



Harris County
Department of
Education

2019 2020

POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED AUGUST 31, 2020



**LEADING
EDUCATION
IN HARRIS
COUNTY**

TABLE OF CONTENTS

2	MESSAGE FROM YOUR SUPERINTENDENT	19	FINANCIAL STRENGTH AND EFFICIENCY INDICATORS
3	MESSAGE FROM YOUR BUSINESS OFFICER	20	GENERAL FUND - TAX REVENUE
4	ABOUT THE DEPARTMENT	23	FY 2019-2020 EXPENDITURES
6	MISSION, GOALS, GOVERNANCE, AND ADMINISTRATION	24	FY 2019-2020 GRANTS
8	TAX RATES AND VALUES	25	DEBT
10	NUMBER OF DISTRICTS/ENTITIES SERVED	26	CAPITAL PROJECTS
11	ECONOMIC IMPACT TO ISDs	28	GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARD FOR OUTSTANDING ACHIEVEMENT IN POPULAR FINANCIAL REPORTING
13	PROGRAMS AND SERVICES		
17	INDICATORS OF SUCCESSFUL BUSINESS OPERATIONS		

A MESSAGE FROM YOUR SUPERINTENDENT



JAMES COLBERT JR. SUPERINTENDENT OF SCHOOLS

The Harris County Department of Education (HCDE) is committed to advancing educational opportunities for children and adults in Harris County, Texas. In partnership with the local community, HCDE provides critical services to school districts, educators, local governmental entities and non-profit organizations. Using a complex business model of grants, fee-for-service programs, a small local tax and revenue from our national purchasing cooperative, HCDE leverages every property tax dollar into nearly \$5 in services. This prudent use of resources allows HCDE to reduce costs for clients and save money.

In the 2019-2020 school year, HCDE's enterprise activities and grant awards increased while the department reduced the taxable burden on property owners for the sixth consecutive year. HCDE also received more than \$30 million in grants and \$23.8 million in local property taxes in 2019-2020. The department effectively maximized these dollars, providing more than \$100 million in economic benefit to member districts and saving them millions of dollars in shared services.

HCDE also capitalized upon federal, state and local grants, increasing the impact of services in our local communities last year. The Choice Partners Cooperative reached new heights, providing legally bid contract offerings to school districts, government and non-profit organizations around the country and producing millions in revenue to support local education opportunities.

HCDE is committed to excellence in all we do. We remain focused on supporting local education efforts through high quality, personalized programs that impact more than 150,000 students and 50,000 educators each year. HCDE staff is tops in the region and provide a positive working environment, as evidenced by our receiving the Houston Chronicle Top Workplace designation for the second year in a row. HCDE staff work diligently every day to make a difference in every student's life, while providing the best service possible to our clients.

In an era of increased accountability, HCDE is a model of efficiency in local government and transparent in all activities and actions. Education is critical to the success of our children and communities and we are proud to help make Houston the epicenter of the best education in the nation.

Respectfully,

A handwritten signature in white ink that reads "James Colbert". The signature is fluid and cursive, with a large loop at the end of the last name.

James Colbert Jr.
Harris 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, 2020. 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 www.hcde-texas.org/finance to further highlight our fiscal results and successes. For the past ten years, the Department has participated in the transparency program, and for fiscal year 2019-2020, 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 FY2019-20 Comprehensive Annual Financial Report. The Comprehensive Annual Financial Report 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 Comprehensive Annual Financial Report, 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 Comprehensive Annual Financial Report 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.

Respectfully,

A stylized, handwritten signature in white ink, appearing to read 'J. Amezcua'.

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



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.



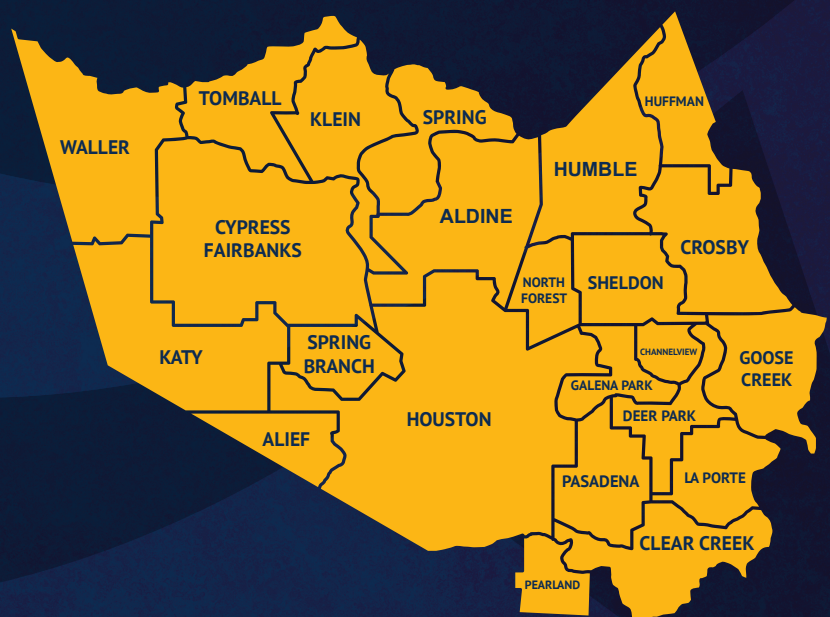
ABOUT HARRIS COUNTY (HOUSTON, TEXAS)

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 478.8 billion in 2018, making it the seventh largest U.S. metro economy. These economic indicators positively affect the Department's tax base.

