HELPING
STUDENTS
ACHIEVE
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>4</td>
</tr>
<tr>
<td>COVID-19 IMPACT</td>
<td>6</td>
</tr>
<tr>
<td>HCDE STUDENT SERVICES</td>
<td>7</td>
</tr>
<tr>
<td>GOVERNMENTAL ENTITIES SERVED</td>
<td>13</td>
</tr>
<tr>
<td>SUMMARY</td>
<td>19</td>
</tr>
<tr>
<td>FINANCIAL ACCOMPLISHMENTS</td>
<td>20</td>
</tr>
<tr>
<td>APPENDIX</td>
<td>23</td>
</tr>
<tr>
<td>ABOUT THE DEPARTMENT</td>
<td>24</td>
</tr>
</tbody>
</table>
Mr. James Colbert, Jr.
Superintendent
Harris County Department of Education
6300 Irvington Boulevard
Houston, Texas 77022

Re: Study of HCDE Benefits

Dear Mr. Colbert:

Moak, Casey & Associates (MCA) has examined the methodology, data, analysis and program information used by the Harris County Department of Education (HCDE) to assess economic benefit in FY 2020, and determined the following:

1. HCDE is distinctive in its service offerings in that HCDE provided direct services to 73,124 students in FY 2020, through programs such as school-based therapy services, Head Start, Special Schools (Academic and Behavioral Schools, Recovery School, and Alternative Education School), CASE after school programs and other various programs. HCDE also served 6,510 adults and 55,281 students through the Safe Schools program. Over 134,000 total students were served directly and indirectly by HCDE programs. HCDE is able to offer services that take into account scale efficiencies; these efficiencies or cost reductions permit the HCDE to incur lower costs than would be experienced by districts operating as individual units. School districts voluntarily chose to use the services of HCDE, which is testament to the quality and the cost of these programs.

2. HCDE maintained these services despite the disruptions to all our lives brought on by the COVID-19 pandemic. Staff quickly pivoted to continue to offer therapy services, Head Start, after school programs, and special schools with safety protocols put into place to protect students and staff alike. Some services were modified to offer programs through distance learning, while others completely revamped existing programs to meet the special needs of school districts and their students. HCDE modified its budget to cover the extra costs of safety protocols while maintaining quality services.

3. HCDE is financed primarily through the grant and district funds it attracts. A key element of this financing is the use of a countywide property tax that totals half a penny of tax rate (half of the maximum of one cent). HCDE was able to lower its tax rate by 17 percent over the last six years, and below the voter-approved tax
rate for FY 2020 while delivering more services to the community. The property tax revenue allows the HCDE to offer direct services without the need of overhead cost allocation to projects. As a result, HCDE has the opportunity to offer districts lower prices for many services. **This is a critical component of the services that HCDE offers school districts.**

4. With the current financing plan, HCDE provided a total of $126.9 million in services with about $23 million in property tax revenue, or **5.34 dollars for each local property tax dollar.** If local district service fees of $22 million are included, the HCDE provides over $2.50 in services for each dollar from taxpayers or other sources of local funds, a return on investment of over 100%. HCDE received 27 percent of its revenues from fees for services.

5. Of particular note are school district efficiencies and cost reductions resulting from school district use of Choice Partners, a purchasing cooperative. Over 1,700 governmental entities chose to use the cooperative contracts made available through Choice Partners. As a result, Choice Partners was able to transfer about $3.3 million to fund general operations, and to enhance service delivery and programs in Harris County.

6. In addition to services to students, HCDE provided direct services to over 49,800 educators during FY 2020. Just as was true of direct services to students, educators and districts chose to use HCDE services over other service providers, apparently because of the quality or cost of HCDE’s services.

7. Most of the specific services offered by the HCDE are either oriented towards the direct improvement of student performance or increases in operating efficiencies at the local level.

8. HCDE spends about 19 percent, or $4.2 million, of its property tax revenues on administrative costs. The $4.2 million represents about 5 percent of HCDE’s total expenditures from all sources.

9. If HCDE were not providing services, districts and other entities would either have to reduce service levels, seek additional revenue, or establish another entity to offer similar services.

If you have questions or concerns regarding these conclusions, please do not hesitate to contact us.

Sincerely,

Lynn M. Moak, Partner
INTRODUCTION

During fiscal year 2019-2020 (September 1, 2019 to August 31, 2020), the Harris County Department of Education (HCDE) provided services to 134,915 students and 49,885 educators through programs such as Head Start, Therapy Services, Center for Safe and Secure Schools, and others. These services provided to districts throughout Harris County had an economic impact of more than $126 million, a $5.34 to $1.00 return on investment. Specific programs provided by HCDE are explained in detail in the following report.
### Direct Services Impacting Student/Classroom/Educators

