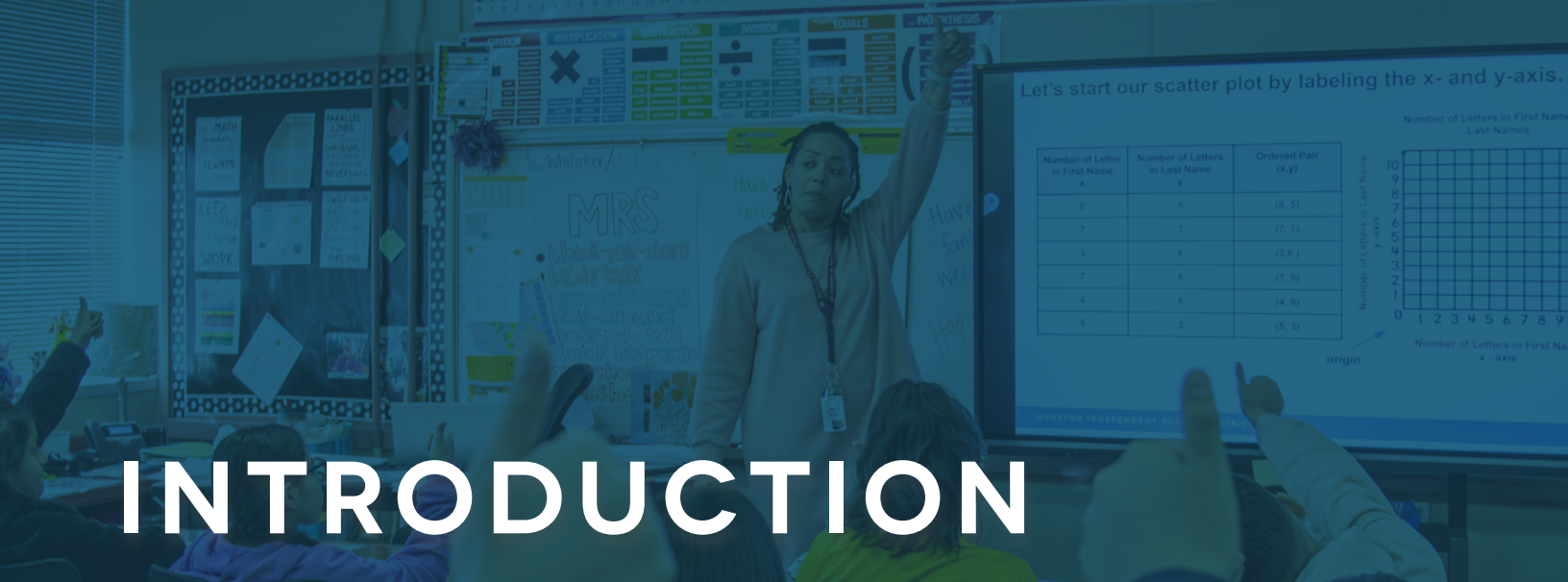


# HISD EFFICIENCY REPORT

An analysis of the District-level systems that challenge  
HISD's transformation efforts

February 2024



# INTRODUCTION

**Houston Independent School District (HISD) is on the cusp of a dramatic and precipitous transformation.**

We have transformed 85 schools through whole-scale, systemic change; reorganized Central Office employees and divisions to support our schools; made significant, District-wide improvement in instructional quality; and begun streamlining our efforts and resources to target improved academic achievement for all students. We have developed a true New Education System (NES)—one that leaves behind the ineffective vestiges of the past and charges boldly towards the future.

While progress has been made and we are gaining momentum, we recognize that the changes our students and communities deserve will not happen overnight. Many challenges we must overcome go far beyond what you see in a classroom. Our reforms to improve academic outcomes and prepare students for a Year 2035 workplace and world cannot take place without effective Central Office systems and processes. Thus, we must identify and address ineffective and dysfunctional processes that have stymied past reform efforts and, in some cases, led to the disparities in student data.

In this report, we outline the most important systemic challenges we are addressing. For each challenge, we provide context and then outline what we are doing to make the system or process more effective. More plans to address these issues will be included in our 2024-2025 District Action Plan, which is a tool and a process that aligns efforts and introduces accountability in service of Destination 2035. Just as we have created a sense of urgency around improving instruction, we will move deliberately to solve the systemic challenges outlined below.

The data and insights included in this report were generated and collected as District leaders brought new perspectives and analyses to operating this large district. Through the normal course of managing a large organization, reviewing reports, and asking questions, the Superintendent and District leaders realized that the challenges revealed more than traditional problems—there were broader systemic challenges at work. Leaders began asking why. Why did hiring take a long time? Why did we have many staff and purchased services doing the same thing? Why were we devoting an inordinate amount of district funds getting students to and from school?





The insights generated by those questions and others are included here and will drive continued efforts to bring new efficiencies and alignment to the District.

The issues highlighted in this report are an accumulation of choices, circumstances, leadership, culture, and limited accountability. The issues are also not easy to define or unwind, nor will they be easy to solve. These are not attention-grabbing challenges. It is like fixing plumbing in a house—no one wants to spend money on that, but it is necessary. We offer this report to bring transparency to the challenges and clarity around the level of change needed.

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*Leaders began asking why. Why did hiring take a long time? Why did we have many staff and purchased services doing the same thing? Why were we devoting an inordinate amount of district funds getting students to and from school?*

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# 1. UNALIGNED & INEFFECTIVE BUDGET PROCESSES

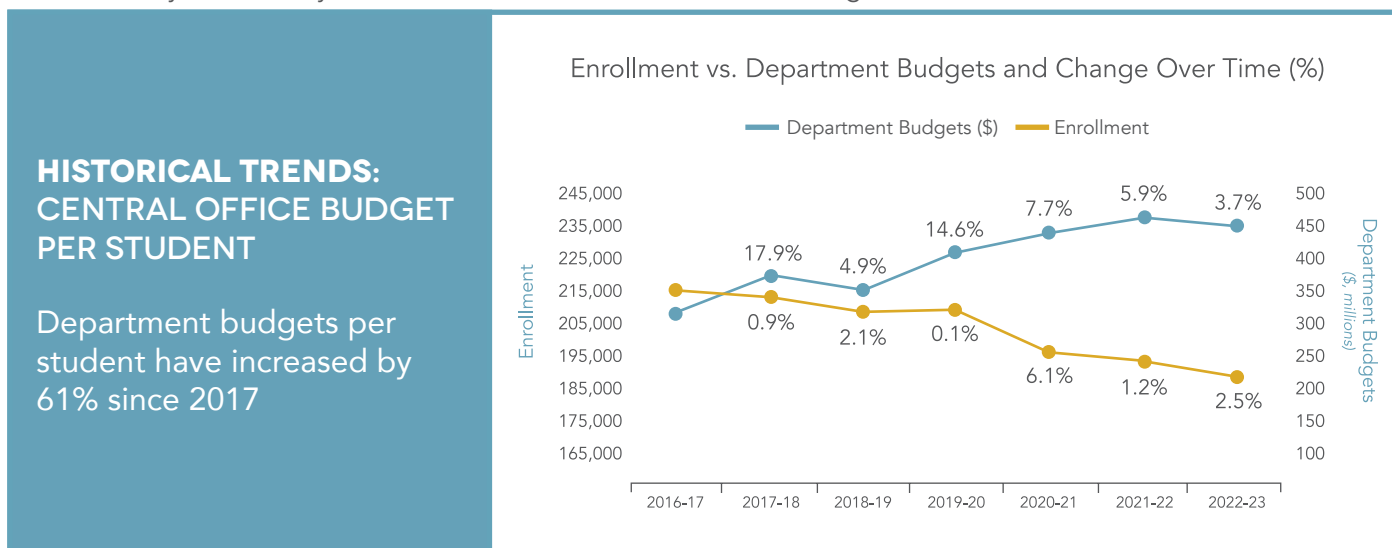
Prior to the state intervention, there was no concerted effort to align school and District action plans with the budget. This lack of alignment coupled with a decentralized approach to school improvement resulted in a failure to prioritize limited funds. The District's typical response was to add staff and increase expenditures instead of using a budgeting process to ensure alignment and effectiveness.

