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HARRIS COUNTY, TEXAS

COMMISSIONERS COURT

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

Ed Emmett
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 2, 2007

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

Re. **FY 2007-08 Budgets**

Enclosed are schedules and materials for the FY 2007-08 budgets which will be effective for the period of March 1, 2007 through February 29, 2008.

The county's general fund expenditures for the year ending February 28, 2007 are projected to be \$1,119,492,511, an increase of 8.7% compared to the previous year's expenditures of \$1,029,598,182.

The available cash balance in the general fund at February 28 is projected at \$205.4 million with \$38.1 million encumbered and \$167.3 million of expenditures, or 14.94%, 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 2007-08, including the above balance, is \$1,286,985,451, which is 3.6% more than the previous year's adjusted estimate of \$1,242,690,995, and 3.4% less than the estimated actual for FY 2006-07 of \$1,332,808,940.

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

<u>General Fund</u> (\$ millions)	FY 2006-07 Adjusted Estimate	FY 2006-07 Estimate Actual	FY 2007-08 Revenue Estimate
Beginning Cash	\$ 184.7	\$ 199.2	\$ 205.4
Taxes	735.4	763.6	771.3
Intergovernmental	31.1	34.4	31.3
Service Charges	193.0	228.2	184.9
Fines/Forfeitures	23.5	22.5	23.7
Reimbursements/Refunds	23.4	23.7	22.7
Rentals/Concessions	3.9	4.6	4.6
Miscellaneous	9.8	9.7	6.3
Interest	7.0	11.7	8.5
Transfers	30.9	35.4	28.4
Revenues & Transfers	\$ 1,058.0	\$ 1,133.8	\$ 1,081.7
Total Resources	\$ 1,242.7	\$ 1,333.0	\$ 1,287.1

Flood Control

The revenue estimate for the Flood Control operations and maintenance fund for FY 2007-08 is \$144.3 million, an increase of \$5.2 million compared to last year's estimated actual.

Debt Service

Funds will be available for debt service expenditures for the fiscal year in the amount of \$140.4 million for the county, \$168.6 million for the Toll Road Authority, \$41.3 million for Flood Control, and \$33.1 million for the Port of Houston.

Departments and Policy Issues

The tables that follow show budget amounts for departments. Adjustments have been made as necessary to accommodate decisions of the court and to balance against the Auditor's revenue estimate. A list of policy issues follows the budget materials.

#

Budget Summary

Budget Calendar

The county's budget preparation for FY 2007-08 began on November 6, 2006 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, 2006. Officials were asked to review their responsibilities and to project financial requirements. They were required to return completed budget forms by December 18, 2006.

Preliminary hearings were held with department heads through the Budget Review Committee January 10-12 regarding plans and objectives for the fiscal year. Commissioners Court considered the budget and its policy issues at a public meeting on February 20. A public hearing was held and the budget was adopted on March 6. The approved budget covers the period of March 1, 2007 through February 29, 2008.

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

FY 2007-08 BUDGET PROCESS

	2006				2007																		
	November				December				January			February			March								
	7	14	21	28	5	12	19	26	1	8	15	22	29	6	13	20	27	6	13	20	27		
Access to revenue screens in BID module 11/01	■																						
Budget request forms and target figures distributed 11/06	■																						
Deadline for completion of revenue screens in BID module 11/30				■																			
Deadline for submission of budget request forms 12/18							■																
Budget Review Committee meets with department heads 01/10-12													■										
Budget hearings before Commissioners Court 02/20																						■	
Public hearing/Adoption of FY 2007-08 Budget 03/06																							■

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 2007-08 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 6, 2007.

Revenue and Expenditures

The total of available resources for all funds for FY 2007-08 is \$4,197,554,317. The comparative schedule for FY 2002-03 - FY 2007-08 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 \$1.29 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 2002-03 THROUGH FY 2007-08

Harris County Funds	FY 2002-03		FY 2003-04		FY 2004-05		FY 2005-06		FY 2006-07		FY 2007-08	
	Amount	%										
General Fund	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%	1,286,985,451	30.49%
Public Improvements Contingency Fund	81,553,134	2.73%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Debt Service Funds	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%	372,689,549	8.83%
Special Revenue, Trust, & Enterprise Funds	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%	290,764,455	6.89%
Hotel Occupancy Revenue Fund	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%	29,559,381	0.70%
County Pay As You Go Fund	44,051,913	1.48%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Capital Projects Funds	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%	646,686,764	15.32%
Grant Funds	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%	149,134,156	3.53%
Toll Road System	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%	877,855,519	20.80%
Subtotal County Funds	\$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%	\$3,653,675,275	86.55%
Flood Control District Funds												
Construction & Maintenance Fund	\$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%	\$144,289,638	3.42%
Debt Service Funds	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%	58,856,774	1.39%
Capital Projects Funds	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%	364,452,169	8.63%
Subtotal Flood Control Funds	\$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%	\$567,598,581	13.45%
Total All Funds	\$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%	\$4,221,273,856	100.00%

**HARRIS COUNTY, TEXAS
AND
HARRIS COUNTY FLOOD CONTROL DISTRICT
FY 2007-08 BUDGET DOLLAR**

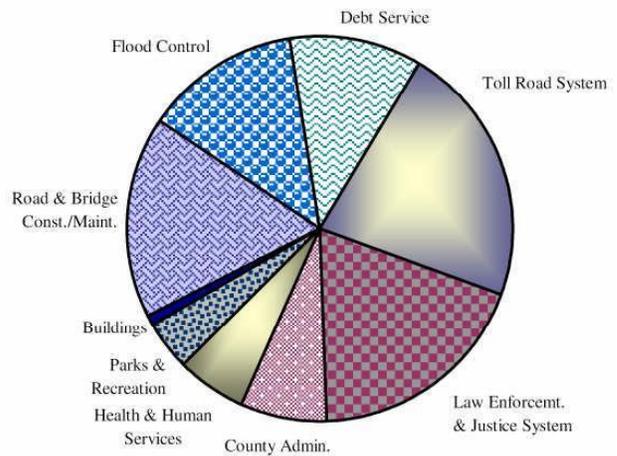
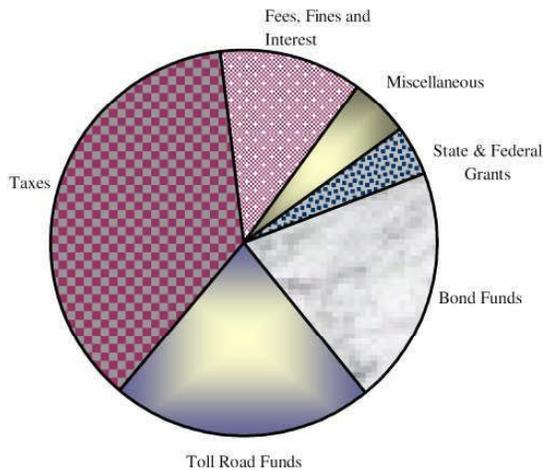
WHERE IT COMES FROM:

FY 2007-08

Taxes	\$.37
Fees, Fines and Interest	.12
Miscellaneous	.05
State and Federal Grants	.04
Bond Funds	.20
Toll Road Funds	.22
	<hr/>
	\$ 1.00
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WHERE IT GOES:

Law Enforcement and Justice System	\$.19
County Administration	.07
Health and Human Services	.06
Parks and Recreation	.04
Buildings	.01
Road and Bridge Construction/Maintenance	.17
Flood Control	.13
Debt Service	.11
Toll Road System	.22
	<hr/>
	\$ 1.00
	<hr/> <hr/>



WHERE IT COMES FROM

WHERE IT GOES

**General Fund Budget
FY 2007-08**

Admin. of Justice	\$654,399,389	50.85%	
Road & Bridge	190,633,267	14.81%	
County Admin.	212,758,744	16.53%	
Health/Human Services	111,431,264	8.66%	
Parks	88,005,816	6.84%	
Taxation	29,756,971	2.31%	
Total	\$1,286,985,451	100.00%	

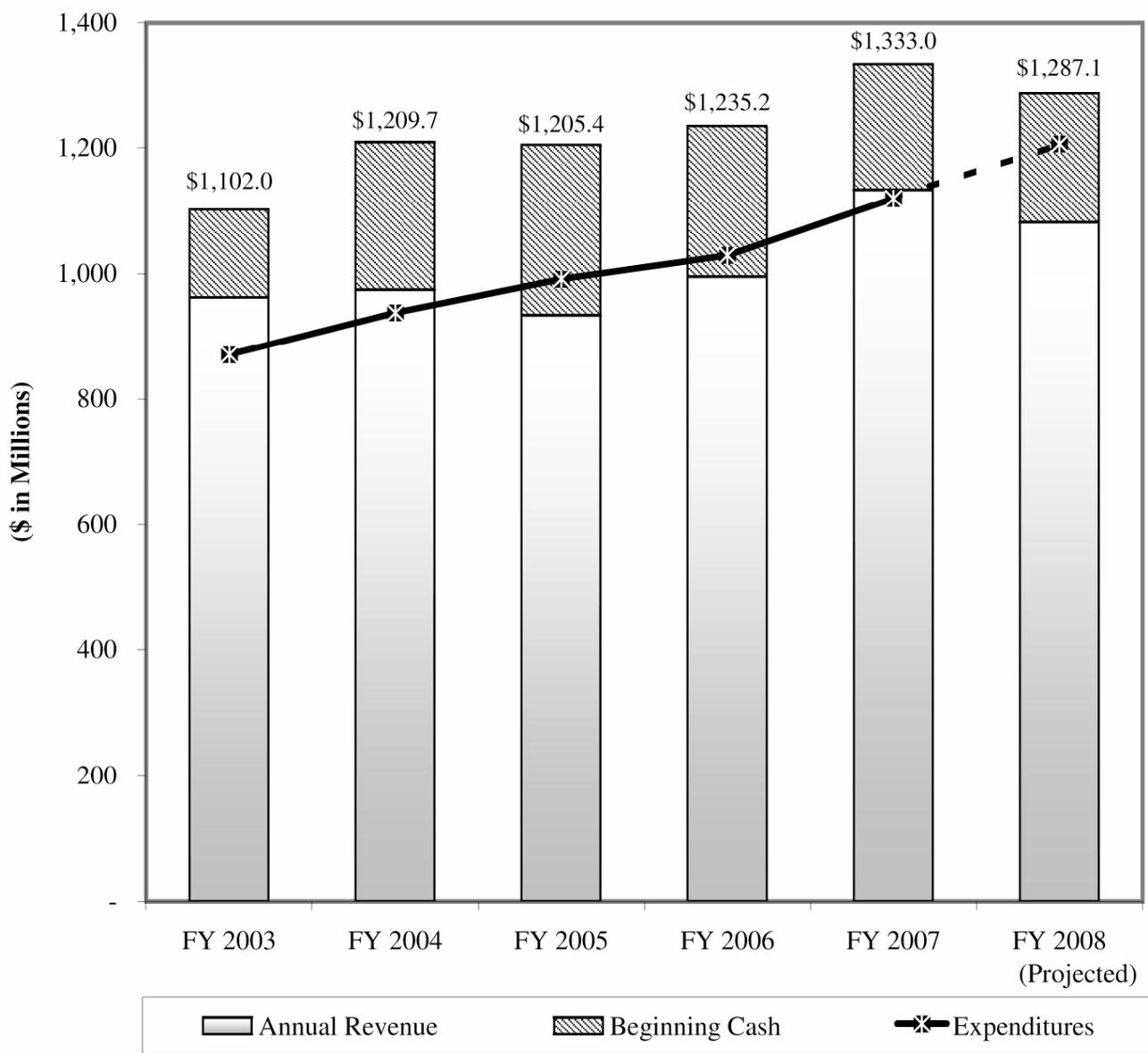
General fund revenues and expenditures for FY 2002-03 - FY 2006-07 and projected for this fiscal year, FY 2007-08, are shown in the following table.

	FY	FY	FY	FY	FY	Projected
	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	FY
Revenues (millions)						2007-2008
Taxes	\$ 581.0	\$ 605.8	\$ 643.0	\$ 683.2	\$ 763.6	\$ 771.3
State	13.2	18.4	17.7	20.3	24.2	22.1
Intergovernmental	13.4	13.4	10.5	12.5	10.2	9.2
Fees & Charges	159.2	172.2	175.2	187.1	228.2	184.9
Fines & Forfeitures	21.0	21.8	22.4	23.3	22.5	23.7
Rentals & Parks	4.5	3.5	3.8	4.5	4.6	4.6
Reimbursements & Refunds	21.6	21.7	24.8	20.2	23.7	22.7
Interest	5.4	4.8	5.0	7.1	11.7	8.5
Misc./transfers	142.7	81.5	31.4	36.8	45.1	34.7
Total revenues	\$ 962.0	\$ 943.1	\$ 933.8	\$ 995.0	\$ 1,133.8	\$ 1,081.7
Beginning Cash	\$ 140.0	\$ 235.3	\$ 271.6	\$ 240.2	\$ 199.2	\$ 205.4
Total Resources	\$ 1,102.0	\$ 1,178.4	\$ 1,205.4	\$ 1,235.2	\$ 1,333.0	\$ 1,287.1
Expenditures (millions)						
Admin. of Justice	\$ 487.2	\$ 508.8	\$ 541.0	\$ 567.7	\$ 635.4	\$ 700.8
County Admin.	160.9	180.7	180.5	187.9	204.1	219.6
Road & Bridge	75.9	84.1	89.3	86.2	86.4	89.7
Health & Human Services	82.6	90.3	99.7	107.6	112.5	112.8
Parks	34.5	44.8	47.8	49.6	50.6	52.5
Taxation	29.6	29.2	31.7	29.9	30.5	31.3
Total Expenditures	\$ 870.7	\$ 937.9	\$ 990.0	\$ 1,028.9	\$ 1,119.5	\$ 1,206.7
Percentage						
Expend./Revenues	90.5%	99.4%	106.0%	103.4%	98.7%	111.6%
Expend./Total Resources	79.0%	79.6%	82.1%	83.3%	84.0%	93.8%

The chart that follows shows a comparison of general operating budget totals for available resources, revenues, and expenditures during the period of FY 2002-03 - FY 2006-07. Total resources averaged \$1.21 billion per year, with an average for beginning cash of \$217 million and annual revenues of \$993.5 million. Expenditures averaged \$989.4 million per year during the period, or 99.6% of revenues and 81.7% of available resources.

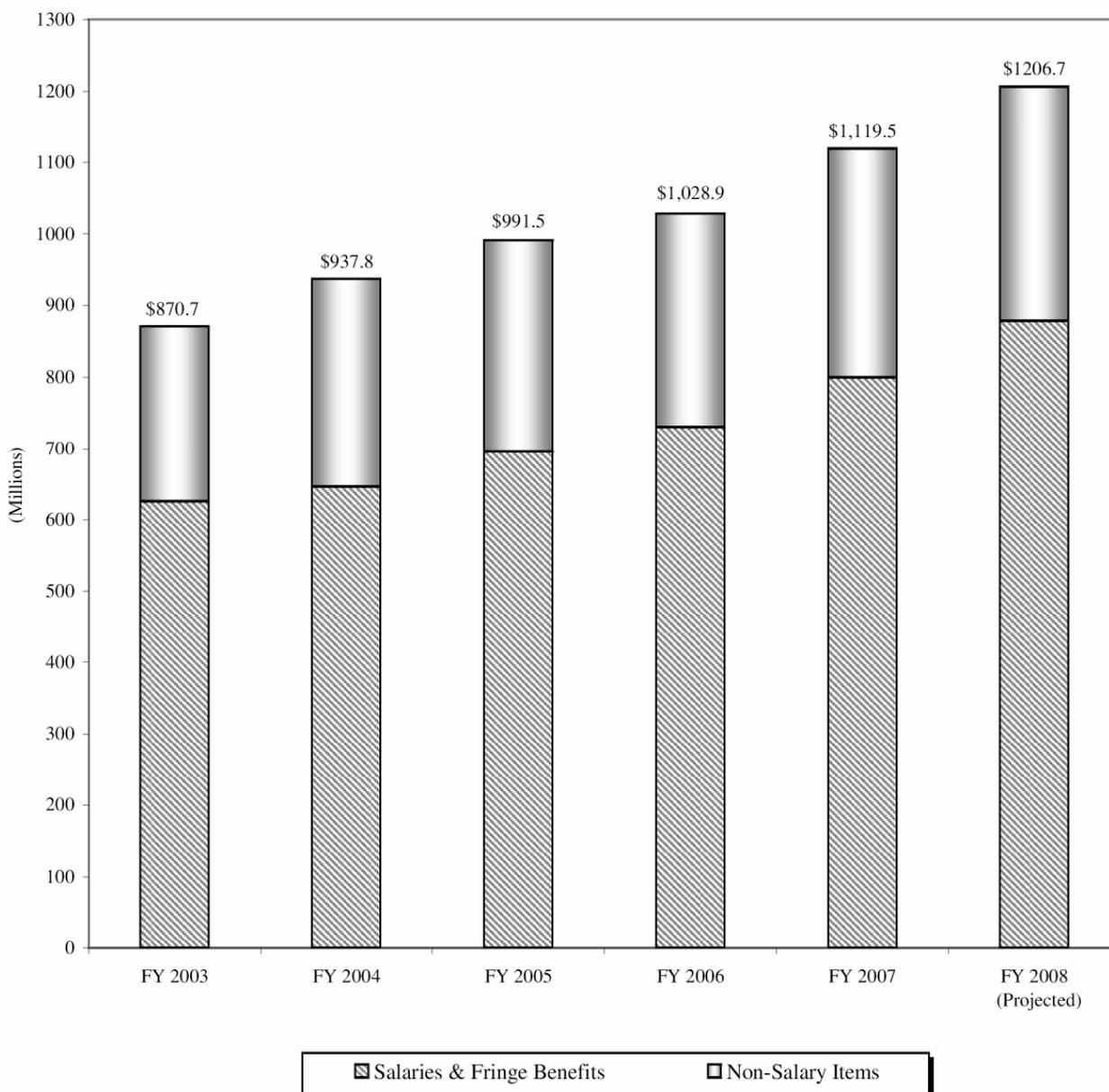
The table and chart that follow on page 9 show a comparison of the components of general operating budget expenditures for the FY 2002-03 - FY 2006-07 period and the FY 2007-08 forecast.

