



# POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING AUGUST 31, 2021



VIEW THE PAFR AND OUR OTHER  
FINANCIAL REPORTS ONLINE



**Harris County**  
Department of  
**Education**

6300 IRVINGTON BLVD. | HOUSTON, TX 77022 | 713-694-6300 | [WWW.HCDE-TEXAS.ORG](http://WWW.HCDE-TEXAS.ORG)



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# A MESSAGE FROM YOUR SUPERINTENDENT



**JAMES COLBERT JR.**  
SUPERINTENDENT OF SCHOOLS

Our mission at the Harris County Department of Education (HCDE or the Department) is to advance excellence in the delivery of education in Harris County, Texas in partnership with the educational community. The Department is a vibrant organization which excels in many venues. Specifically, our enterprise activities and grant awards have increased, and we have likewise increased services to our member districts while reducing the tax burden to our taxpayers for the fourth year in a row. We have been able to leverage federal, state, and local dollars. Our Choice Cooperative Program has reached new heights and continues to provide contract offerings that are legal, effective and valuable to the cooperative members.

In fiscal year 2020-2021, the Department received over \$30.4 million in grants, and \$24.8 million in local tax effort. We leveraged our local tax and provided over \$126 million as an economic benefit to our member districts at a \$5.05 to 1 ratio. The minimal tax (and recently lowered tax rate) levied by the Department allows us to provide valuable resources and supplementation to our local districts. We are thankful to our patrons for their financial support and seek continued support and involvement. We welcome the opportunity to showcase our best practices and programs.

We invite you to visit our campuses, the Department, and/or our Westview location to experience first-hand our focus and commitment to excellence. We motivate our staff every day to make a difference in every student's life, and to tweak the service delivery process to that same end. We have designed our processes to meet our mission to further educational opportunities in Harris County and continue to offer services outside our county to other clients in order to leverage our resources even more and reduce the cost impact to our taxpayers and clients.

Finally, in this era of increased accountability, we strive to be the most transparent and efficient of governmental agencies. We believe that education is the tool for prosperity and success for individuals, the state, and the nation.

Always in education,

A handwritten signature in black ink that reads "James Colbert". The signature is stylized and fluid.

James Colbert Jr.  
*County School Superintendent*

# A MESSAGE FROM YOUR BUSINESS OFFICER



**JESUS J. AMEZCUA**  
ASSISTANT SUPERINTENDENT -  
BUSINESS SERVICES

We are pleased to present the HCDE Popular Annual Financial Report (PAFR) for the fiscal year ending August 31, 2021. This report is designed to make the financial operations of the Department easy to understand for our citizens and other readers. We have also included information about our program and service delivery to the learners and taxpayers of Harris County.

Our staff is committed to provide quality financial information that is transparent and readily available to the public. We have created a transparency page at <https://www.hcde-texas.org/domain/88> to further highlight our fiscal results and successes. For the past eleven years, the Department participates in the transparency program, and for fiscal year 2020-2021, it has received three Star Awards from the Texas Comptroller's Office.

The PAFR summarizes the financial activities and operating results of the Department and was gathered from the financial information reported in our FY2020-21 Annual Comprehensive Financial Report (ACFR). The ACFR is a more comprehensive document that is prepared in conformance with generally accepted accounting principles (GAAP) and audited by Whitley Penn, P.C., who expressed an "unmodified" (the highest) opinion, meaning that—in their opinion—the financial statements present fairly, in all material respects, the respective financial position of the governmental activities of the Department.

The PAFR is unaudited and presented on a GAAP basis. While the underlying accounting methods are similar to the CAFR, the PAFR simplifies reporting by not including all segregated funds, required presentations, and full disclosure of all material financial and non-financial events in the notes to the basic financial statements. Citizens desiring to review the ACFR may obtain a copy from the Business Support Services Division at (713) 696-8249, or may view it on the HCDE website at [www.hcde-texas.org](http://www.hcde-texas.org).

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. Amezcua', with a large, stylized flourish at the end.

Jesus J. Amezcua, Ph.D., CPA, RTSBA, CPFIM



# 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.

**EDUCATOR CERTIFICATION AND PROFESSIONAL ADVANCEMENT:** Trains and supports degreed professionals to become teachers and administrators. Candidates attend teacher training and teach in a public school with the guidance of an assigned teacher/mentor. Call 713-696-0775.

**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.



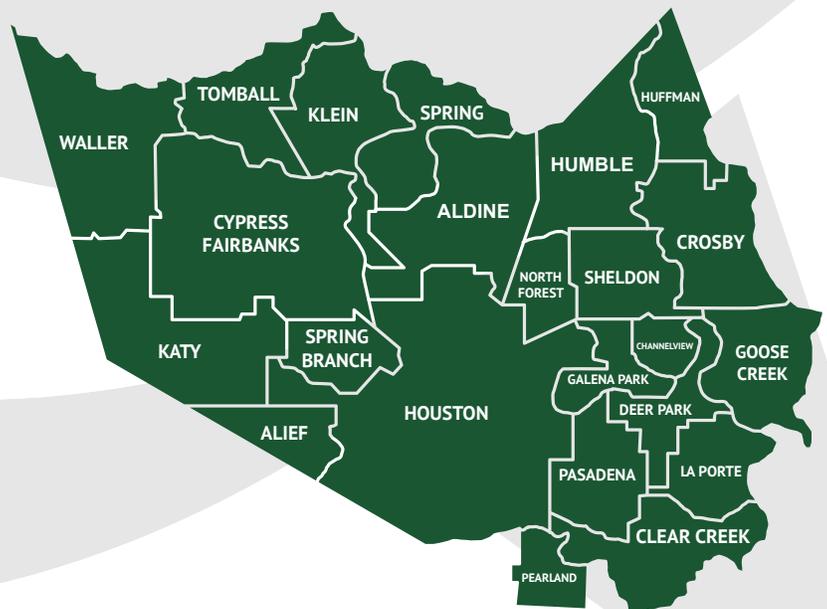
## ABOUT HARRIS COUNTY (HOUSTON, TEXAS)

HCDE is located in Harris County in the upper Gulf Coast region of Texas, approximately 50 miles from the Gulf of Mexico. Harris County, with 4.71 million people, is the largest county in Texas and remains the third most populous in the United States. Ranked as one of the top ten fastest-growing counties in the nation, Harris County is exceptionally diverse.

Harris County and the Houston metropolitan area are among leaders in business development nationwide. Houston is a leader in aerospace technology, industrial engineering, and medical research, while a diversified profile fuels the local economy. The county's major hospitals, many concentrated just south of downtown Houston in the Texas Medical Center, offer world-class facilities for general and specialized medical needs.

Houston is the fourth largest city in the nation, and its long-term outlook remains bright. The region's population is expected to surpass 8 million by the end of the decade. The U.S. Bureau of Economic Analysis estimates the Houston MSA's Gross Domestic Product at \$359.6 billion in 2020, making it the seventh largest U.S. metro economy. These economic indicators positively affect the Department's tax base.

In fiscal year 2021, there were 25 public school districts, as well as charter, private, and parochial schools, located either entirely or partially within Harris County. The county is also home to many colleges, universities, institutes, and technical schools.



### HOW IS HCDE FUNDED?

HCDE generates approximately 70% of its funding to serve children and adult students through grants and by charging reasonable fees for the services it provides. Approximately 30% of HCDE's funding is generated from a local property tax rate that may never exceed ONE cent. The average homeowner in Harris County pays an estimated \$9.73 per year to HCDE based on a \$200,000 home, with homestead exemption, and an adopted tax rate of 0.005000 per \$100 valuation.

### DO SCHOOL DISTRICTS PAY THE FULL COST OF SERVICES PROVIDED BY HCDE?

HCDE has a below-market fee structure that reduces cost to districts. The current two-thirds of the 1-cent property tax rate collected by HCDE creates the organizational infrastructure of management and accountability that allows the services that HCDE provides to be developed.

### DOES HCDE HAVE SERVICES THAT CAN BE ACCESSED BY OUT-OF-COUNTY ENTITIES?

Service to out-of-county entities generate additional revenue that HCDE uses to support services to Harris County students, teachers, and districts at no cost to Harris County taxpayers. This is another way in which HCDE maximizes its resources for taxpayers.