In a May 2023 report to the previous Board of Trustees, the District reported that budgets had increased, on a per-student basis, by 61 percent. At the same time, enrollment dropped

by approximately 27,000 students. The increase in Central Office expenditures was primarily due to an increase in employee salaries and benefits, which increased from a total of \$1.53 billion in SY 2016-2017 to \$1.78 billion in SY 2022-2023.

The absence of an effective budgeting process also led to undisciplined and ill-advised investments when the District started receiving federal Covid relief aid in 2020 to address learning loss. Over the past three-and-a-half years, the District has received \$1.2 billion in Elementary and Secondary School Emergency

**Chart 1.** Analysis from May 2023 Presentation on Central Office Staffing and Enrollment





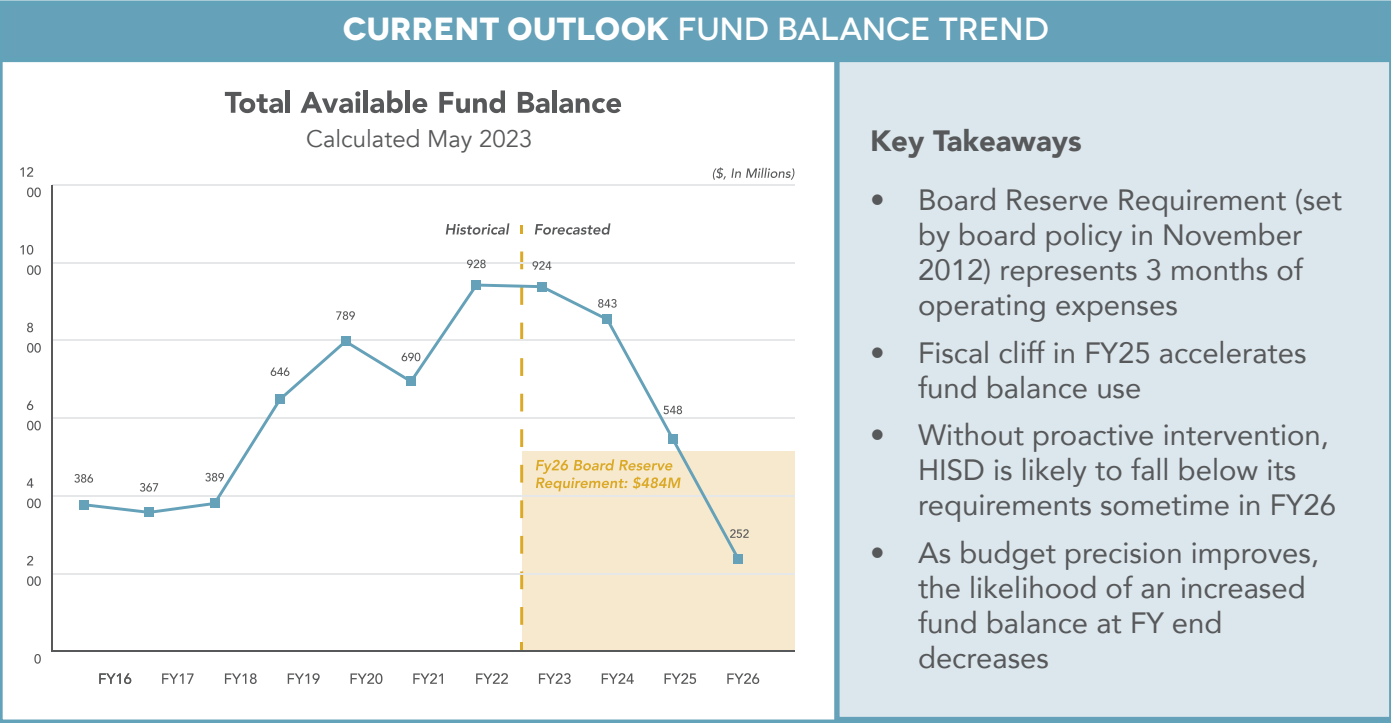
Relief (ESSER) funding. This investment did not result in higher academic achievement, improved quality of instruction, or more efficient systems.

The undisciplined approach to using ESSER dollars was also reflected in other areas. From March 2022 to May 2023, the District purchased 175 large school buses and 100 nine-passenger buses at a total cost of \$31 million. But the District already had 225 extra operable buses to support any problems with the 520 buses it used daily. While we may have needed some additional small buses, HISD purchased 175 large new buses it did not need at a cost of approximately \$20 million. Meanwhile, three of the four transportation centers in the District have dilapidated facilities and poor working conditions. The technology and applications to keep track of routes and buses are outdated and cannot optimize routes. The budget process failed to prevent this level of inefficiency.

Even though the District received a huge increase in revenue and following a 9 percent salary increase to the teaching staff, prior to the state intervention the District projected that it would reach a “fiscal cliff” at the end of the 2024-2025 school year, and that “without proactive interventions, HISD would be likely to fall below its fund balance reserve requirement (\$484 million) sometime in FY26” (see Chart 2 below). Further, the end of ESSER revenue, the use of that revenue for \$139 million in recurring expenses, and a large salary increase without offsetting decreases would accelerate the downward trend in fund balance. Despite this forecast, the District developed no plan to avoid the financial iceberg.

Procurement processes were also problematic and added to the budgetary woes. The Legislative Budget Board (LBB) report of November 2019, which reviewed HISD’s management and performance, noted that

Chart 2. May 2023 Presentation on Anticipated Fund Balance Trends



“Houston ISD’s procurement procedures are inefficient and lack central oversight and effective controls.”<sup>1</sup> HISD has made some improvements in the procurement process, but there are still challenges. The lack of systems and accountability have several negative effects. For example:

- A number of contracts with vendors had been left incomplete, without specific information about an obligated dollar amount or a scope of work. In other cases, contracts were awarded, but the funding was not committed.
- Individual school budgets were allowed to run deficits. The per-pupil amount schools spent on students varied greatly leading to unequal impacts on the student experience.
- Programs were not reviewed consistently, and there was no process in place to determine program effectiveness or alignment with school or District achievement or performance goals.