General Fund Operating Budget



**General Fund Operating Budget Expenditures
FY 2002-03 - FY 2006-07
and FY 2007-08 Forecast**

Category (\$Millions)	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08 Projected	
		%		%		%		%		%		%
Salaries	\$476.8	54.8	\$485.4	51.8	\$515.6	52.0	\$536.3	52.1	\$587.2	52.5	\$640.0	53.0
Fringe Benefits	148.8	17.1	161.3	17.2	180.4	18.2	193.7	18.8	212.1	18.9	238.0	19.8
Subtotal Salaries & Benefits	\$625.6	71.9	\$646.7	69.0	\$696.0	70.2	\$730.0	70.9	\$799.3	71.4	\$878.0	72.8
Materials & Supplies	\$50.1	5.8	\$59.9	6.4	\$64.3	6.5	\$62.1	6.0	\$64.3	5.8	\$64.4	5.3
Buildings & Equipment	17.8	2.0	13.0	1.4	21.4	2.2	12.3	1.2	10.7	1.0	12.0	1.0
Fees & Other	125.6	14.4	150.8	16.0	144.3	14.5	157.0	15.3	176.0	15.7	180.0	14.9
Transportation & Travel	15.6	1.8	15.9	1.7	24.6	2.5	19.6	1.9	21.7	1.9	22.6	1.9
Financial Transactions	36.0	4.1	51.5	5.5	40.9	4.1	47.9	4.7	47.5	4.2	49.7	4.1
Subtotal Non-Salary Items	\$245.1	28.1	\$291.1	31.0	\$295.5	29.8	\$298.9	29.1	\$320.2	28.6	\$328.7	27.2
TOTALS	\$870.7	100.0	\$937.8	100.0	\$991.5	100.0	\$1,028.9	100.0	\$1,119.5	100.0	\$1,206.7	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 66.9% of total revenues. For all resources for all funds, the total, as shown in the chart on page 6, is 37¢ for each dollar.

The taxes category for the general fund for the new fiscal year includes \$769 million in property taxes and \$2.25 million in occupational taxes. Property taxes include current taxes, delinquent taxes, and interest and penalties. The budget is based on a tax rate of \$.34221 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 17.

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 2006 tax rate for all entities was \$.63998, which was the same as in 2001, 2002, 2003, 2004, and 2005. Previously, the rate of \$.64173 was set each year between 1996 and 2000.

The table and chart on pages 11 and 12 show the taxable values that occurred in Harris County for the period of 1985-2006 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 2007 through 2011 will be provided to the county in August 2007.

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 2006 tax year and projected for 2007.

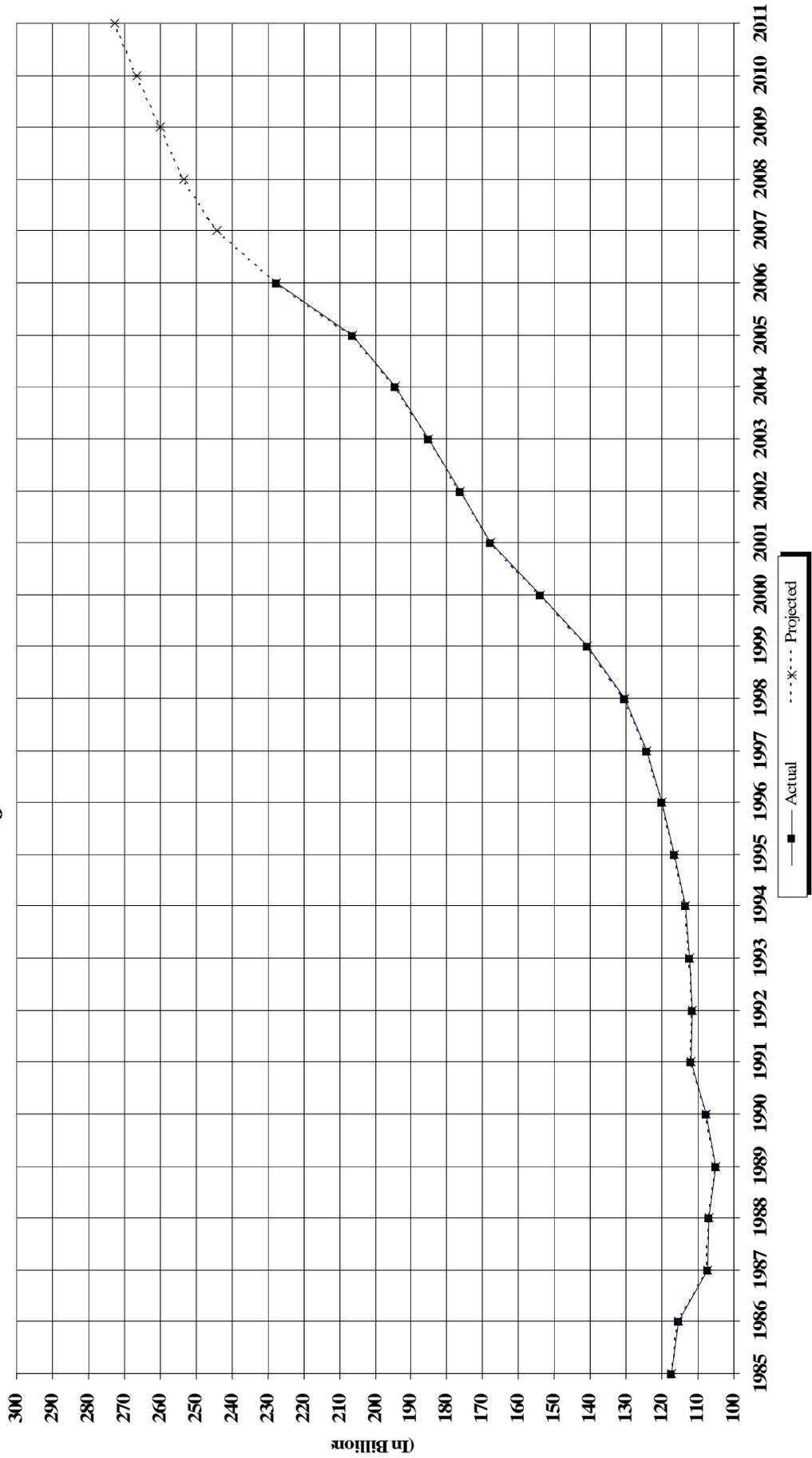
Harris County Tax Roll				
Tax Year 2006 and Projected for 2007				
Category (\$ Billions)	2006		2007	
		%	(Projected)	%
Residential	\$ 99.73	43.9	\$107.17	43.8
Apartments	14.27	6.3	15.90	6.5
Commercial	46.26	20.3	51.56	21.1
Vacant land	7.76	3.4	7.90	3.2
Industrial	16.33	7.2	16.54	6.8
Utility	4.63	2.0	4.35	1.8
Commercial personal	20.61	9.1	21.50	8.8
Industrial personal	17.08	7.5	18.74	7.7
Other property	0.69	0.3	0.63	0.3
Totals	\$227.36	100.0	\$244.29	100.0

Source: Harris County
Appraisal District

**Harris County Appraised and Taxable Values
1985-2006 and Projected for 2007-2011
(\$ 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	267.4	206.3
2006	275.8	227.4
2007	296.3	244.3
2008	307.1	253.2
2009	315.3	260.0
2010	323.0	266.3
2011	330.5	272.5

Harris County Taxable Values 1985-2006 And Projected For 2007-2011



State and Intergovernmental Revenues

State revenues for the general fund are estimated at \$22.1 million for FY 2007-08 compared to \$24.2 million that was collected last year. The estimate for state revenues includes a percentage of the state mixed beverage tax collected by the county, \$12.5 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, \$900,000; a commission from the state for bingo tax receipts, \$516,000; state reimbursement for nutrition service for children in institutions, \$1.1 million; indigent defense, \$1.3 million; and various other reimbursements, \$5.2 million.

Other intergovernmental revenues as projected should remain constant at \$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 \$184.9 million this fiscal year, which is approximately \$7.9 million less than last year, and as shown in the table on page 7, is \$25.7 million, or 16% 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, \$31 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 16 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 2002-03 through 2006-07.

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 \$348.9 million, or 8.3% of total resources for FY 2007-08. Schedules showing debt service payments are on pages 25 and 751.

Special revenue, trust, and enterprise funds in the total amount of \$290.7 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 \$29.6 million. A table showing the status of the fund is on page 17. Tables showing expenditures and budgets for all special funds are shown on pages 36-43 and 699-721.

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 \$646.7 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 19 and again at the Mid Year Review meeting September 25.

Grant funds total \$149.1 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 \$877.9 million for the toll road system for revenue collection, debt service, office buildings, and operations and maintenance. Debt service this fiscal year totals \$168.6 million and will be covered by revenues earned by the toll road system. Tables showing toll road expenditures and budget are on pages 38, 65, and 719-721.

The Flood Control District has funds in the total amount of \$567.6 million for FY 2007-08, including \$144.3 million for operations and maintenance, \$58.9 million for debt service, and \$364.5 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 709-710. 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 2002-03 through 2006-07.

Analysis of Flood Control Operations and Maintenance Fund Cash and Fund Balances for the Years Ending February 28, 2007, February 28, 2006, February 28, 2005, February 29, 2004 and February 28, 2003					
	2007	2006	2005	2004	2003
Fund Balance					
Reserve for Encumbrances	\$23,270,002	\$23,277,350	\$18,952,494	\$30,701,122	\$19,499,095
Reserve for Debt Service	2,429,769	1,862,220	3,579	0	0
Reserved for Prepaids	9,346	5,047			
Unreserved	49,784,046	52,150,492	56,113,650	58,275,271	35,614,954
TOTAL FUND BALANCE	\$75,493,163	\$77,295,109	\$75,069,723	\$88,976,393	\$55,114,049
CASH BALANCE:	\$75,630,416	\$77,142,787	\$78,015,287	\$89,341,348	\$59,223,450

**Analysis of General Fund, Pay-As-You-Go and Public Improvements Contingency
Cash and Fund Balances for the Restated Five Years Ending
February 28, 2007 through February 28, 2003**

	2/28/07	2/28/06	2/28/05	2/29/04	2/28/03
Combined General Operating & Debt Service Reserved					
Encumbrances	\$31,321,971	\$34,233,941	\$56,536,412	\$47,660,823	\$44,442,686
Debt Service	110,851,120	109,773,914	52,809,845	51,227,870	60,718,915
Imprest Cash	473,550	459,939	1,482,463	1,254,143	0
Legislative	1,637,004	1,576,824	1,462,345	0	0
Prepays	601,921	128,968		0	0
Notes receivable	30,414,989	41,869		0	0
Custodial Cash	0	0	0	0	0
Special Purpose Expenditures	0	0	0	0	0
Total Combined Reserved Balance	\$175,300,555	\$146,215,455	\$112,291,065	\$100,142,836	\$105,161,601
Unreserved					
General Operating Fund	\$128,418,296	\$175,580,869	\$204,852,123	\$250,938,733	\$214,159,853
General Pay-As-You-Go Fund	0	0	0	0	0
Public Improvements Contingency Fund	0	0	0	0	0
Total Operating Unreserved Balance	\$128,418,296	\$175,580,869	\$204,852,123	\$250,938,733	\$214,159,853
Combined Fund Balance					
General Fund Operating and Debt Service	\$303,718,851	\$321,796,324	\$317,143,188	\$351,081,569	\$319,321,454
General Pay-As-You-Go Fund	0	0	0	0	0
Public Improvements Contingency Fund	0	0	0	0	0
Total Combined Fund Balance	\$303,718,851	\$321,796,324	\$317,143,188	\$351,081,569	\$319,321,454

Cash Balance					
General Operating Fund	\$206,791,197	\$193,399,854	\$204,513,663	\$276,449,338	\$235,306,445
General Pay-As-You-Go Fund	0	0	0	0	0
Public Improvements Contingency Fund	0	0	0	0	0
Total Operating Cash Balance	\$206,791,197	\$193,399,854	\$204,513,663	\$276,449,338	\$235,306,445

Unreserved to Actual Expenditures					
Operating Cash Basis					
General Operating Fund	15.468%	15.386%	14.622%	23.508%	21.713%
General Pay-As-You-Go Fund	0.000%	0.000%	0.000%	0.000%	0.000%
Public Improvements Contingency Fund	0.000%	0.000%	0.000%	0.000%	0.000%
Total Operating Cash Basis	15.468%	15.386%	14.622%	23.508%	21.713%
Modified Accrual Operating Expenditures					
General Operating Fund	11.380%	17.112%	20.712%	27.034%	24.596%
General Pay-As-You-Go Fund	0.000%	0.000%	0.000%	0.000%	0.000%
Public Improvements Contingency Fund	0.000%	0.000%	0.000%	0.000%	0.000%
Total Operating Basis	11.380%	17.112%	20.712%	27.034%	24.596%
Modified Accrual Combined Expenditures					
General Fund Operating and Debt Service	10.486%	15.756%	19.700%	24.550%	23.424%
General Pay-As-You-Go Fund	0.000%	0.000%	0.000%	0.000%	0.000%
Public Improvements Contingency Fund	0.000%	0.000%	0.000%	0.000%	0.000%
Total Combined Fund Basis	10.486%	15.756%	19.700%	24.550%	23.424%

Harris County, Texas
Historical Analysis of Hotel Occupancy Tax
February 28, 2007

	Fiscal Year Ended										TOTAL
	1981-2000	2001	2002	2003	2004	2005	2006	2007	2007	TOTAL	
Beginning Cash Balance	\$ 0	5,968,591	8,694,984	13,844,648	7,461,780	1,111,652	11,161,403	2,314,811	\$	0	
Revenues:											
Hotel Occupancy Taxes	\$150,419,182	16,293,967	17,135,557	16,198,139	15,419,288	17,077,836	18,593,020	22,355,108	\$	273,492,097	
Ad Valorem Taxes	27,076,557	10,412	2,501	3,285	5,902	4,786	5,206	3,901		27,112,550	
Bond Proceeds	86,216,091	0	0	200,250,365	0	202,681,779	0	0		489,148,235	
Interest	12,700,149	623,367	403,102	110,114	98,348	124,399	233,656,000	230,259		14,523,394	
Special Purpose Rentals	2,548,055	0	0	0	0	0	0	0		2,548,055	
Miscellaneous	3,704,479	0	1,186,382	319,436	614,946	600,803	568,425	686,824		7,681,295	
Total Revenue	\$282,664,513	16,927,746	18,727,542	216,881,339	16,138,484	220,489,603	19,400,307	23,276,092	\$	814,505,626	
Expenditures:											
Debt Service and Fees	\$171,199,320	9,375,457	10,729,747	14,932,143	16,789,953	8,945,315	16,468,016	16,980,037	\$	265,419,988	
Restricted Capital Outlays	13,149,260	40,000	48,985	15,000	15,000	16,015	10,000	0		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	3,815,611	3,183,241	3,659,803	10,553,103	7,497,856	8,351,119	11,801,468		48,862,201	
Insurance	0	0	242,066	4,185,400	3,197,947	2,912,815	2,569,387	3,887,961		16,995,576	
Tourism/Promotional	7,159,501	687,854	817,667	656,250	855,000	851,420	859,049	813,802		12,700,543	
Total Expenditures	\$202,018,457	13,918,922	15,021,706	23,448,596	31,411,003	20,223,421	28,257,571	33,483,268	\$	367,782,944	
Domed Stadium Lease Buy-Out:	\$ 16,919,347	0	0	0	0	0	0	0	\$	16,919,347	
Trust/Agency Transfers:	\$ (57,758,118)	(282,431)	1,443,828	(199,815,611)	8,922,391	(190,216,431)	10,672	16,230,133	\$	(421,465,567)	
Ending Cash Balance	\$ 5,968,591	8,694,984	13,844,648	7,461,780	1,111,652	11,161,403	2,314,811	8,337,768	\$	8,337,768	

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 19. The table on page 20 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 2006-07 with the number authorized at the beginning of FY 2007-08. A table showing the number of regular, full-time budgeted positions for the period of FY 1998-99 - FY 2006-07 begins on page 738.