In fiscal year 2020, 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 \$9.80 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

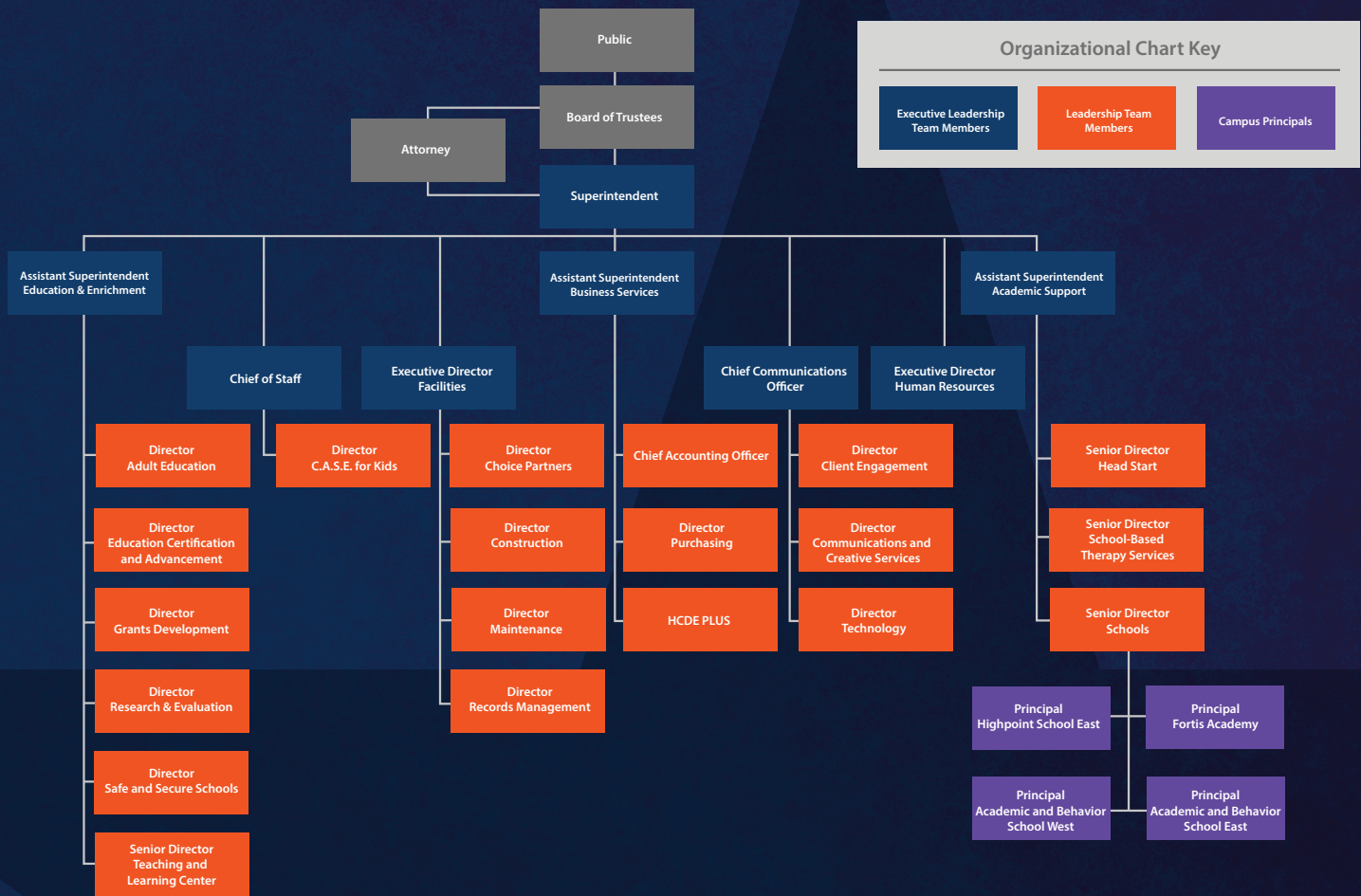
HCDE will:

- 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.



2019-2020 BOARD OF TRUSTEES



Eric Dick
President



Danyahel Norris
Vice President



David W. Brown



Richard Cantu

James Colbert, Jr.
County School Superintendent

Jesus J. Amezcua,
Ph.d., CPA, RTSBA
*Assistant Superintendent
for Business Services*

Jonathan Parker
*Assistant Superintendent for
Academic Support Services*

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



Erica Davis



Andrea Duhon



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 2019 tax year was \$.0050 per \$100 assessed property valuation. The assessed property valuation for the same period was \$478 billion, resulting in an adjusted tax levy of \$23.9 million. The assessed valuation increased 7.3 percent, from \$445 billion in tax year 2018 to \$478 billion in tax year 2019.

The current tax collection rate for fiscal year 2019-20 was 98.27 percent, an increase of .09 percent from the fiscal year 2018-19 'current tax' collection rate of 98.18 percent. In the tax year 2019, the average (homeowner) taxpayer paid \$9.80 per year based on a \$200,000 home with homestead exemption and an adopted tax rate of 0.00500 per \$100 valuation.

Tax values are assessed as of January of each calendar year. The tax assessments for tax year 2020 will be collected in fiscal year 2020-2021.

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.