# MISSION, GOALS, GOVERNANCE, AND ADMINISTRATION

## 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; and
- Recruit and maintain a high-quality professional staff

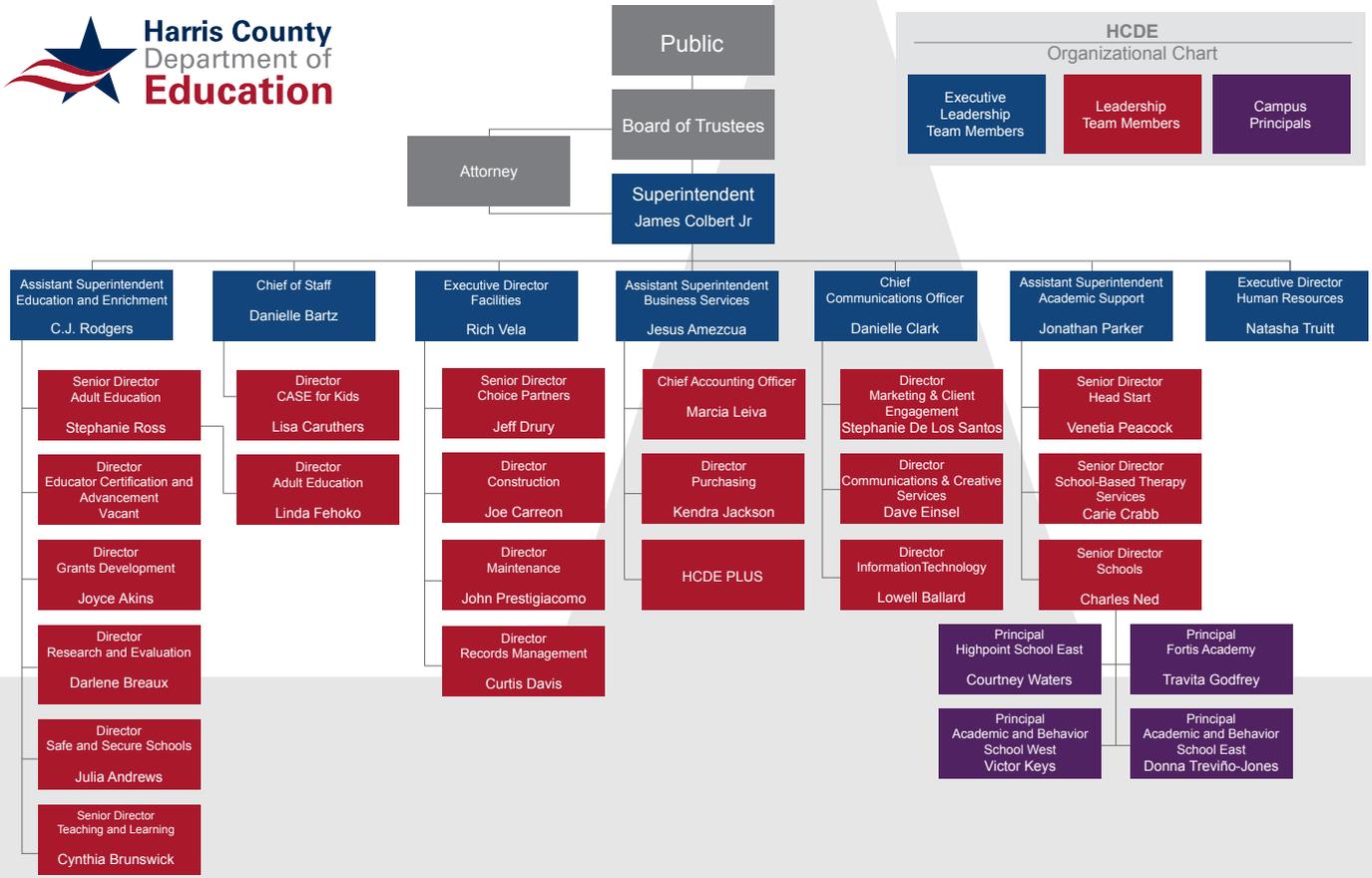


## ORGANIZATIONAL AUTHORITY AND GOVERNANCE

Harris County Department of Education (HCDE or the Department), a political subdivision of the state of Texas, is located in Houston. The Harris County Board of Education (the Board), elected by the voters of Harris County, has governance over all activities and operations of the Department. The Board consists of seven members who serve overlapping, six-year terms.

The Department is a primary governmental unit and is not included in any other governmental "reporting entity." The Harris County Department of Education Public Facility Corporation (PFC) has been included as a blended component unit in the financial statements of the Department. The PFC, a legally separate entity, is reported as a capital projects fund that is part of the Department's operations, and its purpose is to finance the Department's construction and building acquisition needs. The Education Foundation of Harris County (EFHC) is included as a discretely-presented component in the financial statements of the Department. The EFHC, a non-profit entity, was set up to raise money to support the Department. A financial statement may be obtained from the office of the EFHC. No other organizations meet the criteria specified by GASB 39 to be included as a component unit within the reporting entity.





## 2020-2021 BOARD OF TRUSTEES



**Danyahel Norris**  
*President*



**Richard Cantu**  
*1st Vice President*



**Andrea Duhon**  
*2nd Vice President*

**James Colbert, Jr.**  
*County School Superintendent*

**Jesus J. Amezcua,**  
PhD, CPA, RTSBA, CPFIM  
*Assistant Superintendent  
for Business Services*

**Jonathan Parker**  
*Assistant Superintendent for  
Academic Support Services*

**Dr. CJ Rodgers**  
*Assistant Superintendent for  
Education and Enrichment*



**David W. Brown**



**Erica Davis**



**Eric Dick**



**Amy Hinojosa**

# TAX RATES AND VALUES



## ABOUT PROPERTY TAXES

The Department's tax year runs concurrently with the calendar year, January 1 through December 31. Property taxes are levied by October 1 in conformity with Subtitle E., Texas Property Tax Code, on the appraised value listed as of the prior January 1, for all real and business personal property located within Harris County Department of Education's taxing jurisdiction of Harris County, Texas. Taxes are due upon receipt of the tax bill in October. On February 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Taxes become delinquent if not paid before February 1. On July 1, additional penalties and interest are imposed on unpaid taxes.

Appraised values are established by the Harris County Appraisal District of Harris County, Texas. The Department's property tax rate is established in accordance with state law. The Department's County Board of Education (the Board) sets the equalization tax rate. Currently, the Department does not have a debt service tax rate. Billing and collection of tax levies are performed by the Harris County Tax Assessor-Collector's Office. Tax revenues received are used in financing the Department's general government expenditures, in accordance with applicable law.

## TAX RATES AND VALUES

The Department's tax rate for the 2020 tax year was \$.004993 per \$100 assessed property valuation. The assessed property valuation for the same period was \$505 billion, resulting in an adjusted tax levy of \$25.2 million. The assessed valuation increased 5.6 percent, from \$478 billion in tax year 2019 to \$505 billion in tax year 2020.

The current tax collection rate for fiscal year 2020-21 was 98.3 percent, a decrease of .9 percent from the fiscal year 2019-20 'current tax' collection rate of 99.21 percent. In the tax year 2020, the average (homeowner) taxpayer paid \$9.73 per year based on a \$200,000 home with homestead exemption and an adopted tax rate of \$.004993 per \$100 valuation.

Tax values are assessed as of January of each calendar year. The tax assessments for tax year 2021 will be collected in fiscal year 2021-2022.

Consistent with statutory requirements, equalization tax funds are expended to equalize educational opportunities and advance public free schools in Harris County. HCDE follows the Texas Comptroller's Truth in Taxation - A Guide to Setting Tax Rates for Taxing Units Other than Schools.