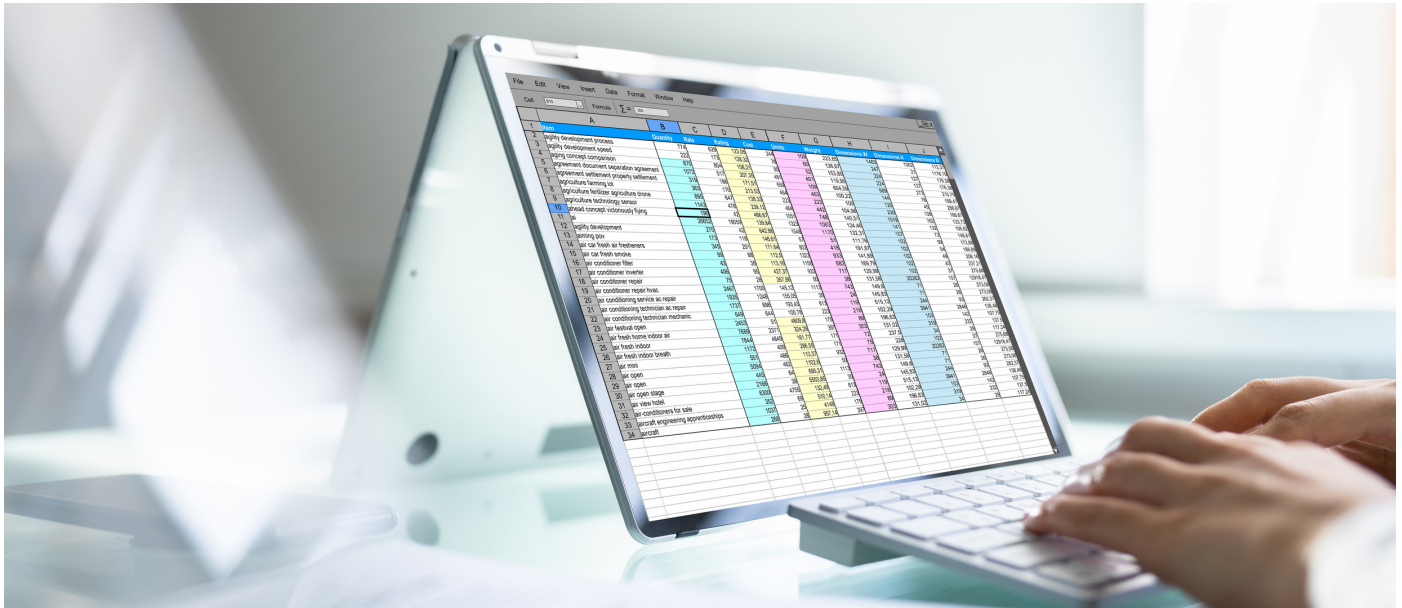
**Houston ISD’s  
procurement procedures  
are inefficient and lack  
central oversight and  
effective controls.**

## WHY THIS MATTERS

An aligned and effective budget process is necessary for ensuring that the District’s resources are used to maximize the ability to accomplish challenging goals. As resources become even more scarce with the end of ESSER funding, the District will have to do a much better job prioritizing money to support the specific needs of students and staff. One cannot prioritize resources if the action planning process is not tightly aligned with the budget development process.

Tight alignment and accountability are also necessary because HISD is engaged in the most important and extensive education transformation in the country. We are changing several principles of how we operate, and our reform efforts require us to invest in new models, end spending in some areas, and shift other funds. And we may have to implement enormous changes without much additional revenue from the State.

<sup>1</sup> HISD Management and Performance Review, prepared by the Legislative Budget Board Staff, November 2019.  
<https://www.houstonisd.org/Page/188351>



## WHAT WE ARE DOING TO ADDRESS THIS SYSTEMIC CHALLENGE

HISD has developed a closely aligned action planning and budgeting process. Appendix A provides the timeline and steps for completing Action Plans and Budgets. This process started in January 2024 and will be completed by the end of May, before being reviewed and approved by the Board of Managers. The budgeting process includes a close review of recurring costs funded by ESSER to determine which programs will continue to be funded for the 2024-2025 school year. The process will also ensure alignment, both horizontally and vertically, and close coordination among departments to maximize the use of resources. The department budgets will be directly aligned to key department priorities and goals, which are also aligned with District key actions and budget priorities. The process will hold leaders at all levels accountable for clear indicators of success and other metrics.

Being disciplined in our use of a rigorous and aligned process will help us right the financial ship and avoid the fiscal cliff. With this process, we will keep the District above an \$850 million fund balance.

The District is revising its purchasing and contracting regulations and will be providing training and guidance to District staff as well as vendors and contractors. We have also started to address other purchasing and contract management concerns outlined in the LBB report cited earlier.

HISD will change how schools develop their budgets and how school leaders are held accountable for aligning their budgets to action plans. The District will increase oversight to ensure schools abide by approved budgets, and HISD will provide and oversee the budget at every NES school. In addition, we will have a more coherent budget template for non-NES principals to use in developing their schools' budgets.

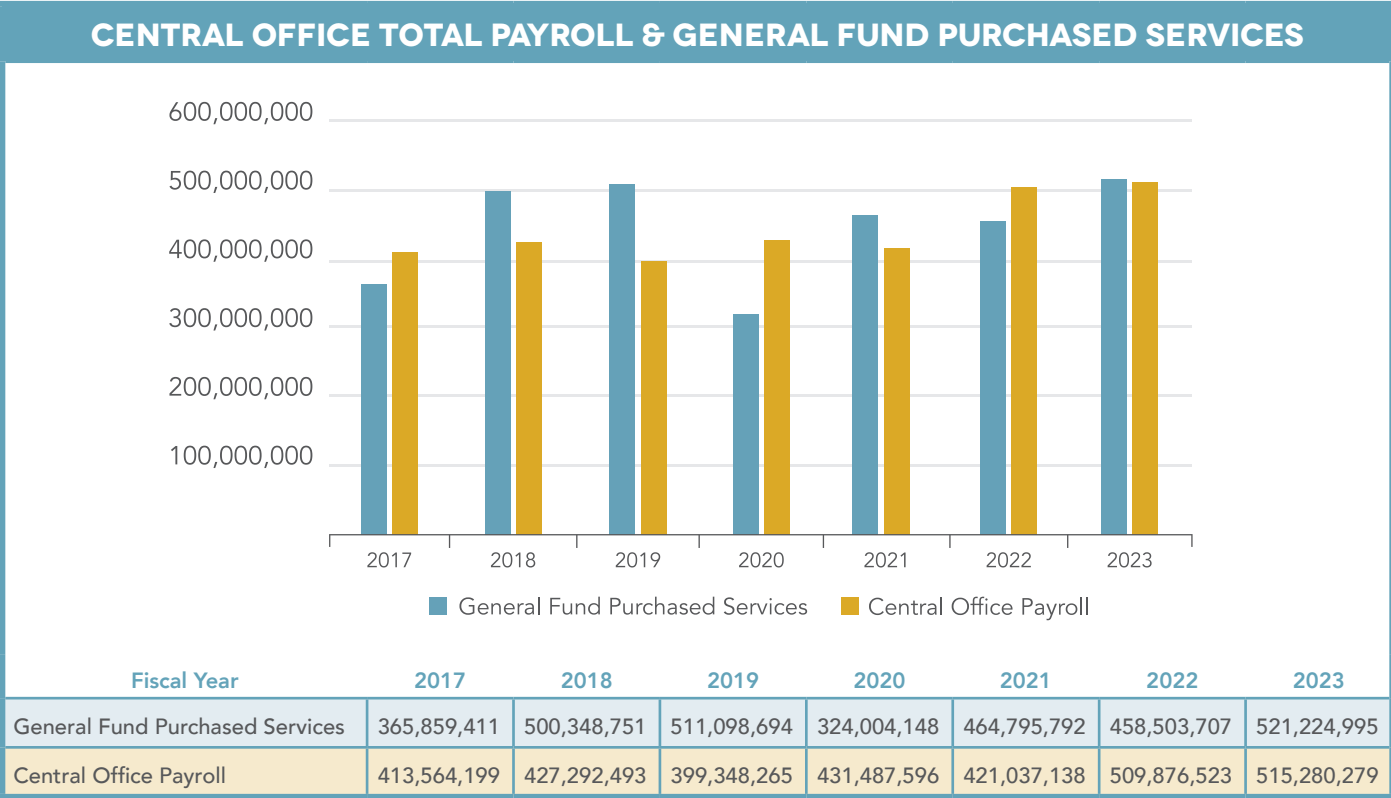


## 2. OVERRELIANCE ON PURCHASED SERVICES

The LBB report also notes that during the 2017-2018 school year, the District spent “more than \$300 million for professional and contracted services” (which represented 9 percent of total expenditures). While consulting groups can add considerable value in conducting audits and analyses of departments and in supporting

specific projects and programs, the overuse of consultants comes with several other costs to overall effectiveness, especially if there is little oversight for department contracts and limited accountability. Chart 3 below shows the general trend in both increases in Central Office payroll and purchased services.