Policy Directions

The policy directions given by the court, which are shown on pages 44-52, 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 2007-08, 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 16 shows the comparative general fund balances for FY 2002-03 through FY 2006-07. The projection for FY 2007-08 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

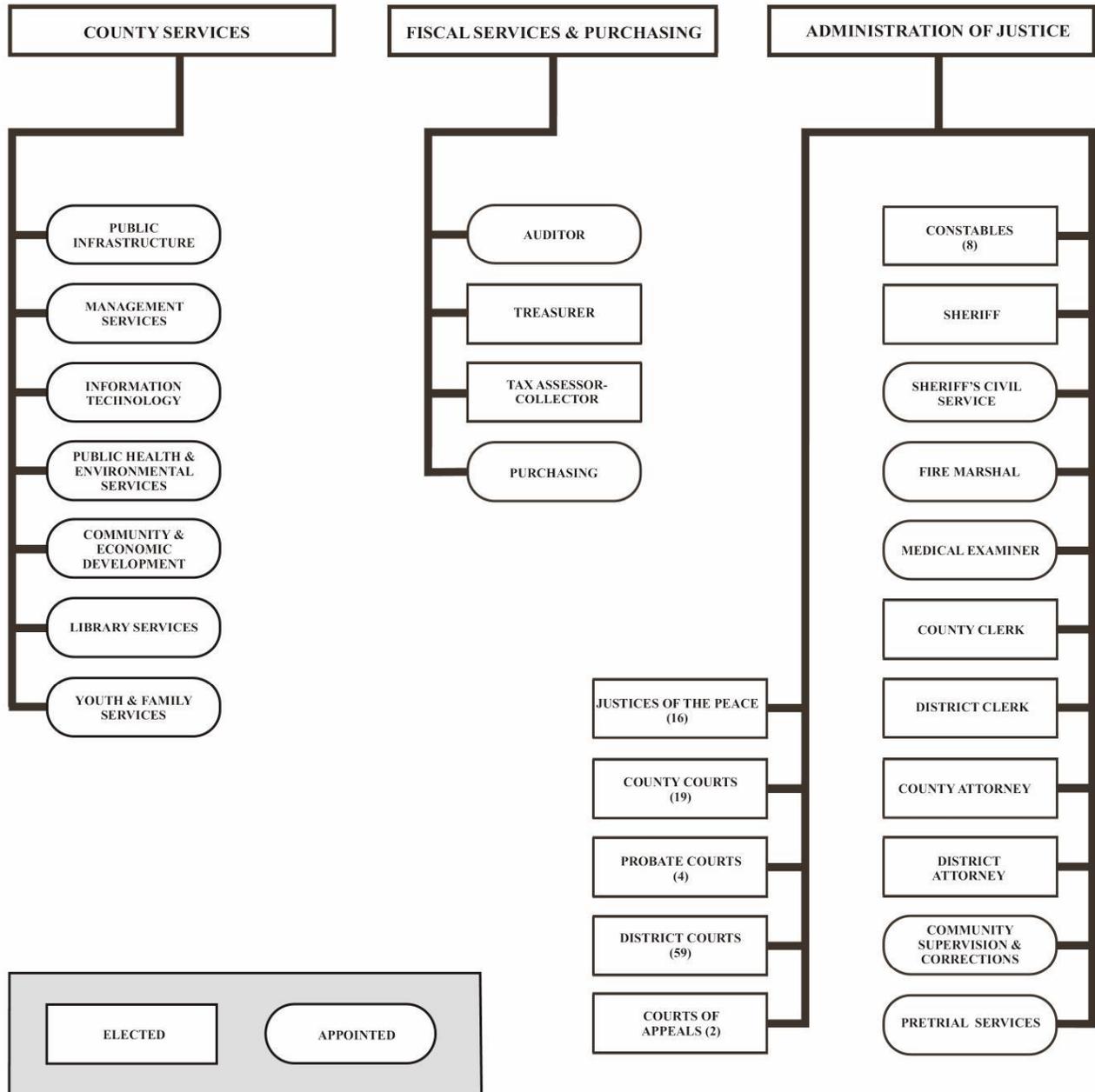
MARCH 2007

HARRIS COUNTY VOTERS

COMMISSIONERS COURT

COUNTY JUDGE

COUNTY COMMISSIONERS (4)



Departments By Functional Areas					
Department	FY 2006-07 Budget	FY 2006-07 Expenditures	FY 2007-08 Budget	Regular Positions FY 2006-07	Regular Positions FY 2007-08
<u>Commissioners Court</u>					
County Judge	\$ 4,556,117	\$ 3,581,204	\$ 4,515,002	46	48
Commissioners	239,683,414	119,745,910	259,296,227	1,386	1,395
	\$ 244,239,531	\$ 123,327,114	\$ 263,811,229	1,432	1,443
<u>Public Infrastructure</u>					
Public Infrastructure	\$ 12,667,185	\$ 4,397,455	\$ 6,917,548	40	60
Right of Way	2,196,345	1,808,585	2,196,345	21	21
Toll Road Authority	375,736,598	320,707,720	701,576,482	693	939
Flood Control District	374,703,303	150,939,029	508,741,805	391	406
Architecture & Engineering	27,001,116	26,156,393	28,346,846	353	374
Facilities & Property Management	57,735,218	61,997,683	60,233,072	280	275
	\$ 850,039,765	\$ 566,006,865	\$ 1,308,012,098	1,778	2,075
<u>Management Services</u>					
	\$ 39,509,900	\$ 35,482,640	\$ 38,805,123	137	140
<u>Information Technology Center</u>					
	\$ 35,821,991	\$ 32,694,287	\$ 36,042,322	259	265
<u>Public Health & Environmental Services</u>					
	\$ 24,591,439	\$ 25,202,013	\$ 26,791,562	334	340
<u>Community Development Services</u>					
Community & Economic Development	\$ 3,827,136	\$ 4,027,014	\$ 3,529,805	104	105
Social Services	7,332,985	7,561,256	7,417,213	107	104
	\$ 11,160,121	\$ 11,588,270	\$ 10,947,018	211	209
<u>Library Services</u>					
County Library	\$ 24,171,513	\$ 24,260,594	\$ 24,714,084	432	432
Law Library	2,077,030	1,277,958	2,207,442	11	11
	\$ 26,248,543	\$ 25,538,552	\$ 26,921,526	443	443
<u>Youth & Family Services</u>					
Domestic Relations	\$ 2,933,969	\$ 2,203,876	\$ 2,933,969	52	52
Texas Cooperative Extension	786,662	768,880	790,231	22	22
Juvenile Probation	51,326,614	57,333,224	58,871,360	918	1,306
Protective Services for Children & Adults	19,440,947	20,406,984	20,652,513	318	334
Children's Assessment Center	5,002,949	4,458,046	5,002,949	49	49
MHMRA	26,532,907	26,251,306	22,532,907	1,428	1,574
	\$ 106,024,048	\$ 111,422,316	\$ 110,783,929	2,787	3,337
<u>Administration of Justice</u>					
Constables	\$ 93,417,005	\$ 97,494,090	\$ 100,323,437	1,324	1,394
Sheriff	271,628,967	296,258,024	301,821,078	3,786	3,931
Sheriff's Civil Service	245,082	174,837	245,082	3	3
Fire Marshal	4,500,593	4,670,521	4,892,840	51	61
Medical Examiner	13,204,517	14,596,471	15,929,771	149	195
County Clerk	24,790,512	23,781,112	23,188,567	311	324
District Clerk	29,152,734	28,870,342	28,104,734	522	523
County Attorney	14,760,357	16,652,101	16,374,113	187	204
District Attorney	46,250,093	44,672,936	50,175,344	448	519
Comm. Supv. & Corrections	810,835	806,936	810,835	1,115	1,121
Pretrial Services	6,267,826	6,430,999	6,465,430	103	110
Justices of the Peace	17,799,562	17,697,674	19,537,781	339	347
County Courts	13,587,773	13,706,719	14,002,872	91	91
Probate Courts	5,623,519	5,644,829	5,973,121	52	52
District Courts	40,056,931	42,627,927	40,484,656	229	230
Courts of Appeals	662,048	578,476	619,835	18	18
	\$ 582,758,354	\$ 614,663,994	\$ 628,949,496	8,728	9,123
<u>Fiscal Services & Purchasing</u>					
County Auditor	\$ 12,479,029	\$ 11,487,775	\$ 13,422,821	171	175
County Treasurer	1,115,876	1,028,982	1,115,876	18	18
Tax Assessor-Collector	24,732,115	24,575,306	25,756,674	500	500
Purchasing Agent	6,188,648	5,491,729	6,309,519	77	77
	\$ 44,515,668	\$ 42,583,792	\$ 46,604,890	766	770

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 19. 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 19 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 total tax and revenue debt service at the close of FY 2006-07, including the Port and Flood Control, but excluding the Toll Road Authority, was \$4.5 billion, with \$3.97 billion in tax bonds and \$534.8 million in revenue bonds. The total for the Toll Road Authority was \$3.77 billion, with \$1.198 billion in tax bonds and \$2.57 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 2037. The county's tax debt extends to 2032, and its revenue debt until 2033.

The Flood Control District has \$5.4 million of bond authorization remaining from the voter-approved 1987 program of \$250 million. The district is relying 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 \$111.9 million through 2032, and \$412.3 million for refunded commercial paper debt through 2032.

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 23-24 and 750-751 show the amount of bonds that have been authorized by voters but not issued for all entities as of February 28, 2007, and the amount of outstanding debt and debt service requirements.

Tax Rates

The table below and tables on pages 746-747 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 2006 tax levy was a net yield of \$18.6 million for each 1¢ of tax. The 2007 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	2001	2002	2003	2004	2005	2006
Harris County	\$.38393	\$.38814	\$.38803	\$.39986	\$.39986	\$.40239
Flood Control	.04758	.04174	.04174	.03318	.03322	.03241
Port Authority	.01826	.01989	.02000	.01673	.01474	.01302
Hospital District	<u>.19021</u>	<u>.19021</u>	<u>.19021</u>	<u>.19021</u>	<u>.19216</u>	<u>.19216</u>
Total	\$.63998	\$.63998	\$.63998	\$.63998	\$.63998	\$.63998

The Harris County rate in 2006 of 40.239¢ included 34.221¢ for operations and maintenance and 6.018¢ for debt service.

The Flood Control District rate in 2006 included 2.733¢ for maintenance and operations and .508¢ 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 2006 tax year was 7.828¢ for Harris County, the Flood Control District, and the Port of Houston. The actual requirement for the 2007 tax year will be set in October.

Harris County, Texas
Schedule of Bonds Authorized
but not issued as of February 28, 2007

Balance of authorized but unsold bonds:

County and Flood Control		
1987	Flood Control	\$ 5,400,000
1989	Fire Fighting Facilities	5,000,000
1997	Roads	0
1997	Library	0
1999	Civil Justice Center	24,000,000
2001	Roads	221,860,000
2001	Parks	<u>25,871,000</u>
Subtotal - County and Flood Control		<u>\$ 282,131,000</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	\$ 33,000
1999	Port Improvements	<u>240,375,000</u>
Subtotal - Port of Houston		<u>\$ 240,408,000</u>
Total Bonds Authorized but unissued as of February 28, 2007		<u><u>\$ 540,212,000</u></u>

HARRIS COUNTY, TEXAS

Analysis of Outstanding Debt

Principal Only

As of February 28, 2007

<u>Tax Supported Debt/Certificates of Obligation</u>	<u>OUTSTANDING</u>
Harris County Road Bonds	\$ 794,014,342
Harris County Permanent Improvement Bonds	\$ 602,464,584
Certificates of Obligation, Series 1998A *	30,360,000
Certificates of Obligation, Series 2001A *	16,735,000
Total Limited Tax Issues	\$ 649,559,584
Harris County Flood Control District Bonds	532,969,985
Total Bonds and Certificates of Obligation Payable - Tax	\$ 1,976,543,911
<u>Revenue Supported Debt</u>	
Harris County Tax and Subordinate Lien Revenue	
Forward Refunding Bonds, Series 1998 (AMT)	\$ 29,855,000
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	\$ 291,797,044
TOTAL COUNTY PRINCIPAL PAYABLE	\$ 2,268,340,955
<u>Tax Supported Debt - Port of Houston</u>	
Unlimited Tax Port Improvement Bonds	\$ 357,105,000
<u>Harris County Toll Road Authority</u>	
Toll Road Tax Bonds	\$ 704,498,892
Toll Road Multi-Mode Senior Lien Revenue Bonds	1,409,315,000
Total Toll Road Bonds	\$ 2,113,813,892
TOTAL PRINCIPAL PAYABLE	\$ 4,739,259,847

* Certificates of Obligation

HARRIS COUNTY, TEXAS											
TOTAL TAX AND REVENUE PRINCIPAL REQUIREMENTS											
FEBRUARY 28, 2007											
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	
2008	\$ 28,965,000	21,687,327	6,068,227	8,755,287	13,140,000	\$ 78,615,841	\$ 23,000,000	5,460,000	\$ 28,460,000	\$ 107,075,841	
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	35,025,000	30,690,000	44,970,000	8,124,024	12,790,000	131,599,024	36,235,000	10,485,000	46,720,000	178,319,024	
2013	39,160,000	28,005,000	47,210,000	9,435,000	13,775,000	137,585,000	39,645,000	12,940,000	52,585,000	190,170,000	
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	38,868,848	18,988,742	27,735,000	7,170,000	16,705,000	109,467,590	53,810,000	6,592,866	60,402,866	169,870,456	
2018	40,167,915	19,357,229	28,515,000	7,545,000	19,735,000	115,320,144	58,100,000	6,633,370	64,733,370	180,053,514	
2019	32,520,000	32,515,000	29,330,000	22,925,000	20,740,000	138,030,000	56,905,000	7,506,338	64,411,338	202,441,338	
2020	19,300,000	34,190,000	30,170,000	39,325,000	22,495,000	145,480,000	59,840,000	7,195,898	67,035,898	212,515,898	
2021	20,205,000	35,940,000	31,060,000	41,385,000	23,595,000	152,185,000	62,580,000	15,950,000	78,530,000	230,715,000	
2022	19,540,000	37,785,000	20,680,000	45,175,000	24,745,000	147,925,000	65,355,000	16,525,000	81,880,000	229,805,000	
2023	20,390,000	39,670,000	21,085,000	47,465,000	25,260,000	153,870,000	27,840,000	17,150,000	44,990,000	198,860,000	
2024	21,410,000	41,670,000	21,525,000	49,845,000	17,455,000	151,905,000	31,995,000	6,150,806	38,145,806	190,050,806	
2025	63,995,000	43,755,000	21,975,000	10,795,000	10,180,000	150,700,000	33,670,000	5,882,279	39,552,279	190,252,279	
2026	14,280,000	38,140,000	12,860,000	26,255,000	10,680,000	102,215,000	35,405,000	5,659,303	41,064,303	143,279,303	
2027	14,705,000	38,140,000	12,860,000	26,255,000	11,205,000	103,165,000	38,675,000	17,925,000	56,600,000	159,765,000	
2028	15,145,000	38,140,000	12,860,000	26,255,000	5,295,000	97,695,000	42,050,000	18,600,000	60,650,000	158,345,000	
2029	11,720,000	38,135,000	12,860,000	26,255,000	4,405,000	93,375,000	45,600,000	4,979,736	50,579,736	143,954,736	
2030	5,505,000	38,135,000	12,860,000	26,255,000	4,630,000	87,385,000	49,310,000	19,325,000	68,635,000	156,020,000	
2031	5,505,000	38,135,000	12,860,000	26,255,000	4,860,000	87,615,000	53,185,000	20,025,000	73,210,000	160,825,000	
2032	5,505,000	38,135,000	12,860,000	26,255,000	5,105,000	87,860,000	57,325,000	20,775,000	78,100,000	165,960,000	
2033	0	0	12,860,000	0	0	12,860,000	61,710,000	21,550,000	83,260,000	96,120,000	
2034	0	0	12,860,000	0	0	12,860,000	66,320,000	0	66,320,000	79,180,000	
2035	0	0	0	0	0	0	84,095,000	0	84,095,000	84,095,000	
2036	0	0	0	0	0	0	89,345,000	0	89,345,000	89,345,000	
2037	0	0	0	0	0	0	12,480,000	0	12,480,000	12,480,000	
TOTAL	\$ 649,559,584	794,014,342	704,498,892	532,969,985	357,105,000	\$ 3,038,147,803	\$ 1,409,315,000	291,797,044	\$ 1,701,112,044	\$ 4,739,259,847	

It is anticipated that Toll Road revenue will continue to be sufficient to meet debt requirements for both the revenue and tax bonds.