# TAX RATES AND VALUES

## PROPERTY VALUES AND TAXES

FISCAL YEAR	TAX YEAR	TAX RATE	ACTIVITY-ALL TAX YEARS			ASSESSED-APPRAISED VALUES	UNCOLLECTED AT 8/31/2020
			CURRENT TAX LEVY	AMOUNT COLLECTED	PERCENT COLLECTED		
2021	2020	0.004993	\$25,252,221	\$24,822,724	98.30%	\$501,765,295,099	\$429,497
2020	2019	0.005000	23,937,452	23,747,249	99.21%	477,646,161,016	190,203
2019	2018	0.005190	23,187,623	23,110,450	99.67%	445,338,264,373	77,173
2018	2017	0.005195	22,230,714	22,166,995	99.71%	434,078,173,795	63,719
2017	2016	0.005200	21,678,009	21,629,509	99.78%	416,884,796,154	48,500
2016	2015	0.005422	21,040,325	20,990,091	99.76%	388,054,684,618	50,234
2015	2014	0.005999	20,933,936	20,888,432	99.78%	348,957,092,849	45,504
2014	2013	0.006358	20,064,263	20,033,400	99.85%	315,575,070,777	30,863
2013	2012	0.006617	19,167,433	19,135,764	99.83%	289,669,533,021	31,669
2012 & PRIOR	2011 & PRIOR	VARIOUS	VARIOUS	VARIOUS	VARIOUS	VARIOUS	109,888
						<b>TOTALS</b>	<b>\$1,077,250</b>

PRINCIPAL TAXPAYERS IN HARRIS COUNTY, TEXAS FOR TAX YEAR 2020			
RANK	TAXPAYERS	TAXABLE VALUE (a)	PERCENT OF TOTAL ASSESSED VALUE (b)
1	Centerpoint Energy, Inc.	\$4,166,177	0.82%
2	Exxon Mobil Corporation	4,719,740	0.93%
3	Chevron Phillips Chemical Company LP	3,639,169	0.72%
4	Equistar Chemicals LP	2,052,660	0.41%
5	Shell Oil Company	1,850,151	0.37%
6	Enterprise	1,256,969	0.25%
7	Lyondell Chemical	1,207,790	0.24%
8	Palmetto Transoceanic LLC	1,012,329	0.20%
9	Wal Mart	949,463	0.19%
10	Phillips 66 Company	866,237	0.17%
<b>TOTAL</b>		<b>\$21,720,685</b>	<b>4.30%</b>

(a) Amounts for these taxpayers do not include taxable valuations, which may be substantial, attributable to certain subsidiaries and affiliates which are not grouped on the tax rolls with the taxpayers shown.

(b) Based on total taxable values as of August 2021.

Source: Harris County (Texas) Appraisal District

# NUMBER OF DISTRICTS/ENTITIES SERVED

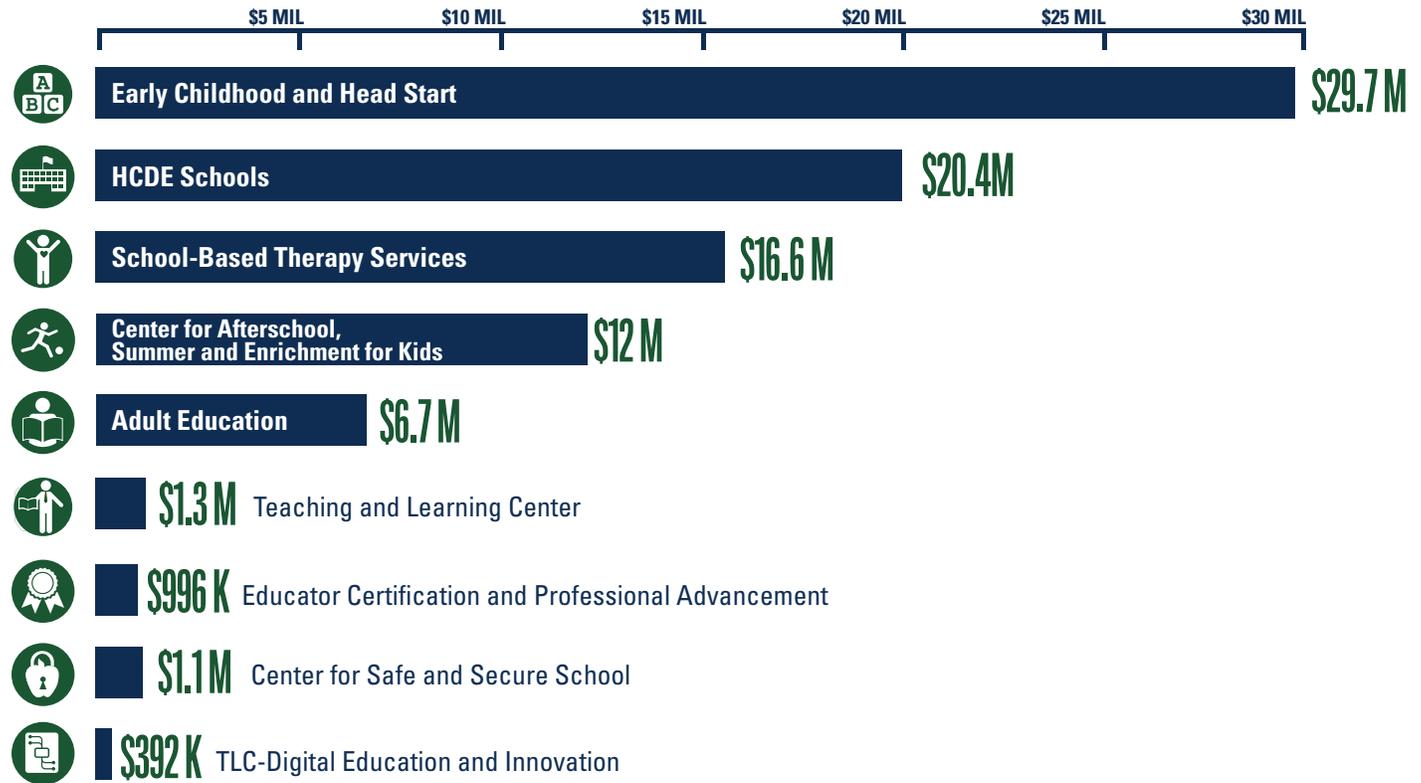
HCDE Divisions	Governmental entities	Harris County ISDs	In County Charter Schools	Other Educational Entities	Other Entities	Out of County Charter Schools	Out of County ISDs and Education Service Centers	Private Non-profits	Total
Adult Education	0	2*	0	0	0	0	0	0	2
Business Services	11	21	8	11	7	0	25	0	83
CASE for Kids	6	13	9	24	32	0	2	110	196
Center for Grants Development (CGD)	25	25	41	102	224	1	22	182	622
Center for Safe and Secure Schools (CSSS)	14	22	7	10	2	1	32	10	98
Choice Partners	576	24	35	281	23	31	701	158	1829
Digital Education & Innovation	1	13	1	1	0	0	1	2	19
Educator Certification & Advancement (ECA)	1	21	8	5	1	1	15	3	55
Head Start	0	9	0	0	0	0	0	0	9
Records Management	0	0	0	0	0	0	0	0	0
Research & Evaluation Institute (REI)	0	1	0	1	1	0	0	0	3
School-Based Therapy Services	1	16	5	2	0	0	19	0	43
Schools: AB East	0	14	0	0	0	0	11	0	25
Schools: AB West	1	6	2	0	0	0	5	0	14
Schools: Highpoint	0	9	0	0	0	0	1	0	10
Schools: Fortis Academy	0	7	0	0	0	0	0	0	7
Teaching and Learning Center	5	25	12	16	1	0	34	3	96

During 2020-2021, 17 external serving divisions of Harris County Department of Education (HCDE) served a total of 3,111 different entities, ranging from 1 up to 1,829 per division. Divisions also served a total of 27,070 students directly; 32,929 students indirectly; and 42,232 teachers and educators, which combined results in an overall total of 102,231 individuals served. Additionally, the Facilities division prepared room set-up for 22,689 visitors to the main building located at 6300 Irvington Boulevard. Choice Partners serves multiple users per entity. For purposes of this report, we cite the number as one to depict one group of users per organization.

