

THE HOUSTON INDEPENDENT SCHOOL DISTRICT



AGENDA

**Board of Education
Meeting**

December 13, 2018

THE HOUSTON INDEPENDENT SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Index

- | | |
|--------------------------------------|---------------------------------------|
| A. Superintendent's Priority Items | G. Human Resources |
| B. Trustee Items | H. Business Operations |
| C. Closed Session (Closed to Public) | I. Finance |
| D. Academic Services | J. Other |
| E. School Offices | K. Policy |
| F. Strategy and Innovation | L. Superintendent's Information Items |

MEMBERS OF THE BOARD OF EDUCATION

Rhonda Skillern-Jones, *President*
Jolanda Jones, *First Vice President*
Anne Sung, *Second Vice President*
Sergio Lira, Ed.D., *Secretary*
Holly Maria Flynn Vilaseca, *Assistant Secretary*
Wanda Adams
Diana Dávila
Sue Deigaard
Elizabeth Santos

Grenita Lathan, Ph.D., *Interim Superintendent of Schools*

BOARD OF EDUCATION AGENDA

December 13, 2018

2:00 p.m. – BOARD SERVICES CONFERENCE ROOM

- CALL TO ORDER
- ADJOURN TO CLOSED OR EXECUTIVE SESSION UNDER SECTIONS 551.004, 551.071, 551.072, 551.073, 551.074, 551.076, 551.082, 551.0821, 551.083, AND 551.084, CHAPTER 551 OF THE TEXAS GOVERNMENT CODE FOR THE PURPOSES LISTED UNDER SECTION C
- RECESS

5:00 p.m. – BOARD AUDITORIUM

- REGULAR BOARD MEETING RECONVENES FOR OPEN SESSION
- MEDITATION AND PLEDGE OF ALLEGIANCE
- RECOGNITIONS
- SPEAKERS TO AGENDA ITEMS

BUSINESS AGENDA

- CONSIDERATION AND POSSIBLE ACTION ON MATTERS DISCUSSED IN CLOSED OR EXECUTIVE SESSION
- CONSIDERATION AND APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

Table of Contents

A. SUPERINTENDENT'S PRIORITY ITEMS

- A-1. Approval Of Personal Services Performed By The Superintendent, Including Speaking Engagements, Panel Discussions, Workshops, Etc., In Accordance With Texas Education Code Section 11.201(E)
- A-2. Board Monitoring Update: Presentation Of Goal 1 Progress Measure 1.2; Goal 3 Progress Measure 3.1; Constraint 2 Progress Measure 2.1; Constraint 3 Progress Measures 3.1 And 3.3; And Constraint 4 Progress Measure 4.1
 - December 2018 GPM And CPM Update - *Revised*
 - December Constraint Monitoring Report - *Revised*
 - December Goal Monitoring Report - *Revised*

B. TRUSTEE ITEMS

- B-1. Approval To Host Lone Star Governance Training For The Community - *Revised*
- B-2. Receive And Act On Report And Recommendations From Board Audit Committee, Including Acceptance Of Proposed Revisions To Board Policy BDB(LOCAL), *Board Internal Organization: Board Committees—First Reading*
 - Annual Audit Committee Report to the Houston Independent School District Board of Education
 - Audit Committee Charter (Clean Copy)

- Audit Committee Charter (Redlined)
- BDB(LOCAL), First Reading

- B-3. Consider And Approve Authorizing The Interim Superintendent Of Schools To Issue A Request For Proposals For Senate Bill 1882 Turnaround And Innovation Partnerships - *New*
- B-4. Consider And Approve Conducting An Open Search For Superintendent Of Schools - *New*
- B-5. Consider Selection Of A Coach To Assist The Board With Lone Star Governance And Related Governance And Team-Building Matters - *New*
- B-6. Adoption Of Resolution Relating To Gang Activity In Houston - *New*
- Resolution - *Revised*

C. CLOSED SESSION

C-1. Personnel

- Deliberate the duties of the interim superintendent of schools, chief officers, assistant superintendents, principals, employees, chief audit executive, and board members; evaluations of the interim superintendent and chief audit executive, consideration of compensation, and contractual provisions.
- Consider and approve proposed appointments, reassignments, proposed terminations, terminations/suspensions, contract lengths, proposed nonrenewals, renewals, and resignations/retirements of personnel including teachers, assistant principals, principals, chief officers, assistant superintendents, and other administrators, and, if necessary, approve waiver and release and compromise agreements.
- Hear complaints against and deliberate the appointment, evaluation, and duties of public officers or employees and resolution of same.

C-2. Legal Matters

- Matters on which the district's attorney's duty to the district under the Code of Professional Responsibility clearly conflicts with the Texas Open Meetings Law, including specifically any matter listed on this agenda and meeting notice
- Pending or contemplated litigation matters and status report
- Legal discussion and advice concerning House Bill 1842 (84th Leg., 2015), Senate Bill 1882 (85th Leg., 2017), and the district's options

- d. Receive legal advice concerning superintendent search and superintendent search contract, including contractual provisions.
- e. Consideration and Approval of Mediated Settlement Agreement in the Matter of Roy Fuller v. Houston Independent School District; in the 133rd Judicial District Court of Harris County, Texas; Cause No. 2017-47104
- f. Consideration and Authority to Settle the Subrogation Lien of Geneva Davis Against Alexis Hernandez Guzman And Venture Insurance for Workers' Compensation Benefits; Venture Insurance Claim No. 2018-1866
- g. Consideration and Authority to Settle the Subrogation Lien of Natividad Vazquez Against Juan Jesus Arredondo And Allstate Insurance for Workers' Compensation Benefits; Allstate Insurance Claim No. 0495545733
- h. Consideration and Authority to Settle the Subrogation Lien of Lavita Owens Against Julio Alberto Martinez And ACCC Insurance for Workers' Compensation Benefits; ACCC Insurance Claim No. U0807960-0
- i. Consideration and Authority to Settle the Subrogation Lien of Yolanda Gregory Against Juan Jesus Arredondo And Allstate Insurance for Workers' Compensation Benefits; Allstate Insurance Claim No. 0495545733

C-3. Real Estate

D. ACADEMIC SERVICES

E. SCHOOL OFFICES

F. STRATEGY AND INNOVATION

G. HUMAN RESOURCES

H. BUSINESS OPERATIONS

H-1. Approval To Negotiate, Execute, And Amend A Construction Contract For Practice Pool Facilities At Charles Milby High School, Booker T. Washington High School, And Jack Yates High School

- Executive Summary - *New*

H-2. Approval To Negotiate, Execute, And Amend A Construction Contract For The Addition Of Three Classrooms At Thomas Pilgrim Academy

- Executive Summary - *New*

H-3. Authority To Negotiate, Execute, And Amend An Agreement With The SPARK Program For The Improvement And Construction Of SPARK Parks At Various Campuses

- Executive Summary - *New*
- HISD SPARK Park Schools - *New*
- HISD SPARK Parks Map - *New*

I. FINANCE

I-1. Approval Of Vendor Awards For Purchases Over \$100,000 And Ratification Of Vendor Awards For Purchases Under \$100,000

- Purchase Requests

I-2. Approval Of Current And Anticipated Donations For Districtwide And School-Specific Programs And Authorization To Negotiate, Execute, And Amend Necessary Contracts Associated With These Donations

- Attachment For Approval Of Donations

I-3. Acceptance Of Grant Funds In Support Of Districtwide And School-Specific Programs And Authorization To Negotiate And Execute Contracts Required Under The Grants

- Attachment For Acceptance Of Grants

I-4. Approval Of Resolution And Ordinance Adopting Early Additional Penalty On Delinquent Tangible Personal Property Taxes On Tax Year 2018 For The Houston Independent School District In Accordance With Section 33.11 Of The Texas Property Tax Code

- Executive Summary
- Resolution And Ordinance

I-5. Ratification Of Use Of Self-Insurance Recovery Fund For Fleming Middle School

- Executive Summary

I-6. Ratification Of Use Of Self-Insurance Recovery Fund For Wilson Montessori School

- Executive Summary

I-7. Adoption Of Resolution Approving The Cash Management And Investment Policy And The Authorized List Of Brokers/Dealers

- Resolution
- Executive Summary

- Cash Management And Investment Policy
- Authorized Brokers And Dealers
- Investment Advisory Committee
- Investment Policy Affidavit
- Corporate Bonds Procedures

I-8. Approval Of 2018 Tax Roll

- Executive Summary
- HISD Tax Roll Letter 2018

J. OTHER

J-1. Approval Of Calendar Year 2019 Audit Plan

- Calendar Year 2019 Audit Plan
- Explanatory Sheet - *New*

K. POLICY

K-1. Proposed Revisions to Board Policy AE(LOCAL), *Educational Philosophy—Second Reading*

- AE(LOCAL), Second Reading - *Revised*
- Explanatory Sheet
- 2018–2019 And 2019–2020 LSG Monitoring Calendar

L. SUPERINTENDENT'S INFORMATION ITEMS

L-1. Investment Report

- Executive Summary

HEARING OF CITIZENS

TRUSTEE REPORTS AND COMMENTS

Reports and comments from the board president and board members regarding meetings and conferences attended, including board committee meetings; schools visited; community and district activities; new initiatives; education programs; and continuing education. There will be no action concerning these items.

REPORTS FROM THE SUPERINTENDENT

Reports and comments by the superintendent of schools regarding meetings and conferences attended, schools visited, community and district activities, new initiatives, and education programs, on which there will be no action. The items may be discussed, but no final action will be taken on these items at this meeting.

ADJOURN

REPORT FROM THE SUPERINTENDENT

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

**SUBJECT: BOARD MONITORING UPDATE: PRESENTATION OF GOAL 1
PROGRESS MEASURE 1.2; GOAL 3 PROGRESS MEASURE 3.1;
CONSTRAINT 2 PROGRESS MEASURE 2.1; CONSTRAINT 3
PROGRESS MEASURES 3.1 AND 3.3; AND CONSTRAINT 4
PROGRESS MEASURE 4.1**

The Houston Independent School District (HISD) exists to strengthen the social and economic foundation of Houston by assuring its youth the highest-quality elementary and secondary education available anywhere.

In accordance with the Texas Education Agency (TEA) Lone Star Governance continuous improvement model and the Framework for School Board Development, the HISD Board of Education monitors progress towards the district's goals and compliance with certain constraints.

Attached to this update are a presentation and reports regarding goal progress measures (GPMs) and constraint progress measures (CPMs). The following measures have new data this month.

Goal 1: The percentage of students reading and writing at or above grade level for grade 3 through English II will increase by three percentage points annually between spring 2017 and spring 2020.

- GPM 1.2—Data will be collected from students in grades 4 and 7 in September, December, and February from student portfolios of writing samples based on a district rubric; the percentage of students receiving a passing score will increase proportionally to 90% in February from the September baseline.

Goal 3: Among students who exhibit below satisfactory performance on state assessments, the percentage who demonstrate at least one year of academic growth will increase three percentage points annually in reading and math between spring 2017 and spring 2020.

- GPM 3.1—Monthly progress monitoring of students in grades K–12 identified as being below grade level in reading and/or math on the district's screener will demonstrate a minimum of one month's growth each month through to the End of Year (EOY) test.

Constraint 2: The superintendent shall not require teachers to administer more than two district-created assessments per semester.

REPORT FROM THE SUPERINTENDENT

- CPM 2.1—The number of district-required, district-created assessments will not exceed two per semester starting with Fall 2017.

Constraint 3: The superintendent shall not allow achievement gaps for student groups, including African-American, Hispanic, economically disadvantaged students, students receiving special education services, and English language learners (ELLs), to increase in reading, writing, and mathematics.

- CPM 3.1—The reading performance gap will decrease by 1 percentage point annually for African-American, Hispanic, economically disadvantaged students, students receiving special education services, and English language learners (ELLs) through 2020.
- CPM 3.3—The mathematics performance gap will decrease by 1 percentage point annually for African-American, Hispanic, economically disadvantaged students, students receiving special education services, and English language learners (ELLs) through 2020.

Constraint 4: The superintendent will not allow struggling schools to operate without highly qualified leaders and teachers in core subjects.*

*Struggling schools will include Improvement Required (IR) schools, formerly IR schools, and schools in danger of IR. Teacher qualification should consider certification and experience.

- CPM 4.1—The percentage of campus administrators at struggling schools rated as effective or above will increase by two percentage points annually to 73% by 2020.

HOUSTON INDEPENDENT SCHOOL DISTRICT

GPMs 1.2 and 3.1 CPMs 2.1, 3.1, 3.3, and 4.1

Date: 12/13/2018

Presenter:

Carla Stevens

*Assistant Superintendent,
Research and Accountability*



Goal 1

- The percentage of students reading and writing at or above grade level for grade 3 through English II will increase by 3 percentage points annually between spring 2018 and spring 2020.

Goal Progress Measure 1.2

- Data will be collected from students in grades 4 and 7 in September, December, and February from student portfolios of writing samples based on a district rubric; the percentage of students receiving a passing score will increase proportionally to 90% in February from the September baseline.

GPM 1.2 Testing Windows

- Fall Benchmark: District Level Assessment
 - Grade 4: December 10th – 14th ~~3rd – 20th~~
 - Grade 7: December 3rd – 20th ~~10th – 14th~~
- Spring Benchmark: Released STAAR
 - Grades 4 and 7: February 25th – March 1st

Goal 3

- Among students who exhibit below satisfactory performance on state assessments, the percentage who demonstrate at least one year of academic growth will increase three percentage points annually in reading and math between Spring 2017 and Spring 2020.

Goal Progress Measure 3.1

- Monthly progress monitoring of students in grades K–12 identified as being below grade level in reading and/or math on the district's screener will demonstrate a minimum of one month's growth each month through to the End of Year (EOY) test.

GPM 3.1 – Baseline Results

- Formal Progress Monitoring was from November 5th–16th.
- Results will be presented at the January board meeting.

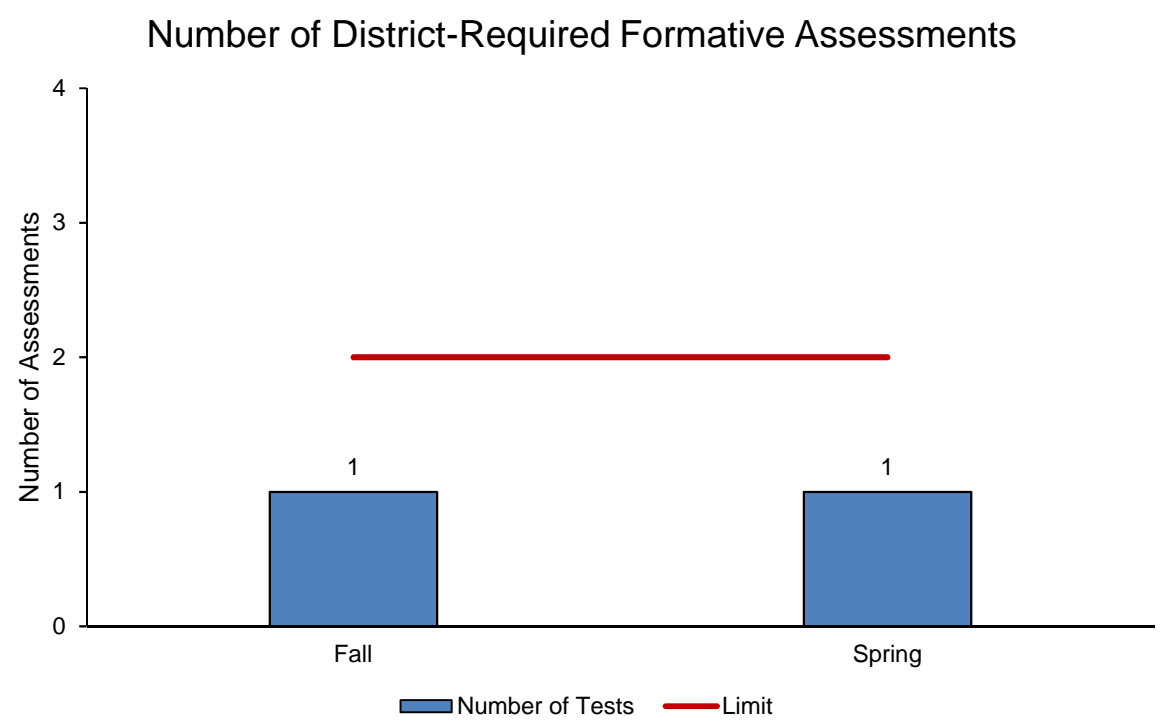
Constraint 2

- The Superintendent shall not require teachers to administer more than two district-created assessments per semester.

Constraint Progress Measure 2.1

- The number of district-required, district-created assessments will not exceed two per semester starting with fall 2017.

Constraint Progress Measure 2.1



- Fall Assessment:
 - DLA
- Spring Assessment:
 - Released STAAR

Constraint 3

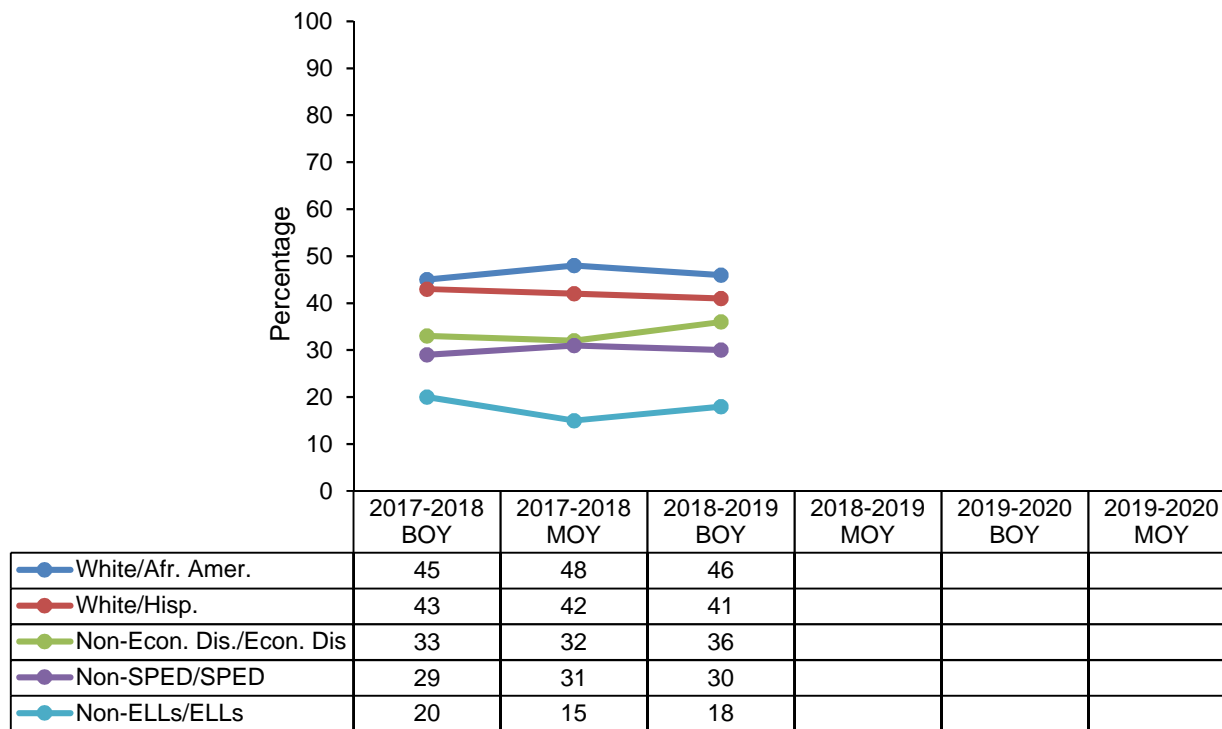
- The Superintendent shall not allow achievement gaps for student groups, including African-American, Hispanic, economically disadvantaged students, students receiving special education services, and English Language Learners (ELLs), to increase in reading, writing, and mathematics.

Constraint Progress Measure 3.1

- The reading performance gap will decrease by 1 percentage point annually for African-American, Hispanic, economically disadvantaged students, students receiving special education services, and English Language Learners (ELLs) through 2020.

Universal Screener Reading Percentage Point Gap

- Gap is calculated based on the percentage of each student group performing at or above the 40th percentile on the Universal Screener.



Achieve 180 Campuses

Tier 3 Support (12) Improvement Required 2-8, Supt FIR		Tier 2 Support (12) New Improvement Required, NR, FIR		Tier 1A Support (12) - FIR Former Improvement Required 1 YR		Tier 1B Support (11) - FIR Former Improvement Required 2 YR	
School	Feeder	School	Feeder	School	Feeder	School	Feeder
Blackshear ES – (FIR)	Yates	Bruce ES – (FIR)	Wheatley	Bonham ES – (FIR)	Sharpstown	Kashmere Gardens – (FIR)	Kashmere
Dogan ES – (FIR)	Wheatley	Foerster ES (FIR) – NR	Westbury	Fondren ES – (FIR)	Westbury	Cook ES – (FIR)	Kashmere
Highland Heights (IR5) – NR	Washington	Forest Brook MS – (FIR)	North Forest	Hilliard ES – (FIR)	North Forest	Lewis ES – (FIR)	Chavez
Mading ES– (FIR)	Sterling	Deady MS – NR	Milby	Looscan ES – (FIR)	Northside	Belfort ECC – Paired	Chavez
Wesley ES – (FIR)	Washington	Holland MS – NR	Furr	Montgomery ES – (FIR)	Madison	Edison MS – (FIR)	Austin
Woodson ES – (FIR)	Worthing	Williams MS – NR	Washington	Pugh ES – (FIR)	Wheatley	Key MS – (FIR)	Kashmere
Henry MS (IR4) – NR	Sam Houston	Yates HS – NR	Yates	Stevens ES – (FIR)	Waltrip	C Martinez ES – (FIR)	Northside
Kashmere HS (IR8) – NR	Kashmere	HS Ahead MS – NR		Gregory-Lincoln – (FIR)	Heights	Young ES – (FIR)	Worthing
North Forest HS (IR3) – NR	North Forest	Cullen MS – (FIR)	Yates	Lawson MS – (FIR)	Madison	Gallegos ES – (FIR)	Milby
Wheatley HS (IR6) – NR	Wheatley	Madison HS – (FIR)	Madison	Liberty HS – (FIR)	Wisdom	Milby HS – (FIR)	Milby
Worthing HS – (FIR)	Worthing	Sugar Grove MS (IR1)	Sharpstown	Sharpstown HS – (FIR)	Sharpstown	Westbury HS – (FIR)	Westbury
Washington HS (IR2) – NR	Washington	Attucks MS (IR1) – NR	Worthing	Texas Connections – (FIR)	Charter		

School Level	Total
Elementary	26
K-8	2
Middle School	13
High School	11
Charter	1
A180 Area/Program Schools	36
A180 Program Only Schools	17
Total A180 Schools	53

1A – Supported through the Achieve 180
Office of School Support

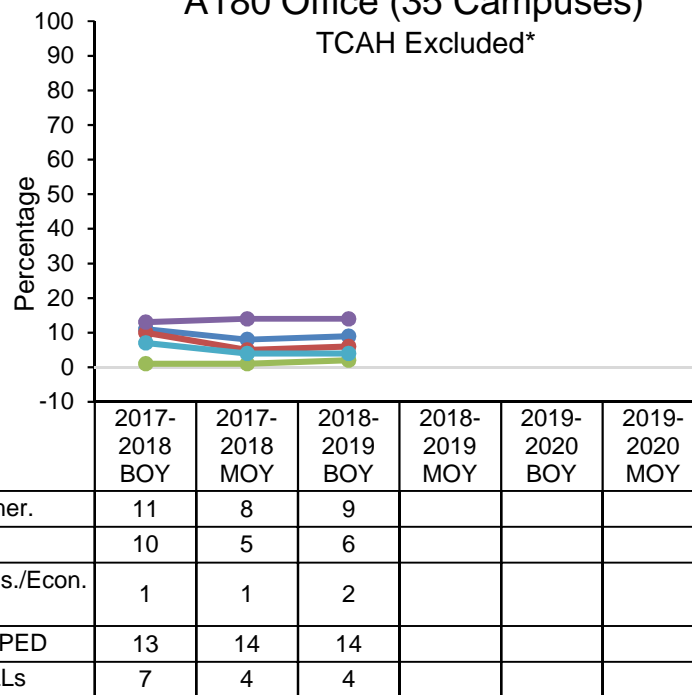
District	Trustee
I	Elizabeth Santos
II	Rhonda Skillern -Jones
III	Sergio Lira
IV	Jolanda Jones
V	Susan Deigaard
VI	Holly Maria Flynn Vilaseca
VII	Anne Sung
VIII	Diana Davila
IX	Wanda Adams

Tier 1B Support (6) – IR New Improvement Required, NR	
School	Feeder
Codwell ES (IR1)	Sterling
Marshall ES (IR1)	North Forest
Shearn ES (IR1)	Yates
Sherman ES (IR1)	Northside
Thomas MS - NR	Sterling
Reagan K-8 - NR	Madison

1B – Supported through other Offices of
School Support

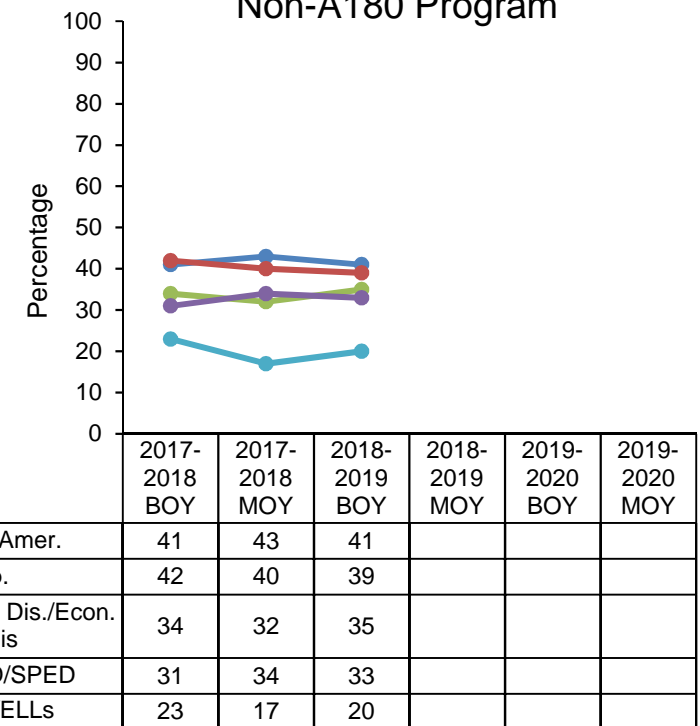
Universal Screener Reading Percentage Point Gap

A180 Office (35 Campuses)
TCAH Excluded*



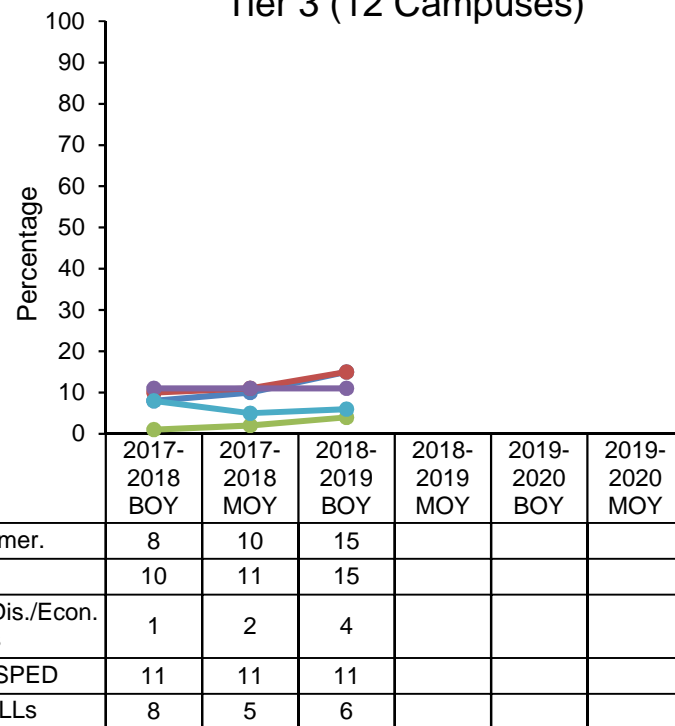
*TCAH did not use the Universal Screener in 2017–2018.

Non-A180 Program

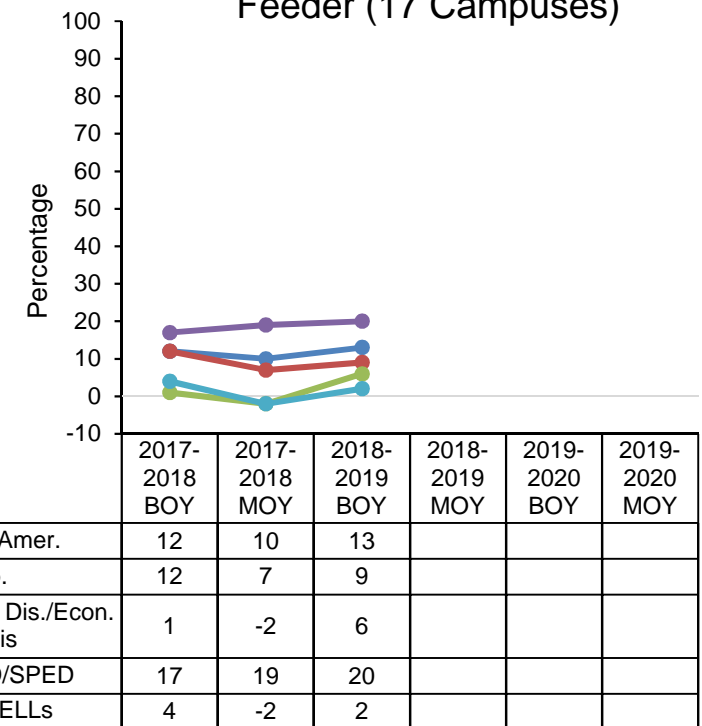


Universal Screener Reading Percentage Point Gap

Tier 3 (12 Campuses)



Feeder (17 Campuses)

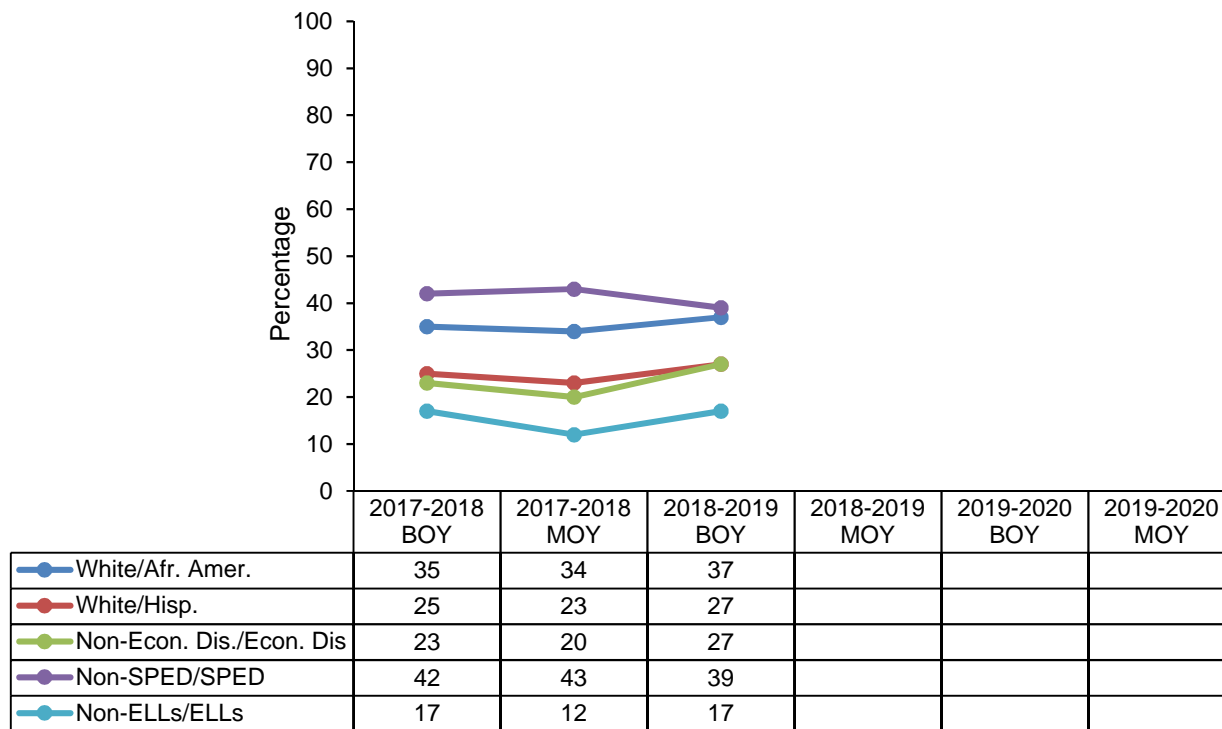


Constraint Progress Measure 3.3

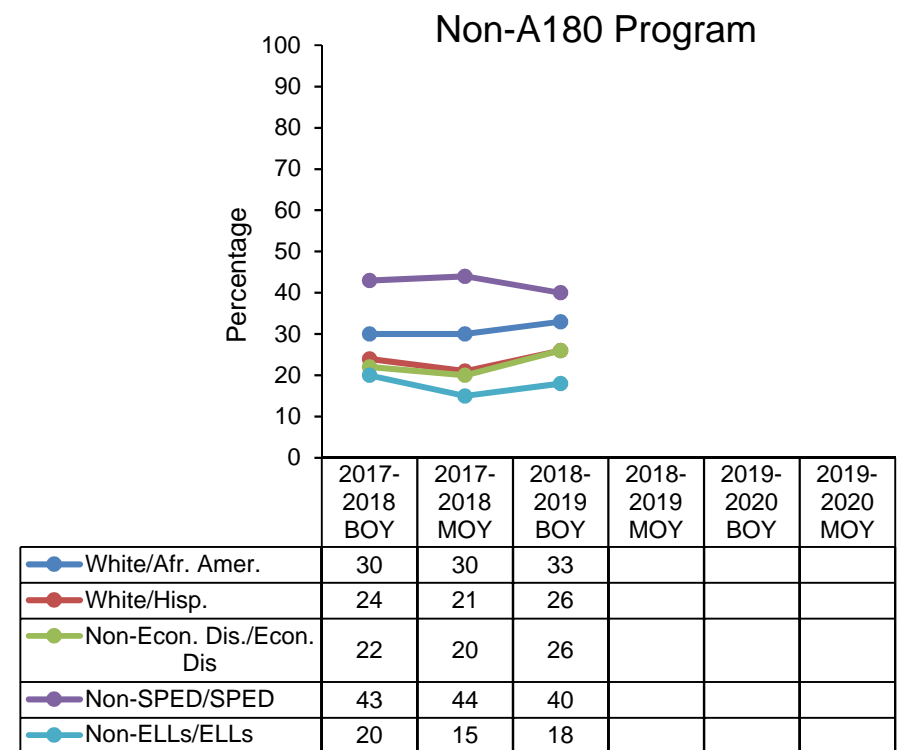
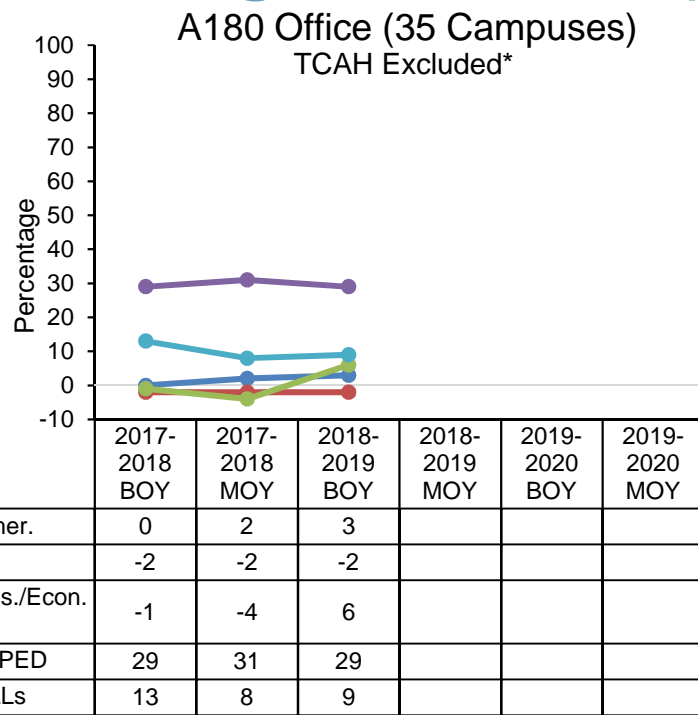
- The mathematics performance gap will decrease by 1 percentage point annually for African-American, Hispanic, economically disadvantaged students, students receiving special education services, and English Language Learners (ELLs) through 2020.

Universal Screener Math Percentage Point Gap

- Gap is calculated based on the percentage of each student group performing at or above the 40th percentile on the Universal Screener.



