

B
U
D
G
E
T

L
E
T
T
E
R

&

S
U
M
M
A
R
Y



HARRIS COUNTY, TEXAS

COMMISSIONERS COURT

1001 Preston, Suite 938 • Houston, Texas 77002-1817 • (713) 755-5113

Robert Eckels
County Judge

El Franco Lee
Commissioner, Precinct 1

Sylvia R. Garcia
Commissioner, Precinct 2

Steve Radack
Commissioner, Precinct 3

Jerry Eversole
Commissioner, Precinct 4

March 3, 2006

To: County Judge Eckels and
Commissioners Lee, Garcia,
Radack and Eversole

Re. **FY 2006-07 Budgets**

Enclosed are schedules and materials for the FY 2006-07 budgets which will be effective for the period of March 1, 2006 through February 28, 2007.

The county's general fund expenditures for the year ending February 28, 2005 are projected to be \$1,028,898,458, an increase of 3.8% compared to the previous year's expenditures of \$991,539,681.

The available cash balance in the general fund at February 28 is projected at \$184.7 million with \$38.1 million encumbered and \$146.6 million, or 14.3% of expenditures, unreserved. The Auditor's Office will provide final adjustments at a later date for cash and modified accrual fund balances.

The estimate by the Auditor of available resources for FY 2006-07, including the above balance, is \$1,228,100,653, which is 5% more than the previous year's adjusted estimate of \$1,169,259,795, and .58% less than the estimated actual for FY 2005-06 of \$1,235,260,125.

The following table shows the general fund resources by category based on the Auditor's estimates.

<u>General Fund</u> (\$ millions)	FY 2005-06 Adjusted Estimate	FY 2005-06 Estimate Actual	FY 2006-07 Revenue Estimate
Beginning Cash	\$ 234.9	\$ 240.2	\$ 184.7
Taxes	644.9	683.2	735.4
Intergovernmental	30.1	32.8	29.8
Service Charges	180.2	187.1	192.8
Fines	23.3	23.3	23.5
Rentals/Parks	3.9	4.5	3.9
Reimbursements	20.8	20.2	21.1
Interest	6.5	7.1	7.0
Miscellaneous	4.5	15.6	9.8
Transfers	20.1	21.2	20.0
Revenues & Transfers	\$ 934.3	\$ 995.0	\$ 1,043.4
Total Resources	\$ 1,169.2	\$ 1,235.2	\$ 1,228.1

Flood Control

The estimate for the Flood Control operations and maintenance budget for FY 2006-07 is \$136.5 million, an increase of \$11.3 million compared to last year's adjusted estimate, and \$4.9 million over last year's estimated actual revenue.

Debt Service

Funds will be available for debt service expenditures for the fiscal year in the amount of \$128.6 million for the county, \$165.3 million for the Toll Road Authority, \$35.1 million for Flood Control, and \$35.7 million for the Port of Houston.

Departments and Policy Issues

The tables that follow show a listing of proposed budget amounts for departments. The total of the proposed budget is balanced against the Auditor's estimate of available resources. A list of policy issues follows the budget materials. Adjustments will be made as necessary in accordance with the court's decisions March 7. A more detailed summary will be prepared for your reference as part of the annual budget book that will be printed for the fiscal year.

#

Budget Summary

Budget Calendar

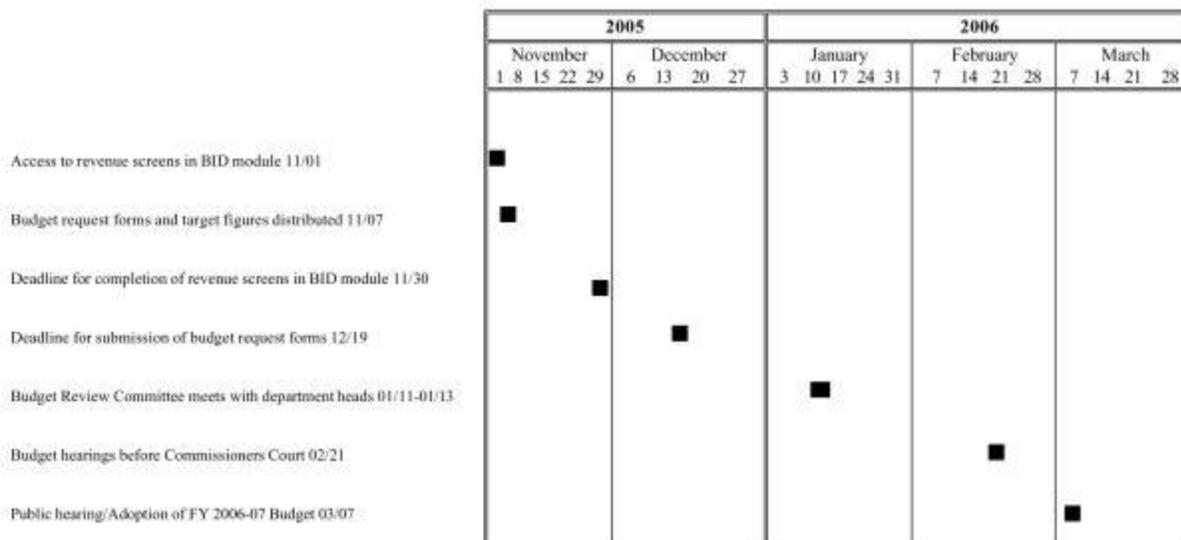
The county's budget preparation for FY 2006-07 began on November 7, 2005 when departments received budget request forms and budget target amounts. Departments received revenue estimation forms November 1, which were required to be returned to the Auditor's Office November 30, 2005. Officials were asked to review their responsibilities and to project financial requirements. They were required to return completed budget forms by December 19, 2005.

Preliminary hearings were held with department heads through the Budget Review Committee January 11-13 regarding plans and objectives for the fiscal year. Commissioners Court considered the budget and its policy issues at a public meeting on February 21. A public hearing was held and the budget was adopted on March 7. The approved budget covers the period of March 1, 2006 through February 28, 2007.

The chart that follows provides an outline of the steps that were taken to prepare and adopt the budget.

FY 2006-07 BUDGET PROCESS

FY 2006-07 BUDGET PROCESS



The county's budgetary process involves comprehensive analyses of the functions of the government. By state law, the budget is keyed to the Auditor's estimate of revenue. Amounts budgeted in a fiscal year for expenditures from the various funds of the county may not exceed the balances in those funds as of the first day of the fiscal year plus the anticipated revenue for the year as estimated by the Auditor. The budget must be considered and adopted before the end of the first month of the fiscal year. Accountability is then required for operations to remain within available resources.

County funds are maintained in the accounting system on a cash basis during the fiscal year to conform with the budget process, and are reported annually on the modified accrual basis of accounting.

Budget Process

For FY 2006-07 each department received a target figure to budget against and that total figure was adjusted with approval of the court in accordance with available resources. Each department head decided how their budgeted amount was to be divided into line item accounts. Encumbrances were part of the total budgeted amount.

The goal of the budget planning figure that is given to a department for use in preparation of the annual budget is to allow that department at least the same resources it had the previous year, including encumbrances, and, if possible, an amount for inflation, subject to the availability of funds. Once a final budget is ready for adoption, each department gives the Budget Office its line item allocations for placement in the Auditor's financial system.

During the year, the department head decides on the movement of funds between line items. Each department is encouraged to develop long-range plans and savings for future needs. The goal is for an amount of unexpended funds to be rebudgeted by the departments for their use.

Each department head is also encouraged to restructure his or her organization when necessary in order to control costs and meet their objectives. Salary and position changes can be requested through Commissioners Court, subject to appropriate justification as to the department's goals and availability of funds within the department's budget.

Revenue projections by the departments are provided to the Auditor for assistance in preparing the annual estimate of revenues.

The budget calendar allows the budget to be adopted at a regular court meeting at the beginning of each new fiscal year. This year the approval date was March 7, 2006.

Revenue and Expenditures

The total of available resources for all funds for FY 2006-07 is \$3,458,513,600. The comparative schedule for FY 2001-02 - FY 2006-07 on page 5 shows the division of these funds over the six-year period. The table and chart on page 6 show the breakdown as to the source of each dollar of the funds and where each dollar is going.

The general fund at \$1.23 billion is the largest of the funds and accounts for revenues and expenditures for the general operations of the county. The allocation of the general operating budget is shown in the table and chart on page 7.

COMPARATIVE SCHEDULE OF HARRIS COUNTY AND HARRIS COUNTY FLOOD CONTROL DISTRICT FUNDS FOR FY 2001-02 THROUGH FY 2006-07

Harris County Funds	FY 2001-02		FY 2002-03		FY 2003-04		FY 2004-05		FY 2005-06		FY 2006-07	
	Amount	%										
General Fund	925,210,999	32.26%	962,348,628	32.24%	1,080,733,306	33.94%	1,175,799,826	35.35%	1,163,688,119	31.54%	1,228,100,653	35.51%
Public Improvements Contingency Fund	75,768,616	2.64%	81,553,134	2.73%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Debt Service Funds	302,081,121	10.53%	243,122,122	8.14%	253,230,974	7.95%	225,400,153	6.78%	329,928,620	8.94%	318,393,938	9.21%
Special Revenue, Trust, & Enterprise Funds	64,487,247	2.25%	71,425,341	2.39%	63,034,903	1.98%	66,731,115	2.01%	67,812,760	1.84%	79,410,301	2.30%
Hotel Occupancy Revenue Fund	27,778,655	0.97%	32,710,029	1.10%	26,855,683	0.84%	16,705,000	0.50%	20,479,948	0.56%	20,085,941	0.58%
County Pay As You Go Fund	35,716,640	1.25%	44,051,913	1.48%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Capital Projects Funds	433,579,326	15.12%	392,221,769	13.14%	444,883,550	13.97%	534,584,416	16.07%	687,680,546	18.64%	509,127,823	14.72%
Grant Funds	92,397,073	3.22%	91,188,796	3.05%	143,494,675	4.51%	129,709,238	3.90%	102,071,730	2.77%	167,076,853	4.83%
Toll Road System	654,860,253	22.83%	716,776,930	24.01%	862,548,190	27.09%	756,927,704	22.76%	828,116,108	22.45%	730,009,232	21.11%
Subtotal County Funds	\$2,611,879,930	91.07%	\$2,635,398,662	88.28%	\$2,874,781,281	90.28%	\$2,905,857,452	87.37%	\$3,199,777,831	86.73%	\$3,052,204,741	88.25%
Flood Control District Funds												
Construction & Maintenance Fund	\$84,137,255	2.93%	\$85,301,884	2.86%	\$139,941,809	4.39%	\$141,411,194	4.25%	\$125,220,192	3.39%	\$136,530,164	3.95%
Debt Service Funds	72,099,699	2.51%	58,822,283	1.97%	45,460,795	1.43%	58,602,350	1.76%	55,516,578	1.50%	31,319,960	0.91%
Flood Control Pay As You Go Fund	56,785,882	1.98%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Capital Projects Funds	43,150,682	1.50%	205,800,510	6.89%	123,936,614	3.89%	220,133,130	6.62%	308,659,350	8.37%	238,458,735	6.89%
Subtotal Flood Control Funds	\$256,173,518	8.93%	\$349,924,677	11.72%	\$309,339,218	9.72%	\$420,146,674	12.63%	\$489,396,120	13.27%	\$406,308,859	11.75%
Total All Funds	\$2,868,053,448	100.00%	\$2,985,323,339	100.00%	\$3,184,120,499	100.00%	\$3,326,004,126	100.00%	\$3,689,173,951	100.00%	\$3,458,513,600	100.00%

**HARRIS COUNTY, TEXAS
AND
HARRIS COUNTY FLOOD CONTROL DISTRICT
FY 2006-07 BUDGET DOLLAR**

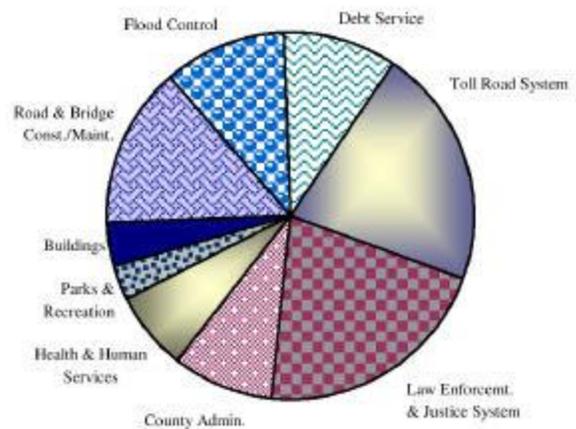
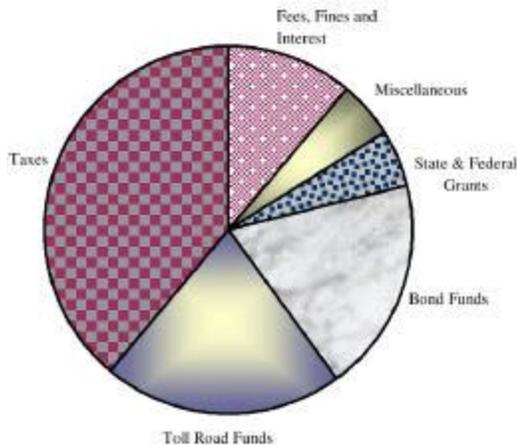
WHERE IT COMES FROM:

FY 2006-07

Taxes	\$.39
Fees, Fines and Interest	.11
Miscellaneous	.05
State and Federal Grants	.05
Bond Funds	.19
Toll Road Funds	.21
	<hr/>
	\$ 1.00
	<hr/> <hr/>

WHERE IT GOES:

Law Enforcement and Justice System	\$.21
County Administration	.09
Health and Human Services	.07
Parks and Recreation	.03
Buildings	.04
Road and Bridge Construction/Maintenance	.14
Flood Control	.11
Debt Service	.10
Toll Road System	.21
	<hr/>
	\$ 1.00
	<hr/> <hr/>



WHERE IT COMES FROM

WHERE IT GOES

**General Fund Budget
FY 2006-07**

Admin. of Justice	\$600,533,248	48.90%	
Road & Bridge	181,949,568	14.82%	
County Admin.	228,216,731	18.58%	
Health/Human Services	111,686,538	9.09%	
Parks	75,185,018	6.12%	
Taxation	30,529,550	2.49%	
Total	\$1,228,100,653	100.00%	

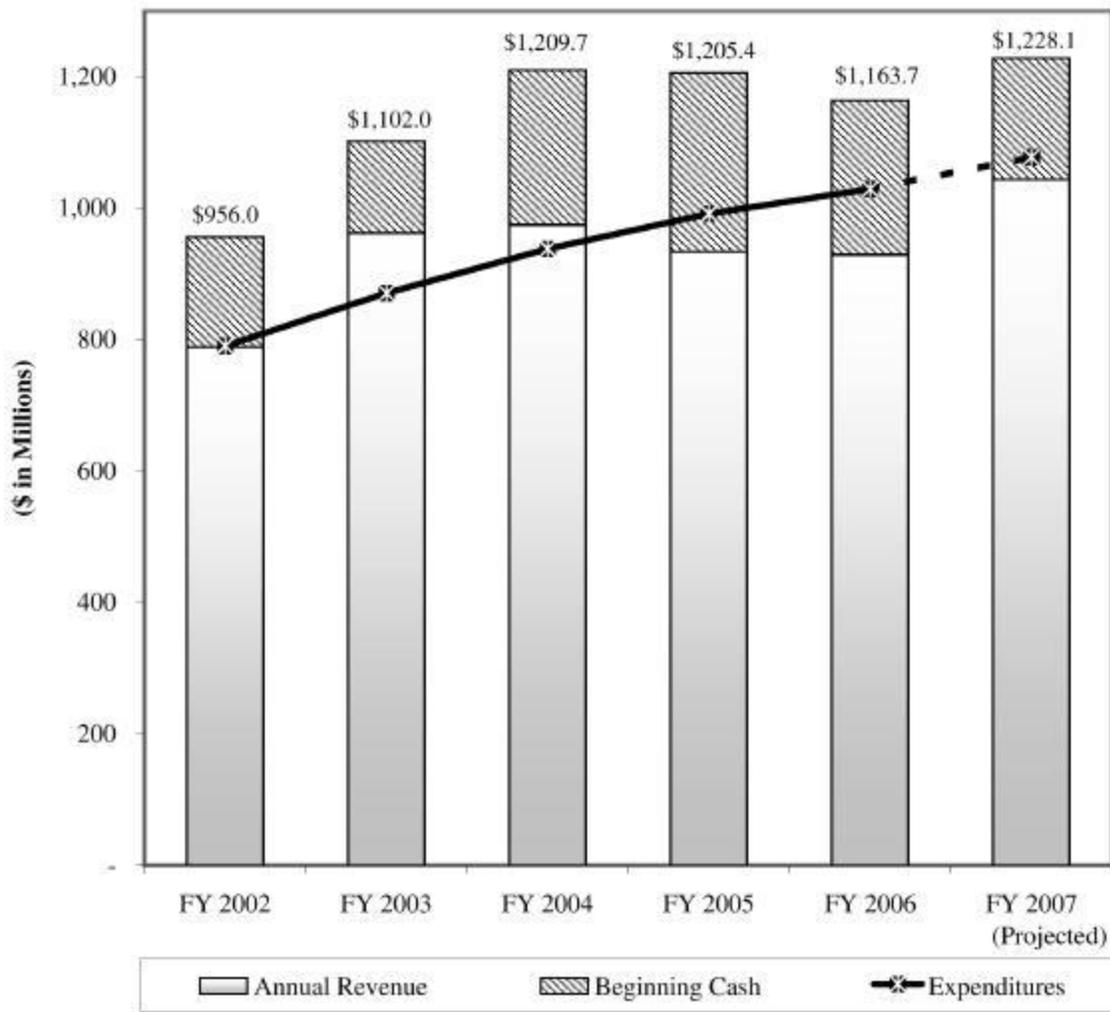
General fund revenues and expenditures for FY 2001-02 - FY 2005-06 and projected for this fiscal year, FY 2006-07, are shown in the following table.

	FY	FY	FY	FY	FY	Projected
	2001-02	2002-2003	2003-2004	2004-2005	2005-2006	FY
Revenues (millions)						2006-2007
Taxes	\$ 518.7	\$ 581.0	\$ 605.8	\$ 643.0	\$ 683.2	\$ 735.4
State	12.9	13.2	18.4	17.7	12.5	20.8
Intergovernmental	18.6	13.4	13.4	10.5	20.3	9.1
Fees & Charges	159.3	159.2	172.2	175.2	187.1	192.8
Fines & Forfeitures	22.9	21.0	21.8	22.4	23.3	23.5
Rentals & Parks	3.6	4.5	3.5	3.8	4.5	3.9
Reimbursements & Refunds	16.6	21.6	21.7	24.8	20.2	21.1
Interest	4.8	5.4	4.8	5.0	7.1	7.0
Misc./transfers	31.1	142.7	81.5	31.4	36.8	29.8
Total revenues	\$ 788.5	\$ 962.0	\$ 943.1	\$ 933.8	\$ 995.0	\$ 1,043.4
Beginning Cash	\$ 167.5	\$ 140.0	\$ 235.3	\$ 271.6	\$ 240.2	\$ 184.7
Total Resources	\$ 956.0	\$ 1,102.0	\$ 1,178.4	\$ 1,205.4	\$ 1,235.2	\$ 1,228.1
Expenditures (millions)						
Admin. of Justice	\$ 442.8	\$ 487.2	\$ 508.8	\$ 541.0	\$ 567.7	\$ 597.7
County Admin.	141.4	160.9	180.7	180.5	187.9	196.8
Road & Bridge	70.5	75.9	84.1	89.3	86.2	89.6
Health & Human Services	71.5	82.6	90.3	99.7	107.6	111.8
Parks	35.6	34.5	44.8	47.8	49.6	51.3
Taxation	28.1	29.6	29.2	31.7	29.9	30.6
Total Expenditures	\$ 789.9	\$ 870.7	\$ 937.9	\$ 990.0	\$ 1,028.9	\$ 1,077.8
Percentage						
Expend./Revenues	100.2%	90.5%	99.4%	106.0%	103.4%	103.3%
Expend./Total Resources	82.6%	79.0%	79.6%	82.1%	83.3%	87.8%

The chart that follows shows a comparison of general operating budget totals for available resources, revenues, and expenditures during the period of FY 2001-02 - FY 2005-06. Total resources averaged \$1.14 billion per year, with an average for beginning cash of \$211 million and annual revenues of \$924.5 million. Expenditures averaged \$923.5 million per year during the period, or 99.9% of revenues and 81.3% of available resources.