<table>
<thead>
<tr>
<th>Service</th>
<th>Number of Students Receiving Services</th>
<th>Number of Educators Attending Professional Development Sessions</th>
<th>Total Estimated Cost of Services Paid by District</th>
<th>Total HCDE Investment to Support District Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Education</td>
<td>6,510</td>
<td>-</td>
<td>-</td>
<td>6,634,055</td>
</tr>
<tr>
<td>Center for Safe and Secure Schools</td>
<td>55,281</td>
<td>6,241</td>
<td>280,828</td>
<td>1,028,495</td>
</tr>
<tr>
<td>CASE for Kids</td>
<td>17,020</td>
<td>2,883</td>
<td>77,470</td>
<td>9,184,144</td>
</tr>
<tr>
<td>Early Childhood and Head Start</td>
<td>1,573</td>
<td>1,671</td>
<td>-</td>
<td>26,524,576</td>
</tr>
<tr>
<td>Educator Certification and Professional Advancement</td>
<td>148</td>
<td>1,257</td>
<td>196,707</td>
<td>868,485</td>
</tr>
<tr>
<td>The Teaching and Learning Center (Professional Development)</td>
<td>80</td>
<td>6,918</td>
<td>304,476</td>
<td>1,487,902</td>
</tr>
<tr>
<td>Special Schools</td>
<td>760</td>
<td>-</td>
<td>9,469,676</td>
<td>29,220,637</td>
</tr>
<tr>
<td>School Based Therapy Services</td>
<td>6,668</td>
<td>7,228</td>
<td>8,892,942</td>
<td>14,538,623</td>
</tr>
<tr>
<td>Digital Education &amp; Innovation</td>
<td>46,875</td>
<td>13,694</td>
<td>407,739</td>
<td>524,136</td>
</tr>
</tbody>
</table>

### Support Programs

<table>
<thead>
<tr>
<th>Service</th>
<th>Number of Students Receiving Services</th>
<th>Number of Educators Attending Professional Development Sessions</th>
<th>Total Estimated Cost of Services Paid by District</th>
<th>Total HCDE Investment to Support District Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Services</td>
<td>-</td>
<td>648</td>
<td>291,438</td>
<td>331,701</td>
</tr>
<tr>
<td>Research and Evaluation</td>
<td>-</td>
<td>150</td>
<td>11,999</td>
<td>799,357</td>
</tr>
<tr>
<td>Center for Grants Development</td>
<td>-</td>
<td>5,058</td>
<td>25</td>
<td>113,826</td>
</tr>
<tr>
<td>Choice Partners</td>
<td>-</td>
<td>1,748</td>
<td>5,956,214</td>
<td>32,284,372</td>
</tr>
<tr>
<td>Records Management</td>
<td>-</td>
<td>2,389</td>
<td>1,850,262</td>
<td>3,040,050</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>134,915</td>
<td>49,885</td>
<td>27,739,775</td>
<td>126,580,359</td>
</tr>
</tbody>
</table>

**TOTAL ECONOMIC IMPACT**
On March 9, 2020, HCDE was scheduled to go on spring break, and was preparing to develop budget projections for the next year, as the news of a widespread pandemic hit the market. The President of the United States declared an Emergency Disaster situation across the U.S., and in Texas, the Governor implemented a stay home mandate for the State. HCDE staff did not return from spring break, and everyone was asked to go on emergency leave pending guidance from federal, state, and local authorities. Soon thereafter, staff was asked to work from home and be available for meetings via teams, Zoom and other communication means. Work from support divisions continued from home, and service division began to provide alternative services to districts and students via Zoom and distance learning. Programs such as Head Start and others provided services to students under safe protocols.

On September 3, 2020, staff returned to the office and precautionary steps implemented: by requiring masks to enter the building, a health survey of all those entering, and temperature checks. In addition, HCDE facilities were equipped with sneeze guards, signs requiring distancing 6 feet apart, limiting elevator capacity to 2 persons, and restricting group meetings and lunch chairs and facilities. To implement the changes, HCDE re-allocated $1,500,000 from planned expenditures, and received $1,100,000 funding from the Health and Human Services. No state funding was received or allocated by the State or Harris County government entity.

HCDE monitored revenues and expenditures monthly, and the Board approved continuation of pay to everyone during the time away from the office. The Department expected a potential tax revenue loss and other fee revenue losses in the General Fund. While there were reductions in revenues, HCDE implemented a contingency plan to reduce capital expenditures. HCDE did not need to expend all the funds allocated for this emergency.

However, for grants like Head Start from the Health and Human Services, CASE from 21 Century Afterschool Grant, and Adult Ed from the Workforce Development Program, the Department will continue to be reimbursed based on expenditures incurred. In addition, these grants have allowed the purchase of additional technology and expenses associated with COVID-19 preventive activities. Moving forward, the Department went through the budget review process by holding meetings with division directors via Teams and the projected budget was developed which include many initiatives while maintaining a sound business model. Review files were included in a “Teams” (Microsoft) folder for the committee to review. Presentations were submitted electronically and shown on the Teams meetings. Sample screen shots of our meetings are included in this document. Clients have been in close contact with our divisions, and all indications are that contracts are projected to be renewed at higher levels of services.

These two images show as an example of the Teams virtual meeting, as budget committee members and director were working from home. This is the presentation of Educator Certification and Advancement (ECA) Division, on the SWOT analysis. In addition, the department held monthly board meetings via Zoom in compliance with the governor’s order and requirements.
HCDE
STUDENT SERVICES
HCDE STUDENT SERVICES

DIRECT SERVICES TO EC/PK-12 STUDENTS: 73,124

TECHNOLOGY, RECORDS MANAGEMENT, AND CO-OP SERVICES
17,831

THERAPY SERVICES AND AFTER SCHOOL STUDENTS SERVED
23,688

EARLY HEAD START- HEAD START AND HCDE STUDENTS SERVED
1,573

SPECIAL SCHOOLS STUDENTS SERVED
760
HARRIS COUNTY DEPARTMENT OF EDUCATION 
FY2020 COST SAVINGS REPORT

The HCDE Head Start Program provides school readiness services to economically disadvantaged students and their families. The program supports academic achievement, social emotional development, health and wellness, and family development, while providing intervention services to children who may have an identified disability. HCDE served 1,604 and 1,573 students during fiscal years 2019 and 2020 respectively and plans to serve more than 1,500 students during FY 2021. During the pandemic, Head Start Program has adapted to serving both virtually and in person. A health and human services grant was received to provide for personal protective equipment, adding sneeze guards and contact tracers in order to meet the federal and licensing requirements for COVID-19 service delivery.