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		
2020	2019	0.005000	\$23,937,452	\$23,523,037	98.27%	\$477,646,161,016	\$414,415
2019	2018	0.005190	23,187,623	22,764,706	98.18%	\$445,338,264,373	\$121,361
2018	2017	0.005195	22,230,714	21,937,173	98.68%	\$434,078,173,795	\$80,816
2017	2016	0.005200	21,678,009	21,412,201	98.77%	\$416,884,796,154	\$55,956
2016	2015	0.005422	21,040,325	20,736,926	98.56%	\$388,054,684,618	\$55,760
2015	2014	0.005999	20,933,936	20,660,459	98.69%	\$348,957,092,849	\$49,192
2014	2013	0.006358	20,064,263	19,805,270	98.71%	\$315,575,070,777	\$33,050
2013	2012	0.006617	19,167,433	18,882,728	98.51%	\$289,669,533,021	\$33,296
2012	2011	0.006581	18,141,665	17,894,045	98.64%	\$275,667,298,681	\$33,560
2011 & PRIOR	2010 & PRIOR	VARIOUS	VARIOUS	VARIOUS	VARIOUS	VARIOUS	\$105,952
						TOTALS	\$983,358

PRINCIPAL TAXPAYERS IN HARRIS COUNTY, TEXAS FOR TAX YEAR 2019

RANK	TAXPAYERS	TAXABLE VALUE (a)	PERCENT OF TOTAL ASSESSED VALUE (b)
1	Exxon Mobil Corporation	\$4,050,383	0.85%
2	Centerpoint Energy, Inc.	\$3,881,215	0.81%
3	Chevron Phillips Chemical Company LP	\$3,633,665	0.76%
4	Shell Oil Company	\$1,877,864	0.39%
5	Equistar Chemicals LP	\$1,802,344	0.38%
6	Enterprise	\$1,158,883	0.24%
7	Palmetto Transoceanic LLC	\$1,107,329	0.23%
8	Lyondell Chemcial	\$976,583	0.20%
9	Wal Mart	\$928,383	0.19%
10	Valero Energy Corp	\$829,097	0.17%
TOTAL		\$20,245,746	4.22%

(a) Taxable value equals appraised value less exemptions

(b) Total assessed value: \$477.6 (expressed in billions)

Source: Harris County (Texas) Appraisal District

NUMBER OF DISTRICTS/ENTITIES SERVED

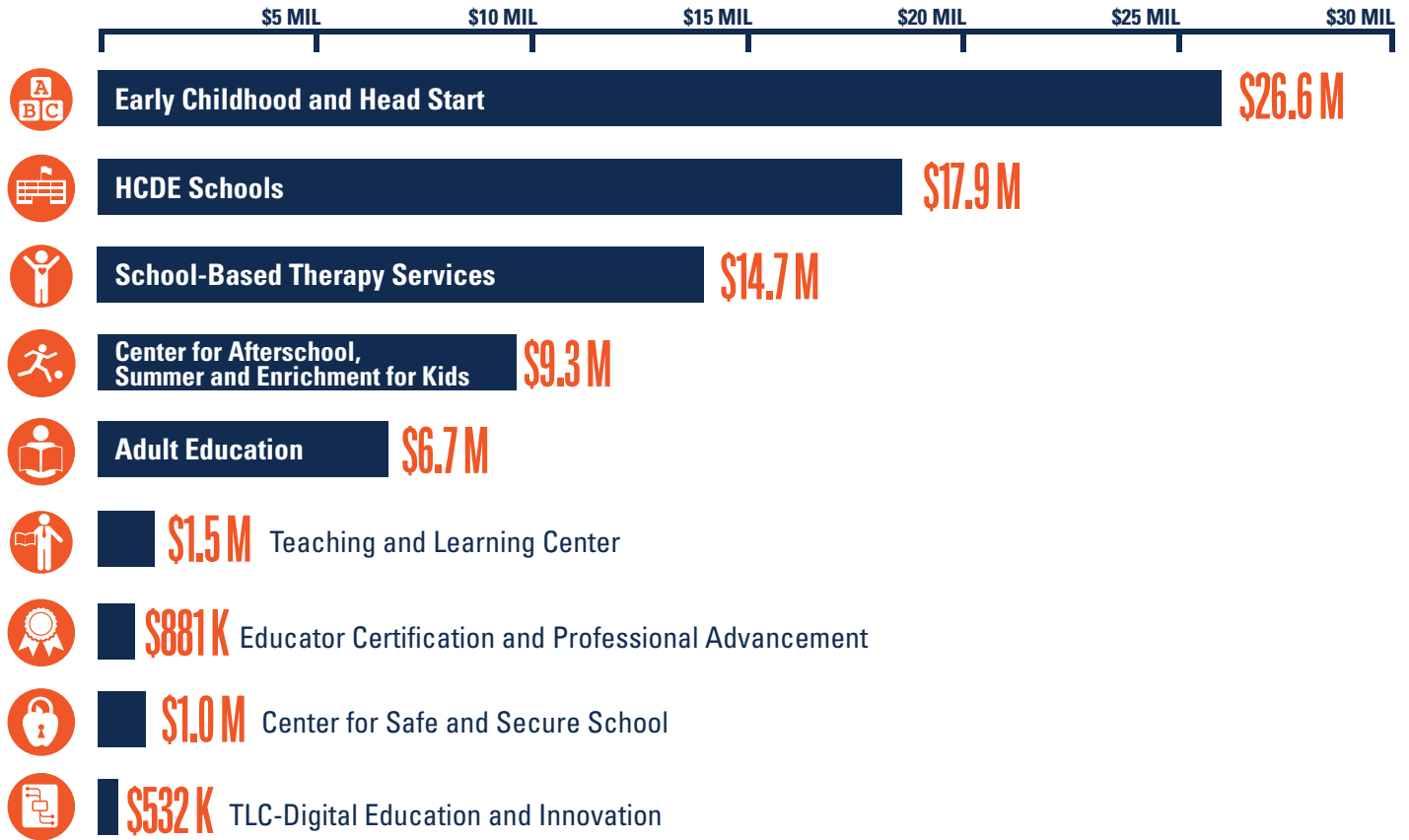
HCDE DIVISIONS	HARRIS COUNTY ISDS	OUT OF COUNTY ISDS AND ESCS	IN COUNTY CHARTER SCHOOLS	OUT OF COUNTY CHARTER SCHOOLS	OTHER EDUCATIONAL ENTITIES	PRIVATE NON-PROFITS	GOVERNMENTAL ENTITIES	OTHER ENTITIES/ UNAFFILIATED
Total Agency	25	692	71	45	368	532	597	329
Adult Education	12	0	0	0	0	1	0	0
Business Services	22	18	3	0	8	95	15	4
CASE for Kids	15	3	8	0	16	312	7	26
Center for Grants Development (CGD)	24	28	38	0	98	13	35	223
Center for Safe and Secure Schools (CSSS)	23	8	6	1	7	143	8	4
Choice Partners	25	668	32	34	255	0	534	57
Digital Education & Innovation	1	0	0	0	0	4	0	0
Educator Certification & Advancement (ECA)	20	22	12	2	28	0	4	7
Head Start	9	0	0	0	0	0	0	0
Records Management	18	11	14	9	3	12	25	1
Research & Evaluation Institute (REI)	9	1	5	0	9	0	4	6
School-Based Therapy Services	21	19	5	0	0	0	0	0
Schools: AB East	15	9	0	0	0	0	0	0
Schools: AB West	6	5	3	0	0	0	2	0
Schools: Highpoint	10	1	3	0	1	0	0	0
Schools: Fortis Academy	9	0	0	0	0	0	0	0
Teaching and Learning Center	25	43	12	0	6	2	3	0