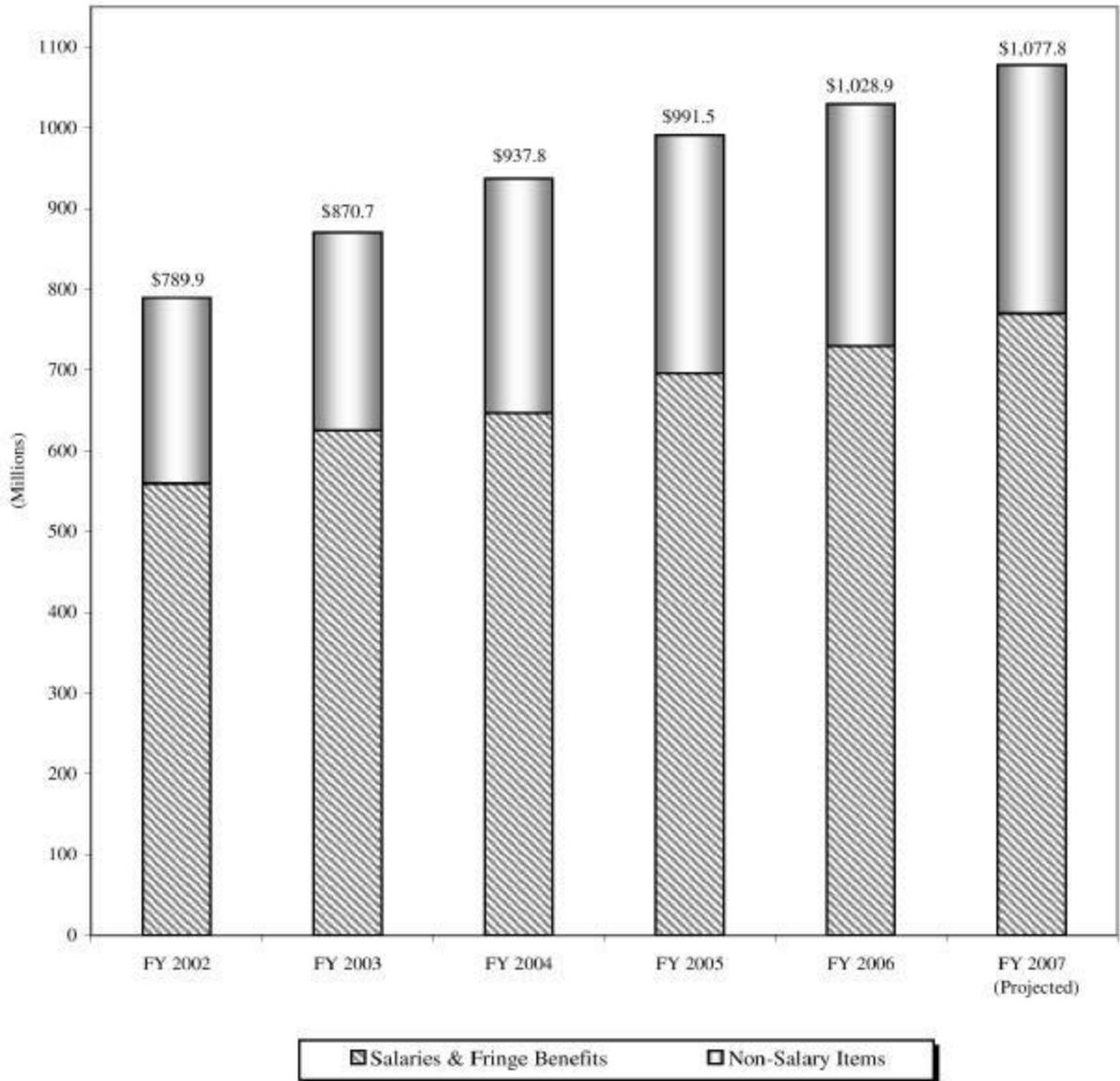
The table and chart that follow on page 9 show a comparison of the components of general operating budget expenditures for the FY 2001-02 - FY 2005-06 period and the FY 2006-07 forecast.

General Fund Operating Budget



**General Fund Operating Budget Expenditures
FY 2001-02 - FY 2005-06
and FY 2006-07 Forecast**

Category (\$Millions)	2001-02	%	2002-03	%	2003-04	%	2004-05	%	2005-06	%	2006-07 Projected	%
Salaries	\$428.6	54.3	\$476.8	54.8	\$485.4	51.8	\$515.6	52.0	\$536.3	52.1	\$561.5	52.1
Fringe Benefits	131.3	16.6	148.8	17.1	161.3	17.2	180.4	18.2	193.7	18.8	208.7	19.4
Subtotal Salaries & Benefits	\$559.9	70.9	\$625.6	71.9	\$646.7	69.0	\$696.0	70.2	\$730.0	70.9	\$770.2	71.5
Materials & Supplies	\$48.5	6.1	\$50.1	5.8	\$59.9	6.4	\$64.3	6.5	\$62.1	6.0	\$63.5	5.9
Buildings & Equipment	17.7	2.2	17.8	2.0	13.0	1.4	21.4	2.2	12.3	1.2	12.6	1.1
Fees & Other	116.5	14.7	125.6	14.4	150.8	16.0	144.3	14.5	157.0	15.3	163.0	15.1
Transportation & Travel	14.3	1.8	15.6	1.8	15.9	1.7	24.6	2.5	19.6	1.9	20.5	1.9
Financial Transactions	33.0	4.2	36.0	4.1	51.5	5.5	40.9	4.1	47.9	4.7	48.0	4.5
Subtotal Non-salary Items	\$230.0	29.1	\$245.1	28.1	\$291.1	31.0	\$295.5	29.8	\$298.9	29.1	\$307.6	28.5
TOTALS	\$789.9	100.0	\$870.7	100.0	\$937.8	100.0	\$991.5	100.0	\$1,028.9	100.0	\$1,077.8	100.0



Taxes

The main revenue source for the general operating budget is taxes. The average for the six years in the table on page 7 is 66.5% of total revenues. For all resources for all funds, the total, as shown in the chart on page 6, is 39¢ for each dollar.

The taxes category for the general fund for the new fiscal year includes \$733.9 million in property taxes and \$1.4 million in occupational taxes. Property taxes include current taxes, delinquent taxes, and interest and penalties. The budget is based on a tax rate of \$.34728 per \$100 valuation for county maintenance and operations.

The Tax Assessor-Collector collects the property tax in accordance with the Texas Property Code. He also collects one-fourth of the occupational tax imposed by the state on coin-operated vending machines in the county.

Another tax collected is the hotel occupancy tax, which goes into a special revenue fund. That tax is imposed on a person who pays for use of a hotel or motel room. The county levy is 2% of the room price paid within a municipality and 7% for a room outside of a municipality. A table showing revenues and expenditures for this fund is on page 16.

Regarding the property tax, values are set by the Harris County Appraisal District. Commissioners Court sets the tax rates for the county, flood control, Port, and Hospital District each October after receipt of an updated tax roll. The total 2005 tax rate for all entities was \$.63998, which was the same as in 2001, 2002, 2003, and 2004. Previously, the rate of \$.64173 was set each year between 1996 and 2000.

The table and chart on page 11 show the taxable values that occurred in Harris County for the period of 1985-2005 and projections for the future. The chart illustrates the economic decline that occurred in the late 1980's. There was a drop of over \$12 billion in taxable values from a peak in 1985 to the low point that occurred in 1989. The county had steady growth in the 1990's and the Appraisal District has projected continued growth in the tax base through 2010. Revised projections for 2006 through 2010 will be provided to the county in August 2006.

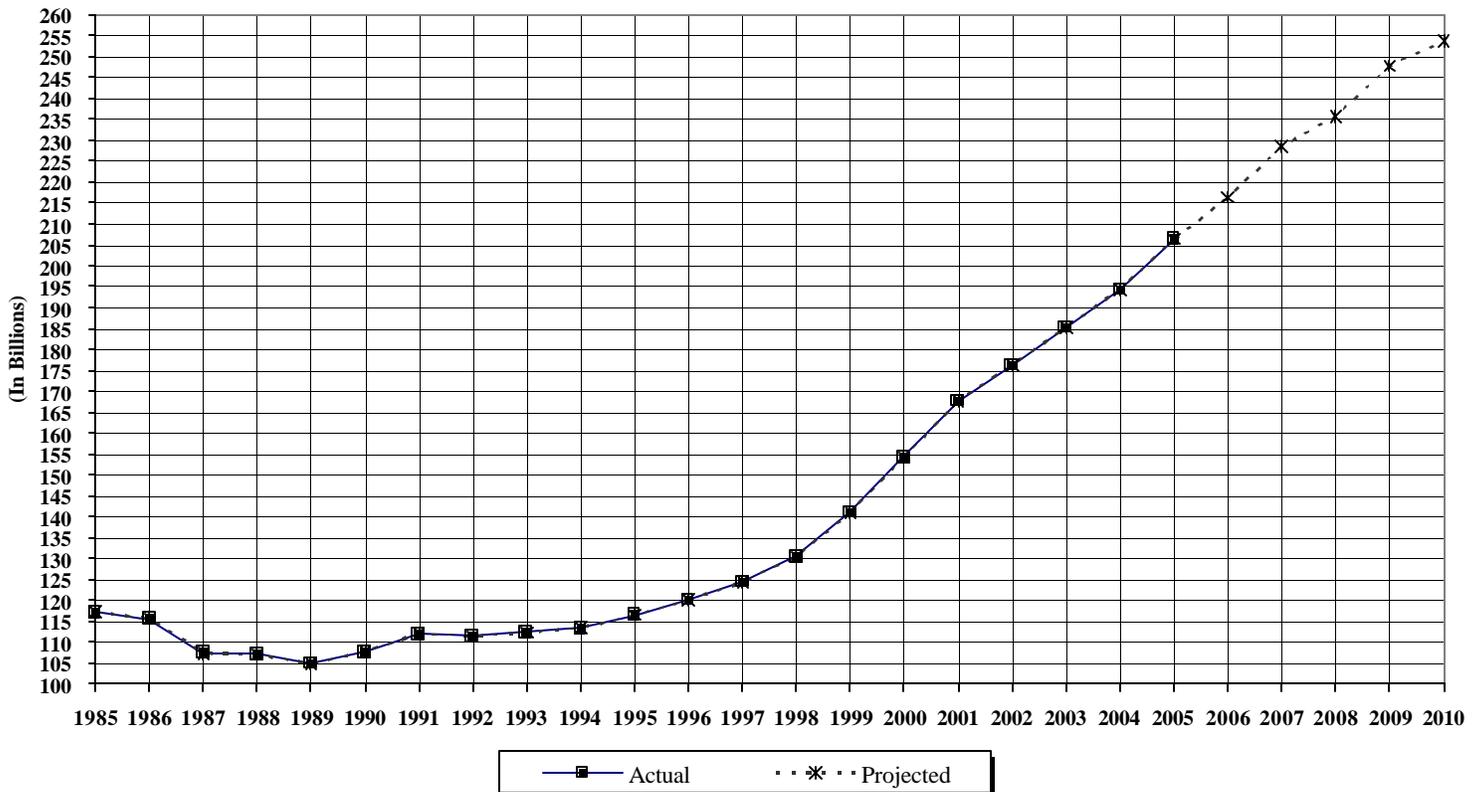
Commissioners Court has authorized an exemption from ad valorem taxation of \$5,000 or 20% of the appraised value of a residential homestead, whichever is greater. The county allows an additional amount of exemption for persons 65 and older or the disabled of \$156,240. The following table shows a breakdown of the county's tax roll for the 2005 tax year and projected for 2006.

Harris County Tax Roll				
Tax Year 2005 and Projected for 2006				
Category (\$ Billions)	2005		2006	
		%	(Projected)	%
Residential	\$ 91.84	44.6	\$ 96.56	44.7
Apartments	13.57	6.6	13.97	6.5
Commercial	40.77	19.8	44.73	20.7
Vacant land	6.01	2.9	6.14	2.8
Industrial	15.34	7.4	16.75	7.7
Utility	4.43	2.1	4.93	2.3
Commercial personal	19.20	9.3	14.74	6.8
Industrial personal	13.71	6.6	14.15	6.5
Other property	1.48	0.7	4.33	2.0
Totals	\$206.35	100.0	\$216.30	100.0

Source: Harris County
Appraisal District

Harris County Appraised and Taxable Values 1985-2005 and Projected for 2006-2010 (\$ Billions)		
Year	Appraised Value	Taxable Value
1985	132.6	117.2
1986	130.9	115.6
1987	121.7	107.4
1988	118.3	107.1
1989	116.7	104.9
1990	119.9	107.7
1991	125.8	111.9
1992	126.9	111.4
1993	129.5	112.3
1994	131.2	113.4
1995	134.7	116.5
1996	138.3	120.1
1997	142.9	124.3
1998	152.0	130.4
1999	163.3	141.0
2000	179.6	154.1
2001	198.2	167.7
2002	207.7	176.2
2003	218.6	185.2
2004	227.6	194.3
2005	267.5	206.3
2006	280.7	216.3
2007	296.5	228.5
2008	305.9	235.7
2009	321.4	247.7
2010	329.4	253.8

**Harris County Taxable Values 1985-2005
And Projected For 2006-2010**



State and Intergovernmental Revenues

State revenues for the general fund are estimated at \$20.8 million for FY 2006-07 compared to \$20.3 million that was collected last year. The estimate for state revenues includes a percentage of the state mixed beverage tax collected by the county, \$11.1 million; a portion of the fee assessed by the state for hazardous waste management, \$600,000; a portion of civil case filing fees returned by the state, \$665,000; a commission from the state for bingo tax receipts, \$500,000; state reimbursement for nutrition service for children in institutions, \$995,553; indigent defense, \$2 million; and various other reimbursements, \$5.1 million.

Other intergovernmental revenues as projected show a decrease from \$12.5 million in FY 2005-06 to \$9 million this fiscal year. Receipts included in this portion of general fund revenues are payments from the U.S. Marshal's Service for housing of federal inmates, reimbursement from the Greater Harris County 911 Emergency Network for positions and space provided by the county, payments from school districts for law enforcement services, and payments received for federal land entitlements.

The major reduction in intergovernmental revenues are for funds previously received as reimbursement from the U.S. Department of Justice for holding prisoners under the State Criminal Alien Assistance Program. The Sheriff's Department will continue to seek federal funding for the criminal alien program in the new fiscal year.

Fees and Service Charges

Fees and service charges are collected by various officials throughout county government. These funds are the largest source of revenue for the county operating budget other than taxes. They are expected to bring in \$192.8 million this fiscal year, which is approximately \$5.7 million more than last year, and as shown in the table on page 7, is \$33.5 million, or 21% more than was collected five years ago.

The largest item of fees is collected through the Tax Assessor-Collector for tax collection services for various entities in the county, motor vehicle certificates and registration renewals, boat sales, and vehicle emission certificates. The second largest item is from the road and bridge fee, \$28.5 million, which comes from an additional \$10 fee for each vehicle registration. That amount is divided equally among the four commissioners' precincts for road and bridge maintenance. Other items include filing fees collected by the County Clerk for property records, probate and county court cases, marriage licenses, and other records, motor vehicle sales tax fees retained by the Tax Assessor-Collector, fees by constables for subpoenas, writs, and citations, fees for copies of documents by the District Clerk, justices of the peace charges for court services and copies of writs and orders, charges for additional peace officers for subdivision patrol by service contracts, a courthouse security fee collected on filings of civil cases and criminal convictions, building permits and other permit fees through the Engineering Division, and various other fees for services by departments.

By court policy, each department involved with a fee or service charge is to continually monitor the extent of their cost recovery and improvements in services for the benefit of the public.

Other Revenues

Other revenues for the general fund include criminal and other fines, bail bond forfeitures, rentals of county facilities and parks concessions, reimbursements and refunds from entities and programs for county services and cost recovery charges, interest earnings on county funds, and miscellaneous items such as receipts from contracts for public and inmate pay phones and long distance services, judgments favorable to the county, cancelled checks, vending machines, and sale of surplus property and materials.

Funds

Financial policies adopted by Commissioners Court as part of the annual budget process call for balanced operations with expenditures controlled so as not to exceed current revenues. The court in FY 1997-98 increased the minimum unencumbered balance requirement at year's end for the general operating fund from 8.3% of expenditures to 10%, and in FY 1998-99 the court increased the target figure to 15%.

The table that follows on page 15 shows comparative fund balances for the county's general fund on a cash or budget basis and the modified accrual accounting basis for the fiscal years 2001-02 through 2005-06.

Debt service funds are provided through property taxes and revenues associated with a bond project, such as from a parking or toll fee. Funded projects include building improvements, parks, jails, a psychiatric hospital, commercial paper issuance, and roads. Debt service funds for the county, excluding the Toll Road Authority and the Flood Control District, as shown on page 5, make up \$318.4 million, or 9.2% of total resources for FY 2006-07. Schedules showing debt service payments are on pages 24 and 607.

Special revenue, trust, and enterprise funds in the total amount of \$79.4 million include law library, appellate judicial, jail sanctions, storm water management, San Jacinto wetlands, state pollution control project, elections, alternative dispute resolution, seized assets, state law enforcement training, the county's subscriber access program, and parking facilities.

The amount for the hotel occupancy revenue fund is \$20.1 million. A table showing the status of the fund is on page 16. Tables showing expenditures and budgets for all special funds are shown on pages 36-42 and 562-575.

Internal service funds are provided through the departments for workers compensation, vehicle maintenance, storeroom supply, radio operations, health insurance, inmate industries, and risk management services.

Capital project funds for the county total \$509.1 million and include bond funds for building and road projects and commercial paper funds for road, parks, and library bond projects that were authorized by the voters in 1997, 1999, and 2001. The commercial paper will be repaid by issuance of refunding bonds.

The capital projects and debt issuance schedules will be reviewed by the court at the annual capital improvements meeting June 20 and again at the Mid Year Review meeting September 26.

Grant funds total \$167.1 million, including projects of the U.S. Department of Housing and Urban Development, public health programs, and criminal justice projects for law enforcement agencies and the courts.

Another portion of county funds is \$730 million for the toll road system for revenue collection, debt service, office buildings, and operations and maintenance. Debt service this fiscal year totals \$165.3 million and will be covered by revenues earned by the toll road system. Tables showing toll road expenditures and budget are on pages 38, 60, and 572-574.