The Population and the Economy

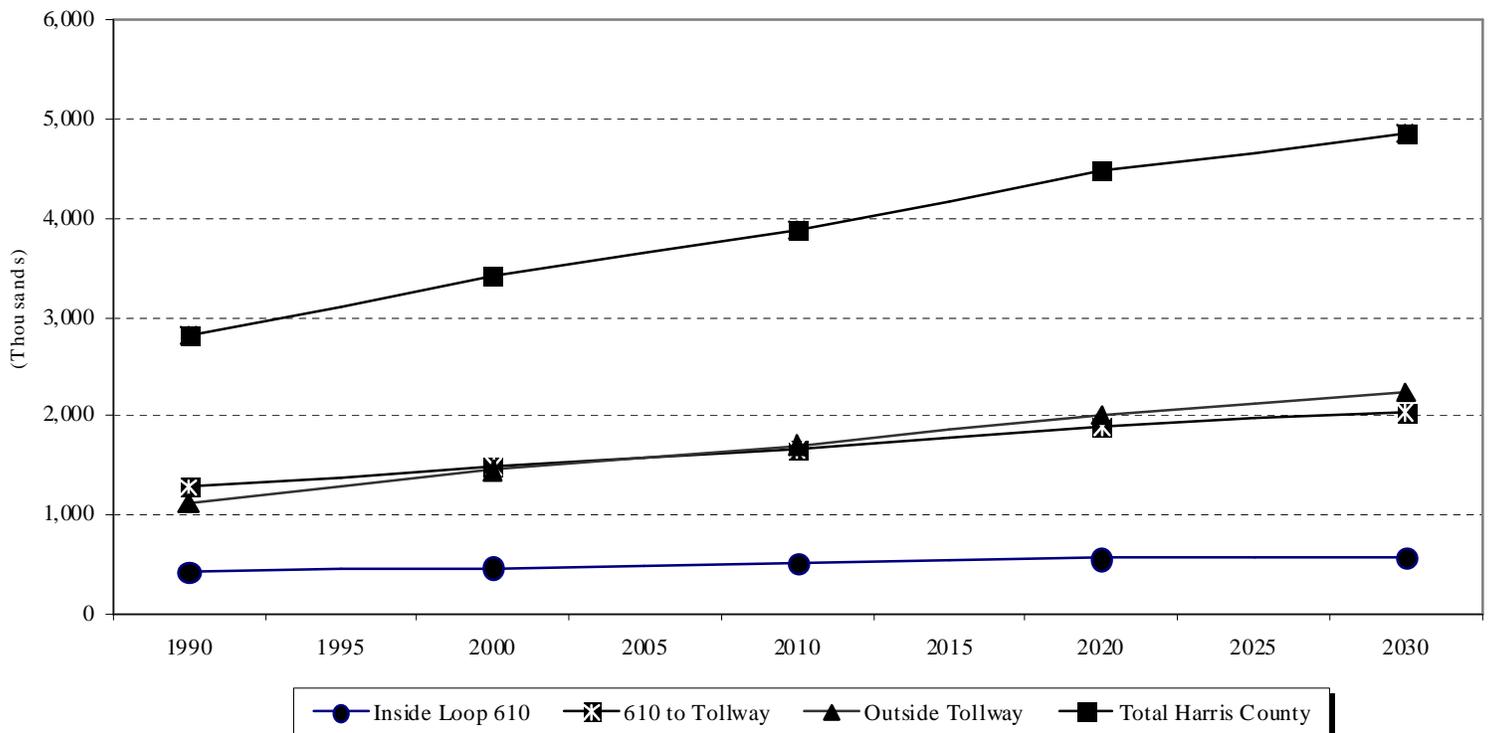
In preparing for financial requirements for the period through FY 2010-11 for Harris County, the Flood Control District, the Port of Houston, and the Hospital District, Commissioners Court must consider projections of population and economic changes in the Houston metropolitan area. The following is 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 60, 66-67, 95-97, and 759.

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	463,457	1,493,635	1,450,299	3,407,391	13.60	43.84	42.56
2010	507,989	1,663,961	1,705,345	3,877,295	13.10	42.92	43.98
2020	555,505	1,900,059	2,016,102	4,471,666	12.42	42.49	45.09
2030	576,933	2,046,003	2,237,693	4,860,629	11.87	42.09	46.04
Difference 2000-2030	113,476	552,368	787,394	1,453,238			
% change	24.5	37.0	54.3	42.6			

Source: Dr. Steven Craig
UH Eco.

Harris County Population



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 787,394, or 54%, compared to the number who lived in that portion of the county in 2000. The number inside the Loop will be up by 113,476, or 24%, compared to 2000, and those living between the Loop and the Tollway will be up by 552,368, or 37%. Those persons living outside the Tollway in 2030 are expected to be 46% of the county's total population compared to 42.6% in 2000, while those inside the Loop at 11.9% would be 1.7% less than in 2000, and those living between the Loop and the Tollway will be 42% in 2030 versus 44% in 2000. 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.

Houston's population within Harris County, according to the 2000 census, was approximately 56%. The projection in 2006 was 54%. This percentage compares to 58% in 1990, 66% in 1980, 71% in 1970, and 75% in 1960. The county's population by the 2000 census was 3.4 million, with 2.4 million living in 34 municipalities, including 1.9 million in Houston, and 1.0 million in unincorporated areas. Projected data for 2006 showed the number in the unincorporated area to be about 1.3 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. Harris County is unique among metropolitan Texas counties in the amount of population in its unincorporated area which require the provision of additional public services.

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 has been spreading throughout the area. 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. Projections for 2006 show Hispanics at approximately 38% of the county's population, whites at 37%, African Americans at 19%, Asians at 5%, and other, 1%.

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 white 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 has been fairly stable, except for an influx of residents displaced by Hurricanes Katrina and Rita in 2005. 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.

Additional analyses will be provided to the court during the fiscal year concerning the impact of population growth on county expenditures.

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.

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GENERAL FUND

ORGANIZATION	FY 2006-07 Expenditures	FY 2007-08 Budget
1. Sheriff	\$ 295,505,165	\$ 301,821,078
2. Precincts Road & Bridge	64,604,082	166,383,275
3. Constables	97,324,964	100,323,437
4. Precincts Parks	50,760,350	87,814,131
5. Public Infrastructure - Facilities & Prop. Mgmt.	62,030,056	60,233,072
6. Juvenile Probation	57,267,009	58,871,360
7. District Attorney	44,664,298	50,175,344
8. District Courts	42,628,858	40,484,656
9. Management Services	34,499,678	37,126,648
10. Information Technology	32,703,821	36,042,322
11. Public Infrastructure - Engineering	26,147,357	28,346,846
12. Public Health & Environmental Services	25,189,610	26,791,562
13. District Clerk	25,276,265	25,803,820
14. Tax Assessor-Collector	24,576,030	25,756,674
15. County Library	24,262,068	24,714,084
16. County Clerk	23,782,527	23,188,567
17. MHMRA	26,251,306	22,532,907
18. Protective Services for Children & Adults	20,404,818	20,652,513
19. Justices of the Peace	17,698,542	19,537,781
20. County Attorney	16,663,096	16,374,113
21. Medical Examiner	14,585,558	15,929,771
22. County Courts	13,707,062	14,002,872
23. County Auditor	11,488,641	13,422,821
24. Social Services	7,481,387	7,417,213
25. Public Infrastructure	4,397,668	6,917,548
26. Pretrial Services	6,431,161	6,465,430
27. Purchasing Agent	5,489,037	6,309,519
28. Probate Courts	5,643,503	5,973,121
29. Tunnel & Ferries	4,567,407	5,098,821
30. Children's Assessment Center	4,400,981	5,002,949
31. Fire Marshal	4,683,140	4,892,840
32. County Judge	3,601,445	4,515,002
33. Appraisal District	5,897,901	4,000,297
34. Community & Economic Development	3,771,509	3,529,805
35. Domestic Relations	2,426,495	2,933,969
36. District Clerk - Jury Room	3,354,654	2,300,914
37. Public Infrastructure - Right of Way	1,808,615	2,196,345
38. County Treasurer	1,029,037	1,115,876
39. Community Supervision & Corrections	807,090	810,835
40. Texas Cooperative Extension	768,944	790,231
41. Sheriff's Civil Service	174,850	245,082
42. Courts of Appeals	154,228	140,000
43. Legislative Services	582,298	0
	\$ 1,119,492,511	\$ 1,286,985,451

HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 2008
ORGANIZATION BUDGETS
VOLUME 3

ORG DEPARTMENT	FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Projected Expenditures	FY 2007-08 Target Budget	FY 2007-08 Request Budget	FY 2007-08 Appropriations Budget
COUNTY SERVICES						
Public Infrastructure						
030 Public Infrastructure - Fund 1000	4,120,862	5,253,815	4,397,668	12,667,185	14,306,918	6,917,548
040 PID - Right of Way - Fund 1000	1,707,978	2,195,595	1,808,615	2,196,345	2,196,345	2,196,345
050 Toll Road Authority						
TRA Ser 02 Tax/Rev Const - Fund 5160	13,517,543	27,296,488	4,924,428	22,372,060 *	-	25,525,970
TRA Ser 02 Tax/Rev Const-TranOut 5160	-	1,140,432	-	1,140,432 *	-	1,140,432
TRA Ser 2005A Construction - Fund 5200	75,000,000	405,644	25,000,000	- *	-	-
TRA Ser 2006A Construction - Fund 5240	-	73,513,000	25,000,000	48,513,000 *	-	48,513,000
TRA Ser 2006A Const. - TranOut Fund 5240	-	51,686,566	51,486,215	200,351 *	-	25,200,350
TRA Construction B - Fund 5580	-	72,000	-	72,000 *	-	-
TRA Construction - Fund 5710	32,802,260	130,982,999	105,286,406	25,696,593 *	-	82,240,478
TRA Construction - TranOut Fund 5710	1,409	3,591	-	3,591 *	-	3,591
TRA Office Building - Fund 5720	284,122	1,305,310	419,053	1,540,266	1,868,133	1,868,133
203 & Others - Fund 5720	263,678	3,386,099	19,851	-	-	789,207
TRA Oper. & Maint. - Fund 5740	59,353,547	111,904,441	76,131,503	114,133,664	117,437,896	117,437,896
203 & Others - Fund 5740	485,813	923,527	582,568	-	-	5,316,892
TRA Renewal/Replace Cont. - Fd 5770	-	174,569,625	-	174,569,625 *	-	147,480,983
TRA Comm Pap Ser E Const - Fd 5950	61,168,632	266,217,292	31,683,310	234,459,596 *	-	246,059,550
TRA CP Ser E Const-Tran.Out-Fd 5950	-	100,000	174,386	- *	-	-
Total Toll Road-oper./constr./Contingency	242,877,004	843,507,014	320,707,720	622,701,178	119,306,029	701,576,482
<i>*Estimated Rollover Budget</i>						
090 Flood Control District						
Oper./Constr./Maint. - Fund 2890	53,313,616	100,884,612	59,296,242	102,062,709	102,062,709	102,062,709
Oper./Constr./Maint. - TranOut Fund 2890	-	-	-	-	-	-
203 & Others - Reserve - Fund 2890	1,691,304	35,645,552	1,463,558	-	-	42,226,929
Regional Impact F/C Projects - Fund 3240	3,429,997	19,056,126	903,689	18,152,437 *	2,288,945	18,915,771
Regional Impact FC Proj. - Tr Out Fd 3240	-	93,833	93,833	- *	-	-
FC Project Contributions - Fund 3310	1,301,350	19,650,742	7,742,176	11,908,566 *	3,768,420	21,246,316
FC Bonds 2004A-Const-Fund 3320	11,346,935	88,653,065	35,790,455	52,862,610 *	29,113,833	53,199,006
FC Improvement Bonds '07 Proj-Fd 3330	-	94,399,650	269,504	- *	-	94,321,855
FC Commercial Paper - Fund 3970	51,042,046	210,931,269	37,971,668	172,959,601 *	27,279,550	173,228,776
Commercial Paper-Trans. Out - Fund 3970	-	10,948,347	7,407,904	3,540,443 *	-	3,540,443
Total Flood Control	122,125,248	580,263,196	150,939,029	361,486,366	164,513,457	508,741,805
<i>*Estimated Rollover Budget</i>						
208 Public Infrastructure - Co. Eng.-Fund 1000	24,391,797	27,743,329	26,147,357	28,346,846	28,744,346	28,346,846
299 Facilities & Property Mgt. - Fund 1000	53,665,028	62,771,053	62,030,056	61,836,074	68,440,500	60,233,072
Total Public Infrastructure	448,887,917	1,521,734,002	566,030,445	1,089,233,994	397,507,595	1,308,012,098
Management Services						
203 Management Svcs. - Oper. - Fund 1000	4,404,343	4,678,779	4,472,388	5,740,714	6,098,241	5,740,714
Management Svcs. - Transfers to Fd 5550	-	4,900,000	4,900,000	5,000,000	5,000,000	3,500,000
Debt Service / Misc. Admin. - Fund 1000	26,884,741	35,279,313	30,027,290	38,987,585	38,987,585	27,885,934
203 Mgmt. Svcs.-Fleet Svcs. - Fund 5500	20,138,745	27,610,654	27,300,000	27,610,654	27,583,300	27,583,300
203 HR & Risk Management - Fund 5550	4,107,033	5,523,541	4,994,225	5,481,109	5,481,109	5,481,109
204 Legislative Services	974,799	589,547	582,298	-	-	-
<small>(Note: Dept. 204 has merged with the County Attorney, Org 510.)</small>						
Total Management Services	56,509,661	78,581,834	72,276,201	82,820,062	83,150,235	70,191,057
Information Technology Center						
292 Information Technology Center	31,931,338	35,682,191	32,703,821	36,042,322	42,155,580	36,042,322
Total Information Technology Center	31,931,338	35,682,191	32,703,821	36,042,322	42,155,580	36,042,322

HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 2008
ORGANIZATION BUDGETS
VOLUME 3