House Bill (HB) 3 was passed by the 86th Texas Legislature, 2019, and signed into law by Governor Abbott on June 11, 2019. HB 3 impacts districts and open-enrollment charter schools serving prekindergarten through third grade students. According to TEA, districts must convert existing half day prekindergarten services for four-year old to be full day, effective with the start of the new school year. Recognizing this will create a large number of logistical challenges for some districts given the short amount of time with which to implement this requirement, the legislature created a limited process to obtain an exemption to this requirement, but the process itself requires districts to attempt to engage in partnerships with community-based early learning centers. HCDE is ready to collaborate with school districts and has various partnerships already in place.

HCDE works with 12 school districts within the Area I Head Start boundaries, operating 15 Head Start Centers in North East Harris County. Partner school districts include:

- Channelview
- Clear Creek
- Crosby
- Deer Park
- Galena Park
- Goose Creek Consolidated
- Houston
- Huffman
- La Porte
- Pasadena
- Sheldon
- Humble

As children complete pre-k, HCDE coordinates with school districts to create smooth transitions to Kindergarten to maximize gains that students have made during Pre-K.

Since 2016, HCDE Head Start Area One has received expansion grants to develop an Early Head Start (EHS) program, becoming a grantee for the newly envisioned Early Head Start Child Care Partnerships. The EHS Expansion grant extended HCDE services to include 40 infants and toddlers in our center and 60 with our community partnerships in the Baytown area.

Through partnerships with existing community childcare centers, HCDE will increase the number of high-quality comprehensive services provided to infants and toddlers in the community. HCDE is currently partnering with five local childcare centers.

In FY 2020, the Head Start Program received a $1,100,000 grant to assist the program in addressing the needs for technology, personal protective equipment, supplies, tracking, and cleaning functions to make the facilities ready and safe for children and staff. This grant was part of the Cares Fund Act that provided funding to deal with COVID-19 virus.
ACADEMIC BEHAVIOR SCHOOLS
HCDE’s Academic Behavior Schools (AB Schools) provide an alternative, safe instructional environment with low teacher-student ratios for students in Kindergarten through twelfth grades. School districts place students (ages 5 to 22) identified as having severe behavioral difficulties, emotional difficulties, intellectual disabilities, and/or developmental disabilities. Students with autism make up about 25 percent of the student population at HCDE’s AB Schools. Students attending AB Schools typically need a life skills environment or an adaptive behavior environment.

Highly qualified staff members (teachers, instructional aides, and administrators) teach students with both needs. HCDE provides a structured school environment where each student is cared for intellectually, physically, emotionally, and socially. HCDE utilizes a TEKS-aligned core curriculum, instructional strategies, individual educational plan (IEP), along with appropriate assessment. Each classroom provides two adults per six students.

HCDE AB schools served 343 and 298 students during fiscal years 2019 and 2020 respectively. For students with autism, the Applied Behavior Analysis model motivates and encourages students to improve their social behaviors to a meaningful degree and to learn vital life skills that will enable them to live a productive life in their homes and communities. The Department projects serving over 350 students during FY 2021.

HIGHPOINT SCHOOLS
HCDE’s Highpoint Schools (HP Schools) serve students in grades 6 through 12. The two HP Schools provide a disciplinary alternative educational program (DAEP) for students removed from their home school districts for disciplinary issues. Highpoint Schools serve students placed for both mandatory and discretionary offenses and behaviors. Students at Highpoint Schools learn discipline skills to manage their behavior when they return to the regular classroom. Students and their legal guardians must attend orientation and training prior to admittance to the Highpoint program.

Highpoint Schools provide educational pathways and a technology-driven TEKS-aligned curriculum in a strict disciplinary environment. Students are assigned core courses to continue their academic plan and can access credit recovery courses and special education services as appropriate based on a student’s IEP. HCDE served 473 and 427 students during fiscal years 2019 and 2020 respectively.

In FY 2018, the department phased out High Point North School due to low enrollment. In place of the HP North School, the Department created Fortis Academy to serve students with substance abuse problems and in seek of recovery assistance. A development plan was prepared to identify the program need, feasibility and financing. Information on recovery schools was collected for the study. According to the Association of Recovery Schools, there is a treatment gap.

HCDE analyzed the need, the availability of providers, and the potential need in the northern part of the county and found that the department can provide another school of choice for students who need a different environment to continue with their academics. Having a different location to complete their high school requirements (a) will allow the students to change their environment, reducing their daily challenges in dealing with their substance abuse; and (b) will allow students to continue to earn credits toward graduation at their home campus.

HCDE also determined that it has the facilities and the knowledge base to meet the needs of these students. A SWOT (strengths, weaknesses, opportunities and threats) analysis and a financial plan were developed to utilize multiple resources from school districts and our equalization tax to be able to meet the fiscal requirements for the program. Improvements were made to the facilities and a new ropes course was in operation since FY 18-19. In FY 2020, the Fortis Academy served 35 students and projects serving 42 students.
The Cooperative for After School Enrichment (CASE) Program delivers quality after-school learning opportunities to elementary, middle, and high school students. HCDE implements this shared service arrangement and cooperative by serving as fiscal agent and providing program support for after school services throughout Harris County. The Department served 12,351 and 17,020 students during fiscal years 2019 and 2020 respectively. Due to the COVID-19 pandemic, CASE served more students virtually. Since FY 2018, HCDE receives city grants to expand after school programs in the different areas of Houston by leveraging the funds received from other sources and delivering an effective program with minimal increase in funding. The Department projects serving between 12,000 and 17,000 students during FY 2021 depending on the COVID-19 impact.