During 2019-2020, 17 external serving divisions of Harris County Department of Education (HCDE) served a total of 2,665 different entities, ranging from 1 up to 1,748 per division. Of the total entities, 145 or 5.4% were faith-based. Divisions also served a total of 79,895 students directly; 55,020 students indirectly; 40,657 teachers and educators; and 8,743 support clients, which combined results in an overall total of 184,315 individuals served. Additionally, the Facilities division prepared room set-up for 90,602 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 (2019-2020)

Direct Support



SUPPORT SERVICES TO DISTRICTS



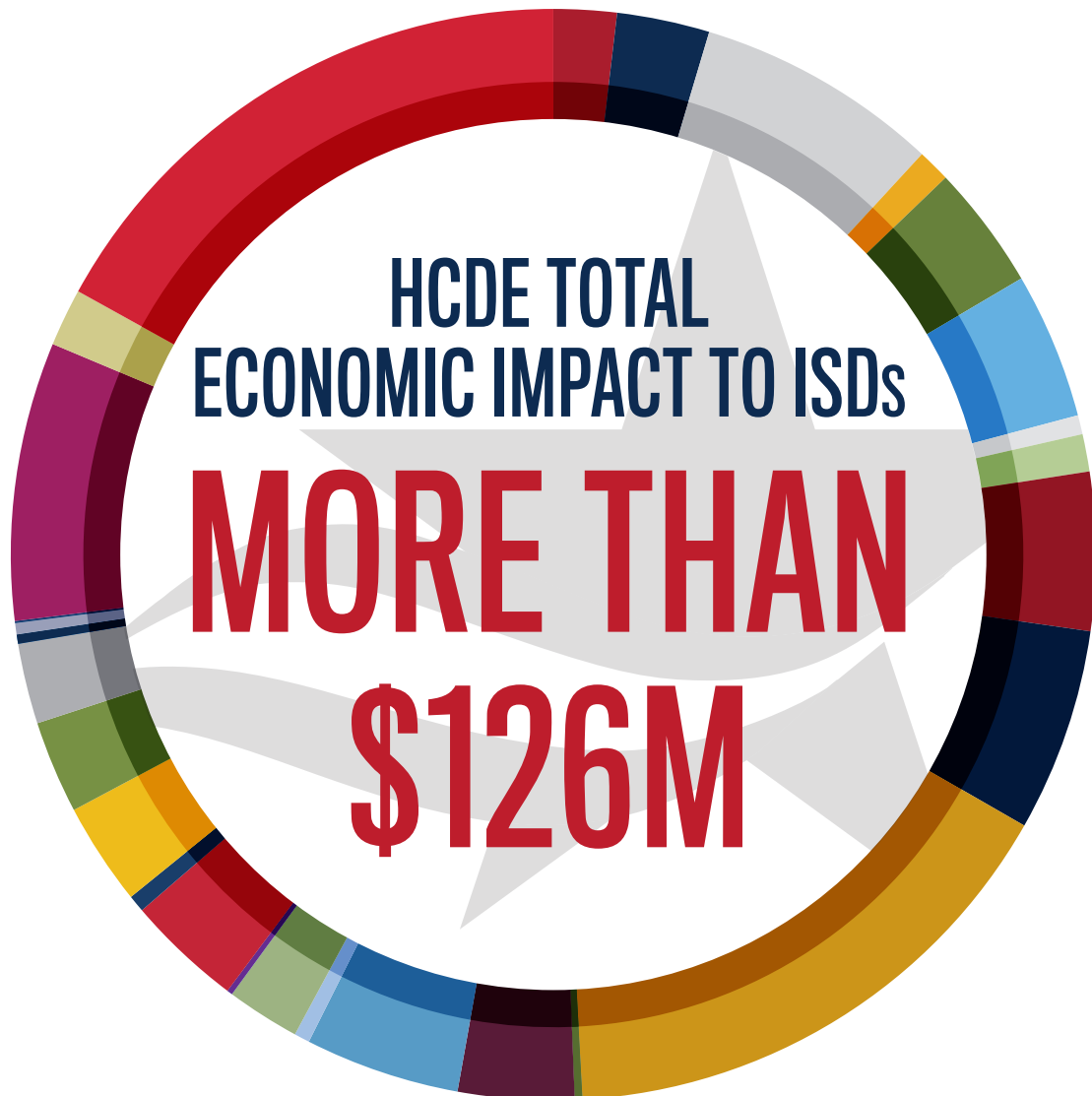
Choice Partners provides contract procurement and management services, saving Harris County school districts time and money when they access legal, competitively bid contracts already awarded by HCDE's governing board.