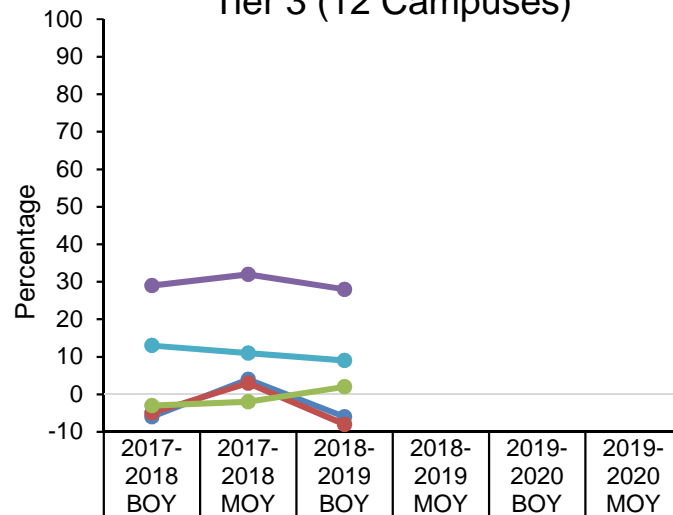
Universal Screener Math Percentage Point Gap



*TCAH did not use the Universal Screener in 2017–2018.

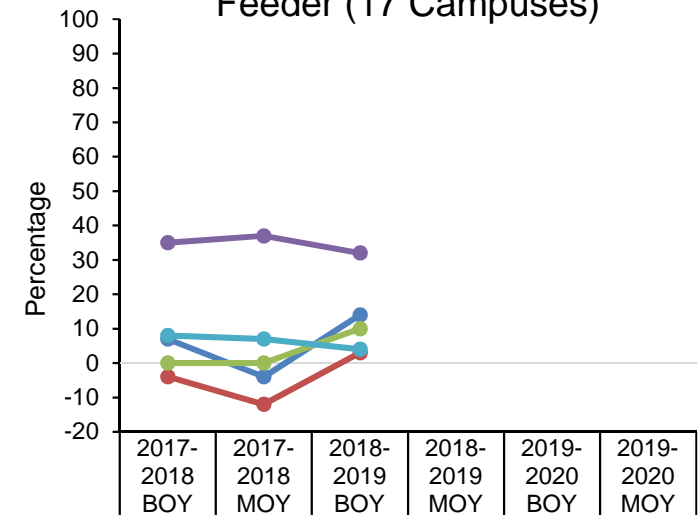
Universal Screener Math Percentage Point Gap

Tier 3 (12 Campuses)



	2017-2018 BOY	2017-2018 MOY	2018-2019 BOY	2018-2019 MOY	2019-2020 BOY	2019-2020 MOY
White/Afr. Amer.	-6	4	-6			
White/Hisp.	-5	3	-8			
Non-Econ. Dis./Econ. Dis	-3	-2	2			
Non-SPED/SPED	29	32	28			
Non-ELLs/ELLs	13	11	9			

Feeder (17 Campuses)



	2017-2018 BOY	2017-2018 MOY	2018-2019 BOY	2018-2019 MOY	2019-2020 BOY	2019-2020 MOY
White/Afr. Amer.	7	-4	14			
White/Hisp.	-4	-12	3			
Non-Econ. Dis./Econ. Dis	0	0	10			
Non-SPED/SPED	35	37	32			
Non-ELLs/ELLs	8	7	4			

Constraint 4

- The superintendent will not allow struggling schools to operate without highly qualified leaders and teachers in core subjects.

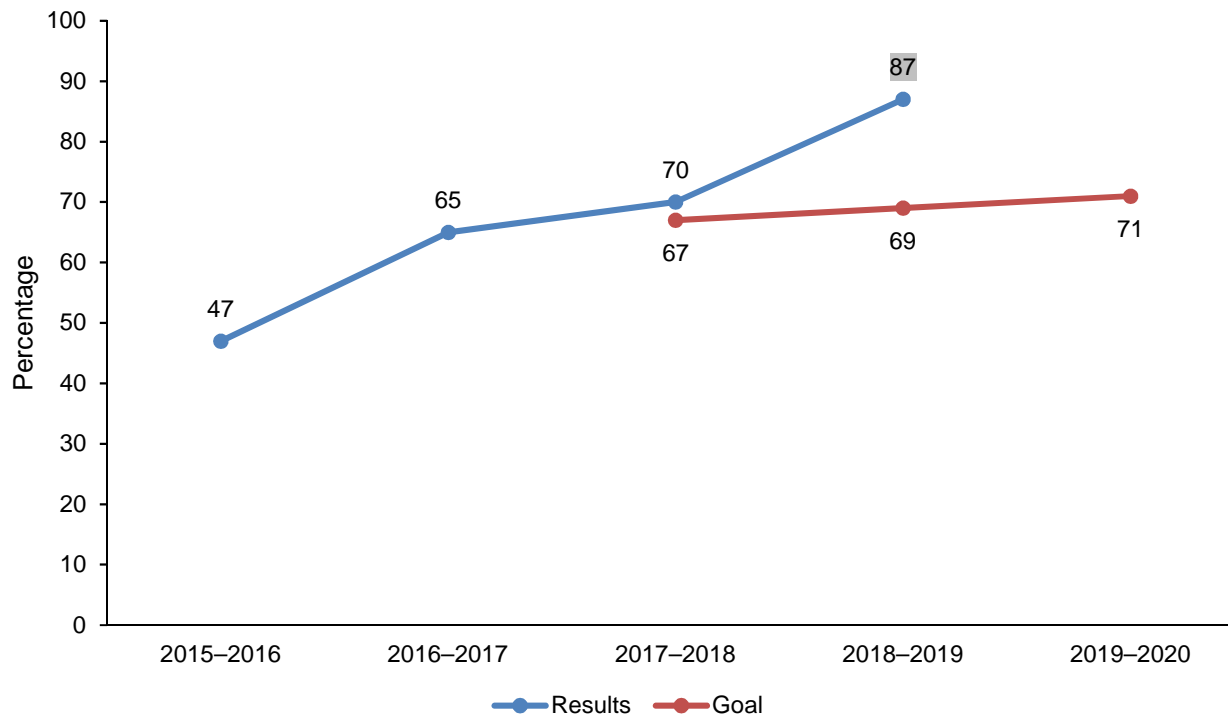
Constraint 4 (Cont.)

- Struggling schools will include Improvement Required (IR) schools, formerly IR schools, and schools in danger of IR. Teacher qualification should consider certification and experience.

Constraint Progress Measure 4.1

- The percentage of campus administrators at struggling schools rated as effective or above will increase by two percentage points annually to 73% by 2020.

Percent of Campus Administrators Rated as Effective or Above



- District **Exceeded Goal**.
- 86 campuses designated a struggling school for 2018–2019 school year.
- 19 Principals not receiving a rating were not included in the denominator in 2017–2018.

HOUSTON INDEPENDENT SCHOOL DISTRICT

Thank you

Date: 12/13/2018

Presenter:

Carla Stevens

*Assistant Superintendent,
Research and Accountability*



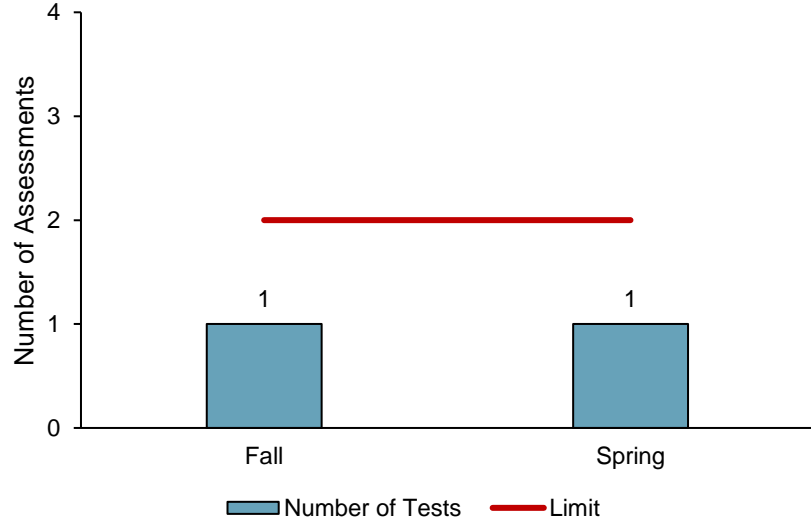
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ANALYZING DATA, MEASURING PERFORMANCE.

Constraint Monitoring Report – December 2018

Constraint 2, December 2018 District Required Formative Assessments	
Constraint 2	
The superintendent shall not require teachers to administer more than two district-created assessments per semester.	
Superintendent's Response	
<ul style="list-style-type: none"> Student Assessment, Elementary and Secondary Curriculum and Development facilitated stakeholder sessions from <u>with</u> teachers, principals, and community members to solicit feedback to create the district's 2018-2019 formative assessment plan. The Fall assessment is the District-Level Assessment. It will be administered between Dec. 10-14 for elementary (grades 3–5 only) and Dec. 3-20 for middle and high schools. The purpose of this formative checkpoint is to assess curriculum taught during the first semester in order to inform instructional planning for spring and to gather baseline writing data. The Spring assessment will be a STAAR-Released Test. It will be administered between Feb. 25-March 1 for grades 4 and 7 writing and grades 5 and 8 reading and math. March 25-29 for grades 3, 4, 6, and 7 reading and math, grades 5 and 8 science, grade 8 social studies, and all End-of-Course tested areas in high school. 	

Constraint Monitoring Report – December 2018

Constraint Progress Measure 2.1 – December 2018		Evaluation									
The number of district-required, district-created assessments will not exceed two per semester starting with Fall 2017.		Meeting Goal									
<div><div>Number of District-Required Formative Assessments Administered</div><table data-bbox="644 547 1449 1063"><caption>Number of District-Required Formative Assessments Administered</caption><tr><th>Semester</th><th>Number of Tests</th><th>Limit</th></tr><tr><td>Fall</td><td>1</td><td>2</td></tr><tr><td>Spring</td><td>1</td><td>2</td></tr></table></div>			Semester	Number of Tests	Limit	Fall	1	2	Spring	1	2
Semester	Number of Tests	Limit									
Fall	1	2									
Spring	1	2									
Support Data											
<ul style="list-style-type: none">The Fall assessment is the District-Level Assessment. It is being administered between Dec. 10–14 for Elementary (Grades 3–5 only) and Dec. 3–20 for Middle and High Schools (EOC core courses only).The Spring assessment will be the STAAR Released Test. It will be administered between Feb. 25– March 1 and March 25–29 .											

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ANALYZING DATA, MEASURING PERFORMANCE.

Constraint Monitoring Report – December 2018

Constraint 3, December 2018 Student Group Achievement Gaps

Constraint 3

The superintendent shall not allow achievement gaps for student groups, including African-American, Hispanic, economically disadvantaged students, students receiving special education services, and English language learners (ELLs), to increase in reading, writing, and mathematics.

Superintendent's Response

Elementary and Secondary Curriculum and Development, Special Populations, and Student Assessment are working urgently to address achievement gaps. Specific strategies include,

- Provide Achieve 180 supports for our most underserved campuses that include TDS support, extended Wednesday professional development (Sept. 12, Sept. 26, Oct. 10, Nov. 14, Nov. 28, and Dec. 12), targeted interventions, strategic data disaggregation, wrap around services, and essential positions.
- Continue to implement a K-12 reading and math universal screener in order to assess all students' strengths and gaps to provide targeted interventions with progress monitoring for all student groups.
- Provide training to support teachers and leaders around leveraging the universal screener data to address students' deficit skills (trainer-of-trainers provided for principals and campus champions during preservice professional learning, Aug. 13-23, and early release professional learning days, Sept. 21, Oct. 19, Nov. 3, and Jan. 18 & Feb. 15). Writing and sheltered instruction professional development opportunities have been provided for all teachers and leaders by school office areas on early release professional learning days, Achieve 180 Wednesday PD days, by campus request, Saturdays, and during campus PLCs during the months of September, October, November, and December.
- The district's first ever district-wide, PK-12 Writing Summit took place on October 13th which provided all teachers with an opportunity to engage in deeper learning to support literacy in their classrooms.
- Continue to build teacher and school leadership capacity for literacy as a regular part of monthly principals' meetings. Teacher Development Specialists, Data Driven Instructional Specialists, and Intervention Specialists continue to provide job-embedded supports on Achieve 180 and prioritized campuses. District curriculum and resources include instructional materials, that are culturally relevant, for all classrooms.
- Provide more supports for campuses around utilizing IAT teams to address intervention needs of students on individualized levels.

HISD | Research and Accountability

ANALYZING DATA, MEASURING PERFORMANCE.

Constraint Monitoring Report – December 2018

Constraint Progress Measure 3.1 – December 2018		Evaluation																																																												
The reading performance gap will decrease 1 percentage point annually for African-American, Hispanic, economically disadvantaged students, students receiving special education services, and English Language Learners (ELLs) through 2020.		3 of 5 Indicators Met or Exceeded Goal in 2018																																																												
<div><div><h3>STAAR Reading Percentage Point Gap</h3><table><thead><tr><th></th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th></tr></thead><tbody><tr><td>White/Afr. Amer.</td><td>31</td><td>33</td><td>31</td><td></td><td></td></tr><tr><td>White/Hisp.</td><td>27</td><td>28</td><td>26</td><td></td><td></td></tr><tr><td>Non-Econ. Dis./Econ. Dis</td><td>19</td><td>20</td><td>20</td><td></td><td></td></tr><tr><td>Non-SPED/SPED</td><td>47</td><td>46</td><td>47</td><td></td><td></td></tr><tr><td>Non-ELLs/ELLs</td><td>28</td><td>30</td><td>26</td><td></td><td></td></tr></tbody></table></div><div><h3>STAAR Reading Performance Gap Change from 2017</h3><table><thead><tr><th></th><th>2018</th><th>2019</th><th>2020</th></tr></thead><tbody><tr><td>White/Afr. Amer.</td><td>-2</td><td></td><td></td></tr><tr><td>White/Hisp.</td><td>-2</td><td></td><td></td></tr><tr><td>Non-Econ. Dis./Econ. Dis.</td><td>0</td><td></td><td></td></tr><tr><td>Non-SPED/SPED</td><td>1</td><td></td><td></td></tr><tr><td>Non-ELLs/ELLs</td><td>-4</td><td></td><td></td></tr></tbody></table></div></div>				2016	2017	2018	2019	2020	White/Afr. Amer.	31	33	31			White/Hisp.	27	28	26			Non-Econ. Dis./Econ. Dis	19	20	20			Non-SPED/SPED	47	46	47			Non-ELLs/ELLs	28	30	26				2018	2019	2020	White/Afr. Amer.	-2			White/Hisp.	-2			Non-Econ. Dis./Econ. Dis.	0			Non-SPED/SPED	1			Non-ELLs/ELLs	-4		
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<ul style="list-style-type: none">Prior year’s data is updated to reflect the last test results during the testing window and to exclude Early Literacy Results.While the CPM focuses solely on the economically disadvantaged performance gap, other demographic performance gaps listed in constraint 3 are provided on the following pages.																																																														

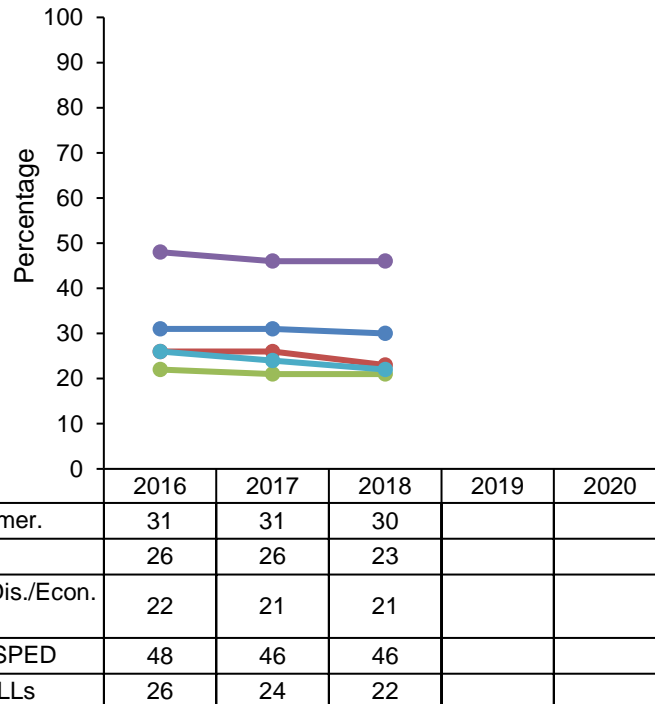
HISD | Research and Accountability

ANALYZING DATA, MEASURING PERFORMANCE.

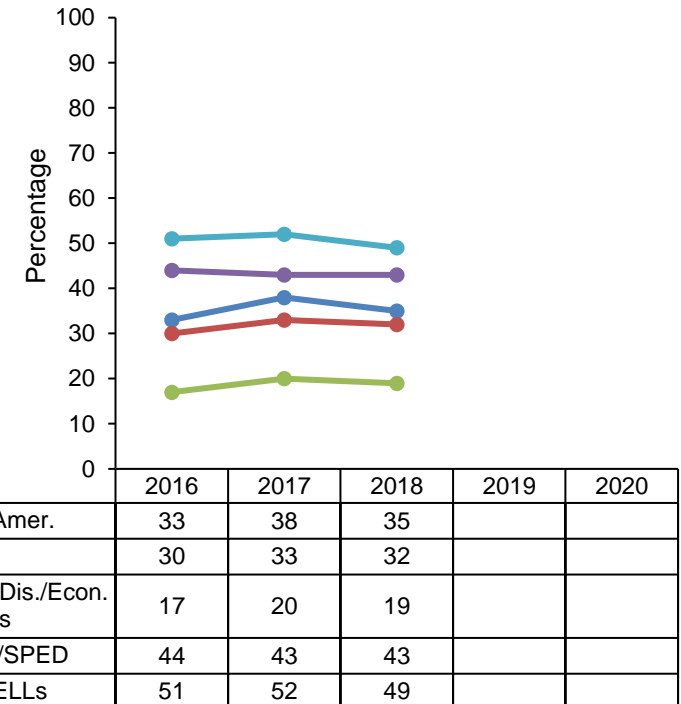
Constraint Monitoring Report – December 2018

Constraint Progress Measure 3.1 Support Data (Cont.)

STAAR 3–8 Reading Percentage Point Gap



STAAR English I & II Percentage Point Gap



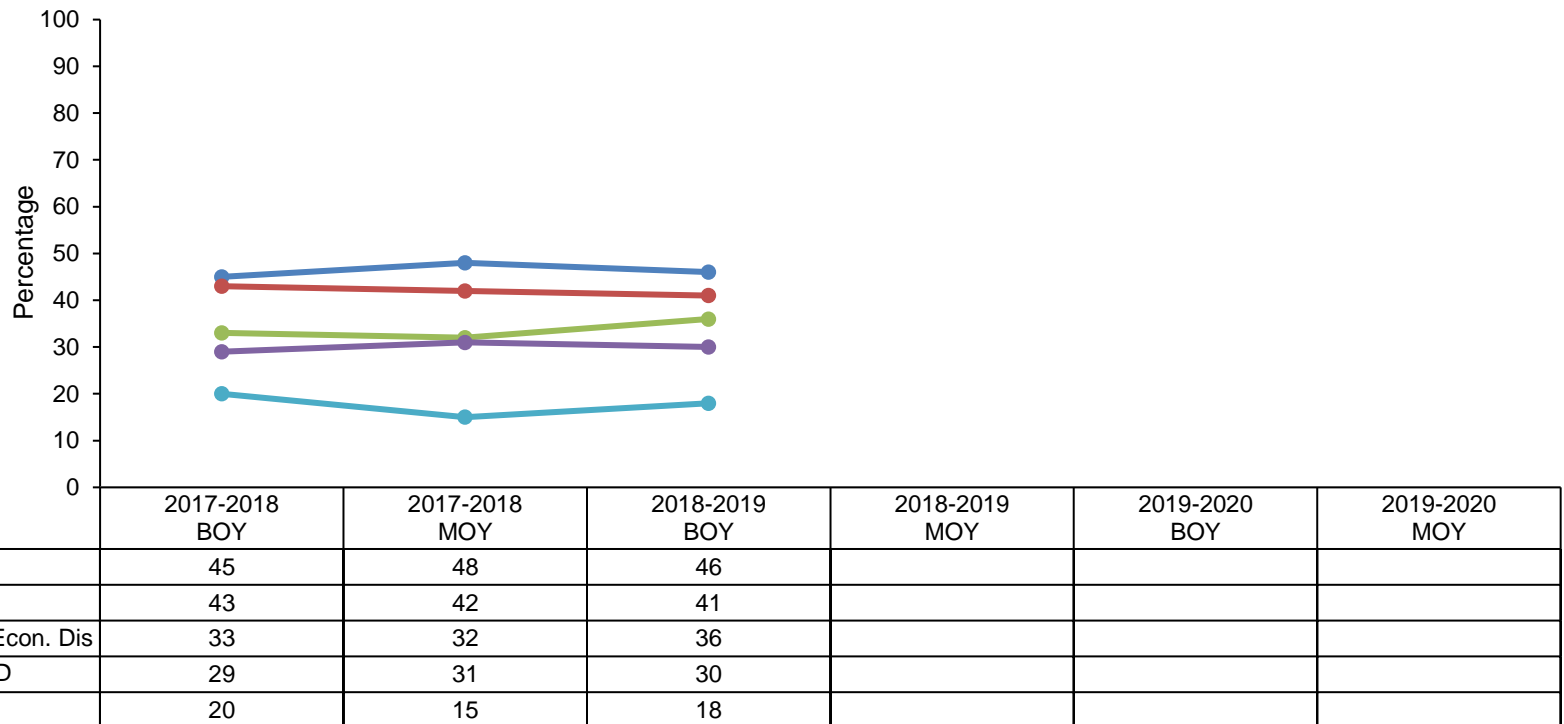
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Constraint Monitoring Report – December 2018

Constraint Progress Measure 3.1 Support Data (Cont.)

Universal Screener Reading Percentage Point Gap



Results by A180 office, A180 Tier 3 campuses, A180 Feeder schools, and Non-A180 Program campuses are presented on the following pages.

Data Sources

- Students performing at or above the 40th percentile on the Beginning-of-Year (BOY) and Middle-of-Year (MOY) Universal Screener results.

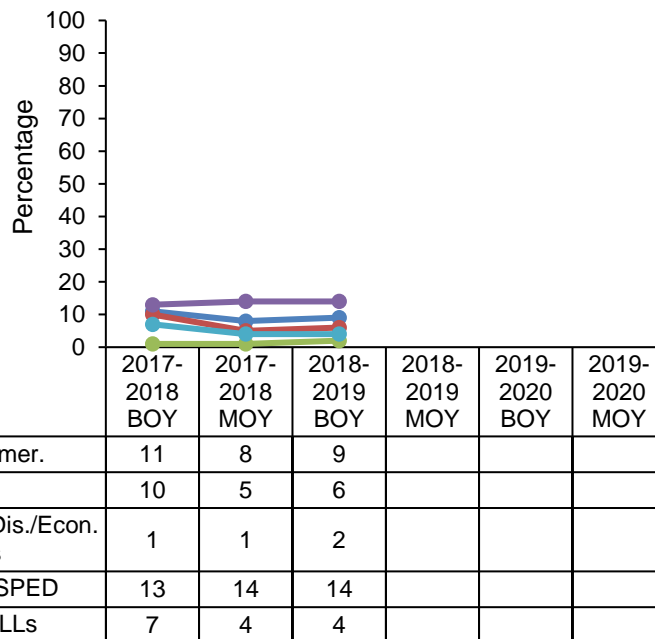
HISD | Research and Accountability

ANALYZING DATA, MEASURING PERFORMANCE.

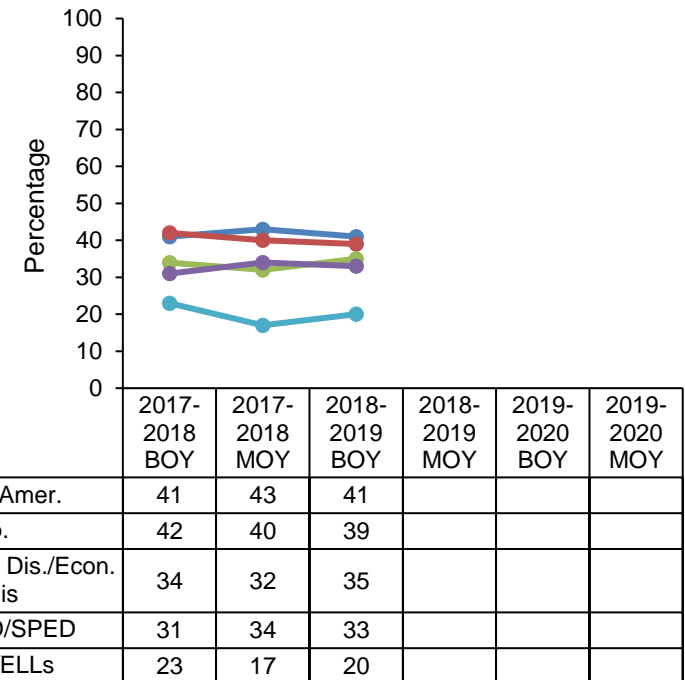
Constraint Monitoring Report – December 2018

Constraint Progress Measure 3.1 Support Data (Cont.)

Universal Screener Reading Percentage
Point Gap — A180 Office (35 Campuses)
TCAH Excluded*



Universal Screener Reading Percentage
Point Gap — Non-A180 Program



*TCAH did not use the Universal Screener in 2017–2018.

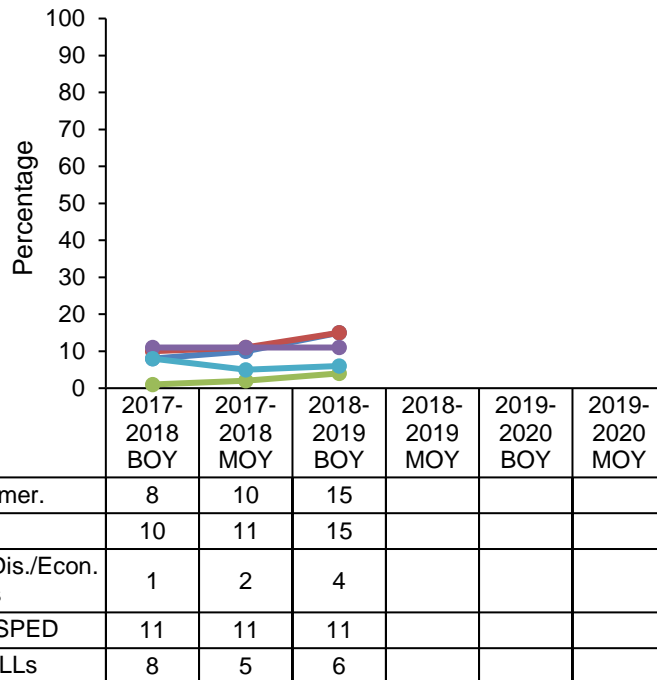
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ANALYZING DATA, MEASURING PERFORMANCE.

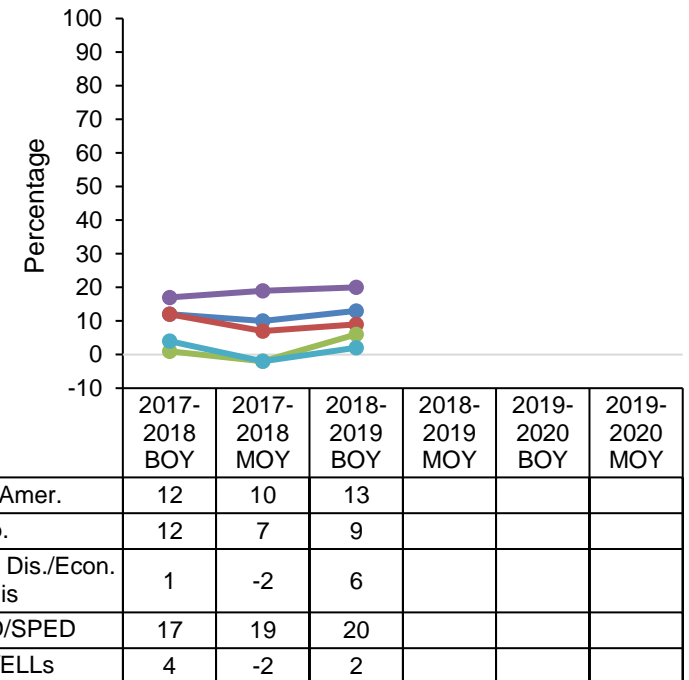
Constraint Monitoring Report – December 2018

Constraint Progress Measure 3.1 Support Data (Cont.)

Universal Screener Reading Percentage
Point Gap — Tier 3 (12 Campuses)



Universal Screener Reading Percentage
Point Gap — Feeder (17 Campuses)



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Constraint Monitoring Report – December 2018

Constraint Progress Measure 3.3 – December 2018		Evaluation																																																												
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<div><div><h3>STAAR Math Percentage Point Gap</h3><table><thead><tr><th></th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th></tr></thead><tbody><tr><td>White/Afr. Amer.</td><td>31</td><td>27</td><td>24</td><td></td><td></td></tr><tr><td>White/Hisp.</td><td>19</td><td>17</td><td>14</td><td></td><td></td></tr><tr><td>Non-Econ. Dis./Econ. Dis</td><td>16</td><td>13</td><td>12</td><td></td><td></td></tr><tr><td>Non-SPED/SPED</td><td>45</td><td>44</td><td>43</td><td></td><td></td></tr><tr><td>Non-ELLs/ELLs</td><td>14</td><td>14</td><td>11</td><td></td><td></td></tr></tbody></table></div><div><h3>STAAR Math Performance Gap Change from 2017</h3><table><thead><tr><th>Group</th><th>2018</th><th>2019</th><th>2020</th></tr></thead><tbody><tr><td>White/Afr. Amer.</td><td>-3</td><td></td><td></td></tr><tr><td>White/Hisp.</td><td>-3</td><td></td><td></td></tr><tr><td>Non-Econ. Dis./Econ. Dis.</td><td>-1</td><td></td><td></td></tr><tr><td>Non-SPED/SPED</td><td>-1</td><td></td><td></td></tr><tr><td>Non-ELLs/ELLs</td><td></td><td>-3</td><td></td></tr></tbody></table></div></div>				2016	2017	2018	2019	2020	White/Afr. Amer.	31	27	24			White/Hisp.	19	17	14			Non-Econ. Dis./Econ. Dis	16	13	12			Non-SPED/SPED	45	44	43			Non-ELLs/ELLs	14	14	11			Group	2018	2019	2020	White/Afr. Amer.	-3			White/Hisp.	-3			Non-Econ. Dis./Econ. Dis.	-1			Non-SPED/SPED	-1			Non-ELLs/ELLs		-3	
	2016	2017	2018	2019	2020																																																									
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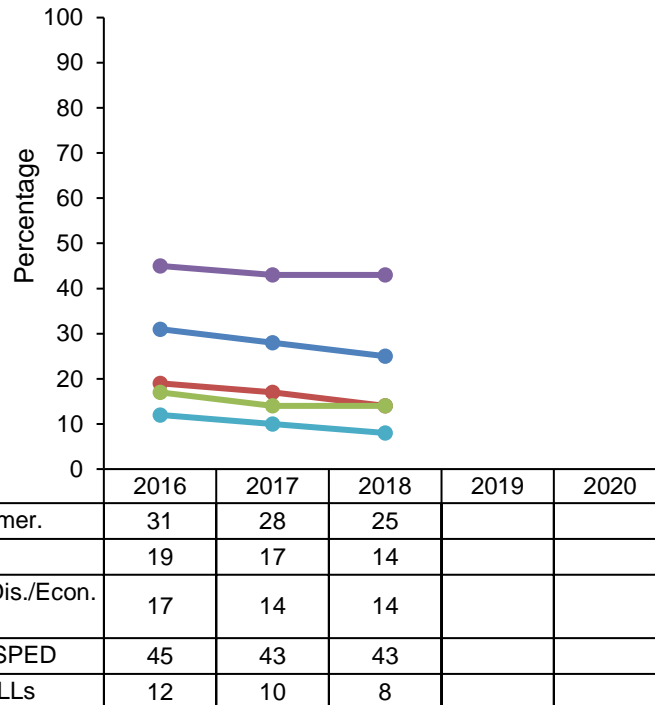
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ANALYZING DATA, MEASURING PERFORMANCE.

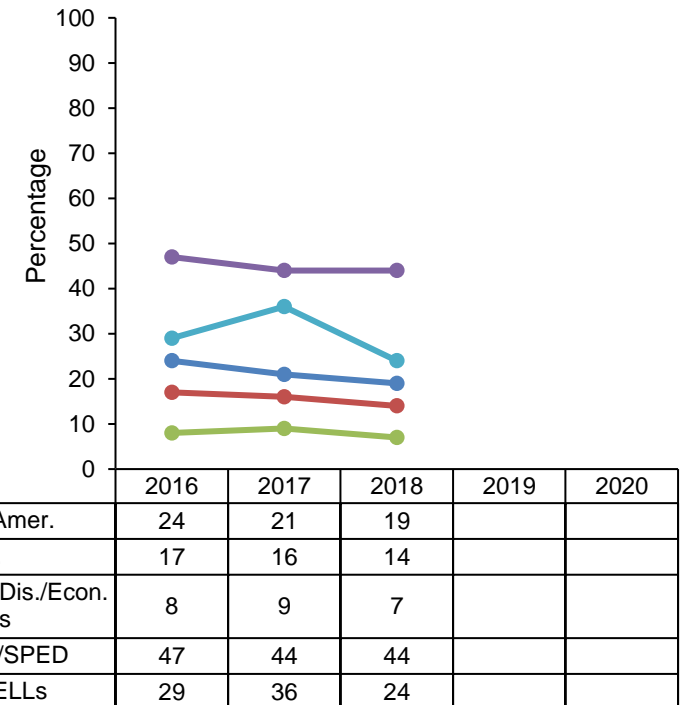
Constraint Monitoring Report – December 2018

Constraint Progress Measure 3.3 Support Data (Cont.)

STAAR 3–8 Math Percentage Point Gap



STAAR Algebra I Percentage Point Gap



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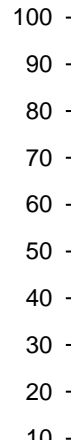
ANALYZING DATA, MEASURING PERFORMANCE.

Constraint Monitoring Report – December 2018

Constraint Progress Measure 3.3 Support Data (Cont.)

Universal Screener Math Percentage Point Gap

Percentage



	2017-2018 BOY	2017-2018 MOY	2018-2019 BOY	2018-2019 MOY	2019-2020 BOY	2019-2020 MOY
White/Afr. Amer.	35	34	37			
White/Hisp.	25	23	27			
Non-Econ. Dis./Econ. Dis	23	20	27			
Non-SPED/SPED	42	43	39			
Non-ELLs/ELLs	17	12	17			

Results by A180 office, A180 Tier 3 campuses, A180 Feeder schools, and Non-A180 Program campuses are presented on the following pages.

Data Sources

- Students performing at or above the 40th percentile on the Beginning-of-Year (BOY) and Middle-of-Year (MOY) Universal Screener results.

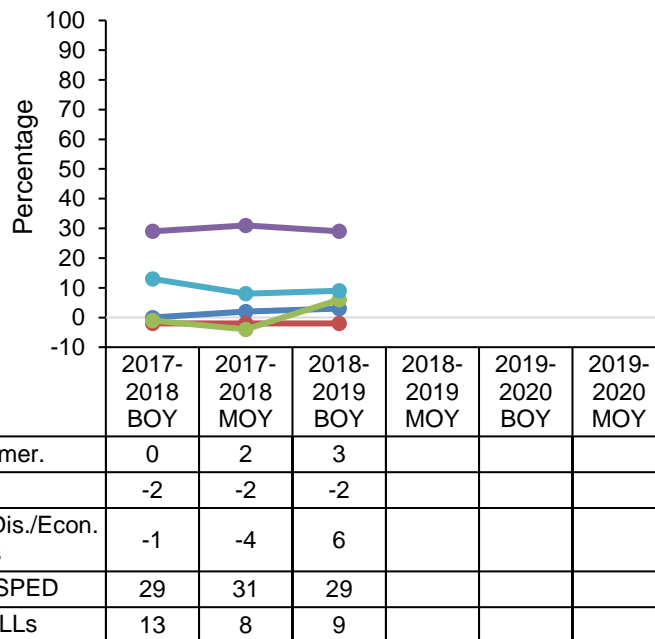
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ANALYZING DATA, MEASURING PERFORMANCE.