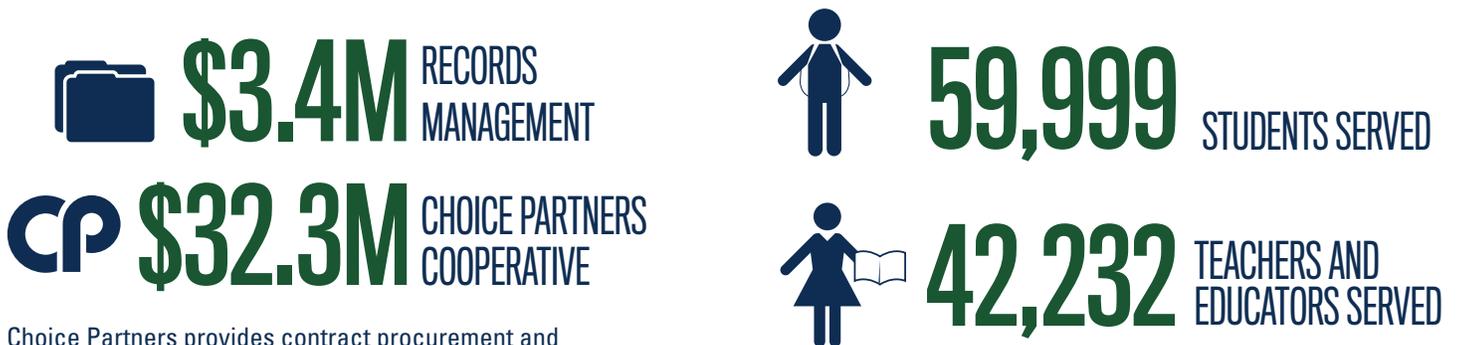
# ECONOMIC IMPACT TO ISDs

## HCDE SERVICES PROVIDED TO ALL HARRIS COUNTY SCHOOL DISTRICTS (2020-2021)

### Direct Support



### SUPPORT SERVICES TO DISTRICTS



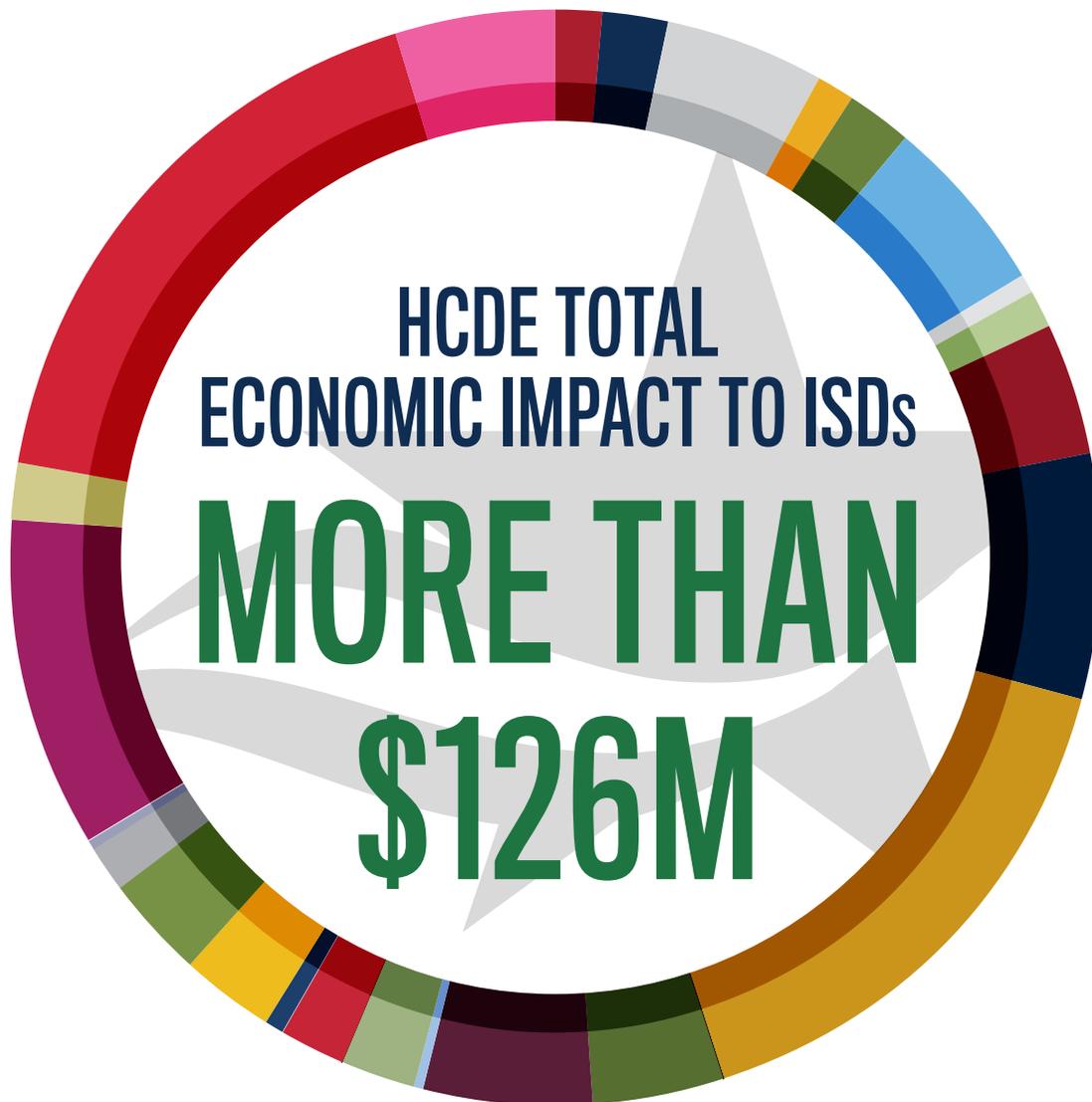
Choice Partners provides contract procurement and management services, saving Harris County school districts time and money when they access legal, competitively bid contracts already awarded by HCDE's governing board.

Dollar amounts represent unaudited financial data for the 2020-2021 fiscal year. Due to the delivery of services between fiscal years, numbers do not total.

# ECONOMIC IMPACT TO ISDS

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.*



<b>Aldine:</b> \$1,856,060	<b>Galena Park:</b> \$4,803,574	<b>New Caney:</b> \$290,924	<b>Waller:</b> \$162,247
<b>Alief:</b> \$2,561,053	<b>Goose Creek:</b> \$9,040,934	<b>Pasadena:</b> \$2,265,546	<b>Other ISDs:</b> \$12,337,685
<b>Channelview:</b> \$5,969,617	<b>Houston:</b> \$20,102,055	<b>Pearland:</b> \$675,551	<b>Charters:</b> \$1,917,414
<b>Clear Creek:</b> \$1,393,221	<b>Huffman:</b> \$290,826	<b>Sheldon:</b> \$3,773,184	<b>Other Entities:</b> \$22,146,254
<b>Crosby:</b> \$2,639,902	<b>Humble:</b> \$4,760,017	<b>Spring:</b> \$3,624,245	<b>Virtual:</b> \$5,965,795
<b>Cy Fair:</b> \$6,636,938	<b>Katy:</b> \$6,187,218	<b>Spring Branch:</b> \$1,780,849	
<b>Dayton:</b> \$607,287	<b>Klein:</b> \$473,759	<b>Stafford:</b> \$68,349	
<b>Deer Park:</b> \$1,482,706	<b>La Porte:</b> \$2,654,773	<b>Tomball:</b> \$226,765	

HCDE maximizes tax resources to provide an economic impact to ISDs at a ratio of \$5.05 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.)

# PROGRAMS AND SERVICES



## CENTER FOR AFTER-SCHOOL, SUMMER AND EXPANDED LEARNING

12,475 STUDENTS SERVED IN FY 2020-2021

713-696-1331

HCDE's CASE program provides quality after-school programming in 42 after-school sites across greater Harris County, serving over 12,000 students in elementary grades through high school.

### DID YOU KNOW?

Over the past 10 years, CASE has raised over \$85 million from funding sources including the Texas Education Agency (TEA), Texas Workforce Commission (TWC), Houston Endowment, and the Education Foundation of Harris County. Most of these dollars are then passed on to community partners who operate the programs in our neighborhood schools.

- CASE has been providing quality after-school programming to the youth of Harris County since 1999.
- CASE's mission is to strengthen, support, and sustain quality after-school programming for all children.



## ADULT EDUCATION

5,500 STUDENTS SERVED IN FY 2020-2021

713-696-6216

HCDE's Adult Education division provides exceptional adult education services to all adults desiring to improve their basic skills in order to obtain a job or advance a career. Obtaining such skills usually leads to the students' active participation in their communities as well as the ability to help educate their children.

Adult Education services include but are not limited to:

- Preparation for the Texas High School Equivalency Exams
- Adult Basic Education (Grade equivalent 1-8)
- Adult Secondary Education (Grade Equivalent 9-12)
- Workforce development programs and opportunities

English as a Second Language (ESL) is another essential program offering and is delivered in the following sections:

- Levels 1-6 (Beginning Literacy ESL to Advanced ESL)
- English Language Civics
- Citizenship
- Workplace ESL

### DID YOU KNOW?

- HCDE provides Adult Education services in 15 school districts: Alief, Channelview, Cleveland, Cy-Fair, Deer Park, Galena Park, Goose Creek, Houston, Katy, Klein, Liberty, Pasadena, Sheldon, Spring Branch, and Dayton.
- HCDE's Adult Education division operates two learning centers, one in Houston and the other in Baytown.
- We teach over 600 classes a year and we employ more than 200 employees (mostly part-time staff) to provide these services.
- Plus, we offer services in 35 other sites around Harris County in schools, churches, and in other community-based venues.