Dollar amounts represent unaudited financial data for the 2019/20 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.



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

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.)

PROGRAMS AND SERVICES



**CENTER FOR AFTER-SCHOOL,
SUMMER AND EXPANDED LEARNING**
17,020 STUDENTS SERVED IN FY 2019-2020
713-696-1331

HCDE's CASE program provides quality after-school programming in 42 after-school sites across greater Harris County, serving over 17,000 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
6,510 STUDENTS SERVED IN FY 2019-2020
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
800 STUDENTS SERVED IN FY 2019-2020

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.



SCHOOL-BASED THERAPY SERVICES

6,668 STUDENTS SERVED IN FY 2019-2020

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 7,228 teachers/educators in 2019-2020.

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

55,281 STUDENTS SERVED

IN FY 2019-2020

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

1,573 STUDENTS SERVED IN FY 2019-2020

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

6,918 STUDENTS SERVED IN FY 2019-2020

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
- Science
- Mathematics
- Social Studies

Other areas include:

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



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.

INDICATORS OF SUCCESSFUL BUSINESS OPERATIONS

FY 2019-2020 WAS A SUCCESSFUL YEAR FOR HCDE

KEY FINANCIAL INDICATORS:

- 98.27% current tax collection rate
- Administered over \$30.6M 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 Comprehensive Annual Financial Report for the fiscal year ended August 31, 2019, 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.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The Comprehensive Annual 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. We believe our Comprehensive Annual Financial Report continues to conform to the Certificate of Achievement program requirements and we are submitting our Comprehensive Annual Financial Report for the current year to the GFOA.

The Government Finance Officers Association of the United States and Canada (GFOA) has issued an **Award for Outstanding Achievement in Popular Annual Financial Reporting** to Harris County Department of Education for its Popular Annual Financial Report for the fiscal year ended August 31, 2019. 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. In order 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. 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) and GFOA's award for Best Practices for the fiscal year 2019-2020 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.

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 2020, 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 tenth 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.

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

INDICATORS OF SUCCESSFUL BUSINESS OPERATIONS



FY 2019-2020 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 \$50,779,367, or 65 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 2020, 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 \$3,584,814, or 5 percent, of total revenues. State revenues increased this year by \$295,658 or 9 percent, over last year, mainly due to an increase in state funded grants.

FEDERAL SOURCES

Revenues from federal sources constituted \$24,919,991, or 31 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 \$11M difference between total revenues of \$79M on page 22 and total expenditures of \$90M on page 23, will decrease the Department's fund balance.

HCDE FINANCIAL STRENGTH AND EFFICIENCY INDICATORS

AS OF AUGUST 31, 2020

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?	
Unassigned Fund Balance:	\$17,103,242	Annual Principal and Interest Payments on Long Term Debt and Capital Leases:	\$2,917,611
Total Governmental Expenditures:	\$90,213,971	G/F Revenue Less Facility Charges:	\$51,173,341
Goal: >30% of G/F Exp. Benchmark: 10% to 29% Critical: Under 10%		Goal: <25% of annual revenue Benchmark: 25% to 49% Critical: Over > 50%	
19%		5.7%	

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?	
Total Tax Revenue:	\$23,707,501	Total Fee for Service Revenues (GF) and Choice Partners	\$21,053,073
Total Revenue:	\$79,284,172	Total Revenue:	\$79,284,172
Goal: >20% of revenue Benchmark: 20% to 40% Danger: More than 40%		Goal: <25% of annual revenue Benchmark: 25% to 49% Critical: Over > 50%	
30%		27%	