The Flood Control District has funds in the total amount of \$406.3 million for FY 2006-07, including \$136.5 million for operations and maintenance, \$31.3 million for debt service, and \$238.5 million for capital projects.

Approximately 98% of the district's operations and maintenance revenues come from property tax funds and the balance comes from property rentals, interest earnings, and miscellaneous items such as the sale of surplus property or copies of documents. Debt service funds come from property taxes and interest earnings. Capital projects funds are provided by commercial paper issuance through the county and impact fees paid to the district for channel improvements or detention facilities in connection with subdivision developments.

Tables showing flood control expenditures and budget are on pages 37, 63, and 570-571. The table below shows comparative fund balances for the Flood Control District's operations and maintenance fund on a cash or budget basis and the modified accrual accounting basis for the fiscal years 2001-02 through 2005-06.

Analysis of Flood Control Operations and Maintenance Fund Cash and Fund Balances for the Years Ending February 28, 2006, February 28, 2005, February 29, 2004, February 28, 2003 and February 28, 2002					
	2006	2005	2004	2003	2002
Fund Balance					
Reserve for Encumbrances	\$23,277,350	\$18,952,494	\$30,701,122	\$19,499,095	\$19,674,421
Reserve for Debt Service	1,862,220	3,579	0	0	0
Reserved for Prepaids	5,047				
Unreserved	52,150,492	56,113,650	58,275,271	35,614,954	28,637,261
TOTAL FUND BALANCE	\$77,295,109	\$75,069,723	\$88,976,393	\$55,114,049	\$48,311,682
CASH BALANCE:	\$77,142,787	\$78,015,287	\$89,341,348	\$59,223,450	\$51,051,952

**Analysis of General Fund, Pay-As-You-Go and Public Improvements Contingency
Cash and Fund Balances for the Restated Five Years Ending
February 28, 2006 through February 28, 2002**

	2/28/06	2/28/05	2/29/04	2/28/03	2/28/02
Combined General Operating & Debt Service Reserved					
Encumbrances	\$34,233,941	\$56,536,412	\$47,660,823	\$44,442,686	\$33,231,585
Debt Service	109,775,914	52,809,845	51,227,870	60,718,915	30,313,322
Imprest Cash	459,939	1,482,463	1,254,143	0	431,020
Legislative	1,576,824	1,462,345	0	0	0
Prepays	128,968				
Notes receivable	41,869				
Custodial Cash	0	0	0	0	808,707
Special Purpose Expenditures	0	0	0	0	4,218,204
Total Combined Reserved Balance	\$146,217,455	\$112,291,065	\$100,142,836	\$105,161,601	\$69,002,838
Unreserved					
General Operating Fund	\$176,747,059	\$204,852,123	\$250,938,733	\$214,159,853	\$122,899,859
General Pay-As-You-Go Fund	0	0	0	0	18,960,692
Public Improvements Contingency Fund	0	0	0	0	104,950,996
Total Operating Unreserved Balance	\$176,747,059	\$204,852,123	\$250,938,733	\$214,159,853	\$246,811,547
Combined Fund Balance					
General Fund Operating and Debt Service	\$322,964,514	\$317,143,188	\$351,081,569	\$319,321,454	\$191,902,697
General Pay-As-You-Go Fund	0	0	0	0	18,960,692
Public Improvements Contingency Fund	0	0	0	0	104,950,996
Total Combined Fund Balance	\$322,964,514	\$317,143,188	\$351,081,569	\$319,321,454	\$315,814,385

Cash Balance					
General Operating Fund	\$193,399,854	\$204,513,663	\$276,449,338	\$235,306,445	\$98,950,401
General Pay-As-You-Go Fund	0	0	0	0	23,312,178
Public Improvements Contingency Fund	0	0	0	0	103,755,030
Total Operating Cash Balance	\$193,399,854	\$204,513,663	\$276,449,338	\$235,306,445	\$226,017,609

Unreserved to Actual Expenditures					
Operating Cash Basis					
General Operating Fund	15.386%	14.622%	23.508%	21.713%	7.663%
General Pay-As-You-Go Fund	0.000%	0.000%	0.000%	0.000%	2.905%
Public Improvements Contingency Fund	0.000%	0.000%	0.000%	0.000%	12.929%
Total Operating Cash Basis	15.386%	14.622%	23.508%	21.713%	23.497%
Modified Accrual Operating Expenditures					
General Operating Fund	17.226%	20.712%	27.034%	24.596%	15.218%
General Pay-As-You-Go Fund	0.000%	0.000%	0.000%	0.000%	2.348%
Public Improvements Contingency Fund	0.000%	0.000%	0.000%	0.000%	12.995%
Total Operating Basis	17.226%	20.712%	27.034%	24.596%	30.561%
Modified Accrual Combined Expenditures					
General Fund Operating and Debt Service	15.861%	19.700%	24.550%	23.424%	14.325%
General Pay-As-You-Go Fund	0.000%	0.000%	0.000%	0.000%	2.210%
Public Improvements Contingency Fund	0.000%	0.000%	0.000%	0.000%	12.233%
Total Combined Fund Basis	15.861%	19.700%	24.550%	23.424%	28.768%

Harris County, Texas
Historical Analysis of Hotel Occupancy Tax
February 28, 2006

	Fiscal Year Ended							TOTAL	
	1981-99	2000	2001	2002	2003	2004	2005		2006
Beginning Cash Balance	\$ 0	5,790,552	5,968,591	8,694,984	13,844,648	7,461,780	1,111,652	11,161,403	\$ 0
Revenues:									
Hotel Occupancy Taxes	\$135,616,113	14,803,069	16,293,967	17,135,557	16,198,139	15,419,288	17,077,836	18,593,020	\$ 251,136,989
Ad Valorem Taxes	27,064,790	11,767	10,412	2,501	3,285	5,902	4,786	5,206	27,108,649
Bond Proceeds	86,216,091	0	0	0	200,250,365	0	202,681,779	0	489,148,235
Interest	12,600,947	99,202	623,367	403,102	110,114	98,348	124,399	233,656,000	14,293,135
Special Purpose Rentals	2,548,055	0	0	0	0	0	0	0	2,548,055
Miscellaneous	3,704,479	0	0	1,186,382	319,436	614,946	600,803	568,425	6,994,471
Total Revenue	\$267,750,475	14,914,038	16,927,746	18,727,542	216,881,339	16,138,484	220,489,603	19,400,307	\$ 791,229,534
Expenditures:									
Debt Service and Fees	\$163,229,912	7,969,408	9,375,457	10,729,747	14,932,143	16,789,953	8,945,315	16,468,016	\$ 248,439,951
Restricted Capital Outlays	13,134,260	15,000	40,000	48,985	15,000	15,000	16,015	10,000	13,294,260
Res. Astrodome, Inc. (Land acquisition)	10,510,376	0	0	0	0	0	0	0	10,510,376
Domed Stadium/Reliant Expenditures	0	0	3,815,611	3,183,241	3,659,803	10,553,103	7,497,856	8,351,119	37,060,733
Insurance	0	0	0	242,066	4,185,400	3,197,947	2,912,815	2,569,387	13,107,615
Tourism/Promotional	6,195,751	963,750	687,854	817,667	656,250	855,000	851,420	859,049	11,886,741
Total Expenditures	\$193,070,299	8,948,158	13,918,922	15,021,706	23,448,596	31,411,003	20,223,421	28,257,571	\$ 334,299,676
Domed Stadium Lease Buy-Out:	\$ 11,280,619	5,638,728	0	0	0	0	0	0	\$ 16,919,347
Trust/Agency Transfers:	\$ (57,609,005)	(149,113)	(282,431)	1,443,828	(199,815,611)	8,922,391	(190,216,431)	10,672	\$(437,695,700)
Ending Cash Balance	\$ 5,790,552	5,968,591	8,694,984	13,844,648	7,461,780	1,111,652	11,161,403	2,314,811	\$ 2,314,811

Organization and Services

The reorganization plan approved by Commissioners Court for FY 1998-99 continues to evolve as department directors seek to provide efficient services at the lowest cost over time. The reorganization plan reduced the number of departments reporting to the governing body and required more collaboration between directors. Additional changes can be expected in the future. The current organization chart is shown on page 18. The table on page 19 shows budget and expenditure amounts for the departments by functional areas along with the number of regular, full-time positions authorized for each. The position listing in the table shows a comparison of regular positions authorized at the beginning of FY 2005-06 with the number authorized at the beginning of FY 2006-07. A table showing the number of regular, full-time budgeted positions for the period of FY 1997-98 - FY 2005-06 begins on page 593.

Policy Directions

The policy directions given by the court, which are shown on pages 43-48, address major priorities and plans to improve management, human resources, and delivery of services, and to develop more effective use of technology.

A continuing goal for each new budget is to strengthen the county's financial structure in preparation for the future. The court, in adopting policies for FY 2006-07, stated that for financial operations expenditures are to be budgeted and controlled so they will not exceed current revenues and that balanced financial operations will be maintained. Department heads and business managers are to keep expenditures within allocated budget amounts. Target figures provided to the departments and amounts appropriated normally allow officials to pursue their top priorities for the fiscal period. The minimum undesignated fund balance for the general fund and other operating funds should be no less than 15% of fiscal year expenditures.

Ad valorem tax requirements for operations and debt service are to be analyzed for Mid-Year Review in conjunction with projections of taxable values by the Appraisal District. Conservative estimates are to be used.

During the fiscal year, full disclosure and open lines of communications are to be maintained with rating agencies. A continuing goal of the court is to retain the county's stable AA+ debt rating. Decisions on financial matters are to consider this goal.

The table on page 15 shows the comparative general fund balances for FY 2001-02 through FY 2005-06. The projection for FY 2006-07 is for the general fund to end the year at no less than 15% of expenditures. A five-year plan for revenues and expenditures will be available at the Mid-Year Review in September after receipt of an update of taxable value projections from the Appraisal District. The projections will include all four entities for which the court sets tax rates: Harris County, Harris County Flood Control District, Port of Houston Authority, and the Harris County Hospital District.

HARRIS COUNTY ORGANIZATION CHART

MARCH 2006

HARRIS COUNTY VOTERS

COMMISSIONERS COURT

COUNTY JUDGE

COUNTY COMMISSIONERS (4)

COUNTY SERVICES

PUBLIC INFRASTRUCTURE

MANAGEMENT SERVICES

INFORMATION TECHNOLOGY

FACILITIES & PROPERTY MANAGEMENT

PUBLIC HEALTH & ENVIRONMENTAL SERVICES

COMMUNITY & ECONOMIC DEVELOPMENT

LIBRARY SERVICES

YOUTH & FAMILY SERVICES

FISCAL SERVICES & PURCHASING

AUDITOR

TREASURER

TAX ASSESSOR-COLLECTOR

PURCHASING

ADMINISTRATION OF JUSTICE

CONSTABLES (8)

SHERIFF

SHERIFF'S CIVIL SERVICE

FIRE MARSHAL

MEDICAL EXAMINER

COUNTY CLERK

DISTRICT CLERK

COUNTY ATTORNEY

DISTRICT ATTORNEY

COMMUNITY SUPERVISION & CORRECTIONS

PRETRIAL SERVICES

JUSTICES OF THE PEACE (16)

COUNTY COURTS (19)

PROBATE COURTS (4)

DISTRICT COURTS (59)

COURTS OF APPEALS (2)

ELECTED

APPOINTED

Departments By Functional Areas					
Department	FY 2005-06 Budget	FY 2005-06 Expenditures	FY 2006-07 Budget	Regular Positions FY 2005-06	Regular Positions FY 2006-07
<u>Commissioners Court</u>					
County Judge	\$ 4,119,249	\$ 3,635,634	\$ 4,556,117	47	46
Commissioners	244,098,821	120,162,162	239,683,414	1,370	1,386
	<u>\$ 248,218,070</u>	<u>\$ 123,797,796</u>	<u>\$ 244,239,531</u>	<u>1,417</u>	<u>1,432</u>
<u>Public Infrastructure</u>					
Public Infrastructure	\$ 12,667,185	\$ 4,120,836	\$ 12,667,185	33	40
Right of Way	2,196,345	1,707,978	2,196,345	21	21
Toll Road Authority	510,343,711	242,294,395	375,736,598	670	693
Flood Control District	433,697,855	122,801,934	374,703,303	391	391
Engineering	26,166,598	24,392,138	27,001,116	332	353
	<u>\$ 985,071,694</u>	<u>\$ 395,317,281</u>	<u>\$ 792,304,547</u>	<u>1,447</u>	<u>1,498</u>
<u>Management Services</u>					
	\$ 34,721,123	\$ 29,624,919	\$ 39,509,900	134	137
<u>Information Technology Center</u>					
	\$ 35,450,000	\$ 31,944,743	\$ 35,821,991	249	259
<u>Facilities & Property Mgmt.</u>					
	\$ 54,497,421	\$ 53,757,330	\$ 57,735,218	280	280
<u>Public Health & Environmental Svcs.</u>					
	\$ 23,891,398	\$ 24,445,747	\$ 24,591,439	334	334
<u>Community Development Services</u>					
Community & Economic Development	\$ 3,634,506	\$ 3,489,021	\$ 3,827,136	101	104
Social Services	7,046,946	7,074,378	7,332,985	103	107
	<u>\$ 10,681,452</u>	<u>\$ 10,563,399</u>	<u>\$ 11,160,121</u>	<u>204</u>	<u>211</u>
<u>Library Services</u>					
County Library	\$ 23,765,865	\$ 23,522,259	\$ 24,171,513	435	432
Law Library	1,964,472	1,257,814	2,077,030	11	11
	<u>\$ 25,730,337</u>	<u>\$ 24,780,073</u>	<u>\$ 26,248,543</u>	<u>446</u>	<u>443</u>
<u>Youth & Family Services</u>					
Domestic Relations	\$ 2,873,021	\$ 2,586,091	\$ 2,933,969	52	52
Texas Cooperative Extension	786,662	758,884	786,662	22	22
Juvenile Probation	51,864,497	51,024,727	52,426,614	775	918
Protective Services for Children & Adults	18,666,657	17,807,171	19,440,947	293	318
Children's Assessment Center	4,772,949	4,388,713	5,002,949	50	49
MHMRA	26,432,907	26,120,907	26,532,907	1,286	1,428
	<u>\$ 105,396,693</u>	<u>\$ 102,686,493</u>	<u>\$ 107,124,048</u>	<u>2,478</u>	<u>2,787</u>
<u>Administration of Justice</u>					
Constables	\$ 90,722,468	\$ 90,682,189	\$ 93,417,005	1,287	1,324
Sheriff	258,659,396	254,588,113	271,628,967	3,788	3,786
Sheriff's Civil Service	245,082	173,226	245,082	3	3
FireMarshal	4,123,720	3,860,810	4,500,593	42	51
Medical Examiner	13,129,517	11,645,729	13,204,517	146	149
County Clerk	23,995,205	21,787,104	24,790,512	311	311
District Clerk	28,452,734	26,387,716	29,152,734	520	522
County Attorney	14,469,962	13,319,047	14,760,357	187	187
District Attorney	44,063,572	43,106,473	46,250,093	449	448
Comm. Supv. & Corrections	810,835	772,166	810,835	979	1,115
Pretrial Services	5,990,001	5,944,725	6,267,826	99	103
Justices of the Peace	17,543,465	17,058,787	17,799,562	337	339
County Courts	13,587,773	12,851,624	13,587,773	91	91
Probate Courts	5,515,181	5,680,333	5,623,519	52	52
District Courts	39,661,263	39,233,636	40,056,931	228	229
Courts of Appeals	753,602	639,016	753,602	18	18
	<u>\$ 561,723,776</u>	<u>\$ 547,730,694</u>	<u>\$ 582,849,908</u>	<u>8,537</u>	<u>8,728</u>
<u>Fiscal Services & Purchasing</u>					
County Auditor	\$ 12,441,530	\$ 11,211,157	\$ 12,479,029	171	171
County Treasurer	1,095,876	1,076,138	1,115,876	18	18
Tax Assessor-Collector	25,002,115	24,166,325	24,732,115	500	500
Purchasing Agent	6,212,551	5,312,807	6,188,648	75	77
	<u>\$ 44,752,072</u>	<u>\$ 41,766,427</u>	<u>\$ 44,515,668</u>	<u>764</u>	<u>766</u>

Capital Improvements

Commissioners Court considers its capital improvements program during the annual budget process each February and at a capital improvements review meeting each June, and again at the Mid-Year Review meeting each September. Adjustments are made as necessary as part of an evolutionary process. Financially, the county has built into the process more flexibility than in the past, with a mixture of pay-as-you-go funding and short-term commercial paper issuance along with traditional bonded debt.

The court will consider its capital improvements program on June 20. For the county, the court will consider the elements of its master plan for the downtown courthouse complex, parks, libraries, roads, flood control, and courthouse annex facilities. Decisions on these subjects will be converted to a financial timetable for continued development of the projects.

Major building projects have included a new Civil Courthouse, a plaza area and jury assembly facility, tunnel connections, conversion of the existing Criminal Courts Building for use by Juvenile Probation and the district juvenile courts, additions for juvenile and adult detention, renovations of the old Civil Courts Building, razing of the District Attorney's Building, and a possible new Family Law Center.

An important aspect of the county's capital improvements program is the impact of projects on the operating budget. The court has instructed that provisions must be made in financial plans for an assessment of requirements for maintenance and operation of facilities including necessary personnel, contract services, equipment, and supplies.

Another subject for consideration on June 20 will be the schedule for expansion of facilities for the Port of Houston Authority in accordance with its master plan. The Port Commission will be asking for authorization for bond funds to be issued to finance new container facilities at the Bayport Terminal complex. The plan is to provide capacity for growth in container traffic through the Ship Channel. Voters in November 1999 authorized bonds for construction of Port improvements in the amount of \$387 million. The court will also be asked to approve commercial paper issuance for interim financing of projects. The Port Commission also plans to continue its financing of a cooperative project with the U.S. government for dredging of the Ship Channel to increase its depth and width.

In other areas of capital improvements, the court will review the status of its bond programs for roads, parks, and library projects. The court will also review the status and projections of another part of the county's regional mobility program, the toll road system. Revenues from tolls have been sufficient to pay for debt service and operations and maintenance for the toll road system, and are expected to be adequate for the future. No tax for the toll roads has been levied since the system was authorized by voters in 1983, but a pledge of tax support remains as a continuing requirement for the county.

The county's outstanding principal debt at the close of FY 2005-06, including the Port and Flood Control, but excluding the Toll Road Authority, was \$2.2 billion, with \$1.91 billion in tax bonds and \$295.9 million in revenue bonds. The total for the Toll Road Authority was \$2 billion, with \$711.4 million in tax bonds and \$1.3 billion in revenue bonds. As stated previously, toll revenues have been sufficient to pay all debt service on the toll roads. The toll road debt extends through 2036. The county's tax debt extends to 2029, and its revenue debt until 2033.

The Flood Control District has \$95 million of bond authorization remaining from the voter-approved 1987 program of \$250 million. The district may consider issuance of the \$95 million at a later date, but is depending at this time on commercial paper issuance by the county to finance construction and major flood prevention work. Total general obligation debt for flood control is \$54.3 million through 2016, and \$541.6 million for refunded commercial paper debt through 2025.

The court will continue its review of the status of the debt and capital improvement program of the Harris County Hospital District. The court and the Hospital District board approved a restructuring and partial refunding of debt for hospital facilities. The district also has issued commercial paper to borrow short-term funds for certain capital needs and equipment. The county's Office of Financial Services has assisted the district with these issues.