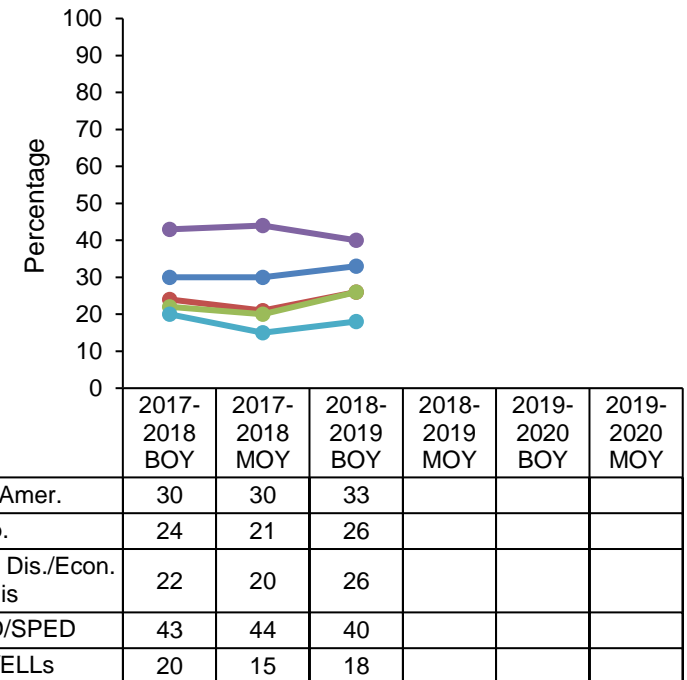
Constraint Monitoring Report – December 2018

Constraint Progress Measure 3.3 Support Data (Cont.)

Universal Screener Math Percentage
Point Gap — A180 Office (35 Campuses)
TCAH Excluded*



Universal Screener Math Percentage
Point Gap — Non-A180 Program



*TCAH did not use the Universal Screener in 2017–2018

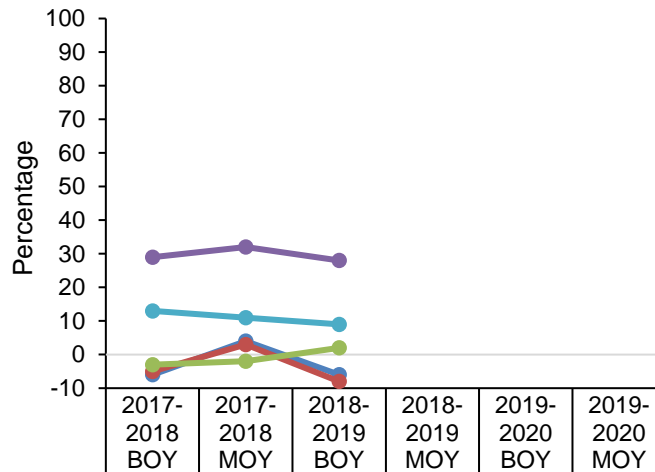
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ANALYZING DATA, MEASURING PERFORMANCE.

Constraint Monitoring Report – December 2018

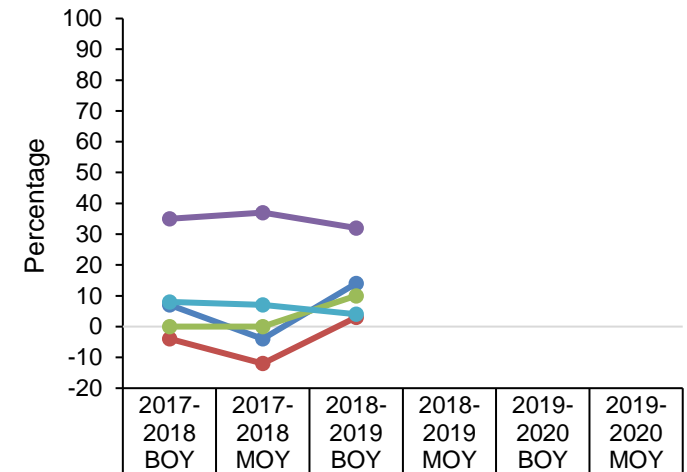
Constraint Progress Measure 3.3 Support Data (Cont.)

Universal Screener Math Percentage
Point Gap — Tier 3 (12 Campuses)



	2017-2018 BOY	2017-2018 MOY	2018-2019 BOY	2018-2019 MOY	2019-2020 BOY	2019-2020 MOY
White/Afr. Amer.	-6	4	-6			
White/Hisp.	-5	3	-8			
Non-Econ. Dis./Econ. Dis	-3	-2	2			
Non-SPED/SPED	29	32	28			
Non-ELLs/ELLs	13	11	9			

Universal Screener Math Percentage
Point Gap — Feeder (17 Campuses)



	2017-2018 BOY	2017-2018 MOY	2018-2019 BOY	2018-2019 MOY	2019-2020 BOY	2019-2020 MOY
White/Afr. Amer.	7	-4	14			
White/Hisp.	-4	-12	3			
Non-Econ. Dis./Econ. Dis	0	0	10			
Non-SPED/SPED	35	37	32			
Non-ELLs/ELLs	8	7	4			

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ANALYZING DATA, MEASURING PERFORMANCE.

Constraint Monitoring Report – December 2018

Constraint 4, December 2018 Struggling Schools

Constraint 4

The superintendent will not allow struggling schools to operate without highly qualified leaders and teachers in core subjects.*

*Struggling schools will include Improvement Required (IR) schools, formerly IR schools, and schools in danger of IR. Teacher qualification should consider certification and experience.

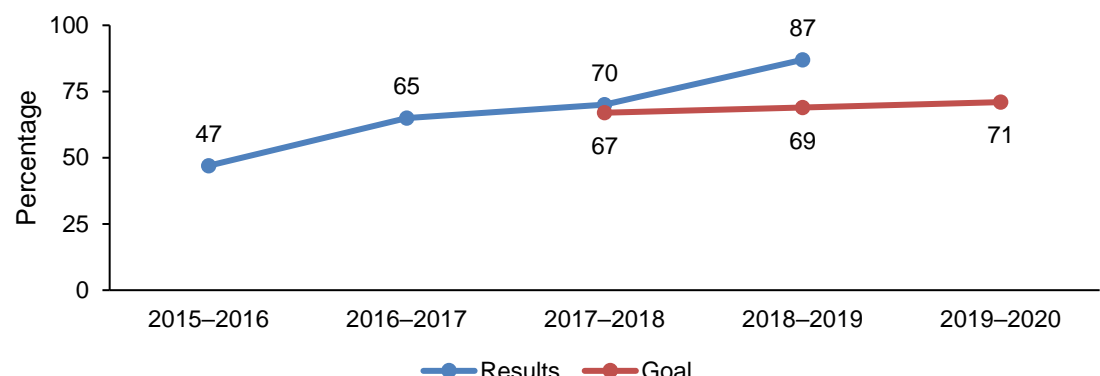
Superintendent's Response

- The Schools Office and Human Resources collaborated to actively recruit highly-effective, proven leaders from within the district. Recruitment/Retention incentives were offered to attract change agents to lead Achieve 180 campuses.
- Principal Candidates Development Opportunity (PCDO): a rigorous learning opportunity designed to fill anticipated principal vacancies in the district by developing leadership expertise for aspiring urban school principals.
- Monthly Principals Meetings with the Superintendent of Schools are designed to share information and further develop HISD school leadership through breakout sessions and other collaborative activities with district administrators. Meetings are focused on topics such as writing, data utilization, and addressing special populations.
- Achieve 180 principals receive two additional sessions to provide guidance in utilizing Achieve 180 supports and instructional leadership enhancement.
- Community of Practice visits are held two times per year and leadership development is addressed to actively develop all campus leaders.
- Demonstration principals are assigned to campus principals to establish professional coaching relationships with highly effective principals.

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ANALYZING DATA, MEASURING PERFORMANCE.

Constraint Monitoring Report – December 2018

Constraint Progress Measure 4.1 – December 2018		Evaluation																		
The percentage of campus administrators at struggling schools rated as effective or above will increase by two percentage points annually to 73% by 2020.		Exceeded Goal																		
<div><p>Percentage of Campus Administrators Rated as Effective or Above</p><table><thead><tr><th>School Year</th><th>Results (%)</th><th>Goal (%)</th></tr></thead><tbody><tr><td>2015–2016</td><td>47</td><td></td></tr><tr><td>2016–2017</td><td>65</td><td></td></tr><tr><td>2017–2018</td><td>70</td><td>67</td></tr><tr><td>2018–2019</td><td>87</td><td>69</td></tr><tr><td>2019–2020</td><td></td><td>71</td></tr></tbody></table></div>			School Year	Results (%)	Goal (%)	2015–2016	47		2016–2017	65		2017–2018	70	67	2018–2019	87	69	2019–2020		71
School Year	Results (%)	Goal (%)																		
2015–2016	47																			
2016–2017	65																			
2017–2018	70	67																		
2018–2019	87	69																		
2019–2020		71																		
Data Source																				
• School Leader Appraisal Scorecards																				
Support Data																				
<ul style="list-style-type: none">Eighty-five campuses were designated a struggling school for the 2016–2017 school year. Results for the 2015–2016, 2016–2017, and 2017–2018 schools will be based on these campuses.Eighty-six campuses were designated a struggling school for the 2018–2019 school year.19 Principals not receiving a rating were not included in the denominator for 2018–2019.																				

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ANALYZING DATA, MEASURING PERFORMANCE.

Goal Monitoring Report – December 2018

Goal 1, October 2018

Reading and Writing at or Above Grade Level

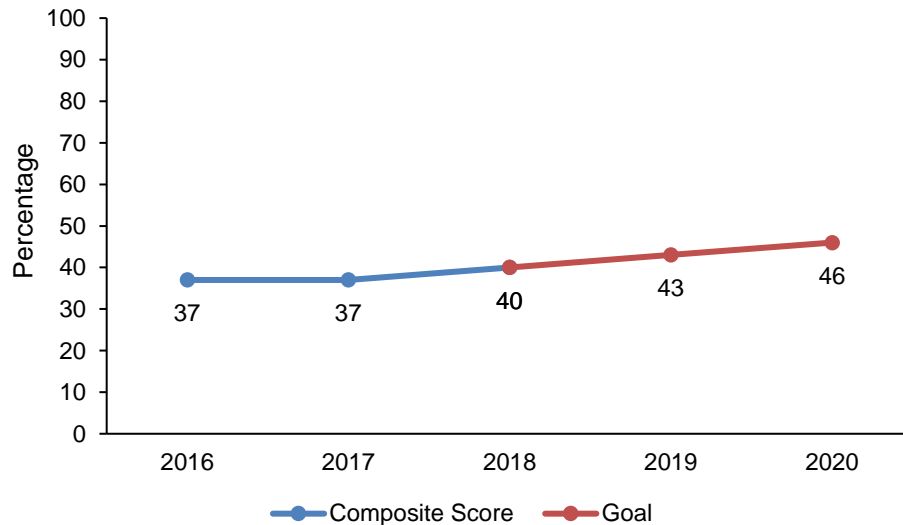
Goal Measure 1

Evaluation

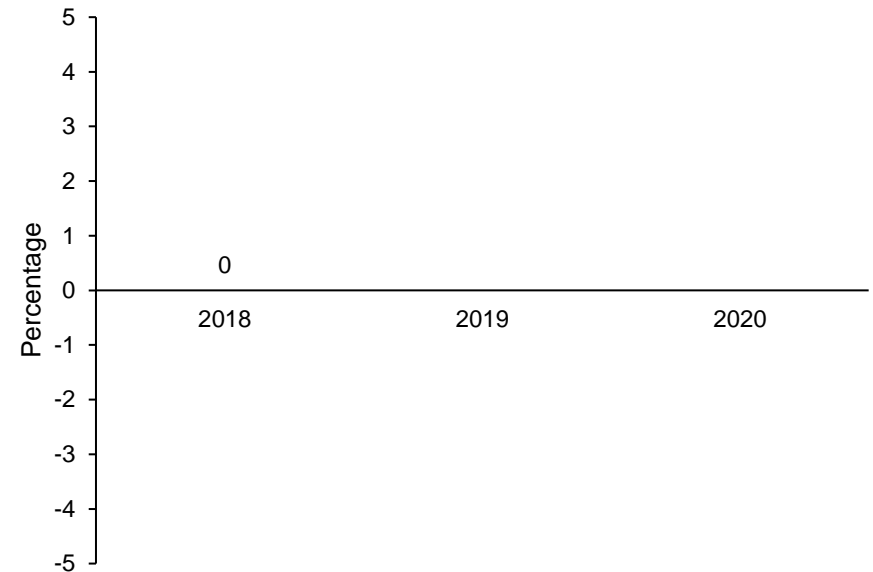
Percent of students reading and writing at or above grade level for grades 3 through English II will increase by three percentage points annually between Spring 2017 and Spring 2020.

2018 Met goal

Percent of Tests
at or Above Grade Level



Percentage Points Above or Below Goal



Support Data

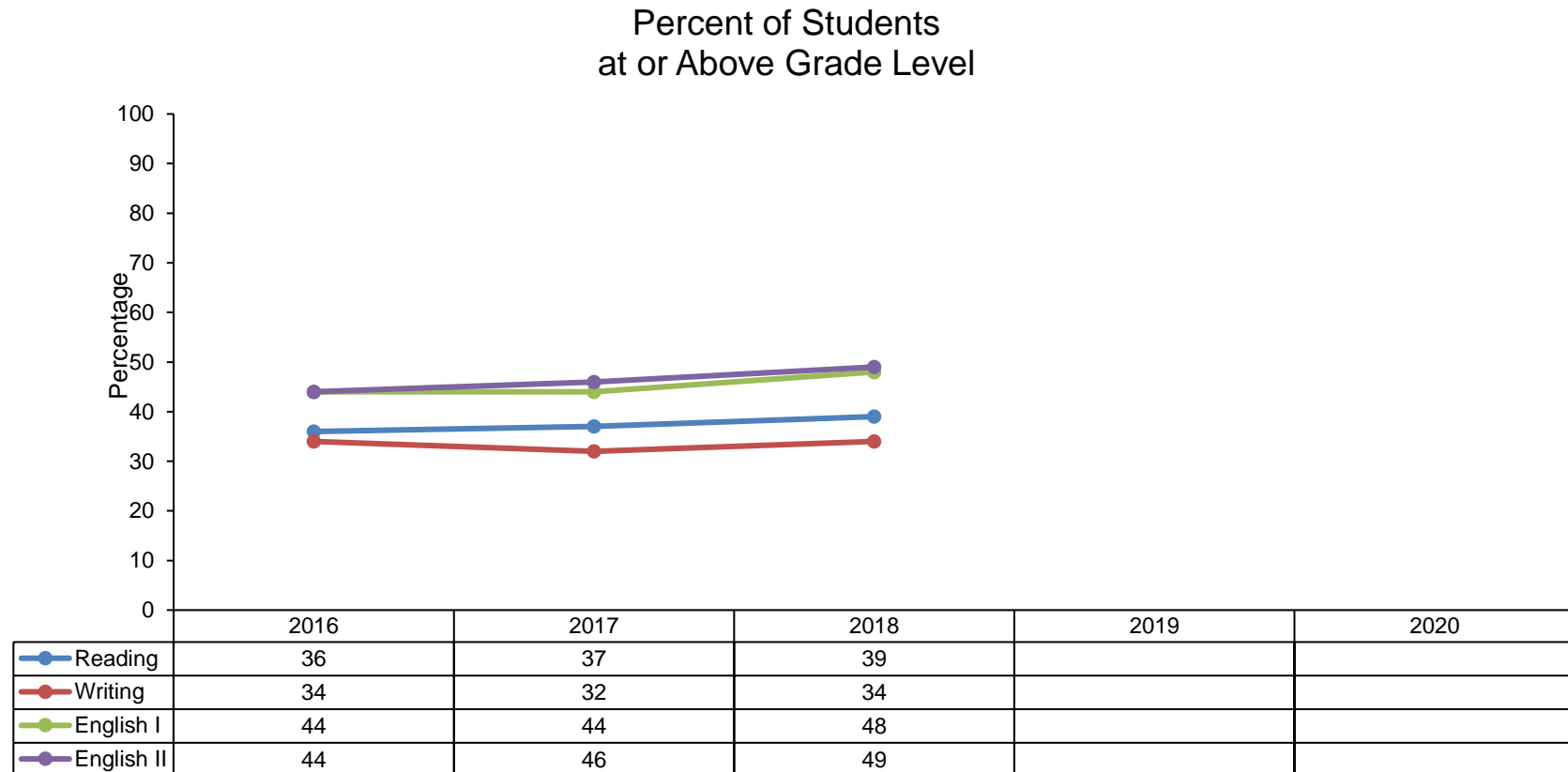
- Results by subject are presented on the following page.
- STAAR Reading Grades 3–5 results by language are presented on page 3.
- STAAR Writing Grade 4 results by language are presented on page 4.

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ANALYZING DATA, MEASURING PERFORMANCE.

Goal Monitoring Report – December 2018

Goal Measure 1 Support Data (Cont.)



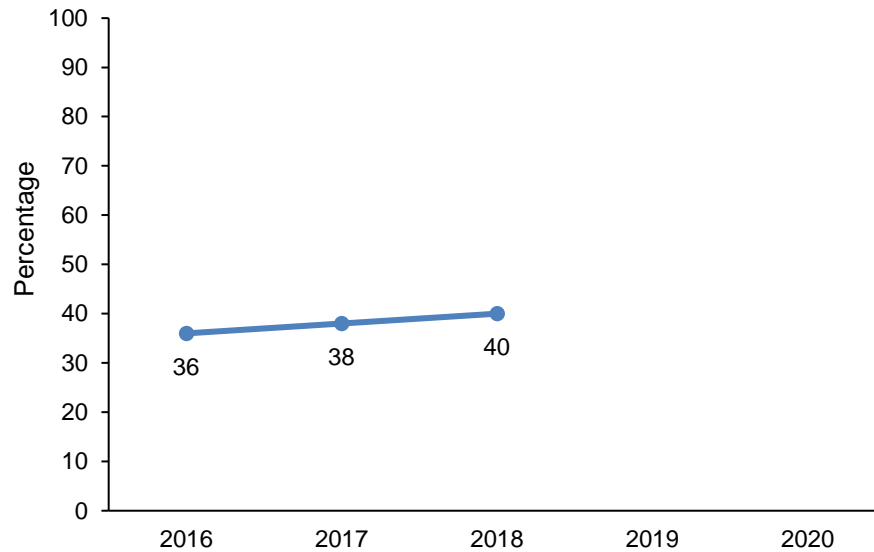
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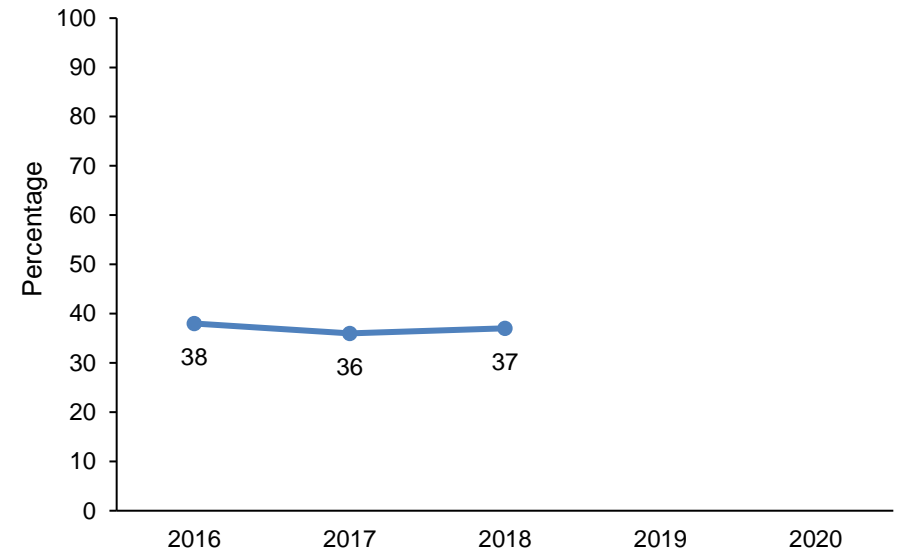
Goal Monitoring Report – December 2018

Goal Measure 1 Support Data (Cont.)

Percent of STAAR Grades 3–5 English Reading Tests
At or Above Grade Level



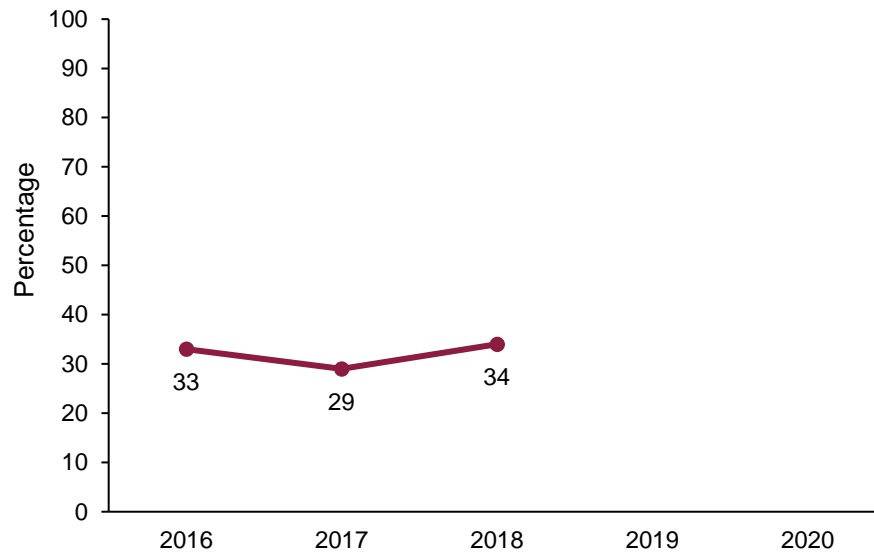
Percent of STAAR Grades 3–5 Spanish Reading Tests
At or Above Grade Level



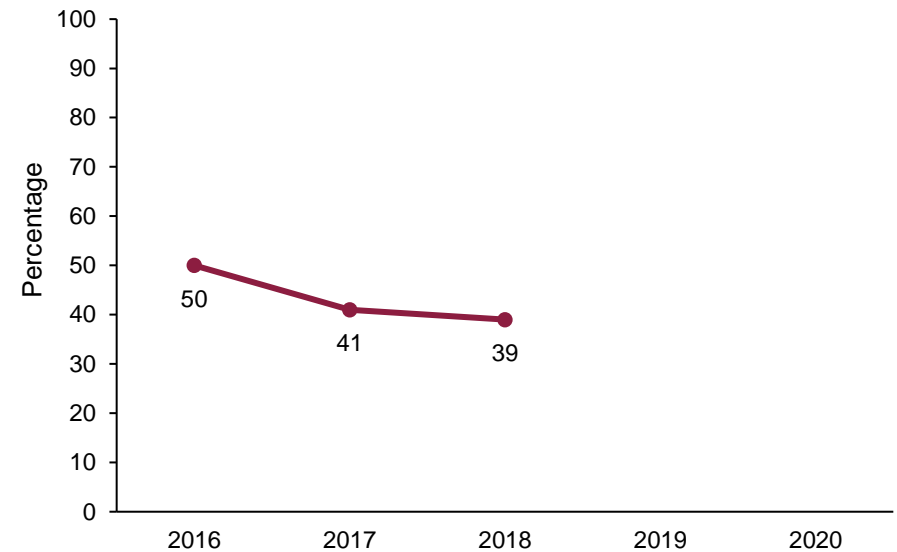
Goal Monitoring Report – December 2018

Goal Measure 1 Support Data (Cont.)

Percent of STAAR Grade 4 English Writing Tests
At or Above Grade Level



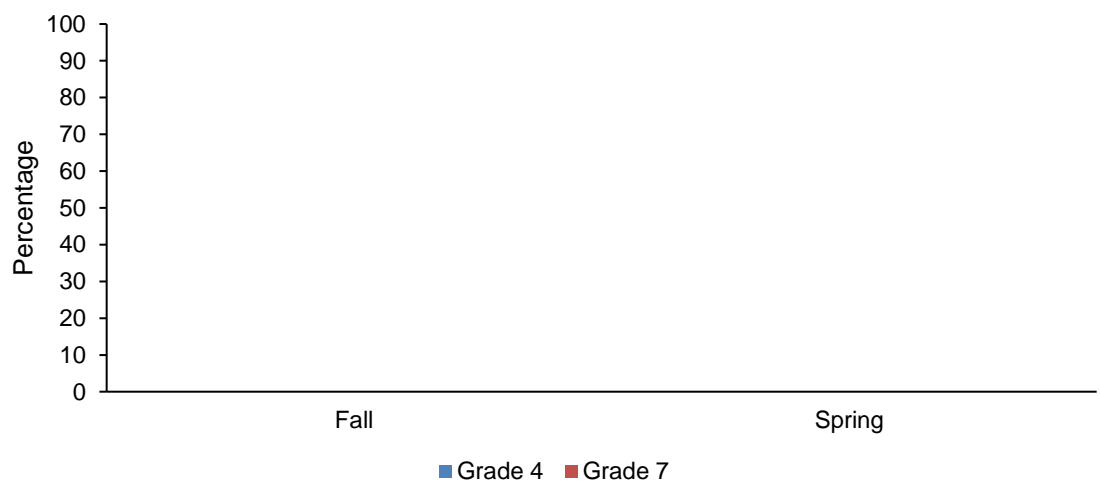
Percent of STAAR Grade 4 Spanish Writing Tests
At or Above Grade Level



Data Sources

- Results come from the TEA-ETS student data files for the first administration STAAR 3–8 and spring administration EOC exams.
- Data includes all test version except the STAAR Alt. 2 testers.
- EOC results include first-time testers only.

Goal Monitoring Report – December 2018

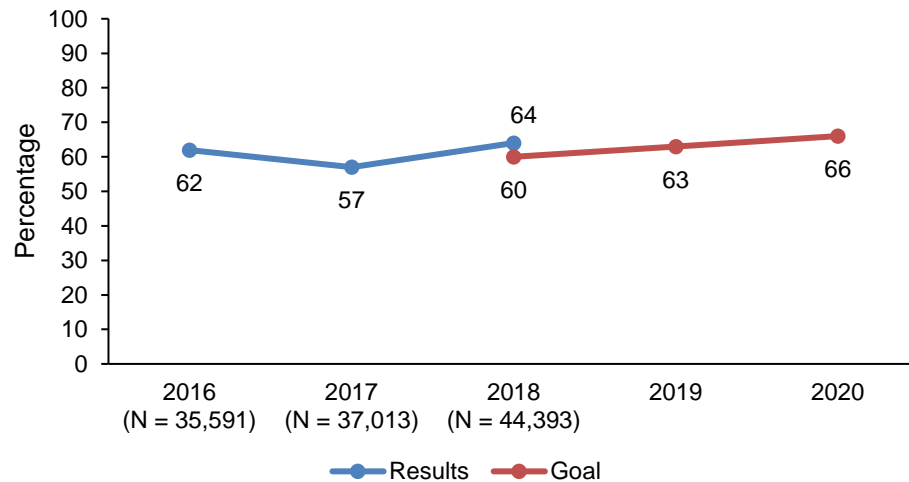
Goal Progress Measure 1.2 – October 2018	Evaluation
Data will be collected from students in grades 4 and 7 in September, December, and February from student portfolios of writing samples based on a district rubric; percent of students receiving a passing score will increase proportionally to 90% in February from the September baseline.	
<p style="text-align: center;">Percentage of Students Receiving a Passing Writing Score</p>  <p style="text-align: center;">■ Grade 4 ■ Grade 7</p>	
Support Data	
<ul style="list-style-type: none"> Fall benchmark results will be based on the District Level Assessment for both grades 4 and 7 (administered between December 3rd and 20th, 10th and 14th and December 10th and 14th, 3rd and 20th respectively). Spring benchmark results will be based on the STAAR Release for both grades 4 and 7 (administered between February 25th and March 1st). 	

Goal Monitoring Report – December 2018

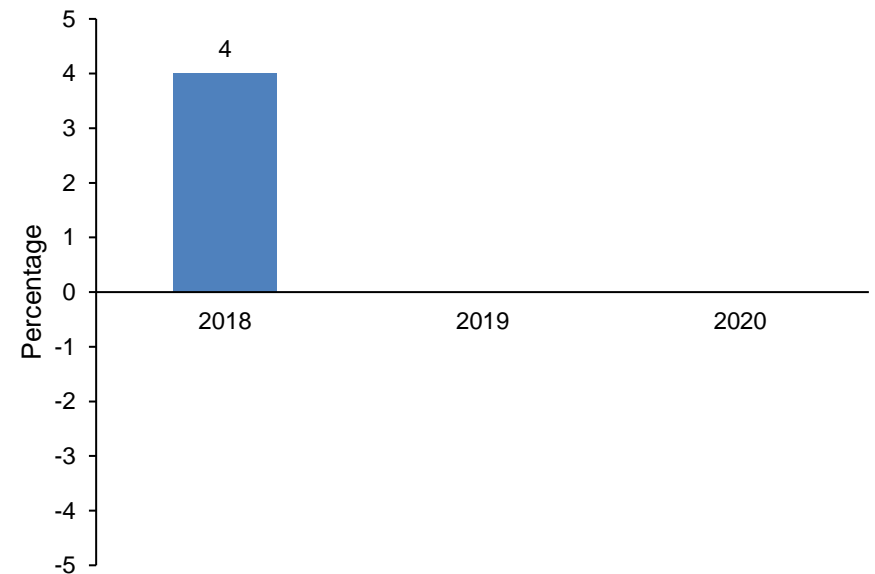
Goal 3, October 2018 Academic Growth

Goal 3	Evaluation
Among students who exhibit below satisfactory performance on state assessments, the percentage who demonstrate at least one year of academic growth will increase three percentage points annually in reading and math between Spring 2017 and Spring 2020.	Exceeded Goal

Reading and Math Composite Score of
Percentage of Prior Year Below Satisfactory
Testers Meeting Growth



Percentage Points Above or Below Goal



Support Data

- Additional support data dividing results by Subject is provided on the next page.

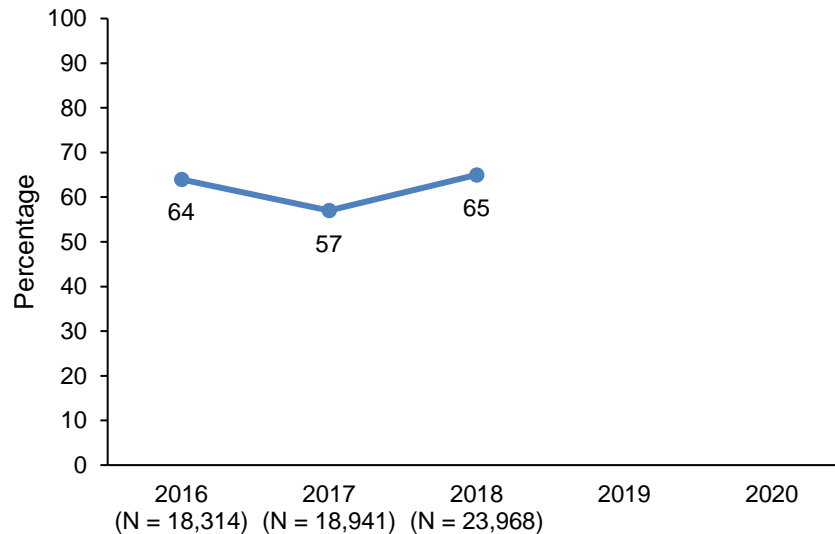
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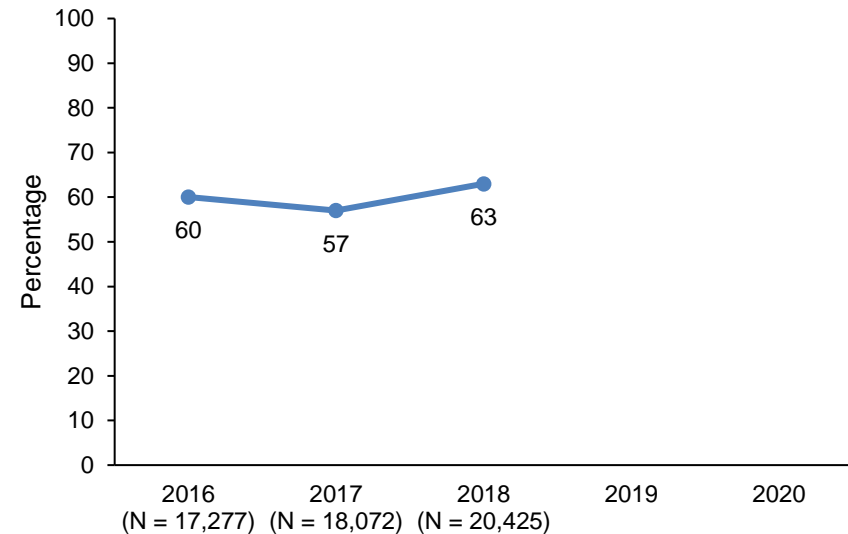
Goal Monitoring Report – December 2018

Goal Measure 3 Support Data (Cont.)

Percentage of Prior Year Reading Below Satisfactory Students Meeting Growth



Percentage of Prior Year Math Below Satisfactory Students Meeting Growth



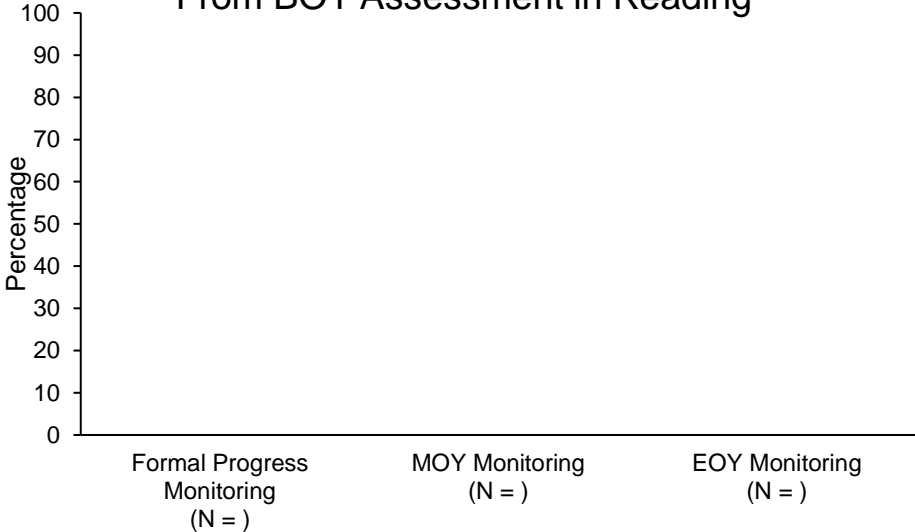
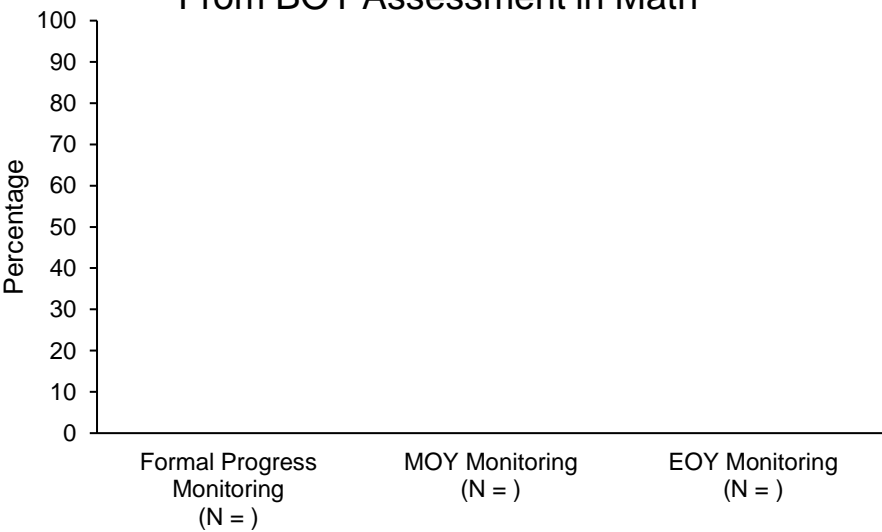
Data Sources

- Results come from the TEA-ETS student data files for the first administration STAAR 3–8 and spring administration EOC exams.
- Results include students who did not meet the approaches grade level standard on the prior year and received a STAAR progress measure for the current year.