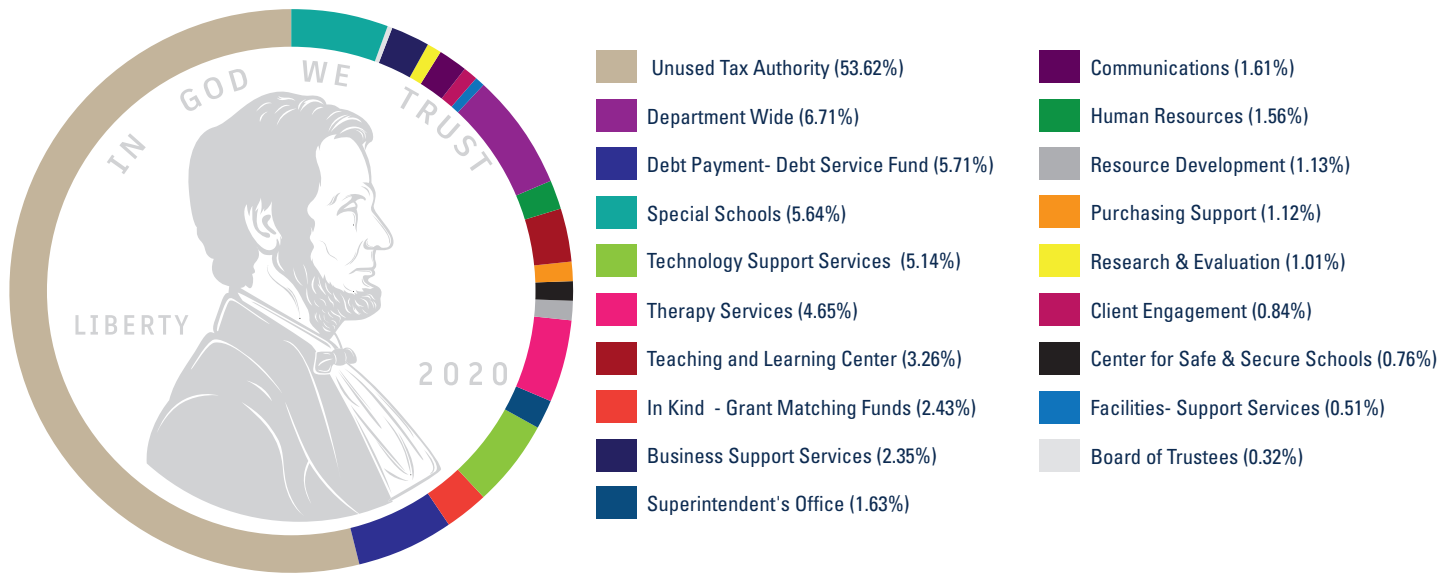
HCDE is a model for maximizing dollars by using non-duplicative infrastructure to attract administrative grants while maintaining a strong financial position as evidenced by strong bond ratings and reserves as well as transparent operations.

GENERAL FUND - TAX REVENUE

HCDE PROPERTY TAX USE - BY DIVISION

For the year ended August 31, 2020

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



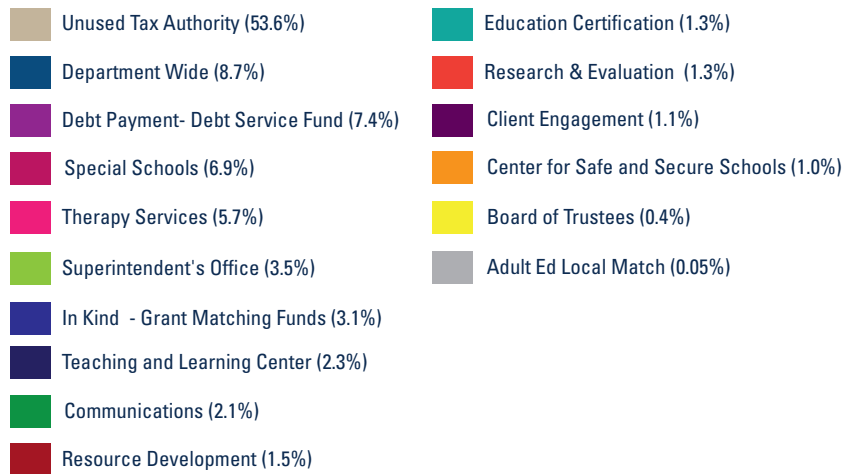
Notes: Divisions generate fees and other revenues to offset program costs. The tax allocation for each division on this chart is for the property tax distributed to each division based on need in order to deliver the services to the school districts. In addition, grant funded programs also require administrative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

Unused Tax Authority	27,401,234
Department Wide	3,430,509
Debt Payment- Debt Service Fund	2,917,610
Special Schools	2,881,766
Technology Support Services	2,626,757
Therapy Services	2,376,170
Teaching and Learning Center	1,666,953
In Kind - Grant Matching Funds	1,244,009
Business Support Services	1,198,598
Superintendent's Office	832,495
Communications	824,796
Human Resources	798,044
Resource Development	575,638
Purchasing Support	569,876
Research & Evaluation	514,230
Client Engagement	428,762
Center for Safe & Secure Schools (CSSS)	389,396
Facilities- Support Services	259,049
Board of Trustees	164,109
TOTAL	51,100,000

HCDE PROPERTY TAX USE - BY DIVISION

For the year ended August 31, 2020

\$23,698,766 (WITH INDIRECT COST SUBSIDY ALLOCATION)



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.

