARPA Local Fiscal Recovery Funds ($M)	Interest Funded ($M)	FLEX Fund ($M)	Total Committed (June 2026)
Health	Behavioral Health	19.9	-	0.2	20.1
	Clean Streets, Safe Neighborhoods	2.0	2.5	25.0	29.5
	Coordinated Care	29.7	-	0.9	30.5
	COVID-19	7.9	-	0.1	8.0
	Environmental Health: Lead	8.9	4.3	0.2	13.4
	Food & Nutrition	6.4	0.1	2.7	9.2
	Harris Health	9.7	-	-	9.7
	Healthcare Access	20.8	1.0	0.2	22.0
Health Total		**105.3**	**7.9**	**29.3**	**142.4**
Housing	Affordable Housing	154.6	19.6	4.4	178.6

Portfolio	Focus Area	ARPA Local Fiscal Recovery Funds ($M)	Interest Funded ($M)	FLEX Fund ($M)	Total Committed (June 2026)
	Community, Facilities, and Infrastructure	11.1	-	8.5	19.7
	Homelessness	47.6	8.0	8.8	64.4
	Water & Sewer Infrastructure	30.2	4.7	-	35.0
Housing Total		**243.6**	**32.3**	**21.7**	**297.6**
Jobs & Education	Early Childhood Initiatives	133.6	7.1	6.5	147.3
	Family Financial Stability	68.7	0.4	6.5	75.6
	Small Business	39.1	-	11.9	51.0
	Workforce Development	31.8	-	0.8	32.6
Jobs & Education Total		**273.3**	**7.5**	**25.7**	**306.5**
County Operations	County Operations	43.0	32.3	18.1	93.4
	Elections	-	-	5.0	5.0
County Operations Total		**43.0**	**32.3**	**23.1**	**98.4**
Justice & Safety	Justice & Safety	128.2	-	3.6	131.8
	Reentry / Reintegration	4.1	-	0.7	4.8
	Violence Prevention	8.2	-	5.8	14.0
Justice & Safety Total		**140.4**		**10.1**	**150.5**
Total Committed (June 2026)		**805.5**	**77.9**	**112.1**	**995.5**

Debt Service and Capital Funds

Used to account for the County's capital fund resources allocated for the 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.

Justice Court Support Fund (Fund #2215)

This fund was established because of Texas Senate Bill 41, which created Local Government Code Chapter 135 to consolidate and standardize the collection of fees payable to local government in civil cases. Money allocated to this fund may be used only to defray the costs of services provided by a justice court.

For FY27, OMB is recommending a $250K recurring budget for every Justice of the Peace within the Justice Court Support Fund (Fund #2215).

Department Name	FY27 Proposed
Justice of the Peace, 1-1	$250,000
Justice of the Peace, 1-2	$250,000
Justice of the Peace, 2-1	$250,000
Justice of the Peace, 2-2	$250,000
Justice of the Peace, 3-1	$250,000
Justice of the Peace, 3-2	$250,000
Justice of the Peace, 4-1	$250,000
Justice of the Peace, 4-2	$250,000
Justice of the Peace, 5-1	$250,000
Justice of the Peace, 5-2	$250,000
Justice of the Peace, 6-1	$250,000
Justice of the Peace, 6-2	$250,000
Justice of the Peace, 7-1	$250,000
Justice of the Peace, 7-2	$250,000
Justice of the Peace, 8-1	$250,000
Justice of the Peace, 8-2	$250,000
Total	**$4,000,000**

Proprietary Funds

Used to account for operations that are financed similarly 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 HCTRA, vehicle maintenance, radio operations, inmate industries, health insurance, and risk management services.

Other Funds

As noted above, the Proposed Budget is based on the FEAR.