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Goal Monitoring Report – December 2018

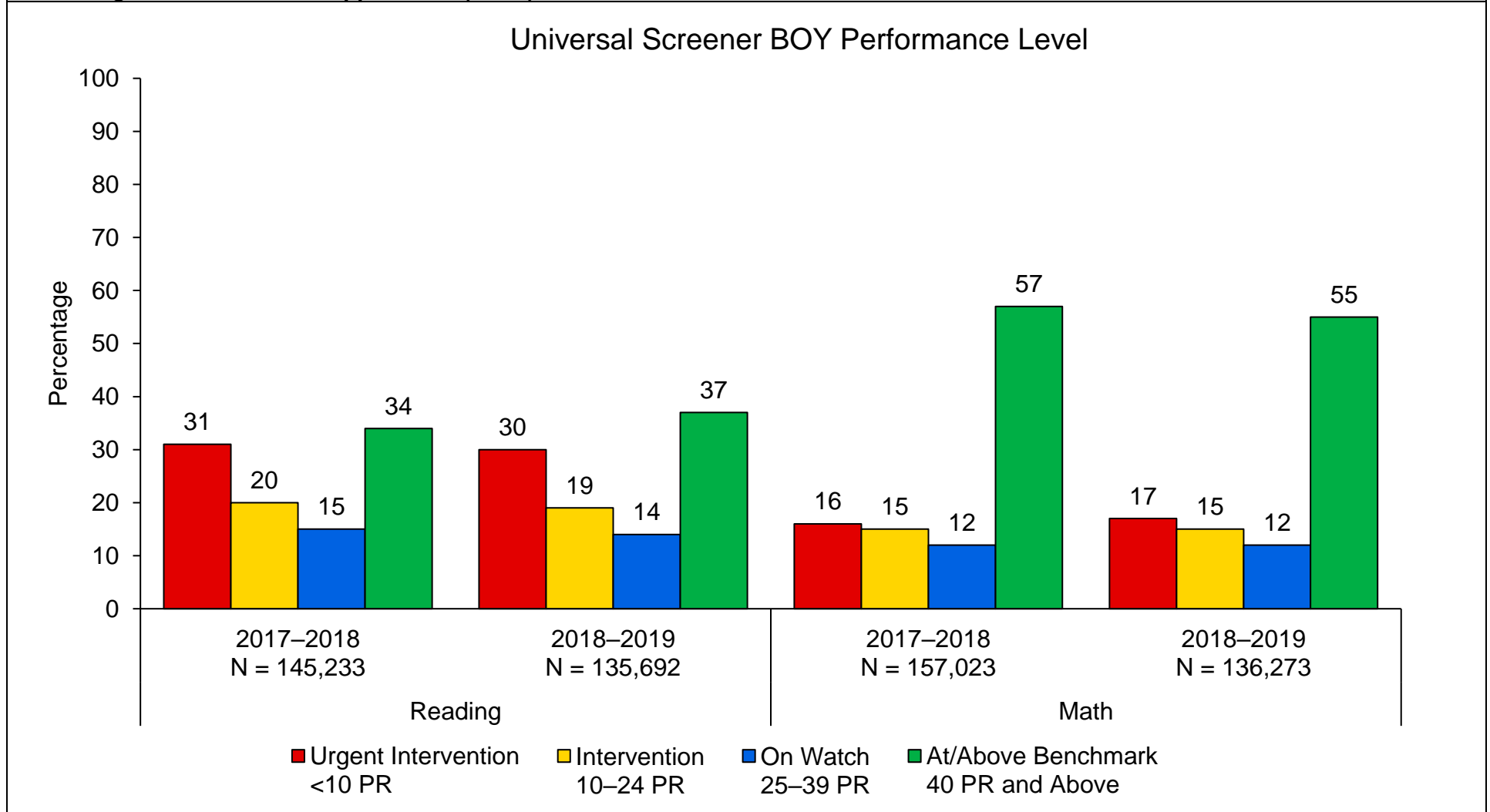
Goal Progress Measure 3.1 – October 2018	Evaluation
Monthly progress monitoring of students in grades K-12 identified as being below grade level in reading and/or math on the district's screener will demonstrate a minimum of one month's growth each month through to the End of Year (EOY) test.	
<p data-bbox="212 477 936 602">Percentage of Progress Monitored Students That Increased Their Percentile Ranking From BOY Assessment in Reading</p> 	<p data-bbox="1150 477 1875 602">Percentage of Progress Monitored Students That Increased Their Percentile Ranking From BOY Assessment in Math</p> 
Support Data	
<ul style="list-style-type: none"> • The Beginning of Year Benchmark testing window is August 27 through September 21. • The Formal Progress Monitoring testing window is November 5 through 16. • The Middle of Year Benchmark testing window is January 7 through January 25. • The End of Year Benchmark testing window is May 1 through May 31. • Students performing below the 25th percentile in reading and/or math on the Universal Screener are progress monitored in the respective subject. 	

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Goal Monitoring Report – December 2018

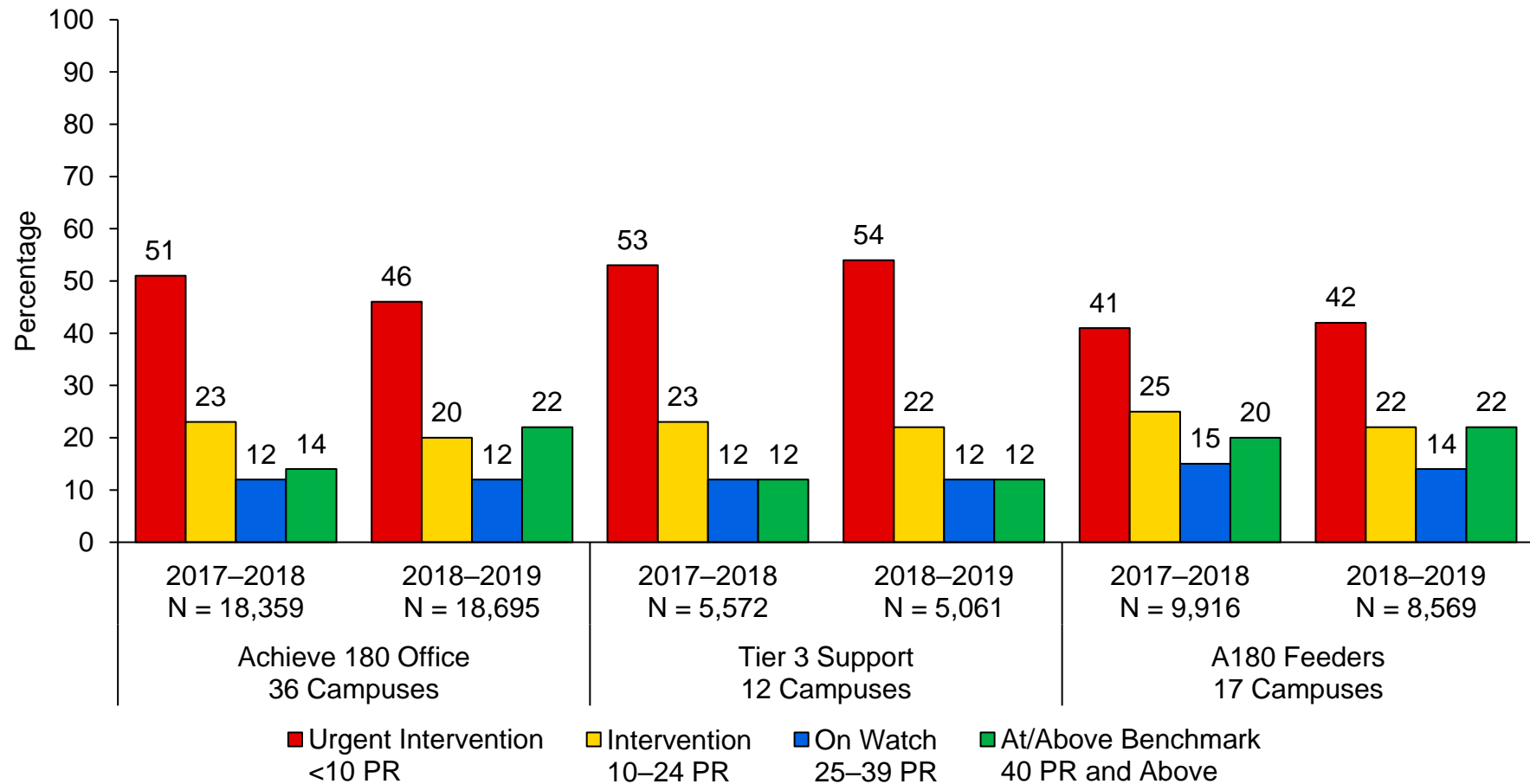
Goal Progress Measure 3.1 Support Data (Cont.)



Goal Monitoring Report – December 2018

Goal Progress Measure 3.1 Achieve 180 Data

Universal Screener BOY Performance Level Achieve 180* Reading Results

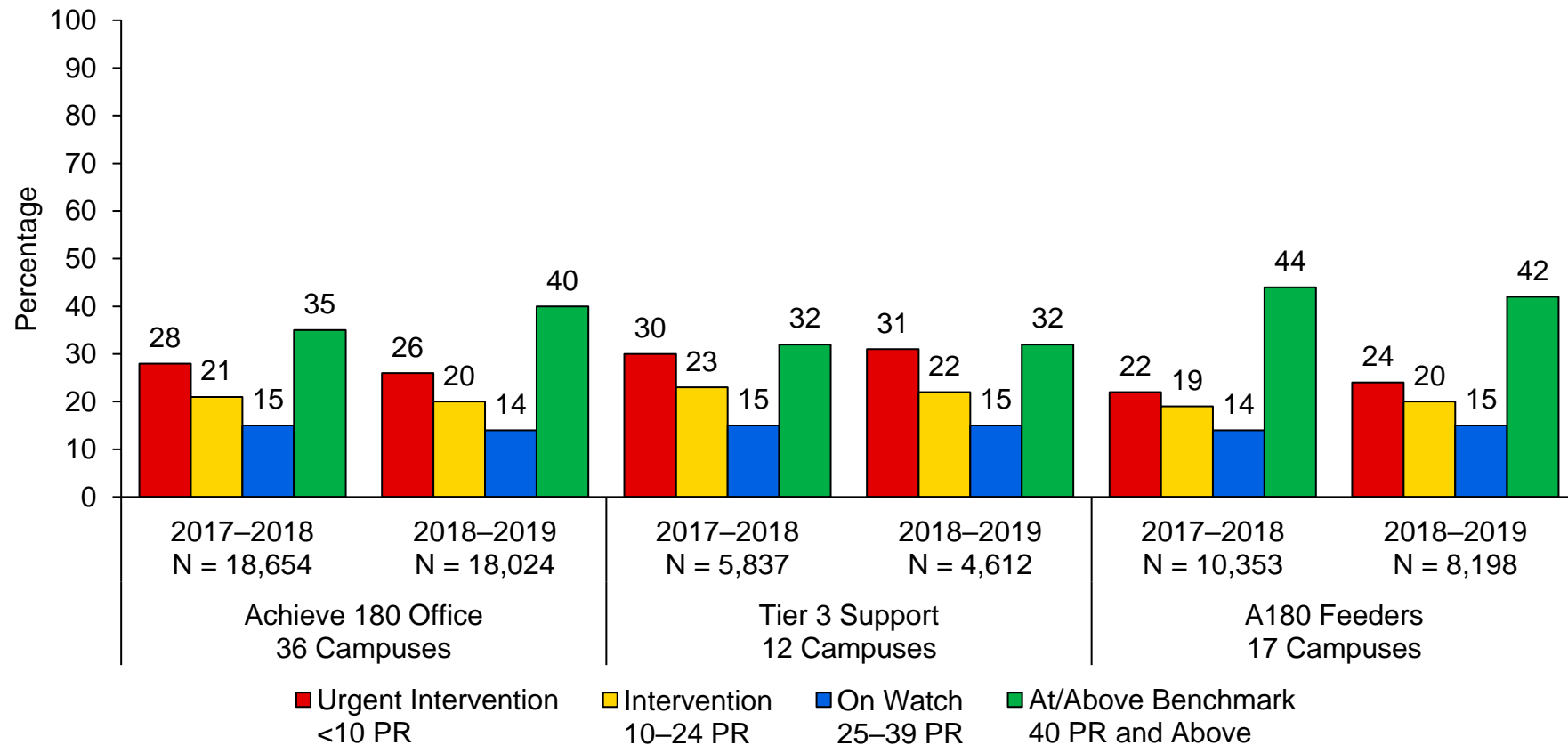


*Achieve 180 results calculated using 2018–2019 campuses

Goal Monitoring Report – December 2018

Goal Progress Measure 3.1 Achieve 180 Data (Cont.)

Universal Screener BOY Performance Level Achieve 180* Math Results



*Achieve 180 results calculated using 2018–2019 campuses

Office of the Board of Education
Board of Education Meeting of December 13, 2018

Rhonda Skillern-Jones, President and District II Trustee

SUBJECT: APPROVAL TO HOST LONE STAR GOVERNANCE TRAINING FOR THE COMMUNITY

The Houston Independent School District (HISD) Board of Education would like to host and lead a training on Lone Star Governance (LSG) for the HISD community to foster and improve communication and understanding between the board and the community.

This training will be held at the Hattie Mae White Educational Support Center in late January/early March 2019 and will fulfill a portion of the board's compliance with the Advocacy component of the Texas Framework for School Board Development.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves hosting LSG training for the community, effective December 14, 2018.

Office of the Board of Education
Board of Education Meeting of December 13, 2018

Holly Maria Flynn Vilaseca, District VI Trustee

SUBJECT: RECEIVE AND ACT ON REPORT AND RECOMMENDATIONS FROM BOARD AUDIT COMMITTEE, INCLUDING ACCEPTANCE OF PROPOSED REVISIONS TO BOARD POLICY BDB(LOCAL), BOARD INTERNAL ORGANIZATION: BOARD COMMITTEES—FIRST READING

Pursuant to Board Policy BDB(LOCAL), *Board Internal Organization: Board Committees*, and the Houston Independent School District's (HISD's) *Audit Committee Charter*, the Audit Committee submits its annual report to the board summarizing the work of the committee, including meetings held and audit reports reviewed, as well as the committee's recommendations concerning the Audit Committee calendar for the next calendar year.

The *Audit Committee Charter* also tasks the committee with annually reviewing the charter and making recommendations to the board concerning changes to the charter. In connection with the charter, the committee specifically recommends that:

- The board approves the committee's proposed amendments to the *Audit Committee Charter*;
- The charter be maintained online within the HISD Board Policy Manual (i.e., Policy On Line®) as an exhibit to Board Policy BDB(LOCAL); and
- The board accepts the committee's proposed amendments to Board Policy BDB(LOCAL), *Board Internal Organization: Board Committees*, on first reading.

Proposed changes to BDB(LOCAL) include:

- Adding a statement about oversight at "Purpose"; and
- Moving details about powers delegated by the board to the Audit Committee, responsibilities of the committee, members of the committee, and committee meetings to the *Audit Committee Charter*.

The committee's full report, the revised charter, and the revised policy are attached to this agenda item.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education (1) accepts the annual report of the Audit Committee; (2) approves the committee's proposed amendments to the *Audit Committee Charter*; (3) accepts the proposed revisions to Board Policy BDB(LOCAL) on first reading; and (4) approves maintenance of the *Audit Committee Charter* online within the HISD Board Policy Manual as an exhibit to Board Policy BDB(LOCAL), effective December 14, 2018.

Annual Audit Committee Report to the Houston Independent School District Board of Education

November 13, 2018



BOARD OF EDUCATION

Rhonda Skillern-Jones, President, District II

Jolanda Jones, First Vice President, District IV

Anne Sung, Second Vice President, District VII

Sergio Lira, Secretary, District III

Holly Maria Flynn Vilaseca, Assistant Secretary, District VI

Elizabeth Santos, District I

Sue Deigaard, District V

Diana Dávila, District VIII

Wanda Adams, District IX

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Introduction

In January of 2018, the HISD Board President requested each trustee to submit committee preferences for the current calendar year. The Board President notified each of the trustees of their committee assignments on February 5, 2018 and trustees Anne Sung, Sue Deigaard and Holly Maria Flynn Vilaseca were selected for the Audit Committee.

According the Audit Committee Charter, “The Audit Committee plays an important role in providing oversight of the organization’s governance, risk management and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The Audit committee performs its role by providing independent oversight to the governing body e.g. board.”

On February 12, 2018, the Audit Committee conducted its very first meeting and consensually designated Holly Maria Flynn Vilaseca as Chair for the 2018 Calendar Year. None of the trustees had previously served on this committee and all trustees had less than one year of experience on the Board of Education “BOE”: Trustee Sue Deigaard rolled onto the HISD BOE in January of 2018 while trustees Anne Sung and Holly Maria Flynn Vilaseca joined the HISD Board of Education in January 2017.

Each of the trustees was eager to build upon the work of the previous Audit Committee. Over the course of the year, the Audit Committee leveraged the Audit Committee Charter, which was approved by the Board of Education in 2015, as the road map to drive practices and deliverables. Not only does the Charter serve as a guide for the Audit Committee, but it also sets out the authority in accordance with Board policy.

Meetings

The meetings conducted to date along with the trustees in attendance are listed in the

	Meeting Dates	Holly Maria Flynn Vilaseca	Sue Deigaard	Anne Sung	Other Board Members
1	02/12/18	x	x	x	RSJ
2	03/07/18	x	x	x	RSJ
3	04/02/18	x	x	x	RSJ ES
4	04/13/18	x	x	x	
5	04/20/18	x	x	x	
6	06/25/18	x	x	x	
7	07/26/18	x	x	x	JJ
8	09/20/18	x	x	x	
9	10/16/18	x	x	x	
10	11/05/18	x	x	x	
11	11/12/18	x	x	x	

Summary of Audit Committee Work

Below, please find a list of activities conducted and deliverables submitted over the course of 2018. The Audit Committee utilized the Audit Committee Charter as a guide for the work.

Activity/Deliverable	Date
Scheduled Committee meetings for each month during February through December. Members were very engaged on all important topics that were discussed.	Feb. – Dec. 2018
Regularly discussed Internal Audit Department vacancies and plans to fill them	Ongoing
Reviewed and monitored audit reports	Ongoing
Provided oversight to the independent audit of HISD's financial statements	Ongoing
Gave guidance and direction to the CAE on certain topics, both operational and administrative	Ongoing
Helped to instill a culture of auditor independence among the Board and Administration	Ongoing
Worked diligently on the topic of whether to perform a District-wide audit or review and provided their recommendation to the Board. The LBB was selected to perform a review.	April/May/June 2018
Reviewed the Chief Audit Executive's internal audit budget	May 2018

Advised the Board on recommended resources to achieve the Internal Audit Plan during budgeting season	May/June 2018
Supported maintaining the audit department's budget to the extent possible while operating in a recapture budget environment	May/June 2018
International Institute of Auditing Training for All Board Members- All 3 Audit Committee Members attended plus Trustee Elizabeth Santos	June 2018
Requested the development and adoption of an Audit Dashboard so all trustees will be able to have real-time access on progress monitoring audits included in the approved Audit Plan along with Administration's response to implementing recommendations	June/August 2018
Recommend a process, instrument and timeline to the Board of Education to evaluate the Chief Audit Executive	August 2018
Assessed the CAE's performance and supported his contract renewal	August 2018
Reviewed exemplar performance evaluation instruments for the Chief Audit Executive for 2019	August-September 2018
Reviewed and updated the Audit Committee Charter and local policies related to HISD BOE Committee	September-November 2018
Requested LBB updates from HISD's Chief of Staff at Audit Committee Meetings	September-November 2018
Recommended the Chief Audit Executive provide a monthly email including Department highlights along with having a standing block of time during Closed Session for our regularly scheduled board meetings	October 2018
Trustee Anne Sung has recently enrolled in a Nonprofit Finance Certificate Program at Rice University and skills gained will be directly applicable to the work of the Committee	October 2018-January 2019
Reviewed the Chief Audit Executive's Internal Audit Plan	November 2018
Developed a Summary Report outlining the work and accomplishments over the course of the Calendar Year	November 2018
Presented Summary Report to the Board of Education for approval	December 2018
Presented updated Audit Committee Charter changes and Local Policy changes to the Board of Education for approval	December 2018
Recommended the Chief Audit Executive's 2019 Audit Plan to the Board of Education for approval	December 2018

HISD Internal Audit Department Accomplishments

- **Reports Issued:** A number of audit and investigation reports were issued during the year. See the attachment for the list of topics. A sample of the topics is listed below to give stakeholders a general idea of the kind of reports that we issued in education, construction, finance, operations, ethics, and compliance.
 - Career and Technical Education Program Audit at Furr High School
 - Testing Integrity
 - Compliance with The Public Funds Investment Act
 - English Language Learner
 - Change In Principals (primary focus on Activity Fund accounts at campuses)
 - Investigation reports on a variety of topics related to ethics and compliance across HISD
 - Construction Audits for schools under the 2012 Bond Program
- **Quality Assurance and Improvement Program (QAIP) was launched in October 2018**
 - Developed a timeline-based strategy for short and long-term items that must be reviewed and corrected, if needed, in order to successfully pass the 2020 department audit
 - Current focus is on reviewing and updating the charters which were last issued in 2015 for the Audit Committee and the Office of Internal Audit
 - Immediate future efforts will center around the following items:
 - 1) Establish a Framework as a roadmap to guide our QAIP
 - 2) Will review and update the Internal Audit Manual
 - 3) Created Key Performance Indicators (KPIs) to measure our work performed; CAE review required and then implement the KPIs
 - 4) Issued questionnaires to key stakeholders and external firms to get constructive feedback; awaiting responses
- **Status of Vacant Positions** – Five of six vacancies were filled. As of this report, only one of 22 positions (Internal Auditor) is vacant and that one should be filled this month or next.
We added a highly experienced Information Technology auditor to the team for a variety of tasks, most importantly “Integrated Auditing”; creating and managing audit dashboards, etc.
- **Training / Professional Development Efforts** – Below is a list of training completed in 2018.
 - Audit Committee Training
 - Root Cause Analysis

- Fraud Examination
- Business Intelligence

2018 Office of Internal Audit Report List

Audit Department Area	Name of Report
Construction Audit	Review of the Construction Contract with DivisionOne for Tanglewood MS (previously Grady MS)
Construction Audit	Review of the Construction with Satterfield and Pontikes for Mandarin Chinese Language Immersion School
Construction Audit	Audit of the Construction Contract with Tellepsen Construction, LLC for Milby HS
Construction Audit	Final Review of the Construction Contract with DivisionOne for Condit ES
Construction Audit	Review of the Constructon Contract with B3Ci for the Construction of North Forest High School
Educational Program Audit	Student Coding Report
Educational Program Audit	Career and Technical Educaton Program Audit at Furr High School
Educational Program Audit	ELL Exit Process
Educational Program Audit	Testing Intergrity
IT (Information Technology)	2018-2019 IT Risk Assessment Report and IT Audit Plan (by BDO)
IT (Information Technology)	BDO Final Audit Report - Disaster Recovery Plan
IT (Information Technology)	Vendor Access and Penetration Test (VAPT)
Financial and Operations	Follow-up Audit on the Transportation Department
Financial and Operations	Internal Audit Report of Principal Changes at HISD Schools
Financial and Operations	Treasury Department's Compliance with the Public Funds Investment Act

2018 Office of Internal Audit Report List

Audit Department Area	Name of Report
Ethics & Compliance	HISD Case No. 17-08-0001 – Marshall Middle School
Ethics & Compliance	Bastian Elementary School – Activity Funds HISD-17-05-0031
Ethics & Compliance	Wheatley High School – Grade Changes
Ethics & Compliance	Clemente Martinez HISD-18-02-0031
Ethics & Compliance	188 Closed Investigations
Ethics & Compliance	HISD-18-09-0024 - Memo to G. Blackwell re. CPA License Status -
Ethics & Compliance	HISD-18-10-0002 - Memo to G. Blackwell re. CPA License Status -
Ethics & Compliance	HISD-18-10-0002 - Memo to Dr. R. Barajas re. No CPA License -
Ethics & Compliance	HISD-18-10-0002 - Memo to Sherrie Robinson re. CPA License Status -
Ethics & Compliance	Activity Funds at Bastian Elementary School -
Ethics & Compliance	Level I Grievance by the PTO for Clemente Martinez Elementary School -
Ethics & Compliance	Data Quality of Student Coding -
Ethics & Compliance	Principal Changes at HISD Schools -
Ethics & Compliance	Medicaid Services - HISD - 16-08-0009

Recommendations for Consideration

- The Institute of Internal Auditors advises that committee members have two-year staggered terms. In accordance with this and with HISD board policy which states that audit committee members are appointed by nomination and vote of the board, this committee respectfully recommends that the HISD board consider in January 2019 the reappointment of the current members of the committee, with two being appointed to new two-year terms extending through 2020 and one being appointed to complete the second year of her current two-year term extending through 2019. This will help ensure continuity on the audit committee, building on the diligent work of committee members to receive training and strengthen the committee's function. We believe this is especially important as the Chief Audit Executive is also relatively new and working

towards strengthening the department so HISD can have proper internal controls to ensure our organization continuously improves.

- The Audit Committee would like to appoint one or two volunteers who are accountants, experts in finance, or auditors to serve as ex officio members of the committee.
- Advocating for minimal to no budgetary cuts to the Audit Department for FY 2019-2020
- Additional and continued training for all committee members
- Finalizing and recommending a robust evaluation protocol for the CAE that could include some self-created Key Performance Metrics, 360 degree feedback and other metrics modeled from other school districts
- Recommend that the 2019 audit committee continue to facilitate development of a dashboard to inform the board about progress of audits and the implementation of audit recommendations
- Recommend that the board approves the Committee's proposed amendments to the Audit Committee Charter
- Recommend that the charter be maintained on-line as part of the Board's Policy Manual as an exhibit to Board Policy BDB (Local)
- Recommend that the board approves the Committee's proposed amendments to Board Policy BDB (Local) on first reading

Recommended Calendar of Activities and Deliverables for 2019

Month	Activity/Deliverable	Meeting	Board Approval Month
January	-Audit Committee named by vote of the board -Confirm/recruit community members for committee as defined in Charter	No	N/A
February	-Committee plans meeting calendar for the year -Committee develops professional development plan for the course of the year -Finalize and recommend CAE evaluation process and instrument	Yes	March
March	N/A	No	N/A
April	-Review CAE's internal audit budget and advise board on recommended resources to achieve the Internal Audit Plan -	Yes	May
May		Yes	June
June	Share timeline, process	No	N/A

July	No meeting	No	N/A
August	-Board assesses CAE's performance and considers contract renewal -Annual review of Audit Committee Charter	Yes	August
September	-Develop timeline, process and instrument to evaluate CAE	No	
October	-Finalize and recommend updated instrument to evaluate the CAE, including timeline for benchmarks and final evaluation -Make recommendations to board for revisions to charter, if any -CAE presents final 2020 Audit Plan	Yes	November
November	-The Committee develops, finalizes, and presents , summary report outlining the work and accomplishments over the course of the calendar year -Evaluate the committee and individual performance - Recommend committee succession plan for next board president and any recommendations for next committee to consider	Yes	December
December	N/A	No	N/A

AUDIT COMMITTEE CHARTER Houston Independent School District

Introduction:

The Audit Committee plays an important role in providing oversight of the Houston Independent School District's ("District's") governance, risk management, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The Audit Committee performs its role by providing independent oversight to the Board of Education ("Board").

Purpose:

The purpose of the Audit Committee is to:

- Assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit processes and Houston Independent School District's process for monitoring compliance with laws and regulations and the code of conduct;
- Provide added protection to the Board in discharging its responsibility for the overall stewardship of District affairs, particularly its financial management;
- Provide public support for the District's audit programs;
- Provide assurances that the overall levels of audit coverage are both reasonable and appropriate to protect the District from undue risks;
- Assist in obtaining effective corrective action and necessary improvement based upon audit findings and recommendations from external and internal auditors; and
- Provide the Board and the public with additional assurances that the prescribed systems of internal controls are functioning as intended.

The committee assists the Board by providing advice and guidance on the adequacy of the District's initiatives for:

- Risk management;
- Internal control framework;
- Oversight of the internal audit activity, external auditors, and other providers of assurance; and
- Financial statements and public accountability reporting.

In broad terms, the Audit Committee reviews each of the items noted above and provides the Board with independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvements to those practices.

Background:

The Audit Committee was established on xxxxxx. At that time, the charter for the committee was established by the Board. The charter, which governs the work of the committee, was last reviewed and updated on December 13, 2018.

Authority:

The Audit Committee Charter sets out the authority of the Audit Committee. The Audit Committee has authority, in accordance with Board policy, to recommend audits or investigations into any matters within its scope of responsibility as articulated within the Audit Committee Charter and the annual audit plan, and to review the results of same.

The committee is empowered to:

- Recommend to the Board the appointment and compensation of, and review all audit and non-audit services performed by auditors, including the District's Chief Audit Executive;
- Recommend to the Board proposed resolution to any disagreements between management and the Chief Audit Executive regarding financial reporting;
- Recommend to the Board for approval all auditing and non-audit services conducted by the public accounting firm;
- Recommend to the Board the retention of independent counsel, accountants, or others to advise the committee or assist in the conduct of an audit or investigation;
- Seek information necessary to discharge its duties under this charter from the Superintendent, or the Superintendent's designee, as permitted by law and Board policy;
- Meet with the Board, Superintendent and/or Superintendent's designee, the Chief Audit Executive, external auditors, or Board Counsel, as necessary;
- Recommend to the Board the annual budget for the Office of Internal Audit, which will be included within annual budget adopted by the Board of Education; and
- Recommend to the Board, as necessary, the appointment of community advisors to the Audit Committee.

Composition of the Audit Committee:

The Audit Committee will consist of at least three (3) members of the Board of Education upon nomination and vote of the Board.

The Audit Committee shall elect a Chairperson who will serve the entire calendar year. An Audit Committee member may not serve more than four (4) consecutive years as chair.

Members of the Audit Committee should reflect the Board's commitment to diversity. A strong background in finance, accounting or auditing is not necessary for membership, although such a background in at least one member is preferable. Because the responsibilities of the Audit Committee evolve in response to regulatory, economic, and reporting developments, it is important to periodically re-evaluate member's competencies and the overall balance of skills on the committee in response to emerging needs.

The term of service of each member is two (2) calendar years, unless reduced by vote of the Board or by vote of the members. Members' terms shall be staggered to minimize the impact of member turnover.

A member's term may be extended beyond the initial two (2) year term by nomination by any Board member and approved by the Board, but no member shall serve more than three (3) consecutive terms.

Meetings:

Members of the Audit Committee shall attend all duly noticed regular meetings and may not miss more than three (3) consecutive regular meetings without good cause. Committee members are expected to attend each meeting, in person or , in accordance with state law, via video-conference.

The Chair will establish the agenda for Audit Committee meetings in consultation with Audit Committee members, senior management, and the Chief Audit Executive. Meeting agendas will be provided in advance to members, along with appropriate briefing materials.

The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary.

A portion of each meeting shall be set aside for a private session with the independent and/or internal auditors for items that fall within the executive session provisions of the Texas Open Meetings Act.

Minutes will be prepared and approved for the record for the open session portion of the meeting, and a certified agenda shall be prepared for the executive session portion of the meeting.

When requested, the Chief Audit Executive will facilitate and coordinate meetings as well as provide ancillary support to the committee, as time and resources permit.

Information Requirements:

The Audit Committee will establish and communicate its requirements for information from the Chief Audit Executive, which will include the nature, extent, and timing of information. Information will be provided to the Audit Committee in sufficient time prior to each Audit Committee meeting.

Quorum:

The quorum for the Audit Committee will be a majority of the members.

Conflict(s) of Interest:

Audit Committee members should adhere to the Board's policies concerning conflict of interest.. It is the responsibility of Audit Committee members to disclose any conflict of interest or appearance of a conflict of interest to the committee, and to recuse themselves from discussion of any item on which they have a conflict.

Orientation and Training:

Audit Committee members will receive formal orientation training on the purpose and mandate of the committee and on the District's objectives. If not already in place, a process of continuing education will be established.

Responsibilities:

The committee will carry out the following responsibilities:

1. Financial Statements

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with the Chief Audit Executive and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, audit reports, and any related management letters, including but not limited to the comprehensive annual financial report and the single audit report, and consider whether they are complete, consistent with information known to committee members.
- Review with the Chief Audit Executive and the external auditors all matters required to be communicated to the committee under Generally Accepted Auditing Standards.
- Understand how management develops financial information, and the nature and extent of internal and external auditor involvement.
- Understand strategies, assumptions and estimates that management has made in preparing financial statements, budgets, and investment plans.
- Review interim financial reports with management and external auditors before filing with regulators and consider whether they are complete and consistent with the information known to committee members.

2. Internal Control Framework

- Consider the effectiveness of the internal control system, including but not limited to, information technology security and control.
- Review and provide advice on the District's overall and departmental unit's internal contract arrangements, as may be requested by the Board.
- Receive reports on all matters of significance arising from work performed by other providers of financial and internal control assurance to senior management and the Board, as may be requested by the Board.
- Understand the scope of internal and external auditors' review of internal control over financial reporting and operations, and obtain reports on significant findings and recommendations, together with management's responses.

3. Internal Audit

- Review the internal audit charter at least on an annual basis, and make recommendations to the Board concerning any necessary changes.
- Review and recommend to the Board the appointment, replacement, or dismissal of the Chief Audit Executive.
- Review and discuss periodic risk assessments and make recommendations to the Board concerning the annual audit plan and all major changes to the plan.
- Review the internal audit activity's performance relative to its plan.

- Review and provide input on the internal audit activity's strategic plan, objectives, performance measures, and outcomes
- Review and monitor significant internal audit reports, the implementation of audit recommendations, corrective action plans by management, and follow-up audits to confirm implementation.
- Review with the Chief Audit Executive the internal audit budget, resource plan, activities, staff expertise, and organizational structure of the internal audit function, and recommend to the Board for inclusion in the District's annual operating budget.
- Inquiry of the Chief Audit Executive whether any internal audit engagements or non-audit engagements have been completed but not reported to the committee; if so, inquire whether any matters of significance arose from such work.
- Inquiry of the Chief Audit Executive whether any evidence of fraud has been identified during internal audit engagements and evaluate what additional actions, if any, should be taken.
- At least once per year, review the performance of the Chief Audit Executive with the Board and recommend to the Board the annual compensation and any salary adjustment.
- Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing and Generally Accepted Auditing Standards, and as applicable, the standards and guidelines promulgated by the American Institute of Certified Public Accountants, Government Auditing Standard (GAGAS), the United States Government Accountability Office, special auditing and reporting guidelines as may be required by the Texas State Comptroller's Office, the Texas Education Agency, or any other regulatory or oversight authority based upon the specific areas reviewed.
- On a regular basis, meet separately with the Chief Audit Executive to discuss any matters that the committee or internal audit believes should be discussed privately, as authorized by law.
- Ensure that the internal audit activity has a quality assurance and improvement program and that the results of these periodic assessments are presented to the Audit Committee.
- Ensure that the internal audit activity has an external quality assurance review every five years
- Review the results of the independent external quality assurance review and monitor the implementation of the internal audit activity's action plans to address any recommendations.

4. External Audit

- Review the external auditors' annual audit plan, including but not limited to, their proposed audit scope and approach, engagement letter, risks assessments, and coordination of audit effort with internal audit.
- Review the performance of the external auditors, and recommend approval on the appointment or discharge of the auditors.

- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the HISD, including non-audit services, and discussing the relationships with the auditors.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately, as authorized by law.
- Monitor management's progress on action plans.

5. Compliance

- Review the effectiveness of the system for monitoring compliance with Board policies and Federal/State laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings and recommendations of internal and external auditors, and any examinations by regulatory agencies.
- Review the process for communicating the code of conduct to HISD personnel, and for monitoring compliance therewith.
- Obtain regular updates from management, legal counsel, and the ethics & compliance office regarding compliance matters.

6. Risk Management

- Annually review HISD's risk profile.
- Obtain an annual report from the Chief Audit Executive on management's implementation and maintenance of an appropriate risk management process.
- Provide oversight on significant risk exposures and control issues, including fraud risk, governance issues, and other matters needed or requested by senior management and the Board.
- Provide oversight of the adequacy of the combined assurance being provided.
- Review and provide advice on the risk management processes established and maintained by management and the procedures in place to ensure that they are operating as intended.

7. Fraud

- Oversee management's arrangements for the prevention and deterrence of fraud.
- Ensure that appropriate action is taken against known perpetrators of fraud.
- Challenge management and internal and external auditors to ensure that the entity has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.

8. Reporting Responsibilities

- Regularly report to the Board of Education about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the Board of Education.
- Submit an annual report to the Board of Trustees summarizing the Audit Committee's activities, issues, and recommendations. The report should include:
 - A summary of the work the Audit Committee performed to fully discharge its responsibilities during the preceding year;
 - A summary of progress in addressing corrective actions on the findings and recommendations made in internal and external audit reports;
 - Details of meetings, including the number of meetings held during the relevant period and the number of meetings each member attended; and
 - A discussion regarding any other matter the committee deems of sufficient importance.
- Review any other reports issued by HISD that relate to committee responsibilities.

9. Other Responsibilities

- Perform other activities related to this charter as requested by the Board of Education.
- Review special investigations as directed by the Board.
- Review and assess the adequacy of the committee charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or District policy.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on a regular basis.

Audit Committee Charter:

Approved this _____ day of _____, 20____.

Rhonda Skillern-Jones
President of the Board

Holly Maria Flynn Vilaseca
Chairperson of the Audit Committee

AUDIT COMMITTEE CHARTER Houston Independent School District

Introduction:

The Audit Committee plays an important role in providing oversight of the Houston Independent School District's ("District's") governance, risk management, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The Audit Committee performs its role by providing independent oversight to the Board of Education ("Board").

Purpose:

~~To assist~~

The purpose of the Audit Committee is to:

- Assist the Board of Education in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit processes and Houston Independent School District's process for monitoring compliance with laws and regulations and the code of conduct;
- Provide added protection to the Board in discharging its responsibility for the overall stewardship of District affairs, particularly its financial management;
- Provide public support for the District's audit programs;
- Provide assurances that the overall levels of audit coverage are both reasonable and appropriate to protect the District from undue risks;
- Assist in obtaining effective corrective action and necessary improvement based upon audit findings and recommendations from external and internal auditors; and
- Provide the Board and the public with additional assurances that the prescribed systems of internal controls are functioning as intended.

The committee assists the Board by providing advice and guidance on the adequacy of the District's initiatives for:

- Risk management;
- Internal control framework;
- Oversight of the internal audit activity, external auditors, and other providers of assurance; and
- Financial statements and public accountability reporting.