AFTER-SCHOOL SERVICES/CASE

$9,184,144

17,020 STUDENTS AND 2,883 EDUCATORS SERVED

HCDE therapists served 7,739 students and 6,668 students respectively in fiscal years 2019 and 2020 by providing educationally necessary interventions supporting the academic achievement and functional performance of students with disabilities. Additionally, HCDE therapists served as resource personnel for general education, providing information, strategies and training to teachers in the interest of all struggling learners. The division also offers therapy management services to educational entities, including management consulting, program evaluation and staff development/training for districts and charter schools in need of these services.

Since 1978, Harris County Department of Education has provided therapy professionals and management of service delivery for occupational therapy, physical therapy, and music therapy services to school districts in and around Harris County. HCDE Therapy Services Division management and professionals work collaboratively with students, teachers, families, and school administrators to support student progress.

County school districts and charter schools served include:

- Cypress Fairbanks
- Houston
- Katy
- Pasadena
- Pearland
- Spring
- Klein
- Spring Branch
- Stafford
- Tomball
- KIPP Houston
- YES Prep
- University of Houston Charter School

The HCDE Therapy Services Division is a recognized leader in meeting the educational needs of students as required by federal and state laws. The Therapy Services Division is unique in its comprehensive approach to practice and personnel management and in its commitment to maintaining collaborative partnership with clients and saves school districts significant dollars in serving students. The Division projects to serve over 7,000 students in fiscal year 20-21.

SPECIAL EDUCATION RELATED SERVICES

$14,538,623

THERAPY SERVICES

6,668 STUDENTS AND 7,228 EDUCATORS SERVED

ADULT EDUCATION

$6,634,055

6,510 STUDENTS SERVED

The Adult Education Program prepares students aged 16 and older to read and speak English and/or to complete a high school General Equivalency Diploma (GED). HCDE served 10,295 and 6,510 students during fiscal years 2019 and 2020 respectively. During the pandemic, the classes were offered virtually, and it also resulted in fewer students being served.

In fiscal year 2017, the Texas Workforce Commission (TWC) changed the adult education grant requirements and incorporated a workforce development component to include vocational training, a requirement that has needed more grant program investment. As the division serves more students in vocational programs, there will be a decline in ESL and GED students being served. The department plans to serve at least 6,000 students for FY 2021. Even with the pandemic, HCDE serves the largest number of adult learners in Harris County.
HCDE designed a hosting solution that provides the infrastructure, maintenance, technical support, user support, student information, system integration, and course and content development training/support for school districts. This is a cost savings solution at a fraction of the cost of the providers. This system allows the district to address online or blended learning needs for the classroom or for district-mandated professional development. Students benefit from this system by gaining 24/7 access to learning resources and remediation tools that are aligned to their specific learning needs and students utilize the system via access to any web-enabled device (desktop or mobile/tablet). In 2019, 65,763 students and 19,627 educators used the system, and in 2020, 46,875 students and 13,694 educators used the system on multiple occasions. Cypress-Fairbanks and Alief ISDs are served by the digital learning solution. In fiscal year 2020, digital learning served less students than in 2019 due to one district utilizing internal resources to serve their students. Also, there were more educators served than last year as districts use more “train the trainer” models to serve more students internally.

The Teaching and Learning Center provides educators with exemplary professional development, training, and instructional support in the four content curricular areas (English, Language Arts, mathematics, science, and social studies) as well as in early childhood, bilingual, gifted/talented, and special education instruction. TLC’s curriculum directors work directly with students through a professional learning system known as the Bridge Model. This system provides the traditional professional learning with teachers with an added feature of in-class modeling with students. Putting theory into practice is sometimes difficult for teachers. Our practitioner approach allows teachers to see the details and learn the finesse needed to increase student outcomes. More than 6,000 educators came to workshops and/or participated in professional development benefit from TLC course offerings each year.

The Teaching and Learning Center also made a direct impact to students served in our Scholastic Art and Writing Program. In just this year alone 8,232 students from Harris County participated in the Scholastics Competition. One-third of those students received regional Gold Key, Silver Key, or Honorable Mention Awards.

In addition, the Teaching and Learning Center’s Digital Education Division acts as an approved provider for the Texas Virtual School Network’s Teacher Qualification Program and is one of only three providers to offer the Experienced Educator Qualification Course. In these capacities, the Digital Education Department trains teachers in best practices for online teaching and learning and qualifies them to teach as approved online course providers. Digital Education has certified over 800 teachers over the 10 years of the program.

In an attempt to engage teachers throughout Harris County, Digital Education created a new initiative called iTeachiLearn. The purpose of this webinar series is to present cutting-edge content from big names in education and engage teachers in meaningful discussions about the content presented. Thus far, Digital Education has featured content for local educators, successful online programs, and even a well-attended session on a free, new tool presented by lead educators from the Smithsonian Institute.
GOVERNMENTAL ENTITIES SERVED
Choice Partners Cooperative provides governmental entities a cost-effective, efficient method to meet their statutory procurement obligations. Specializing in legally procured vendor contracts for goods and services, Choice Partners follows all applicable procurement laws, including federal laws such as 2 CFR 200 (EDGAR), Form 1295 requirements, as well as all state requirements.

With regard to reducing costs and maximizing revenue in school districts, the Legislative Budget Board recommended that school districts participate in purchasing cooperatives to streamline the purchasing function, provide access to a greater variety of goods and services, obtain competitive pricing and purchasing terms (2011, LBB Report). Moreover, the LBB also suggests that districts with child nutrition programs participate in food purchasing cooperatives to reduce the burden and cost of bidding goods and take advantage of high-volume purchasing power (2011 LBB Report).