**Chart 3.** Trends in Central Office Payroll and General Fund Purchased Services, January 2024.



On May 12, 2022, the District's Board of Education approved a five-year project term for professional development and training. This project example is typical of how the District approached its contracting processes and professional development. Instead of defining a specific need, budget, and services that would improve instructional quality or leadership aligned to a desired outcome, the project was a catch-all for more than 200 approved vendors with a not-to-exceed amount of \$125 million. This approval would have allowed the District to pick and choose a vendor without a plan for ensuring those services would align to a vision of teaching and learning. Most important, the District would have spent \$25 million a year on professional development that the District's own staff could provide at a small fraction of the contracted amount.

Another example is the reliance on purchased services without the systems needed to manage the financial obligations along with the work assignments. The current contracts are housed in a platform (equivalent to a Word document) that does not facilitate any level of thoughtful review; further, these contracts are without a specific dollar amount or service level agreement. With all these contracts, the District had authorized nearly \$3 billion in purchased services and contractors. Simultaneously, the District has internal staff who could deliver these services—including plumbers, HVAC technicians, professional development experts, curriculum writers, etc. The services span every area of the District. Yet without the related analytical systems, leaders are prevented from thoughtfully ensuring the District is getting the best services at the best value.

## WHY THIS MATTERS

A District the size of HISD needs the support of consulting groups and considerable purchased services. However, it also must have a system to ensure core functions are conducted by internal personnel and that they are working effectively. Besides increasing costs, the overuse of consulting groups and others that provide purchased services will diminish effectiveness and create secondary costs:

- Overreliance on consultants and contractors will make coordination between departments harder and may reinforce siloing.
- It will weaken key operating principles such as accountability and a focus on outcomes. Usually, consulting groups focus on process and are not charged with, and should not be ultimately responsible for, achieving clearly defined departmental outcomes.
- It may undermine the District's ability to grow capacity if the organization continues to rely on consultants to fix most of its systemic problems.
- Relying on purchased services to train teachers and principals on instructional programs or practices is particularly problematic, especially if numerous organizations and contractors are involved. It makes instructional alignment across the District next to impossible and thwarts efforts to use a common, rigorous evaluation system.



## WHAT WE ARE DOING TO ADDRESS THIS SYSTEMIC CHALLENGE

For the 2024-2025 District budget, HISD will cut approximately \$50 million in purchased services. This will force a review of programs and services that are either not aligned with the District Action Plan or that have failed to achieve established goals. A review of contracts over \$250,000 that have been signed in the past four years is ongoing. The chief of staff and chief financial officer are leading the work to prioritize resources and reduce the amount of purchased services in a way that maximizes the District's ability to accomplish the goals outlined in the 2024-2025 Action Plan.

At the same time, the chief financial officer and the Operations Department will develop a coherent system to determine when it is appropriate to enlist the services of a purchased service or other contractor when we have employees whose job is to complete the same task or project. HISD is already strengthening its procurement processes and is working to ensure there are checks and balances for the procurement of purchased services; that only the Finance Department or Superintendent's Office can approve purchases over \$500,000; and that the School Board must approve any contract over \$1 million.

Despite causing some frustration among vendors who had contracts with various schools to train teachers or principals, the District has disallowed any contract or purchased services to train teachers, principals, or other leaders on improving the quality of instruction, with few exceptions.



### 3. INABILITY TO TRACK & MANAGE EMPLOYEE WORK ARRANGEMENTS

HISD is a large, complex organization with 27,000 employees. Every week, people resign, retire, get hired, go on leave, get promoted, return from long-term disability, have their contract terminated, and more. The District should have a well-defined and well-coordinated process for keeping track of its employees and managing those employees' work arrangements and responsibilities. Unfortunately, human resources and finance processes to track employees have been

neglected, and people have not been held accountable for the accurate tracking and management of employees, especially at Central Office. In June 2023, for example, the Finance Department discovered 990 people on the employment roll who no longer worked for the District. In part, this problem is a result of ineffective offboarding processes. Many of these former employees had been gone for several years (only a handful were continuing to receive a paycheck). An inaccurate Authorized



Position Report—or APR, which is the official list of employees assigned to an office—makes it difficult for a leader to know exactly how many people may be needed to do the work or may mask the need to hire additional people. These inaccuracies also increase various overhead expenses such as unemployment insurance and workers' compensation.

Limited use of accountability systems and the lack of shared cultural norms have led to overtime abuse. In the 2022-2023 fiscal year, nearly 650 employees accrued overtime hours that exceeded 30 percent of their earnings. The District paid nearly \$26 million in overtime pay this past fiscal year. For example, one hourly employee with an annualized salary of nearly \$25,000 (based on the hourly rate, scheduled hours, and duty calendar) earned almost \$115,000. In reviewing this case further,



it was noted that the individual was working too many hours by both regularly opening a building early in the morning and closing the facility late in the evenings. Another example is an employee with a regular salary of \$73,300 who earned \$162,701 with overtime work.

In April 2023, the District moved to a technology based solution for tracking time—TimeClock Plus—to improve the District's ability to manage individuals' time. However, early implementation was not uniform, as some

departments had not yet adopted the system and others had uneven usage.

Over many years, the District created numerous job codes (more than 3,000). These job codes are discrete numbers assigned to unique roles. The reason for this large number, we speculate, is to differentiate responsibilities, to provide more opportunities for people to be promoted outside of the normal compensation timeline, or to provide small raises and stipends to employees who have a skill that their colleagues do not have. The proliferation of job codes adds unnecessary complexity to tracking employees and to understanding and comparing skills and compensation needs. Again, there was little oversight and no accountability for the new responsibilities and work accomplishment. Making the job codes so discrete masked the reality of how individuals are employed and assigned important work, making it difficult to identify trends from the dataset.

Managers need two key systems to oversee non-exempt employees: 1) a system to track how much work is being accomplished by the employee, and 2) an understanding of how much time a specific task takes to complete (called a "service level agreement"). Both are critical and their absence creates systemic challenges in managing time and completing work efficiently.

In HISD, there is no system for tracking how much work is being accomplished by an hourly employee. The Operations Department has no platform or software to keep track of the amount of time each employee is taking to accomplish tasks and work orders. There are also no detailed service level agreements that would inform employee and supervisor alike of how much time a specific task should take on average. These informal agreements of understanding occur between a service provider (e.g., Central Office support employee) and a

customer (e.g., school or person placing a work order). They outline the level of service that will be provided and the average amount of time it takes to accomplish that service. So, for example, under the previous system, if a school needs a toilet's flushing mechanism repaired, the school does not know when the toilet will likely be repaired, and neither the school nor the maintenance worker understands the time needed to repair the toilet. If it took four hours to repair the toilet, the supervisor of the maintenance worker would not know if that was a reasonable amount of time spent on that work order.

Most importantly—because there is not a system in place to track and manage employee time and effectiveness—Central Office supervisors, especially those in the Operations Department, do not really know how many employees they need and how efficiently or inefficiently they are using human capital resources. And since supervisors do not know how many employees they really need, they cannot effectively determine the degree to which they need outside consultants to help complete tasks.



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## WHY THIS MATTERS

In a high-performance culture, every part of the organization is working efficiently and effectively. Every person on the team has clear responsibilities and assignments. Supervisors monitor work agreements and the fulfillment of responsibilities and assignments. Efficiency cannot be maximized if there is not a system to track and manage employee time and effort.

