

Policy Issues

The following items are presented for consideration February 20 as part of the proposed FY 2007-08 budget. The items will be adjusted 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 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, \$530 per month 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 will be presented for budget adoption March 6. Departments in the general fund have requested 559 new positions.

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 will be presented on March 6 for the next phase of salary and incentive adjustments for peace officers. Recommended schedules for salary levels for judges and officials will also be transmitted for consideration. Other position, salary, and incentive review changes for departments and functions will be presented for consideration of the court as part of the new budget adoption order on March 6, or 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	2,908,248	1,959,837	67.4	948,411	32.6
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

3. **Public Infrastructure** Recommendations will be presented to the court for the budget on March 6 after final reviews for 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 will become a part of PID when the final budget is presented on March 6. 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 their allocation to functions, such as architecture, planning, operations, building services, and records, will be presented March 6. A recommendation will be made concerning the management of courthouse security.
- b. **Financial Support** A recommendation will be presented for the budget 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 decide on plans for a bond election to be considered for November 6, 2007.
4. **Information Technology** A recommendation will be 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.

Recommendations will be presented for the budget on March 6 regarding the animal control positions and other requests by the director for divisions of the department.

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 prepared for the court's agenda to provide Ms. Goldberg with the director's salary pending selection of a permanent director.

A recommendation will be provided in the budget regarding funding requested for equipment and books and materials for the fiscal year. A salary review study of positions has also been requested.

The director of the Law Library has also requested that a review be provided of the salaries for his positions. 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, it is recommended that the County Attorney 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.

For MHMRA, funding for continuation of general services and TRIAD, HCPC, and NeuroPsychiatric Center programs will be 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 will be recommended for March 6 after final review, 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.

For Social Services, it is recommended that the court consider the merger of that department into Community & Economic Development. Such a move could facilitate a closer connection in providing programs and funding opportunities for assistance to homeless and low income persons and families. If the court agrees, a recommendation on this subject will be presented for March 6.

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 for these items and related matters for the March 6 budget.
9. **Sheriff** A proposal for the next step in adjusting pay and incentives for peace officers will be presented for consideration for the new budget. Other recommendations that will be prepared include funding for additional officers for District V, investigative and support positions, various reclassifications, and replacement of equipment.

For jail operations, positions will be provided for mental health screening staff. Other items to be presented 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** The Fire Marshal is asking for additional positions for investigators, inspectors, hazardous material technicians, and administrative support staff. All of the services of this department have increased because of growth in the unincorporated areas of the county. Recommendations will be prepared for March 6.

11. **Office of Homeland Security & Emergency Management** The Fire Marshal also is director of OHSEM and is asking for six new positions for that office. UHY Advisors is preparing a study of emergency management that should be complete within the next month. Suggestions could then be prepared for changes that may be helpful with coordination and response capabilities by OHSEM and the various 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** The Chief Medical Examiner is requesting 46 new positions for continuation of his effort to improve response time for cases and meet and maintain national standards for the department, including its DNA and crime labs. He is requesting an Assistant County Attorney to be assigned to his office for legal assistance and counsel. That position also is necessary to maintain national standards. Another request is for equipment and facility renovations in the total amount of \$4 million. The Medical Examiner is also requesting an additional facility at a cost of between \$64 million and \$84 million. That subject will be presented at the June CIP session for consideration. Recommendations will be prepared for the March 6 meeting concerning positions, reclassification requests, and equipment.

13. **County and District Clerks** The County Clerk is seeking 13 new positions and various reclassifications. She is also asking for additional funds for her elections budget and added space for her Elections and Public Affairs Divisions. A recommendation will be presented regarding positions and reclassifications. The space request will be reviewed as to alternatives that could be considered.

The District Clerk is requesting continuation of funding 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.

14. **County and District Attorneys** The County Attorney is requesting three new positions for its Child Protective Division because of a continuing increase in cases. The court approved eight positions, including three attorneys, for that division last year. The department is also requesting renovation of a portion of its available space in Congress Plaza to provide added offices and a storage/work area for use by its Child Protective Division and Office of Legislative Relations.

The space changes and required funding will be reviewed, and requests for positions and reclassifications will be addressed on March 6.

The County Attorney concurs in the request of the Medical Examiner for assignment of an assistant attorney for work at the Forensic Center. The First Assistant said that if the court approved, the position would be part of the County Attorney's General Counsel Division and would be available for the Medical Examiner and matters related to health law.

The District Attorney is requesting 15 new positions for various divisions and salary adjustments. The court approved 55 positions for the department that became effective during the last four months of FY 2006-07. The District Attorney is asking for space for storage and assistance in identifying projects in the county's criminal justice system for possible allocation of his discretionary funds. Recommendations for March 6 will be prepared regarding all of these items -- positions, salary changes, storage space, and candidate equipment and projects for discretionary funding.

15. **Community Supervision & Corrections** The director of CSCD has requested the county 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.

The search continues with the department for additional or expanded probation programs that could help lower the jail population.

16. **Pretrial Services** The director is asking for nine new positions, including seven pretrial service officers. The number of persons arrested has increased, but the percent of those interviewed by Pretrial has declined. More officers would help in the effort to provide the information necessary for magistrates to decide on the release of low-risk defendants, and for review of the status of detained defendants. The department is seeking a new case management system with programming for an integrated defendant report. Also desired is a new risk assessment form and process with eligibility criteria for classification of defendants who are suitable for pretrial release, and for their assignment to a proper level of supervision. The goal is to provide the judiciary with a validated instrument and sufficient data for decisions that can be made regarding defendants. Recommendations will be prepared for March 6 on these items and the requested positions.
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. Further analysis is underway and recommendations will be presented March 6 for staffing, prosecutors, security, caseload management, equipment, and travel.
18. **Probate Courts** A proposal for equalization of staffing and funding among the four courts will be presented March 6.
19. **County and District Courts** The county courts are requesting \$2,650,000 for attorney fees in criminal cases compared to \$2,550,000 last year. The district courts are requesting \$19,261,876. The amount last year was \$20,259,846.

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. An outline of that request is attached for reference.

The district courts have agreed to ask 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 is attached for reference. The Family Court 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 will be presented 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. If the court agrees, the alternatives for such a building as to location and approximate cost will be provided for March 6. The court could then decide whether to refer the proposed project to the June CIP session when the final November bond election listing is to be decided.

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 two officials, in a joint memorandum, have requested that additional positions be approved for ITC for support of the integrated financial accounting system (IFAS), and that contingency funds be allocated for them to use if necessary for high priority systems projects that may occur during the fiscal year.

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 down from the level that was paid during the period she served as interim treasurer. Subject to review and approval by the Treasurer, a subsequent adjustment could be made for the position for equalization with certain other positions in the county.
24. **County Judge and Commissioners** Final appropriations for these five departments will be made for the budget to be presented on March 6. Staff salary changes and position reclassifications have been requested and will be 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. A recommendation on this subject will be presented as part of the new budget.
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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