In broad terms, the Audit Committee reviews each of the items noted above and provides the Board with independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvements to those practices.

Background:

The Audit Committee was established on xxxxxx. At that time, the charter for the committee was established by the Board. The charter, which governs the work of the committee, was last reviewed and updated on December 13, 2018.

Authority:

The Audit Committee Charter sets out the authority of the Audit Committee. The Audit Committee has authority, in accordance with Board policy and as requested from time to time by the Board, to conduct or authorize, recommend audits or investigations into any matters within its scope of responsibility. It is articulated within the Audit Committee Charter and the annual audit plan, and to review the results of same.

The committee is empowered to:

- Recommend to the Board the appointment and compensation of, and oversee the work of any registered public accounting firm and the chief audit executive employed by the organization; review all audit and non-audit services performed by auditors, including the District's Chief Audit Executive;
- Resolve/Recommend to the Board proposed resolution to any disagreements between management and the auditor/Chief Audit Executive regarding financial reporting;
- Pre-approve/Recommend to the Board for approval all auditing and non-audit services conducted by the public accounting firm;
- Recommend to the Board the retention of independent counsel, accountants, or others to advise the committee or assist in the conduct of an audit or investigation;
- Seek any information it requires necessary to discharge its duties under this charter from the Superintendent who is directed to cooperate with the committee's requests, or external parties; the Superintendent's designee, as permitted by law and Board policy;
- Meet with the Board of Education, Superintendent and his/her staff, internal and/or Superintendent's designee, the Chief Audit Executive, external auditors, or outside counsel/Board Counsel, as necessary;
- Recommend to the Board the annual budget for the Office of Internal Audit, which will be included within annual budget adopted by the Board of Education; and
- Recommend to the Board, as necessary, the appointment of community advisors to the Audit Committee.

Composition of the Audit Committee:

The Audit Committee will consist of at least three (3) members of the Board of Education upon nomination and vote of the Board. Members' terms shall be staggered to minimize the impact of member turnover.

The Audit Committee shall elect a Chairperson who will serve the entire calendar year. An Audit Committee member may not serve more than four (4) consecutive years as chair.

Each Audit Committee member will be both independent and financially literate. Members of the Audit Committee should reflect the Board's commitment to diversity, have a basic understanding of finance and accounting and be able to understand and interpret financial statements and audit reports. Members should preferably have a. A strong background in finance, accounting or auditing, accounting, finance, business, management consulting, or law is not necessary for membership, although such a background in at least one member is preferable. Because the responsibilities of the Audit Committee evolve in response to regulatory, economic, and reporting developments, it is important to periodically re-evaluate member's competencies and the overall balance of skills on the committee in response to emerging needs.

The term of service of each member is two (2) calendar years, unless reduced by vote of the Board or by vote of the members. Members' terms shall be staggered to minimize the impact of member turnover.

A member's term may be extended beyond the initial two (2) year term by nomination by any Board member and approved by the Board, but no member shall serve more than three (3) consecutive terms.

Meetings:

Members of the Audit Committee shall attend all duly noticed regular meetings and may not miss more than three (3) consecutive regular meetings without good cause. Committee members are expected to attend each meeting, in person or , in accordance with state law, via video-conference.

The Chair will establish the agenda for Audit Committee meetings in consultation with Audit Committee members, senior management, and the Chief Audit Executive. Meeting agendas will be provided in advance to members, along with appropriate briefing materials.

Meetings:

~~The Audit Committee will meet at least six (6) times a year, with authority to convene additional meetings as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors and closed sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared and approved for the record for the open session portion of the meeting.~~

A portion of each meeting shall be set aside for a private session with the independent and/or internal auditors for items that fall within the executive session provisions of the Texas Open Meetings Act.

Minutes will be prepared and approved for the record for the open session portion of the meeting, and a certified agenda shall be prepared for the executive session portion of the meeting.

When requested, the Chief Audit Executive will facilitate and coordinate meetings as well as provide ancillary support to the committee, as time and resources permit.

Information Requirements:

The Audit Committee will establish and communicate its requirements for information from the Chief Audit Executive, which will include the nature, extent, and timing of information. Information will be provided to the Audit Committee in sufficient time prior to each Audit Committee meeting.

Quorum:

The quorum for the Audit Committee will be a majority of the members.

Conflict(s) of Interest:

Audit Committee members should adhere to the Board's policies concerning conflict of interest.. It is the responsibility of Audit Committee members to disclose any conflict of interest or

appearance of a conflict of interest to the committee, and to recuse themselves from discussion of any item on which they have a conflict.

Orientation and Training:

Audit Committee members will receive formal orientation training on the purpose and mandate of the committee and on the District's objectives. If not already in place, a process of continuing education will be established.

Responsibilities:

The committee will carry out the following responsibilities:

1. Financial Statements

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with ~~management~~ the Chief Audit Executive and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, audit reports, and any related management letters, including but not limited to the comprehensive annual financial report and the single audit report, and consider whether they are complete, consistent with information known to committee members.
- Review with ~~management~~ the Chief Audit Executive and the external auditors all matters required to be communicated to the committee under Generally Accepted Auditing Standards.
- Understand how management develops financial information, and the nature and extent of internal and external auditor involvement.
- Understand strategies, assumptions and estimates that management has made in preparing financial statements, budgets, and investment plans.
- Review interim financial reports with management and external auditors before filing with regulators and consider whether they are complete and consistent with the information known to committee members.

2. Internal Control Framework

- Consider the effectiveness of the internal control system, including but not limited to, information technology security and control.
- Review and provide advice on the District's overall and departmental unit's internal contract arrangements, as may be requested by the Board.
- Receive reports on all matters of significance arising from work performed by other providers of financial and internal control assurance to senior management and the Board, as may be requested by the Board.
- Understand the scope of internal and external auditors' review of internal control over financial reporting and operations, and obtain reports on significant findings and recommendations, together with management's responses.

3. Internal Audit

- ~~Approve~~ Review the internal audit charter at least on an annual basis.
- ~~Approve decisions regarding the appointment, and removal of the chief audit executive. Ensure there are no unjustified restrictions or limitations, and review~~ make recommendations to the Board concerning any necessary changes.
- Review and recommend to the Board the appointment, replacement, or dismissal of the chief audit executive ~~Chief Audit Executive.~~
- Review and discuss periodic risk assessments and ~~approve~~ make recommendations to the Board concerning the annual audit plan and all major changes to the plan.
- Review the internal audit activity's performance relative to its plan.
- Review and provide input on the internal audit activity's strategic plan, objectives, performance measures, and outcomes
- Review and monitor significant internal audit reports, the implementation of audit recommendations, corrective action plans by management, and follow-up audits to confirm implementation.
- Review with the ~~chief audit executive~~ Chief Audit Executive the internal audit budget, resource plan, activities, staff expertise, and organizational structure of the internal audit function, and recommend to the Board for inclusion in the District's annual operating budget.
- Inquiry of the Chief Audit Executive whether any internal audit engagements or non-audit engagements have been completed but not reported to the committee; if so, inquire whether any matters of significance arose from such work.
- Inquiry of the Chief Audit Executive whether any evidence of fraud has been identified during internal audit engagements and evaluate what additional actions, if any, should be taken.
- At least once per year, review the performance of the ~~chief audit executive~~ Chief Audit Executive with the Board and recommend to the Board the annual compensation and any salary adjustment.
- Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing and Generally Accepted Auditing Standards, and as applicable, the standards and guidelines promulgated by the American Institute of Certified Public Accountants, Government Auditing Standard (GAGAS), the United States Government Accountability Office, special auditing and reporting guidelines as may be required by the Texas State Comptroller's Office, the Texas Education Agency, or any other regulatory or oversight authority based upon the specific areas reviewed.
- ~~Oversee a periodic external quality assurance review of the chief audit executive and internal audit function as required by professional standards.~~
- On a regular basis, meet separately with the ~~chief audit executive~~ Chief Audit Executive to discuss any matters that the committee or internal audit believes should be discussed privately, as authorized by law.

- Ensure that the internal audit activity has a quality assurance and improvement program and that the results of these periodic assessments are presented to the Audit Committee.
- Ensure that the internal audit activity has an external quality assurance review every five years
- Review the results of the independent external quality assurance review and monitor the implementation of the internal audit activity's action plans to address any recommendations.

4. External Audit

- Review the external auditors' annual audit plan, including but not limited to, their proposed audit scope and approach, engagement letter, risks assessments, and coordination of audit effort with internal audit.
- Review the performance of the external auditors, and recommend approval on the appointment or discharge of the auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the HISD, including non-audit services, and discussing the relationships with the auditors.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately, as authorized by law.
- Monitor management's progress on action plans.

5. Compliance

- Review the effectiveness of the system for monitoring compliance with Board policies and Federal/State laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings ~~of and~~ recommendations of internal and external auditors, and any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to HISD personnel, and for monitoring compliance therewith.
- Obtain regular updates from management, legal counsel, and the ethics & compliance office regarding compliance matters.

6. Risk Management

- Annually review HISD's risk profile.
- Obtain an annual report from the Chief Audit Executive on management's implementation and maintenance of an appropriate risk management process.
- Provide oversight on significant risk exposures and control issues, including fraud risk, governance issues, and other matters needed or requested by senior management and the Board.

- Provide oversight of the adequacy of the combined assurance being provided.
- Review and provide advice on the risk management processes established and maintained by management and the procedures in place to ensure that they are operating as intended.

7. Fraud

- Oversee management's arrangements for the prevention and deterrence of fraud.
- Ensure that appropriate action is taken against known perpetrators of fraud.
- Challenge management and internal and external auditors to ensure that the entity has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.

8. Reporting Responsibilities

- Regularly report to the Board of Education about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the Board of Education.
- ~~Report annually~~ Submit an annual report to the Board of Education, describing Trustees summarizing the committee's composition, Audit Committee's activities, issues, and recommendations. The report should include:
 - A summary of the work the Audit Committee performed to fully discharge its responsibilities and how they were discharged during the preceding year;
 - A summary of progress in addressing corrective actions on the findings and any other information required by rule recommendations made in internal and external audit reports;
 - Details of meetings, including approval of non audit services the number of meetings held during the relevant period and the number of meetings each member attended; and
 - A discussion regarding any other matter the committee deems of sufficient importance.
- Review any other reports issued by HISD that relate to committee responsibilities.

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9. Other Responsibilities

- Perform other activities related to this charter as requested by the Board of Education.
- ~~Institute and oversee~~ Review special investigations as ~~needed~~ directed by the Board.
- Review and assess the adequacy of the committee charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or District policy.

- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on a regular basis.

~~Audit Committee Charter:~~

Audit Committee Charter:

Approved this _____ day of _____,
_____, 20____.

Rhonda Skillern-Jones
President of the Board

~~Juliet K. Stipeche~~
Holly Maria Flynn Vilaseca
Chairperson of the Audit Committee

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BOARD INTERNAL ORGANIZATION
INTERNAL COMMITTEES

BDB
(LOCAL)

COMMITTEE OF THE WHOLE	Insofar as possible, all committee work shall be done as a Committee of the Whole.
SPECIAL COMMITTEES	The President shall appoint members to special committees created by the Board to fulfill specific assignments, unless otherwise provided by Board action. These committees may include District personnel and citizens. The function of committees shall be fact-finding, deliberative, and advisory, but not administrative. Special committees shall report their findings to the Board and may be dissolved upon completion of the assigned task or vote of the Board.
COMMITTEE AUTHORITY	No committee may perform any of the Board's functions. Board committees currently in place are the legislative committee and the audit committee. [See BDB(LEGAL)]
LEGISLATIVE COMMITTEE	The Board Legislative Committee chairman shall have the responsibility of liaison between the Board and local, regional, state, and federal government bodies.
BOARD AUDIT COMMITTEE	The Board Audit Committee shall be composed of three Board member representatives, upon nomination and vote of the Board. The chairperson shall be determined by the membership.
PURPOSE	<p>The purpose of the Board Audit Committee is to:</p> <ul style="list-style-type: none">• <u>Assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit processes and Houston Independent School District's process for monitoring compliance with laws and regulations and the code of conduct;</u>• Provide added protection to the Board in discharging its responsibility for the overall stewardship of District affairs, particularly its financial management;• Provide public support for the District's audit programs;• Provide assurances that the overall levels of audit coverage are both reasonable and appropriate to protect the District from undue risks;• Assist in obtaining effective corrective action and necessary improvement based upon audit findings and recommendations from external and internal auditors; and• Provide the Board and the public with additional assurances that the prescribed systems of internal controls are functioning as intended.

BOARD INTERNAL ORGANIZATION
INTERNAL COMMITTEES

BDB
(LOCAL)

The Board Audit Committee is advisory in nature; its recommendations regarding audit findings and exceptions and any other items shall be provided in writing to the Board and the Superintendent.

In its advisory role, the Board Audit Committee is subject to the control and direction of the Board. The powers allocated to the Audit Committee by the Board shall be detailed in the Audit Committee Charter. [See BDB (EXHIBIT)]

GENERAL
RESPONSIBILITIES

The general responsibilities of the Board Audit Committee are to:

1. Review internal and external audit reports;
2. Review annual financial reports, including independent auditor's opinions, management letter comments, and staff responses;
3. Recommend audits of activities/areas of the District as needed;
4. Submit to the Board on a periodic basis summary reports on all audits reviewed; and
5. Perform specific audit committee assignments as requested by vote of the Board.

SPECIFIC
RESPONSIBILITIES

INTERNAL AUDITS

The specific responsibilities related to internal audits are to:

1. Review and approve the annual plan for internal audit activities;
2. Review management's implementation of recommendations made by the internal auditors or reasons why recommendations are not being implemented;
3. Make recommendations related to the effectiveness of the internal audit effort; and
4. Review the adequacy of the internal audit budget in relation to planned activities.

EXTERNAL AUDITS

The specific responsibilities related to external audits are to:

1. Review recommendations related to hiring of external auditing firms when necessary and recommend areas to be emphasized in the external audits; and
2. Review the annual financial statements and the accountants' reports, including management letters related to improving the accounting and internal control systems.

The Superintendent or designee shall be responsible for arranging staff/clerical services to assist the Board Audit Committee. All re-

BOARD INTERNAL ORGANIZATION
INTERNAL COMMITTEES

BDB
(LOCAL)

	<p>quests for information shall be made directly to the Office of Internal Audit. [See BDB(EXHIBIT)]</p>
COMMITTEE MEMBER QUALIFICATIONS	<p>Each Board Audit Committee member shall maintain an objective viewpoint that is necessary for effective functioning of the committee. A strong background in finance, accounting, or auditing is not necessary, although such a background in at least one member would be helpful.</p>
TERM OF OFFICE	<p>The term of office for each Board Audit Committee member shall be two years, unless reduced by vote of the Board or by vote of the members.</p> <p>Members' terms shall be staggered to minimize the impact of member turnover. Initially, one member shall be selected for a one-year term, and two members shall be selected for two-year terms. Thereafter, members shall be selected for two-year terms. The Board President shall establish the initial terms of office for all members.</p>
MEETING SCHEDULE	<p>The Board Audit Committee shall schedule regular meetings at least twice annually and such special meetings and conferences as it deems necessary. The chairman shall determine the date, hour, and the place of meetings. Special meetings may also be called at the written request of a majority of the members of the Board Audit Committee.</p> <p>The number of meetings shall be sufficient to review:</p> <ol style="list-style-type: none">1. The plan for the annual independent audit;2. The District's financial statements and the results of examinations performed by independent auditors; and3. Significant findings and recommendations resulting from examinations performed by the Office of Internal Audit. <p>Summary reports on each audit and committee recommendations related thereto shall be prepared in sufficient detail to convey the substance of committee findings. [See BDB(EXHIBIT) for procedures for internal audit reports]</p> <p>A portion of each meeting shall be set aside for a private session with the independent and/or internal auditors for items that fall within executive session provisions of the Texas Open Meetings Law.</p> <p>All deliberations of the Board Audit Committee shall be conducted in accordance with <i>Robert's Rules of Order, Newly Revised</i>.</p>

Office of the Board of Education
Board of Education Meeting of December 13, 2018

Rhonda Skillern-Jones, President and District II Trustee

SUBJECT: CONSIDER AND APPROVE AUTHORIZING THE INTERIM SUPERINTENDENT OF SCHOOLS TO ISSUE A REQUEST FOR PROPOSALS FOR SENATE BILL 1882 TURNAROUND AND INNOVATION PARTNERSHIPS

At its workshop on November 27, 2018, the Board of Education discussed with Texas Education Agency (TEA) Deputy Commissioner A.J. Crabill the option for the board to consider authorizing the interim superintendent of schools to issue a request for proposals (RFP) for Senate Bill 1882 partnerships with qualified community entities to assist the district in improving educational opportunities for district students. Senate Bill 1882 partnerships may be for schools seeking to improve low performance as determined by the TEA (turnaround partnerships), and partnerships may be for other schools seeking new strategies to improve performance (innovation partnerships). Entities eligible to be considered for partnerships are non-profit organizations in the community, institutions of higher education, or governmental organizations.

The purpose of this item is to authorize the interim superintendent of schools to issue an RFP so that eligible entities may consider submitting proposals for turnaround partnerships and innovation partnerships. The board is not obligated to award a partnership to any eligible entity that responds to the RFP. Any partnership for a school will only be awarded by the board after community input is received and after specific performance expectations and other key terms are developed.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education authorizes the interim superintendent of schools to issue an RFP for Senate Bill 1882 turnaround partnerships and innovation partnerships for district schools, effective December 14, 2018.

Office of the Board of Education
Board of Education Meeting of December 13, 2018

Rhonda Skillern-Jones, President and District II Trustee

SUBJECT: CONSIDER AND APPROVE CONDUCTING AN OPEN SEARCH FOR SUPERINTENDENT OF SCHOOLS

At the board workshop on November 28, 2018, with Hazard, Young, Attea & Associates, Inc. (HYA), the consultants assisting the Board of Education with its search for a superintendent of schools, Dr. Hank Gmitro discussed the option for the board to conduct an open or a closed search. An open search makes the identities of all or some candidates public, so that the public may evaluate the strengths of candidates and express preferences about candidates. A closed search keeps the identities of candidates confidential, until the board names a finalist or finalists for the position and gives public notice for at least 21 days, as required by Texas law. The choice between an open or closed search impacts issues of transparency with the community, and also potentially impacts the pool of candidates the board has an opportunity to consider.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education conducts an open search for a superintendent of schools, effective December 14, 2018.

Office of the Board of Education
Board of Education Meeting of December 13, 2018

Rhonda Skillern-Jones, President and District II Trustee

SUBJECT: CONSIDER SELECTION OF A COACH TO ASSIST THE BOARD WITH LONE STAR GOVERNANCE AND RELATED GOVERNANCE AND TEAM-BUILDING MATTERS

At its workshop on November 27, 2018, the Board of Education met with Mr. A.J. Crabill, Texas Education Agency deputy commissioner, and discussed the selection of a coach to assist the board with Lone Star Governance and other governance and team-building matters. The expectation would be that the coach would help the board, both as a corporate body and as individual board members, to effectively fulfill its policy-making and oversight role and responsibilities as set forth in law and in board policy, and to help the board work cohesively with a focus on improving student performance for all students in the district. The board discussed individuals who might serve as a coach, including Mr. Crabill, and the parameters for any such coaching relationship. The purpose of this item is to allow the board to continue to discuss and take action to select one or more persons to work with the board as a coach.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the selection of a person or persons to assist the board with Lone Star Governance and other governance and team-building matters, effective December 14, 2018.

Office of the Board of Education
Board of Education Meeting of December 13, 2018

Rhonda Skillern-Jones, President and District II Trustee

SUBJECT: ADOPTION OF RESOLUTION RELATING TO GANG ACTIVITY IN HOUSTON

The Houston Independent School District (HISD) consistently states that the safety of its students is its top priority. This concern extends beyond school grounds to each student's home and community.

Gang-related violence results in dozens of deaths in Houston every year. Many of the victims are teenagers in gangs that recruit members as young as eight years old. Houston has documented more than 350 gangs in the city, with nearly 20,000 gang members. These numbers are growing, representing an increasing threat to our children, our schools, our neighborhoods, and the entire Houston community.

Recognizing this risk to our students, the HISD Board of Education is asked to approve the attached resolution to encourage the expansion and strengthening of efforts to combat gang activity in Houston.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education adopts the resolution relating to gang activity in Houston, effective December 14, 2018.

RESOLUTION OF THE HOUSTON INDEPENDENT SCHOOL DISTRICT BOARD OF EDUCATION RELATING TO GANG ACTIVITY IN HOUSTON

WHEREAS, the laws of the State of Texas assign to the local Board of Education all powers and duties necessary to define the policies and positions of a school district and state that the Board may conduct acts in furtherance of those policies, except where the organization is prohibited from doing so by law or other governing documents;

WHEREAS, there is a need for the Houston Independent School District to express its position on school safety matters that affect its students and the children residing in Houston;

WHEREAS, the Federal Bureau of Investigation states that gangs “are selling drugs to our kids, shooting up our neighborhoods, invading our homes, robbing our banks and stores, stealing our identities, our money, and instilling fear and violence everywhere they go”;

WHEREAS, according to the Stop Houston Gangs Task Force – comprised of local, state, and federal law-enforcement partners – gangs are responsible for committing violent crimes including assault and murder using guns, machetes, and blunt objects against other gang members and fellow gang members, law-enforcement officers, and members of the general public;

WHEREAS, gang members also commit a variety of other crimes including human trafficking, auto theft, extortion, fraud, and weapons trafficking;

WHEREAS, the National Alliance of Gang Investigators Association (NAGIA) states that, “The scourge of gangs is a clear and present danger to our internal national security and adversely impacts the quality of life within our communities with violence, drugs and associated criminal activities”;

WHEREAS, according to the Texas Department of Public Safety’s Gang Threat Assessment, Harris County contains the highest concentration of identified and suspected gang activity in Texas;

WHEREAS, the Houston Police Department and other law-enforcement agencies have identified more than 350 gangs in Houston with about 20,000 documented members, four times the number of uniformed police officers;

WHEREAS, the Stop Houston Gangs Task Force states that initiated gang members are most likely between the ages of 12 and 25, though they can be much younger or well into adulthood, and recruitment often occurs in middle school;

WHEREAS, the City of Houston Mayor's Anti-Gang Office states that youth are drawn to join gangs for a number of reasons, but often because gangs meet their unfulfilled need for family, friends, respect, or protection from bullies or rival gangs;

WHEREAS, the Anti-Gang Office identifies risk factors for gang involvement including low self-esteem; unstable family situations; a poor attitude towards school or academic failure; or living in a neighborhood that has high crime or gang activity;

WHEREAS, the Anti-Gang Office provides prevention programs for at-risk youth and intervention services for gang-involved youth;

WHEREAS, numerous such agencies and organizations – including the Houston Independent School District and its police department – cooperate and coordinate with one another in an effort to prevent and eliminate gang activity;

WHEREAS, the HISD Police Department works diligently with school administrators, area law enforcement, and wraparound services to curtail the proliferation of gang activity on and around campuses by enforcing the law, sharing information, and providing support to students at risk of engaging in gang activity;

NOW, THEREFORE, BE IT RESOLVED that the Board of Education of the Houston Independent School District formally states its support for the fight to end gang violence, and especially condemns the recruitment, initiation, and exploitation of children in gangs;

NOW, BE IT FURTHER RESOLVED that the Board of Education of the Houston Independent School District pledges its ongoing cooperation and coordination with local, state, and federal agencies and organizations in furtherance of these efforts to eradicate gang activity in Houston.

ADOPTED this 13th day of December 2018.

Rhonda Skillern-Jones, President
Board of Education
Houston Independent School District

Attest:

Sergio Lira, Secretary
Board of Education
Houston Independent School District

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Business Operations
Brian Busby, Chief Operating Officer

SUBJECT: APPROVAL TO NEGOTIATE, EXECUTE, AND AMEND A CONSTRUCTION CONTRACT FOR PRACTICE POOL FACILITIES AT CHARLES MILBY HIGH SCHOOL, BOOKER T. WASHINGTON HIGH SCHOOL, AND JACK YATES HIGH SCHOOL

On April 27, 2017, the Houston Independent School District (HISD) Board of Education approved the realignment of available funds from new school project budgets in the 2012 Facilities Capital Program and the retention of available funds from the renovated schools' project budgets with the original assigned campus. At Charles Milby High School (HS), Booker T. Washington HS, and Jack Yates HS, these retained and realigned funds will allow the incorporation of new practice pool facilities requested to address the programmatic and athletic needs of these campuses.

This project was publicly advertised on September 29 and October 6, 2018. A pre-proposal meeting was conducted on October 9, 2018. On November 1, 2018, the district received five competitive sealed proposals from the following responsive contractors:

Comex Construction
DivisionOne Construction
Drymalla Construction
DT Construction
Prime Construction

After evaluation in accordance with the procedures approved by HISD Board of Education, DivisionOne Construction was determined to be the highest-ranked, best-value proposer. Therefore, it is recommended this contractor be awarded a contract for the construction of the new practice pool facilities at Milby HS, Booker T Washington HS, and Yates HS.

Approval of this item will authorize the superintendent of schools or a designee to negotiate and execute a contract not to exceed the identified cost and amend the contract within the established allowance.

The requested amount is as follows:

Highest-Ranked Firm	Base Bid and Applicable Alternates	Construction Contingency Amount	Total Contract Amount Not to Exceed	M/WBE Participation
DivisionOne Construction	\$7,980,000	\$450,000	\$8,430,000	20%

COST/FUNDING SOURCE(S): The total cost shall not exceed \$8,430,000 and will be funded by 2012 Bond Program funds.

Fund Source	Fund	Cost Center	Functional Area	General Ledger	Internal Order/WBS	Amount
Bond Fund	6990000305	1014011000	PS81990000000000	6629150000	N/A	\$2,810,000
Bond Fund	6990000305	1014016000	PS81990000000000	6629150000	N/A	\$2,810,000
Bond Fund	6990000305	1014020000	PS81990000000000	6629150000	N/A	\$2,810,000

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 4: Data-Driven Accountability.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education authorizes the superintendent of schools or a designee to negotiate, execute, and amend a contract for the construction of practice pool facilities at Charles Milby HS, Booker T Washington HS, and Jack Yates HS, effective December 14, 2018.

Executive Summary: CSP Contract Award December 2018 Board Agenda Item

New Indoor Practice Pool Facilities at Milby High School, Washington High School, and Yates High School

13 December 2018

Project Scope:

New construction of the district pool facility prototype at the campuses of Charles H. Milby High School, Booker T. Washington High School, and Jack Yates High School. These facilities are standalone pre-engineered structures with masonry exteriors that house four 25-yard practice swim lanes. Each facility also contains locker rooms, coach office, spectator seating, and public restrooms. These newly proposed facilities will support the programmatic and athletic needs of each campus.

Project Status:

Design & Permitting – Drawings are under review with the COH Permit department; anticipated date of permit is December 2018.

Cost Summary:

Proposed Bid from Selected Firm	Construction Contingency Amount	Total Contract Amount Not to Exceed	M/WBE Participation Goal
\$7,980,000	\$450,000	\$8,430,000	20%

- A/E Services, including Construction Documents, provided by PBK Architects, Inc.
- Project will be funded by 2012 Bond Re-Alignment Funds
- Construction to start January 2019, with a targeted completion TBD
- Bid Advertisement held September 29, 2018, and October 6, 2018. Pre-Proposal Conference was held on October 9, 2018. Public Bid Opening November 1, 2018.

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Business Operations
Brian Busby, Chief Operating Officer

**SUBJECT: APPROVAL TO NEGOTIATE, EXECUTE, AND AMEND A
CONSTRUCTION CONTRACT FOR THE ADDITION OF THREE
CLASSROOMS AT THOMAS PILGRIM ACADEMY**

The Houston Independent School District (HISD) 2012 bond election approved an addition and minor renovation project for Thomas Pilgrim Academy. The HISD Board of Education approved award of a design contract to RDC Architects, PLLC, for Pilgrim Academy on October 9, 2014, and approved award of a construction contract to D.T. Construction, LP, on November 11, 2016.

On April 27, 2017, the HISD Board of Education approved the realignment of available funds from new school project budgets in the 2012 Facilities Capital Program and the retention of available funds from the renovated schools' project budgets with the original assigned campus. These retained and realigned funds will allow the incorporation of three additional classrooms (learning centers) required to address the programmatic and academic needs of this campus.

On August 10, 2017, the HISD Board of Education approved an increase to the design contract to implement the additional planning, design, documentation, and construction phase services required for the classroom addition.

This project was publicly advertised on July 7 and July 14, 2018. An on-site pre-proposal meeting was conducted on July 17, 2018. There were two addenda issued prior to receiving bids. On August 9, 2018, the district received bids from the following four responsive contractors:

Dunhill Development and Construction
Gadberry General Contracting & Construction
Houston Kaco, Inc.
Nash Industries, Inc.

After evaluation in accordance with the procedures approved by the HISD Board of Education, Gadberry General Contracting & Construction was determined to be the highest-ranked, best-value proposer. Therefore, it is recommended this contractor be awarded a contract for the classroom additions at Pilgrim Academy.

Approval of this item will authorize the superintendent of schools or a designee to negotiate and execute a contract not to exceed the identified cost and amend the contract within the established allowance.

The requested amount is as follows:

Highest-Ranked Firm	Base Bid and Applicable Alternates	Construction Contingency Amount	Total Contract Amount Not to Exceed	M/WBE Participation
Gadberry General Contracting & Construction	\$811,926	\$40,000	\$851,926	100%

COST/FUNDING SOURCE(S): The total cost shall not exceed \$851,926 and will be funded by 2012 Bond Program funds.

Fund Source	Fund	Cost Center	Functional Area	General Ledger	Internal Order/WBS	Amount
Bond Fund	6990000300	1012218000	PS81990000000000	6629150000		\$851,926

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 4: Data-Driven Accountability.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education authorizes the superintendent of schools or a designee to negotiate, execute, and amend a construction contract with Gadberry General Contracting & Construction for the addition of three classrooms at Thomas Pilgrim Academy, effective December 14, 2018.

Executive Summary: CSP Contract Award December 2018 Board Agenda Item

Pilgrim Academy – Additional Classrooms

13 December 2018

Project Scope:

Addition of three standard classrooms, totaling approximately 2,300 sf. The work includes, but is not limited to, steel framing, masonry, HVAC, electrical, fire protection, roofing, concrete, insulation, site work, and related construction work.

Project Status:

Design & Permitting – 100% Complete. COH permit approved plans are available and were used for the solicitation of bids.

Cost Summary:

Proposed Bid from Selected Firm	Construction Contingency Amount	Total Contract Amount Not to Exceed	M/WBE Participation Goal
\$811,926	\$40,000	\$851,926	100%

- A/E Services, including Construction Documents, provided by RDC Architects, Inc.
- Project will be funded by remaining balance of Pilgrim Academy's 2012 Bond Funds
- Construction to start January 2019, with a targeted completion June 2019
- Bid Advertisement held July 7, 2018, and July 14, 2018. Pre-Proposal Conference was held at the site on July 17, 2018. Public Bid Opening August 7, 2018.

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Business Operations
Brian Busby, Chief Operating Officer

SUBJECT: AUTHORITY TO NEGOTIATE, EXECUTE, AND AMEND AN AGREEMENT WITH THE SPARK PROGRAM FOR THE IMPROVEMENT AND CONSTRUCTION OF SPARK PARKS AT VARIOUS CAMPUSES

The Houston Independent School District (HISD) entered into an interlocal agreement with the City of Houston (City) and SPARK, a Texas non-profit corporation formed in 1983, to develop public school grounds into neighborhood parks. The original 10-year agreement with the City was executed on March 18, 1986. A second 10-year SPARK agreement was executed on May 24, 2006, and the partnership has entered multiple subsequent amendments/agreements to continue the SPARK Park program.

The SPARK program selects schools around the Houston area to receive a new SPARK Park or a re-SPARK improvement of an existing SPARK park. The SPARK Park program combines the resources of the Houston Parks and Recreation Department, HISD, Harris County, the private sector, neighborhood groups, Parent-Teacher Association/Parent-Teacher Organization groups, and concerned citizens to fund SPARK construction and/or re-SPARK improvements.

It is recommended that HISD enter into a new agreement with the SPARK Program to continue the development of public school grounds into neighborhood parks. Each year the SPARK program will select schools around the Houston area to receive a new SPARK Park or a re-SPARK improvement of an existing SPARK park. Once completed, these projects will be open to the public after school and on the weekends for at least 10 years. For the 2018–2019 academic year, the SPARK Program is proposing development of projects at the following campuses:

Al Condit Elementary School (ES)
Oran Roberts ES (Phase 2)
Mandarin Immersion Magnet School (Phase 2)
Ernest McGowen ES
John Osborne ES
Cynthia Parker ES
Jane Long Middle School

COST/FUNDING SOURCE(S):	HISD contributions to the SPARK program will be dependent on annual availability of funds, but in no case shall the total HISD costs exceed \$200,000 per year. The annual approved amount will be funded by General
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Operations Funds. Other funding will be provided by the SPARK Program, the community, the private sector, the county, and in-kind services.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 4: Data-Driven Accountability.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education authorizes the superintendent of schools or a designee to negotiate, execute, and amend an agreement with the SPARK Program for the improvement and construction of SPARK Parks at various campuses, effective December 14, 2018.

Executive Summary-December 2018 Board Agenda Item

MASTER AGREEMENT WITH SPARK PROGRAM

13 December 2018

Background:

The original SPARK agreement between the City of Houston, the Houston Independent School District, and SPARK, a Texas non-profit corporation, was executed in 1986. Subsequent agreements and amendments have extended this partnership through October 2017:

- Amendments to the original agreement extended the partnership through 2006;
- A second SPARK 10-year agreement between HISD, SPARK, and the City of Houston was executed in 2006;
- HISD Amendments No. 9 and 10 extended the contract term of the second agreement through October 2017;
- In October 2017, HISD, SPARK, and City of Houston entered into an agreement with the U.S. Dept. of Housing and Urban Development, so the SPARK Program could receive Community Development Block Grant (CDBG) funding for three selected SPARK parks;
- In August 2018, HISD, SPARK, and the City of Houston entered into an agreement for design and construction of four selected SPARK parks to be constructed by SPARK Program vendors;

Under these agreements, more than 80 SPARK school parks have been created at HISD campuses all across the greater Houston area. The attached pages contain a partial list of the HISD campuses that have received SPARK Program improvements and a map of greater Houston showing the location of SPARK school parks across the city.

Project Description:

For the first year (i.e., academic year 2018–2019) of this agreement, six HISD campuses have been selected by the SPARK Program:

Condit Elementary School	Osborne Elementary School
Parker Elementary School	McGowen Elementary School
Roberts Elementary School (Phase 2)	Mandarin Immersion Magnet School (Phase 2)

The scope of work at each of these campuses varies, but could include items such as playground equipment, fall surfacing, playground border and ramp, site demolition, site clearing, rough grading, fine grade and clean site, minor storm drainage, concrete walking track, soccer goals and installation, benches, landscaping and hydroseeding, lawn irrigation systems, and other related improvements.

Project Status:

Design Phase contract negotiations and processing.

Cost Summary:

Annual budgeted costs for the first year (2018–2019) of this agreement are as follows:

Description:	Amount:
HISD Contributions: (participating schools raise \$5,000 and HISD supports the program by contributing \$5,000 towards the construction of each park--SPARK is requesting contributions for only three campuses for the 2018–2019 year)	\$15,000
Construction Contingencies: (includes compliance with ADA requirements)	\$25,000
Architect/Engineer Fees: (includes survey expenses and miscellaneous consultant fees)	\$135,000
HISD Fencing Costs: (includes miscellaneous minor site improvements at each of the annually selected schools)	\$25,000
Escalation and Miscellaneous Costs: (e.g., reimbursable expenses, geotechnical investigations, unforeseen conditions, etc.)	\$0
Total:	\$200,000

Annual budgeted costs for subsequent years will be as follows:

Description:	Amount:
HISD Contributions: (HISD supports the program by contributing \$5,000 towards the construction of each park)	\$25,000
Construction Contingencies: (includes compliance with ADA requirements)	\$25,000
Architect/Engineer Fees: (includes survey expenses and miscellaneous consultant fees)	\$135,000
HISD Fencing Costs: (includes miscellaneous minor site improvements at each of the annually selected schools)	\$25,000
Escalation and Miscellaneous Costs: (e.g., reimbursable expenses, geotechnical investigations, unforeseen conditions, etc.)	\$25,000
Total:	\$235,000



Houston ISD Campuses with SPARK Parks

Almeda Elementary School
Anderson Elementary School
Ashford Elementary School
Berry Elementary School
Briscoe Elementary School
Browning Elementary School
Burbank Elementary School
Carrillo Elementary School
Chavez High School
Clifton Middle School
Coop Elementary School
Cornelius Elementary School
Davila Elementary School
Deady Middle School
Edison Middle School
Eliot Elementary School
Emerson Elementary School
Field Elementary School
Fleming Middle School
Foerster Elementary School
Gallegos Elementary School
Garden Oaks Montessori
Garden Villas Elementary School
Hamilton Middle School
Hartsfield Elementary School
Helms Elementary School

Henderson J P Elementary School
Henry Middle School
Herrera Elementary School
Hobby Elementary School
Hogg Middle School
Holland Middle School
Houston Academy International
Jefferson Elementary School
Kashmere Gardens Elementary School
Kashmere High School
Ketelsen Elementary School
Lockhart Elementary School
Looscan Elementary School
Lyons Elementary School
Mading Elementary School
Mandarin Immersion Magnet School
McGowen Elementary School
McReynolds Middle School
Memorial Elementary School
Meyerland Middle School
Milne Elementary School
Montgomery Elementary School
Moreno Elementary School
Navarro Middle School
Northline Elementary School
Osborne Elementary School

Park Place Elementary School
Petersen Elementary School
Piney Point Elementary School
Poe Elementary School
Port Houston Elementary School
Revere Middle School
River Oaks Elementary School
Roberts Elementary School
Robinson Elementary School
Rodriguez Elementary School
School at St. George Place
Shadydale Elementary School
Sinclair Elementary School
Smith Elementary School
Stevens Elementary School
Stevenson Middle School
Sutton Elementary School
Tijerina Elementary School
Tinsley Elementary School
Twain Elementary School
West University Elementary
Westbury High School
Whidby Elementary School
White E Elementary School
Whittier Elementary School
Wilson Montessori
Young Scholars Academy



Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Finance
Rene Barajas, Chief Financial Officer

SUBJECT: APPROVAL OF VENDOR AWARDS FOR PURCHASES OVER \$100,000 AND RATIFICATION OF VENDOR AWARDS FOR PURCHASES UNDER \$100,000

The purpose of this item is to authorize vendor awards for purchases over \$100,000 and ratify vendor awards for purchases under \$100,000. Pursuant to Board of Education policy, contracts for purchases over \$100,000 are submitted to the Houston Independent School District (HISD) Board of Education for approval prior to the issuance of purchase orders and/or agreement letters. Procurement Services, authorized by board policy, enters into purchase agreements for bid projects less than \$100,000, subject to ratification by the Board of Education.