Over 1,700 governmental entities that have entered into inter-local contracts with HCDE may use any of the available cooperative contracts at their discretion. Choice Partners does not charge any membership or other fee to governmental entities for use of cooperative contracts.

HCDE’s fiscal year is from September 1 to August 31. In FY 2019, over $8.3 million in revenues allowed the Choice Cooperative Partners Program to transfer over $5.8 million to fund governmental programs benefitting Harris County children and schools. This was the result of entities using cooperative contracts to deal with disasters such as Hurricane Harvey and others.

Due to COVID-19 impact and no disaster events in the Houston area, Choice Partners revenues have leveled for FY 19-20. The amount of purchase order for FY 2020 were valued at $332 million versus $411 million from the previous year. This resulted in revenues of $5.9 million which allowed a transfer of $3.3M to the general fund. The cooperative continues to add members and contracts that will enhance the ability to generate increase levels of revenues for the department.

The cooperative contracts available for use by governmental entities include facility and maintenance services, food, supplies, general services, and technology, plus a unique office and school supply catalog of more than 1,300 individually bid line items. Choice Partners saves public funds and adds value to governmental entities that are members of the cooperative by reducing the cost of competitive procurement, implementing economies of scale, and achieving price reductions associated with volume.
HARRIS COUNTY DEPARTMENT OF EDUCATION

FY2020 COST SAVINGS REPORT

RECORDS MANAGEMENT

$3,040,050

81 GOVERNMENTAL ENTITIES AND 2,389 EDUCATORS SERVED

The Records Management Cooperative assists over 80 Houston-area schools and governmental agencies in achieving and maintaining compliance with the State’s Local Governmental Records Act of 1989. Services provided by Records Management include records destruction services, management consulting, training, microfilming, electronic imaging, vital records protection, and paper and electronic records storage. The HCDE Records Management Cooperative provides competitive prices and reduced costs to member districts and agencies.

CENTER FOR SAFE AND SECURE SCHOOLS

$1,028,495

FACILITY SAFETY AUDITS PERFORMED FOR ISD’S WITH
50,341 STUDENTS SERVED IN 2019
AND 55,281 IN 2020

Center for Safe and Secure Schools (CSSS) devotes its resources and research to improving crisis awareness and preparedness among area school districts. The Center helps districts address the four phases of crisis management: mitigation/prevention, preparedness, recover, and response. The Center acts as a liaison for Harris County school districts and collaborates with regional cities, Harris County, federal and state agencies, and school districts. The Center also provides FEMA National Incident Management system (NIMS) trainings to school districts as part of their annual professional development. The Center hosts quarterly meetings with school districts on topics related to K-12 education, restorative discipline, emergency plans, safety, law updates, attendance matters, and others.

In fiscal year 2020, the center conducted safety audits in accordance with Chapter 37 of the education code. The facility audit included a review of the district’s protocol for safety compliance, intruder detection and deterrence, security assessment, safety risks, emergency plans, etc. Districts are required to conduct a facility audit every three years. FY 2020 was year three of the three-year cycle, thus audits are scheduled over the next year based on school district planned schedule. The following districts were impacted in 2020: Alief, Deer Park, Goose Creek, Humble, La Porte, and Beaumont.
HARRIS COUNTY DEPARTMENT OF EDUCATION
FY2020 COST SAVINGS REPORT

GOVERNMENTAL ENTITIES SERVED

ALL HCDE SERVICES ARE HIGHLIGHTED IN HCDE’S POPULAR ANNUAL FINANCIAL REPORT (PAFR) AND SERVICE CATALOG. NOTE: OTHER ENTITIES INCLUDE CITIES, COUNTIES, MUDS, NOT FOR PROFIT ENTITIES, THE STATE, COLLEGES AND UNIVERSITIES, AND OTHER GOVERNMENTAL ENTITIES.

Aldine: $2,377,247
Alief: $3,494,016
Channelview: $9,173,852
Clear Creek: $1,235,424
Crosby: $4,675,184
Cy Fair: $5,488,438
Dayton: $715,103
Deer Park: $1,401,296
Galena Park: $5,930,503
Goose Creek: $7,624,829
Houston: $20,093,669
Huffman: $285,016
Humble: $4,376,658
Katy: $5,836,270
Klein: $583,511
La Porte: $2,774,031
New Caney: $205,201
Pasadena: $4,359,498
Pearland: $639,070
Sheldon: $3,852,817
Spring: $3,482,292
Spring Branch: $3,016,757
Stafford: $352,146
Tomball: $421,213
Waller: $80,258
Other ISDs: $10,440,485
Charters: $2,164,468
Other Entities: $21,501,109

HCDE TOTAL ECONOMIC IMPACT TO ISDs
MORE THAN $126M

HCDE maximizes tax resources to provide an economic impact to ISDs at a ratio of $5.34 to $1. Absent HCDE’s investment of resources, Harris County school districts would be required to generate more than $126 M to replace the services at an average local tax rate of 1 to 34 cents on their maintenance and operation rate. (ISDs may not have the ability to increase their rate due to statutory limitations.)
MAXIMIZING TAX FUNDS AND RETURN ON INVESTMENT

HCDE provided approximately $126 million in cost-effective services to Harris County Schools, by maximizing the approximately $9.80 in tax revenue per household (2019-2020) received by the Department.

1. For approximately $24 million of tax dollars, plus $21.3 million of fees for services, districts and taxpayers receive $126 million of services, a return on investment of over 100%.