ORG	DEPARTMENT	FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Projected Expenditures	FY 2007-08 Target Budget	FY 2007-08 Request Budget	FY 2007-08 Appropriations Budget
FISCAL SERVICES & PURCHASING							
517	County Treasurer	1,076,049	1,115,876	1,029,037	1,115,876	1,115,876	1,115,876
530	Tax Assessor-Collector	24,169,821	24,797,887	24,576,030	25,801,322	25,756,674	25,756,674
610	County Auditor	11,211,898	12,479,029	11,488,641	12,479,029	13,422,821	13,422,821
615	Purchasing Agent	5,310,104	5,838,648	5,489,037	6,188,648	6,309,519	6,309,519
TOTAL FISCAL SERVICES & PURCHASING		41,767,872	44,231,440	42,582,745	45,584,875	46,604,890	46,604,890
ADMINISTRATION OF JUSTICE							
213	Fire & Emergency Services	3,858,497	4,828,039	4,683,140	4,892,840	6,414,430	4,892,840
270	Medical Examiner	11,644,856	14,626,517	14,585,558	15,929,771	24,143,228	15,929,771
301	Constable, Precinct 1	17,398,635	19,087,785	19,029,820	19,744,482	19,571,362	19,744,482
302	Constable, Precinct 2	4,522,550	4,789,461	4,770,363	4,815,974	4,843,885	4,815,974
303	Constable, Precinct 3	8,114,970	8,926,372	8,912,149	9,087,891	9,087,891	9,087,891
304	Constable, Precinct 4	22,554,104	24,702,423	24,539,983	25,307,397	25,307,397	25,307,397
305	Constable, Precinct 5	22,638,792	23,438,677	23,271,118	24,074,480	24,074,479	24,074,480
306	Constable, Precinct 6	4,768,310	5,709,409	5,626,294	5,973,299	5,973,299	5,973,299
307	Constable, Precinct 7	5,547,714	5,907,417	5,839,350	5,848,018	5,622,665	5,848,018
308	Constable, Precinct 8	5,066,618	5,346,320	5,335,887	5,471,896	5,637,442	5,471,896
	Total Constables	90,611,693	97,907,864	97,324,964	100,323,437	100,118,420	100,323,437
311	Justice of the Peace, 1-1	1,298,170	1,384,372	1,382,097	1,513,224	1,589,664	1,513,224
312	Justice of the Peace, 1-2	1,835,388	1,910,532	1,904,677	2,005,844	2,005,844	1,888,688
321	Justice of the Peace, 2-1	598,239	639,991	639,693	730,112	776,998	730,112
322	Justice of the Peace, 2-2	660,330	710,524	697,596	811,801	811,801	811,801
331	Justice of the Peace, 3-1	1,342,642	1,420,774	1,401,871	1,522,950	1,522,950	1,522,950
332	Justice of the Peace, 3-2	898,866	953,387	945,159	1,025,050	1,025,050	1,025,050
341	Justice of the Peace, 4-1	2,326,769	2,376,167	2,299,500	2,575,658	2,575,658	2,575,658
342	Justice of the Peace, 4-2	1,136,774	1,196,800	1,111,968	1,290,028	1,385,988	1,290,028
351	Justice of the Peace, 5-1	1,390,942	1,461,794	1,456,959	1,593,992	1,593,992	1,593,992
352	Justice of the Peace, 5-2	1,951,438	2,123,213	2,096,398	2,354,844	2,426,939	2,354,844
361	Justice of the Peace, 6-1	449,530	482,311	467,350	507,631	501,195	507,631
362	Justice of the Peace, 6-2	395,810	435,333	428,405	475,735	496,086	475,735
371	Justice of the Peace, 7-1	542,818	528,500	489,735	571,460	571,460	571,460
372	Justice of the Peace, 7-2	605,591	659,109	621,889	712,280	866,058	712,280
381	Justice of the Peace, 8-1	808,320	870,503	870,241	958,761	958,761	958,761
382	Justice of the Peace, 8-2	821,268	886,203	885,004	1,005,567	1,048,604	1,005,567
	Total JPs	17,062,895	18,039,513	17,698,542	19,654,937	20,157,048	19,537,781

HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 2008
ORGANIZATION BUDGETS
VOLUME 3

ORG DEPARTMENT	FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Projected Expenditures	FY 2007-08 Target Budget	FY 2007-08 Request Budget	FY 2007-08 Appropriations Budget
ADMINISTRATION OF JUSTICE, cont.						
510 County Attorney - Operations	13,322,632	15,002,357	14,332,728	16,374,113	16,374,113	16,374,113
Title IV-E Adoption Incentive Fund 7007	1,220,066	4,253,067	1,584,460	-	-	2,204,305
Total County Attorney Operations	14,542,698	19,255,424	15,917,188	16,374,113	16,374,113	18,578,418
510 County Attorney - Claims/Torts	2,170,356	2,698,000	2,330,368	-	-	-
515 County Clerk - Operations	15,930,914	16,361,737	16,272,935	16,946,136	16,946,136	16,946,136
County Clerk - Election Services	5,860,022	7,543,253	7,509,592	6,242,431	9,260,730	6,242,431
Total County Clerk	21,790,936	23,904,990	23,782,527	23,188,567	26,206,866	23,188,567
540 Sheriff	254,894,379	302,550,096	295,505,165	301,821,078	342,991,139	301,821,078
545 District Attorney	43,108,420	46,250,093	44,664,298	50,175,344	58,475,873	50,175,344
550 District Clerk - Operations	24,134,381	25,747,562	25,276,265	25,803,820	25,803,820	25,803,820
550 District Clerk - Jury System	2,502,393	3,271,914	3,354,654	3,348,914	3,348,914	2,300,914
Total District Clerk	26,636,774	29,019,476	28,630,919	29,152,734	29,152,734	28,104,734
601 Community Supervision	772,070	811,240	807,090	810,835	1,074,443	810,835
605 Pre-Trial Services	5,944,989	6,458,626	6,431,161	6,465,430	7,716,060	6,465,430
845 Sheriff's Civil Service	173,226	245,082	174,850	245,082	262,760	245,082
700 District Courts	39,233,636	42,772,005	42,628,858	40,484,656	40,484,656	40,484,656
930 1st Court of Appeals - Fund 1000	75,884	80,255	80,255	70,000	70,000	70,000
1st Court of Appeals - Fund 2300	213,706	306,801	260,000	328,941	328,941	309,918
Total 1st Court of Appeals	289,590	387,056	340,255	398,941	398,941	379,918
931 14th Court of Appeals - Fund 1000	67,833	73,973	73,973	70,000	70,000	70,000
14th Court of Appeals - Fund 2300	293,585	306,801	344,056	328,941	328,941	309,917
Total 14th Court of Appeals	361,418	380,774	418,029	398,941	398,941	379,917
Appeals Court Reserve - Fund 2300	6,463	48,446	48,446	-	-	-
Total Appellate Courts	657,471	816,276	806,730	797,882	797,882	759,835
940 County Courts	12,851,514	13,882,674	13,707,062	14,002,872	14,002,872	14,002,872
991 Probate Court No. 1	1,160,707	1,152,475	1,139,688	1,155,551	1,155,551	1,155,551
992 Probate Court No. 2	1,059,352	1,078,818	1,056,014	1,155,551	1,155,551	1,155,551
993 Probate Court No. 3 - Operations	1,152,564	1,153,818	1,141,340	1,155,551	1,155,551	1,155,551
Probate Court No. 3 - Psych. Div.	1,281,623	1,383,247	1,350,355	1,350,917	1,526,957	1,350,917
Total Probate Court No. 3	2,434,187	2,537,065	2,491,695	2,506,468	2,682,508	2,506,468
994 Probate Court No. 4	1,026,087	1,005,818	956,106	1,155,551	1,155,547	1,155,551
Total Probate Courts	5,680,333	5,774,176	5,643,503	5,973,121	6,149,157	5,973,121
TOTAL ADMINISTRATION OF JUSTICE	549,464,387	627,142,091	612,991,555	630,292,699	694,521,681	631,293,801

HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 2008
ORGANIZATION BUDGETS
VOLUME 3

ORG DEPARTMENT	FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Projected Expenditures	FY 2007-08 Target Budget	FY 2007-08 Request Budget	FY 2007-08 Appropriations Budget
COMMISSIONERS COURT						
100 County Judge - Operations	2,424,791	2,684,041	2,524,787	2,743,454	3,817,692	2,743,454
County Judge - Child Safety Fee	347,592	382,008	349,856	264,470	155,998	281,480
County Judge - OHSEM	858,035	1,490,068	726,802	1,490,068	2,003,469	1,490,068
Total County Judge	3,630,418	4,556,117	3,601,445	4,497,992	5,977,159	4,515,002
101 Precinct 1 - Fund 1000	20,008,571	43,435,324	19,949,459	57,894,363	57,894,363	59,131,522
102 Precinct 2 - Fund 1000	32,659,574	64,910,874	30,897,320	59,090,286	66,609,055	63,732,580
103 Precinct 3 - Fund 1000	27,145,681	37,003,229	28,327,414	50,899,339	50,899,339	52,224,919
104 Precinct 4 - Fund 1000	36,068,343	58,449,520	36,190,239	76,913,982	76,913,982	79,108,385
105 Tunnel/Ferries Operations - Pct. 2	4,280,165	4,919,546	4,567,407	5,098,821	5,098,821	5,098,821
TOTAL COMMISSIONERS COURT	123,792,752	213,274,610	123,533,284	254,394,783	263,392,719	263,811,229
TOTAL GENERAL FUND	1,029,598,182	1,242,690,995	1,119,492,511	1,299,577,327	1,391,430,569	1,286,985,451

**HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 08
PRECINCT PROPOSED BUDGET SUMMARY - Budget Volume 3**

PCT	DESCRIPTION	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
		APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET	APPROPRIATIONS BUDGET
101	Precinct 1, Encumbrances	5,469,920	6,838,681	3,762,233	3,328,252
101	Precinct 1, Balances	26,809,770	23,215,464	21,913,854	29,954,166
101	Precinct 1, Child Safety Fee	231,744	234,544	232,095	249,104
101	Precinct 1, Park Deposits Refunds	25,000	25,000	25,000	25,000
101	Precinct 1, Road & Bridge Fee	5,250,000	7,086,311	7,118,085	7,750,000
101	Precinct 1, TRA Connectivity Program	5,000,000	5,000,000	7,100,000 *	7,100,000
101	Precinct 1, Additional Budget	11,028,156	3,300,000	13,365,000	10,725,000
	Precinct 1 - Total Appropriations	53,814,590	45,700,000	53,516,267	59,131,522
	Precinct 1 - Adjusted Budget	53,689,031	45,684,868	53,435,324	
	Precinct 1 - Total Expenditures	20,324,086	22,505,899	20,152,906	
102	Precinct 2, Encumbrances	6,488,973	6,819,374	8,676,456	7,460,775
102	Precinct 2, Balances	51,223,214	46,934,771	23,138,599	26,522,701
102	Precinct 2, Child Safety Fee	231,744	234,544	232,095	249,104
102	Precinct 2, Park Deposits Refunds	25,000	25,000	25,000	25,000
102	Precinct 2, Road & Bridge Fee	5,250,000	7,086,311	7,118,085	7,750,000
102	Precinct 2, TRA Connectivity Program	5,000,000	5,000,000	7,100,000 *	7,100,000
102	Precinct 2, Additional Budget	15,038,395	4,500,000	18,225,000	14,625,000
	Precinct 2 - Total Appropriations	83,257,326	70,600,000	64,515,235	63,732,580
	Precinct 2 - Adjusted Budget	82,380,001	64,484,803	64,910,873	
	Precinct 2 - Total Expenditures	32,078,768	32,976,865	30,927,397	
103	Precinct 3, Encumbrances	7,176,795	8,466,149	3,675,620	6,899,248
103	Precinct 3, Balances	21,775,383	16,087,996	11,399,958	14,276,567
103	Precinct 3, Child Safety Fee	231,744	234,544	232,095	249,104
103	Precinct 3, Park Deposits Refunds	25,000	25,000	25,000	25,000
103	Precinct 3, Road & Bridge Fee	5,250,000	7,086,311	7,118,085	7,750,000
103	Precinct 3, TRA Connectivity Program	5,000,000	5,000,000	7,100,000 *	7,100,000
103	Precinct 3, Additional Budget	16,375,141	4,900,000	19,845,000	15,925,000
	Precinct 3 - Total Appropriations	55,834,063	41,800,000	49,395,758	52,224,919
	Precinct 3 - Adjusted Budget	55,667,712	42,220,434	49,503,229	
	Precinct 3 - Total Expenditures	27,206,878	30,605,027	28,327,414	
104	Precinct 4, Encumbrances	7,252,027	12,003,782	9,621,130	7,870,340
104	Precinct 4, Balances	58,827,377	49,250,363	21,896,023	32,388,941
104	Precinct 4, Child Safety Fee	231,744	234,544	232,095	249,104
104	Precinct 4, Park Deposits Refunds	25,000	25,000	25,000	25,000
104	Precinct 4, Road & Bridge Fee	5,250,000	7,086,311	7,118,085	7,750,000
104	Precinct 4, TRA Connectivity Program	5,000,000	5,000,000	7,100,000 *	7,100,000
104	Precinct 4, Additional Budget	24,395,618	7,300,000	29,565,000	23,725,000
	Precinct 4 - Total Appropriations	100,981,766	80,900,000	75,557,333	79,108,385
	Precinct 4 - Adjusted Budget	94,403,852	80,587,369	76,449,520	
	Precinct 4 - Total Expenditures	37,745,338	40,322,527	36,190,239	
	All Precincts, Encumbrances	26,387,715	34,127,986	25,735,439	25,558,615
	All Precincts, Balances	158,635,744	135,488,594	78,348,434	103,142,375
	All Precincts, Child Safety Fee	926,976	938,176	928,380	996,416
	All Precincts, Park Deposits Refunds	100,000	100,000	100,000	100,000
	All Precincts, Road & Bridge Fee	21,000,000	28,345,244	28,472,340	31,000,000
	All Precincts, TRA Connectivity Program	20,000,000	20,000,000	28,400,000	28,400,000
	All Precincts, Additional Budget	66,837,310	20,000,000	81,000,000	65,000,000
	Total Precincts Appropriations	293,887,745	239,000,000	242,984,593	254,197,406
	Total Precincts Adjusted Budget	286,140,596	232,977,474	244,298,946	
	Total Precincts Expenditures	117,355,070	126,410,318	115,597,956	

* FY2006-07 TRA connectivity program includes \$20m appropriated 3-1-2006 and \$8.4m appropriated at Mid-Year Review.