Unused Tax Authority	27,401,234
Department Wide	4,455,599
Debt Payment- Debt Service Fund	3,789,438
Special Schools	3,548,126
Therapy Services	2,891,450
Superintendent's Office	1,792,876
In Kind - Grant Matching Funds	1,593,804
Teaching and Learning Center	1,155,499
Communications	1,071,258
Resource Development	747,648
Education Certification	687,459
Research & Evaluation	667,890
Client Engagement	556,883
Center for Safe & Secure Schools (CSSS)	505,754
Board of Trustees	213,147
Adult Ed Local Match	21,934
TOTAL	51,100,000

GENERAL FUND - TAX REVENUE

	FY 2019-20	FY 2018-19	FY 2017-18
LOCAL SOURCES			
Charges for Services	\$21,358,796	\$21,511,437	\$20,383,705
Property Taxes, Levied for General Purposes	23,707,501	23,051,892	22,514,793
Local Grants	5,155,635	5,272,056	4,766,262
Miscellaneous	557,435	1,023,752	892,026
TOTAL LOCAL SOURCES:	50,779,367	50,859,137	48,556,786
STATE SOURCES			
Grants-Restricted to Specific Program	548,616	780,488	2,352,287
TRS On-Behalf Payments	3,036,198	2,508,668	2,396,189
TOTAL STATE SOURCES:	3,584,814	3,289,156	4,748,476
FEDERAL SOURCES			
Grants-Restricted to Specific Program	24,919,991	25,623,352	24,895,031
TOTAL REVENUES:	\$79,284,172	\$79,771,645	\$78,200,293

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

The revenues for FY 2019-2020 as compared to FY 2018-2019 decreased by \$487,473 or 1% mainly due to decrease in Federal Grants.

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

PROPRIETARY FUNDS				
	Choice Partners	Workers Compensation	Facility Charges	Total Governmental Funds
Revenues - Local Sources	\$5,952,679	\$285,540	\$4,957,533	\$11,195,752

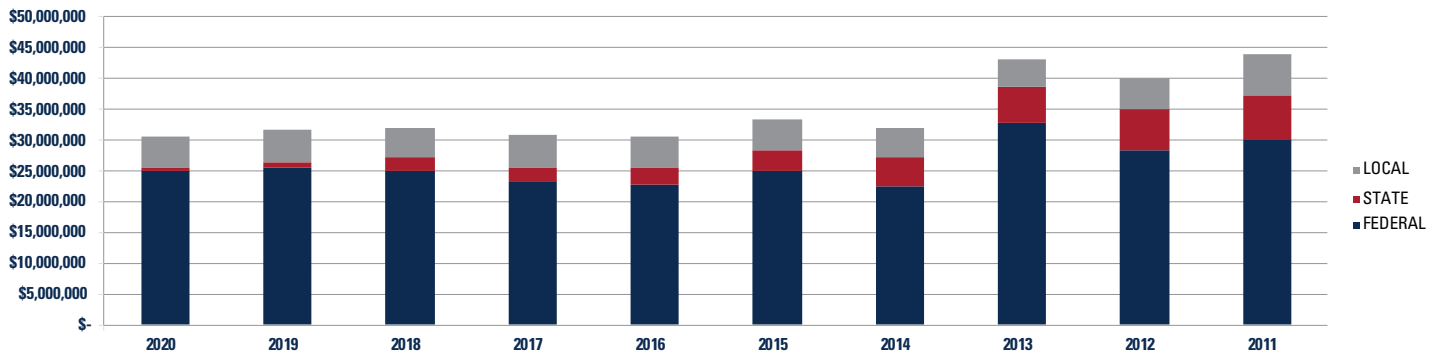
FY 2019-2020 EXPENDITURES

GOVERNMENTAL EXPENDITURES	FY 2019-20		FY 2018-19		FY 2017-18	
Adult Education Program	\$4,429,807	4.91%	\$4,242,673	5.11%	\$4,926,751	6.21%
Assistant Superintendents	550,259	0.61%	567,780	0.68%	550,282	0.69%
Board of Trustees	164,109	0.18%	177,757	0.21%	128,396	0.16%
Business Support Services	1,976,847	2.19%	1,726,357	2.08%	1,733,238	2.18%
Center of After-School, Summer & Expanded Learning	6,431,634	7.13%	6,932,667	8.35%	7,415,860	9.34%
Center for Safe & Secure Schools	782,170	0.87%	617,861	0.74%	458,510	0.58%
Center for Grant Development	578,366	0.64%	558,705	0.67%	558,169	0.70%
Client Engagement	429,571	0.48%	-	0.00%	-	0.00%
Communications	826,603	0.92%	1,458,957	1.76%	1,248,256	1.57%
Department Wide	7,137,853	7.91%	6,727,446	8.11%	6,051,002	7.62%
Digital Education & Innovation	397,712	0.44%	244,380	0.29%	406,107	0.51%
Education Certification & Professional Advancement	660,549	0.73%	588,579	0.71%	616,559	0.78%
Education Foundation	500,600	0.55%	-	0.00%	-	0.00%
Facility Support Services	282,427	0.31%	1,025,227	1.24%	1,332,808	1.68%
Head Start Program	19,245,331	21.33%	19,314,914	23.27%	18,963,042	23.89%
Human Resources	1,092,516	1.21%	1,044,283	1.26%	998,178	1.26%
Purchasing Support Services	576,023	0.64%	538,986	0.65%	488,359	0.62%
Records Management Services	1,818,947	2.02%	1,917,340	2.31%	1,826,139	2.30%
Research & Evaluation Institute	607,972	0.67%	560,157	0.67%	590,450	0.74%
Retirement Leave Benefits	231,057	0.26%	118,233	0.14%	124,832	0.16%
Scholastic Arts & Writing Program	142,239	0.16%	139,108	0.17%	99,932	0.13%
School Based Therapy Services	11,135,002	12.34%	10,550,740	12.71%	10,317,233	13.00%
Chief of Staff	273,876	0.30%	269,039	0.32%	239,431	0.30%
Special Schools & Services	19,922,777	22.08%	14,996,466	18.07%	12,610,677	15.89%
Superintendent's Office	559,169	0.62%	513,510	0.62%	443,456	0.56%
Technology Support Services	3,561,381	3.95%	3,690,024	4.45%	2,860,974	3.60%
The Teaching & Learning Center	1,142,292	1.27%	1,324,710	1.60%	1,235,105	1.56%
PFC Capital Projects	1,839,271	2.04%	-	0.00%	-	0.00%
Debt Service:						
Principal on Long-Term Debt	2,706,429	3.00%	2,886,429	3.48%	2,826,429	3.56%
Interest on Long-Term Debt	211,182	0.23%	263,067	0.32%	318,163	0.40%
Bond Issuance Costs	-	0.00%	-	0.00%	-	0.00%
TOTALS:	\$90,213,971	100.00%	\$82,995,395	100.00%	\$79,368,338	100.00%