When determining the successful bidder, consideration is given to the quality of the articles supplied, conformity with developed specifications, suitability to the requirements of the educational system, and delivery terms. All advertised bids are in compliance with minority- and woman-owned business enterprise procedures. All contracts are negotiated and executed with the supplier(s) providing the best overall value for the district.

The attachment reflects the names of successful bidders, the budgets to be charged, and a description of the items to be purchased. A copy of each tabulation is on file in Board Services.

COST/FUNDING SOURCE(S): Funds for these recommended actions will be necessary only one time.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to all five core initiatives of the district.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves vendor awards for purchases over \$100,000 and ratifies vendor awards for purchases under \$100,000, effective December 14, 2018.

Approval of Purchases Over \$100,000
Recommended for 12/13/2018 Board Agenda

Project Information	18-04-07 – RFP / Student Uniforms for Migrant Students and Homeless Education – (Torres) – (Longoria)
Project Description	The purpose of this contract is to obtain uniforms for migrant students and Homeless Education. The average annual historical expenditure for this project is \$107,748. The projected annual budget for this project is \$220,000, not to exceed \$1,100,000 for the duration of the contract. The district applied the "Best Value" process in selecting the vendor and awarded in accordance with Chapter 44 of the Texas Education Code (TEC) and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx's Viewed/ Received	100/2
Project Term	The contract term is from December 14, 2018, through December 13, 2019, with four annual renewal options after the initial contract term, not to extend beyond December 13, 2023.
Amount not to Exceed (Project Term)	\$1,100,000

Budget Information					
Fund	2120000000	Fund	Various Schools and/or Departments	Fund	
Cost Center	1060928000	Cost Center		Cost Center	
Functional Area	PS61250000000000	Functional Area		Functional Area	
General Ledger	6299000000	General Ledger		General Ledger	
I/O		I/O		I/O	

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Fiesta Marts	N/A	H

**Approval of Purchases Over \$100,000
Recommended for 12/13/2018 Board Agenda**

Project Information	18-05-17 – RFP / Carpet, Wood, and Other Flooring Services, Maintenance, and Repairs – (Pleasant) – (Busby)
Project Description	The purpose of this contract is to obtain carpet, wood, and other flooring services, maintenance, and repairs for the district. The average annual historical expenditure for this project is \$595,000. The projected annual budget is \$750,000, not to exceed \$3,750,000 for the duration of the contract. The district applied the "Best Value" process in selecting the vendor and awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx's Viewed/ Received	170/8
Project Term	The contract term is from December 14, 2018, through December 13, 2019, with four annual renewal options after the initial contract, not to extend beyond December 13, 2023.
Amount not to Exceed (Project Term)	\$3,750,000

Budget Information					
Fund	1993010002	Fund	1993010002	Fund	Various Schools and/or Departments
Cost Center	1040803102	Cost Center	1040803202	Cost Center	
Functional Area	AD51990000000000	Functional Area	AD51990000000000	Functional Area	
General Ledger	6299000000	General Ledger	6299000000	General Ledger	
I/O		I/O		I/O	

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Brandt Constructors & Facility Services	C-1%	H
Just Construction	A-100%	H
Post Oak Construction	A-100%	H
Westco Ventures, LLC	A-100%	H

Approval of Purchases Over \$100,000
Recommended for 12/13/2018 Board Agenda

Project Information	19-07-08 – RFP / Purchase of BAS Supplies, DDC Control, and Troubleshooting – (Tesoro) – (Busby)
Project Description	The purpose of this contract is to provide Building Automation System (BAS) supplies, direct digital control (DDC) components, as well as other related equipment, troubleshooting, and services. The average annual historical expenditure for this project is \$111,000. The projected annual budget is \$140,000, not to exceed \$700,000 for the duration of the contract. The district applied the "Best Value" process in selecting the vendor and awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx's Viewed/ Received	117/6
Project Term	The contract term is from December 14, 2018, through December 13, 2019, with four annual renewal options not to extend beyond December 13, 2023.
Amount not to Exceed (Project Term)	\$700,000

Budget Information			
Fund	Various Schools and Departments	Fund	Fund
Cost Center		Cost Center	Cost Center
Functional Area		Functional Area	Functional Area
General Ledger		General Ledger	General Ledger
I/O		I/O	I/O

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Automated Logic	C-D	O
Climatec	C-D	O
Control Products	B-20%	H
Johnson Controls, Inc.	C-D	H
Johnstone Supply	C-D	H
Unify	C-D	H

Approval of Purchases Over \$100,000
Recommended for 12/13/2018 Board Agenda

Project Information	19-08-14 – RFP / Purchase of Small Engine Equipment and Repairs – (March) – (Busby)
Project Description	The purpose of this contract is to obtain lawnmowers, chainsaws, hedge trimmers, backpack blowers, as well as other related products and services for Facilities Services. The average annual historical expenditure for this project is \$411,000. The projected annual budget for this project is \$450,000, not to exceed \$2,250,000 for the duration of the contract. The district applied the "Best Value" process in selecting the vendor and awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx's Viewed/ Received	22/2
Project Term	The contract term is from December 14, 2018, through December 13, 2019, with four annual renewal options after the initial contract term, not to extend beyond December 13, 2023.
Amount not to Exceed (Project Term)	\$2,250,000

Budget Information					
Fund	1993010002	Fund	1993010002	Fund	Various Schools and/or Departments
Cost Center	1040809003	Cost Center	1040809003	Cost Center	
Functional Area	PS5199GRO000000000	Functional Area	PS5199GRO000000000	Functional Area	
General Ledger	6249000000	General Ledger	6319000000	General Ledger	
I/O		I/O		I/O	

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Jacobsen Division of Textron Inc. Turf Equipment & Supplies	C-D B-20%	OT H

**Approval of Purchases Over \$100,000
Recommended for 12/13/2018 Board Agenda**

Project Information	19-08-15 – RFP / Health & Medical Supplies & Equipment – (James) – (Longoria)
Project Description	The purpose of this contract is to obtain health and medical supplies, equipment, related items, and repair services for the Health and Medical Department. The average annual historical expenditure for this project is \$443,254. The projected annual budget for this project is \$690,000, not to exceed \$3,450,000 for the duration of the contract. The district applied the "Best Value" process in selecting the vendor and awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx's Viewed/ Received	220/9
Project Term	The contract term is from December 14, 2018, through December 13, 2019, with four annual renewal options after the initial contract term, not to extend beyond December 13, 2023.
Amount not to Exceed (Project Term)	\$3,450,000

Budget Information					
Fund	1993000000	Fund	Various Schools and/or Departments	Fund	
Cost Center	1060845000	Cost Center		Cost Center	
Functional Area	AD33990000000000	Functional Area		Functional Area	
General Ledger	6399000000	General Ledger		General Ledger	
I/O		I/O		I/O	

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Alert Services, Inc.	C-D	T
NAO Global Health LLC	A-100%	H
School Health Cooperation	C-D	OT
School Nurse Supply	C-D	OT
Sterlington Medical	C-D	H

**Approval of Purchases Over \$100,000
Recommended for 12/13/2018 Board Agenda**

Project Information	19-09-01 – RFP / Horizontal/Vertical Louver Blinds and Installation – (Pleasant) – (Busby)
Project Description	The purpose of this contract is to provide horizontal / vertical louver blinds and installation services districtwide. The average annual historical expenditure for this project is \$56,000. The projected annual budget is \$70,000, not to exceed \$350,000 for the duration of the contract. The district applied the “Best Value” process in selecting the vendor and awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx’s Viewed/ Received	69/1
Project Term	The contract term is from December 14, 2018, through December 13, 2019, with four annual renewal options after the initial contract, not to extend beyond December 13, 2023.
Amount not to Exceed (Project Term)	\$350,000

Budget Information			
Fund	Various Schools and/or Departments	Fund	Fund
Cost Center		Cost Center	Cost Center
Functional Area		Functional Area	Functional Area
General Ledger		General Ledger	General Ledger
I/O		I/O	I/O

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Post Oak Construction	A-100%	H

Approval of Purchases Over \$100,000
Recommended for 12/13/2018 Board Agenda

Project Information	19-09-02 – RFP / Paint and Painting Supplies – (Pleasant) – (Busby)
Project Description	The purpose of this contract is to provide paint and painting supplies districtwide. The average annual historical expenditure for this project is \$170,000. The projected annual budget is \$170,000, not to exceed \$850,000 for the duration of the contract. The district applied the “Best Value” process in selecting the vendor and awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL)
RFx’s Viewed/ Received	117/2
Project Term	The contract term is from December 14, 2018, through December 13, 2019, with four annual renewal options after the initial contract, not to extend beyond December 13, 2023.
Amount not to Exceed (Project Term)	\$850,000

Budget Information			
Fund	Various Schools and/or Departments	Fund	Fund
Cost Center		Cost Center	Cost Center
Functional Area		Functional Area	Functional Area
General Ledger		General Ledger	General Ledger
I/O		I/O	I/O

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
PPG Architectural Finishes, Inc	C-D	H
The Sherwin-Williams Company	C-D	H

Approval of Purchases Over \$100,000
Recommended for 12/13/2018 Board Agenda

Project Information	19-09-04 – RFP / Supplemental Maintenance Painting Services – (Pleasant) – (Busby)
Project Description	The purpose of this contract is to provide supplemental maintenance painting services districtwide. The average annual historical expenditure for this project is \$1,210,000. The projected annual budget is \$1,500,000, not to exceed \$7,500,000 for the duration of the contract. The district applied the “Best Value” process in selecting the vendor and awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx’s Viewed/ Received	124/7
Project Term	The contract term is from December 14, 2018, through December 13, 2019, with four annual renewal options after the initial contract, not to extend beyond December 13, 2023.
Amount not to Exceed (Project Term)	\$7,500,000

Budget Information			
Fund	Various Schools and/or Departments	Fund	Fund
Cost Center		Cost Center	Cost Center
Functional Area		Functional Area	Functional Area
General Ledger		General Ledger	General Ledger
I/O		I/O	I/O

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Just Construction	A-100%	H
Milam & Co Painting, Inc	A-100%	H
Post Oak Construction	A-100%	H
Quadra Mind Enterprises, Inc	A-100%	H
Westco Ventures, LLC	A-100%	H

**Approval of Purchases Over \$100,000
Recommended for 12/13/2018 Board Agenda**

Project Information	19-10-01 – RFP / Nearsite Clinic Services – (Thomas) – (Barajas)
Project Description	The purpose of this contract is to obtain nearsite clinics for Select Plan members (and be available on a sliding scale basis for non-Select members) for the Benefits Department. The average annual historical expenditure for this project is \$687,924. The projected annual budget for this project is \$893,614, not to exceed \$4,468,070 for the duration of the contract. The district applied the "Best Value" process in selecting the vendor and awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx's Viewed/ Received	62/3
Project Term	The contract term is from January 1, 2019, through December 31, 2019, with four annual renewal options after the initial contract term, not to extend beyond December 31, 2023.
Amount not to Exceed (Project Term)	\$4,468,070

Budget Information					
Fund	7530000000	Fund	Various Schools and/or Departments	Fund	
Cost Center	3770804000	Cost Center		Cost Center	
Functional Area	AD33990000000000	Functional Area		Functional Area	
General Ledger	6219000000	General Ledger		General Ledger	
I/O		I/O		I/O	

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Platinum Preferred Healthcare Network, PLLC	A-100%	H

Approval of Purchases Under \$100,000
Recommended for 12/13/2018 Board Agenda

Project Information	19-10-05 – RFP / Mobile Equipment Insurance – (Thomas) – (Barajas)
Project Description	The purpose of this contract is to obtain mobile equipment insurance, comprehensive physical damage coverage to include collision, for scheduled mobile equipment at replacement cost, not to exceed the scheduled value. Mobile equipment includes tractors, mixers, graders, earth moving equipment, portable chillers, mowers, rollers, cranes, and augers for the Risk Management Department. The average annual historical expenditure for this project is \$25,290. The projected annual budget for this project is \$28,000, not to exceed \$140,000 for the duration of the contract. The district applied the "Best Value" process in selecting the vendor and awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFX's Viewed/ Received	31/1
Project Term	The contract term is from December 14, 2018, through December 13, 2019, with four annual renewal options after the initial contract term, not to extend beyond December 13, 2023.
Amount not to Exceed (Project Term)	\$140,000

Budget Information			
Fund	1999000001	Fund	Various Schools and/or Departments
Cost Center	1090800003	Cost Center	
Functional Area	AD51990000000000	Functional Area	
General Ledger	6429020000	General Ledger	
I/O		I/O	

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
USI Southwest, Inc.	B-25%	H

Approval of Cooperative Purchases Under \$100,000
Recommended for 12/13/2018 Board Agenda

Project Information	19-11-01-09 – Cooperative / Fasteners & Chemicals – (Ford) – (Busby)
Project Description	The purpose of this cooperative contract is to obtain fasteners and chemicals, as well as equipment and supplies, for Fleet Operations. The average annual historical expenditure for this project is \$23,647. The projected annual budget for this project is \$30,000, not to exceed \$60,000 for the duration of the contract. This is a cooperative agreement with The Cooperative Purchasing Network (TCPN) utilizing contract R142103 in accordance with Chapter 44 and Chapter 791 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFX's Viewed/ Received	
Project Term	The contract term is from December 14, 2018, through March 31, 2019, with one annual renewal option, if TCPN executes its contract renewal option, not to extend beyond March 31, 2020.
Amount not to Exceed (Project Term)	\$60,000

Budget Information		
Fund Cost Center Functional Area General Ledger I/O	Various Schools and/or Departments	Fund Cost Center Functional Area General Ledger I/O

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Lawson Products	-	OT

**Approval of Cooperative Purchase Over \$100,000
Recommended for 12/13/2018 Board Agenda**

Project Information	19-11-15-01 – Cooperative / Routing and Scheduling Operational Software (BuyBoard) – (March) – (Busby)
Project Description	The purpose of this cooperative contract is to obtain bus routing and scheduling software for the Transportation Department. The average annual historical expenditure for this project is \$477,000. The projected annual budget is \$70,000, not to exceed \$210,000 for the duration of the contract. This is a cooperative agreement with BuyBoard utilizing contract 579-19 in accordance with Chapter 44 and Chapter 791 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx's Viewed/ Received	
Project Term	The contract term is from January 1, 2019, through December 31, 2019, with two annual renewal options, if BuyBoard executes its contract renewal options, not to extend beyond December 31, 2021.
Amount not to Exceed (Project Term)	\$210,000

Budget Information					
Fund	1993000000	Fund		Fund	
Cost Center	1040810000	Cost Center		Cost Center	
Functional Area	AD34990000000000	Functional Area		Functional Area	
General Ledger	6249000000	General Ledger		General Ledger	
I/O		I/O		I/O	

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Transfinder Corporation	-	O

**Approval of Cooperative Purchase Over \$100,000
Recommended for 12/13/2018 Board Agenda**

Project Information	19-11-16-01 – Cooperative / Zonar GPS Systems (BuyBoard) – (March) – (Busby)
Project Description	The purpose of this cooperative contract is to obtain Zonar global positioning systems for the Fleet Operations Department. This includes training, systems, equipment, supplies, and consumable materials. The projected annual budget is \$950,000, not to exceed \$2,850,000 for the duration of the contract. This is a cooperative agreement with BuyBoard utilizing contract 579-19 in accordance with Chapter 44 and Chapter 791 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx's Viewed/ Received	
Project Term	The contract term is from January 1, 2019, through December 31, 2019, with two annual renewal options, if BuyBoard executes its contract renewal options, not to extend beyond December 31, 2021.
Amount not to Exceed (Project Term)	\$2,850,000

Budget Information					
Fund	1993000000	Fund	Various Schools and/or Departments	Fund	
Cost Center	XXXXXXXXXX	Cost Center		Cost Center	
Functional Area	XXXXXXXXXX	Functional Area		Functional Area	
General Ledger	1310000000	General Ledger		General Ledger	
I/O		I/O		I/O	

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
SHI Government Solutions, Inc.	-	T

**Amendment to Item Approved on a Prior Board Agenda
Recommended for 12/13/2018 Board Agenda**

Project Information	15-09-05 – RFP / Science Equipment and Supplies – (Strickland) – (Longoria) Term Extension
Project Description	The purpose of this contract amendment is to execute a 90-day extension to purchase equipment and supplies for science labs at elementary and secondary campuses. The contract was originally approved by the board on January 14, 2016. The district applied the "Best Value" process in selecting the suppliers to be awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx's Viewed/ Received	
Project Term	90-day extension
Amount not to Exceed (Project Term)	\$0

Budget Information		
Fund Cost Center Functional Area General Ledger I/O	Various Schools and Departments	Fund Cost Center Functional Area General Ledger I/O

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Carolina Biological Supply		O
ExpoTech USA		T
Flinn Scientific		O
Frey Scientific		O
Pasco Scientific		O
Possible Mission, Inc.		T
ThermoFisher Scientific		O
VWR/Sargent Welch		O

**Amendment to Item Approved on a Prior Board Agenda
Recommended for 12/13/2018 Board Agenda**

Project Information	19-07-19 – RFP / Drug & Alcohol Testing – (Thomas) – (Barajas) Addition of Vendors
Project Description	This contract was approved by the Board of Education on October 11, 2018. The purpose of this amendment is to add two additional suppliers, to provide drug and alcohol testing services. The district applied the "Best Value" process in selecting the vendor and awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx's Viewed/ Received	60/4
Project Term	The contract term will be from October 12, 2018, through October 11, 2019, with four annual renewal options after the initial contract term, not to extend beyond October 11, 2023.
Amount not to Exceed (Project Term)	\$0

Budget Information			
Fund	Fund 799000000	Fund	Various Schools and Departments
Cost Center	Cost Center 3870806000	Cost Center	
Functional Area	Functional Area 4199000000000	Functional Area	
General Ledger	GL 6299000000	General Ledger	
I/O		I/O	

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
DISA Global Solutions, Inc.	C-D	H
Mega Lab Services	C-D	OT

**Amendment to Cooperative Item Approved on a Prior Board Agenda
Recommended for 12/13/2018 Board Agenda**

Project Information	16-04-39-02 – Cooperative / Print, Scan, Facsimile, Multifunction Devices, 3D Printers, Related Services, and Managed Print Services – (Torres) – (Schad) Budget Increase
Project Description	The purpose of this contract amendment is to request a budget increase for print, scan, facsimile, multifunction devices, three-dimensional (3D) printers, related services, and managed print services for Administrative Services. The project was originally approved by the board on May 13, 2016. The initial projected budget for this project was \$900,000. The projected budget increase is \$400,000, not to exceed \$1,300,000 for the duration of the contract. This is a cooperative agreement with the Department of Information Resources (DIR) utilizing contract RFO DIR-TSO-TMO-224, in accordance with Chapter 44 and Chapter 791 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFx's Viewed/ Received	
Project Term	
Amount not to Exceed (Project Term)	\$1,300,000

Budget Information		
Fund Cost Center Functional Area General Ledger I/O	Various Schools and Departments	Fund Cost Center Functional Area General Ledger I/O

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Canon U.S.A., Inc.		OT
Kyocera Document Solutions America, Inc.		OT
Ricoh USA, Inc.		OT
Xerox Corporation		OT
Oki Data Americas, Inc.		OT
Toshiba America Business Solutions, Inc.		OT
Brother International Corporation		OT
Lexmark International, Inc.		OT
Konica Minolta Business Solutions U.S.A., Inc.		OT
Flores and Associates		OT

**Amendment to Item Approved on a Prior Board Agenda
Recommended for 12/13/2018 Board Agenda**

Project Information	18-02-03-04 – Cooperative / Ice Cream Products – (Giacaman) – (Busby) Budget Increase and Term Change
Project Description	The purpose of this contract amendment is to request a term change and budget increase for ice cream products for Nutrition Services. The project was originally approved by the board on March 8, 2018. The initial projected annual budget for this project was \$250,000. The projected budget increase is \$100,000 per year, not to exceed \$350,000 per year or \$1,050,000 for the duration of the contract. This is a cooperative agreement with the Harris County Department of Education (HCDE) utilizing contract number 17/034TJ, in accordance with Chapter 44 and Chapter 791 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).
RFX's Viewed/ Received	
Project Term	The contract term is from March 9, 2018, through July 31, 2018, with two annual renewal options, if HCDE executes its contract renewal option, not to extend beyond July 31, 2020.
Amount not to Exceed (Project Term)	\$1,050,000

Budget Information		
Fund Cost Center Functional Area General Ledger I/O	Various Schools and/or Departments	Fund Cost Center Functional Area General Ledger I/O

Recommended Vendor(s) for Approval		
Name	M/WBE Commitment	Location
Paleria El Pibe	-	H

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Finance
Rene Barajas, Chief Financial Officer

SUBJECT: APPROVAL OF CURRENT AND ANTICIPATED DONATIONS FOR DISTRICTWIDE AND SCHOOL-SPECIFIC PROGRAMS AND AUTHORIZATION TO NEGOTIATE, EXECUTE, AND AMEND NECESSARY CONTRACTS ASSOCIATED WITH THESE DONATIONS

In accordance with board policy, all donations in aggregate of \$5,000 or more must be approved by the Houston Independent School District Board of Education.

The attachment reflects a summary of proposed donations.

COST/FUNDING SOURCE(S): Shown on the attached list.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 3: Rigorous Instructional Standards and Supports.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the proposed donations for districtwide and school-specific programs and authorizes the superintendent or a designee to negotiate, execute, and amend necessary contracts, effective December 14, 2018.

SUMMARY OF DONATIONS GREATER THAN \$5,000

Donor	Receiving School/ Department	Donation Disbursement	Total Value of Donation
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Robert Bunge and Dianne Murata	Black Middle School (MS)	Supplies and Materials, Technology Supports	\$10,000
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Robert Bunge and Dianne Murata have donated \$10,000 to Black MS to be used for the purchase of mobile devices, landscaping of outdoor classroom space, and supplies and materials for general instructional use. These donors have been a “friend” to Black MS for many years by making donations to support the students and campus. This donation can only be used as specified.

Wharton Dual Language Academy Parent- Teacher Organization (PTO)	Wharton Dual Language Academy	Payroll, Travel, Supplies and Materials	\$10,000
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The Wharton Dual Language Academy PTO has donated \$10,000 to the Wharton Dual Language Academy to support the International Baccalaureate (IB) program. The purpose of the donation is to provide associate teacher pay for teachers attending IB training, travel to the IB Global Conference 2019 in New Orleans (July 18–21, 2019) for three administrators, and instructional and reading materials for students. This donation can only be used as specified.

Foundation for Teen Health	Health and Medical Services	Supplies and Materials	\$20,000
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The Foundation for Teen Health has donated \$20,000 to the Health and Medical Services Department. The funds are to be used for construction modifications and supplies for the Baylor College of Medicine Teen Health Clinic at Milby High School. The construction work will be completed by staff from the Houston Independent School District Office of Facilities Services. These funds can only be used for the purpose specified.

Total Value of Donations: \$40,000

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Finance
Rene Barajas, Chief Financial Officer

SUBJECT: ACCEPTANCE OF GRANT FUNDS IN SUPPORT OF DISTRICTWIDE AND SCHOOL-SPECIFIC PROGRAMS AND AUTHORIZATION TO NEGOTIATE AND EXECUTE CONTRACTS REQUIRED UNDER THE GRANTS

In accordance with board policy, all grant funds in aggregate of \$5,000 or more must be approved by the Houston Independent School District Board of Education.

The attachment reflects a summary of grants awarded to HISD.

COST/FUNDING SOURCE(S): Shown on the attached list.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 3: Rigorous Instructional Standards and Supports.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education accepts the proposed grant funds for districtwide and school-specific programs and authorizes the superintendent of schools or designee to negotiate and execute contracts required under the grants, effective December 14, 2018.

SUMMARY OF GRANTS GREATER THAN \$5,000

Grantor	Receiving School/ Department	Grant Disbursement	Total Value of Grant	Fund
Direct Energy via the Houston Independent School District (HISD) Foundation	Austin High School (HS)	Band Program	\$20,000	XXXXXXXXXXXX
Direct Energy via the HISD Foundation has awarded a grant to Austin HS to repair instruments, supply new band materials, uniforms, and nurture the spirit of music in students. Direct Energy reached out to Austin HS to participate in this grant program. These funds may only be used as specified in the grant.				
Hess Signature Education Fund via HISD Foundation	Austin HS	LEAP 2.0 Program	\$113,200	XXXXXXXXXXXX
The Hess Signature Education Fund via the HISD Foundation has awarded a grant to Austin HS to pay for teacher stipends and programming support for restorative justice, English Language Arts, next-level personalized learning, and social emotional learning. The funds are part of the LEAP 2.0 program at Austin HS. Austin HS reached out to the Hess Signature Education Fund to participate in this grant program. These funds may only be used as specified in the grant.				
United Way of Greater Houston via HISD Foundation	Austin HS Booker T. Washington HS M.C. Williams Middle School (MS)	Out 2 Learn Learning and Empowering Program through Art and Design (LEAD) The Wolverine and Eagle Afterschool Program	\$83,500	XXXXXXXXXXXX

The United Way of Greater Houston via the HISD Foundation has awarded a grant to Austin HS and M.C. Williams MS. These funds are the first of two installments. The next installment is expected in January 2019. The purpose of this grant is to fund Austin HS - \$47,500 - Out 2 Learn – LEAD program and it will serve 170 underserved high school youth through daily afterschool programs at Austin HS in the East End. Programming will allow students to explore their skills and strengths in the arts; science, technology, engineering, and math (STEM); and design; and provide exposure to career and college opportunities. The purpose of this grant is also to fund M.C. Williams MS - \$36,000 - Out 2 Learn – The Wolverine and Eagle Afterschool program will serve 175 underserved middle- and high-school youth through daily afterschool programs at M.C. Williams MS and Booker T. Washington HS during the afterschool hours of 3:00 – 6:00 p.m. Programming will consist of tutoring, STEM, career development, fine arts, and parent workshops. The schools reached out to the United Way of Greater Houston to participate in this grant program. These funds may only be used as specified in the grant.

Total Value of Grants: \$216,700

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Finance
Rene Barajas, Chief Financial Officer

SUBJECT: APPROVAL OF RESOLUTION AND ORDINANCE ADOPTING EARLY ADDITIONAL PENALTY ON DELINQUENT TANGIBLE PERSONAL PROPERTY TAXES ON TAX YEAR 2018 FOR THE HOUSTON INDEPENDENT SCHOOL DISTRICT IN ACCORDANCE WITH SECTION 33.11 OF THE TEXAS PROPERTY TAX CODE

The Texas Property Tax Code (Code) contains various provisions allowing a taxing unit to add an additional amount up to 20 percent of delinquent taxes, penalty and interest owing in order to facilitate property tax collections. Section 33.07 of the Code provides for the additional amount to be added on all accounts remaining delinquent on July 1 that have a delinquency date of February 1 but not later than May 1. Section 33.08 of the Code provides for the additional amount to be added on all delinquent accounts with a delinquency date on or after June 1.

Section 33.11 provides for the additional amount to be added to tangible personal property accounts only that become delinquent on February 1 and remain delinquent 60 days after the date the taxes become delinquent. The purpose of the Section 33.11 additional penalty is to allow earlier turnover of those personal property tax accounts to the delinquent tax collection law firm since many of those personal property assets may no longer be available on July 1, due to businesses closing or properties no longer being available for seizure of assets under the Code.

In order for the Section 33.11 penalty to apply, the taxing unit must be under contract with an attorney to collect delinquent taxes. The Houston Independent School District (HISD) is under contract with a delinquent tax collection firm, which complies with the Code requirements. Imposition of these penalties allows HISD to retain all delinquent base taxes plus regular penalties and interest, and to pay the delinquent tax collection law firm from the additional collections imposed under Section 33.11.

The resolution and ordinance relating to adoption of the Section 33.11, 20-percent penalty on delinquent taxes is attached and on file in Board Services.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 4: Data-Driven Accountability. It also supports the

mission, vision, and beliefs of the district established by the Board of Education.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the resolution and ordinance adopting a 20-percent penalty pursuant to and in accordance with Section 33.11 of the Texas Property Tax Code on tax year 2018 tangible personal property taxes that become delinquent on or after February 1, 2019, effective December 14, 2018.

Executive Summary:

Approval of Resolution and Ordinance Adopting Early Penalty on Delinquent Tangible Personal Property Taxes on Tax Year 2018 for the Houston Independent School District in Accordance with Section 33.11 of the Texas Property Tax Code

Department Requestor:

Rene Barajas, Chief Financial Officer

Purpose:

§33.11 of the Texas Property Tax Code (Code) allows for imposition of an additional penalty for the collection of delinquent taxes, penalties and interest, and the early turnover of delinquent tangible personal property accounts to the contracted delinquent attorney. Examples of personal property are furniture, fixtures, machinery, equipment, inventory, and vehicles.

This law was enacted to allow collection of taxes on accounts that may no longer be available on July 1 and thereafter, due to businesses closing or properties no longer being available for seizure of assets under the Code. HISD has authorized the 20-percent additional penalty on all tangible personal property since 2009, and on all other delinquent taxes since 2001.

Prerequisites:

For this law to apply, a taxing unit that collects taxes must have contracted with an attorney under Section 6.30 of the Texas Property Tax Code, and the taxes on the personal property become delinquent on or after February 1 and remain delinquent 60 days after the date the taxes become delinquent.

Once the penalty is adopted, the tax office will be notified and the tax office will send the appropriate notices to the affected taxpayers notifying them of the date the collection fee will attach if not paid by the due date. The date the penalty attaches is in April of each year.

Board Meeting Requirements:

The board adopts and authorizes the penalty under Texas Property Tax Code Section 33.11.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
RESOLUTION AND ORDINANCE
RELATING TO APPROVAL OF SECTION 33.11 PENALTY
UNDER THE TEXAS PROPERTY TAX CODE FOR TAX YEAR 2018
DELINQUENT TANGIBLE PERSONAL PROPERTY TAXES OF THE
HOUSTON INDEPENDENT SCHOOL DISTRICT**

WHEREAS, Section 33.11 of the Texas Property Tax Code authorizes a taxing unit that has contracted with an attorney pursuant to Section 6.30 of the Texas Property Tax Code to add an early additional penalty not to exceed twenty percent (20%) of the amount of delinquent taxes, penalties, and interest on all tangible personal property taxes that become delinquent on or after February 1, and remain delinquent on the later of the date those taxes become subject to the attorney's contract, or 60 days after the date the taxes become delinquent, which additional penalty is incurred on a date prior to July 1 of the year in which the taxes become delinquent; and

WHEREAS, the Houston Independent School District is under contract with a law firm pursuant to Section 6.30 of the Texas Property Tax Code; and

WHEREAS, the Board of Education of the Houston Independent School District has determined that a twenty percent (20%) penalty shall be added for the 2018 tax year to those delinquent tangible personal property taxes, penalties and interest owed to the Houston Independent School District, and said Board by vote taken and passed on December 13, 2018, has voted to impose such twenty percent (20%) penalty for the 2018 tax year on those Houston Independent School District tangible personal property taxes that become delinquent on or after February 1 and that remain delinquent on the 60th day thereafter, and such penalty is incurred on a date before July 1 of the year in which the taxes become delinquent.

THEREFORE, BE IT RESOLVED AND ORDAINED THAT:

All of the above paragraphs are incorporated and made a part of this Resolution and be it,

RESOLVED and ORDAINED that the Board of Education of the Houston Independent School District has approved and does hereby pass, approve, authorize and declare that all

tax year 2018 tangible personal property taxes, that become delinquent on or after February 1, 2019, shall incur an additional penalty to defray costs of collection in the amount of twenty percent (20%) of the taxes, penalties and interest due, pursuant to and in accordance with Section 33.11 of the Texas Property Tax Code.

PASSED, APPROVED, AND ADOPTED this 13th day of December, 2018.

HOUSTON INDEPENDENT SCHOOL DISTRICT

By _____
Rhonda Skillern-Jones, President
Board of Education

ATTEST:

Sergio Lira, Secretary
Board of Education

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Finance
Rene Barajas, Chief Financial Officer

**SUBJECT: RATIFICATION OF USE OF SELF-INSURANCE RECOVERY FUND
FOR FLEMING MIDDLE SCHOOL**

On August 30, 2017, Fleming Middle School (MS) reported vandalism on the heating, ventilating, and air conditioning (HVAC) unit that services the boys' and girls' locker rooms. All copper coils were removed from the exterior condenser. Because there was no condenser available which matched the interior air handler, the entire system had to be replaced.

This agenda item seeks ratification by the Houston Independent School District (HISD) Board of Education of use of the Self-Insurance Recovery Fund (SIRF) to fund replacement of the HVAC unit.

COST/FUNDING SOURCE(S): The cost of this action will not exceed \$150,000 and will be paid from the SIRF for insurance-related damages.

Fund Source	Fund	Cost Center	Functional Area	General Ledger	Internal Order/ Work Breakdown Structure	Amount
SIRF	1999010000	1013078000	AD51990000000000	6629190000	N/A	\$149,131.93

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 5: Culture of Trust through Action. It also helps to ensure student health, safety, and well-being, and helps to increase organizational efficiency.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education ratifies use of the SIRF for Fleming MS, effective December 14, 2018.



HISD

Houston Independent School District
 Risk Management Department
 6351 Pinemont Drive Rt. 1 Suite 219
 Houston, TX 77092-3205
 Telephone: 713-556-9225 / Fax: 713-556-9244

EXECUTIVE SUMMARY

APPROVAL TO USE THE SELF-INSURANCE RECOVERY FUND TO FUND THE REPLACEMENT OF THE HVAC UNIT AT FLEMING MIDDLE SCHOOL

DEPARTMENT REQUESTOR

RISK MANAGMENT

BACKGROUND/GENERAL INFORMATION

- What's Covered:** The Self-Insurance Recovery Fund was established to assist schools and departments with unexpected losses too large for their budgets, and to provide a ready source of funds in the event of a major property loss so that the District can immediately take necessary actions to resume operations. Risk Management reviews all requests for use of the Self-Insurance Recovery Fund. Any loss with payments in excess of \$100,000 requires the approval of the Board of Education.
- Event:** On August 30, 2017, Fleming Middle School reported vandalism on the HVAC unit that services the boys and girls locker room. All copper coils were removed from the exterior condenser. Due to there being no match available to the interior air handler, the entire system had to be replaced.
- Cost:** The cost of this action will not exceed \$150,000 and will be paid from the SIRF for insurance-related damages. There is a \$5,000 deductible for middle schools.
- Vendor:** Proposal price:
Carrier - \$149,131.93

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Finance
Rene Barajas, Chief Financial Officer

**SUBJECT: RATIFICATION OF USE OF SELF-INSURANCE RECOVERY FUND
FOR WILSON MONTESSORI SCHOOL**

On October 8, 2018, Wilson Montessori School reported a plumbing issue that caused severe flooding to the second and third floor corridor, classrooms, and offices. Restoration services were called in for water damage cleanup. Contractors were called to repair floors, walls, and ceiling tiles. Risk Management has reported the loss to the carrier.

This agenda item seeks ratification by the Houston Independent School District (HISD) Board of Education of use of the Self-Insurance Recovery Fund (SIRF) to fund the cleanup and repairs.

COST/FUNDING SOURCE(S): The cost of this action will not exceed \$520,000 and will be paid from the SIRF for insurance-related damages.