The tables on pages 22-23 and 606-607 show the amount of bonds that have been authorized by voters but not issued for all entities as of February 28, 2006, and the amount of outstanding debt and debt service requirements.

Tax Rates

The table below and tables on pages 602-603 show the breakdown of total tax rates for Harris County, the Flood Control District, Port of Houston Authority, and the Hospital District. The estimate for current, non-delinquent collections from the 2005 tax levy was a net yield of \$18.6 million for each 1¢ of tax. The 2006 rates will be set by the court in October and will provide funding for each of the four entities. The Appraisal District will provide the county with an update of taxable values in August, after which the process of preparing annual tax rate schedules will begin.

Ad Valorem Tax Rates

Entity	2000	2001	2002	2003	2004	2005
Harris County	\$.35902	\$.38393	\$.38814	\$.38803	\$.39986	\$.39986
Flood Control	.06173	.04758	.04174	.04174	.03318	.03322
Port Authority	.01830	.01826	.01989	.02000	.01673	.01474
Hospital District	<u>.20268</u>	<u>.19021</u>	<u>.19021</u>	<u>.19021</u>	<u>.19021</u>	<u>.19216</u>
Total	\$.64173	\$.63998	\$.63998	\$.63998	\$.63998	\$.63998

The Harris County rate in 2005 of 39.986¢ included 34.728¢ for operations and maintenance and 5.258¢ for debt service.

The Flood Control District rate in 2005 included 2.733¢ for maintenance and operations and .589¢ for debt service. Tax requirements for the district's capital improvements through use of commercial paper funding are provided by the county.

The rate for the Port of Houston is for debt service only. The rate for the Hospital District provides for maintenance and operations and helps cover the district's debt service requirement which is funded by the district's operating budget.

The total debt service rate in the 2005 tax year was 7.321¢ for Harris County, the Flood Control District, and the Port of Houston. The actual requirement for the 2006 tax year will be set in October.

Harris County, Texas
Schedule of Bonds Authorized
but not issued as of February 28, 2006

Balance of authorized but unsold bonds:

	County and Flood Control	
1987	Flood Control	\$ 95,000,000
1989	Fire Fighting Facilities	5,000,000
1997	Roads	13,820,000
1997	Library	1,306,000
1999	Civil Justice Center	24,000,000
2001	Roads	475,000,000
2001	Parks	<u>57,871,000</u>
	Subtotal - County and Flood Control	<u>\$ 671,997,000</u>
1983	Toll Road	<u>\$ 17,673,000</u>
	Subtotal - Toll Road Authority	<u>\$ 17,673,000</u>
	Port of Houston	
1989	Deepening and Widening of Ship Channel	\$ 9,193,000
1999	Port Improvements	<u>286,325,000</u>
	Subtotal - Port of Houston	<u>\$ 295,518,000</u>
Total Bonds Authorized but unissued as of February 28, 2006		<u><u>\$ 985,188,000</u></u>

HARRIS COUNTY, TEXAS

Analysis of Outstanding Debt

Principal Only

As of February 28, 2006

<u>Tax Supported Debt/Certificates of Obligation</u>		<u>OUTSTANDING</u>
Harris County Road Bonds		\$ 546,194,962
Harris County Permanent Improvement Bonds	\$ 591,204,584	
Certificates of Obligation, Series 1998A *	32,530,000	
Certificates of Obligation, Series 2001A *	17,520,000	
Total Limited Tax Issues		\$ 641,254,584
Harris County Flood Control District Bonds		366,254,985
Total Bonds and Certificates of Obligation Payable - Tax		\$ 1,553,704,531
<u>Revenue Supported Debt</u>		
Harris County Tax and Subordinate Lien Revenue		
Forward Refunding Bonds, Series 1998 (AMT)		\$ 33,925,000
General Obligation and Revenue Refunding Bonds, Series 2002		62,622,044
General Obligation and Revenue Certificates, Series 2002 *		18,840,000
Tax & Subordinate Lien Revenue Refunding Bonds, Series 2004-A (AMT)		3,680,000
Tax & Subordinate Lien Revenue Refunding Bonds, Series 2004-B		176,800,000
Total Bonds Payable - Revenue		\$ 295,867,044
TOTAL COUNTY PRINCIPAL PAYABLE		\$ 1,849,571,575
<u>Tax Supported Debt - Port of Houston</u>		
Unlimited Tax Port Improvement Bonds		\$ 314,485,000
<u>Harris County Toll Road Authority</u>		
Toll Road Tax Bonds		\$ 711,421,798
Toll Road Multi-Mode Senior Lien Revenue Bonds		1,294,675,000
Total Toll Road Bonds		\$ 2,006,096,798
TOTAL PRINCIPAL PAYABLE		\$ 4,170,153,373

* Certificates of Obligation

The above reflects the contracted Road Series 2006-A Forward Refunding which will settle on July 12, 2006 and the Port of Houston Authority Series 2006-A (AMT) Forward Refunding which will settle on July 19, 2006.

HARRIS COUNTY, TEXAS
TOTAL TAX AND REVENUE PRINCIPAL REQUIREMENTS
FEBRUARY 28, 2006

FISCAL YEAR END FEBRUARY	COUNTY LIMITED TAX BONDS		COUNTY UNLIMITED TAX BONDS		TOLL ROAD UNLIMITED TAX BONDS		FLOOD CONTROL LIMITED TAX BONDS		PORT OF HOUSTON UNLIMITED TAX BONDS		TOTAL TAX PRINCIPAL REQUIREMENTS		TOLL ROAD REVENUE BONDS		HOTEL OCCUPANCY BONDS		TOTAL REVENUE PRINCIPAL REQUIREMENTS		TOTAL PRINCIPAL REQUIREMENTS	
	\$		\$		\$		\$		\$		\$		\$		\$		\$		\$	
2007	29,910,000	19,140,620	6,922,906	17,070,000	13,625,000	86,668,526	20,890,000	4,070,000	24,960,000	111,628,526										
2008	28,495,000	21,687,327	6,068,227	8,755,287	13,140,000	78,145,841	23,000,000	5,460,000	28,460,000	106,605,841										
2009	31,460,000	23,842,422	10,675,665	7,908,864	15,580,000	89,466,951	25,580,000	6,315,000	31,895,000	121,361,951										
2010	32,545,000	26,244,593	41,540,000	8,667,889	15,600,000	124,597,482	27,210,000	7,825,000	35,035,000	159,632,482										
2011	28,650,000	34,630,000	43,285,000	8,318,921	13,635,000	128,518,921	33,600,000	9,350,000	42,950,000	171,468,921										
2012	34,945,000	30,690,000	44,970,000	8,124,024	12,790,000	131,519,024	36,235,000	10,485,000	46,720,000	178,239,024										
2013	39,250,000	28,005,000	47,210,000	9,435,000	13,775,000	137,675,000	39,645,000	12,940,000	52,585,000	190,260,000										
2014	34,025,584	18,502,902	57,225,000	9,715,000	14,440,000	133,908,486	42,625,000	6,464,438	49,089,438	182,997,924										
2015	34,506,960	19,933,384	63,695,000	8,685,000	15,150,000	141,970,344	46,145,000	7,495,500	53,640,500	195,610,844										
2016	36,460,277	19,647,743	42,015,000	7,945,000	15,905,000	121,973,020	49,680,000	7,036,510	56,716,510	178,689,530										
2017	39,058,848	18,988,742	27,735,000	7,170,000	16,705,000	109,657,590	53,810,000	6,592,866	60,402,866	170,060,456										
2018	40,167,915	19,357,229	28,515,000	7,545,000	17,555,000	113,140,144	58,100,000	6,633,370	64,733,370	177,873,514										
2019	32,790,000	32,515,000	29,330,000	22,925,000	18,450,000	136,010,000	56,905,000	7,506,338	64,411,338	200,421,338										
2020	19,300,000	34,190,000	30,170,000	39,325,000	19,390,000	142,375,000	59,840,000	7,195,898	67,035,898	209,410,898										
2021	20,205,000	35,940,000	31,060,000	41,385,000	20,370,000	148,960,000	62,580,000	15,950,000	78,530,000	227,490,000										
2022	19,540,000	37,785,000	20,680,000	45,175,000	21,390,000	144,570,000	65,355,000	16,525,000	81,880,000	226,450,000										
2023	20,390,000	39,670,000	21,085,000	47,465,000	21,775,000	150,385,000	23,840,000	17,150,000	40,990,000	191,375,000										
2024	21,470,000	41,670,000	21,525,000	49,845,000	13,830,000	148,340,000	25,270,000	6,150,806	31,420,806	179,760,806										
2025	64,055,000	43,755,000	21,975,000	10,795,000	6,410,000	146,990,000	26,610,000	5,882,279	32,492,279	179,482,279										
2026	8,835,000	0	12,860,000	0	6,755,000	28,450,000	27,985,000	5,659,303	33,644,303	62,094,303										
2027	9,265,000	0	12,860,000	0	7,120,000	29,245,000	30,875,000	17,925,000	48,800,000	78,045,000										
2028	9,715,000	0	12,860,000	0	1,095,000	23,670,000	33,850,000	18,600,000	52,450,000	76,120,000										
2029	6,215,000	0	12,860,000	0	0	19,075,000	36,980,000	4,979,736	41,959,736	61,034,736										
2030	0	0	12,860,000	0	0	12,860,000	40,245,000	19,325,000	59,570,000	72,430,000										
2031	0	0	12,860,000	0	0	12,860,000	43,670,000	20,025,000	63,695,000	76,555,000										
2032	0	0	12,860,000	0	0	12,860,000	47,355,000	20,775,000	68,130,000	80,990,000										
2033	0	0	12,860,000	0	0	12,860,000	51,285,000	21,550,000	72,835,000	85,695,000										
2034	0	0	12,860,000	0	0	12,860,000	55,415,000	0	55,415,000	68,275,000										
2035	0	0	0	0	0	0	72,685,000	0	72,685,000	72,685,000										
2036	0	0	0	0	0	0	77,410,000	0	77,410,000	77,410,000										
TOTAL	\$ 641,254,584	546,194,962	711,421,798	366,254,985	314,485,000	\$ 2,579,611,329	\$ 1,294,675,000	295,867,044	\$ 1,590,542,044	\$ 4,170,153,373										

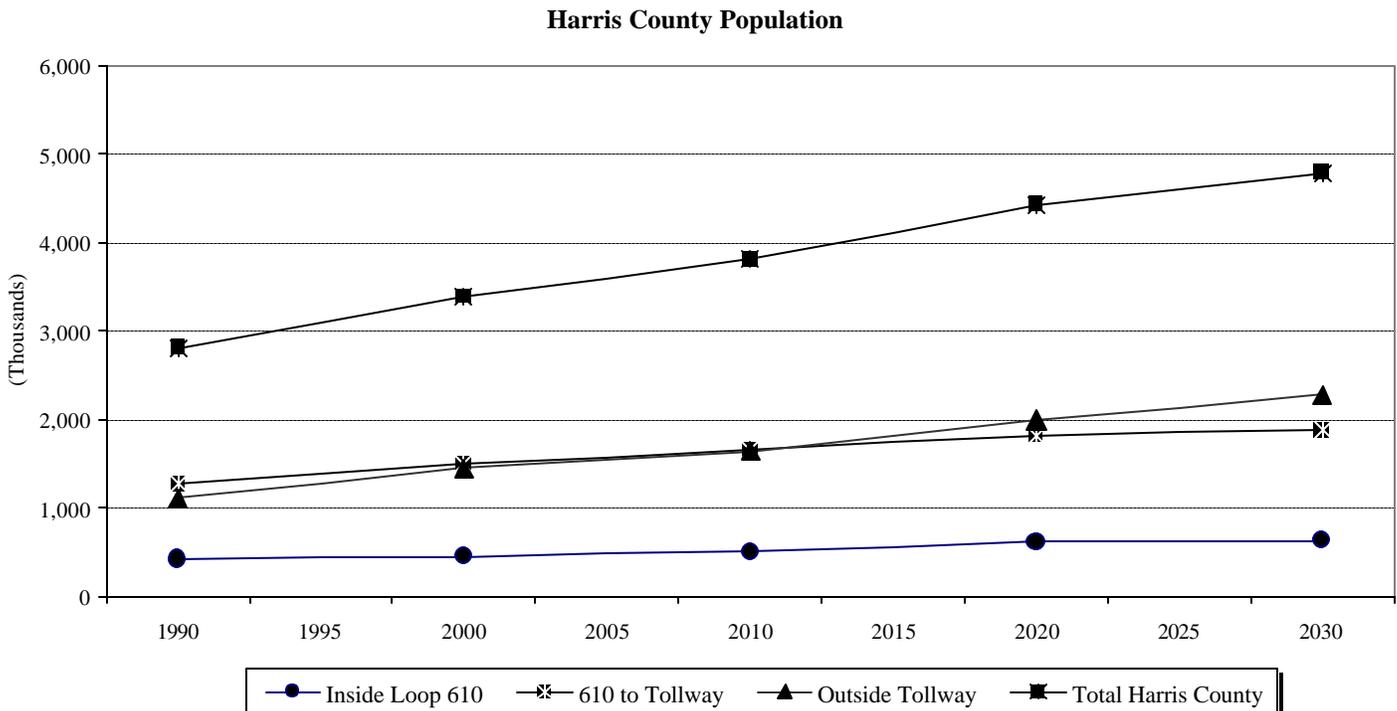
It is anticipated that Toll Road revenue will continue to be sufficient to meet debt requirements for both the revenue and tax bonds. The above reflects both the contracted Road Series 2006-A Forward Refunding which will settle on July 12, 2006 and the Port of Houston Authority 2006-A (AMT) Forward Refunding which will settle on July 19, 2006.

The Population and the Economy

In preparing for financial requirements for the period through FY 2010-11 for Harris County, the Flood Control District, the Port of Houston, and the Hospital District, Commissioners Court must consider projections of population and economic changes in the Houston metropolitan area. The following is a summary of projected changes and their possible impact on services.

The following table and chart show a breakdown of the county's population by the number of persons living inside Loop 610, those who live between 610 and the Tollway, and those who reside outside the Tollway. The table provides actual numbers for 1990 and 2000 and projections for 2010 to 2030. Maps for reference can be found on pages 56, 61, 89, and 615.

Harris County Population							
Year	Inside Loop 610	Between 610 & Tollway	Outside Tollway	Total	% share of total		
					Inside Loop 610	Between 610 & Tollway	Outside Tollway
1990	425,223	1,278,152	1,114,824	2,818,199	15.09	45.35	39.56
2000	456,649	1,493,635	1,450,294	3,400,578	13.43	43.92	42.65
2010	507,734	1,659,031	1,642,745	3,809,510	13.33	43.55	43.12
2020	617,390	1,821,729	1,995,225	4,434,344	13.92	41.08	45.00
2030	631,517	1,879,859	2,285,306	4,796,682	13.17	39.19	47.64
Difference 2000-2030	174,868	386,224	835,012	1,396,104			
% change	38.3	25.9	57.6	41.1			

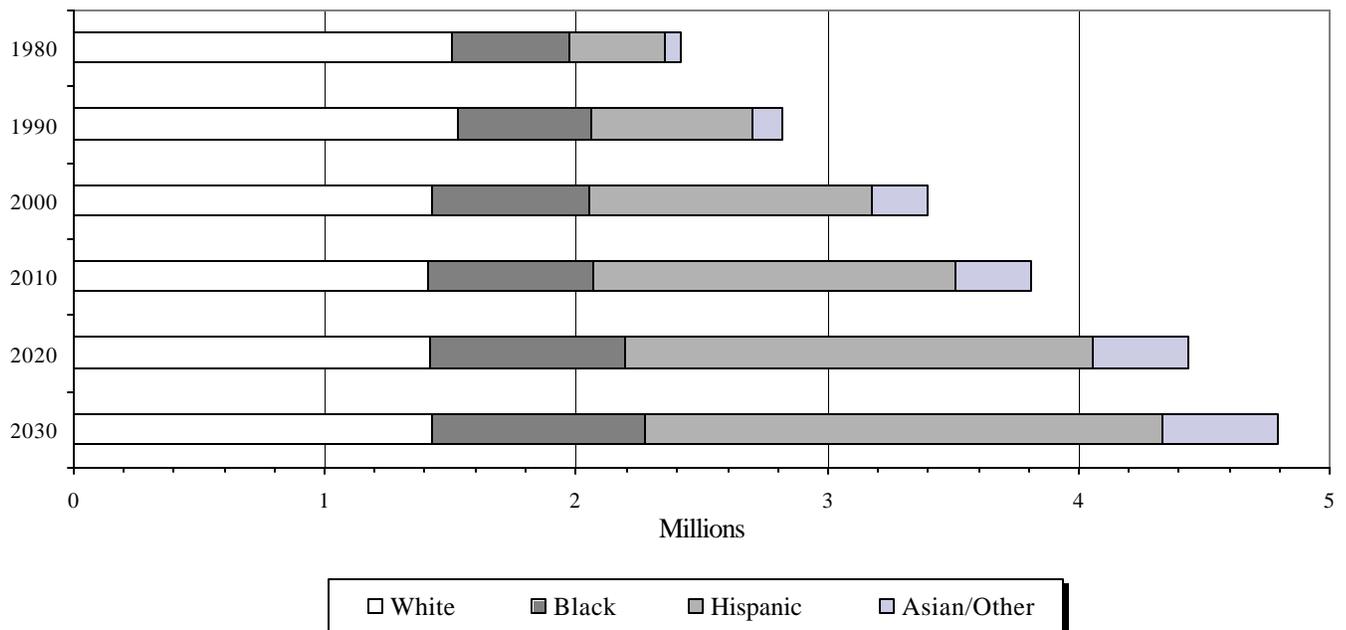


The table and chart indicate continued growth in the county's population, with an increasing percentage of the total living outside of the Tollway. Each of the three geographic segments shows growth between 2000 and 2030, but at different levels. The forecast shows that by 2030 the population outside the Tollway will have increased by 835,012, or 58%, compared to the number who lived in that portion of the county in 2000. The number inside the Loop will be up by 174,868, or 38%, compared to 2000, and those living between the Loop and the Tollway will be up by 386,224, or 26%. Those persons living outside the Tollway in 2030 are expected to be 48% of the county's total population compared to 43% in 2000, while those inside the Loop would make up the same percentage as they did in 2000, 13%, and those living between the Loop and the Tollway will be 39% in 2030 versus 44% in 2000. Renewed growth of apartments and condominiums in close proximity to downtown Houston has occurred and this trend could alter the percentage of population in that sector.

Population By Race & Ethnic Group

%	Inside Loop 610				Loop 610 to Tollway				Outside Tollway				County Total			
	2000	2010	2020	2030	2000	2010	2020	2030	2000	2010	2020	2030	2000	2010	2020	2030
White	32.0	32.5	27.6	27.3	27.6	22.1	19.5	18.4	60.3	53.5	44.8	40.0	42.1	37.0	32.0	29.8
Black	20.4	18.9	17.7	18.1	24.2	23.4	24.1	24.5	11.4	10.7	11.2	11.5	18.2	17.4	17.4	17.5
Hispanic	43.2	43.3	49.1	47.8	42.8	48.5	49.9	49.7	19.5	25.3	32.7	36.1	32.9	37.8	42.0	43.0
Asian/other	4.4	5.3	5.6	6.8	5.4	6.0	6.5	7.4	8.8	10.5	11.3	12.4	6.8	7.8	8.6	9.7

Year	White	Black	Hispanic	Asian/Other	Totals
1980	1,509,430	469,290	369,077	61,750	2,409,547
1990	1,533,304	532,735	634,648	117,509	2,818,196
2000	1,432,264	619,694	1,119,751	228,869	3,400,578
2010	1,409,813	661,331	1,439,984	298,382	3,809,510
2020	1,420,863	772,019	1,863,521	377,941	4,434,344
2030	1,431,999	837,501	2,061,727	465,456	4,796,683



Houston's population within Harris County is approximately 56%, according to the 2000 census. This percentage compares to 58% in 1990, 66% in 1980, 71% in 1970, and 75% in 1960. The county's population by the census is 3.4 million, with 2.4 million living in 34 municipalities, including 1.9 million in Houston, and 1.0 million in unincorporated areas. Data from 2005 that will become available in 2006 will be evaluated for trends. The number in the unincorporated area, for example, should be about 1.2 million.