As we increase the number of NES schools, a greater percentage of the District's budget will go toward our core work: providing high-quality instruction to students. That means we will have to create a leaner Central Office and grow our effectiveness so that we need fewer employees working at the administration building. And we will not need as many contractors and vendors doing the work our employees can accomplish. Ensuring our systems provide accurate information will help leaders make the right decisions regarding the work of employees and contractors.





## WHAT WE ARE DOING TO ADDRESS THIS SYSTEMIC CHALLENGE

HISD will create detailed service level agreements and adopt a work management application that will integrate service level agreements to improve efficiency and that will track work orders and employee hours to complete work. We will have these in place by June 1, 2024. In the meantime, all departments have been directed to review their management systems, assess their department's overall work efficiency, and restructure as appropriate. A review of the department assessments will help right-size Central Office for the 2024-2025 school year.

The District will create a process to standardize time clock use and overtime pay and ensure there is rigorous oversight of both. HISD has also installed and is supporting a Payroll Control Center and will be developing and distributing accountability reports to improve completion of processes needed for timely and accurate payroll processing. At the same time, the Human Resources Department is working closely with and across all departments and schools to ensure they are accurately reporting and capturing all staff members on their teams in the APR, which is regularly updated and reviewed by office leaders.

## 4. LOW EXPECTATIONS & OVERSIGHT OF EMPLOYEE ATTENDANCE

In the past few years, the District has been plagued by excessive employee absences. For example, in the 2022-2023 school year, 1,293 teachers—only 300 of whom qualified for leave under the federal Family and Medical Leave Act (FMLA)—used 20 or more days of leave and more than their allotted amount of time with little or no consequence. The teacher attendance rate decreased to 92 percent, down from 93 percent in May 2019 (the year before Covid). The attendance rate for Central Office staff was 92 percent in May 2019 and 90 percent in May 2023. Further, the number of days for which individuals took unpaid leave—also known as docked days—was more than 52,200 days in the 2022-2023 school year.

The District leaves and absences policy was not consistently enforced, and it appears as if no one was accountable for violations of the leave policy. Staff absences were higher on professional development days and days before or after a holiday even though these practices were prohibited by policy (DEC8 (REGULATION)). Further, high staff absenteeism on Mondays and Fridays, while generally not prohibited by Board policy, is illustrative of a culture that did not prioritize student learning. The District was not enforcing its own policies and cultural norms and did not hold individuals accountable to be present for work.



As expected, low staff attendance was also a product of ineffective processes and low expectations. The District had a process for tracking employee absences, but it was mostly self administered and only the most egregious cases rose to the attention of supervisors. Employees requested time off through an impersonal tech platform, OneSource, and did not have to approach principals or supervisors for approval. While many principals or managers did oversee leave or absences, many did not. Numerous employees ignored the leave policy and used accrued days whenever they wanted. Principals and supervisors felt helpless to enforce a policy that was not being enforced across most of the District and for which no one was being held accountable.



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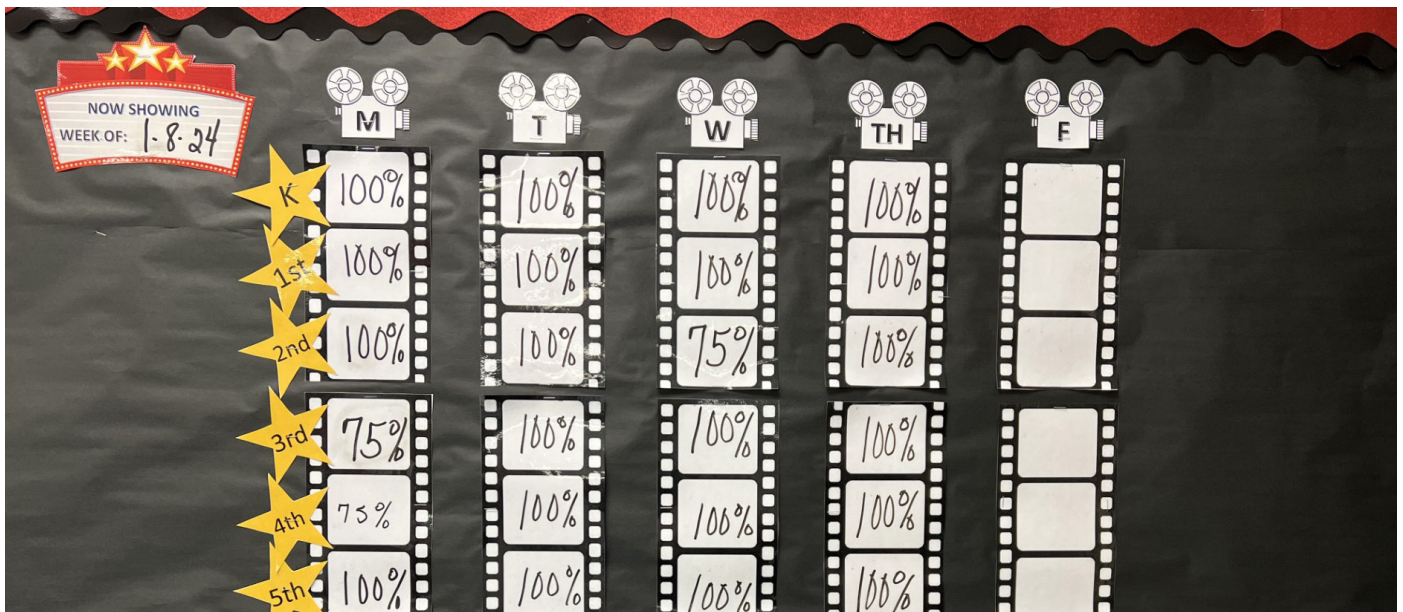
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### WHY THIS MATTERS

When teachers are absent, students do not learn as well. The entire staff also suffers when too many people are absent since typically classes are combined or teachers lose their planning period. In addition, Central Office absences negatively impact support for schools and make it more difficult to complete projects and work orders on time. Lastly, excessive absences in all areas of the District increase the cost of day-to-day operations.

Staff attendance is a sign of professionalism and a high-performance culture. If the District is going to continue to conduct whole-scale, systemic reform and raise student performance outcomes, it will need a motivated, professional staff that believes showing up for work is a crucial habit of mind and is how a commitment to students manifests itself.





## WHAT WE ARE DOING TO ADDRESS THIS SYSTEMIC CHALLENGE

Starting with the 2023-2024 school year, principals and supervisors are accountable for staff attendance. That means they must track the attendance of all their employees, help staff members understand and follow the leave and absence policy, encourage good attendance, and administer appropriate consequences up to and including termination for excessive absences.

The regulations have been revised to ensure all employees request leave directly from principals or supervisors and that permission must be received before a person is absent. In the case of a last-minute illness, employees must obtain approval as soon as possible via phone.

To support principals and supervisors, the Human Resources Department issues daily “real-time” notices for all principals and managers of staff who have crossed into prohibited high absenteeism. The attention to this issue is already reaping dividends as high absenteeism has declined 53 percent over the previous school year.

The District is also developing resources to mitigate high absenteeism. Human Resources is facilitating next steps when individual circumstances warrant action, sending final workflow instructions to principals and managers, and creating a highly trained Employee Services Center to answer questions or route inquiries to the appropriate departments. In addition, Human Resources is also creating and socializing an employee handbook aligned with Destination 2035 to enhance retention and performance of highest-quality staff through effective and clear communication of expectations and resources.

## 5. INEFFECTIVE PROCESSES FOR RECRUITMENT & HIRING STAFF

In August 2022, the District started the school year with 644 teacher vacancies. The large number of vacancies was a result of two key factors: 1) absence of an effective plan and a concerted effort to fill vacancies with certified and effective teachers before the start of school, and 2) cumbersome recruitment processes that were onerous to candidates and frustrating to principals.