Appendix

Appendix A – Department Budgets

General Fund Budgets

Dept #	Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
91	Appraisal District	19,256,579	18,189,335	21,010,000	22,010,000
100	Harris County Judge's Office	10,244,307	10,753,535	11,808,736	12,272,524
101	Commissioner Precinct 1	46,493,316	45,739,359	45,361,205	47,525,968
102	Commissioner Precinct 2	40,977,196	43,595,657	45,361,205	47,525,968
103	Commissioner Precinct 3	37,004,967	35,379,038	45,361,205	47,525,968
104	Commissioner Precinct 4	44,933,469	43,144,226	45,361,205	47,525,968
200	Office of County Administration	13,362,462	13,407,823	12,825,009	13,129,535
201	Office of Management & Budget	3,253,339	9,583,620	10,467,842	10,287,708
202	General Administration	92,654,870	125,854,644	193,881,962	283,848,557
204	Intergovernmental & Global Affairs	2,489,033	3,096,032	3,334,146	3,614,816
205	Economic Equity & Opportunity	6,202,452	9,299,770	7,177,050	12,616,225
208	Engineering	76,240,481	84,889,354	78,800,251	83,078,882
212	Human Resources & Talent	8,996,414	6,747,408	7,700,410	8,720,586
213	Fire Marshal	13,956,764	15,196,959	13,358,086	16,043,584
270	Institute of Forensic Sciences	40,860,436	45,440,488	47,126,655	47,800,909
272	Pollution Control	8,604,046	8,804,483	9,981,380	10,829,513
275	Public Health Services	40,035,546	56,640,135	59,601,461	72,123,765
283	Veterans Services	1,586,604	1,727,518	1,820,859	2,155,755
285	Library	42,138,152	43,428,346	43,981,134	47,641,069
286	Domestic Relations	7,865,944	8,242,378	8,507,595	9,304,520
289	Housing and Community Development	28,696,788	24,516,603	20,987,084	24,050,763
292	Universal Services	84,245,380	93,955,736	92,213,017	95,776,137
293	Universal Services Repair & Replacement	18,632,514	18,180,555	17,200,000	23,200,000
296	The Harris Center for Mental Health	23,067,171	24,067,171	24,067,171	24,067,171
298	Universal Services Utilities & Leases	24,270,905	26,153,396	31,794,763	34,912,239
301	Constable, Precinct 1	56,050,637	57,594,505	59,629,016	72,512,025
302	Constable, Precinct 2	13,614,729	13,474,657	14,784,702	18,037,531
303	Constable, Precinct 3	24,546,437	25,810,815	26,510,985	30,919,672
304	Constable, Precinct 4	75,578,349	82,352,513	83,231,067	98,458,791
305	Constable, Precinct 5	53,748,081	57,471,576	60,010,856	70,442,814
306	Constable, Precinct 6	11,571,347	13,141,355	14,777,241	18,603,061

Dept #	Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
307	Constable, Precinct 7	13,802,308	16,383,536	19,374,557	21,420,778
308	Constable, Precinct 8	10,133,359	10,725,050	12,373,803	14,837,419
311	Justice of the Peace, 1-1	2,364,900	2,677,444	2,592,613	2,872,746
312	Justice of the Peace, 1-2	2,256,593	2,371,570	2,681,475	2,761,876
321	Justice of the Peace, 2-1	1,267,079	1,325,460	1,146,073	1,230,995
322	Justice of the Peace, 2-2	1,082,268	1,227,185	1,077,548	1,144,523
331	Justice of the Peace, 3-1	1,906,912	2,105,430	1,998,738	2,209,678
332	Justice of the Peace, 3-2	1,363,631	1,437,146	1,326,663	1,397,402
341	Justice of the Peace, 4-1	3,581,741	3,553,123	3,597,515	3,791,500
342	Justice of the Peace, 4-2	1,747,102	1,869,632	1,738,068	1,815,637
351	Justice of the Peace, 5-1	2,334,829	2,566,882	2,673,335	3,049,313
352	Justice of the Peace, 5-2	3,158,020	3,727,626	3,556,081	3,820,390
361	Justice of the Peace, 6-1	1,031,531	1,093,668	944,836	1,012,682
362	Justice of the Peace, 6-2	918,325	968,389	861,451	918,732
371	Justice of the Peace, 7-1	1,220,936	1,176,067	1,298,152	1,415,833
372	Justice of the Peace, 7-2	1,081,975	1,181,700	1,129,587	1,265,839
381	Justice of the Peace, 8-1	1,341,484	1,474,374	1,361,623	1,509,100
382	Justice of the Peace, 8-2	832,001	860,890	867,232	892,966
510	County Attorney	41,172,835	42,480,383	39,676,955	41,234,274
515	County Clerk	33,598,962	38,553,939	43,111,039	47,835,137
516	Elections Operations	26,620,473	19,402,467	34,342,236	24,775,474
517	County Treasurer	1,323,863	1,554,184	1,836,768	2,071,083
530	Tax Assessor-Collector	41,571,054	43,865,063	49,439,356	57,707,532
540	Sheriff - Patrol & Administration	291,816,833	299,168,435	353,965,233	390,520,457
541	Sheriff - Detention	302,308,886	307,501,733	324,311,202	351,466,082
542	Sheriff - Medical	96,942,113	111,898,374	30,068,632	30,968,632
545	District Attorney	115,647,091	128,922,069	141,148,855	152,247,941
550	District Clerk	46,471,916	49,903,372	50,897,490	62,709,181
560	Public Defender	37,958,828	48,044,899	69,191,863	86,317,411
601	Community Supervision	4,238,664	4,738,664	4,828,874	4,828,874
605	Pretrial Services	24,207,271	27,483,325	28,961,256	31,492,206
610	County Auditor	28,167,862	28,983,909	30,328,978	31,845,426
615	Purchasing Agent	11,819,202	13,712,215	16,401,710	20,062,502
700	District Courts	37,246,729	39,182,325	40,146,476	44,792,186
701	District Courts Court Appointed Attorney Fees	82,254,358	98,044,073	87,500,000	72,500,000