The county has a total of 1,778 square miles, with 774 square miles incorporated, including 586 in Houston, and 1,004, or 56% of the total, unincorporated.

Projections by the University of Houston's Center for Public Policy show that growth in the Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Area, which includes Harris County and seven contiguous counties, is expected to increase from 4.7 million persons in 2000 to 6.7 million in 2020, with about 70% of that growth occurring in suburban portions of Harris County and adjacent counties, Brazoria, Fort Bend, and Montgomery, that are to the south, southwest, northwest, and north of Harris County.

Studies show that the growth of the Harris County population is fueled mostly by new residents and immigrants. Ethnically, a multicultural phenomenon is spreading throughout the area. As the tables and chart show, no ethnic group is a 50% majority in any section. However, it is clear that Hispanics are the predominant ethnic group inside Loop 610 and between the Loop and the Tollway, and they can be expected to continue their growth throughout the county, becoming close to a 50% majority by 2020 inside and just outside of Loop 610, and increasing their numbers in the area outside of the tollway.

There is a graying effect occurring, one that will accelerate as the Baby Boom generation ages. The segment of the population that is aging the most is the Anglo category, a portion of the population that is not growing at the same rate as the Hispanic and Asian groups. The African-American portion of the population appears to be fairly stable. Census data indicated the white population, in addition to being older, has a low birth rate among women of child-bearing age, while Hispanics have a younger population and a higher birth rate.

These population trends of Harris County appear to be true for the Houston-Galveston region, the state of Texas, and, for the most part, the nation as a whole.

The trends in population, with more ethnic minorities and a declining and aging Anglo group, are occurring within an economy that requires education and skills training for financial advancement. The industrial resource economy that supported the Houston metropolitan area for most of the 20th century has ended, according to Dr. Stephen Klineberg, of Rice University, in his annual study, "The Houston Area Survey". The Houston area is now competing in a global, knowledge-based economy along with the rest of America. A concern, according to Dr. Klineberg, is that income gaps have widened in the new economy and the differences can be traced primarily to access to technical training and higher education.

The Houston area economy has continued to diversify since the 1980's. This diversification has brought more stability with less dependence on the energy sector and more emphasis on a variety of information-age services and telecommunications. Employment in Harris County appears to be moving outward from the county's center, but at a much slower pace than the residential population. New technologies are able to accommodate this outward trend, allowing employees to work closer to their homes, schools, and activity centers.

These trends for population and the economy have consequences for the delivery of government services. The continued growth of outlying areas must be considered by Commissioners Court in relation to the scope of services to be delivered by departments. Roadways, parks, flood control, law enforcement, fire prevention, the courts, and public health will continue to be important concerns. The challenge will be to provide for services and improvements within the funds available and in the most cost effective manner possible. The county will need to remain flexible so that it can respond to areawide issues while maintaining financial strength. The county will be asked to provide or participate in areawide services because it is a major general purpose government with metropolitan reach for public health and medical care, juvenile programs, communications, law enforcement and public safety, and coordination of regional mobility concerns. Problems in a metropolitan area can be exacerbated by trends in demographics and the economy, requiring continuous planning and response by the county for necessary public services.

A continuing concern will be education and job opportunities for the work force. Unless the relationship between income and ethnicity changes, more Texas households could be in lower income categories in the future, according to a study by the Center for Demographic Research at Texas A & M University. County government must continue to play a role in support of economic development for this region of the state. Dr. Klineberg's annual survey in 2000 found that of respondents who were 60 years of age or older, 78% were Anglos, 15% were African Americans, and 6% were Hispanics, whereas those between 18 and 29 years of age were 39% Hispanic, 30% Anglo, and 22% African American. The young people who will comprise the Houston area work force in the 21st century, concluded Dr. Klineberg, will be "disproportionately" African American and Hispanic. "If Houston's Hispanic and Black communities are unprepared to succeed in the new economy," he said, "it is hard to envision a prosperous future for the city as a whole."

Another area of concern for economic success is the requirement for the Houston area to comply with federal clean air standards. Such compliance is necessary if the area is to attract innovative and talented persons and companies.

Commissioners Court, while seeking to keep pace with the impact of a growing population, will need to be cautious in its financial planning. Departments should be asked to restructure activities to assure that the best use will be made of new technologies. Job development and recruitment of skilled workers for information-age work will be a continuing concern. More staff will not be the only answer; rather, trained and educated staff, better paid, and working smarter, in groups, or in collaboration with other governmental units, non-profit organizations, and the private sector will be required. Use of capable employees and supervisors, service contracts and privatization where feasible, computer-based information systems, planning, and rethinking of which tasks should be done or not done, will be necessary in all service areas. Functions that are outdated or unnecessary will have to be eliminated. The public will expect the county to provide continual and effective electronic access to governmental information and business transactions.

There is an interrelationship of population, the economy, and government services that continues to evolve over time. Attempting to appreciate and understand the dimensions and complexity of the various trends involved is a necessary process that never ends.

Commissioners Court will consider future projections at the capital improvements session in June and the Mid-Year Review in September. Plans will be presented that involve public infrastructure, technology, health and hospital care, social services, children's services, and law enforcement programs. These plans are brought together each year to formulate an overall county strategy that helps guide financial decisions that affect the future of this metropolitan area.

Attachments

- Expenditures and budgets, all funds.
- Policy issues approved by Commissioners Court.

GENERAL FUND

ORGANIZATION	FY 2005-06 Expenditures	FY 2006-07 Budget
1. Sheriff	\$ 254,588,113	\$ 271,628,967
2. Precincts Road & Bridge	66,423,704	159,581,497
3. Constables	90,682,189	93,417,005
4. Precincts Parks	49,458,328	75,003,096
5. Facilities and Property Management	53,757,330	57,735,218
6. Juvenile Probation	49,677,220	51,326,614
7. Management Services	31,457,698	48,581,076
8. District Attorney	43,106,473	46,250,093
9. District Courts	39,233,636	40,056,931
10. Information Technology	31,944,743	35,821,991
11. Public Infrastructure - Engineering	24,392,138	27,001,116
12. MHMRA	26,120,907	26,532,907
13. District Clerk	24,126,196	25,803,820
14. County Clerk	21,787,104	24,790,512
15. Tax Assessor-Collector	24,166,325	24,732,115
16. Public Health & Environmental Services	24,445,747	24,591,439
17. County Library	23,522,259	24,171,513
18. Protective Services for Children & Adults	17,807,171	19,440,947
19. Justices of the Peace	17,058,787	17,799,562
20. County Attorney	15,489,702	14,760,357
21. County Courts	12,851,624	13,587,773
22. Medical Examiner	11,645,729	13,204,517
23. Public Infrastructure	4,120,836	12,667,185
24. County Auditor	11,211,157	12,479,029
25. Social Services	7,074,378	7,332,985
26. Pretrial Services	5,944,725	6,267,826
27. Purchasing Agent	5,312,807	6,188,648
28. Appraisal District	5,714,263	5,797,435
29. Probate Courts	5,680,333	5,623,519
30. Tunnel & Ferries	4,280,131	5,098,821
31. Children's Assessment Center	4,388,713	5,002,949
32. County Judge	3,635,634	4,556,117
33. Fire Marshal	3,860,810	4,500,593
34. Community & Economic Development	3,489,021	3,827,136
35. District Clerk - Jury Room	2,261,520	3,348,914
36. Domestic Relations	2,586,091	2,933,969
37. Public Infrastructure - Right of Way	1,707,978	2,196,345
38. Legislative Services	974,799	1,361,661
39. County Treasurer	1,076,138	1,115,876
40. Community Supervision & Corrections	772,166	810,835
41. Texas Cooperative Extension	758,884	786,662
42. Sheriff's Civil Service	173,226	245,082
43. Courts of Appeals	131,725	140,000
	\$ 1,028,898,458	\$ 1,228,100,653

HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 2007
ORGANIZATION BUDGETS
VOLUME 3

ORG DEPARTMENT	FY 2004-05 Expenditures	FY 2005-06 Adjusted Budget	FY2005-06 Projected Expenditures	FY 2006-07 Target Budget	FY 2006-07 Request Budget	FY 2006-07 Appropriations Budget
COUNTY SERVICES						
<u>Public Infrastructure</u>						
030 Public Infrastructure - Fund 1000	3,450,927	6,661,555	4,120,836	12,667,185	12,667,185	12,667,185
040 PID - Right of Way - Fund 1000	1,757,737	2,196,345	1,707,978	2,196,345	2,196,345	2,196,345
050 <u>Toll Road Authority</u>						
TRA Ser 02 Tax/Rev Const - Fund 5160	43,018,075	40,849,282	13,517,543	-	-	27,331,739
TRA Ser 02 Tax/Rev Const-TranOut 516	22,855,428	-	-	-	-	-
TRA Ser 2005A Construction - Fund 521	-	75,000,000	75,000,000	-	-	-
TRA Construction B - Fund 5580	(72,000)	72,000	-	-	-	72,000
TRA Construction - Fund 5710	65,144,186	105,904,944	32,715,315	-	-	70,300,365
TRA Construction - TranOut Fund 5710	-	5,000	1,409	-	-	3,591
TRA Office Building - Fund 5720	239,395	870,480	284,122	1,047,414	1,244,902	1,305,310
203 & Others - Fund 5720	182,265	2,255,684	263,679	-	-	3,386,099
TRA Oper. & Maint. - Fund 5740	51,310,289	89,338,751	59,343,695	108,938,514	107,780,773	57,927,968
TRA Oper. & Maint. - TranOut Fund 574	-	-	-	-	-	-
TRA Comm Pap Ser E Const - Fd 5950	78,710,096	276,528,158	61,168,632	-	-	215,359,526
TRA CP Ser E Const-Tran.Out-Fd 5950	-	50,000	-	-	-	50,000
Total Toll Road-oper/constr./Contingen	261,387,734	590,874,299	242,294,395	109,985,928	109,025,675	375,736,598
090 <u>Flood Control District</u>						
Oper./Constr./Maint. - Fund 2890	55,131,450	100,663,612	53,287,504	100,884,612	100,884,612	100,884,612
Oper./Constr./Maint. - TranOut Fund 28E	170,659	-	-	-	-	-
203 & Others - Reserve - Fund 2890	2,128,276	24,556,580	1,953,642	-	-	35,645,552
Regional Impact FC Proj. - Fd 3240	5,409,048	22,788,847	3,429,997	-	2,288,945	19,056,126
Regional Impact FC Proj. - Tr Out Fd 324	118,057	93,833	-	-	-	93,833
FC Proj. Contributions - Fd 3310	6,104,547	12,425,023	1,332,392	-	3,768,420	8,150,620
FC Proj. Contributions - TranOut Fd 331	-	328,624	-	-	-	328,624
FC Bonds 2004A-Const-Fd 3320	290,774	100,000,000	11,346,935	-	29,113,833	88,653,065
FC Commercial Paper - Fund 3970	60,476,452	171,170,313	51,042,046	-	27,279,550	120,128,267
Commercial Paper-Trans. Out - Fund 39	3,018,199	2,172,022	409,418	-	-	1,762,604
Total Flood Control	132,847,463	434,198,854	122,801,934	100,884,612	163,335,360	374,703,303
208 Public Infrastructure - Co. Eng.-Fund 100	22,911,688	26,448,761	24,392,138	26,166,598	27,383,644	27,001,116
Total Public Infrastructure	422,355,549	1,060,379,814	395,317,281	251,900,668	314,608,209	792,304,547
<u>Management Services</u>						
203 Management Svcs. - Oper. - Fund 1000	4,586,783	4,755,849	4,404,079	5,379,044	5,628,213	5,379,044
Management Svcs. - Transfers to Fd 555	-	6,028,190	-	3,000,000	4,900,000	4,900,000
Debt Service / Misc. Admin. - Fund 1000	24,989,795	32,757,345	27,053,619	34,674,325	34,674,325	38,302,032
203 Mgmt. Svcs.-Fleet Svcs. - Fund 5500	13,917,004	32,035,604	20,135,309	23,011,384	27,610,654	27,610,654
203 HR & Risk Management - Fund 5550	3,981,182	4,969,034	4,109,329	4,969,034	5,158,541	5,158,541
204 Legislative Services	1,038,150	1,061,661	974,799	1,361,661	1,361,661	1,361,661
Total Management Services	48,512,914	81,607,683	56,677,135	72,395,448	79,333,394	82,711,932
<u>Information Technology Center</u>						
292 Information Technology Center	30,796,346	35,173,940	31,944,743	35,450,000	35,450,000	35,821,991
Total Information Technology Center	30,796,346	35,173,940	31,944,743	35,450,000	35,450,000	35,821,991
<u>Facilities & Property Mgt.</u>						
299 Facilities & Property Mgt. - Fund 1000	51,219,610	55,648,230	53,757,330	55,997,421	60,751,800	57,735,218
Total Facilities & Property Mgt.	51,219,610	55,648,230	53,757,330	55,997,421	60,751,800	57,735,218

HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 2007
ORGANIZATION BUDGETS
VOLUME 3

ORG DEPARTMENT	FY 2004-05 Expenditures	FY 2005-06 Adjusted Budget	FY2005-06 Projected Expenditures	FY 2006-07 Target Budget	FY 2006-07 Request Budget	FY 2006-07 Appropriations Budget
COUNTY SERVICES, cont.						
<u>Public Health & Environmental Services</u>						
275 Public Health & Environmental Services	22,300,387	25,074,678	24,445,747	23,992,172	24,992,172	24,591,439
Total Public Health & Environmental Svcs	22,300,387	25,074,678	24,445,747	23,992,172	24,992,172	24,591,439
<u>Community & Econ. Develop. & Social Svcs.</u>						
289 Community & Economic Development	3,199,228	3,731,406	3,489,021	3,634,506	3,634,506	3,827,136
210 Social Services - Pct. 1	6,492,013	7,125,826	7,074,378	7,046,946	7,332,985	7,332,985
Total Community Development Services	9,691,241	10,857,232	10,563,399	10,681,452	10,967,491	11,160,121
<u>Library Services</u>						
285 Library - Fund 1000	20,774,310	23,553,111	23,522,259	23,765,865	23,765,865	24,171,513
288 Law Library - Fund 2800	1,247,930	1,528,614	1,243,139	1,528,614	1,528,614	1,528,614
Law Library Reserve - Fund 2800	13,090	435,858	14,675	-	-	548,416
Total Law Library - Fund 2800	1,261,020	1,964,472	1,257,814	1,528,614	1,528,614	2,077,030
Total Library Services	22,035,330	25,517,583	24,780,073	25,294,479	25,294,479	26,248,543
<u>Youth & Family Services</u>						
286 Domestic Relations	2,615,870	2,864,817	2,586,091	2,873,021	2,873,019	2,933,969
296 M.H.M.R.A. - Operations	25,871,306	26,120,907	26,120,907	26,432,907	30,327,879	26,532,907
821 Texas Cooperative Extension	751,185	786,662	758,884	786,662	803,661	786,662
840 Juvenile Probation	46,835,905	50,710,229	49,677,220	49,364,497	49,364,497	51,326,614
840 Juvenile Probation - Fund 7430	3,189,147	2,500,000	1,347,507	-	-	1,100,000
Total Juvenile Probation	50,025,052	53,210,229	51,024,727	49,364,497	49,364,497	52,426,614
*Estimated Rollover Budget						
880 Protective Services for Children & Adult	17,005,658	19,474,818	17,807,171	19,440,947	19,440,950	19,440,947
885 Children's Assessment Center	3,873,744	4,772,636	4,388,713	4,772,949	5,358,154	5,002,949
Total Youth & Family Services	100,142,815	107,230,069	102,686,493	103,670,983	108,168,160	107,124,048
<u>Other</u>						
091 Appraisal District	5,336,496	5,714,264	5,714,263	5,701,868	5,701,868	5,797,435
206 Sports & Convention Corp.-Fd 1000	529,348	-	-	-	-	-
Hotel Occupancy Tax (HOT)-Fd 2760	10,410,670	5,735,812	10,920,506	-	3,885,115	11,420,506
Total Other	16,276,514	11,450,076	16,634,769	5,701,868	9,586,983	17,217,941
TOTAL COUNTY SERVICES	723,330,706	1,412,939,305	716,806,970	585,084,491	669,152,688	1,154,915,780

HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 2007
ORGANIZATION BUDGETS
VOLUME 3

ORG DEPARTMENT	FY 2004-05 Expenditures	FY 2005-06 Adjusted Budget	FY2005-06 Projected Expenditures	FY 2006-07 Target Budget	FY 2006-07 Request Budget	FY 2006-07 Appropriations Budget
FISCAL SERVICES & PURCHASING						
517 County Treasurer	1,024,099	1,097,876	1,076,138	1,095,876	1,095,876	1,115,876
530 Tax Assessor-Collector	23,864,855	24,982,573	24,166,325	25,002,115	24,732,115	24,732,115
610 County Auditor	10,361,428	12,441,530	11,211,157	12,441,530	12,479,029	12,479,029
615 Purchasing Agent	4,984,640	6,212,551	5,312,807	6,212,551	6,188,648	6,188,648
TOTAL FISCAL SERVICES & PURCHASING	40,235,022	44,734,530	41,766,427	44,752,072	44,495,668	44,515,668
ADMINISTRATION OF JUSTICE						
213 Fire & Emergency Services	3,177,998	4,123,431	3,860,810	4,460,593	5,110,593	4,500,593
270 Medical Examiner	10,958,716	13,106,063	11,645,729	13,129,517	23,966,966	13,204,517
301 Constable, Precinct 1	16,633,340	17,940,551	17,414,803	17,931,108	17,931,108	17,931,108
302 Constable, Precinct 2	4,426,882	4,534,982	4,521,661	4,485,090	5,076,847	4,629,242
303 Constable, Precinct 3	7,751,562	8,160,016	8,126,747	8,149,753	8,732,906	8,568,528
304 Constable, Precinct 4	21,457,319	22,751,812	22,559,867	22,416,972	23,057,814	23,239,574
305 Constable, Precinct 5	21,829,020	22,836,906	22,670,193	22,837,608	22,837,608	23,134,783
306 Constable, Precinct 6	4,431,792	4,856,575	4,752,028	4,518,607	4,544,374	4,999,062
307 Constable, Precinct 7	5,134,556	5,769,814	5,573,354	5,299,523	5,674,555	5,722,225
308 Constable, Precinct 8	4,965,837	5,083,753	5,063,536	5,083,807	5,083,807	5,192,483
Total Constables	86,630,308	91,934,409	90,682,189	90,722,468	92,939,019	93,417,005
311 Justice of the Peace, 1-1	1,278,488	1,302,964	1,297,906	1,302,964	1,441,566	1,302,964
312 Justice of the Peace, 1-2	1,799,706	1,848,915	1,834,820	1,803,720	1,803,720	1,803,720
321 Justice of the Peace, 2-1	589,709	637,091	597,975	637,091	673,840	637,091
322 Justice of the Peace, 2-2	663,012	710,524	660,066	710,524	710,524	710,524
331 Justice of the Peace, 3-1	1,309,825	1,420,774	1,342,378	1,420,774	1,420,774	1,420,774
332 Justice of the Peace, 3-2	875,141	903,030	898,602	889,371	902,806	912,343
341 Justice of the Peace, 4-1	2,189,947	2,368,099	2,326,505	2,362,274	2,362,273	2,376,167
342 Justice of the Peace, 4-2	1,145,421	1,196,800	1,136,510	1,196,800	1,274,327	1,196,800
351 Justice of the Peace, 5-1	1,312,775	1,446,994	1,390,678	1,446,994	1,493,372	1,446,994
352 Justice of the Peace, 5-2	1,813,214	1,973,693	1,951,174	1,909,305	2,318,690	2,106,548
361 Justice of the Peace, 6-1	446,867	472,989	449,422	472,989	472,989	472,989
362 Justice of the Peace, 6-2	374,283	397,905	395,546	396,644	396,644	418,633
371 Justice of the Peace, 7-1	549,273	628,500	542,554	628,500	628,500	628,500
372 Justice of the Peace, 7-2	590,842	658,448	605,591	659,109	659,109	659,109
381 Justice of the Peace, 8-1	779,866	853,203	808,056	853,203	853,203	853,203
382 Justice of the Peace, 8-2	820,509	853,203	821,004	853,203	948,284	853,203
Total JPs	16,538,878	17,673,132	17,058,787	17,543,465	18,360,621	17,799,562

HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 2007
ORGANIZATION BUDGETS
VOLUME 3

ORG DEPARTMENT	FY 2004-05 Expenditures	FY 2005-06 Adjusted Budget	FY2005-06 Projected Expenditures	FY 2006-07 Target Budget	FY 2006-07 Request Budget	FY 2006-07 Appropriations Budget
ADMINISTRATION OF JUSTICE, cont.						
510 County Attorney - Operations	12,846,235	13,519,132	13,319,047	14,469,962	16,336,602	14,760,357
Title IV-E Adoption Incentive Fund 7007	1,416,357	3,268,829	1,220,066	-	-	2,048,762
Total County Attorney	17,277,643	19,381,747	16,709,768	14,469,962	16,336,602	16,809,119
510 County Attorney - Claims/Torts	3,015,051	2,593,786	2,170,655	-	-	-
515 County Clerk - Operations	15,510,929	16,161,797	15,928,667	16,881,112	16,881,112	16,881,112
County Clerk - Election Services	8,262,215	6,430,181	5,858,437	7,114,093	8,788,222	7,909,400
Total County Clerk	23,773,144	22,591,978	21,787,104	23,995,205	25,669,334	24,790,512
540 Sheriff	241,777,910	259,738,928	254,588,113	262,659,396	280,460,758	271,628,967
545 District Attorney	40,659,691	44,058,872	43,106,473	44,063,572	49,432,761	46,250,093
550 District Clerk - Operations	23,873,618	24,994,193	24,126,196	25,803,820	25,803,820	25,803,820
550 District Clerk - Jury System	2,606,934	2,348,914	2,261,520	2,648,914	2,648,914	3,348,914
Total District Clerk	26,480,552	27,343,107	26,387,716	28,452,734	28,452,734	29,152,734
601 Community Supervision	663,041	809,920	772,166	810,835	1,588,424	810,835
605 Pre-Trial Services	5,489,690	5,989,736	5,944,725	5,990,001	6,703,100	6,267,826
845 Sheriff's Civil Service	160,497	245,082	173,226	245,082	245,082	245,082
700 District Courts	38,967,451	39,654,388	39,233,636	39,661,263	39,661,264	40,056,931
930 1st Court of Appeals - Fund 1000	80,178	82,719	69,888	70,000	70,000	70,000
1st Court of Appeals - Fund 2300	255,064	306,801	213,706	306,801	306,801	306,801
Total 1st Court of Appeals	335,242	389,520	283,594	376,801	376,801	376,801
931 14th Court of Appeals - Fund 1000	73,082	70,656	61,837	70,000	70,000	70,000
14th Court of Appeals - Fund 2300	239,405	306,801	293,585	306,801	306,801	306,801
Total 14th Court of Appeals	312,487	377,457	355,422	376,801	376,801	376,801
Total Appellate Courts	647,729	766,977	639,016	753,602	753,602	753,602
940 County Courts	12,678,389	13,586,694	12,851,624	13,587,773	13,587,773	13,587,773
991 Probate Court No. 1	1,081,939	1,170,356	1,160,707	1,060,366	1,141,393	1,078,818
992 Probate Court No. 2	1,056,951	1,085,366	1,059,352	1,060,366	1,060,366	1,078,818
993 Probate Court No. 3 - Operations	1,234,530	1,165,466	1,152,564	1,060,366	1,060,367	1,078,818
Probate Court No. 3 - Psych. Div.	1,278,641	1,300,289	1,281,623	1,273,717	1,322,500	1,308,247
Total Probate Court No. 3	2,513,171	2,465,755	2,434,187	2,334,083	2,382,867	2,387,065
994 Probate Court No. 4	990,134	1,060,366	1,026,087	1,060,366	1,078,818	1,078,818
Total Probate Courts	5,642,195	5,781,843	5,680,333	5,515,181	5,663,444	5,623,519
TOTAL ADMINISTRATION OF JUSTICE	531,523,832	566,786,307	551,121,415	566,060,649	608,932,077	584,898,670

HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 2007
ORGANIZATION BUDGETS
VOLUME 3

ORG DEPARTMENT	FY 2004-05 Expenditures	FY 2005-06 Adjusted Budget	FY2005-06 Projected Expenditures	FY 2006-07 Target Budget	FY 2006-07 Request Budget	FY 2006-07 Appropriations Budget
COMMISSIONERS COURT						
100 County Judge - Operations	2,359,294	2,556,334	2,428,901	2,428,384	3,391,720	2,684,041
County Judge - Child Safety Funds	241,948	354,704	347,592	242,543	153,892	382,008
County Judge - OHSEM	1,211,353	1,167,719	859,141	1,212,603	1,212,603	1,490,068
Total County Judge	3,812,595	4,078,757	3,635,634	3,883,530	4,758,215	4,556,117
101 Precinct 1 - Fund 1000	20,348,288	45,683,043	20,006,956	48,037,538	48,037,538	51,416,267
102 Precinct 2 - Fund 1000	32,078,999	64,484,803	32,659,377	60,823,194	60,823,194	62,415,235
103 Precinct 3 - Fund 1000	27,210,514	33,962,109	27,147,666	42,472,892	42,472,892	47,295,758
104 Precinct 4 - Fund 1000	37,750,829	67,585,185	36,068,032	80,145,702	80,145,702	73,457,333
105 Tunnel/Ferries Operations - Pct. 2	4,153,938	5,114,771	4,280,131	5,098,821	5,098,821	5,098,821
TOTAL COMMISSIONERS COURT	125,355,163	220,908,668	123,797,796	240,461,677	241,336,362	244,239,531
TOTAL GENERAL FUND	991,539,681	1,169,208,305	1,028,898,458	1,195,365,715	1,252,759,234	1,228,100,653

**HARRIS COUNTY, TEXAS
FISCAL YEAR 2006-07
PRECINCT PROPOSED BUDGET SUMMARY - Volume 3**

PCT	DESCRIPTION	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
		APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET
101	Precinct 1, Encumbrances/Balances	20,385,404	32,279,690	30,054,145	25,676,087
101	Precinct 1, New Budget	21,180,410	21,534,900	15,645,855	25,740,180
	Precinct 1 - Total Appropriations	41,565,814	53,814,590	45,700,000	51,416,267
	Precinct 1 - Adjusted Budget	53,814,590	53,689,031	45,683,043	
	Precinct 1 - Total Expenditures/Trns-Out	21,946,117	20,324,086	20,006,956	
102	Precinct 2, Encumbrances/Balances	51,045,721	57,712,187	53,754,145	31,815,055
102	Precinct 2, New Budget	25,080,410	25,545,139	16,845,855	30,600,180
	Precinct 2 - Total Appropriations	76,126,131	83,257,326	70,600,000	62,415,235
	Precinct 2 - Adjusted Budget	83,257,326	82,380,001	64,484,803	
	Precinct 2 - Total Expenditures/Trns-Out	27,829,076	32,078,768	32,669,748	
103	Precinct 3, Encumbrances/Balances	23,364,261	28,952,178	24,554,145	15,075,578
103	Precinct 3, New Budget	26,380,410	26,881,885	17,245,855	32,220,180
	Precinct 3 - Total Appropriations	49,744,671	55,834,063	41,800,000	47,295,758
	Precinct 3 - Adjusted Budget	55,834,063	55,667,712	42,223,244	
	Precinct 3 - Total Expenditures/Trns-Out	29,397,961	27,206,878	27,147,666	
104	Precinct 4, Encumbrances/Balances	53,890,673	66,079,404	61,254,145	31,517,153
104	Precinct 4, New Budget	34,180,410	34,902,362	19,645,855	41,940,180
	Precinct 4 - Total Appropriations	88,071,083	100,981,766	80,900,000	73,457,333
	Precinct 4 - Adjusted Budget	100,981,767	94,403,852	67,585,185	
	Precinct 4 - Total Expenditures/Trns-Out	32,349,334	37,745,338	36,068,032	

All Precincts, Encumbrances/Balances	148,686,059	185,023,459	169,616,580	104,083,873
All Precincts, New Budget	106,821,640	108,864,286	69,383,420	130,500,720
Total Precincts Appropriations	255,507,699	293,887,745	239,000,000	234,584,593
Total Precincts Adjusted Budget	293,887,746	286,140,596	219,976,275	
Total Precincts Expenditures/Trns-Out	111,522,488	117,355,070	115,892,402	

PROJECTED ASSUMPTIONS FOR FORECAST YEAR

- > Encumbrances and balances for FY2006-07 are estimates as of 02/28/06.
- > Child Safety Fee is divided equally among the five court members.
- > Park Deposit Refunds Costs are divided equally among the four Commissioners.
- > Road and Bridge Fee is divided equally among the four Commissioners.
- > Includes Toll Road Connectivity Program divided equally among the four Commissioners.
- > The Additional Budget is allocated to the Precincts using the same percentages used last year.
These percentages and the resulting calculations are shown below.

New Budget Appropriations:	Proposed Budget	Precinct Allocation
Child Safety Fee	1,160,474	232,095
Park Deposit Refunds	100,000	25,000
Road and Bridge Fee	28,472,338	7,118,085
HCTRA	20,000,000	5,000,000
Additional Budget	81,000,000	
Allocation Factors		Added Funds
Pct. 1	16.50%	13,365,000
Pct. 2	22.50%	18,225,000
Pct. 3	24.50%	19,845,000
Pct. 4	36.50%	29,565,000

HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 07
FUNDS APPROPRIATIONS

HARRIS COUNTY GENERAL FUND		FY 2004-05 Expenditures	FY 2005-06 Adjusted Budget	FY 2005-06 Estimated Expenditures	FY 2006-07 Appropriations Budget
1000	General Fund	\$ 991,539,681	\$ 1,169,208,305	\$ 1,028,898,458	\$ 1,228,100,653.00
HARRIS COUNTY DEBT SERVICE FUNDS					
1160	HOT Tax, Refunding Forward Rev, Series 1996	\$ 5,875,684	\$ 5,881,244	\$ 5,880,639	\$ 5,881,948.00
1180	Criminal Justice Center, Series 1996	68,975,811	2,795,112	2,542,375	356,662.00
1250	Permanent Improvement, Refunding Series 1996	541,275	1,081,887	541,275	1,168,918.00
1260	Permanent Improvement, Refunding Series 1997	3,684,840	7,102,266	3,645,690	11,145,571.00
1380	HOT Tax Refunding Forward Rev Series 1998	-	6,335,205	-	-
1390	Commercial Paper Program, Series B	90,651	2,023,897	450,177	1,593,205.00
1400	Commercial Paper Series C	-	6,551,874	2,401,897	9,097,932.00
1420	Commercial Paper Program, Series A1	606,975	3,534,569	1,268,454	3,263,938.00
1430	HC/FC Agmt 2003B Commercial Paper Refunding	-	20,474,511	-	19,623,821.00
1440	HC/FC Agmt 2004A Commercial Paper Refunding	-	22,675,624	-	21,622,605.00
1470	Permanent Improvement Commercial Paper Series D	126,857,052	4,476,391	1,235,377	5,284,022.00
1480	Flood Control Agreement Commercial Paper Program	-	3,128,788	294,751	2,621,077.00
1500	Certificate of Obligation, Series 1998	4,988,238	37,854,458	32,228,643	7,498,708.00
1530	Certificates of Obligation, Series 2001	2,277,690	18,184,903	15,282,003	3,440,956.00
1550	Permanent Improvement, Refunding Series 2001	1,599,635	10,986,951	9,001,859	2,548,557.00
1600	Revenue Refunding Bonds, Series 2002	155,720,513	54,969	-	57,495.00
1610	Revenue Certificates, Series 2002	16,785,560	1,007,884	1,007,150	1,009,437.00
1620	Permanent Improvement, Refunding Series 2002	21,127,888	42,043,975	22,228,888	38,356,549.00
1650	Permanent Improvement, Refunding Series 2003A	4,788,405	9,515,443	4,557,450	9,817,017.00
1680	PIB Refunding Series 2003B	3,163,108	26,857,788	19,201,397	27,956,589.00
1690	Road Refunding Series 2004A - Cost of Issuance	106,501	-	-	-
1710	PIB Refinancing 1999	1,819,446	17,111,735	15,135,889	1,521,820.00
1720	CJC Refunding Series 2004 - Cost of Issuance	120,576	-	-	-
1730	CJC Refunding Series 2004 - Debt Service	1,830,716	8,625,773	2,761,913	6,257,530.00
1740	Tax & Sub Lien Refunding 2004A - Cost of Issuance	6,171	-	-	-
1750	Tax & Sub Lien Refunding 2004A - Debt Service	150,590	349,518	170,768	181,693.00
1760	Tax & Sub Lien Refunding 2004B - Cost of Issuance	296,813	-	-	-
1770	Tax & Sub Lien Refunding 2004B - Debt Service	6,643,773	17,152,316	8,604,902	10,090,729.00
1780	Permanent Improvement Refunding Bonds 2004	658,248	24,169,608	6,708,812	13,074,252.00
1790	Permanent Improvement 2004A - Cost of Issuance	254,352	-	-	-
1800	Permanent Improvement Ref. Ser 2005A - Debt Service	-	78,139,490	2,020,097	7,370,381.00
1810	Permanent Improvement 2005A - Cost of Issuance	-	255,022	218,937	-
1820	Unlimited Tax Road Ref 2005A - Cost of Issuance	-	118,615	100,546	-
2110	Commercial Paper Program, Series F	50,223,220	2,148,080	1,389,340	325,700.00
4250	Tax and Subordinate Liens, Rev. Ref. Ser. 1997	13,284,921	-	-	-
4620	Road, Series 1995	84,865,346	3,917,886	3,360,000	1,008,085.00
4630	Road, Series 1996	3,520,814	15,624,355	5,780,764	19,104,919.00
4660	Road Refunding, Series 1993	-	10,306,179	(60)	20,238,314.00
4700	Road Refunding, Series 2001 - Debt Service	19,806,720	63,599,884	50,988,640	22,158,135.00
4710	Road Refunding, Series 2003A	11,709,924	17,254,319	14,104,613	6,431,636.00
4720	Road Refunding, Series 2003B	3,087,652	7,827,850	3,913,925	7,830,038.00
4730	Road Refunding, Series 2004A - Debt Service	1,688,453	8,665,750	2,587,875	11,890,576.00
4740	Unlimited Tax Road 2004	812,920	14,677,301	7,429,251	14,698,274.00
4750	Unlimited Tax Road 2005A - Debt Service	-	38,341,615	677,534	3,457,639.00
4760	Unlimited Tax Road Forward Refund 2005A	-	-	-	309,210.00
4800	Road, Commercial Paper Program, Series C	50,378,640	-	-	-
Harris County Debt Service & Reserve Funds		\$ 648,164,519	\$ 560,832,995	\$ 247,701,768	\$ 318,393,938.00

**HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 07
FUNDS APPROPRIATIONS**

HARRIS COUNTY FLOOD CONTROL DISTRICT		FY 2004-05	FY 2005-06	FY 2005-06	FY 2006-07
		Expenditures	Adjusted	Estimated	Appropriations
			Budget	Expenditures	Budget
2890	FCD - General/Operations/Maintenance/Construction	\$ 57,259,726	\$ 125,220,192	\$ 54,978,808	\$ 138,530,164.00
3240	Regional Flood Control Projects	5,409,048	22,938,688	3,429,997	19,206,167.00
3320	FCD - Bonds 2004A - Construction	290,774	103,277,172	11,346,935	88,666,746.47
3970	Commercial Paper - FCD Capital Projects	60,476,452	173,572,242	51,042,046	122,106,577.83
Harris County Flood Control District		\$ 123,436,000	\$ 425,008,494	\$ 120,797,786	\$ 368,509,655.30

HARRIS COUNTY FLOOD CONTROL DEBT SERVICE FUNDS					
2170	FC Refunding Ser 2003B-D	\$ -	\$ 9,791,844	\$ 9,784,600	\$ 4,325.00
2180	FC Contract Tax 2004A-D		11,370,095	11,362,376	1,584,987.00
4130	FC Refunding Series 1993A		1,291,982		12,550,767.00
4150	FC Refunding Series 2002	13,735,355	8,419,207	6,915,355	2,941,474.00
4160	FC Refunding Series 2003A	7,645,699	22,495,390	10,008,081	14,238,407.00
4170	FC Refunding Series 2003B	7,718,962	9,791,844		
4180	FC Contract Tax & Refunding 2004A - Debt Service	720,947	11,370,095		
Flood Control Debt Service & Reserve Funds		\$ 26,820,963	\$ 74,530,457	\$ 38,070,412	\$ 31,319,960.00

HARRIS COUNTY SPECIAL REVENUE FUNDS					
2100	Deed Restriction Enforcement	\$ -	\$ 5,222	\$ -	\$ 5,467.00
2120	TIRZ-Non Interest	215,243	571,715		1,820,201.00
2130	TIRZ-Interest Bearing		1,063,466	271,552	608,052.00
2210	Child Support Enforcement	1,114,247	1,838,430	1,494,111	1,792,922.00
2220	Family Protection DC		328,391	206,554	498,001.00
2230	Restricted Fund	793,025	1,908,023	1,158,368	760,000.00
2240	Restricted Fund - General	655	2,395	1,113	1,100.00
2300	Appellate Judicial System Fund	494,470	615,811	513,754	662,048.00
2340	Courthouse Security Justice Court				222,253.00
2360	Records Management and Preservation	461,371	7,628,945	1,401,413	14,912,080.00
2380	Justice Court Technology Fund		16,610		915,624.00
2450	Storm Water Management	2,142,615	1,661,375	1,111,150	2,169,393.00
2500	San Jacinto Wetlands		47,716		46,850.00
2510	TCEQ Pollution Control Fund	148,336	930,798	60,693	923,734.00
2550	Election Fund	451,368	470,441	52,439	674,813.00
2700	Dispute Resolutions Fund	780,437	1,348,392	876,309	1,414,120.45
2750	LEOSE Law Enforcement	317,800	650,644	409,127	677,810.16
2760	Hotel Occupancy Tax Revenue	11,732,350	20,479,948	12,594,112	20,085,941.00
2770	Library Donation Fund	198,048	551,964	144,617	615,541.00
2800	Law Library	1,261,020	1,964,472	1,257,614	2,077,030.00
Harris County Special Revenue Funds		\$ 20,110,984	\$ 42,404,760	\$ 21,553,526	\$ 51,086,180.61