PROJECTED ASSUMPTIONS FOR FORECAST YEAR

- > Encumbrances and balances are the estimated amounts.
- > 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.
- > Include Toll Road Connectivity Program divided equally among the four Commissioners.
- > The New 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		1,245,518	249,104
Park Deposit Refunds		100,000	25,000
Road and Bridge Fee		31,000,000	7,750,000
HCTRA		28,400,000	7,100,000
Additional Budget		65,000,000	
Allocation Factors		Additional Budget	
Pct.1	16.50%		10,725,000
Pct.2	22.50%		14,625,000
Pct.3	24.50%		15,925,000
Pct.4	36.50%		23,725,000

**HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 08
FUNDS APPROPRIATIONS**

HARRIS COUNTY GENERAL FUND		FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Estimated Expenditures	FY 2007-08 Appropriations Budget
1000	General Fund	\$ 1,029,598,182	\$ 1,242,690,995	\$ 1,119,492,511	\$ 1,286,985,451.33
HARRIS COUNTY DEBT SERVICE FUNDS					
1160	HOT Tax, Refunding Forward Rev, Series 1998	\$ 5,880,639	\$ 5,881,948	\$ 5,878,665	\$ 5,882,161.00
1180	Criminal Justice Center, Series 1996	2,542,375	357,203	-	-
1250	Permanent Improvement, Refunding Series 1996	541,275	11,609,727	10,982,084	664,245.00
1260	Permanent Improvement, Refunding Series 1997	3,645,690	11,145,571	3,455,670	15,307,546.00
1380	HOT Tax Refunding Forward Rev Series 1998	6,225,186	-	-	-
1390	Commercial Paper Program, Series B	450,570	41,563,164	40,873,102	2,482,854.00
1400	Commercial Paper Series C	2,411,172	168,968,646	164,352,702	12,901,247.00
1420	Commercial Paper Program, Series A1	12,454	3,263,938	1,907,262	4,608,098.00
1430	HC/FC Agmt 2003B Commercial Paper Refunding	9,780,000	19,623,821	-	19,884,459.00
1440	HC/FC Agmt 2004A Commercial Paper Refunding	11,360,000	21,622,605	-	23,034,264.00
1470	Permanent Improvement Commercial Paper Series D	1,238,935	5,284,022	2,754,435	12,172,341.00
1480	Flood Control Agreement Commercial Paper Program	294,751	2,621,077	336,008	9,154,591.00
1490	HC/FC Agmt 2006 CP Refunding	-	-	-	9,932,150.00
1500	Certificate of Obligation, Series 1998	32,228,643	7,534,966	3,633,850	7,346,994.00
1530	Certificates of Obligation, Series 2001	15,262,003	3,440,956	1,629,828	3,388,595.00
1550	Permanent Improvement, Refunding Series 2001	9,001,859	10,887,576	9,380,035	2,157,062.00
1600	Revenue Refunding Bonds, Series 2002	-	57,495	-	60,555.00
1610	Revenue Certificates, Series 2002	1,007,150	1,009,437	1,007,150	2,139,814.00
1620	Permanent Improvement, Refunding Series 2002	22,228,888	38,356,549	21,197,388	31,981,788.00
1650	Permanent Improvement, Refunding Series 2003A	4,557,450	9,817,017	4,962,250	9,299,153.00
1680	PIB Refunding Series 2003B	19,201,397	46,111,462	24,975,048	16,387,864.00
1710	PIB Refinancing 1999	15,135,889	1,521,820	905,250	1,834,639.00
1730	CJC Refunding Series 2004 - Debt Service	2,761,913	6,257,530	5,851,913	11,721,287.00
1750	Tax & Sub Lien Refunding 2004A - Debt Service	170,766	181,693	172,862	183,092.00
1770	Tax & Sub Lien Refunding 2004B - Debt Service	8,604,902	10,090,729	9,320,445	8,905,738.00
1780	Permanent Improvement Refunding Bonds 2004	6,708,812	13,074,252	6,542,378	12,920,701.00
1800	Permanent Improvement Ref. Ser 2005A - Debt Service	75,388,462	7,370,381	3,492,250	7,083,118.00
1810	Permanent Improvement 2005A - Cost of Issuance	218,937	-	-	-
1820	Unlimited Tax Road Ref 2005A - Cost of Issuance	100,546	-	-	-
1830	Road Forward Refund 2006A - I	-	114,000	95,629	-
1840	Unlimited RDS Ref 2006B COI	-	473,900	460,999	310,141.00
1850	PIB Refunding BDS 2006A Debt Service	-	77,425,135	381,739	6,767,499.00
1860	PIB Refunding BDS 2006A COI	-	137,714	135,766	91,319.00
2110	Commercial Paper Program, Series F	1,390,413	104,013,711	102,440,462	285,469.00
4620	Road, Series 1995	3,360,000	1,008,085	-	-
4630	Road, Series 1996	5,780,764	48,351,067	38,338,376	11,349,337.00
4660	Road Refunding, Series 1993	(60)	20,238,314	10,305,000	17,437,102.00
4700	Road Refunding, Series 2001 - Debt Service	50,988,640	22,158,135	10,536,979	29,344,061.00
4710	Road Refunding, Series 2003A	14,104,613	6,431,636	3,122,813	5,997,141.00
4720	Road Refunding, Series 2003B	3,913,925	7,830,038	3,913,925	7,854,835.00
4730	Road Refunding, Series 2004A - Debt Service	2,587,875	11,990,576	6,077,875	12,353,483.00
4740	Unlimited Tax Road 2004	7,429,251	14,698,274	7,248,050	14,719,377.00
4750	Unlimited Tax Road 2005A -Debt Service	677,534	3,457,639	1,721,000	3,415,853.00
4760	Unlimited Tax Road Forward Refund 2006A	-	30,560,113	443,072	7,610,037.00
4770	UNRDS Ref Bonds 2006B Debt Svc	-	276,873,507	1,528,507	23,719,539.00
Harris County Debt Service & Reserve Funds		\$ 347,193,619	\$ 1,073,415,428	\$ 510,360,763	\$ 372,689,549.00

**HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 08
FUNDS APPROPRIATIONS**

HARRIS COUNTY FLOOD CONTROL DISTRICT		FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Expenditures	FY 2007-08 Appropriations Budget
2890	FCD - General/Operations/Maintenance/Construction	\$ 55,004,920	\$ 136,530,164	\$ 60,759,801	\$ 144,289,638.00
3240	Regional Flood Control Projects	3,429,997	19,206,167	903,689	18,915,771.09
3310	Flood Control Capital Projects (Budgeted)	1,301,350	19,650,742	6,516,755	21,246,316.97
3320	FCD - Bonds 2004A - Construction	11,346,935	91,802,104	35,790,455	53,199,006.23
3330	FC Improvement Bonds 2007 Projects	-	94,399,650	269,504	94,321,855.68
3970	Commercial Paper - FCD Capital Projects	51,042,046	222,149,923	37,971,668	176,769,219.39
Harris County Flood Control District		\$ 122,125,249	\$ 583,738,750	\$ 142,211,872	\$ 508,741,807.36

HARRIS COUNTY FLOOD CONTROL DEBT SERVICE FUNDS

2170	FC Refunding Ser 2003B-D	\$ 9,784,600	\$ 9,788,925	\$ 9,784,600	\$ 9,784,601.00
2180	FC Contract Tax 2004A-D	11,362,376	12,946,475	11,361,488	11,359,737.00
2190	FC Cont Refunding 2006A DS	-	100,648,879	546,318	3,768,291.00
2200	FC Contract Refunding 2006A COI	-	173,696	168,791	5,906.66
4130	FC Refunding Series 1993A	-	12,550,767	-	19,096,485.00
4150	FC Refunding Series 2002	6,915,355	2,941,474	1,505,605	1,613,255.00
4160	FC Refunding Series 2003A	10,008,081	14,238,407	12,475,831	3,372,270.00
4190	FC Improvement Bds 2007 Debt Svc	-	94,998,016	598,366	9,856,228.00
Flood Control Debt Service & Reserve Funds		\$ 38,070,412	\$ 248,286,638	\$ 36,440,999	\$ 58,856,773.66

HARRIS COUNTY SPECIAL REVENUE FUNDS

2100	Deed Restriction Enforcement	\$ -	\$ 5,467	\$ -	\$ 5,782.00
2120	TIRZ-Non Interest	-	1,820,201	-	760,201.00
2130	TIRZ-Interest Bearing	271,552	608,052	-	869,058.00
2210	Child Support Enforcement	1,490,237	1,792,922	906,682	1,312,767.00
2220	Family Protection DC	206,554	498,001	328,075	442,748.00
2230	Restricted Fund	1,158,622	2,679,156	664,209	1,731,648.73
2240	Restricted Fund - General	1,113	1,100	1,100	23.08
2300	Appellate Judicial System Fund	513,754	662,048	578,476	619,835.00
2340	Courthouse Security Justice Court	-	222,253	-	315,713.08
2360	Records Management and Preservation	1,401,413	14,912,080	1,166,548	20,356,537.00
2380	Justice Court Technology Fund	-	606,924	474,007	785,634.96
2390	Child Abuse Prevention Fund	-	-	-	2,356.00
2410	Juvenile Case Manager Fee	-	-	-	999,999.98
2450	Storm Water Management	1,111,150	2,312,632	982,222	2,923,287.00
2500	San Jacinto Wetlands	-	49,850	3,993	48,782.00
2510	TCEQ Pollution Control Fund	61,294	987,034	180,143	866,906.00
2550	Election Fund	52,439	674,813	101,084	1,001,542.00
2700	Dispute Resolutions Fund	884,101	1,414,120	912,467	1,495,692.80
2750	LEOSE Law Enforcement	409,127	877,810	349,512	913,199.96
2760	Hotel Occupancy Tax Revenue	12,594,112	20,085,941	17,115,162	29,559,381.00
2770	Library Donation Fund	144,817	615,541	275,928	587,896.00
2800	Law Library	1,258,078	2,077,030	1,277,958	2,207,442.00
Harris County Special Revenue Funds		\$ 21,558,364	\$ 52,902,976	\$ 25,317,566	\$ 67,806,432.59

HARRIS COUNTY INTERNAL SERVICE FUNDS

5490	Workers' Compensation	\$ 12,909,448	\$ 13,869,577	\$ 13,392,836	\$ 19,857,542.00
5500	Fleet Services	20,138,745	36,427,482	21,472,717	33,257,987.00
5520	Radio Operations	3,581,703	5,165,892	4,491,024	5,661,749.00
5540	Inmate Industries	418,623	1,352,198	259,343	1,712,321.00
5550	Risk Management	4,107,033	6,441,405	4,674,821	5,986,517.00
Harris County Internal Service Funds		\$ 41,155,551	\$ 63,256,554	\$ 44,290,741	\$ 66,476,116.00

**HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 08
FUNDS APPROPRIATIONS**

HARRIS COUNTY ENTERPRISE FUNDS		FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Expenditures	FY 2007-08 Appropriations Budget
5020	Subscriber Access	\$ 266,878	\$ 749,693	\$ 146,979	\$ 829,680.00
5040	Parking Facilities	768,214	3,135,177	411,567	3,236,561.00
Harris County Enterprise Funds		\$ 1,035,091	\$ 3,884,870	\$ 558,546	\$ 4,066,241.00

HARRIS COUNTY TOLL ROAD AUTHORITY OPERATIONS

Revenues					
5730	TRA Revenue Collections	\$ 563,258,734	\$ 720,326,765	\$ 359,160,000	\$ 839,119,953.00
5770	TRA Renewal/Replacement	3,836,671	12,144,984	6,094,816	147,480,983.00
5780	TRA MC/VISA	(3,269)	-	527,615	(2,008,535.00)
TRA Revenues		\$ 567,092,135	\$ 732,471,749	\$ 365,782,431	\$ 984,592,401.00
Expenditures					
5720	TRA Office Building	\$ 547,800	\$ 4,691,409	\$ 438,904	\$ 2,657,340.00
5740	TRA Operations & Maintenance	59,839,360	112,827,968	76,511,691	122,754,788.00
TRA Operations & Maintenance		\$ 60,387,161	\$ 117,519,377	\$ 76,950,595	\$ 125,412,128.00
5710	TRA Construction	\$ 32,802,260	\$ 131,170,511	\$ 105,374,561	\$ 82,244,069.00
5160	TRA Ser 02 Tax/Rev Construction	13,517,543	30,982,706	4,924,428	26,666,402.65
5200	TRA Ser 05A Construction	75,000,000	549,864	25,000,000	-
5240	TRA 2006A Project Fund	-	125,199,566	-	73,713,350.32
5580	TRA Construction B	-	72,000	-	-
5950	TRA Commercial Paper Ser E Construction	61,190,617	267,731,764	31,683,310	246,059,550.07
TRA Construction		\$ 182,510,420	\$ 555,706,411	\$ 166,982,299	\$ 428,683,372.04
5770	TRA Renewal/Replacement Contingency	-	174,569,625	-	147,480,983.00
TRA Operations & Maintenance/Construction/Contingency		\$ 242,897,581	\$ 847,795,413	\$ 243,932,894	\$ 701,576,483.04

HARRIS COUNTY TOLL ROAD AUTHORITY DEBT SERVICE

5120	TRA Ser 2002 Tax Refund Bond	\$ 2,614,297	\$ 3,163,150	\$ 2,605,502	\$ 3,180,474.54
5130	TRA Ser 2003 Tax Ref Debt Service	14,565,926	22,528,948	14,921,535	22,479,744.84
5140	TRA Ser 2002 Revenue Refunding B	19,924,047	39,519,007	19,772,904	40,864,986.07
5150	TRA Rev Ref Ser 2004A-Debt Service	8,191,515	12,497,369	8,184,620	12,563,734.92
5170	TRA Rev Ref Ser 2004A-Debt Service Reserve	1,489	11,531,481	2,300	12,129,157.56
5180	TRA Ref Series 2004B-Debt Service	26,160,959	67,839,488	25,773,597	67,986,905.03
5210	TRA Ser 2005A Debt Service	4,043,671	23,420,837	10,619,738	16,188,769.03
5220	TRA Ser 2005A Debt Service Reserve	2,973	13,505,944	556	14,084,275.71
5230	TRA Ser 2005A Cost of Issuance	-	35,148	-	-
5250	HCTRA - 2006A Debt Service	-	141,379,319	2,171,465	11,843,985.32
5260	TRA 2006A Debt Service Reserve	-	-	-	10,489,852.56
5270	TRA Ser 2006A Cost of Issuance	-	31,200	-	5,672.66
5600	TRA 1995A Tax Debt Service	2,029,074	548	(191,803)	572.52
5630	TRA Revenue Debt Service 1994A	47,822	1,137	-	-
5680	TRA Comm Paper Ser E Debt Service	917,463	116,604,742	21,016	427,905.47
5700	TRA 1994A Tax Debt Service	5,120,813	22,281,125	4,475,291	22,355,060.38
5880	TRA Tax Refunding Series 1991	3,284,495	34,436,263	2,214,806	33,269,261.81
5900	TRA Tax Ref 1992 A & B	2,560,551	25,236,075	2,105,547	25,389,904.97
5910	TRA 1997 Tax Ref Debt Service	8,957,188	14,116,619	8,931,333	14,195,203.31
5930	TRA 2001 Tax Refunding	9,508,246	10,862,525	9,392,425	10,835,548.97
5940	TRA 1997 Revenue Debt Service	3,513,455	5,448,994	3,501,292	5,469,003.78
Harris County Toll Road Authority - Debt Service Funds		\$ 111,443,983	\$ 564,439,917	\$ 114,502,124	\$ 323,760,019.45

HARRIS COUNTY CAPITAL PROJECT FUNDS - BUDGETED

3600	Road Capital Projects	\$ 11,660,040	\$ 53,846,819	\$ 7,810,540	\$ 46,747,305.56
3610	Metro Designated Projects	4,345,253	34,743,179	12,531,055	23,192,834.40
3670	Building/Park/Library Capital Project	68,853	5,218,228	872,626	4,067,925.21
Harris County Capital Project Funds - Budgeted		\$ 16,074,145	\$ 93,808,225	\$ 21,214,222	\$ 74,008,065.17

**HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 08
FUNDS APPROPRIATIONS**

HARRIS COUNTY CAPITAL PROJECT FUNDS - ROLLOVER		FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Expenditures	FY 2007-08 Appropriations Budget
3120	Metro Street Improvement Project	\$ 26,953	\$ 6,615,169	\$ -	\$ 6,639,668.52
3500	Road 1975	397,403	912,349	291,886	580,768.63
3690	1982 Park Bond	32,845	1,284,824	-	1,217,797.34
3700	CO Series 2001 Construction	777,231	20,373,448	4,231,463	15,461,816.46
3710	P/I Series 2002 Construction	19,519,072	333,979	33,707	58,035.10
3730	Road Refunding 2004 B Construction	4,245,024	99,414,948	26,130,314	70,030,521.15
3740	Roads 2006B Construction	-	115,778,285	-	115,147,969.44
3760	1988 T Astrodome Improvement	10,672	349,503	-	-
3830	1987 Road Series 1993	19,759	229,233	119,627	127,579.44
3850	87 PIB 1994 Capital Project	44,508	1,358,988	1,102	1,297,209.55
3860	Road & Refunding Series 1996	848,171	2,450,682	625,399	1,835,965.37
3880	CO Series 1998 Baker Street Jail	2,158	74,629	-	-
3890	CO Series 1994 Certificate Obligation	3,338,560	7,400,854	1,724,536	5,384,810.96
3910	Comm Paper Ser D-1	34,245	916,092	68,593	826,667.33
3920	Comm Paper Ser D	283,755	1,643,577	15,408	-
3930	Comm Paper Ser B P/I	11,355,515	54,168,053	5,920,663	48,438,899.24
3940	Comm Paper Ser C - Road & Bridge	77,285,165	297,145,862	61,873,750	235,804,127.53
3950	Comm Paper Ser 1996A	(2,844,126)	2,844,126	-	2,844,125.56
3960	Comm Paper Ser A-1	21,140,188	32,554,415	11,576,769	22,167,515.30
3980	Comm Paper Ser D/02	57,251,476	118,169,077	48,579,928	44,815,221.78
Harris County Capital Project Funds - Rollover		\$ 193,768,576	\$ 764,018,092	\$ 161,193,144	\$ 572,678,698.70