Fund Source	Fund	Cost Center	Functional Area	General Ledger	Internal Order/ Work Breakdown Structure	Amount
SIRF	1999010000	1012259000	AD51990000000000	6249000000	N/A	\$60,214.73
SIRF	1999010000	1012259000	AD51990000000000	662919000	N/A	\$456,950.73

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 5: Culture of Trust through Action. It also helps to ensure student health, safety and well-being, and helps to increase organizational efficiency.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education ratifies use of the SIRF for Wilson Montessori School, effective December 14, 2018.



HISD

Houston Independent School District
 Risk Management Department
 6351 Pinemont Drive Rt. 1 Suite 219
 Houston, TX 77092-3205
 Telephone: 713-556-9225 / Fax: 713-556-9244

EXECUTIVE SUMMARY

APPROVAL TO USE THE SELF-INSURANCE RECOVERY FUND TO FUND THE CLEANUP AND REPAIRS AT WILSON MONTESSORI

DEPARTMENT REQUESTOR

RISK MANAGMENT

BACKGROUND/GENERAL INFORMATION

- What's Covered:** The Self-Insurance Recovery Fund (SIRF) was established to assist schools and departments with unexpected losses too large for their budgets, and to provide a ready source of funds in the event of a major property loss so that the District can immediately take necessary actions to resume operations. Risk Management reviews all requests for use of the Self-Insurance Recovery Fund. Any loss with payments in excess of \$100,000 requires the approval of the Board of Education.
- Event:** On Monday, October 8, 2018, Wilson Montessori School reported a plumbing issue that caused severe flooding to the second and third floor corridors, classrooms, and offices. Restoration services were called in for water damage cleanup. Contractors were called to repair floors, walls, and ceiling tiles. Risk Management has reported the loss to the insurance carrier.
- Cost:** The cost of this action will not exceed \$520,000 and will be paid from the SIRF for insurance-related damages. There is a \$1,000 deductible for elementary schools.
- Vendor(s):** Proposal price(s):
 Just Construction - \$456,950.73
 Blackmon Mooring - \$60,214.73

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Finance
Rene Barajas, Chief Financial Officer

**SUBJECT: ADOPTION OF RESOLUTION APPROVING THE CASH
MANAGEMENT AND INVESTMENT POLICY AND THE AUTHORIZED
LIST OF BROKERS/DEALERS**

Chapter 2256 of the Government Code requires all local governments, including school districts, to have their *Cash Management and Investment Policy* reviewed by their governing boards annually. Under the Houston Independent School District's (HISD's) current *Cash Management and Investment Policy*, the Investment Advisory Committee shall meet annually to review and advise the district with respect to current investment policies, strategies, and options. HISD's investment officers met with the Investment Advisory Committee and reviewed the district's investment portfolio, the *Cash Management and Investment Policy*, and the district's investment strategies for 2018–2019.

There are no changes to the *Cash Management and Investment Policy* or the list of approved brokers/dealers.

The HISD Investment Advisory Committee met in May 2018. Committee business included approving the list of authorized entities to provide investment training to the district.

A copy of the resolution relating to the approval of the *Cash Management and Investment Policy* is attached.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 5: Culture of Trust through Action. The approval of this item ensures that HISD is in compliance with the current statutory requirements.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education adopts the resolution approving the *Cash Management and Investment Policy* and the authorized list of brokers/dealers, effective December 14, 2018.

**HOUSTON INDEPENDENT SCHOOL DISTRICT
RESOLUTION RELATING TO THE APPROVAL OF THE
CASH MANAGEMENT AND INVESTMENT POLICY**

WHEREAS, Section 2256.005 of the Government Code requires that an investment policy be adopted by rule, order, ordinance or resolution,

THEREFORE BE IT RESOLVED THAT:

All of the above paragraphs are incorporated and made a part of this Resolution and be it,

RESOLVED AND ORDAINED that the Board of Education of the Houston Independent School District has reviewed and approved the Houston Independent School District's *Cash Management and Investment Policy*, as revised December 13, 2018.

PASSED, APPROVED, AND ADOPTED
THIS 13th DAY OF DECEMBER, 2018

HOUSTON INDEPENDENT SCHOOL DISTRICT

By: _____
Rhonda Skillern-Jones, President
Board of Education

Attest: _____
Sergio Lira, Secretary
Board of Education

Executive Summary**Purpose:**

Section 2256.005 of the Government Code requires that an investment policy be adopted by rule, order, ordinance or resolution annually. Additionally the Board must annually approve the list of Brokers/Dealers authorized to do business with the District. This agenda item and accompanying resolution are put forth to meet the statutory requirements.

There are no changes to the policy currently in place or to the current list of approved Brokers/Dealers.

Prerequisites:

The Cash Management and Investment Policy was previously approved by the Board on September 14, 2017.

Board Meeting Requirements:

A motion be made and by vote the Board adopt the resolution approving the Cash Management and Investment Policy and the authorized list of brokers/dealers.

HOUSTON INDEPENDENT SCHOOL DISTRICT CASH MANAGEMENT AND INVESTMENT POLICY

SCOPE

This Cash Management and Investment Policy covers all financial assets under the direct authority of the Houston Independent School District. These assets include funds of the General Fund, Special Revenue Fund, Food Service Fund, Capital Projects Fund, Debt Service Funds, Trust and Agency Funds, Enterprise Funds, Internal Service Funds and Activity Funds. Deferred Compensation Plans are excluded.

OBJECTIVES

The primary objectives of the cash management and investment policy in decreasing order of priority are:

- (1) assure the **SAFETY** of District's funds;
- (2) maintain sufficient **LIQUIDITY** to provide adequate and timely working funds;
- (3) maintenance of the **PUBLIC TRUST** as custodians and managers responsible for the investing of funds subject to state and federal laws.
- (4) optimization of **YIELD** as expressed in terms of rate of return and interest earnings

Additional objectives of the policy include:

1. The diversification of investments as relating to maturity, instruments, and issuers shall be considered a priority within the context of the overall investment policy.
2. To avoid investments for speculation.

All objectives shall be approached with the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the capital, as well as the probable income to be derived. Preservation of District capital is of highest importance. All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the District's ability to govern effectively.

AUTHORITY FOR CASH MANAGEMENT AND INVESTMENT PROGRAM

In accordance with Chapter 2256 of the Government Code, the responsibility for approving investment policy resides with the trustees of the Board of Education. The Chief Financial Officer and Controller are designated as investment officers of the District and are responsible for investment decisions and activities, under the direction of the Superintendent of Schools. In the absence of the Chief Financial Officer and Controller, the Treasurer is designated as the alternate investment officer of the District.

The investment officers of the District shall:

- (1) attend at least one training session totaling 8 hours of instruction relating to the investment officer's responsibilities within 12 months after taking office or assuming duties;
- (2) attend an investment training session not less than once in a two-year period and receive not less than 8 hours of instruction relating to investment responsibilities from an independent source that has been approved by either the Board of Education or the Investment Advisory Committee after the initial 10 hour session; and
- (3) ensure that the training attended includes training on diversification of investment portfolio.

Training periods will run concurrently with the fiscal year starting July 1st and ending June 30th.

INTERNAL CONTROLS

The investment officers shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the independent auditors. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, anticipated changes in financial markets, or imprudent actions by employees and officers of the District. Controls deemed most important shall include: control of collusion, segregation of duties, separation of transaction authority from accounting and recordkeeping, custodial safekeeping, avoidance of bearer form securities, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transaction, limiting the number of authorized investment officials, and documentation of transaction and strategies. No investment transaction shall be allowed with an investment firm with whom the investment officers have a personal business relationship.

DEPOSITORY BANK

The Texas Education Code requires independent school districts to select a school depository for purposes of receiving deposit funds of the district. The District's depository shall be selected every two years in accordance with § Chapter 45, Subchapter G of the Texas Education Code. A school depository under the terms and provisions of § Subchapter G, Section 45.201 of the Texas Education Code shall be a bank located in the State of Texas. Selection of the depository bank shall be on the competitive bid basis as per § Chapter 45, Subchapter G of Texas Education Code. Section 45.205(b) provides authority to renew the depository contract for two periods of two years each. Depository contracts must coincide with the District's fiscal year dates.

The bank, or banks, selected as school depository, or depositories, and the District shall make and enter into a depository contract or contracts, bond or bonds, or such other necessary instruments setting forth the duties, responsibilities, and agreements pertaining to said depository in a form and with the content prescribed by the State Board of Education. The depository bank when selected shall serve for a term of two years and until its successor shall have been duly selected and qualified, and shall give bond, pledge approved securities, or give bond and pledge approved securities as provided for in the depository contract subject to the regulations under the Texas Education Code. The two-year term shall commence and terminate on the fiscal year of odd numbered years. No premium on any depository bond shall be paid out of funds of the District.

INVESTMENT INSTRUMENTS

All District investments shall comply with Chapter 2256, of the Government Code for investment of District funds. It is the policy of the Houston Independent School District to limit its investments to:

I. Money Market Accounts

- II. Certificates of Deposits** issued for maturities of not greater than five years, by
- (A) Financial institutions which have its main office or a branch office in the State of Texas that are:
 - (1) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or
 - (2) secured by obligations that are described in the policy section on Pledged Securities.
 - (B) Brokers or depository institutions meeting all of the requirements stipulated in Section 2256.010(b) of the Government Code.

III. Interest-bearing banking deposits that are guaranteed or insured by:

- (A) The Federal Deposit Insurance Corporation or its successor; or
- (B) The National Credit Union Share Insurance Fund or its successor.
- (C) Brokers or depository institutions meeting all of the requirements stipulated in Section 2256.009(a) (7) and (8).

- IV. **Obligations of the U.S. Government or its agencies and instrumentalities**, including letters of credit, that are direct obligations of the U.S. Government or its agencies and instrumentalities, including the Federal Home Loan Banks. Maturities are not to exceed ten years.
- IV. **State Obligations** that are direct obligations of the State of Texas or its agencies, with maturities not greater than ten years.
- V. **Other Obligations**, with maturities not greater than ten years.
 - A. the principal of and interest on are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; or,
 - B. of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than AA or its equivalent at time of purchase.
- VI. **Repurchase Agreements** are simultaneous purchase and sale of securities from a bank or dealer. Fully collateralized direct repurchase agreements having a defined termination date and secured by a combination of cash or obligations that are described in Section 2256.009(a)(1) and the policy section on pledged securities, and placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas may be acceptable.

With respect to repurchase agreements:

- (a) the market value of the collateral shall equal at least 110 percent of the cash value of the repurchase agreement;
- (b) the collateral should have maturity date of less than five years;
- (c) all cash and securities purchased as collateral for repurchase agreements shall be held in the District's name by the District's third party custodial safe-keeping agent;
- (d) the seller of repurchase agreement securities shall be entitled to substitute securities upon authorization by the District;
- (e) retail repurchase agreements are prohibited;
- (f) no repurchase agreement shall be entered into unless a master repurchase agreement has been executed between the District and its trading partners; and

- (g) where repurchase agreements have been entered into with the District's Depository, all confirmations and safekeeping receipts shall be maintained by a third-party safekeeping agent.
- (h) Reverse repurchase agreements are simultaneous sale and purchase of securities from a bank or broker/dealer. Reverse repurchase agreements having a defined termination date and rate of interest may be placed through a bank or broker/dealer.

The following conditions are to be met for reverse repurchase agreements.

- (1) maturity cannot be longer than 30 days.
 - (2) the maturity of investment of proceeds from reverse repurchase agreements shall match the maturity of the reverse repurchase agreement.
 - (i) Section 1371.059(c) applies to the execution of a repurchase agreement by an investing entity.
- VII. **Investment Pools**--The District can invest in investment pools which meet the criteria listed in Section 2256.016 and 2256.019 of the Government Code. Pools authorized for investment of District funds include the Lone Star Investment Pool (TASB sponsored), TexSTAR (managed by First Southwest Asset Management, Inc.), TEXPOOL and TEXPOOL Prime (managed by the State Comptroller's Office) and LOGIC (managed by JPMorgan Investment Management, Inc.). All new agreements with investment pools shall be approved in advance by the Board of Education.
- VIII. **Money Market Mutual Funds**--Chapter 2256 of the Government Code authorizes the District to invest funds under its control in an SECregulated and registered money market fund which complies with federal Securities and Exchange Commission Rule 2a-7 and provides the District with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940. The District is authorized by statute to invest up to 15 percent of its monthly average fund balance, excluding bond proceeds, reserves and funds held for debt service, in money market mutual funds described in this section. This policy additionally requires a money market mutual fund to maintain a AAA rating or its equivalent by at least one major rating agency.
- IX. The District is authorized except for Bond proceeds to invest in a no-load mutual fund that:
- A. is registered with the Securities and Exchange Commission;
 - B. has an average weighted maturity of less than two years;

- C. either has a duration of one year or more and is invested exclusively in obligations approved by Chapter 2256 or its investment portfolio is limited to investment grade securities, excluding asset-backed securities.

X. Commercial Paper

The District is authorized to invest in commercial paper that meets the following criteria:

- A. has a maximum maturity not exceeding 270 days from date of issuance.
- B. is rated at least A1 or P1 by two nationally recognized credit rating agencies..
- C. is issued for a specific face amount.
- D. is issued either through a direct placement or through broker dealers.
- E. the District will diversify its investment in commercial paper by issuer and by length of maturity
- F. the maximum the District will have in commercial paper at any time is 30% of the District's portfolio.

XI. Corporate Bonds

The District is authorized to invest in corporate bonds which meet the criteria established in Section 2256.0204 including but not limited to the following:

- A. Is a senior secured debt obligations issued by a domestic business entity and rated not lower than "AA-" or the equivalent by a nationally recognized investment rating firm.
- B. The stated maturity must not be longer than three years from the date of purchase.
- C. The District will limit investment in corporate bonds to the General Fund, Health Insurance Fund and Workers' Compensation Fund.
- D. The District will adhere to procedures established in order to govern the process for approving eligible corporate bond issuers and review processes as detailed in Appendix D of the Cash Management and Investment Policy.

- XII. Investment of Bond Proceeds--Bond proceeds held in a construction fund or capitalized interest fund may only be invested in the following investment instruments to the extent permitted by applicable State Laws, including but not limited to Chapter 2256, as amended, Texas Government Code, and subject to the following asset mix requirements:

Public Investment Pools	100% (maximum)
U.S. Government Securities	100% (maximum)
U.S. Agency Securities	100% (maximum)
Repurchase Agreements	100% (maximum) (*)
Money Market Mutual Funds	100% (maximum)
Guaranteed Investment Contract	100% (maximum) (**)
Commercial Paper	30% (maximum)

(*) Repurchase agreements including flexible repurchase agreements must comply with the requirements of Section VI herein. The third party custodial agent is required to mark to market all margin collateral on a weekly basis. Additionally, any securities purchased by the district under a repurchase agreement may not have a stated maturity date greater than two years from the date of purchase.

(**) Guaranteed Investment Contracts are authorized investments only if they meet the following requirements: (a) have defined termination date, (b) are secured and (c) are pledged to the district and deposited with the district or with a third party selected and approved by the district. Additionally Section 1371.059(c) applies to the execution a a guaranteed investment contract.

XIII. **Hedging transactions** are authorized if they conform with section 2256.026 and section 1371.059(c).

XIV. The District is **prohibited from investing in** the following types of investments:

- A. obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- B. obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- C. collateralized mortgage obligations that have a stated final maturity date of greater than 10 years;
- D. collateralized mortgage obligations whose interest rate is determined by an index that adjusts opposite to the changes in a market index; and
- E. banker's acceptances.

SECURITIES BROKERS AND DEALERS

In compliance with Section 2256.05 of the Government Code, a written copy of this investment policy shall be presented to any business organization offering to engage in an investment transaction with the District. A “business organization” means an investment pool or investment management firm under contract with the District to invest or manage the District’s investment portfolio that has accepted authority granted by the District under the contract to exercise investment discretion in regard to the District’s funds.

A qualified representative (Section 2256.02(10)) of that business organization seeking to sell an authorized investment shall execute the Investment Policy Affidavit shown in Appendix C to this Policy. The Investment Policy Affidavit must contain provisions that require the business organization to acknowledge that they have:

- (1) received and thoroughly reviewed the investment policy of the District; and
- (2) acknowledged that the their firm has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by the investment policy, except to the extent that this authorization:
 - (a) is dependent on an analysis of the makeup of the District’s entire portfolio;
 - (b) requires an interpretation of subjective investment standards; or
 - (c) relates to investment transactions of the District that are not made through accounts or other contractual arrangement over which the business organization has accepted discretionary investment authority.

The investment officers are prohibited from acquiring and authorized investment from business organizations who have not delivered to the District an Investment Policy Affidavit.

The Superintendent will recommend a list of qualified broker/dealers which will be approved by the Board of Education to do business with the District. The District will send each approved broker/dealer a copy of the approved investment policy as a matter of courtesy and in order to help the broker/dealer meet its duties under Financial Industry Regulatory Authority (FINRA) Rule 2111.

COMPETITIVE BIDDING

A competitive bid process, utilizing a minimum of three (3) bids (if available) from authorized broker/dealers will be used for purchase of all investments. Bids may be solicited orally, in writing, or electronically.

Records will be kept of the bids offered, the bids accepted, and a brief explanation of the decision which was made regarding the purchase.

Based on an annual evaluation, major financial institutions will be dropped from or continued on the authorized list. The following criteria will be used in the annual evaluation:

- Number of transactions competitively won,
- Prompt and accurate confirmation of transaction,
- Efficient securities delivery,
- Accurate market information, and
- Account servicing.

INVESTMENT MANAGEMENT FIRM

Upon recommendation of the Investment Advisory Committee and approval of the Superintendent of Schools and the Board of Education, the Investment Officers of the District may contract with an investment management firm to provide for the investment and management of the District's portfolio. The contract may not be for a term longer than two years.

HOUSTON PUBLIC FACILITIES CORPORATION

Investments made by the Houston Public Facilities Corporation ("Corporation") shall comply with all provisions of this policy except where expressly addressed within this section.

Investments purchased by the Corporation shall be held by the trustee or the trustee's designee.

Investment securities purchased by the Corporation shall be made with the prior approval of one or more of the investment officers of the District.

Investment decisions will be evaluated in comparison with competitive bids available in the open market.

Investment diversification limits shall be considered within the context of investments held within the combined portfolios of Houston Independent School District and the Houston Public Facilities Corporation.

The trustee will provide monthly reports of investment activity to the Finance Department of Houston Independent School District.

PLEDGED SECURITIES

Funds on deposit with the depository bank shall be collateralized by pledged approved securities as specified by Section 45.208, Subchapter G, of Texas Education Code and/or a surety bond as in Section 45.208, Subchapter G of the Texas Education Code to adequately protect the funds of the District. Further, the District will require pledged securities at least equal to that set forth in Texas

Government Code Chapter 2257.022, Subchapter B, Depository: Security For Deposit of Public Funds . The District shall have the right to designate the amount of approved securities and/or the aggregate amount of the bond to adequately protect the District. The District may not designate an amount less than the balance of school district funds on deposit with the depository bank from day to day, less any applicable Federal Deposit Insurance Corporation insurance. The approved securities shall be valued at market value for purposes of calculating the designated amount of collateral required. The bank shall have the right and privilege of substituting approved securities upon obtaining the approval of the District.

Types of approved securities include:

1. US Treasury Notes.
2. US Treasury Bills.
3. Federal Farm Credit Bank Notes and Bonds.
4. Federal Home Loan Bank Notes and Bonds.
5. Federal National Mortgage Association Notes and Bonds.
6. Federal Home Loan Mortgage Corporation Notes and Bonds.
7. State of Texas Bonds.
8. Bonds of City, County and Independent School Districts located in Texas with a Moody's rating of Aa or better or a Standard and Poor's rating of AA or better.
9. Federal Home Loan Bank letter of credit.
10. Fixed-rate collateralized mortgage obligation that has an expected weighted average life of 10 years or less and does not constitute a high-risk mortgage security as defined in Chapter 2257.0025 of the Government Code.
11. Floating-rate collateralized mortgage obligation that has an expected weighted average life of 10 years or less and does not constitute a high-risk mortgage security as defined in Chapter 2257.0025 of the Government Code.
12. Surety bond issued by an issuer with a rating of A or better by one or more rating agencies..

Pledged approved securities shall be held either by (1) The Federal Reserve Bank or (2) Federal Home Loan Bank of Dallas or (3) a third party bank which is not associated directly or indirectly with the depository bank. The investment risk of certificates of deposits, money market funds, and the daily deposit accounts is covered by these pledged approved securities or in lieu of the pledged approved securities, the Bank shall file with the District a bond in an initial amount equal to the estimated highest daily balance to be determined by the investment officers for all deposits which the District will have in the depository bank less any applicable Federal Deposit Insurance Corporation insurance. Said bond shall be payable to the Houston Independent School District and shall be signed by the bank and by some surety company authorized to do business in the State of Texas. The bank shall increase the amount of the bond if the investment officers determine it to be necessary to adequately protect the funds of the District.

SAFEKEEPING OF INVESTMENTS

All investments shall be issued in the name of the Houston Independent School District.

Certificates of deposit issued by the depository bank or other financial institution in the District's name shall be issued to the District in receipt form and held in the District's vault.

All investments purchased through the District's depository bank which are recorded on the Federal Reserve's book entry system shall be issued in the District's name, confirmed to the District via a safekeeping receipt which shall be maintained on the books of a third party's safekeeping department which is not associated directly or indirectly with the District's depository bank. The District may contract directly with a third party bank's safekeeping department for all investments.

All investments, except those purchased from the District's depository bank, shall be recorded in the District's name on the Federal Reserve's book entry system and confirmed to the District via safekeeping receipt maintained on the books of the depository bank's safekeeping department.

MARKET PRICE OF INVESTMENTS

The market price of investments acquired by the District will be monitored at least quarterly. The safekeeping department of the depository bank will be required to provide the market value of all of the District's holdings on a monthly basis. At fiscal year end, two brokerage firms will be contacted to provide their independent evaluations of the market value of the District's direct investments in Agencies, Treasuries, and Commercial Paper. Quarterly Investment reports will report both the book value and market value of each investment at each quarter. The book value of the District's investments will be adjusted to match market value at June 30 of each year.

EFFECT OF LOSS OF REQUIRED RATING

The District will monitor changes in ratings of investments which require specific rating thresholds. Ratings for all District investments requiring ratings will be done at least monthly. District investment officers will take prudent measures to liquidate investments which do not have required minimum ratings. These measures will include a written liquidation strategy prepared by the investment officers within one week of the officers becoming aware of such a rating change.

Investments in corporate bonds must be liquidated within seven days of a change in rating reducing the rating below "AA-" or the equivalent or that of the investment being placed on negative credit watch if already at a rating of "AA-" or the equivalent.

Investments in obligations of states, agencies, counties, cities, and other political subdivisions requiring at time of purchase a rating by at least one rating firm of at least “AA” or the equivalent shall be liquidated within seven days of a change in rating reducing the highest rating to “A” and subsequently being placed on negative credit watch.

PORTFOLIO STRUCTURE

To meet the investment objectives of the Houston Independent School District, the portfolio shall be scheduled to coincide with the projected cash flow needs.

The available funds in the General Operating Fund may be invested for greater than one year provided that all cash flow requirements have been met. Available monies in all other funds, except for bond proceeds, can be invested for a period of up to ten years provided that cash flow needs are met. Bond proceeds can be invested for a period up to five years provided that the drawdown schedules permit such maturities.

The asset mix of the District's portfolio, except for investments purchased under Section XI of the Investment Instruments, is expressed in terms of maximum commitment so as to allow sufficient flexibility to take advantage of market considerations within the context of this policy.

In order to reduce concentration of credit risk the District incorporates specific threshold limits. These maximum limits are defined as follows:

District Limit is the maximum allowable investment in a specific type of security as expressed as a percentage of the total District investment balance.

Issuer Limit is the maximum allowable investment by a particular investment issuer (ex FHLMC, FNMA, FHLB, etc.) as expressed as a percentage of the total District investment balance.

The asset mix requirements are as follows:

	District Limit	Issuer Limit
Money Market Accounts	7%	7%
Certificates of Deposit	50%	10%
U.S. Government Securities	100%	100%
U.S. Agency Securities	80%	40%
Municipal Securities	20%	5%
Repurchase Agreements	8%	8%
Investment Pools	100%	40%
Money Market Mutual Funds	15%	5%
Mutual Funds	15%	5%
Commercial Paper	30%	5%
Corporate Bonds	15%	5%

The District will not invest 100% of its portfolio in any single Investment Pool. If Investment Pools are the only investment type then the money should be subdivided between various pools for diversification and security reasons. Investments in any pool will be limited to 25% of the average Net Asset Value of that pool.

In the event of a disruption in the financial markets asset mix requirements may be temporarily suspended. A decision made by the concurrence of the investment officers to suspend asset mix requirements shall be reported within one day to the Board of Education. An update shall be prepared weekly for the Board of Education until such time that asset mix requirements are reinstated.

District limits on Corporate Bonds are further limited by calculating the 15% limit exclusive of bond proceed funds and debt service funds and by limiting exposure to no more than 25% of the corporate bond class by any single issuer.

The investment portfolio shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue, or a specific class of securities. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- Within the cash flow requirement constraints, investment maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity.
- Liquidity shall be ensured through practices to ensure that the payroll account and the operating account are covered through maturing investments.
- Risks of market price volatility shall be controlled through maturity diversification. The District limits exposure to interest rate risk through maturity diversification. The District will utilize a combination of Weighted Average Maturity and Duration analysis for monitoring of interest rate risk.

RISK TOLERANCE

The District recognizes that investment risks can result from market price changes and various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. Investment officers are expected to display prudence in the selection of securities, as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. All investment reports shall specifically address whether current investment results have been affected by any of the foregoing risks, and shall explain what actions investment officers have taken to control or correct such risks.

In addition to these general policy considerations, the following specific policies will be strictly observed:

- (1) All investment funds will be placed directly through qualifying financial institutions or other parties as permitted by law.
- (2) All transactions will be executed on a delivery versus payment basis.
- (3) The District will not trade in options or future contracts.
- (4) Before accepting funds or engaging in investment transactions with the District, officials of approved broker/dealers shall be required to familiarize themselves with the District's investment objectives and constraints.

STRATEGIC CONSIDERATIONS FOR PORTFOLIO MANAGEMENT

- (1) Staying short-term in liquid instruments at all times avoids market risk and generates superior returns during periods of rising interest rates.
- (2) Invest the portfolio to the full term possible under the cash budget.
- (3) Establish a liquidity base to provide for known short-term disbursement requirements and select remaining maturities on the basis of investment return offered.

STRATEGIC INVESTMENT PRIORITIES FOR ALL FUNDS

Investment strategies are common for all of the District's funds and are prioritized as follows:

- (1) understanding of the suitability of the investment to the financial requirements of the District;
- (2) preservation and safety of principal;
- (3) liquidity;
- (4) marketability of the investment if the need arises to liquidate the investment before maturity;
- (5) diversification of the investment portfolio; and
- (6) yield.

INFLUENCES ON INVESTMENT STRATEGIES

- (1) Expected net cash flows

- (2) Possible deviations from cash forecast
- (3) Maturity structure of debt
- (4) Borrowing capacity and the arbitrage ruling
- (5) Efficiency of cash management
- (6) Interest rates on various investment instruments
- (7) Economic conditions and future expectations

INVESTMENT STRATEGIES BY FUND

General Fund

The General Fund group includes funds for operations along with funds resulting from the sale of contractual obligations. The primary investment strategy will be that of ensuring resources are available for expenditure needs. A Barbell Approach for funds not budgeted for current fiscal year expenditure may be beneficial in certain market conditions.

Business Development

Due to the limited investable balance of this fund only very short term investments are warranted with an emphasis on the utilization of investment pools.

Capital Projects

The Capital Projects Fund group includes both bond sale resources and non-bond resource funds. These funds are utilized for construction and other capital expenditure activity. Liquidity shall be maintained to meet short term expenditure schedules while long term requirements may be met with either a matching or barbell approach. Within this fund group bond fund investments are limited to five year final stated maturities while non-bond funds are limited to ten year final stated maturities. The maximum weighted final maturities of bond construction funds shall be one and one-half years.

Debt Service Fund

The Debt Service Fund is utilized for the payment of debt related obligations. The primary strategy will be that of matching successive payments with available funds. Each successive payment will be funded before longer securities are purchased. The maximum weighted final maturity of this fund shall be one and one-half years.

Food Service Fund

The Food Service Fund is an enterprise fund for the purpose of food service sales and operations. The primary investments of this fund will be overnight pools but when fund balances permit longer term investments may be purchased.

Workers' Compensation Fund

The purpose of this fund is to establish a reserve for and pay worker's compensation claims. This fund is intended to maintain longer term reserves and either a laddered or barbell approach may be utilized.

Health Insurance Fund

The Health Insurance fund is intended to establish a reserve for and pay employee health insurance claims. This fund is intended to maintain longer term reserves and either a laddered or barbell approach may be utilized.

Internal Service Fund

The Internal Service Fund is funded through internal transfers. Due to the cash flow characteristics of this fund investment pools will be utilized as the primary investment vehicle.

Medicaid Fund

The Medicaid Fund is utilized to account for the accumulation of resources received via inter-local agreements. The primary investment in this fund will be overnight pools due to the volatility of cash flows.

Print Shop Fund

The Print Shop Fund is intended for the accounting of printing and media operations. Due to the cash flow characteristics of this fund investment pools will be utilized as the primary investment vehicle.

Special Revenue Fund

The Special Revenue Fund is utilized to account for the receipt and expenditure of grant funds. Due to the temporary nature of fund balances the primary investments in this fund will be investment pools.

Trust & Agency Funds

These funds are used to account for various district agency funds and trust accounts. Cash flow patterns and large number of individual accounts result in the primary investment vehicle being investment pools with limited longer term investments dependent upon cash requirements.

Activity Funds

These funds are used to account for various school activity funds. Due to the relatively small balance and varied cash flow patterns, the primary investment vehicle will be investment pools. Longer term securities may be purchased where cash requirements allow.

INVESTMENT ADVISORY COMMITTEE

The investment advisory committee shall advise the District with regards to current investment policies, strategies and investment options. The advisory committee will include the current investment officers of the District, the Financial Advisor to the District, and four external members. The external members of the committee shall have backgrounds in investment banking, commercial banking, or through current experiences

as a treasurer/investment officer with another large public entity or a treasurer/investment officer of a major corporation.

The investment officers shall annually submit a list of recommendations to the Superintendent of Schools who shall make the necessary appointments. The investment officers shall prepare a written report to the Superintendent of the Committee's recommendations.

The Investment Advisory Committee will annually approve a list of independent sources of investment training authorized to provide training for District investment officers.

CASH FLOW PROJECTIONS AND STATEMENT

Cash flow projections shall be prepared for a combination of weekly, monthly and yearly periods. A receipts and disbursements forecast will be in the format of a sources and uses of fund statement with individual line items that are specific to each fund.

Cash flow statements shall be prepared for every fund every month to compare actual to forecast. Variance reporting based on the comparison of actual cash flows to forecasted cash flows improves the quality of the forecast by providing feedback on forecasting abilities, as well as by facilitating adjustment of the forecast within the forecast period. Dramatic variances between the cash flow projection and cash flow statements may provide an early warning of a change in condition.

SHORT-TERM BORROWING

The District's fiscal year is July 1 through June 30 and the tax collection year is February 1 through January 31. Ninety percent (90%) of District's tax collections are in the period of December 20 through February 25. Before December 20 of every year, there can be cash flow shortage in the months of October, November, and the first three weeks of December. To meet this shortfall of cash the District shall either issue maintenance tax anticipation notes or borrow money from the depository bank for the duration of less than one year at the rate specified in the depository contract.

PRUDENCE

The District shall adhere to the "prudent person rule," which obligates a fiduciary to ensure that:

- Investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived.
- Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's

credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.

COMPLIANCE AUDIT

In conjunction with its annual audit, the District's external auditors shall perform a compliance audit of management controls on investments and adherence to the District's established investment policies.

TEXAS ETHICS COMMISSION

Investment officers are required under Section 2256 of the Government Code to file a statement with the Texas Ethics Commission if the investment officer has a personal business relationship with a business organization. An investment officer has a personal business relationship with a business organization if: (1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization; (2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or (3) the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

OT10-3.1

**HOUSTON INDEPENDENT SCHOOL DISTRICT
CASH MANAGEMENT AND INVESTMENT POLICY
UPDATE AS OF DECEMBER 2018**

AUTHORIZED BROKERS AND DEALERS

Bank of America/Merrill Lynch
Bank of New York/Mellon
*Blaylock Van LLC
Citigroup Global Markets
Deutsche Bank Securities (Alex Brown & Sons, Inc.)
East West Bank
First Public, LLC (Lone Star)
First Southwest Asset Management, Inc. (TexSTAR)
Frost National Bank
FTN Financial
Independent Bank
JPMorgan Chase Bank
Morgan Stanley
Multi-Bank Securities, Inc.
Piper Jaffray & Co.
*Ramirez & Co.
Raymond James & Associates Inc.
Robert W. Baird & Co.
SAMCO Capital Markets
Signature Bank
Stifel, Nicolaus & Co.
TexPool
UBS Painewebber, Inc.
Unity National Bank
Wells Fargo Brokerage Services LLC

CASH MANAGEMENT AND INVESTMENT POLICY
APPENDIX B

HOUSTON INDEPENDENT SCHOOL DISTRICT INVESTMENT ADVISORY COMMITTEE

Rene Barajas

Chief Financial Officer

Sherrie H. Robinson

Controller

Rick Fairman

Treasurer

Jerome Senegal

Morgan Stanley

Chris Allen

Hilltop Securities, Inc.

Roland Gonzalez

Luby's Inc.

Connie Niehaus

Morgan Stanley

Joe Gomez

DNB Bank

INVESTMENT POLICY AFFIDAVIT**NAME OF ORGANIZATION:** _____**NAME OF REPRESENTATIVE(S):** _____**ADDRESS:** _____
_____**TELEPHONE #:** _____ **FAX#** _____

I/we hereby certify that I/we am/are a qualified representative(s) of the above named business organization seeking to sell an authorized investment to the Houston Independent School District.

I/we have received and have thoroughly reviewed the Investment Policy of the Houston Independent School District, dated December 13, 2018.

I/we acknowledge that the above named business organization of which I/we am/are a qualified representative(s) has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between this firm and the Houston Independent School District that are not authorized by the District's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards.

I/we acknowledge that this instrument is transacted to comply with Chapter 2256, Government Code.

Signed this _____ day of _____, 20____.

Name_____
Title_____
Business Organization

The State of _____

This instrument was acknowledged before me on this the _____
day of _____, 20____.

by _____

Title _____,

Organization _____.

Notary Public, State of _____

HOUSTON INDEPENDENT SCHOOL DISTRICT

DIVISION	Finance	REVIEWED	May 22, 2017
DEPARTMENT	Treasury	APPROVED	Rick Fairman
PROCESS	Corporate Bonds – Issuer Approvals		

Purpose: Procedures for approving issuers of corporate debt securities.

Resources required:

Issuer research materials
Current ratings release

Approval Process

1. An investment officer of the District will propose that an issuer be considered as an addition to the list of approved issuers.
2. The Treasurer will appoint a member of the investment advisory committee to assimilate research materials and rating histories of the proposed issuer.
3. Research material will be disseminated to advisory board members.
4. A discussion memorandum will be prepared and circulated to all advisory committee members for comment.
5. The District investment officers will prepare a written recommendation for inclusion of the issuer being reviewed.
6. The unanimous written approval of all responding advisory committee members is required for inclusion on the list of approved issuers. Responding members must constitute at least two-thirds membership of all committee members.
7. The approved list will include no more than fifteen issuers.

List Maintenance

1. All issuers on the approved list will be reviewed on a quarterly basis for continuation of approved status.
2. The Treasurer will appoint members of the advisory committee to update research materials and rating histories.
3. Research will be disseminated to advisory committee members for review and discussion.
4. The list of approved issuers will be distributed and each individual issuer will be marked for approval or removal by committee members.
5. A vote of removal by any single committee member will be cause for excluding that issuer from the list of approved issuers.

HOUSTON INDEPENDENT SCHOOL DISTRICT

DIVISION	Finance	DATE	May 22, 2017
DEPARTMENT	Treasury	APPROVED	Rick Fairman
PROCESS	Corporate Bonds – Portfolio Qualifications		

Purpose: Procedures for analyzing and reviewing portfolio holdings of corporate securities.

Resources required:

Cash Management and Investment Policy (CMIP)
Sec. 2256.0204 Government Code
Evare Open Investments Report (as of purchase consideration or review date)

Policy restrictions to be reviewed at time of purchase

8. Corporate bonds must be a senior secured debt obligation issued by a domestic business entity and rated not lower than “AA-” or the equivalent by at least one nationally recognized investment rating firm.
9. Nationally recognized investment ratings firms are defined as including Standard & Poor’s, Moody’s, and Fitch ratings services.
10. The stated final maturity must not be longer than three years from the date of purchase.
11. The District will limit investment in corporate bonds to the General Fund, Health Insurance Fund, and Workers’ Compensation Funds.
12. Investments in corporate bonds will in the aggregate not exceed more than 15% of the Districts’ monthly average fund balance excluding bond funds, debt service funds, and corporate bonds already in the investment portfolio.
13. The District will not invest more than 25% of the funds invested in corporate bonds in any one issuer, including subsidiaries and affiliates of the issuer.