HARRIS COUNTY INTERNAL SERVICE FUNDS					
5490	Workers' Compensation	\$ 10,730,452	\$ 33,452,167	\$ 12,919,906	\$ 6,614,170.00
5500	Fleet Services	13,917,004	32,035,604	20,371,735	36,427,482.18
5520	Radio Operations	3,574,579	3,667,384	3,858,245	5,165,892.00
5530	Health Insurance	115,357,989			
5540	Inmate Industries	236,267	1,076,471	340,693	1,352,198.00
5560	Risk Management	3,961,182	4,969,034	4,107,033	6,441,405.00
Harris County Internal Service Funds		\$ 147,797,473	\$ 75,200,660	\$ 41,597,613	\$ 56,001,147.18

HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 07
FUNDS APPROPRIATIONS

		FY 2004-05	FY 2005-06	FY 2005-06	FY 2006-07
		Expenditures	Adjusted Budget	Estimated Expenditures	Appropriations Budget
HARRIS COUNTY ENTERPRISE FUNDS					
5020	Subscriber Access	\$ 190,256	\$ 623,766	\$ 240,803	\$ 749,693.00
5040	Parking Facilities	494,118	2,928,388	732,480	3,135,177.00
Harris County Enterprise Funds		\$ 684,374	\$ 3,552,154	\$ 973,283	\$ 3,884,870.00
HARRIS COUNTY TOLL ROAD AUTHORITY OPERATIONS					
Revenues					
5730	TRA Revenue Collections	\$ 305,919,600	\$ 313,809,113	\$ 338,268,380	\$ 670,524,315.00
5770	TRA Renewal/Replacement	3,162,540	3,798,489	3,836,671	174,568,825.00
5780	TRA MCVISA	1,341,897	1,696,634	50,044	-
TRA Revenues		\$ 310,424,037	\$ 319,304,236	\$ 342,155,095	\$ 845,093,940.00
Expenditures					
5720	TRA Office Building	\$ 421,860	\$ 3,126,164	\$ 547,801	\$ 4,691,409.00
5740	TRA Operations & Maintenance	51,715,230	92,515,277	59,829,508	58,727,068.00
TRA Operations & Maintenance		\$ 52,138,890	\$ 95,641,441	\$ 60,377,309	\$ 63,419,377.00
5710	TRA Construction	\$ 65,144,186	\$ 106,130,944	\$ 32,754,743	\$ 70,487,877.00
5160	TRA Ser 02 Tax/Rev Construction	42,992,860	42,553,027	13,517,543	29,877,524.36
5200	TRA Ser 05A Construction	-	75,000,000	75,000,000	145,219.17
5580	TRA Construction B	(72,000)	72,000	-	72,000.00
5950	TRA Commercial Paper Ser E Construction	78,909,705	276,585,549	61,211,179	259,162,873.97
TRA Construction		\$ 186,974,751	\$ 500,341,519	\$ 182,483,465	\$ 359,745,494.50
TRA Operations, Maintenance & Construction		\$ 239,111,641	\$ 595,982,960	\$ 242,860,774	\$ 423,164,871.50
HARRIS COUNTY TOLL ROAD AUTHORITY DEBT SERVICE					
-	Toll Road Authority - Debt Service Fund	\$ 114,583,336	\$ 759,332,076	\$ 150,840,712	\$ 308,844,360.02
HARRIS COUNTY CAPITAL PROJECT FUNDS - BUDGETED					
3310	Flood Control Capital Projects	\$ 6,104,547	\$ 12,753,647	\$ 1,332,392	\$ 8,479,244.00
3600	Road Capital Projects	6,386,760	48,958,806	11,680,040	47,002,878.00
3610	Metro Designated Projects	5,900,176	22,890,570	3,926,253	19,923,207.00
3670	Building/Park/Library Capital Project	2,158,448	746,122	59,361	686,360.00
Harris County Capital Project Funds - Budgeted		\$ 22,549,951	\$ 85,349,144	\$ 16,978,045	\$ 76,091,669.00
HARRIS COUNTY CAPITAL PROJECT FUNDS - ROLLOVER					
3120	Metro Street Improvement Project	\$ 32,845	\$ 6,398,795	\$ 26,953	\$ 6,366,060.31
3500	Road 1975	56,454	1,295,378	397,403	871,290.21
3690	1982 Park Bond	-	888,652	-	1,217,231.51
3700	CO Series 2001 Construction	249,124	20,742,757	372,685	19,589,406.69
3710	P/I Series 2002 Construction	44,086,392	24,436,349	19,519,072	317,735.42
3730	Road Refunding 2004 B Construction	292,935	103,273,886	4,245,024	95,805,540.69
3760	1988 T Astrodome Improvement	1,674,917	348,280	-	337,607.60
3830	1987 Road Series 1993	221,040	591,330	350,251	219,520.48
3850	87 PIB 1994 Capital Project	59,930	1,350,200	6,072	1,303,906.12
3860	Road & Refunding Series 1996	1,395,747	3,363,199	848,171	2,376,611.06
3880	CO Series 1998 Baker Street Jail	-	75,047	-	72,687.82
3890	CO Series 1994 Certificate Obligation	1,237,319	10,716,229	3,338,560	7,164,148.68
3910	Comm Paper Ser D-1	1,940,063	941,123	34,245	886,094.46
3920	Comm Paper Ser D	685	950,079	24,914	884,908.75
3930	Comm Paper Ser B P/I	10,832,869	25,075,926	11,355,515	14,121,061.31
3940	Comm Paper Ser C - Road & Bridge	69,231,999	214,710,437	77,704,165	136,932,222.73
3950	Comm Paper Ser 1998A	-	-	(2,844,126)	2,844,125.56
3960	Comm Paper Ser A-1	2,263,642	61,583,326	9,113,395	32,470,219.98
3980	Comm Paper Ser D102	38,531,864	175,318,802	57,251,476	117,731,300.03
Harris County Capital Project Funds - Rollover		\$ 172,107,864	\$ 652,059,792	\$ 181,743,775	\$ 441,515,378.41

HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 07
FUNDS APPROPRIATIONS

HARRIS COUNTY SEIZED ASSET FUNDS - MEMO ONLY **		FY 2004-05 Expenditures	FY 2005-06 Adjusted Budget	FY 2005-06 Estimated Expenditures	FY 2006-07 Appropriations Budget
2310	County Attorney Admin Toll Rd Fund	\$ -	\$ 49,109	\$ 5,000	\$ 285,635.57
2320	DA Special Investigation Fund	-	9,664,549	-	10,375,696.36
2330	DA HOT Check Depository Fund	-	4,720,928	64,832	5,290,661.94
2560	District Attorney Seized Assets-Treasury	3,019	7,467	-	7,959.78
2570	District Attorney Seized Assets-Justice	52,853	120,198	41,832	84,025.28
2580	Constable Seized Assets-Treasury	-	35,936	30,631	5,668.30
2590	Constable Seized Assets-Justice	-	155,090	-	165,663.13
2800	Sheriff Seized Assets-Treasury	684,334	5,922,247	390,144	6,416,342.34
2810	Sheriff Seized Assets-Justice	1,299,827	2,501,969	2,341,752	1,043,110.67
2820	Sheriff Seized Assets-State	665,396	4,390,106	1,340,004	3,646,214.56
2830	District Attorney Seized Assets-State	754,730	12,434,778	2,944,668	12,499,486.32
2840	Constable Seized Assets-State	21,800	430,580	164,648	493,469.83
2850	Seized Assets-Commissioners Court	-	1,526,320	-	1,812,144.92
2860	Seized Assets-Fire Marshall	-	842	-	27,712.28
6020	District Attorney Special Investigation	-	9,664,549	-	-
6030	District Attorney Administration	79,933	4,720,928	-	-
Harris County Seized Assets Funds		\$ 3,764,692	\$ 56,345,590	\$ 7,323,811	\$ 42,153,891.30

** This is presented for information purposes only. Harris County Commissioners Court, by statute, does not have budgetary authority over these funds.

HARRIS COUNTY TRUST AND OTHER FUNDS

5060	Commissary (Memo Only)	\$ 4,069,889	\$ -	\$ 4,995,606	\$ -
2370	Donation Fund	-	-	-	2,371,300.00
6170	Memorial Trust	397,996	2,288,775	180,052	-
6460	Insurance Trust Fund	-	166,438,569	130,182,437	172,869,168.00
Harris County Trust and Other Funds		\$ 4,469,885	\$ 168,727,344	\$ 135,328,295	\$ 175,240,468.00

HARRIS COUNTY GRANT FUNDS - ROLLOVER

7003	Access & Visitation Grant	\$ 16,438	\$ -	\$ -	\$ -
7004	FEMA/Pre-Disaster Mitigation	5,093,389	4,296,587	1,526,677	2,767,909.68
7005	Title IV-B Children Evaluation & Treatment	152,214	152,323	152,043	420.00
7007	Title IV-E Adoption Incentive	1,416,357	3,268,829	1,220,066	2,048,762.21
7009	Harris County Truancy Program	189,571	302,923	162,160	147,926.50
7012	Title IV-D ICSS (Integrated Child Support System)	158,910	2,146,107	391,005	1,755,101.95
7013	HISD-Safe Schools/Healthy Students	216	-	-	-
7014	Star-Success Thru Addiction Recovery	59,224	544,077	180,663	363,413.50
7015	Lead Base Paint Program	-	33,250	33,250 *	-
7016	Urban Area Sec Initiative II	1,518,986	22,432,564	14,322,029	8,110,534.65
7018	Span-School Physical Activity	7,066	17,526	12,900	4,626.49
7019	Star-Success Thru Addiction Recovery	55,656	162,668	125,915	36,752.75
7020	Support Housing	867,918	4,358,232	1,433,785 *	2,924,446.63
7021	C.O.P.S. Technology	181,744	1,302,472	1,302,398	74.27
7022	Coastal/Estuarine Land Conservation	1,482,500	-	-	-
7023	IV-E Child Welfare Services	-	3,901,666	1,354,644	2,547,052.00
7024	Pal Transition Center	-	788,572	527,193	261,378.97
7028	North Amer Wetlands Conservation	-	32,100	-	32,100.00
7027	Bank Park TPWD	-	625,000	-	625,000.00
7028	Abducted/Missing Persons Unit	-	130,806	41,103	89,702.80
7032	HGAC-Worksource Svcs Katrina	-	317,091	72,648	244,443.13
7035	Court Doc-Preservation Restoration	42,500	12,500	12,500	-
7045	Adult Violent Death Review Team	1,651	78,196	33,056	45,140.51
7065	Pct 2-Unincorp Area Revitalization	-	350,728	225,524	125,203.79

* includes transfer-out expenditures related to the close-out of HUD funds

HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 07
FUNDS APPROPRIATIONS

HARRIS COUNTY GRANT FUNDS - ROLLOVER (con't)		FY 2004-05 Expenditures	FY 2005-06 Adjusted Budget	FY 2005-06 Estimated Expenditures	FY 2006-07 Appropriations Budget
7075	TX Historic Crthouse Preservation	-	575,000	-	575,000.00
7085	CPNPA-Community Projects/Nutrition & Physical Activity	-	9,983	7,477	2,506.34
7095	COH Aquatics Program	-	5,380,000	-	5,380,000.00
7105	Wealth Building Initiative	-	10,000	10,000 *	-
7107	Citizen Corps	59,854	170,101	91,083	79,017.98
7108	CERT	66,828	-	(6)	6.10
7109	TX Disaster Relief Fund Grant	-	280,233	-	280,233.00
7115	Allstate Foundation Grant	-	100,000	17,775	82,225.00
7120	Community Development Block Grant	24,288	11,361,404	11,480,954	-
7125	Non-Emergency Transport Svcs	470,672	797,498	487,518	309,980.45
7130	Emergency Shelter Grant	747,154	1,231,335	759,965 *	471,370.61
7140	Home Program	7,585,253	15,092,404	9,603,093 *	5,475,220.83
7150	Community Development Block Grant	-	5,686	1,247 *	-
7151	Reliant Energy Care Program	-	325,000	325,000	-
7165	Private Programs	-	2,423,000	95,294	2,327,705.90
7170	Innovative Homeless Initiative	-	6,018	6,018 *	-
7175	Mobility Transportation	(1,963)	6,085	3,649	2,435.75
7180	Precinct 4 CDA Agreement	-	4,283	-	-
7190	Rehabilitation	396	116,655	-	-
7200	Shelter Plus Care	2,269,479	9,016,069	3,832,003 *	5,166,674.10
7205	Nail Recreation Trail Grant	34,971	90,029	83,791	6,238.29
7210	Summer Program Pct 4/CDA	-	8,545	-	-
7215	Human Trafficking Rescue	-	582,303	173,875	408,428.48
7220	Waste Reduction Grant - Purchasing	-	12,368	-	-
7222	TNRCC-Low Income Vehicle Repairs	1,850,272	2,329,191	878,191	1,451,000.00
7250	HUD Microloan, SBDL & Sec 108	-	84,500	84,500 *	-
7262	Help America Vote Act	2,984,726	18,067,818	-	11,000.00
7280	Phase XV-Utility Assistance	483,390	499,830	499,805	180.25
7281	NASA Research Grant Funds	136,326	168,556	155,246	13,310.84
7282	HMGP-Haz Mitigation Grant Program	15,611	-	-	-
7283	FEMA-Allison Hazard Mitigation	11,982,823	5,994,998	716,376	5,278,622.21
7284	FEMA-Tropical Storm Allison 01	36,029	5,000	5,000	-
7285	FEMA-Tropical Storm Frances	-	-	116,903	-
7286	FEMA-FMAP Home Acquisition	199,040	-	-	-
7287	FEMA/Oct-Nov 98 Floods	157,837	310,188	-	310,187.38
7288	FEMA 1439-DR Subst Dmage Homes	6,574,316	1,159,636	382,687	776,948.25
7289	Emergency Mgmt Performance	227,769	1,042,547	416,818	625,729.00
7294	Hurricane Katrina 2005	-	19,834,500	7,052,324	13,126,803.25
7296	HC Alliance-Children & Families	-	999,959	14,179	985,780.48
7375	CRI-Cities Readiness Initiative	-	2,729,871	556,845	2,173,025.63
7414	TP&W-Rio Villa Pk Canoe Trail	-	91,360	-	91,360.00
7416	Elderly/Disabled Transportation	49,984	324,069	232	323,837.65
7417	Coastal Management Grants	4,884	-	-	-
7418	Coastal Management	-	111,780	99,093	12,687.04
7419	NOAA - Coastal Impact Asst Program	255,114	-	-	-
7421	Coastal Impact Assistance	1,515,364	-	-	-
7423	Target Stores Community Giving	5,000	5,000	3,234	1,766.00
7424	Strake Foundation Summer Reading	5,000	5,000	5,000	-
7425	Gates Foundation	-	78,000	77,479	521.45
7426	George & Mary J. Hammond Foundation	873	9,127	7,847	1,279.78
7428	Simmons Foundation	-	7,500	2,500	5,000.00
7429	Dollar General Foundation	-	1,500	-	1,500.00
7433	Herzstein Foundation	-	5,000	4,971	28.80
7441	TX Reads Grant - B Bush Branch	-	2,900	-	2,900.00
7446	HALS-Houston Area Library System	117,858	229,469	125,734	103,734.52
7448	Reading is Fundamental, Inc	6,100	6,100	6,100	-

* Includes transfer-out expenditures related to the close-out of HUD funds

HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 07
FUNDS APPROPRIATIONS

HARRIS COUNTY GRANT FUNDS - ROLLOVER (con't)		FY 2004-05 Expenditures	FY 2005-06 Adjusted Budget	FY 2005-06 Estimated Expenditures	FY 2006-07 Appropriations Budget
7453	HALS-Staff Development	14,250	-	-	8,690.00
7454	HALS-Between the Lions	4,500	-	-	-
7456	BMP Effect Pollutant Reduction	-	210,526	66,151	144,374.70
7463	Safe School/Healthy Students	57,722	22,975	22,975	-
7560	Burnett Bayland Home	-	-	300	-
7585	City of Houston/Anti-Gang	-	-	(9,901)	-
7595	Residential Substance Abuse	500,030	465,660	317,677	147,982.87
7635	Ensuring Access, Encouraging Support	3,281	285,553	66,076	219,474.74
7640	BBH Residential Recreation	-	-	492	-
7660	HUD Comm Develop Block Grant	11,661,294	33,057,196	13,275,586	19,785,391.89
7695	Sex Crimes Offender Registration	397,329	245,880	229,760	27,706.95
7697	Sex Offenders Monitor & Compliance	-	145,552	56,301	89,250.97
7707	Project Safe Neighborhoods	235,579	200,532	134,386	66,145.16
7724	Ward Mentor Program	-	50,857	7,649	43,207.94
7748	Powell Foundation	-	25	-	-
7749	Task Force-Underage Drinking	-	27,338	9,810	17,527.82
7980	Juvenile Accountability Incentive Block	354,016	909,201	807,222	101,978.92
7981	Juvenile Accountability Incentive Block	14,028	25,554	16,614	8,940.00
7990	Case Management Svcs JJAEP CPS	147,184	89,703	3,767	85,936.29
8008	HIDTA Law Enforcement	-	-	6,659	-
8020	Tuberculosis Prevention and Control	488,777	653,159	435,459	255,866.31
8025	HGCSD Grant	-	80,000	-	80,000.00
8030	Office of Regional Program	316,587	237,311	278,498	105,630.00
8032	Non-Emergency Medical Transport	153,924	1,274,295	930,031	344,263.90
8036	Star-Success Thru Addiction Recovery	85,826	-	-	-
8037	CHIP Outreach Program	220,437	325,557	208,592	116,964.39
8040	Run Away & Youth Family	253,169	206,104	117,621	88,482.93
8042	Telelegal Education Project	32,908	-	-	-
8045	STAR Program	253,869	469,935	227,301	242,633.88
8050	Maternal and Child Health	667,821	1,275,971	1,059,820	216,150.95
8055	Childhood Lead Poison	19,574	-	-	-
8060	Refugee Health Screening	868,022	1,671,310	762,160	909,150.02
8065	Texas Tobacco Prevention Pilot	574,705	648,474	399,616	248,857.48
8070	Immunization Action Plan	890,204	837,539	611,452	354,779.12
8090	Tuberculosis Elimination Division	103,210	113,506	130,337	19,641.74
8100	Tuberculosis PC (Prevention & Elimination)	45,332	94,184	34,560	59,623.64
8110	Family Planning	1,338,066	1,893,484	1,270,540	780,849.28
8125	HRSA-Special Projects	-	585,515	266,191	319,324.14
8130	State Legalization Impact	44,184	659,626	3,703	655,923.22
8140	HIV Prevention	337,379	276,997	347,257	-
8145	St. Louis Encephalitis-UTMB	324,634	506,374	269,811	245,500.09
8150	HIV PCPE/HERR	155,192	276,875	124,662	152,013.43
8160	Maternal and Child Health PTB	254,279	441,224	166,676	323,553.84
8165	Bioterrorism	2,016,962	4,453,591	2,093,736	2,359,855.00
8180	TDH Vaccine	2,562,874	5,607,332	-	5,607,332.00
8200	Ryan White Title 1	16,660,539	24,072,127	19,796,875	24,226,772.78
8215	Infectious Disease-West Nile	329,795	366,384	207,805	158,578.61
8270	TX Automated Victim Notification	-	129,021	129,021	-
8285	Lone Star Libraries Program	112,803	249,439	191,762	57,676.95
8320	WIC Supplemental Feeding	5,908,423	10,951,458	6,266,153	4,683,304.55
8410	Residential Substance Abuse	442,642	671,823	292,471	579,351.50
8455	TX Council for Humanities	-	6,900	4,460	2,439.79
8456	NEH-Elizabeth I: Ruler & Legend	-	1,000	1,000	-
8480	Local Law Enforcement Block Grant	4,403,567	1,683,209	697,307	985,902.30
8487	Preparation for Adult Living (PAL)	836,118	2,496,132	1,396,855	1,099,776.69
8488	Community Youth Development	760,825	1,009,661	660,404	352,501.14
8489	Concrete Services Program	44,378	28,140	27,119	1,820.73
8493	PPT-Perm Planning Team Program	704,887	613,223	547,881	65,341.37
8494	Title IV-B Family Assessment	357,009	206,740	199,409	7,331.37