HARRIS COUNTY SEIZED ASSET FUNDS - MEMO ONLY **

2310	County Attorney Admin Toll Rd Fund	\$ 5,000	\$ 476,284	\$ 225,351	\$ 794,815.17
2320	DA Special Investigation Fund	-	10,375,596	-	11,020,715.35
2330	DA HOT Check Depository Fund	64,832	5,290,662	75,145	6,019,996.21
2420	Tax Assessor Election Title 19 Fund	-	-	-	561,296.66
2560	District Attorney Seized Assets-Treasury	-	7,960	-	8,428.06
2570	District Attorney Seized Assets-Justice	41,932	84,025	-	88,484.73
2580	Constable Seized Assets-Treasury	-	5,868	-	39,357.94
2590	Constable Seized Assets-Justice	30,631	165,663	-	141,366.50
2600	Sheriff Seized Assets-Treasury	390,144	6,416,342	1,020,190	5,763,294.82
2610	Sheriff Seized Assets-Justice	2,341,752	1,043,111	8,898	2,085,557.92
2620	Sheriff Seized Assets-State	1,340,004	3,646,215	48,296	4,145,519.10
2630	District Attorney Seized Assets-State	2,944,868	12,499,486	1,718,484	12,693,122.23
2640	Constable Seized Assets-State	164,848	499,886	38,781	526,636.19
2650	Seized Assets-Commissioners Court	-	1,812,145	261,579	1,699,401.26
2660	Seized Assets-Fire Marshall	-	27,712	-	11,073.74
Harris County Seized Assets Funds		\$ 7,324,011	\$ 42,350,956	\$ 3,396,726	\$ 45,599,065.88

** 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)	\$ 6,365,270	\$ -	\$ 3,099,017	\$ 8,719,688.00
2370	Donation Fund	-	2,399,450	180,965	2,736,605.25
6170	Memorial Trust	180,052	-	-	-
6460	Insurance Trust Fund	130,182,437	173,619,168	140,971,844	191,395,803.00
Harris County Trust and Other Funds		\$ 136,727,759	\$ 176,018,618	\$ 144,251,825	\$ 202,852,096.25

**HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 08
FUNDS APPROPRIATIONS**

HARRIS COUNTY GRANT FUNDS - ROLLOVER		FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Expenditures	FY 2007-08 Appropriations Budget
7004	FEMA/Pre-Disaster Mitigation	\$ 574,533	\$ 2,931,524	\$ 124,147	\$ 2,807,377.86
7005	Title IV-B Children Evaluation & Treatment	152,043	420	-	-
7007	Title IV-E Adoption Incentive	1,220,066	4,253,067	1,584,460	2,204,305.05
7009	Harris County Truancy Program	178,637	147,927	113,586	-
7012	Title IV-D ICSS (Integrated Child Support System)	437,441	1,708,666	635,473	1,029,452.41
7014	Star-Success Thru Addiction Recovery	180,663	363,414	154,187	220,493.71
7016	Urban Area Sec Initiative II	14,322,947	12,998,990	4,270,956	9,795,276.22
7018	Span-School Physical Activity	12,900	4,626	-	-
7019	Star-Success Thru Addiction Recovery	125,915	148,377	83,203	77,288.22
7020	Support Housing	487,101	3,494,671	439,569	317,817.20
7021	C.O.P.S. Technology	1,302,398	74	-	-
7022	Coastal/Estuarine Land Conservation	-	327,546	-	327,546.00
7023	IV-E Child Welfare Services	1,673,694	2,547,052	661,736	1,885,315.68
7024	Pal Transition Center	527,156	1,045,416	706,352	374,691.10
7026	North Amer Wetlands Conservation	-	32,100	19,500	12,600.00
7027	Bank Park TPWD	-	625,000	45,519	579,480.85
7028	Abducted/Missing Persons Unit	41,103	194,348	129,967	52,832.47
7029	Challenger 7 Park	-	-	-	26,175.00
7031	Flood Control FEMA - PDMC	954,144	26,908,910	16,140,382	10,746,447.18
7032	HGAC-Worksource Svcs Katrina	73,211	243,999	154,390	-
7033	Identity Theft Passport	-	3,000	3,000	-
7034	Economic Development Initiative	-	148,500	13,575	148,500.00
7035	Court Doc-Preservation Restoration	12,500	1,000	-	1,000.00
7036	Houston Katrina/Rita Fund	-	50,000	50,000	-
7037	Buffer Zone Protection	-	853,100	765,365	622,747.85
7038	Juvenile Protection Records	-	89,223	-	89,223.00
7042	Humanities Texas	-	2,675	-	2,675.00
7043	HC Youth Mental Health Plan	-	115,162	-	99,970.00
7044	TCEQ Solid Waste Education	-	-	-	16,875.00
7045	Adult Violent Death Review Team	33,092	71,722	16,406	22,717.54
7046	RIDES Hurricane Katrina/Rita	-	-	-	484,975.00
7065	Pct 2-Unincorp Area Revitalization	225,979	124,749	92,616	32,361.71
7075	TX Historic Crthouse Preservation	-	575,000	-	575,000.00
7085	CPNPA-Community Projects/Nutrition & Physical Activity	7,477	2,506	-	-
7107	Citizen Corps	94,621	150,480	83,193	67,287.20
7108	CERT	(6)	6	-	-
7109	TX Disaster Relief Fund Grant	-	282,746	259,101	(45,256.00)
7115	Allstate Foundation Grant	17,775	182,225	111,047	73,723.04
7119	HMGP/Fema DR-1606	-	8,000,000	5,164,719	2,821,972.54
7120	Community Development Block Grant	(33,595)	-	-	-
7125	Non-Emergency Transport Svcs	491,181	1,793,691	482,437	1,096,009.31
7130	Emergency Shelter Grant	642,452	937,954	522,630	434,258.58
7136	Halls Bayou Greenway	-	4,000,000	448,069	3,551,931.16
7140	Home Program	8,039,538	9,119,678	1,450,019	8,351,046.57
7150	Community Development Block Grant	(4,439)	-	-	-
7151	Reliant Energy Care Program	325,000	1,869,952	771,483	1,383,451.28
7155	HMGP/Fema 1606-DR	-	2,530,000	-	2,530,000.00
7165	Private Programs	95,294	2,327,706	1,261,643	1,077,223.49
7168	Public Housing Safety Initiative	-	106,409	-	106,409.00
7169	BIG READ	-	40,000	-	40,000.00
7175	Mobility Transportation	3,649	55,636	24,882	30,753.87
7185	Centerpoint Energy Care Program	-	82,910	11,886	75,782.11
7195	Truancy Intervention Program	-	124,575	20,302	108,732.91
7200	Shelter Plus Care	2,436,436	8,110,894	2,002,309	4,447,798.15
7205	Natl Recreation Trail Grant	83,791	6,238	6,238	-
7215	Human Trafficking Rescue	174,007	408,296	194,703	221,466.09
7222	TCEQ-Low Income Vehicle Repair	878,191	3,746,565	1,451,000	2,295,564.57
7235	2006 OJP Hurricane Relief Project	-	1,500,000	1,382,580	117,420.46
7262	Help America Vote Act	-	11,000	11,000	(11,000.00)
7275	Stand Alone Drug Testing	-	60,000	7,643	53,601.95
7280	Phase XV-Utility Assistance	499,805	461,214	460,791	320.13
7281	NASA Research Grant Funds	155,246	14,972	13,311	-

**HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 08
FUNDS APPROPRIATIONS**

HARRIS COUNTY GRANT FUNDS - ROLLOVER (con't)		FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Expenditures	FY 2007-08 Appropriations Budget
7283	FEMA-Allison Hazard Mitigation	\$ 699,565	\$ 5,295,434	\$ (3,759,457)	-
7284	FEMA-Tropical Storm Allison 01	5,000	0	(104,700)	(810,080.00)
7285	FEMA-Tropical Storm Frances	116,903	-	-	-
7286	FEMA-FMAP Home Acquisition	-	523,267	410,464	-
7287	FEMA/Oct-Nov 98 Floods	150,658	604,236	314,820	-
7288	FEMA 1439-DR Subst Dmage Homes	-	1,159,636	-	1,159,635.59
7289	Emergency Mgmt Performance	416,818	1,042,547	416,818	(52,102.00)
7291	FEMA 1624-Dr Texas Wild	-	2,568	2,568	-
7292	FEMA Flood Mitigation Assistance	-	3,588,940	1,265,018	2,323,922.19
7293	Flood Control FEMA 1439	399,499	0	4,951	-
7294	Hurricane Katrina 2005	7,052,324	13,651,787	3,332,618	10,319,169.03
7295	Hurricane Rita 2005	-	1,164,551	860,983	303,568.06
7296	HC Alliance-Children & Families	14,179	2,485,780	823,582	1,241,322.91
7375	CRI-Cities Readiness Initiative	556,845	2,852,915	878,018	2,498,077.82
7414	TP&W-Rio Villa Pk Canoe Trail	-	91,360	-	-
7416	Elderly/Disabled Transportation	232	323,838	287,528	36,264.42
7418	Coastal Management	103,280	10,500	10,500	-
7423	Target Stores Community Giving	3,234	11,766	6,763	5,002.67
7424	Strake Foundation Summer Reading	5,000	-	-	-
7425	Gates Foundation	77,479	521	-	521.45
7426	George & Mary J. Hammond Foundation	7,847	1,280	1,280	-
7428	Simmons Foundation	2,500	5,000	2,500	2,500.00
7429	Dollar General Foundation	-	1,500	1,500	-
7431	Aquatics Center	-	200,000	-	200,000.00
7433	Herzstein Foundation	4,971	29	29	-
7441	TX Reads Grant - B Bush Branch	-	2,900	2,900	-
7446	HALS-Houston Area Library System	125,734	208,768	102,146	105,033.00
7448	Reading is Fundamental, Inc	6,100	16,728	8,280	8,448.00
7453	HALS-Staff Development	-	14,690	8,511	6,000.00
7456	BMP Effect Pollutant Reduction	66,151	144,375	54,099	106,850.37
7463	Safe School/Healthy Students	22,975	-	-	-
7560	Burnett Bayland Home	300	-	-	-
7585	City of Houston/Anti-Gang	(9,901)	-	-	-
7595	Residential Substance Abuse	321,779	143,882	98,112	(1.00)
7635	Ensuring Access, Encouraging Support	77,273	208,280	154,206	80,328.23
7640	BBH Residential Recreation	492	-	-	-
7660	HUD Comm Develop Block Grant	13,229,077	31,281,913	19,487,185	12,987,000.87
7695	Sex Crimes Offender Registration	229,760	27,707	-	-
7697	Sex Offenders Monitor & Compliance	56,301	205,693	153,814	48,760.18
7707	Project Safe Neighborhoods	134,386	96,567	1,634	28,787.91
7724	Ward Mentor Program	7,649	243,208	53,247	191,972.15
7749	Task Force-Underage Drinking	9,810	41,089	10,455	16,755.08
7980	Juvenile Accountability Incentive Block	807,222	433,746	304,160	132,892.21
7981	Juvenile Accountability Incentive Block	16,614	8,940	8,915	-
7990	Case Management Svcs JJAEP CPS	3,767	85,936	-	-
8002	Burning Crow	-	217,000	-	217,000.00
8008	HIDTA Law Enforcement	23,585	1,163,875	496,814	686,598.90
8020	Tuberculosis Prevention and Control	435,314	794,374	589,801	226,461.31
8025	HGCSO Grant	-	80,000	80,000	-
8030	Office of Regional Program	273,059	339,234	212,144	126,469.36
8032	Non-Emergency Medical Transport	930,031	642,884	642,883	-
8037	CHIP Outreach Program	208,736	116,821	190,402	-
8040	Run Away & Youth Family	117,621	197,552	22,262	131,064.90
8045	STAR Program	205,706	646,093	284,221	354,047.49
8050	Maternal and Child Health	845,090	1,442,142	877,446	519,419.66
8060	Refugee Health Screening	762,620	1,984,720	795,148	828,601.00
8065	Texas Tobacco Prevention Pilot	399,728	663,857	394,562	251,763.88
8066	Texas Book Festival Grant	-	2,253	802	1,451.70

**HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 08
FUNDS APPROPRIATIONS**

HARRIS COUNTY GRANT FUNDS - ROLLOVER (con't)		FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Expenditures	FY 2007-08 Appropriations Budget
8070	Immunization Action Plan	\$ 617,037	\$ 1,223,220	\$ 841,112	449,253.33
8090	Tuberculosis Elimination Division	131,733	112,301	89,808	104,418.00
8100	Tuberculosis PC (Prevention & Elimination)	34,528	101,949	44,940	40,337.68
8110	Family Planning	1,264,359	4,026,739	1,825,137	908,444.41
8125	HRSA-Special Projects	266,191	619,324	72,884	289,544.15
8130	State Legalization Impact	3,703	855,923	2,104	810,977.30
8140	HIV Prevention	347,257	494,842	305,134	188,182.28
8145	St. Louis Encephalitis-UTMB	269,811	730,012	268,346	468,897.74
8150	HIV PCPE/HERR	125,034	152,013	124,982	101,943.00
8160	Maternal and Child Health PTB	203,014	722,308	284,114	261,386.69
8165	Bioterrorism	2,096,404	5,385,815	2,044,058	2,381,845.96
8180	TDH Vaccine	3,634,051	5,607,332	-	5,607,332.00
8200	Ryan White Title 1	19,824,296	25,606,892	19,992,692	6,334,167.65
8215	Infectious Disease-West Nile	207,805	418,863	212,202	254,441.86
8270	TX Automated Victim Notification	129,021	252,470	252,470	-
8285	Lone Star Libraries Program	191,762	189,873	126,383	67,443.62
8320	WIC Supplemental Feeding	6,268,153	12,281,697	6,726,693	5,351,077.50
8410	Residential Substance Abuse	292,471	833,440	282,622	165,071.68
8455	TX Council for Humanities	4,460	2,440	1,951	488.38
8456	NEH-Elizabeth I: Ruler & Legend	1,000	-	-	-
8480	Local Law Enforcement Block Grant	696,857	1,014,704	1,010,655	-
8487	Preparation for Adult Living (PAL)	1,392,942	2,430,249	1,319,219	1,027,019.74
8488	Community Youth Development	750,004	1,940,501	944,068	1,002,372.15
8489	Concrete Services Program	26,942	1,821	-	-
8493	PPT-Perm Planning Team Program	287,259	65,341	(158)	-
8494	Title IV-B Family Assessment	163,872	7,331	-	-
8510	Law Enforcement Training	11,129	-	-	-
8515	Early Medical Intervention	88,175	144,781	97,331	18,251.39
8520	Domestic Violence Unit	60,279	113,775	53,190	52,936.49
8525	Domestic Prepare Equip Support	1,016,610	22,313,358	4,370,145	18,042,928.14
8540	Major Drug Squad	81,485	30,593	19,692	10,900.46
8565	COPS in School Program	-	-	-	-
8585	COPS UHP	408,999	544,565	487,290	81,251.98
8593	Weed'N'Seed CDD	38,395	186,875	186,875	-
8596	Aldine Weed and Seed 2	12,237	3,068	-	-
8600	Targeted Narcotics Enforcement	12,537	264	-	-
8605	Bulletproof Vest Partnership	159,561	534,363	175,740	411,363.39
8610	Truck, Air, Rail and Port	62,095	46,300	-	46,299.83
8615	HIDTA-Gang Squad	24,606	7,177	7,155	(708.00)
8620	Money Laundering Initiative	469,486	611,875	315,842	296,033.17
8630	Violent Crime Initiative	6,349	-	-	-
8635	Methamphetamine Group	13,215	3,912	-	-
8640	Houston Intelligence Support Center	270,091	249,882	138,463	112,133.39
8650	H.C. Organized Crime Unit	799,624	138,019	-	-
8675	Forensic DNA Lab Improvement	14,521	15,279	15,153	-
8676	HCME Coverdell Improvement Program	-	79,760	79,633	-
8685	Tobacco Compliance-Public Account	9,861	60,160	25,926	6,000.00
8705	Crime Victim Assistance	184,646	166,323	75,418	42,765.00
8707	Victim Assistance Coordinator	-	63,092	34,395	30,970.95
8710	Auto Theft Prevention	1,480,484	2,093,796	1,708,071	323,586.22
8711	Protective Order Prosecutor	94,903	202,324	110,088	69,885.70
8715	Justice Assistance Grant	79,231	2,670,854	406,014	2,584,932.27
8725	Cold Case Squad	85,761	23,828	-	-
8730	Solid Waste Implementation Program	21,975	144,700	106,968	44,077.34
8731	HGAC Solid Waste	79,221	342,161	247,253	150,781.01
8760	Caseworker Intervention Expansion	115,354	287,816	139,093	94,884.08
8762	Internet Crimes Against Children	-	15,000	13,306	-
8765	Family Violence Specialized	31,026	15,384	-	-

**HARRIS COUNTY, TEXAS
FISCAL YEAR 2007 - 08
FUNDS APPROPRIATIONS**

HARRIS COUNTY GRANT FUNDS - ROLLOVER (con't)		FY 2005-06 Expenditures	FY 2006-07 Adjusted Budget	FY 2006-07 Expenditures	FY 2007-08 Appropriations Budget
8766	Felony Family Violence	\$ 70,057	\$ 134,488	\$ 66,613	51,536.75
8768	STAR-State Drug Court	27,905	292,645	124,575	155,481.90
8775	DNA Enhancement Project	194,358	657,074	205,693	471,008.93
8778	DNA Backlog Reduction Program	516,846	1,088,487	329,768	858,757.00
8779	Forensic Lab Improvement Program	9,266	85,734	85,710	504.57
8825	G.R.E.A.T. Program	361,590	563,257	298,536	230,372.09
8865	D.W.I. Step	115,867	434,613	135,866	220,992.81
8880	National Maximum Speed Limit	99,033	293,695	105,918	118,356.12
8888	HC Hospital Foundation - Dental	30,483	69,614	41,513	22,887.50
8895	Safe and Sober STEP	293,078	776,610	174,024	351,716.95
8896	STEP-Impaired Driving Mobilization	15,759	59,241	-	-
8897	Commercial Vehicle Safety	23,523	191,714	53,272	77,250.61
8905	HCHFC-MAP Plus/ESG Match Grant	408,000	1,472,000	671,500	800,500.00
8910	Motor Assistance Program (MAP)	1,483,159	2,964,896	1,706,941	872,552.65
8960	Violence Against Women	69,412	174,939	76,006	63,079.43
8980	Runaway Investigative	23,718	100,784	77,507	20,946.33
Harris County Grant Funds - Rollover		\$ 114,069,131	\$ 285,955,067	\$ 121,873,207	\$ 148,215,009.37

Policy Issues

The following items are presented for consideration March 6 as part of the proposed FY 2007-08 budget. The items result from hearings January 10-12 and February 20 and are in accordance with court direction for public hearing and budget adoption on March 6.