The recruitment processes were overly bureaucratic and relieved everyone of accountability to hire candidates effectively or start the school year with a teacher in every classroom; in other words, to have zero vacancies. Teacher candidates could only apply on the District's website. The District was not using any modern recruitment platforms (such as Indeed.com) to attract workers. Teacher candidates spent a couple of weeks trying to



get an interview with a school leader. And, as a general rule, teacher candidates did not have to undergo a performance interview to be hired. This meant that the process focused on a candidate's application and paperwork rather than steps to discern a teacher's effectiveness in improving student outcomes.

Furthermore, once a principal had decided to hire a teacher, it regularly took more than three additional weeks to get that individual formally hired. In many cases it took even longer. The Human Resources Department did not offer preliminary contracts until they had completed the requisite background check and verification of credentials. It is standard practice in many districts to sign contracts with teachers and then note that the contract is dependent upon Board approval, a background check, and verification of credentials. Many teacher candidates who had agreed to work at a school subsequently dropped out of HISD's process presumably having been offered a contract in a neighboring district.

The number of people required to recruit and onboard a single individual was approximately 12 people across several departments and teams. This long process of hiring teachers which involved multiple people and teams encouraged adherence to overly involved recruitment procedures and compliance requirements, ensuring the candidates would face bureaucratic delays and multiple back-and-forth communications and requests for information. The process also reinforced a status quo that lacked accountability for making the recruitment process more efficient and adaptable to change.

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## WHY THIS MATTERS

A nation-wide teacher shortage will plague most districts for the next couple of years. If HISD is going to ensure it has enough certified and effective teachers to start the school year with a teacher in every classroom, then the District must have an efficient system of recruitment—one that is designed to be thorough, but not overly bureaucratic, and one that focuses on a candidate's effectiveness rather than their resume.

The Human Resources Department and leaders who interview candidates must adapt to broader changes in the market regarding how people prefer to search for jobs. While the District needs to continue to hold job fairs and other traditional recruitment approaches, it also needs to expand its marketing and recruitment efforts to online platforms where teachers go to make their own search process more efficient.

Huge changes to HISD's recruitment process also matter because of the District's new employee value proposition. Districts that are intentional in hiring the kind of teacher who reflects the characteristics and skills that the district prioritizes—in HISD's case, those who can deliver high-quality instruction—will be able to recruit and retain effective teachers at higher rates.





## WHAT WE ARE DOING TO ADDRESS THIS SYSTEMIC CHALLENGE

In the winter and spring of 2024, teachers in 130 schools (the NES schools for SY 24-25) will be selected based primarily on an assessment of their quality of instruction and student achievement results. All teachers who are applying to work in any HISD school for the first time will undergo a performance interview by which candidates will demonstrate the quality of their teaching.

The Human Resources Department is changing the recruitment process to include common online job search platforms such as Indeed, ZipRecruiter, Monster, and LinkedIn. Principals will also be able to review candidate resumes directly. An aggressive recruitment campaign will start early in 2024 and will be sustained through the beginning of the 2024-2025 school year. The campaign will feature the highest salaries for any Independent School District in Texas.

The District is also creating processes to shorten the application-to-onboarding timeline by decreasing time for each critical phase: application to interview, interview to salary calculation, salary calculation to conditional offer, conditional offer to final offer, and final offer to onboarding.

Beyond the technical and process improvements, HISD is also working to recruit people who want to be a part of a transformative environment and high-performance culture. The District will clearly specify the value proposition to prospective new hires to manage expectations regarding Destination 2035 and what it means to work in a high-performance culture.

## 6. DYSFUNCTIONAL TRANSPORTATION SYSTEM

Currently, the District transports only 8,700 students to and from school at a cost of \$56 million a year. That means it costs over \$6,400 to transport one student in a year. For context, the national per-pupil transportation spend average was \$1,197 in school year 2018-2019, the most recent data available. It is not implausible to envision that the District could spend approximately the same amount of money if it eliminated its transportation system and just gave every rider's family money for Uber or another ride-sharing transportation company.

Another indicator of inefficiency is the low number of students on each bus. The District has 520 routes for its large buses (60-passenger buses), and the average ridership is fewer than 17 students per route. Just doubling the number of students per bus would save the District approximately \$25 million a year.

There has been no significant change to the methodology of transporting students or to the current system of routes and stops to make the system more cost effective while improving services for students.

On top of the cost inefficiency, the transportation system is not reliable. Buses are often late to stops and late to school. When

there are not enough drivers, which happens often, some routes are cancelled or are so late, students find alternative ways to get to school or just stay at home.





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### WHY THIS MATTERS

A more efficient transportation system would save the District millions of dollars that could then be invested in salaries or other priorities. Fixing the transportation system also matters because the parents and students are bearing huge costs in time, frustration, and efforts to find alternative transportation when the system fails.

The District's inefficiency contributes to student tardiness and absences. When buses are late to stops or to school, students miss instruction, which takes away from a high-quality education.

While the monetary costs are substantial, the cost to the District culture is also important. The continuously ineffective transportation system has reinforced a culture of low expectations and works against a culture of continuous improvement. Many parents have simply given up on District transportation, just as others have given up on the District's schools and enrolled their students elsewhere.





## WHAT WE ARE DOING TO ADDRESS THIS SYSTEMIC CHALLENGE

The District has adopted Edulog, a software that assists with routing, fleet tracking, ridership and driver management, parent communications, and reporting. This will increase the accuracy of our reporting as well as efficiency and safety. The Transportation Department is working to reduce the inventory of buses that are not necessary to reduce upkeep and maintenance costs. We are also speaking with transportation experts from other industries to obtain their insights and suggestions for how to improve our systems.

HISD will also review all systems and processes related to transportation in the District. We will then develop a more cost-effective system and more effective organizational structures and procedures to reduce costs and provide better service.

## 7. HIGHLY DECENTRALIZED SYSTEM OF AUTONOMOUS SCHOOLS WITHOUT COMMENSURATE ACCOUNTABILITY

At some point in the past, it probably made sense to allow schools a great degree of autonomy to provide different programs and to operate in ways tailored to the specific needs of the immediate community. While this may sound good in concept, the reality of this level of decentralization revealed that the vast majority of schools needed a tremendous amount of support—financially and instructionally—to provide even an adequate education for students. And because the schools operated so differently with their own curriculum, programs, staffing, and internal schedules, the District could not take advantage of economies of scale and could only provide limited support at greater cost.

The District's decentralized system also lacked any measures to hold schools accountable for District-level goals and priorities. Unable and unwilling to hold schools accountable for student outcomes, the District turned to holding schools accountable for following procedures, such as printing copies of individual student plans and placing them in yellow folders, and for completing reports. Compliance rather than student outcomes became the focus.

It is hard to overstate the negative impact decentralization without accountability has on any district.



For HISD, the system resulted in the following:

- An evaluation system with no real ability to determine true effectiveness. Ninety-four percent of all teachers received a proficient or higher evaluation in the 2022-2023 school year. Only 3 percent of teachers were removed from the District for poor performance.
- School leaders who failed to improve achievement results over multiple years were allowed to remain in their positions.
- A myriad of different curricula, many of which were not high quality or were not consistent with the science of reading principles.
- No standard for what high-quality instruction meant or looked like.
- A focus on interventions instead of good, first instruction.
- A proliferation of programs and purchased services with no attempt to measure their effectiveness.
- The inconsistent application of District policies and regulations such as staff attendance and leave policies.
- Poor alignment between school budgets and improvement plans.
- Significant inequities in the provision of programs, especially those related to career and technical education (CTE) and college preparedness.
- The inconsistent and inadequate provision of support services.
- The inability to scale any idea or model that was successful.
- The breakdown of any past system that enabled the District to move in one direction.
- An inappropriate use of Independent Graduation Committees (IGCs) as a strategy for graduating students that did not pass the end-of-course exams. There were 16 campuses in HISD graduating students via IGCs at a rate above the TEA threshold of 10 percent, one of which graduated 50 percent of students via this path. Further, there were also no centralized requirements in place to ensure students graduating via IGC met the academic requirements necessary for graduation.