2. In FY 2020, the Choice Partners Program brought in $5.9 million in cooperative contracting which allowed over $3.3 million in transfers to the General Fund. These funds will be used to augment one-time capital programs to enhance schools and service delivery.

3. Savings to school districts (and other governmental entities) through Choice Cooperative Partners is included in this calculation, and HCDE provides significant savings through its method of procuring goods and services using legally competitive contracts that allow local governments to reduce their operational costs and to obtain competitive pricing.

4. Economies of scale that become available through HCDE services are not possible when single districts purchase individually. Redundant administrative overhead is also reduced. In addition, HCDE actively provides other shared service arrangements, such as therapy services, after school programs, alternative disciplinary programs, special education programs, purchasing cooperatives, safe schools programs, business services sharing, and others to reduce the cost of operations by maximizing $1 of tax revenue into $5.34 worth of services.

5. HCDE provides services while spending less than 5% of its total expenditures on administrative costs. Administrative costs comprise about 19% of tax dollars.

FINANCIAL ANALYSIS FY 2019-2020

HCDE maximizes funds and is a model of efficiency. HCDE garners numerous financial accomplishments each year (see list on page 19 and 20). HCDE’s major governmental funds included the general fund, special revenues funds (Head Start Fund & Federal After School Partnership), capital projects funds (PFC), and other non-major governmental funds to include other special revenue funds and debt service fund. The governmental funds revenues totaled $79.7 million in FY 2020. HCDE continues to be a model of efficiency by developing and monitoring fiscal benchmarks monthly.

<table>
<thead>
<tr>
<th>MAJOR FUNDS</th>
<th>General</th>
<th>Head Start Program</th>
<th>Head Start Op &amp; Training</th>
<th>Head Start Disaster Recovery</th>
<th>Capital Projects Funds</th>
<th>Nonmajor Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Sources</td>
<td>$45,562,632</td>
<td>$1,064</td>
<td>$0</td>
<td>$0</td>
<td>$60,960</td>
<td>$5,154,711</td>
<td>$50,779,367</td>
</tr>
<tr>
<td>State Program Revenues</td>
<td>3,584,814</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,584,814</td>
</tr>
<tr>
<td>Federal Program Revenues</td>
<td>2,025,895</td>
<td>9,936,308</td>
<td>1,689,253</td>
<td>304,375</td>
<td>-</td>
<td>10,964,160</td>
<td>24,919,991</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES:</strong></td>
<td><strong>$51,173,341</strong></td>
<td><strong>$9,937,372</strong></td>
<td><strong>$1,689,253</strong></td>
<td><strong>$304,375</strong></td>
<td><strong>$60,960</strong></td>
<td><strong>$16,118,871</strong></td>
<td><strong>$79,284,172</strong></td>
</tr>
</tbody>
</table>

HCDE’s Enterprise Fund included the Choice Partners Cooperative, and revenues totaled $5.9 million in fiscal year 2020. After expenses, the enterprise fund can transfer over $3.3 million to the General Fund to fund general operations and programs in Harris County.

<table>
<thead>
<tr>
<th>PROPRIETARY FUNDS</th>
<th>Choice Partners</th>
<th>Workers Compensation</th>
<th>Facility Charges</th>
<th>Total Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues - Local Sources</td>
<td>$5,952,679</td>
<td>$285,540</td>
<td>$4,957,533</td>
<td>$11,195,752</td>
</tr>
</tbody>
</table>

In FY 2020, HCDE maximized $23 million in tax receipts into $126 million in grants and services to schools, or a ratio of return of $5.34 to $1. In addition, HCDE uses fees for services to reduce the burden on local taxpayers. In FY 2020, HCDE received 27 percent of its revenues from fees for services.
CAPITAL PROJECT INVESTMENT PROGRAM

The department developed a facility needs assessment that identified a balanced approach to financing by utilizing part of its fund balance and bonding capacity to capture a long-term approach to infrastructure and capital needs. The program totaling $51 million entailed improving current structures that need refreshing and code enhancements as well as developing new programs.

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>SUBSTANTIAL COMPLETION DATE</th>
<th>PROJECT BUDGET</th>
<th>MAINTENANCE NOTES PROJECTED NEEDS</th>
<th>REVENUE BONDS PROJECTED NEEDS</th>
<th>GENERAL FUNDS USE OF FUND BALANCE</th>
<th>INTEREST EARNINGS PROJECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reagan Administration Building</td>
<td>Feb. 9, 2023</td>
<td>$8,365,500</td>
<td>$8,365,500</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Adult Education Building</td>
<td>Oct. 25, 2022</td>
<td>$16,858,750</td>
<td>$2,159,000</td>
<td>$12,726,598</td>
<td>$1,870,000</td>
<td>$101,153</td>
</tr>
<tr>
<td>Highpoint East Building</td>
<td>Oct. 25, 2022</td>
<td>$7,916,645</td>
<td>$1,089,500</td>
<td>$4,909,645</td>
<td>$1,870,000</td>
<td>$47,500</td>
</tr>
<tr>
<td>Ab East Campus</td>
<td>Aug. 16, 2022</td>
<td>$17,805,875</td>
<td>$2,759,000</td>
<td>$12,943,640</td>
<td>$2,000,000</td>
<td>$103,235</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$50,946,770</td>
<td>$14,373,000</td>
<td>$30,581,882</td>
<td>$5,740,000</td>
<td>$251,888</td>
</tr>
<tr>
<td>Rev. Bonds</td>
<td>$27,730 Par</td>
<td>Maint. Notes</td>
<td>$13,695 Par</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Major projects include renovating part of the Adult Ed Building and building an adjacent expansion for a new Adult Ed Center, renovating the Irvington Building (Reagan), building a new AB East, and adding a wing to the High Point East Middle School. In addition, the department applied to the Health and Human Services Agency for funding for a new Coolwood Head Start Center in the estimated amount of $8 million plus a grant for $600,000 for land acquisition costs.