# PROGRAMS AND SERVICES



**HCDE SCHOOLS**  
410 STUDENTS SERVED IN FY 2020-2021  
713-696-8218

HCDE Schools currently serve 25 school districts in Harris and surrounding counties. The four campuses provide highly-specialized programs for students from ages 5-22. Our campuses provide alternative pathways for student success.

The two Academic and Behavior (AB) schools serve special education students placed by the Admission, Review and Dismissal (ARD) committees from their home districts. The students have been identified with intellectual or developmental disabilities or are labeled Emotionally Disturbed. Each classroom is staffed with a highly qualified, certified teacher and an educational aide who work with up to six students. Small class sizes offer students individualized or small group instruction to develop their academic and social skills to their full potential.

A Highpoint school serves students who have been placed by their home districts for violations of the district's Student Code of Conduct or Chapter 37 of the Texas Education Code. The Highpoint school serve students in grades six through twelve. Each classroom is staffed with a highly qualified, certified teacher who works with up to 15 students in each class. Academics, credit recovery, and social skills are the emphasis in the curriculum provided to the Highpoint students.

The Highpoint campus provide students the opportunity, through alternative pathways, to return to their home campuses and districts to be successful. With dedicated staff, caring environments, structured programming, and a strong transition program, our students are able to successfully re-integrate into their home districts.

The Department created the Fortis Academy, which serves students with substance abuse problems and those seeking recovery assistance. A development plan was prepared to identify the program need, feasibility and financing. Information on recovery schools was collected for the study.

## DID YOU KNOW?

- Our curriculum is aligned with the Texas Essential Knowledge and Skills (TEKS).
- High school students are able to recover or accelerate the acquisition of credits to graduate.
- A strong social skills program teaches self-discipline, decision-making skills, and personal responsibility for students to own and solve their own problems.
- A transition program, with targeted goals, provides support for the student, parents, and home campus staff upon the student's return to ensure success at the home campus.

# PROGRAMS AND SERVICES



## SCHOOL-BASED THERAPY SERVICES 6,276 STUDENTS SERVED IN FY 2020-2021 713-696-8232

Our School-Based Therapy Services division has a staff of over 150 occupational therapists, occupational therapist assistants, physical therapists, physical therapist assistants and music therapists who serve school-aged children who are challenged by autism, intellectual disabilities, orthopedic impairments, learning disabilities, attention deficit disorder, and/or auditory or visual impairments.

Our staff also provide training to parents, volunteers, educators, and community healthcare professionals. We partner with colleges and universities to assist in creating a new generation of specialists to serve children with disabilities. We provided training and assistance to 5,779 teachers/educators in 2020-2021.

Our services include evaluation, intervention, problem-solving, and training. We also offer management consulting, program evaluation and staff development/training to our school districts and charter schools.

### DID YOU KNOW?

- Division therapists provided 19,041 days of service to students in and around Harris County who needed occupational therapy, physical therapy, and/or music therapy.
- Our services are paid for primarily through contracts from districts and programs on a fee-for service basis.
- Our staff travel to schools, homes, jobsites, or wherever students are receiving their education.

### Our School-Based Therapy staff:

- Problem-solves to remove barriers so that children with disabilities can achieve and participate alongside their peers;
- Fosters social/emotional health through play-based activities and curriculum;
- Assists with transition planning and helps students acquire the skill set needed to succeed after graduation;
- Supports teachers by helping them understand how a student's disability affects their participation and success in the classroom; and
- Works with students and trains teachers to help students improve their mobility, self-help, behavior, attention, and other skills needed to be successful at school.



## CENTER FOR SAFE AND SECURE SCHOOLS 32,929 STUDENTS SERVED IN FY 2020-2021

713-696-2127

Our Center for Safe and Secure Schools division offers a wide array of services to ensure that students in Harris County are as safe as can be. The division works with districts and campuses by providing safety audits, emergency operations plan assistance, training on a broad spectrum of topics related to school safety and security, as well as certification assistance.

# PROGRAMS AND SERVICES



## HEAD START

1,092 STUDENTS SERVED IN FY 2020-2021

713-694-6300

Head Start is a federally-funded program for preschool children from low-income families, and HCDE operates 15 Head Start locations. Children who attend Head Start participate in a variety of educational activities. They also receive free vision, hearing, nutrition, and developmental screenings; eat healthy meals and snacks; and enjoy age-appropriate play, both indoors and outdoors in wholesome settings.

Head Start helps all children succeed. Services are offered to meet the special needs of children with disabilities. Children in Head Start are between the ages of three and five years.

### DID YOU KNOW?

- Our Head Start division provides services to children and families in at least 43 zip codes in east Harris County.



## TEACHING AND LEARNING CENTER

1,157 STUDENTS SERVED IN FY 2020-2021

713-696-8200

The Teaching and Learning Center (TLC) simply improves student achievement by assisting teachers, principals, and support personnel with their professional development needs. Our TLC staff advances teaching and learning through customized curriculum development, course implementation and alignment assistance, as well as through a wide array of other proven programs, services, and techniques that help students achieve.

We offer support to schools in the following core areas:

- English/Language Arts
- Mathematics
- Science
- Social Studies

Other areas include:

- Elementary Art
- Behavior Management
- Bilingual/ESL
- Digital Learning
- Early Childhood
- Gifted and Talented
- The Scholastic Art and Writing Awards



## COOPERATIVE PROGRAMS

Choice Partners Cooperative offers quality, legal procurement and contract solutions to meet government purchasing requirements.

Choice Partners includes:

- Facilities planning and facility contracts to meet needs for remediation, renovation, and remodeling;
- Supplies and service contracts, including a comprehensive school supply catalog;
- Food contracts for bread, dairy, grocery, produce, and cleaning products and equipment;
- Technology products, cloud services, software, consulting and resources for today's electronic demands; and
- Energy contractors that help governmental entities exercise power over energy costs

Visit [www.choicepartners.org](http://www.choicepartners.org).

# INDICATORS OF SUCCESSFUL BUSINESS OPERATIONS



## FY 2020-2021 WAS A SUCCESSFUL YEAR FOR HCDE

### KEY INDICATORS

- 98.3% current tax collection rate
- Administered over \$30.4M in local, state, and federal grants including indirect cost
- Provided \$126M in economic benefits through cooperatives, grants, and fees for services, including professional development
- Unmodified” opinion expressed by the independent auditors-which is the best kind of auditors’ opinion
- No “Findings” or “Questioned Costs” in the annual financial report
- Maintained a credit rating of “AAA” from Standard & Poor’s and “Aaa” from Moody’s

### AWARDS AND RECOGNITION FOR EXCELLENCE IN FINANCIAL REPORTING:

Harris County Department of Education’s Annual Comprehensive Financial Report for the fiscal year ended August 31, 2020, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. HCDE has received this award for the past nineteen years. We believe our Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement program requirements and we are submitting our Annual Comprehensive Financial Report for the current year to the GFOA.

The Government Finance Officers Association of the United States and Canada (GFOA) has also issued an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to Harris County Department of Education for its Popular Annual Financial Report for the fiscal year ended August 31, 2020.

# INDICATORS OF SUCCESSFUL BUSINESS OPERATIONS



The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. HCDE has received this award for the past fourteen years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Harris County Department of Education has also received the Meritorious Budget Award from the Association of School Business Officials International (ASBO). A Certificate is valid for a period of one year only. HCDE has received this award for the past twelve years.

Harris County Department of Education also received the GFOA's Budget Document Award for Best Practices for the fiscal year 2020-2021 budget document based on the highest quality that reflects the guidelines established by the National Advisory Council on State and Local Budgeting and GFOA's best practices on budgeting. A Certificate is valid for a period of one year only. HCDE has received this award for the past twelve years.

The Texas Comptroller's Transparency Star Program 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 has received the Platinum Member Leadership Circle award for seven consecutive years. In FY 2016, the Department continued participating in the Texas Comptroller's Office Transparency Star's Program, and it has earned three stars for Traditional Finances, Contracts and Procurement and Debt obligations.

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 eleventh consecutive year receiving this award.

In FY 2021, 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 HCDE's fourth consecutive year receiving this award.