The expenditures for FY 2019-2020 as compared to FY 2018-2019 increased by \$7,218,576 or 9% mainly due to the completion of ABS West capital improvement programs.

FY 2019-2020 GRANTS

Grants are resources that are limited to being used for specific purposes by the grantor. During fiscal year 2019-20, HCDE received \$30,624,242 in revenues from local, state, and federal grants. This represents a 3 percent decrease of \$1,051,654 over fiscal year 2018-19. Below is a chart presenting the last ten years in grants for the Department.



	2020	2019	2018	2017	2016
FEDERAL	\$24,919,991	\$25,623,352	\$24,895,031	\$23,363,226	\$22,622,562
STATE	548,616	780,488	2,352,287	2,260,853	2,810,044
LOCAL	5,155,635	5,272,056	4,766,262	5,355,621	5,086,589
	\$30,624,242	\$31,675,896	\$32,013,580	\$30,979,700	\$30,519,195

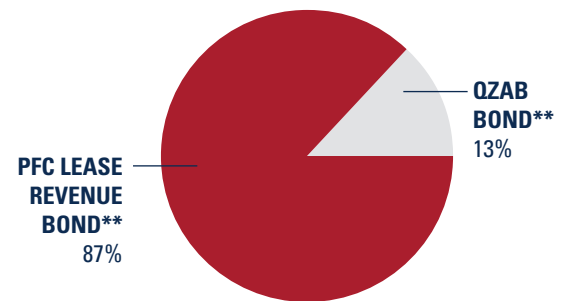
	2015	2014	2013	2012	2011
FEDERAL	\$25,028,005	\$22,547,986	\$32,855,796	\$28,329,457	\$30,146,813
STATE	3,182,302	4,710,852	5,713,001	6,841,825	7,253,451
LOCAL	5,049,186	4,653,717	4,417,941	4,966,634	6,693,136
	\$33,259,493	\$31,912,555	\$42,986,738	\$40,137,916	\$44,093,400

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
2021	2,305,000	162,614	2,467,614
2022	2,350,000	113,032	2,463,032
2023	2,395,000	62,479	2,457,479
2024	720,000	30,912	750,912
2025	740,000	18,648	758,648
2026-2030	740,000	6,216	746,216
TOTALS	\$9,250,000	\$393,901	\$9,643,901

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
2009A	QZAB *	6,320,000	0.00%	8/31/23	1,805,713	-	(451,427)	1,354,286
TOTALS					13,310,713	-	(2,706,427)	10,604,286
PLUS: ISSUANCE AMOUNTS					10,663	-	(2,667)	7,996
TOTALS-BONDS PAYABLE AT MATURITY VALUE					\$13,321,376	\$0	(\$2,709,094)	\$10,612,282

* 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, QZAB 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.

QUALIFIED ZONE ACADEMY BONDS (QZAB)

In May 2009, the HCDE PFC issued qualified zone academy bonds-Series 2009A. In 1997, The U.S. Congress enacted the Tax Payer 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.

SUBSEQUENT EVENTS

On October 22, 2020, the Department issued Harris County Department of Education Public Facilities Corporation Lease Revenue Bonds, Series 2020 in the amount of \$27,715,000 million. The Department prepared a needs assessment for a new Adult Education Center, a new Highpoint East Middle School addition, and a new AB East Replacement School. These three projects composed the project in the public notice. The total project cost for the construction of the projects 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. The bonds will be financed through the sale of the lease-revenue bonds issued through the HCDE Public Facilities Corporation (the "PFC"). Moody's Investor Service assigned an "Aa1" rating to the bond security with stable outlook assigned.

On October 22, 2020, the Department issued Harris County Department of Education Maintenance Notes, Series 2020 in the amount of \$13,865,000 million. The Department prepared a needs assessment for renovating the current Adult Education Building, the renovation of the Ronald Reagan Building (Irvington), and equipment 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.




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 8,000 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
1,573 STUDENTS



SCHOOL-BASED THERAPY SERVICES
6,638 STUDENTS



HCDE SCHOOLS
800 STUDENTS



AFTERSCHOOL PROGRAMS
17,020 STUDENTS



ADULT EDUCATION
6,510 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 \$9.80 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.



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

Harris County Department of Education

Texas

For its Annual Financial Report
for the Fiscal Year Ended

August 31, 2019

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.



View the PAFR and our other financial reports online.



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.

6300 IRVINGTON BLVD. | HOUSTON, TX 77022 | 713-694-6300 | WWW.HCDE-TEXAS.ORG