HCDE requested a bond rating in anticipation of the projected revenue bonds and maintenance notes. Moody’s Investor Service assigned a Aaa rating to the maintenance notes and Aa1 to the revenue bonds. The Aa1 rating is an upgrade for HCDE based on strong finances, fund balance, low debt burden and minimal disruption on COVID-19 revenues in fiscal year 2020. The bonds were sold on October 22, 2020 and expected to close on December 2, 2020.

HCDE is a model for maximizing dollars by using non-duplicative infrastructure to attract administrative grants while maintaining a strong financial position as evidenced by strong bond ratings and reserves as well as transparent operations.

$5.34 TO $1 RATIO OF RETURN ON TAX INVESTMENT

In its annual financial audit, HCDE received an “Unmodified Opinion” over the last ten years; this is the result of strong internal controls, risk assessment process, and other accountability systems.

THE HARRIS COUNTY DEPARTMENT OF EDUCATION (DEPARTMENT) HAD CONTROLS IN PLACE TO HELP ENSURE THAT IT RECEIVED AND USED FUNDS FROM STATE RANTS AND CONTRACTS FOR THE INTENDED PURPOSES. THE DEPARTMENT GENERALLY COMPLIED WITH APPLICABLE TERMS AND CONDITIONS, POLICIES AND PROCEDURES, AND STATE LAWS WHEN TRACKING AND SPENDING THOSE FUNDS. IN ADDITION, THE DEPARTMENT SPENT PROPERTY TAX REVENUE IT COLLECTED IN ACCORDANCE WITH APPLICABLE STATE LAWS.
SUMMARY

HCDE provides services to neighborhood schools by maximizing tax dollars, attracting federal, state and private grants, and providing shared service arrangements that reduce the cost of services, ultimately reducing the tax burden on Harris County taxpayers.
The Government Finance Officers Association has awarded HCDE the Certificate of Achievement Award of Excellence in Financial Reporting for seventeen years. HCDE also received the Distinguished Budget Presentation award from the Government Finance Officers Association (GFOA). HCDE also receives the Certificate of Distinction for its Popular Annual Financial Report (PAFR) for the last thirteen years.

The Association of School Business Officials International (ASBO) has awarded HCDE its Meritorious Budget Award (MBA) for excellence in budget presentation for eleven consecutive years. The Association of School Business Officials International has awarded HCDE its Certificate of Financial Reporting for seventeen consecutive years.

The HCDE Purchasing Division received the Texas Association of School Business Officials (TASBO) Recognized Award of Merit for Purchasing Operations provided to school districts and Education Service Centers statewide that are committed to following professional standards in the acquisition of goods and services. This is HCDE’s ninth consecutive year receiving this award.

In FY 2020, the Department received another award for purchasing policies and practices from the National Purchasing Institute. This award was graded by a panel who reviewed the internal purchasing procedures. This is fourth year receiving this award.

Government Treasurers’ Organization of Texas has awarded the Certificate of Distinction on its Investment Policy Certification Program to HCDE.

The Texas Comptroller’s Leadership Circle award recognizes local governments across Texas that are striving to meet a high standard for online financial transparency by opening their books to the public, by providing clear, consistent pictures of spending, and by sharing information in a user-friendly format that helps taxpayers understand how their tax dollars are spent. HCDE received the Platinum Member Leadership Circle award for six consecutive years. In FY 2019, the Department continue participating in the Texas Comptroller’s Office Transparency Stars Program, and it has earned three stars for Traditional Finances, Contracts and Procurement, and Debt obligations.
Moody’s
INVESTORS SERVICE

Rating Action: Moody’s assigns Aaa to Harris Co. Dept. of Ed., TX’s Series 2020 Maintenance Tax Notes; Aa1 to lease revenue bonds; stable outlook assigned

05 Oct 2020

New York, October 05, 2020 — Moody’s Investors Service has assigned a Aaa rating to Harris County Department of Education, TX’s $13.7 million Maintenance Tax Notes, Series 2020. We have also assigned a Aa1 rating to the Harris County Department of Education Public Facilities Corporation’s $27.7 million Lease Revenue Bonds, Series 2020. Moody’s has affirmed the outstanding Aaa issuer rating (general obligation unlimited tax equivalent). Moody’s has also affirmed the outstanding Aaa limited tax rating affecting $1.3 million of outstanding debt. A stable outlook has been assigned.

RATINGS RATIONALE

The Aaa issuer rating is based on the district’s large, diverse, and growing tax base that is coterminous with Harris County and centered on the City of Houston. The district’s financial position is very strong and will remain so despite anticipated cash funded capital outlay. The district’s debt burden is minimal with no plans to issue additional debt and the pension liability is low. The ongoing coronavirus pandemic has not had a material impact on the department’s financial performance.

Standard & Poor’s Ratings Services affirmed its ‘A+’ underlying rating (SPUR), with a stable outlook, on HCDE’s Public Facility Corporation, Texas’ lease revenue debt, supported by HCDE.
HCDE: HELPING STUDENTS ACHIEVE

Responding to the needs of locally elected school boards and education leaders, HCDE partners with Harris County school districts to maximize resources for students, teachers and the community. HCDE’s programs support educational opportunity throughout Harris County while generating significant local tax savings to school districts. Working in school districts, charter schools, non-profit organizations and local governments, HCDE’s approximately 1,075 employees provide direct student services, teacher training and support services in response to the needs and demands of the 25 school districts throughout Harris County and beyond.