Dept #	Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
821	Texas A&M Agrilife	1,015,159	1,008,711	1,189,785	1,294,390
840	Juvenile Probation	93,411,675	99,195,349	100,888,865	105,934,992
845	Sheriff's Civil Service	244,559	199,666	323,184	361,373
880	Harris County Resources for Children and Adults	29,506,948	30,999,294	32,359,206	35,914,151
885	Children's Assessment Center	11,278,697	12,394,622	13,324,693	14,605,024
930	1st Court of Appeals	15,640	19,503	38,881	38,881
931	14th Court of Appeals	14,423	14,261	38,881	38,881
940	County Courts	21,834,795	21,759,139	23,777,794	26,654,876
941	County Courts Court Appointed Attorney Fees	21,365,534	24,555,654	15,600,000	15,600,000
945	Office of Managed Assigned Counsel	2,252,664	3,035,390	3,390,094	4,025,552
991	Probate Court No. 1	1,847,604	1,929,877	2,065,217	2,125,425
992	Probate Court No. 2	1,723,259	1,771,400	1,835,715	1,908,701
993	Probate Court No. 3	5,699,932	6,090,887	5,990,940	6,399,030
994	Probate Court No. 4	1,848,548	1,827,074	2,036,380	2,095,662
995	Probate Court No. 5	1,277,167	1,683,210	1,776,118	1,860,446
	Total	**2,439,307,253**	**2,632,527,626**	**2,769,425,324**	**3,096,161,215**
	Working Capital			345,051,887	
				3,114,477,211	**3,096,161,215**

Toll Road Operating Funds

Dept	Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted*	FY27 Proposed (including carryforward)
050	Toll Road Authority - 5302 (Toll Road)**	253,927,880	330,720,200	420,099,164	516,843,368
050	Toll Road Authority - 5310 (Tunnel & Ferry)*	7,785,565	8,059,629	9,540,935	10,648,171
	Total	**261,713,445**	**338,779,829**	**429,640,099**	**527,491,539**

Flood Control Operating Funds

Dept	Department Name	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed
090	Flood Control District – 2890 (Flood Cont. General)	125,567,404	224,231,838	250,800,000	266,200,000
	Sub-total	**125,567,404**	**224,231,838**	**250,800,000**	**266,200,000**
	Working Capital	1,729,104	3,701,479	-	-
	Total	**127,296,508**	**227,933,317**	**250,800,000**	**266,200,000**

**Adopted budget includes carryforward.*
***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 Program (CIP)	A list of capital projects and funding sources for the next 5 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.

Term	Description
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.
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 and Spending (CLS/S)	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.

Term	Description
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.
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.