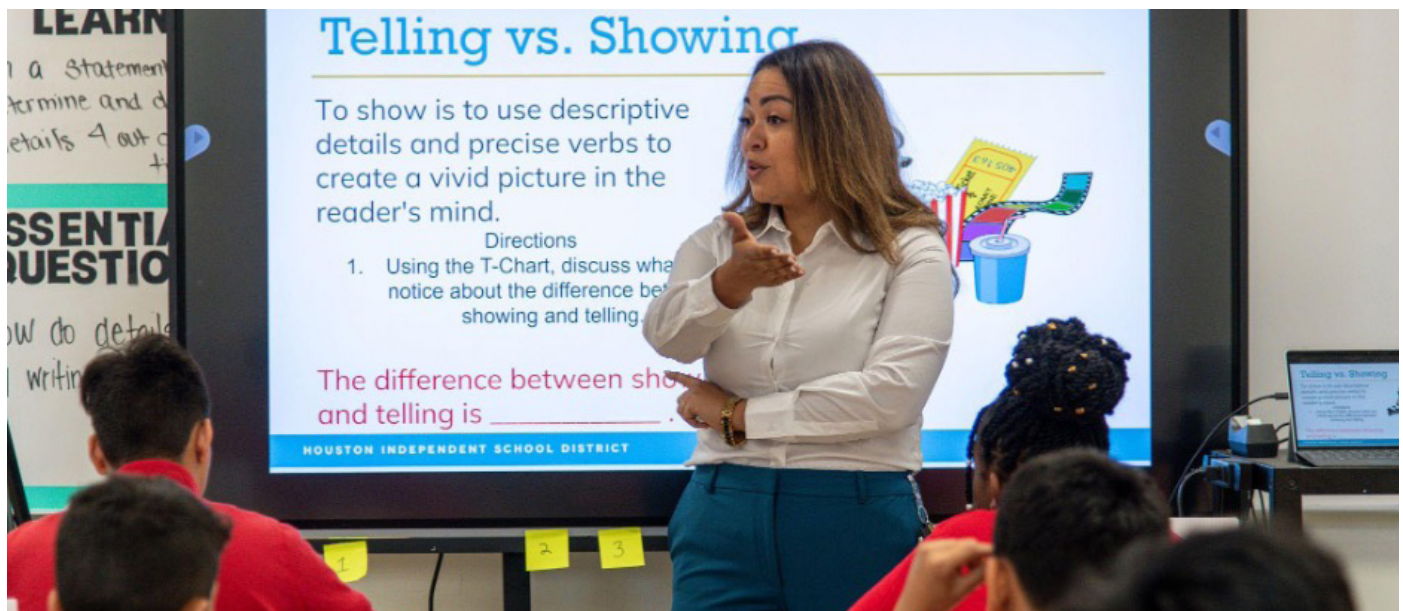
## WHY THIS MATTERS

The Texas Education Agency intervention requires dramatic improvement for most District schools. This in turn requires that HISD rebuild the District-level systems and processes that will lead to transformation and toward one guiding vision. This rebuilding of District-level vision, system, and processes will mean that school leadership decisions must, to a greater degree, align with the District vision. For example, to support schools with efficient budgeting, the Central Office team will provide parameters such as essential staff to be included in staffing rosters and/or diligence requirements for selecting external providers for contract supports. Previously, schools were able to move forward without

parameters; however, we must adjust this practice to ensure our campuses operate in alignment with and are held accountable to a larger system.

Because of the dysfunction caused by a decentralized system, full autonomy without accountability must end. School autonomy will be limited based on various indicators of success described by the District. School leaders and school staff had adapted to the low expectations of a compliance-focused system; they will have to be coached to operate as part of a larger team and a larger system.





## WHAT WE ARE DOING TO ADDRESS THIS SYSTEMIC CHALLENGE

The District has changed the dynamic for leading NES schools—school leaders follow a specific instructional model and way of operating. NES campuses receive the maximum level of District guidance, from following a specific instructional model, to budgeting, staffing, and master schedules. In the 2024-2025 school year, approximately 130 schools—or 47 percent of the District—will be NES schools whose programmatic and operational model is delineated by District leadership. NES schools will have little autonomy, which will position the principal to focus on instruction instead of operational details that can and should be handled by Central Office.

HISD is also in the process of reviewing the performance and operations of all schools and assessing the degree of autonomy that makes the most sense for each school. The District is using a “Defined Autonomy System Matrix” to assist District leaders in determining the degree of autonomy each school should receive. The Defined Autonomy System will be implemented beginning in the 2025-2026 school year. In any case, autonomy will not be automatically assumed; it will have to be earned in alignment with the school’s ability to demonstrate positive results.

Lastly, the District is taking deliberative steps to reshape the principal role into one focused primarily on instruction. That has required a deep review of requirements and responsibilities that had been typically assigned to principals and that now are being completed by Central Office and support personnel. We are removing redundancies in processes such as requiring schools to complete a campus improvement plan and upload that plan into a separate platform. Executive directors are doing the work of managing these requirements so principals can provide the instructional leadership so desperately needed in the District.

## 8. NO UNIFYING VISION OF HIGH-QUALITY INSTRUCTION OR HIGH-QUALITY PROGRAMMING

As a result of autonomy without accountability, the District had no unifying vision for improving the quality of instruction even though it is the leading indicator of improved student outcomes. Every school had its own way of supporting or training teachers to improve instruction. Most did not prioritize high-quality instruction; others purchased a program to develop one aspect of instruction or hired consultants to train teachers or school leaders on another aspect of instruction. Last year, the average school used 33 applications or programs that were intended to help some aspect of instruction. The average school spent approximately \$141,000 on purchased services to help with curriculum or instruction. Across all schools, \$37.8 million was spent, and the highest amount spent by any one campus was \$1.1 million.

It is unclear whether these programs were implemented with any fidelity or whether the purchased services delivered the promised bang for the bucks that were spent. There were no clear metrics or goals outlined to measure success or to determine whether the programs or services should be continued. What is known is that student achievement dropped dramatically in the 2022-2023 school year. It is also clear that at the beginning of the 2023-2024 school year, very few principals or their

supervisors could explain how to improve the quality of instruction besides using purchased services.

Similarly, there was no common understanding of “high-quality instructional materials.” There was wide variation in school-selected and non-vetted curricula. Some curricula were not of high quality, such as reading resources that were not aligned with the science of reading research. In English Language Arts, HISD schools were using 30 different curricula. Schools were using 22 different math curricula. There was also no monitoring of data for the majority of programs to ensure fidelity of implementation.

CTE programming has been similarly flawed. The District allowed schools to choose their



own Programs of Study (POS), which led to large differences in quality and fidelity of implementation. Additionally, many CTE courses had low enrollment and schools were offering courses that were out of sequence from the POS and/or did not set students up to be ready for college, career, or the military. There was no systematic approach to monitor college, career, or military readiness (CCMR) attainment for students, nor for how to strategically ensure students were empowered to be prepared based on their needs and program path.