GOVERNANCE

Seven elected board members act to establish policies governing the operation of HCDE. The citizens of Harris County elect the board through primaries and the general election.

MANAGEMENT AND ORGANIZATION

County School Superintendent James Colbert Jr. leads HCDE. Three assistant superintendents supervise the daily operations of its 25 divisions serving school districts and other local governments.

MAJOR SERVICES

Working in one of the fastest growing counties in America means school leaders in Harris County must make wise decisions about all kinds of issues including school safety, curriculum advancements, and therapy for children with disabilities, purchasing food and other school commodities, facility construction, and training to recruit and retain new teachers.

HCDE provides:

- Programs that improve teaching and learning
- Innovative resources that efficiently and effectively support our client school districts and partners
- Effective technological infrastructure and systems that support 21st century learning and ensure communication and service delivery
- Professional development programs that promote educational opportunities designed to attract and maintain qualified staff
- Consistent planning and evaluation that results in successful delivery of services

FINANCIAL ACCOMPLISHMENTS
The cost savings report is a compilation of data from the HCDE financial accounting system and the service delivery accountability system. The integration of these two systems form the basis of the summary report that ends in the reporting of the total economic impact, the total service levels, and cost savings per local dollar.

The methodology is as follows:

1. Track the number of students, educators, and clients served each month. (At the end of the year, these are compiled in a total report by division. The report also includes a service delivery of students and educators by district. This forms the basis to determine the level of service by category.)

2. Track the monthly cost of each division through the general ledger system. (At the end of the year, the business office makes audit adjustments and accruals in accordance with GAAP standards. This cost is tied to audited financial reports for the current year.)

4. Prepare and accountability report by division to distinguish cost and revenue per division.
   4a. Allocate direct costs to each division service delivery level.
   4b. Total and allocate indirect costs to each division based on the pro rata percentage of each division total expenditure level in relation to overall expenditure level.

5. Divide service delivery level cost per division by the total service level reported for each division to determine the cost per student or educator served.

6. Apply the cost per student to the service delivery for each school district according to the service delivery accountability report.

The report includes a summary of service delivery of students and educators along with their related cost by district, and this culminates in a summary report of the total economic impact to the community.
ABOUT THE DEPARTMENT

HCDE is an entity separate and distinct from county agencies of Harris County, Texas. The Department’s primary service area, geographically, covers 1,788 square miles. The Department offers services to 25 rural, suburban, and urban school districts, located either entirely or partially within Harris County, to neighboring school districts and governmental agencies in surrounding counties, as well as to schools, education service centers, and other governmental agencies statewide.

PROGRAMS AND SERVICES

ADULT EDUCATION: Offers classes to educationally-disadvantaged adults beyond compulsory school age in the Houston/Harris County metropolitan area. Call 713-692-6216.


BUSINESS SERVICES: Through the School Finance Council, HCDE’s Business Services division serves school district business managers and CFOs. HCDE’s School Finance Council provides training and pertinent information relative to school finance and business operations. Call 713-696-8249.

CENTER FOR SAFE AND SECURE SCHOOLS: Advances safe and secure environments in schools, including emergency operations plan assistance. Call 713-696-3142.

CHOICE PARTNERS COOPERATIVE: Provides best-value, shared-services solutions, direct facilities consulting, and legal, competitively-bid contracts to schools, institutions of higher education, municipalities, counties, and other governmental and nonprofit organizations. No member fee; sign an interlocal contract to join. Call 1-877-696-2122.

CENTER FOR AFTER-SCHOOL, SUMMER AND EXPANDED LEARNING: Mobilizes the community to work together to ensure that every child in Harris County has access to an after-school program. Call 713-696-1331.

HEAD START/EARLY HEAD START: Empowers preschool children, ages six weeks through five years, and their families, with school readiness skills. Head Start is a federally-funded program for low-income families, administered locally by HCDE. Call 713-672-9343.

TEACHING AND LEARNING CENTER: Provides professional development and instructional support to administrators, teachers, support personnel, students, parents, and the community. Call 713-696-8200.

RECORDS MANAGEMENT: Provides low-cost, high-tech solutions to store records for governmental entities. Develops records control schedules and provides training, consulting, electronic imaging, microfilming, and commercial record center services. Call 713-694-9022.

RESEARCH AND EVALUATION: Provides quality, scientific-based evaluation services that meet the needs of HCDE, school districts, and other community groups. Call 713-696-8291.

RESOURCE DEVELOPMENT/CENTER FOR GRANTS DEVELOPMENT: Supports efforts to locate and obtain funds which forward new programs, program enhancement, and expansion needs. Call 713-696-8293.

HCDE SCHOOLS: Assists area school districts by providing special and alternative schools. HCDE’s Schools division meets the needs of students with disabilities as well as those who have been expelled and/or are adjudicated youth. Call 713-696-8218.

SCHOOL-BASED THERAPY SERVICES: Provides assessment, intervention, consultation, training, and direct service to children with disabilities and to their families. Call 713-696-8232.
OUR MISSION

Harris County Department of Education supports Harris County by enriching educational opportunities and providing value through services.

GOALS

HCDE will:

Impact education by responding to the evolving needs of Harris County

Deliver value to Harris County by utilizing resources in an ethical, transparent, and fiscally responsible manner

Advocate for all learners by using innovative methods to maximize students’ potential

Provide cost-savings to school districts by leveraging tax dollars

Recruit and maintain a high-quality professional staff