Term	Description
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.
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 usage of Toll Road surplus revenue funds, including Road & Bridge Subdivision Drainage Program costs. Eligible expenses outlined in Section 284.0031 of the Texas Transportation Code.
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 created to track usage of Toll Road surplus revenue funds on eligible transportation expenses. Eligible expenses outlined 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.

Term	Description
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.
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.
SB9	Senate Bill 9 built on SB 6 by adding more charges to the list of offenses ineligible for personal or cashless bonds, including unlawful firearm possession, terroristic threat, and violating a family violence protective order. It also barred magistrates below the rank of district judge from setting or lowering bail in certain serious felony cases, required judges to explain in writing why they released a defendant in those cases, let prosecutors appeal bail decisions, and imposed new regulations on charitable bail organizations.

Term	Description
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.
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	FUNDS										
	GOVERNMENTAL							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
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				
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
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						X				
JUSTICE OF THE PEACE 1-2	X						X				
JUSTICE OF THE PEACE 2-1	X						X				
JUSTICE OF THE PEACE 2-2	X						X				
JUSTICE OF THE PEACE 3-1	X						X				
JUSTICE OF THE PEACE 3-2	X						X				
JUSTICE OF THE PEACE 4-1	X						X				
JUSTICE OF THE PEACE 4-2	X						X				
JUSTICE OF THE PEACE 5-1	X						X				
JUSTICE OF THE PEACE 5-2	X						X				
JUSTICE OF THE PEACE 6-1	X						X				
JUSTICE OF THE PEACE 6-2	X						X				
JUSTICE OF THE PEACE 7-1	X						X				

* *The General Fund Group sub funds include the following funds: IJIS 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	FUNDS										
	GOVERNMENTAL							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 7-2	X						X				
JUSTICE OF THE PEACE 8-1	X						X				
JUSTICE OF THE PEACE 8-2	X						X				
JUVENILE PROBATION OFFICE	X			X			X				
MANAGED ASSIGNED COUNSEL	X										
MHMRA	X										
NON-DEPARTMENTAL SPENDING AND FUND BALANCE	X	X	X	X	X		X				
OFFICE OF COUNTY ADMINISTRATION	X		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		X							
SHERIFF'S CIVIL SERVICE	X										
SHERRIFF CRIMINAL JUSTICE ADMIN	X		X	X	X					X	
SHERRIFF EXECUTIVE ADMINISTRATION	X		X	X			X				X
SHERRIFF 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				

Appendix D – Elected Official Salary Increases

Office	Current Salary	FY27 Proposed Salary	Increase
Constable Precinct 1	$260,000	$305,000	$45,000
Constable Precinct 2	$260,000	$305,000	$45,000
Constable Precinct 3	$260,000	$305,000	$45,000
Constable Precinct 4	$260,000	$305,000	$45,000
Constable Precinct 5	$260,000	$305,000	$45,000
Constable Precinct 6	$260,000	$305,000	$45,000
Constable Precinct 7	$260,000	$305,000	$45,000
Constable Precinct 8	$260,000	$305,000	$45,000
County Attorney	$217,485	$305,000	$87,515
County Clerk	$179,421	$305,000	$125,579
Tax Assessor & Collector	$179,421	$305,000	$125,579
District Attorney	$217,485	$305,000	$87,515
District Clerk	$179,421	$305,000	$125,579

Appendix E – Benefit Rates

FY27 Proposed Benefits Rates			
Employment Type	**Full**	**Part**	**Temp**
Social Security*	5.98%	5.98%	5.98%
Medicare	1.40%	1.40%	1.40%
Workers Comp	1.01%	1.01%	1.01%
Unemployment	0.10%	0.10%	0.10%
Retirement**	**14.50%**	**14.50%**	-
Variable Rate Total	**22.99%**	**22.99%**	**8.49%**
Group Health* **	**$24,767**	-	-

*Rate may vary based on certain pre-tax deductions selected by employees.

**Based on the adoption of the TCDRS required rate in 2027.

***Based on the implementation of recommended medical programs and plan changes, and transfer from the Workers Compensation fund.

Note: Rates in **bold** denote changes from FY26.

HARRIS COUNTY
OFFICE OF MANAGEMENT AND BUDGET