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

# INDICATORS OF SUCCESSFUL BUSINESS OPERATIONS



## FY 2020-2021 REVENUE SOURCES

### HCDE accounts are organized on the basis of funds including:

- The General Fund accounts for all revenues and expenditures not reported in another fund;
- The Special Revenue Funds account for specific revenue sources that are limited to being used for a particular purpose;
- The Debt Service Fund accounts for the payment of debt;
- The Capital Projects Fund (tracks the accumulation and use of resources for acquiring, constructing, and rehabilitating capital assets such as buildings);
- The Choice Partners Enterprise Fund - accounts for revenues and expenses dealing with the purchasing cooperative program; and
- The Internal Service Funds - accounts for revenues and expenses related to services provided to organizations inside the Department on a cost reimbursement basis. The Department's internal service funds include Workers' Compensation and Facility Charges.

### LOCAL SOURCES

Local sources of revenue generated \$52,348,452, or 64 percent of total revenues. Local revenue sources include charges for services, property taxes, local grants, and miscellaneous revenues.

Charges for services are a significant source of revenue for the Department, and in fiscal year 2021, these constituted 27 percent of total revenues. Property taxes (what you, as a citizen, pay for supporting education in Harris County) accounted for 30 percent of total revenues. Other sources, including local grants and miscellaneous income, represented 8 percent of total revenues.

### STATE SOURCES

State sources of revenue totaled \$3,344,870, or 4 percent, of total revenues. State revenues decreased this year by \$239,944 or 7 percent, under last year, mainly due to a decrease in state funded grants.

### FEDERAL SOURCES

Revenues from federal sources constituted \$26,327,759, or 32 percent, of total revenues. These federal sources include grants for the Adult Education, Center for After-School, Summer and Extended Learning, and Head Start programs, and various non-major governmental funds. Federal revenues showed a decrease of \$487,473, or one percent, from last year, mainly due to decrease of federal funding.

### OTHER GOVERNMENTAL SOURCES

The \$7M difference between total revenues of \$82M on page 22 and total expenditures of \$89M on page 23, will decrease the Department's fund balance.

# HCDE FINANCIAL STRENGTH AND EFFICIENCY INDICATORS

AS OF AUGUST 31, 2021

FINANCIAL STRENGTH RATIO GF Fund Balance to Total Governmental Expenditures		DEBT TO INCOME RATIO What is the ability of HCDE to cover its debt payments?	
<b>Unassigned Fund Balance:</b>	<b>\$17,032,101</b>	<b>Annual Principal and Interest Payments on Long Term Debt and Capital Leases:</b>	<b>\$4,000,255</b>
<b>Total Governmental Expenditures:</b>	<b>\$89,444,277</b>	<b>G/F Revenue Less Facility Charges:</b>	<b>\$46,794,786</b>
<b>Goal:</b> >30% of G/F Exp. <b>Benchmark:</b> 10% to 29% <b>Critical:</b> Under 10%		<b>Goal:</b> <25% of annual revenue <b>Benchmark:</b> 25% to 49% <b>Critical:</b> Over > 50%	
<b>19%</b>		<b>8.5%</b>	

G/F - General Fund

**Unassigned Fund Balance** - Funds not yet restricted, committed or assigned

**Total Governmental Expenditures** - include G/F Funds, Special Revenue Funds, and other Governmental Funds

## HCDE EFFICIENCY INDICATORS

TAX REVENUE TO TOTAL REVENUE RATIO How efficient is HCDE at leveraging local taxes?		FEE FOR SERVICE REVENUE RATIO How are revenues spread across all funds?	
<b>Total Tax Revenue:</b>	<b>\$25,076,871</b>	<b>Total Fee for Service Revenues (GF) and Choice Partners</b>	<b>\$27,424,124</b>
<b>Total Revenue:</b>	<b>\$94,861,579</b>	<b>Total Revenue:</b>	<b>\$94,861,579</b>
<b>Goal:</b> >20% of revenue <b>Benchmark:</b> 20% to 33% <b>Danger:</b> More than 33%		<b>Goal:</b> <25% of annual revenue <b>Benchmark:</b> 25% to 49% <b>Critical:</b> Over > 50%	
<b>26%</b>		<b>29%</b>	

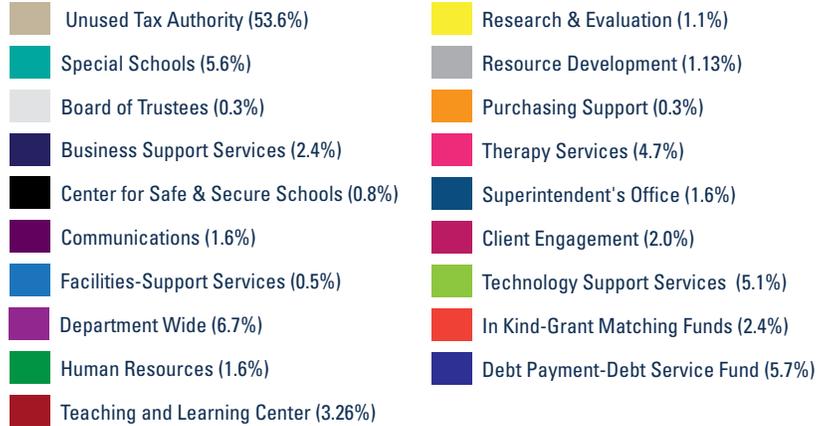
HCDE is a model for maximizing dollars by using non-duplicative infrastructure to attract administrative grants while maintaining a strong financial position as evidenced by strong bond ratings and reserves as well as transparent operations.

# GENERAL FUND-TAX REVENUE

## HCDE PROPERTY TAX USE - BY DIVISION

For the year ended August 31, 2021

# \$23,698,766 (WITHOUT INDIRECT COST SUBSIDY ALLOCATION)



*Notes: Divisions generate fees and other revenues to offset program costs. The tax allocation for each division on this chart is for the property tax distributed to each division based on need in order to deliver the services to the school districts. In addition, grant funded programs also require administrative support from technology, facilities, business, human resources in order to implement their mission.*

<b>Special Schools</b>	\$5,014,155
<b>Board of Trustees</b>	162,519
<b>Business Support Services</b>	1,278,118
<b>Center for Safe &amp; Secure Schools (CSSS)</b>	306,628
<b>Communications</b>	903,620
<b>Client Engagement</b>	441,113
<b>Facilities- Support Services</b>	163,536
<b>Department Wide</b>	3,162,038
<b>Human Resources</b>	758,907
<b>Teaching and Learning Center</b>	1,436,446
<b>Purchasing Support</b>	573,016
<b>MISSING</b>	94,072
<b>Research &amp; Evaluation</b>	433,476
<b>Resource Development</b>	582,626
<b>Therapy Services</b>	2,100,110.51
<b>Superintendent's Office</b>	903,746
<b>Technology Support Services</b>	2,694,310
<b>In Kind-Grant Matching Funds</b>	1,160,193
<b>Debt Payment- Debt Service Fund</b>	2,917,610
<b>Unused Tax Authority</b>	27,913,760
<b>TOTAL</b>	<b>\$53,000,000</b>

# GENERAL FUND-TAX REVENUE

	FY 2020-21	FY 2019-20	FY 2018-19
<b>LOCAL SOURCES</b>			
Charges for Services	\$20,441,828	\$21,358,796	\$21,511,437
Property Taxes, Levied for General Purposes	25,086,237	23,707,501	23,051,892
Local Grants	5,634,872	4,761,166	5,272,056
Miscellaneous	1,185,515	951,905	1,023,752
<b>TOTAL LOCAL SOURCES:</b>	<b>52,348,452</b>	<b>50,779,367</b>	<b>50,859,137</b>
<b>STATE SOURCES</b>			
Grants-Restricted to Specific Program	529,800	548,616	780,488
TRS On-Behalf Payments	2,815,070	3,036,198	2,508,668
<b>TOTAL STATE SOURCES:</b>	<b>3,344,870</b>	<b>3,584,814</b>	<b>3,289,156</b>
<b>FEDERAL SOURCES</b>			
Grants-Restricted to Specific Program	26,327,759	24,919,991	25,623,352
<b>TOTAL REVENUES:</b>	<b>\$82,021,081</b>	<b>\$79,284,172</b>	<b>\$79,771,645</b>

\*Governmental Funds include the General Fund, Special Revenues Funds, Capital Projects Fund and Debt Service Fund.

The revenues for FY 2020-2021 as compared to FY 2019-2020 increased by \$2,736,905 or 3% mainly due to increase in local revenues.