The introduction of individualized POS in schools, while intended to diversify and enhance educational opportunities, inadvertently exacerbated existing inequities among students. This situation stemmed from the lack of a uniform, strategic approach in implementing these programs. Each school's unique adoption of the POS led to inconsistencies—especially when students transferred between schools—creating challenges like misaligned course sequences and inadequacies in master scheduling. Moreover, the decision to sunset certain programs based on leadership preferences or the skills of specific teachers, rather than focusing on long-term sustainability, made existing disparities worse. The issue was compounded by foundational problems such as teacher turnover, high student mobility, and varied academic performances, which hindered students' ability to fully engage with and complete their chosen POS. Thus, the decentralized approach to implementing POS, although well-intentioned, ended up reinforcing educational inequalities.

Lack of clarity, guidance, and accountability related to student support led to significant gaps in campus and District-wide systems for Disciplinary Alternative Education Program assignments and consequences; STAAR End-of-Course retesting, credit recovery, and serving overage students.

“

Every school had its own way of supporting or training teachers to improve instruction. Most did not prioritize high-quality instruction; others purchased a program to develop one aspect of instruction or hired consultants to train teachers or school leaders on another aspect of instruction.

”

## WHY THIS MATTERS

Delivering high-quality instruction supported by high-quality instructional materials is at the heart of what schools do. If there is no standard set by the District for either quality curriculum or instruction, students will be subjected to a wide range of materials of varying quality and to a wide range of instructional effectiveness.

Without a clear picture of the characteristics of high-quality instruction, school leaders have only a vague notion of the quality of instruction they should be striving to achieve. Key actions will be less relevant, continuous improvement will remain conceptual, and both teacher and principal evaluations will be perfunctory.

It matters because no district, much less one that is undergoing transformation, can improve outcomes for students without raising instructional quality.





## WHAT WE ARE DOING TO ADDRESS THIS SYSTEMIC CHALLENGE

The District has developed a framework and a process (immortalized in spot observation forms) that clearly outline the characteristics of high-quality instruction for all grade levels and for various types of courses. To reinforce this view of high-quality instruction, school leaders are required to conduct six spot observations every week. We created a spot observation application that allows school leaders and their supervisors to view, record, and analyze classroom observation data in a consistent way across the District.

There is tight alignment among the characteristics of high-quality instruction, instructional feedback, professional development, and both teacher and principal evaluations. Executive directors are trained by the District every week and principals are trained every month to ensure alignment throughout the District and to ensure everyone involved in instruction has one standard and understands the expectations.

Regarding high-quality instructional materials, the District has vetted and adopted high-quality material in the core subjects. These are required materials in the NES schools, which will include 130 campuses next school year. For the lower-performing schools not involved with NES, the District will oversee their curricular choices and require vetted materials. For all other non-NES schools, the District will support their movement to high-quality instructional materials over the next two years.

The District has identified four core CTE POS that, based on regional workforce data, prepare students for jobs in high-skilled fields that are both growing rapidly (500+ new jobs created annually) and provide a median salary over \$75,000 a year. These are the career pathways of the future, and our students can use these programs as a springboard to college or as an entry point to the workforce after graduation. By giving every high school student access to four core POS, we will expand access to high-skill jobs so that all HISD students are prepared for success in the workplace and world of 2035. HISD's core POS are Networking Systems; Business Management and Entrepreneurship; Health Informatics; and Distribution, Logistics, and Warehousing.

Starting in the 2024-2025 school year, most high school campuses will implement at least two of these four POS for ninth graders. Many campuses are already offering some—or in a few cases, all—of these programs. Moving forward, all HISD high school students will have access to these POS.



# CONCLUSION

**It is difficult to overstate the impact of these inefficiencies on HISD's ability to serve students well. And while some level of dysfunction in the system is to be expected given that HISD has lacked consistent leadership, unifying vision, and adequate accountability, the breadth and depth of these breakdowns is difficult to comprehend until you are forced to tackle them head on.**

The work to identify these barriers to change, address their root cause, and repair each individual piece of the system is underway. And while it will take time, we will reimagine what is possible, and then build the new systems necessary to align all the District's resources—facilities, people, money—to our priority of becoming the first large urban district to serve all its students well. We also know that as we rebuild systems, we must work even harder to rebuild trust. HISD has not met its commitments to students and families. Compensation for our faculty and staff has lagged, and HISD has not always been a responsible steward of taxpayer dollars. This District should be a point of pride for this community, whether you have a student enrolled in one of our schools or not. We know that is not always the case now, but it will be.

This report outlined very specific steps we will take on key issues moving forward. But we hope it also captures the larger commitment HISD is making to our community. HISD will provide excellent instruction to every student, every day. We will provide compensation that attracts talent back to HISD and incents excellence at every level. We will finally address the years of deferred maintenance and improvements

to our facilities so that every student can learn in a safe and healthy environment. And most importantly, we will create a District-wide commitment to excellence that prioritizes shared accountability and an unyielding commitment to improving student outcomes.

Finally, given the scale and the importance of the work to be done, we are also asking the broader HISD community to make a commitment to our schools and students as well. We must ask the community to put the needs of students first. We need to begin a conversation with the entire HISD community about how we invest in and maintain our school buildings. And the community must hold the Administration and the School Board accountable for what we provide for students. Once we are focused on what is best for kids, it will be impossible not to make better choices. And those choices will ensure that HISD is not only returned to local control, but also permanently transformed into a vital community asset where excellence is the expectation and failure is not an option.

# APPENDIX A: 2024–2025 ACTION PLANNING AND BUDGET DEVELOPMENT TIMELINES

2024-2025 Action Planning and Budget Development Timelines			
NLT Date	District Action Plan	Responsible Parties	Budget Development Process
January 2024	Outline action planning timeline and budget timeline with Core Team	Superintendent/ CFO	Outline action planning timeline and budget development timeline
	Draft the 24-25 District Action Plan	Superintendent	
February 2024	Provide the School Board with a preview of Action Plan and Budget Development process	Superintendent	Provide the School Board with a preview of Action Plan and Budget Development process
		Superintendent/ CFO	Develop budget assumptions and initial parameters; brief core team
		Superintendent/ CFO	Create new budget development tools to support Principals in creating budgets for non-NES schools
	Central Office Teams develop Action Plans	Cabinet	
		Superintendent and CFO	Train departments on 60/20/20 budget process
		Superintendent/ CFO	Departments receive guidance and template to build 2024-2025 budget
	Review and approve Central Office action plans	Superintendent & Cabinet	
		Cabinet officials	Departments develop prioritized budgets for the 2024-2025 school year
	Train principals and other school leaders on action planning and budget development process	At Principals' meeting; Superintendent and CFO	Train principals and other school leaders on action planning and budget development process
March 2024		At Principals' Meeting; Superintendent/ CFO	Non-NES schools receive guidance and templates so principals can building 2024-2025 school budgets
	Preview District Action Plan and Budget Process	COS/ Communications	Brief stakeholders on action planning, budget development process, and budget assumptions
		CFO	Finalize department budgets
	Schools submit draft School Action Plans	Division Superintendents	
	Brief Core Team on final proposed budget and alignment with District Action Plan	Superintendent/ CFO	Brief Core Team on final proposed budget and alignment with District Action Plan
		DAC, Principal Focus Group, Teacher Advisory Council, Others	Explain proposed budget with selected advocacy and advisory groups
	Brief BOM on draft budget and alignment with District Action Plan	Superintendent/ CFO	Brief BOM on final proposed budget and alignment with District Action Plan
		Division Superintendents/ CFO	Non-NES schools submit proposed 2024-2025 budget
	Update BOM on District Action Plan and 2024-2025 Budget	Superintendent and CFO	Update BOM on District Action Plan and 2024-2025 Budget
June 2024		Superintendent and CFO	Adopt the 2024-2025 Budget



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