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 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 19. At that meeting final decisions will be made for a bond election for capital projects to be held on November 6, 2007.
- f. The Mid-Year Review will be held at 9 a.m. Tuesday, September 25.

2. **Salaries, Allowances, and Positions**

- a. **Cost of Living** It is recommended that the court authorize preparation for a 3% cost of living salary adjustment for positions effective with the pay period that begins September 29. The approximate cost to the general fund would be \$8.3 million this fiscal year, FY 2007-08, and \$20 million in the subsequent fiscal year, FY 2008-09. The court approved a 3% COLA last September at an approximate annual cost of \$19.2 million.

- b. **Allowances** It is recommended that allowances for FY 2007-08 be as follows: 48.5¢ per mile reimbursement for use of a personal vehicle on county business, subject to a maximum of \$650 per month; maximum monthly car allowances of \$550 for law enforcement officers, and, subject to court approval, for elected officials and appointed department heads, and \$400 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 cellular phone allowance of not to exceed \$50 per month for authorized staff should not be changed at this time.

- c. **Positions** Lists of new positions and salary changes and reclassifications have been prepared for budget adoption. Further changes may be recommended as agenda items subject to the availability of funds.

The average annual cost of a full-time position in the county is \$68,569, including salary of \$49,872 and benefits of \$18,697. The total requirement for salaries and benefits in the general fund, with 12,107 full-time equivalent positions, is \$830.1 million, which is about 72% of operating costs.

- d. **Salary Reviews** Recommendations have been prepared and are attached for the next phase of salary and incentive adjustments for peace officers. Recommended schedules for salary levels for judges and officials are also attached for consideration.

Other position, salary, and incentive review changes for departments and functions may be presented for consideration of the court as agenda items at a later date 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 \$162.8 million, an increase of \$18 million. The county's portion of the cost will be \$127.9 million, or 78.6% 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, 2007, the medical provider, Aetna Inc., will begin the fourth year of a five-year agreement.

Staff of the Office of Human Resources & Risk Management are reviewing with the Auditor and County Attorney new requirements of the Government Accounting Standards Board to determine appropriate alternatives for financial statements on the expense of county-paid retiree health care benefits.

- 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 2006-07 shows the following.

FY	Total Cost \$	In Houston and Texas Cost \$	% of Total	Out of Texas Cost \$	% of Total
2006-07	2,815,362	1,881,898	66.8	933,464	33.2
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

A suggested revision to the county travel and training policy has been placed on the court's agenda.

3. **Public Infrastructure** Recommendations have been prepared for the budget and positions and related adjustments for the department's various divisions and offices: PID Administration, Right of Way, Toll Road Authority, Construction Programs, Flood Control, Engineering, and Planning & Operations.
- a. **Facilities & Property Management** The court on December 5, 2006 instructed that FPM be merged into PID effective with the new budget. The proposed budget for FPM and positions become part of PID when the final budget is adopted. FPM will retain its same organization number, 299, in the accounting system, and will be shown as another office in the PID network of services.
- FPM offices will remain at their current locations. A list of positions, salaries, and allocations are attached for approval. Additional changes will be made or recommended as the PID director and his staff, with the assistance of Management Services, complete reviews. Certain functions, such as archives, records management, and security may be assigned to other departments.
- b. **Financial Support** A recommendation has been presented in the attached material for positions that can assist in providing integrated financial oversight, planning and support for the varied activities of the Public Infrastructure Department.
- c. **Capital Projects** An updated plan for capital projects from PID, including buildings, will be presented for the Capital Improvements Program session of court on June 19. The plan will provide information necessary for the court to prepare for a bond election for November 6, 2007.
4. **Information Technology** A recommendation has been provided in the budget for positions and classification changes requested by the IT director. The Auditor and Purchasing Agent asked that added support be approved for the financial system. Both said they believe the current IT staff is insufficient in size for support of their needs.

A task for Management Services this year is to provide an assessment of staff and related resources for information systems support in the varied departments and functions of county government.

5. **Public Health** A report from the director of Public Health & Environmental Services on the handling of dangerous dogs is attached for reference. The report provides a recommendation for additional positions for the Veterinary Public Health Division so that services can be increased from five days per week to seven. The court has authorized purchase of property for an expanded Animal Control Shelter on Canino Road. A construction schedule with estimated cost will be prepared for the court.

The court expressed concern for law enforcement coordination for the expanded animal control services. Recommendations will be presented regarding the animal control positions and the role of law enforcement for response to the presence of dangerous dogs and other animals.

6. **Library Services** The position of director of the County Library has been advertised nationwide through the Internet in various professional journals and joblines. The search committee, composed of a library liaison employee of each court member, a former Houston Library director and consultant, and a representative from Management Services, will meet to review applications for recommendations to court. The deputy director, Rhoda Goldberg, began serving as interim director in January. An order has been approved by the court to provide Ms. Goldberg with the director's salary pending selection of a permanent director.

Management Services will prepare a study of positions and salaries for County Library staff in comparison with the City of Houston and other urban systems.

The director of the Law Library has also requested that a review be provided of the salaries for his department. This analysis would be prepared in consultation with the County Attorney's Office as it is the designated liaison for the Law Library.

7. **Youth & Family Services** Recommendations will be prepared concerning requests of the departments for positions and reclassifications that are part of Youth & Family Services: Domestic Relations, MHMRA, Cooperative Extension, Juvenile Probation, Protective Services for Children & Adults, and Children's Assessment Center. Social Services has been added to this list for budget consideration.

Regarding Cooperative Extension, the County Attorney will be asked to prepare an agreement with the state to clarify responsibilities for benefits and liability issues for those personnel who are paid by the county and the state. Of the department's 21 positions, 11 are paid by the county and 10 are paid by both the state and the county. Requests for position changes will be reviewed after completion of the agreement.

For MHMRA, funding for continuation of general services and TRIAD, HCPC, and NeuroPsychiatric Center programs are in the budget. Mental health services in the jail will be by contract with the Sheriff's Department.

In addition to new positions for Juvenile Probation, which are included in the attached material, a progress report on the master plan for juvenile facilities has been submitted by PGAL. A copy is attached for reference. Recommendations will be placed before the court at the June CIP session.

Social Services will be merged into Community & Economic Development as part of the new budget. Such a move should facilitate a closer connection in providing programs and funding opportunities for assistance to homeless and low income persons and families. Management Services will assist the departments in facilitating required changes.

8. **Constables** Six of the eight constables have requested a total of 102 new positions, with Precincts 1, 4, and 5 asking for 81 of them. The Constable of Precinct 4 is also requesting that the court authorize a collaborative program among county law enforcement for coordinated response to computer crimes. Another concern of the constables is the need for upgrades in mobile video and recording equipment for patrol vehicles. Recommendations will be prepared regarding these items and related matters as possible agenda items, subject to availability of funds.
9. **Sheriff** A proposal for the next step in adjusting pay and incentives for peace officers is attached for the new budget. Other requests that are under review for recommendations, subject to available funds, include investigative and support positions and replacement of equipment. Included in the budget is funding for additional officers for District V.

For jail operations, positions have been provided for mental health screening staff. Other items as part of the new budget include a contract with the Harris County Psychiatric Center for beds and services for certain mentally ill inmates, an agreement with Harris County MHMRA for psychiatric and related services for inmates in the jail, and other contracts and projects for jail operations.

Plans are proceeding for the Central Processing Center. An agreement will be prepared for participation by the City of Houston. The project is estimated to cost \$245 million with \$32 million to be provided by the city along with processing and housing fees. The project will provide the county with an expanded area for processing of inmates for medical and mental health screening services. The city's contribution for construction will provide a processing area and beds for Class C defendants charged by the city.

Another project in the planning stage is a jail facility at Atascocita. The estimated cost is \$25 million.

Progress on both projects will be updated for review at the June CIP session.

10. **Fire Marshal** Additional positions have been included for investigators, inspectors, a hazardous material technician, and administrative support staff. All of the services of this department have increased because of growth in the unincorporated areas of the county.
11. **Office of Homeland Security & Emergency Management** The Fire Marshal also is coordinator of this department. Certain positions have been approved for OHSEM as requested by the County Judge. UHY Advisors is preparing a study of emergency management that should be complete within the next month. Suggestions could then be prepared for other changes that may be helpful for coordination and response capabilities for all entities that are involved in management of emergency situations.

Planning is underway for an expansion project for the emergency center at 6922 Old Katy Road.

12. **Medical Examiner** A portion of positions requested by the Chief Medical Examiner have been listed for approval. Management Services will review other positions that have been requested along with new equipment and facility renovations.

The Medical Examiner is also requesting an additional facility. That subject will be presented at the June CIP session for consideration.

13. **County and District Clerks** Recommendations have been prepared regarding certain positions and various reclassifications for the County Clerk. She is also asking for additional funds for her elections budget and added space for her Elections and Public Affairs Divisions. Management Services will monitor the need for more election funds and will review the alternatives that can be considered for added space.

The District Clerk's request for continued funding is under review for the case imaging project in which records and files are converted to a digital format where they can be made available electronically. The work is being done at the 1301 Franklin facility. Recommendations have been prepared for various reclassifications.

14. **County and District Attorneys** A recommendation has been included for the County Attorney for new positions for the Child Protective Division because of a continuing increase in cases. The court approved eight positions, including three attorneys, for that division last year. Recommendations are also included for reclassifications. A request by the department is under review for renovation of a portion of its space in Congress Plaza to provide added offices and a storage/work area for use by the Child Protective Division and Office of Legislative Relations.

An additional attorney position is listed for court approval for the County Attorney's General Counsel Division for matters related to health law and legal assistance for the Medical Examiner's Office.

A recommendation is included for the District Attorney's Office for new positions for various divisions and salary adjustments. Other salary reviews will be done during the year. The court approved 55 positions that became effective for the department during the last four months of FY 2006-07. Space has been assigned to the District Attorney for storage, and assignment of additional space is under review. Following approval of the budget, Management Services will provide a list of projects and equipment for the District Attorney to consider for possible allocation of a portion of his discretionary funds for the county's criminal justice system.

15. **Community Supervision & Corrections** A review will be made of the request by the director of CSCD for the county to provide for safety and security at certain probation reporting centers, and that centers at 3330 OST in Houston and 1000 Lee Drive in Baytown be expanded or relocated because of high caseloads.

Reviews will continue with the department and judges for additional or expanded probation programs that could help lower the jail population.

16. **Pretrial Services** Recommendations have been prepared for new positions, including pretrial service officers. The number of persons arrested has increased, but the percent of those interviewed by the department has declined. More officers should help in the effort to provide the information necessary for magistrates and judges to decide on the release of low-risk defendants, and for review of the status of detained defendants. Analyses will be done on requests for a new case management system and a new defendant risk assessment form.
17. **Justices of the Peace** The Office of Court Management prepared a report on workload distribution and collections for the Justices of the Peace. This report was made available last September at Mid-Year Review. Recommendations have been prepared for staffing, and other recommendations will be presented for staff changes and for prosecutors, security, caseload management, equipment, and travel.
18. **Probate Courts** A proposal for equalization of staffing and funding among the four courts will be prepared for consideration.
19. **County and District Courts** The county courts plan to study ways to improve the processing of persons with mental health impairments and the need for attorneys to be assigned by contract for mental health cases.

The district courts administrator is asking for funds to continue operation of the Adult Drug Court program as grant funds expire in August 2007. Management Services will monitor the need for added funds. A position of Specialized Caseload Manager for the program has been recommended in the budget.

The district courts have agreed to ask the court for approval of a contract with the Justice Management Institute for a study to assess administrative needs and ways to achieve greater efficiencies in the use of judicial resources. A letter from the administrative judge of the district courts and a project proposal are attached for reference. The Family Courts Division would be the first of the four trial divisions to be studied. The county courts have agreed to a sharing of cases between the civil and criminal benches when necessary.

A proposal for adjustment of judicial salaries has been prepared and is attached for consideration as part of the new budget.

The court at Mid-Year Review asked that further discussion of a new family courts facility be scheduled for the new fiscal year. If authorized, the subject could be part of the bond election that would be set for November 2007. A list of alternatives for such a building as to location and approximate cost should be considered at the June CIP session.

20. **Appellate Courts** The proposed county budget would provide the two appellate courts with the same level of funding and services as last year. Meanwhile, phased work continues for demolition and abatement of the interior of the old Civil Courts Building at 301 Fannin. The next phase would be renovation of the building. The total cost is projected at \$65 million. Completion is expected to be at the end of 2009 at which time the two appellate courts would be moved from the S. Texas College of Law building at 1307 San Jacinto to the renovated courts building at 301 Fannin. The Fannin building was the central location for the appeals courts until they moved to the law school building in December 1983.
21. **Tax Assessor-Collector** In addition to its study of emergency management, UHY Advisors is in the process of completing its analysis of the cost of tax collections and a proposed fee structure. Recommendations will be given to the court with a goal of implementation for the 2007 tax year on July 1. Agreements with various entities will have to be prepared by the County Attorney's Office.
22. **Auditor and Purchasing Agent** The Auditor is adding three positions to her budget. Both officials have included reclassification and salary changes for certain positions.

The Purchasing Agent is requesting that the court consider a policy requiring departments that are vacating offices and moving to other facilities to be responsible for removing all furnishings and equipment from the vacated areas.

23. **Treasurer** The First Assistant's salary has been adjusted from the level that was paid during the period she served as interim treasurer. Following review and approval by the Treasurer, a subsequent adjustment will be proposed for the position.

24. **County Judge and Commissioners** Final appropriations for these five departments have been made for the budget. Staff salary changes and position reclassifications have been listed for approval as part of the new budget.
25. **Sports & Convention Corporation** County expenditures related to the Reliant Park operation and its facilities have generally been paid from the Hotel Occupancy Tax Fund. A projection for FY 2007-08 shows that expenses in that fund may exceed revenues unless the county shifts certain obligations to its operating fund. The difficulty lies with two line items: insurance and utilities. Management Services will monitor these expenses during the fiscal year and transfers for payments will be made as necessary.
26. **Demographics** A report by the EBusiness Results Team on the impact of population growth on county services is attached for reference. The material will be updated as new information becomes available. An emphasis in the report is on the unincorporated areas of Harris County. The amount of population growth throughout the county will have an impact on expenditures for all departments, but the exponential development in the unincorporated portion will continue to place stress on those departments that are required to provide specific urban services in those areas.

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