<b>MAJOR FUNDS</b>					
<b>SPECIAL REVENUE FUNDS</b>					
	General	Head Start Program	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Local Sources	\$46,709,017	\$-	\$9,300	\$5,630,135	\$52,348,452
State Program Revenues	3,344,870	-	-	-	3,344,870
Federal Program Revenues	2,078,882	7,458,818	-	16,790,059	26,327,759
<b>TOTAL REVENUES:</b>	<b>\$52,132,769</b>	<b>\$7,458,818</b>	<b>\$9,300</b>	<b>\$22,420,194</b>	<b>\$82,021,081</b>

<b>PROPRIETARY FUNDS</b>				
	Choice Partners	Workers Compensation	Facility Charges	Total Governmental Funds
Revenues - Local Sources	\$6,924,045	\$351,026	\$5,565,427	\$12,840,498

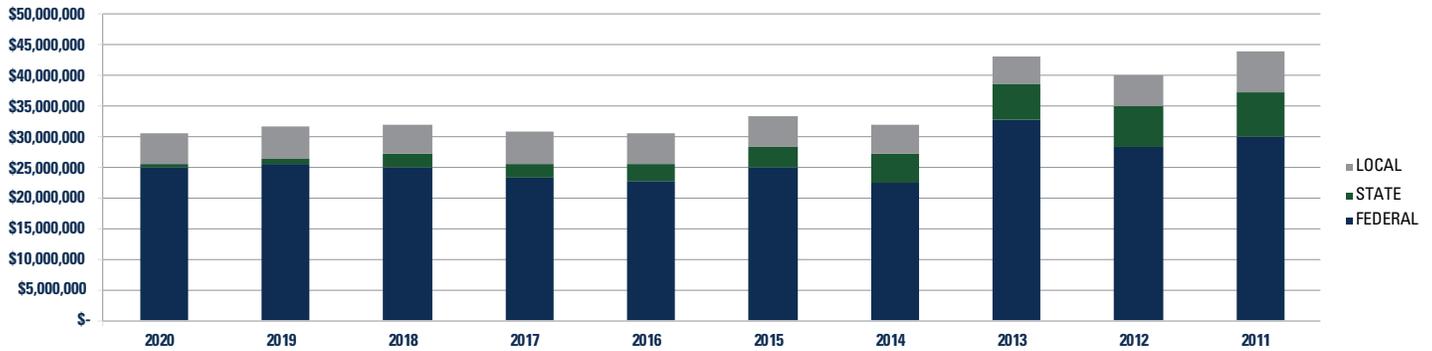
# FY 2020-2021 EXPENDITURES

GOVERNMENTAL EXPENDITURES	FY 2020-21		FY 2019-20		FY 2018-19	
Adult Education Program	\$3,968,609	4.44%	\$4,429,807	4.91%	\$4,242,673	5.11%
Assistant Superintendents	595,537	0.67%	550,259	0.61%	567,780	0.68%
Board of Trustees	162,520	0.18%	164,109	0.18%	177,757	0.21%
Business Support Services	1,977,239	2.21%	1,976,847	2.19%	1,726,357	2.08%
Center of After-School, Summer & Expanded Learning	7,619,554	8.52%	6,431,634	7.13%	6,932,667	8.35%
Center for Safe & Secure Schools	747,630	0.84%	782,170	0.87%	617,861	0.74%
Center for Grant Development	584,083	0.65%	578,366	0.64%	558,705	0.67%
Client Engagement	456,475	0.51%	429,571	0.48%	-	0.00%
Communications	948,129	1.06%	826,603	0.92%	1,458,957	1.76%
Department Wide	8,666,966	9.69%	7,137,853	7.91%	6,727,446	8.11%
Digital Education & Innovation	266,550	0.30%	397,712	0.44%	244,380	0.29%
Education Certification & Professional Advancement	680,215	0.76%	660,549	0.73%	588,579	0.71%
Education Foundation	210,543	0.24%	500,600	0.55%	-	0.00%
Facility Support Services	163,536	0.18%	282,427	0.31%	1,025,227	1.24%
Head Start Program	20,492,126	22.91%	19,245,331	21.33%	19,314,914	23.27%
Human Resources	1,094,473	1.22%	1,092,516	1.21%	1,044,283	1.26%
Purchasing Support Services	573,016	0.64%	576,023	0.64%	538,986	0.65%
Records Management Services	1,889,657	2.11%	1,818,947	2.02%	1,917,340	2.31%
Research & Evaluation Institute	627,825	0.70%	607,972	0.67%	560,157	0.67%
Retirement Leave Benefits	333,844	0.37%	231,057	0.26%	118,233	0.14%
Scholastic Arts & Writing Program	118,381	0.13%	142,239	0.16%	139,108	0.17%
School Based Therapy Services	11,332,185	12.67%	11,135,002	12.34%	10,550,740	12.71%
Chief of Staff	280,940	0.31%	273,876	0.30%	269,039	0.32%
Special Schools & Services	12,876,450	14.40%	19,922,777	22.08%	14,996,466	18.07%
Superintendent's Office	622,806	0.70%	559,169	0.62%	513,510	0.62%
Technology Support Services	3,767,248	4.21%	3,561,381	3.95%	3,690,024	4.45%
The Teaching & Learning Center	899,159	1.01%	1,142,292	1.27%	1,324,710	1.60%
PFC Capital Projects	2,837,998	3.17%	1,839,271	2.04%	-	0.00%
<b>Debt Service:</b>						
Principal on Long-Term Debt	2,756,428	3.08%	2,706,429	3.00%	2,886,429	3.48%
Interest on Long-Term Debt	1,243,827	1.39%	211,182	0.23%	263,067	0.32%
Bond Issuance Costs	650,328	0.73%	-	0.00%	-	0.00%
<b>TOTALS:</b>	<b>\$89,444,277</b>	<b>100.00%</b>	<b>\$90,213,971</b>	<b>100.00%</b>	<b>\$82,995,395</b>	<b>100.00%</b>

The expenditures for FY 2020-2021 as compared to FY 2019-2020 decrease by \$769,694 or 1% mainly due to the transfers out to debt service for bond payments.

# FY 2020-2021 GRANTS

Grants are resources that are limited to being used for specific purposes by the grantor. During fiscal year 2020-21, HCDE received \$30,432,666 in revenues from local, state, and federal grants. This represents a 1 percent increase of \$202,893 over fiscal year 2019-2020. Below is a chart presenting the last ten years in grants for the Department.



	2021	2020	2019	2018	2017
<b>FEDERAL</b>	\$26,327,759	\$24,919,991	\$25,623,352	\$24,895,031	\$23,363,226
<b>STATE</b>	529,800	548,616	780,488	2,352,287	2,260,853
<b>LOCAL</b>	3,575,107	4,761,166	5,272,056	4,766,262	5,355,621
	<b>\$30,432,666</b>	<b>\$30,229,773</b>	<b>\$31,675,896</b>	<b>\$32,013,580</b>	<b>\$30,979,700</b>

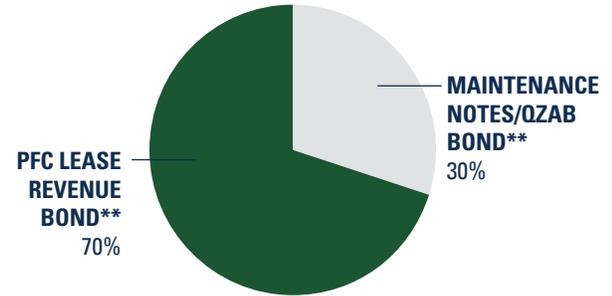
	2016	2015	2014	2013	2012
<b>FEDERAL</b>	\$22,622,562	\$25,028,005	\$22,547,986	\$32,855,796	\$28,329,457
<b>STATE</b>	2,810,044	3,182,302	4,710,852	5,713,001	6,841,825
<b>LOCAL</b>	5,086,589	5,049,186	4,653,717	4,417,941	4,966,634
	<b>\$30,519,195</b>	<b>\$33,259,493</b>	<b>\$31,912,555</b>	<b>\$42,986,738</b>	<b>\$40,137,916</b>

# DEBT

Harris County Department of Education debt service requirements of bonds and notes are payable from future revenues consisting of school contracts. These bonds and notes were issued as three through 17-year bonds and notes, with varying amounts of principal maturing each year. The Department is in compliance with all significant limitations and restrictions. Effective interest rates on currently outstanding lease revenue bonds range from 2.4 to 5.75 percent. The QZABs have a zero interest rate. The Department has never defaulted on any principal or interest payments.