HARRIS COUNTY, TEXAS
FISCAL YEAR 2006 - 07
FUNDS APPROPRIATIONS

HARRIS COUNTY GRANT FUNDS - ROLLOVER (con't)		FY 2004-05 Expenditures	FY 2005-06 Adjusted Budget	FY 2005-06 Estimated Expenditures	FY 2006-07 Appropriations Budget
8496	Organized Crime Drug Enforce Task Force	(2,624)	-	-	-
8497	Truancy Learning Center	(300)	-	-	-
8510	Law Enforcement Training	-	11,129	11,129	-
8515	Early Medical Intervention	73,108	174,475	86,175	86,299.88
8520	Domestic Violence Unit	81,390	103,473	80,279	43,194.27
8525	Domestic Prepare Equip Support	3,555,480	22,984,968	1,018,105	21,966,853.18
8540	Major Drug Squad	154,804	107,528	82,901	24,626.39
8565	COPS in School Program	279,040	-	-	-
8576	COPS Integrity Initiative	57,328	-	-	-
8585	COPS UHP	403,851	421,848	420,983	864.56
8593	Weed'N'Seed CDD	175,253	225,270	38,395	188,875.36
8596	Aldine Weed and Seed 2	22,136	15,305	12,237	3,098.11
8597	Fifth Ward Weed & Seed	9,140	-	-	-
8600	Targeted Narcotics Enforcement	44,530	16,938	12,537	4,401.23
8605	Bulletproof Vest Partnership	35,002	239,915	159,561	152,681.65
8610	Truck, Air, Rail and Port	49,732	97,798	62,733	35,054.91
8615	HiDTA-Gang Squad	554	31,782	23,327	8,455.27
8620	Money Laundering Initiative	507,116	834,569	402,400	432,168.34
8630	Violent Crime Initiative	10,879	10,834	6,349	4,484.95
8635	Methamphetamine Group	14,885	18,752	13,215	5,536.65
8640	Houston Intelligence Support Center	106,115	306,240	271,981	217,258.17
8650	H. C. Organized Crime Unit	1,242,430	937,643	799,624	138,018.67
8675	Forensic DNA Lab Improvement	-	29,800	14,621	15,278.97
8676	HCME Coverdell Improvement Program	-	-	-	79,760.00
8685	Tobacco Compliance-Public Account	2,892	57,843	9,861	47,981.70
8705	Crime Victim Assistance	322,756	274,384	186,576	87,817.92
8710	Auto Theft Prevention	1,458,101	2,454,283	1,474,542	964,548.46
8711	Protective Order Prosecutor	90,840	181,722	94,903	86,819.48
8715	Justice Assistance Grant	-	1,670,766	79,231	1,591,534.43
8725	Cold Case Squad	170,856	109,590	85,781	23,828.42
8730	Solid Waste Implementation Program	31,025	108,975	21,975	87,000.00
8731	HGAC Solid Waste	15,456	314,689	79,221	235,468.25
8760	Caseworker Intervention Expansion	99,492	249,996	115,354	134,642.14
8762	Internet Crimes Against Children	-	15,000	-	15,000.00
8765	Family Violence Specialized	55,865	46,410	31,026	15,384.25
8766	Felony Family Violence	23,435	128,708	70,057	56,651.15
8768	STAR-State Drug Court	2,750	157,503	27,905	128,597.56
8775	DNA Enhancement Project	-	415,121	195,353	219,768.26
8778	DNA Backlog Reduction Program	257,268	1,096,635	516,846	579,989.28
8779	Forensic Lab Improvement Program	-	95,000	9,266	85,734.00
8825	G. R. E. A. T. Program	161,960	462,371	363,267	110,232.70
8850	STEP - Crash Analysis	29,737	-	-	-
8865	D. W. I. Step	49,351	331,004	129,205	201,798.93
8880	National Maximum Speed Limit	51,942	273,864	100,862	173,031.41
8888	HC Hospital Foundation - Dental	18,345	50,000	30,483	19,614.25
8895	Safe and Sober STEP	342,837	680,254	250,426	419,827.50
8896	STEP-Impaired Driving Mobilization	-	75,000	15,759	59,241.25
8897	Commercial Vehicle Safety	-	120,317	15,458	104,859.24
8905	HCHFC-MAP Plus/ESG Match Grant	120,000	880,000	408,000	472,000.00
8910	Motor Assistance Program (MAP)	1,399,778	4,447,545	1,472,426	2,975,119.00
8960	Violence Against Women	72,838	150,654	69,412	78,975.70
8970	Regional Ballistics Lab	175,863	-	-	-
8980	Runaway Investigative	180,598	69,168	23,718	46,450.36
Harris County Grant Funds - Rollover		\$ 119,225,274	\$ 289,635,848	\$ 125,881,877	\$ 167,076,853.19

Policy Issues

The following items are presented for consideration March 7 as part of the proposed FY 2006-07 budget. The items result from presentations and concerns expressed during hearings January 11-13 and February 21, and are in accordance with court directions.

1. Financial Policies

- a. Expenditures are to be budgeted and controlled so that at the end of the fiscal year the minimum undesignated fund balance for the general fund and other operating funds will be no less than 15% of fiscal year expenditures.
- b. Full disclosure and open lines of communications will be provided for rating agencies. A continuing goal is continuation of and a possible upgrade in the county's AA+ debt rating. Decisions on financial matters are to consider this goal.
- c. Tax anticipation notes for annual cash flow purposes will be issued for the general operating fund. A recommended order will be presented to the court as an agenda item.
- d. Ad valorem tax requirements for operations and debt service are to be analyzed in conjunction with projections of taxable values by the Appraisal District. A recommended tax rate schedule will be presented to the court in September. Funding plans will be considered for Harris County, Harris County Flood Control District, Port of Houston Authority, and the Harris County Hospital District.
- e. The court will consider capital improvement plans and financing requirements at a review session to be held at 9 a.m. Tuesday, June 20.
- f. The Mid-Year Review will be held at 9 a.m. Tuesday, September 26.

2. Salaries, Allowances, and Positions

- a. **Cost of Living.** If the court agrees, a 3% cost of living salary adjustment would be effective with the pay period that begins September 2. The approximate cost to the general fund will be \$9 million this fiscal year, FY 2006-07, and \$19.2 million in the subsequent fiscal year, FY 2007-08. The court said the increase would apply to all positions except appellate, district, and county court judges.
- b. **Allowances.** Allowances for FY 2006-07 should remain as follows: 44.5¢ per mile reimbursement for use of a personal vehicle on county business, subject to a maximum of \$630 per month; maximum monthly car allowances of \$525 for law enforcement officers, and, subject to court approval, elected officials and appointed department heads, and \$395 per month for other non-law enforcement personnel. These amounts will be reviewed and a recommendation regarding any necessary changes will be given to the court at the Mid-Year Review in September. The procedure for reporting mileage expense is in review.

The cellular phone allowance of not to exceed \$50 per month for authorized staff should not be changed at this time.

- c. **Positions.** Management Services is reviewing the list of department position requests and will present recommendations to the court as agenda items after determination that funds are available. Lists of temporary, part-time, and model positions are attached for approval.

The average annual cost of a full-time position in the county is \$63,312, including salary of \$46,200 and benefits of \$17,112. The total requirement for salaries and benefits in the general fund, with 11,980 full-time equivalent positions, is \$758.6 million, which is about 71% of operating costs. Departments in the general fund have requested 533 new positions.

- d. **Salary Studies.** Recommendations have been prepared and are attached for approval of salary adjustments for detention officers and medical staff for the jail and peace officer salaries and incentives. Salary levels for judges and other elected officials were prepared as directed by the court and are shown in an attached table. Other position and salary studies and reclassifications and salary equalization requests for officials, departments, and functions will be presented as completed for consideration of the court as regular agenda items or at Mid-Year Review.

- e. **Group Health and Related Benefits.** A status report by the director of Human Resources & Risk Management is enclosed for your review and reference. The total annual cost for employees, retirees, and dependents is projected to be \$148.5 million, an increase of \$16.8 million. Retirees and their dependents represent 12.6% of the total group, but account for 22% of the total projected increase. The county's portion of the cost will be \$115.6 million, or 78% of the total.

The county's policy for basic coverage remains unchanged, with 100% of the cost for the employee and qualified retiree paid by the county plus 50% of the cost for dependents. A second option allows the employee or retiree to pay a higher premium for another level of benefits.

Effective March 1, 2006, the medical provider, Aetna Inc., began the third year of a five-year agreement.

Staff of the Office of Human Resources & Risk Management are working with the Auditor and County Attorney to review new requirements of the Government Accounting Standards Board regarding financial disclosure and funding requirements for retiree health care and related benefits. An actuarial determination of cost and alternatives will be presented to the court as an agenda item.

- f. **Travel and Training.** An analysis by the Office of Budget Management of travel and training costs for the period of FY 2002-03 through FY 2005-06 shows the following.

FY	Total Cost \$	In Houston and Texas Cost \$	% of Total	Out of Texas Cost \$	% of Total
2005-06	2,913,073	1,946,425	66.8	966,648	33.2
2004-05	2,270,823	1,581,867	69.7	688,956	30.3
2003-04	1,994,850	1,422,036	71.3	572,814	28.7
2002-03	1,776,415	1,092,901	61.5	683,514	38.5

As requested by the court, Management Services is preparing an agenda item for consideration that would strengthen control of travel and training expenses.

3. **Departments**

Funds are balanced against the Auditor's final estimate of revenue. The estimate for available resources for the general fund for FY 2006-07 is \$1,228,100,653, which is \$58,840,858 more than the adjusted revenue estimate for FY 2005-06 of \$1,169,259,795, and \$7,159,472 less than the estimated actual amount that became available for FY 2005-06 of \$1,235,260,125.

Requests from all departments for positions and funds to meet priorities will be considered for recommendations to the court. The following provides a summary of issues and recommendations for various departments and operations.

a. **Public Infrastructure**

The Toll Road Authority requested 49 new positions for customer service and technical and analytical assistance, and these positions will be recommended for approval, subject to budgetary transfers.

A recommendation will be prepared for consideration concerning indirect cost charges to cover the cost to the county for support services provided for operation of the toll road system. This subject will be reviewed with the PID director and the Auditor before presentation to the court.

The court on January 24, 2006 authorized a study to proceed for development of financial and operating alternatives that could be available for the future of the toll road system. The results of the study are to be presented to the court at the capital improvements review session on June 20.

The Flood Control District's operations and maintenance budget is balanced against the Auditor's revenue estimate for available resources in the amount of \$135.4 million. The director requested 15 new positions for engineering, technical, and administrative work, and these positions will be recommended as part of the new budget. Salary reclassifications will also be recommended.

Capital project spending during the period of FY 2000-01 through FY 2005-06 totaled approximately \$450 million. The district has \$164 million available for continued work, and has listed candidate projects in the amount of \$482 million. The projects listed and a schedule of funding that may be available will be reviewed with the court at the capital improvements meeting on June 20.

PID Engineering Division has requested 16 new positions and 11 reclassifications for administrative services, contract administration, contract compliance, capital projects, infrastructure, construction, architecture, and permits at an approximate cost of \$1.5 million. The director estimates that if new staff is approved he will need additional office space, and he has developed an interim plan to accommodate this need. This request is under review and a recommendation will be given to court.

- b. **Facilities & Property Management**. The FPM director is requesting funds for maintenance of additional facilities, increased rents for leased facilities, repairs at various annexes and parking areas, utility costs, computer software upgrades, and salary increases for management staff. Funds have been provided for certain of these items, and further evaluations will be done.

Various departments have requested use of vacated space that could be made available when staff and operations move to the new Juvenile Justice Center and Civil Courthouse. The FPM director requested, and the court agreed, that a moratorium on such moves will be in place and that FPM is authorized to review all such requests as to their actual necessity and costs. A report will be given to the court at the capital improvements meeting in June when the court will consider revisions in the master plan for the downtown complex. A factor in the court's review will be whether there should be construction of a new Administration Building.

- c. **Courthouse Security**. Judge Don Stricklin, of the 337th District Court, as a representative of the district courts, requested that Commissioners Court seek analysis and recommendations for a reorganization of courthouse security. The FPM director recommended that such a study be authorized. Constable Abercia, Precinct 1, requested that the court authorize 24 additional positions and a bomb dog for coverage of the new Juvenile Justice Center and Civil Courthouse.

At this time, the Sheriff's Department assigns deputies for courtrooms, Constable Abercia assigns officers for patrol in and around the downtown complex, and FPM has a contract with Weiser Security to provide personnel for operation of metal detectors. FPM also provides for issuance of badges for county personnel and, with an oversight committee, the Frequent Courthouse Visitors Badge Program. There is no official or department that is in charge and accountable for all aspects of courthouse security.

The court requested that Management Services have a study prepared for recommendations that can be considered. Such an item will be placed on the court's agenda.

- d. **Courts**

1. **Justices of the Peace**. A recommendation for implementation of a staff career ladder plan with training and skills assessment for justice court personnel will be presented as an agenda item.

Justice court desktop computers will be replaced at an approximate cost of \$620,000. A new justice court technology fee fund will be used to help with the cost. A life cycle plan for technology will be provided for the courts.

Management Services and the County Courts Manager will study alternatives that can be recommended to cope with the increasing caseloads of JP Precincts 4 and 5; ways to lessen problems associated with juvenile truancy cases in the justice courts; and a uniform travel and training policy.

2. **Probate Courts**. The County Courts Manager and Management Services will review caseloads and staffing requirements for the four probate courts and a recommendation will be prepared.
3. **District and County Courts**. The court has authorized a collaborative plan for a Court Data Warehouse that will produce timely management information reports. Consultant services will be requested to help develop the plan at an approximate cost of \$260,000. The cost will be covered by budgets of the district and county court administrators.

- e. **Juvenile Probation.** The department initially requested 160 new positions at an approximate cost of \$8.6 million. Of that number, 107, or 67 %, would be for institutional care, including the Detention Center on W. Dallas where the population is over capacity. The new Juvenile Justice Center is scheduled to open in March. The Juvenile Board requested that the court at that time begin the process for design and construction of a replacement for the W. Dallas facility, and that an additional 278 positions be approved at an approximate cost of \$12.8 million to keep the existing facility operational for holding juveniles. The board also requested that the court authorize the new Juvenile Justice Center to be dedicated for use of the juvenile courts, Juvenile Probation, and related offices, and that the building not include facilities for the Constable of Precinct 1 and Justice of the Peace 1.2.

A recommendation regarding positions will be presented. The court said the space for the Constable and JP in the JJC, which opens this spring, would remain vacant and a decision on its use would be made at the CIP review meeting on June 20. Also to be considered at that time will be replacement of the W. Dallas center and a proposal for a girls detention facility.

- f. **MHMRA.** The director requested an increase of \$3.5 million for a psychiatrist, relief physicians, and additional staff for the mental health program in the jail, and salary adjustments for various positions at the jail and NeuroPsychiatric Center. Recommendations to be considered are in the policy issues portion for the Sheriff's Department in connection with jail operations.

The Texas Department of State Health Services made a change in policy effective February 1, 2006 that reduces the number of state mental health facilities, from 10 to five, that will accept criminal court commitments of mentally ill defendants. MHMRA is evaluating the impact. The change could increase cost for the Sheriff's Department as there will be longer periods for housing of those defendants in jail and their eventual transportation to state hospital facilities, if allowed, could be at further distances than have been required for such travel in the past.

Commissioners Court at the Mid-Year Review last September approved a recommendation that emergency psychiatric operations of MHMRA's NeuroPsychiatric Center and the Ben Taub Psych ER be merged. A report will be prepared for the court concerning the status of the merger plan and an approximate date when the process should be completed.

- g. **Library.** The Library director has requested that \$4,927,576 be made available for payment to the North Harris Montgomery Community College District for the Tomball Community Library. The payment is to cover construction and maintenance costs. These funds will be made available as required during the fiscal year.

h. **Administration of Justice**

1. **Positions.** A total of 320 positions were requested by departments in the Administration of Justice category. They included 123 by the Sheriff, 81 by the Constables, 60 by the Medical Examiner, 16 by the courts, 14 by the Fire Marshal, 10 by the County Attorney, nine by the County Clerk, and seven by the District Attorney. Recommendations will be provided to the court.

2. **Constables.** During the last fiscal year, various constables requested that Management Services review the need for support staff for the constables. Objections were raised as to the current arrangement which places two systems management positions in the department of one constable. As authorized by the court, a review of this matter will be conducted and a recommendation will be given to the court.
3. **Patrol.** Management Services will review the status of patrol needs and will provide a recommendation to court. The contract patrol program will be included in the study.
4. **Jail.** Management Services is preparing recommendations for the Sheriff's Detention Bureau and related functions that affect jail operations and inmate population, including detention officers and medical and psychiatric services. A list of proposed items is attached.
5. **Processing Center.** A report from the architect for the planned Inmate Processing Center, Hermes Architects, Inc., is scheduled to be ready for court review in May. Design of the building would take approximately one year, allowing construction to begin in the summer months of 2007 and completion to be in late 2009.

Planning continues between the Sheriff's Department and the Houston Police Department. An attached memorandum from Major Don McWilliams provides information on the question of where a person would be taken by HPD officers if an arrest occurs within Houston's jurisdiction in another county.

- i. **Legislative Services.** The court authorized a transfer of the Office of Legislative Relations to the County Attorney's Department. The County Attorney will designate Asst. County Attorney Cathy Sisk, currently the Environmental Division Chief, to direct the new office. A recommended plan and positions for the office will be placed on the agenda.

Included with this new office will be oversight and coordination of legislative contracts, which at this time are subject to change or renewal by the court. The contracts in 2005 totaled \$345,000 and were with Texas Lobby Group, \$95,000; Akin, Gump, Strauss, Hauer and Feld, \$80,000; Jennifer Shelley, \$65,000; Hughes & Luce, \$65,000; and Dan McClung, \$40,000. This subject will be placed on the court's agenda.

- j. **Office of Homeland Security & Emergency Management.** Judge Eckels recommended that this office be placed under the direction of the Fire Marshal. A reorganization proposal will be prepared and presented for court approval.

#