YEARS ENDED AUGUST 31	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
2022	\$2,350,000	\$1,136,544	\$3,486,544
2023	2,395,000	1,085,992	3,480,992
2024	1,450,000	1,036,175	2,486,175
2025	1,480,000	987,161	2,467,161
2026	1,525,000	936,604	2,461,604
2027-2031	4,715,000	3,983,965	8,698,965
2032-2036	5,595,000	2,927,715	8,522,715
2037-2041	7,220,000	2,074,270	9,294,270
2042-2045	7,930,000	629,992	8,559,992
<b>TOTALS</b>	<b>\$34,660,000</b>	<b>\$14,798,418</b>	<b>\$49,458,418</b>

## HCDE DEBT SERVICE REQUIREMENTS



SERIES	BOND TYPE	ORIGINAL ISSUE	INTEREST RATES	MATURITY DATES	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	AMOUNT OUTSTANDING
2014	LEASE REVENUE REFUNDING	\$9,635,000	2.40%	2/15/23	\$5,190,000	-	\$(1,260,000)	\$3,930,000
2015	LEASE REVENUE REFUNDING	4,255,000	4.13-5.75%	2/15/23	1,300,000	-	(310,000)	990,000
2016	LEASE REVENUE BOND	7,000,000	1.68%	2/15/26	5,015,000	-	(685,000)	4,330,000
2020	LEASE REVENUE BOND	27,715,000	2.00-5.00%	2/15/45	-	27,715,000	0	27,715,000
2009A	QZAB *	6,320,000	0.00%	8/31/23	1,805,713	-	(451,427)	1,354,286
2020	MAINTENANCE TAX NOTES	13,865,000	3.00-5.00%	2/15/40	0	13,865,000	0	13,865,000
<b>TOTALS</b>					<b>10,604,286</b>	<b>41,580,000</b>	<b>(2,756,429)</b>	<b>49,427,857</b>
<b>PLUS: ISSUANCE AMOUNTS</b>					<b>7,996</b>	<b>5,612,115</b>	<b>(190,069)</b>	<b>5,430,042</b>
<b>TOTALS-BONDS PAYABLE AT MATURITY VALUE</b>					<b>\$10,612,282</b>	<b>\$47,192,115</b>	<b>\$(2,946,498)</b>	<b>\$54,857,899</b>

\* QZAB = Qualified Zone Academy Bonds

# CAPITAL PROJECTS



## CAPITAL PROJECTS FUND

The HCDE Capital Projects Fund account, on a project basis, for projects financed by the proceeds of bond issues, OZAB bonds, and maintenance tax notes, or for capital projects otherwise mandated to be accounted in this fund.

## LEASE REVENUE BONDS

In January 2006, the HCDE PFC issued lease revenue bonds-Series 2006A, 2006B, and 2006C. The bonds are earmarked for the purchase and renovation of a facility for administrative offices, meeting rooms, warehouse, records storage, and printing; and the construction of new ABC and High Point schools. Bond money will also be spent on furnishing and equipping the new facilities. In February 2014, a portion of the 2006A Bond was refunded with series 2014 Refunding. In January 2015, the remaining portion of the 2006A Bond and the 2006B Bond were refunded with series 2015 Refunding. In October 2016, the HCDE PFC issued lease revenue bonds-Series 2016. The bonds are earmarked to fund the acquisition of property and the construction, improvements and equipment for new ABS West campus.

In FY 2020, the HCDE PFC issued the 2020 Lease Revenue Bonds in the amount of \$27,715,000 for the replacement of Ab East School, High Point East School and a new Adult Education Center. The Capital Project Phase One project cost is estimated at \$36,573,770 of which \$5,740,000 will be paid with general fund, \$251,888 from interest, \$3,405,317 from premium from the bond sale, and the remaining \$27,715,000 from bond proceeds. Moody's Investor Service assigned an "Aa1" rating to the bond security with stable outlook assigned.

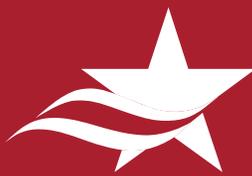
## QUALIFIED ZONE ACADEMY BONDS (OZAB)

In May 2009, the HCDE PFC issued qualified zone academy bonds-Series 2009A. In 1997, The U.S. Congress enacted the Taxpayer Relief Act which authorized Qualified Zone Academy Bonds, allowing qualifying schools and communities to borrow at little or no interest cost. The bonds are earmarked for the energy renovation, furnishing, and equipping of HCDE schools.

The second part of the Capital Improvement Phase One was the renovation of the Irvington Building, and a Maintenance Note Bond Series 2020 was issued in October 2020 in the amount of \$13,865,000. The Department prepared a needs assessment for the renovation of the Ronald Reagan Building (Irvington), and equipment and furniture for the Adult Ed Center, Highpoint East Middle School addition and AB East Replacement School and other equipment and renovation costs for the department. The total project cost for the equipment renovation cost of the projects is estimated at \$16,071,797 of which \$2,206,797 will be paid from premium from the sale and the bond proceeds of \$13,695,000. Moody's Investor Service assigned an "Aaa" rating to the bond security with stable outlook assigned.

## SUBSEQUENT EVENTS

On December 1, 2021, the Department defeased the 2015 Lease Revenue Bonds which refunded the Series 2006A and Series 2006B in the principal amount of \$670,000 and interest and make whole provision of \$14,022. The bonds were originate issued for the construction of the AB East School at 8003 Sam Houston Parkway, the Records Management and Administrative Facility at 6005 Westview, the HCDE Parking garage at 6300 Irvington, the Warehouse at 709 Melbourne, and the Adult Ed Classrooms at 6515 Irvington.



## Harris County Department of Education

### SERVING SPECIAL POPULATIONS IN TEXAS' LARGEST COUNTY

**Head Start:** Teachers in our Head Start centers in east and northeast Harris County prepare low-income or developmentally delayed pre-school age children for kindergarten.

**School-Based Therapy Services:** Students needing special learning accommodations are helped by our occupational therapy, physical therapy and music therapy specialists, who serve nearly 6,000 students annually at their home campuses.

**Special Schools:** Districts contract with us to provide specialized environments and a low student-to-teacher ratio to educate students with unique needs. Teachers at our Academic and Behavior schools educate students with intellectual and developmental disabilities. Our Highpoint schools offer a safe and highly structured learning environment to adjudicated or expelled youth in grades 6–12.

**Afterschool Programs:** CASE for Kids (the Center for Afterschool, Summer and Enrichment for Kids) provides quality support for out-of-school time programs (before and after school, weekends and summer), including grant funding, training and materials.

**Adult Education:** HCDE offers adult learners the opportunity to learn English, earn their GEDs, and train for the workforce. Our classes are located in schools, churches, businesses and community centers across Harris County.



**HEAD START**  
1,092 STUDENTS



**SCHOOL-BASED THERAPY SERVICES**  
6,276 STUDENTS



**HCDE SCHOOLS**  
410 STUDENTS



**AFTERSCHOOL PROGRAMS**  
12,475 STUDENTS



**ADULT EDUCATION**  
5,500 STUDENTS

Harris County Department of Education helps school districts in the state's largest county meet the needs of uniquely challenged learners, directly serving students at their schools or one of four HCDE-operated campuses across the county.

For six consecutive years, HCDE has reduced its tax rate below the effective tax rate and now collects less than one-half of one penny—approximately \$9.73 a year for the average homeowner. This provides operational efficiencies for the 25 area school districts in Harris County at a lower cost to taxpayers than it would cost if the districts provided the services separately.



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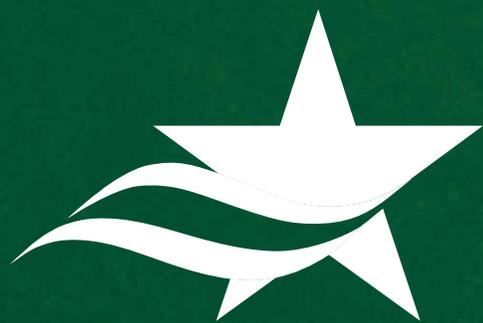
For its Annual Financial Report  
for the Fiscal Year Ended

**August 31, 2020**

*Christopher P. Morill*

Executive Director/CEO

The information contained in this Popular Annual Financial Report is presented in conformity with GAAP was compiled by the Business Services division and produced by the Communications and Creative Services division. Individuals wishing to review the full disclosure financial statements and obtain a copy should refer to Harris County Department of Education's Comprehensive Annual Financial Report, which is available online at the HCDE website at [www.hcde-texas.org](http://www.hcde-texas.org).



**Harris County**  
Department of  
**Education**

It is the policy of Harris County Department of Education not to discriminate on the basis of race, color, national origin, gender, limited English proficiency, or handicapping condition(s) in its programs.

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