Continuing Review

6. Treasury staff will review and document the review of each corporate bond holding in the District’s investment portfolio at least once each week.
7. A corporate bond will be sold if one of the following actions occur:
 - a. Any of the rating firms changes the rating of the bonds to lower than “AA-”.
 - b. Any of the rating firms places the bonds on negative credit watch or the equivalent if the rating is already at “AA-”.
8. A sale resulting from a rating change will be completed within seven days of a rating change delineated above.

Purchase restrictions in addition to policy requirements

1. Corporate bonds will not be purchased if the rating is lower than “AA” by any single rating firm.

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Finance
Rene Barajas, Chief Financial Officer

SUBJECT: APPROVAL OF 2018 TAX ROLL

At its meeting of October 11, 2018, the Houston Independent School District Board of Education adopted a tax rate of \$1.2067 per \$100 of taxable value for tax year 2018. On the basis of that tax rate, the Harris County Tax Office has calculated an initial tax roll levy of \$2,039,122,579 based on taxable value of \$168,983,391,007 prior to the age 65 and older and disabled persons' homestead frozen-levy loss calculations. The actual levy will be reduced by approximately \$66,346,313 for levy loss due to those frozen-levy loss calculations. This levy includes certified appraisal roll values as of September 7, 2018, by the Harris County Appraisal District. The levy may also be subject to some increase as uncertified values are added to the roll, and to decrease due to settled value protests. This is submitted to the Board of Education for approval as the 2018 tax roll for the district pursuant to requirements of the Texas Property Tax Code.

A copy of the information from the Harris County Tax Office can be reviewed on the attachment and is on file in Board Services.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 4: Data-Driven Accountability. It also supports the mission, vision, and beliefs of the district established by the Board of Education.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the 2018 Certified Appraisal Roll and 2018 Calculated Tax Roll as submitted, effective December 14, 2018.

Executive Summary:

Approval of 2018 Tax Roll

Department Requestor:

Rene Barajas, Chief Financial Officer

Purpose:

Section 26.04 of the Texas Property Tax Code requires that the assessor for a taxing unit shall determine the total appraised value, the total assessed value, and the total taxable value of property taxable by the unit and submit the information to the taxing unit. Section 26.09 of the Texas Property Tax Code requires the tax assessor for a taxing unit to calculate the tax due a unit and submit the information to the governing body of the unit for approval.

Prerequisites:

The Harris County Appraisal District (HCAD) certified the appraisal roll to the taxing units on August 21, 2018. The Houston Independent School District (HISD) adopted its tax rate for tax year 2018 on October 11, 2018. The information was forwarded to HISD's Tax Assessor-Collector, Ann Harris Bennett, Harris County Tax Assessor-Collector. The Harris County Tax Office provides information to HISD regarding tax year 2018 as required under Texas Property Tax Code Sections 26.04 and 26.09.

Board Meeting Requirements:

The board approves the information provided by the Harris County Tax Assessor Collector for tax year 2018.



ANN HARRIS BENNETT

Tax Assessor-Collector & Voter Registrar
www.hctax.net

November 12, 2018

Members of the Board of Education
Houston Independent School District
4400 West 18th Street
Houston, Texas 77092-8501

Honorable Board Members:

As required by Sections 26.04 and 26.09 of the Texas Tax Code, the information to be provided to you regarding the 2018 Certified Appraisal Roll used in preparation of the original tax bills is as follows:

Appraised/assessed value (certified appraisal roll only)	\$ 191,292,873,701
Taxable value (certified appraisal roll only)	\$ 168,983,391,007
Initial tax roll levy amount (tax rate \$1.2067/\$100 value) Before reduction for tax ceiling limitation	\$ 2,039,122,579
Levy lost from over-65/disabled tax ceiling limitation	\$ 66,346,313
Anticipated collection rate (including delinquent tax, penalty and interest)	98.56%

Current uncertified property value as of 09-07-2018 estimated by the Harris County Appraisal District to be added to the 2018 Certified Appraisal Roll is as follows:

Appraised/ assessed value (includes Sec. 26.01(d) property)	\$ 34,585,050,739
Taxable Value	\$ 6,648,019,093
Tax roll amount (tax rate \$1.2067/\$100 value)	\$ 80,221,646

The above amounts for the Houston Independent School District include the former North Forest Independent School District accounts.

Respectfully Submitted,

Ann Harris Bennett
Tax Assessor-Collector
& Voter Registrar

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Internal Audit
Garland Blackwell, Chief Audit Executive

SUBJECT: APPROVAL OF CALENDAR YEAR 2019 AUDIT PLAN

This agenda item requests that the Houston Independent School District (HISD) Board of Education approves the 2019 calendar year audit plan.

The chair of the Audit Committee of the Board of Education tasked the chief audit executive (CAE) to prepare and submit an audit plan for calendar year 2019 for the board's review and approval. The audit plan was presented to the Audit Committee and the board for review and approval. The CAE requests board approval of the subject audit plan.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the 2019 calendar year audit plan, effective December 14, 2018.

PROPOSED INTERNAL AUDIT PLAN FOR CALENDAR YEAR 2019

The Chief Audit Executive and the Office of Internal Audit created this Audit Plan for Calendar Year 2019 to support the goals that the Board of Education established for the Houston Independent School District.

District Goals:

1. The percentage of students reading and writing at or above grade level for grade 3 through English II will increase by three percentage points annually between spring 2017 and spring 2020.
2. The percentage of graduates meeting the Global Graduate standards will increase three percentage points annually per year from 2017 baseline up to 85% by 2022.
3. Among students who exhibit below satisfactory performance on state assessments, the percentage who demonstrate at least one year of academic growth will increase three percentage points annually in reading and in math between spring 2017 and spring 2020.

Plan Structure: This plan has audits in four categories: Educational Programs; Construction; Financial and Operational; and a group of potential topics that can be used as substitutes. There are new audits; follow-up audits; and audits held in reserve in case they are needed under certain circumstances.

Note: The planned audits begin on the next page. Throughout the year, additional audit and consulting requests from the Board and Superintendent are welcome. And we usually receive audit requests from principals regarding their activity funds. When accepting additional engagements, other resources may be required depending on the nature of the request.

EDUCATIONAL PROGRAMS AUDITS

NEW AUDIT TOPICS		PROPOSED AUDIT OBJECTIVE(S)
1	Achieve 180 Schools	a. Efficiency & effectiveness of management improvement plans to achieve student outcomes
2	Equity and Equality	To determine whether equity and equality, as defined by the District or otherwise, effectively exists across the District.
3	Literacy by 3	Review the: a. Efficiency & effectiveness of management of program to achieve objectives set for program. b. Effectiveness of controls to ensure compliance with any laws, regulations, policies, and procedures. c. Funds allocated and utilized to ensure positive student outcomes.
4	School Improvement Grants	Review the: a. Effectiveness of campus and district management of School Improvement Grants. b. Effectiveness of processes, policies, procedures, and controls for use of School Improvement Grants specific to student outcomes as stated in grant proposal objectives.
5	Special Education – Professional Development	Determine if: a. Individual Education Plans (IEP) for students include sufficient individualization in accordance with IDEA (Individuals with Disabilities Education Act), TEA and HISD standards, policies and procedures; b. Professional development is sustained and focused, as it relates to teacher skill-set, needs and responsibilities; and, c. Data is utilized to drive programmatic decision-making (e.g., IEP goal development, accommodation(s) selection, service schedule development, etc.) and monitoring.
6	Teacher Appraisal System	Review the: a. Efficiency & effectiveness of management of program to achieve objectives set for program. b. Effectiveness of controls to ensure compliance with any applicable laws, regulations, policies, and procedures.
7	Police Operations	a. Determine if policies related to Police Department operations management exist and are sufficient, especially for schools. b. Review standard operating procedures for their sufficiency in a large urban school district.
8	Review Charter Schools	Determine if financial and student achievement exists through a three-year longitudinal study for the following schools. - Young Learners - All Energized Charter Schools - Texas Connections Academy (State-wide Enrollment – online)

FOLLOW UP AUDITS		PROPOSED AUDIT OBJECTIVE(S)
1	Assignment of Long-Term Associate Teachers	Review the: a. Effectiveness of controls to ensure compliance with applicable laws, policies, and procedures for assignment of long-term associate teachers. b. Effectiveness and efficiency of support & supervision of long-term associate teachers.
2	Grade Change Procedures & Policies	Review the: a. Effectiveness of controls to ensure compliance with any laws, regulations, policies, and procedures. b. Effectiveness and efficiency of guidelines, training, and support for campus faculty, staff, and administration.
3	Title I Expenditures	Review the: a. Effectiveness of processes, policies, procedures, and controls for use of Title I funds to achieve student outcomes. b. Effectiveness of controls to ensure compliance with any laws, regulations, policies, and procedures as they relate to state accountability.
RESERVE AUDITS		PROPOSED AUDIT OBJECTIVE(S)
1	Student Discipline Data	Review the: a. Effectiveness of controls and compliance with discipline recording and reporting to ensure compliance with applicable laws, regulations, policies, and b. Effectiveness of controls for ensuring recorded electronic data and manual records on campus are

CONSTRUCTION AUDITS

NEW AUDIT TOPICS		PROPOSED AUDIT OBJECTIVE(S)
1	Construction Contract Audits Audit those contracts that are scheduled for completion in 2019 and add new projects.	a. To ensure that HISD is properly administering the 2012 Bond projects. b. To ensure that contract terms are being complied with. c. To determine whether any costs can be recovered.
2	A & E Firm Reviews	a. To ensure that invoices are in compliance with the billing schedules. b. Review deliverables, PSSAs, and reimbursable costs for compliance.
3	PM Firm Reviews	a. Primarily invoicing compliance with the billing schedules. b. Include a review of deliverables
4	Audits of Job Order Cost Contracts (Job Orders)	a. To ensure HISD is properly administering its JOC contracts. b. Review contracts for compliance with contract terms, law, and policy. c. Determine whether any costs can be recovered.
5	Audits of CFS Audit CFS Process	Process and scope TBD, for example, review (Assistance with 2019 Bond Rollout)
6	External Audit - Fixed Asset Test Work	a. External Audit PBC work to save HISD on Audit Fees PBC - (Performed by Client)
	E-Rate Audit Assist Ethics and Compliance	Train Ethics and Compliance with audits of IT installations under E-Rate
7	Follow up Audits	Performed as necessary to ensure findings were addressed and recommendations implemented.
8	Special Requested Audits Additional Projects - Upon Request	
9	Other Audits	A placeholder in case some important construction related topics present themselves.

FINANCIAL AND OPERATIONAL AUDITS

	NEW AUDIT TOPICS		PROPOSED AUDIT OBJECTIVE(S)
1	School Bus Transportation Logistics		Determine the effectiveness and efficiency of bus routes and schedules for both Hub and Zoned.
2	Budget Process Review		Determine if proper planning has taken place to ensure that all components of the district's budget, both revenues and expenses, have been included in the district budget. Determine that the budget process has taken into account all budget stakeholders, has assigned resources in an equitable manner, and has complied with Texas Education Code.
3	Campus Audits - Activity Funds (As Requested)		Determine whether controls over the school activity funds are effective and functioning as intended in accordance with the District's Financial Procedures Manual and Board policies.
4	Campus Audits - Change in Principal		Audit a sample (quantity TBD) of campuses to: <ul style="list-style-type: none"> a. Determine campus compliance with applicable HISD Board of Education and Administrative policies and procedures, and regulatory requirements (i.e., federal, state, and local guidelines and regulations). b. Ensure that effective controls exist to limit the school/District exposure to unauthorized and inappropriate activities and financial transactions. c. Substantiate activity fund account balances and the propriety of financial transactions.
5	Central Warehouse Inventory		Determine if Central Warehousing has adequate inventory controls over the District inventory.
6	Facilities Maintenance Program		Determine if the District has effective controls for managing the maintenance of facilities.
7	Facilities- Rental of HISD Facilities		Determine if the District has effective controls for managing facilities rented out to third parties.
8	Food Services Annual Inventory Count		Observe the inventory count and verify the accuracy of the counts.
9	HISD Charter Schools - Administration		Determine if the District has effective controls for the administration and oversight of the District's charter schools.
10	Payroll - Accounting		Determine if effective controls are in place for payroll accounting and tax reporting.
11	Payroll - Overtime Pay		Determine if the District has effective controls for managing, approving, and calculating overtime pay.

12	Private Grant Funds		Determine whether controls over the private grant funds are effective and functioning as intended in accordance with the District's policies. Determine whether expenditures are in compliance with the grant's rules.
13	Treasury Management - Cash Management		Verify whether the District has effective internal controls in place for managing the District's cash.
14	Procurements Not Processed Through The Purchasing Department		Determine whether these procurements are authorized. Determine whether they are compliant with established procurement rules and procedures.
	Reserve Audits		
1	Consulting Audits to be determined upon request		
2	Business Continuity		Determine if the District has effective business continuity plan in place.
3	Contract Compliance		Determine if selected vendors provide agreed upon goods and services in accordance with their contract terms.

Potential Substitute Audits

Reserve Audits		PROPOSED AUDIT OBJECTIVE(S)
1	Relationship with HISD Unions	<p>a. Review process by which a union is recognized at HISD, and in which employee payroll deductions are made.</p> <p>Determine if sufficient policies and procedures are in place to provide oversight for the actions of a union.</p>
2	Conflict of Interest - External Employment or Consulting by Senior Staff	<p>a. Determine if COI exists and if disclosures are made as required by policy</p> <p>b. Compare best practices to other ISD's within Texas</p>
3	Safety & Emergency Management	<p>a. Determine if the comprehensive safety program for all District employees is sufficient and properly implemented.</p> <p>b. Determine if campuses and departments are adhering to the required safety training in compliance with federal and state laws and regulations, and District policy.</p>
4	E-Rate / CIPA	<p>a. Confirm that equipment is properly inventoried and documented under E-Rate requirements</p> <p>b. Determine if students are properly trained and documented per CIPA requirements</p>
5	Relationship with HISD Foundation	<p>a. Determine if relationship to HISD is sufficiently independent and free of any conflict of interest.</p> <p>b. Review policies and procedures to determine if they are adequate to ensure an "arms-length" arrangement exists between the Foundation and HISD management.</p>
6	Criminal History Background	<p>a. Determine if policies are adequate to identify and disqualify from employment those individuals with questionable moral turpitude</p> <p>b. Determine if an effective system is in place to flag those employees terminated for cause due to criminal history are not rehired</p>
7	Policy Administration	<p>a. Review the procedures for originating and updating HISD policies.</p>

8 Sustainability Audit

- a. Determine if policies, procedures and practices compare to industry best practices.
- b. Determine what practices are in place and to what extent, if any, these practices are implemented and if sustainability categories are identified.

EXPLANATORY SHEET

ITEM	TITLE (SUBJECT)	SCHEDULED MEETING
J-1	2019 Audit Plan	Board Meeting December 13, 2018
INITIATED BY: Audit Committee and Chief Audit Executive (CAE)		
BACKGROUND: Per policy LDU 2012.11 BDB(LOCAL) the Board Audit Committee recommends audits of activities/areas of the district as needed. The CAE prepares an annual audit plan which is approved by the Board of Education. The attached audit plan has been recommended for approval by the Audit Committee.		
OTHER DISTRICT RESOURCES OR PROGRAMS AFFECTED/NEEDED, IF ANY: N/A		

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

Office of Academic Services
Noelia Longoria, Interim Chief Academic Officer

**SUBJECT: PROPOSED REVISIONS TO BOARD POLICY AE(LOCAL),
EDUCATIONAL PHILOSOPHY—SECOND READING**

On August 10, 2017, the Houston Independent School District (HISD) Board of Education, in accordance with the Texas Education Agency (TEA) Lone Star Governance continuous improvement model and the Framework for School Board Development, adopted goals, goal progress measures, constraints, and a calendar by which these metrics will be monitored.

Changes are proposed to Board Policy AE(LOCAL), *Educational Philosophy*, to reflect updated goals, goal progress measures, and constraints now that a year of reporting has passed, along with a new calendar for the upcoming reporting cycle.

The proposed update to Board Policy AE(LOCAL), *Educational Philosophy*, is attached.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all three district goals and is aligned to all five core initiatives.

THIS ITEM DOES REQUIRE CONSULTATION.

THIS ITEM DOES MODIFY BOARD POLICY.

RECOMMENDED: That the Board of Education approves the proposed revisions to Board Policy AE(LOCAL), *Educational Philosophy*, on second reading, effective December 14, 2018.

EDUCATIONAL PHILOSOPHY

AE
(LOCAL)

Beliefs and Vision

The Board's Declaration of Beliefs and Vision for the Improvement of the District is as follows:

Beliefs

- We believe that equity is a lens through which all policy decisions are made.
- We believe that there should be no achievement gap between socio-economic groups or children of ethnic diversity.
- We believe that the District must meet the needs of the whole child providing wraparound services and social and emotional supports.
- We believe our classrooms/schools should be safe, vibrant, joyful spaces where students are guaranteed access to a challenging and deep educational experience.
- We believe that instruction should be customized/personalized to meet the learning needs for each individual child including students with disabilities, gifted and talented students, and English Language Learners so they have the support and opportunity they need to flourish.
- We believe that recruitment and retention of qualified and effective personnel are the keys to enhancing the quality of education and increasing student achievement.
- We believe that the community has a right to transparent operations across the District in all schools, departments, and divisions.
- We believe that meaningful engagement with the community is important in all major decision making.

Vision

Every child shall have equitable opportunities and equal access to an effective and personalized education in a nurturing and safe environment. Our students will graduate as critical thinkers and problem solvers; they will know and understand how to be successful in a global society.

Mission

To equitably educate the whole child so that every student graduates with the tools to reach their full potential.

Mandate for Change

Human Capital

The District's greatest strength is its human capital. The personal, face-to-face contact between teacher and child shall always be the central event in education. Changes in the District's structure, governance, and policies underscore the importance of this relationship; that is, through reform, they exist to support the relationship. In addition, the District sets high expectations for school leadership to inspire creative thinking and innovative approaches that lead to instructional and operational excellence.

EDUCATIONAL PHILOSOPHY

AE
(LOCAL)

- Employees identified as high performers using value-added data should be rewarded. The District must establish levels of compensation and differentiated salaries driven by performance, value-added data, and accountability for all employees.
- Reform measures must focus on higher standards for recruitment and selection, job performance and compensation, and professional development and career planning and must provide employees with a viable career path within the organization.

School
Empowerment

Schools must be empowered to develop and implement the methods that best achieve their unique and individual instructional goals. The District is fully committed to a decentralized system of schools, giving principals the authority over the educational and operational systems. In such a system, the Board of Education remains accountable to the public for high-quality educational services for all children. The Board provides guidance and support to schools by establishing clear, consistent Districtwide goals, high standards and expectations, and effective systems of evaluation; but the individual school is held accountable for innovation and instructional results within those District-wide parameters.

The Board believes that:

- Principals are the leaders of the decision-making process affecting their schools, and their leadership is measured not only by results but also by their collaboration with teachers, parents, and the community.
- Recognizing that schools are where decisions should be made and that successful decentralization is a function of leadership capacity at the school level, the District shall establish a tiered system of differentiated autonomy focusing on instructional competencies, budget, and business operational systems. Schools demonstrating higher levels of student performance, innovation, and operational excellence (including school safety) are further empowered with greater autonomy and decision making. However, other schools may need greater support and guidance; and until they reach acceptable levels of performance, the District must manage for them critical areas such as curriculum, professional development, and operational systems. When guidance over decision making is needed, structured interventions shall help develop the competencies toward greater autonomy. Annual performance monitoring of instruction, operations, and attractiveness to the

EDUCATIONAL PHILOSOPHY

AE
(LOCAL)

community served shall determine the level of principal autonomy or central office intervention at the school.

School Choice

School choice must remain an integral part of the HISD system. School choice ignites the spirit of competition, motivates excellence, promotes innovation, and empowers parents to match their children with the schools that best meet their children's needs. It is important for the District to focus more on developing, improving, and using ~~innovative~~creative educational tools so that every child at every school has access to the instructional program that best suits his or her unique interests.

Equal access to instructional excellence requires adequate and equitable allocation of resources. That, in turn, requires fair funding formulas. The District shall remain a system of schools rather than a school system where every campus offers the same programs.

- The District shall offer ~~a portfolio of schools~~diverse school settings to meet the needs of its diverse community of students. All schools, whether they are specialty, magnet, or neighborhood, shall be accountable to identify educational and programmatic standards, including a common core of academic subjects, approved by the administration and the Board of Education. All students are expected to meet those standards.
- Achievement gaps between student groups are unacceptable. Closing achievement gaps requires unequal resources for unequal needs. Weighted funding allocations address individual differences, allowing the money to follow the child in accordance with his or her unique instructional needs and thereby ensuring access to the resources that enhance student achievement.
- The District must be proactive in the early identification of schools that may have too few students enrolled to provide adequate resources. The District must be ready to provide the school with appropriate interventions.

Meaningful
Engagement

Meaningful engagement is defined as actively listening to constructive input, collecting and exchanging information, and sharing outcomes. The Board of Education understands and appreciates the need for constructive engagement with both the community and District employees and shall aggressively solicit their opinions and ideas without relinquishing its responsibility as an elected body. As a publicly funded entity, the District must maintain open and respectful relationships, both internally and externally, and be a model for a service-oriented culture. Schools belong to the people; communities shall be engaged in the decision-making process.

EDUCATIONAL PHILOSOPHY

AE
(LOCAL)

- Everyone in the District, including the Board and the Superintendent, must be responsive to the District's diverse communities. Consistent, meaningful two-way communication with those who support the District as well as those with differing philosophies is essential to establishing public trust and confidence. The District shall provide parents and the public (and, where appropriate, students) with formal, structured systems for input into decision making that sets high achievement standards for all children.
- All employees must be encouraged to play a more active, visible role in representing the District to the community.

Change in Action

For nearly two decades, the District's Board of Education has been guided successfully by an uncompromising statement of its beliefs and its visions for improving education in Houston. We, the 2009 Board of Education, shall continue to move the District forward. We shall work openly and creatively with administrators, teachers, parents, and community leaders to put in action this new mandate for change.

Change is essential if we are to make our children's education our very highest priority. We, alone, cannot affect school ~~reform~~transformation; and we, alone, cannot simply demand it. As our predecessors clearly understood, meaningful improvement is not a top-down exercise. It must include and involve everyone at all levels of the organization and the community. We pledge to seek input and ownership by those who will be most affected by reform and restructuring in the District, and we shall guide the Superintendent to ensure that the District is collaborative on issues of such importance to the entire community. This is a solemn pledge, and it is a privilege to accept this great responsibility on behalf of the children of Houston.

Decentralization

The District shall decentralize. Effectiveness requires that decision making be placed as close as possible to the teacher and the student. Decisions should be made in schools; accordingly, principals shall be the leaders of that decision-making process. To accomplish this goal:

- The Board shall provide guidance and support to local schools by establishing clear goals, high standards, and effective systems of evaluation, while at the same time giving schools maximum freedom to develop and implement the methods that best achieve those goals.

EDUCATIONAL PHILOSOPHY

AE
(LOCAL)

- The central office shall turn the traditional management pyramid upside down and become an enabler rather than an enforcer. Its role shall be to train, consult, provide resources, and evaluate.
- The individual school shall be the unit of accountability and improvement.
- Schools shall be responsive to their communities, providing parents and members of the community (and where appropriate, students) with formal, structured input into decision making.
- Schools shall be given control over budgets, delivery of curriculum, teaching methodologies, and personnel, provided they are led by a strong and effective principal, function as a team, and collaboratively develop a vision and a plan to achieve that vision.

The following core beliefs and principles shall guide District decentralization:

1. Academic success is paramount;
2. All resources shall be at the schools unless managerial issues such as efficiency dictate otherwise;
3. The District shall pursue a goal of equity in funding;
4. Accountability and resource allocation decisions shall be matched (linked); and
5. Good sense shall guide implementation.

**Purpose and
Strategic Intent**

The District exists to strengthen the social and economic foundation of Houston by assuring its youth the highest quality elementary and secondary education available anywhere.

The District's strategic intent shall be to earn so much respect from the citizens of Houston that the District becomes their prekindergarten–grade 12 educational system of choice.

**Goals and Progress
Measures**

The District has adopted goals and goal progress measures in accordance with the Texas Education Agency (TEA) Lone Star Governance continuous improvement model and the Framework for School Board Development.

Goal 1

The percentage of students reading and writing at or above grade level as measured by the percent of students at the Meets Grade

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Level standard on STAAR for grade 3 through English II shall increase by three percentage points annually from 37% to 46% between spring 2017 and spring 2020.

- Goal Progress Measure 1.1

End of year Baseline reading data collected in September on the District-wide screener for students in kindergarten-grade 12 shall annually show a three-percentage point improvement in the percentage of students reading on grade level at the middle and end of year testing windows from 38% to 44% between spring 2018 and spring 2020. by a minimum of 1.5 percentage points each. Results on the District-wide screener will be presented to the board after the beginning of the year, middle of the year, and end of the year testing windows.

- Goal Progress Measure 1.2

Data shall be collected from students in grades 4 and 7 in September, December, and February from student portfolios of writing samples based on a District rubric; the percentage of students receiving a passing score shall increase proportionally to 90 percent in February from the September baseline. Grades 4 and 7 students shall be assessed in writing in the Fall and Spring; percent of students meeting the grade level standard shall increase at least three percentage points annually from 22% in spring 2018 to 28% in spring 2020. Results will be presented to the board after the fall and spring testing windows.

Goal 2

The percentage of graduates meeting the Global Graduate standards as measured by the College, and Career, Military Readiness component of the Texas accountability system shall increase three percentage points annually per year from the 2017 graduates baseline of 53.52 percent up to 85.6867 percent by 2022.

- Goal Progress Measure 2.1

The number and percentage of students completing (earning a 70 or better) a career and technical education (CTE) course who are coded as a student taking a coherent sequence (CTE2 or CTE3) shall be reported for each semester and shall show improvement of 2 two percentage points annually from the prior year's comparable semester and from fall to spring semester from 63.0 percent in Spring 2017 to 69.0 percent in Spring 2020.

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- Goal Progress Measure 2.2

The ~~number and~~ percentage of students completing (earning a 70 or better) an Advanced Placement (AP) or International Baccalaureate (IB) course shall be reported for each semester and shall show improvement of 1 percentage point annually from the prior year's comparable semester and from fall to spring semester from 39.1 percent in Spring 2017 to 42.1 percent in Spring 2020.

- Goal Progress Measure 2.3

The ~~number and~~ percentage of students completing (earning a 70 or better) a dual credit or dual enrollment course ~~shall be reported for each semester and~~ shall be reported for each semester and shall show improvement of 1 percentage point annually from the prior year's comparable semester and from fall to spring semester from 10 percent in spring 2017 to 13 percent in spring 2020.

Goal 3

Among students who exhibit below satisfactory performance on state assessments, the percentage who demonstrate at least one year of academic growth, as measured by the STAAR Progress Measure, shall increase three percentage points annually in reading and in math from 57 percent in spring 2017 and to 66 percent in spring 2020.

- Goal Progress Measure 3.1

~~Monthly progress monitoring of students in kindergarten-grade 12 identified as being below grade level in reading and/or math on the District's screener shall demonstrate a minimum of one month's growth each month through to the End-of-Year (EOY) test. The percentage of students identified as needing intervention in reading on the district's screener who demonstrate growth from the beginning to end of year benchmarks shall increase three percentage points annually from 51% 48% in spring 2017-2018 to 60% 57% in spring 2020 2021. Results will be reported after each testing window.~~

- Goal Progress Measure 3.2

The percentage of students identified as needing intervention in math on the district's screener who demonstrate growth from the beginning to end of year benchmarks shall increase three percentage points annually from 58% in spring 2017 2018 to 67% in spring 2020 2021. Results will be reported after each testing window.

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**Constraints and
Constraint Progress
Measures**

- The District has adopted constraints and constraint progress measures in accordance with the TEA Lone Star Governance continuous improvement model and the Framework for School Board Development.
- Constraint 1
- The Superintendent shall not permit the District to operate without a community school and feeder pattern framework, including a definition, processes, and goals.
- Constraint Progress Measure 1.1
The District shall launch cohort one of Every Community, Every School with a minimum of 15 schools (5 percent) by the end of the 2017–18 school year and shall increase annually until all schools (100 percent) are served in 2022.
 - Constraint Progress Measure 1.2
The District shall develop tools for campuses to conduct a needs assessment, to access to a provider database, a data tracker, and professional development in 2017–18 and shall increase usage annually from 0 percent in Fall 2017 until all to 100 percent of campuses access the tools and training by 2022.
- Constraint 2
- The Superintendent shall not require teachers to administer more than two District-created assessments per semester.
- Constraint Progress Measure 2.1
The number of District-required, District-created assessments shall not increase from one per semester in fall 2017 to more than exceed two per semester starting with fall 2017 in spring 2020.
- Constraint 3
- The Superintendent shall not allow achievement gaps for student groups, including African-American, Hispanic, economically disadvantaged students, students receiving special education services, and English language learners (ELLs), to increase in reading, writing, and mathematics.
- Constraint Progress Measure 3.1
The reading performance gap shall decrease by one percentage point annually for African-American, Hispanic, between economically disadvantaged and non-economically disadvantaged students, as measured by the percent of students at the Approaches Grade Level Standard on STAAR, students receiving special education services, and ELLs through shall not increase decrease by one percentage point annually from

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20 percentage points in spring 2017 to 17 percentage points in spring 2020.

- Constraint Progress Measure 3.2

The writing performance gap ~~shall decrease by one percentage point annually for African-American, Hispanic, between economically disadvantaged and non-economically disadvantaged students, as measured by the percent of students at the Approaches Grade Level Standard on STAAR, students receiving special education services, and ELLs through~~ shall not increase decrease by one percentage point annually from 22 percentage points in spring 2017 to 19 percentage points in spring 2020.

- Constraint Progress Measure 3.3

The mathematics performance gap ~~shall decrease by one percentage point annually for African-American, Hispanic, between economically disadvantaged and non-economically disadvantaged students, as measured by the percent of students at the Approaches Grade Level Standard on STAAR, students receiving special education services, and ELLs through~~ shall not increase decrease by one percentage point annually from 13 percentage points in spring 2017 to 10 percentage points in spring 2020.

Constraint 4

The Superintendent shall not allow struggling schools to operate without highly qualified leaders and teachers in core subjects.*

*Struggling schools ~~shall~~ include Improvement Required (IR) schools, formerly IR schools, and schools ~~in danger of IR receiving an overall accountability scale score of 65 or less~~. Teacher qualification should consider certification and experience.

- Constraint Progress Measure 4.1

The percentage of campus administrators at struggling schools rated as effective or above shall increase by two percentage points annually from 65 percent in 2017 to 73 percent by 2020.

- Constraint Progress Measure 4.2

The percentage of first-year teachers at struggling schools shall decrease by two percentage points annually from 10 percent in 2017 to four percent by 2020.

- Constraint Progress Measure 4.3

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The percentage of ~~core courses teaching positions~~ at struggling schools ~~taught held~~ by teachers certified in their assigned subject areas and grade levels shall increase each semester ~~from 99 percent in 2017~~ until 100 percent is reached and maintained through 2020.

Core Values

The District's core values are as follows:

- Safety Above All Else.
Safety takes precedence over all else. A safe environment shall be provided for every student and employee.
- Student Learning is the Main Thing.
All decisions and actions, at any level, focus on and support the "main thing," which is effective student learning.
- Focus on Results and Excellence.
Each employee shall focus on results and excellence in individual and organizational efforts.
- Parents are Partners.
Parents are valued partners in the educational process, serving as the child's teacher in the home. All school and District activities shall give proper consideration to the involvement of parents.
- Common Decency.
The District shall be responsive and accountable to the public and its employees. Community members and employees shall receive respectful and courteous treatment.
- Human Capital.
Through recruitment, retention, dismissal, and professional development programs, the District shall work to make sure students are served by the top talent available, from teachers to superintendents.

**Central Office
Accountability
System**

The overall goal of the District's central office accountability system is to provide resources and services to schools in an efficient and timely manner that promotes schools' progress in achieving their educational missions.

Specifically, the objectives of the District central office accountability system are to:

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- Establish and monitor progress toward performance indicators for each central office department, including evaluations of each departmental improvement plan goals and objectives;
- Determine which central office departments are meeting the District's objectives through the use of "customer" surveys; and
- Determine whether central office departments that are failing to meet the objectives require assistance, reorganization, and/or replacement.

Effective Date

This policy shall be effective as of the adoption date ~~November 10, 2017.~~ December 14, 2018.

BOARD POLICY EXPLANATORY SHEET

POLICY CODE	TITLE (SUBJECT)	SCHEDULED MEETING
AE(LOCAL)	Educational Philosophy	December 13, 2018
INITIATED BY: Office of Academic Services - Noelia Longoria, Interim, Chief Academic Officer		
TYPE OF REVISION: Update		
APPLICABILITY: Board Goals and Constraints		
BACKGROUND: <p>On August 10, 2017, the Houston Independent School District (HISD) Board of Education, in accordance with the Texas Education Agency (TEA) Lone Star Governance continuous improvement model and the Framework for School Board Development, adopted goals, goal progress measures, constraints, and a calendar by which these metrics will be monitored.</p> <p>The proposed changes to the board goals, goal progress measures, and constraints are being made to align with Lone Star Governance requirements for goal and constraint format and to better align with available data from the district. Additionally, the calendar has been updated to provide monitoring dates going forward for the remained of the reporting year and to better align with the timelines around data availability.</p>		
OTHER DISTRICT RESOURCES OR PROGRAMS AFFECTED/NEEDED, IF ANY: None		
ADMINISTRATIVE PROCEDURES REQUIRED: None		



Houston ISD
TEA Lone Star Governance Monitoring Calendar

July 2018 – July 2020

Month / 2018	Goal/ GPM	Description	CPM	Description	Evaluations
July		NO MEETING			
August Preliminary Print: 7/17	1	Reading and Writing Above Grade Level	3.1	STAAR Reading Demo. Gap	
	3	Progress of Prior Year Failers	3.2	STAAR Writing Demo. Gap	
			3.3	STAAR Math Demo. Gap	
September Preliminary Print: 8/21	2	Global Graduates			
	2.1	Spring CTE Course Completion			
	2.2	Spring AP/IB Course Completion			
	2.3	Spring Dual Credit Completion			
October Preliminary Print: 9/18	1.1	BOY Universal Screener Performance			
	1.2	Writing Performance			
	3.1	Reading Intervention Students Baseline			
	3.2	Math Intervention Students Baseline			
November Preliminary Print: 10/16	2	Support Data: NSC Performance	1.1	Every Community, Every School	
	2.1	Fall CTE Course Enrollment	1.2	Campuses Receiving Services	
	2.2	Fall AP/IB Course Enrollment	4.1	Campus Admin. Rated Effective	
	2.3	Fall Dual Credit Enrollment	4.2	1st Year Teachers at Struggling Schools	
	3.1	Reading Intervention Students Baseline	4.3	Positions Held by Certified Teachers	
	3.2	Math Intervention Students Baseline			
December Preliminary Print: 11/13			3.1	BOY Reading Demo. Gap	
			3.3	BOY Math Demo. Gap	
			4.1	Campus Admin. Rated Effective	



Houston ISD
TEA Lone Star Governance Monitoring Calendar

July 2018 – July 2020

Month / 2019	Goal/ GPM	Description	CPM	Description	Evaluations
January Preliminary Print: 12/11	3.1	Reading Intervention Students Meeting Growth			
	3.2	Math Intervention Students Meeting Growth			
February Preliminary Print: 1/22	2.1	Fall CTE Course Completion	4.3	Positions Held by Certified Teachers	
	2.2	Fall AP/IB Course Completion			
	2.3	Fall Dual Credit Completion			
March Preliminary Print: 2/19	1.1	MOY Universal Screener			
	3.1	Reading Intervention Students Meeting Growth			
	3.2	Math Intervention Students Meeting Growth			
April Preliminary Print: 3/19	1.2	DLA/Released STAAR Writing Assessments	3.1	MOY Reading Demo. Gap	
			3.2	DLA/Released STAAR Writing Demo. Gap	
			3.3	MOY Math Demo. Gap	
May Preliminary Print: 4/16	2	Support Data: Global Graduates Survey			
	2.1	Spring CTE Course Enrollment			
	2.2	Spring AP/IB Course Enrollment			
	2.3	Spring Dual Credit Enrollment			
June Preliminary Print: 5/21	1	Support Data: STAAR 5 & 8 and EOC	1.1	Every Community, Every School	
			1.2	Campuses Receiving Services	
			2.1	District-Required District-Created Formative Assessment	
July	NO MEETING				



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TEA Lone Star Governance Monitoring Calendar

July 2018 – July 2020

Month / 2019	Goal/ GPM	Description	CPM	Description	Evaluations
August Preliminary Print: 7/16	1	Reading and Writing Above Grade Level	3.1	STAAR Reading Demo. Gap	
	1.1	EOY Universal Screener Performance	3.2	STAAR Writing Demo. Gap	
	3	Progress of Prior Year Failers	3.3	STAAR Math Demo. Gap	
	3.1	Reading Intervention Students Meeting Growth			
	3.2	Math Intervention Students Meeting Growth			
September	2	Global Graduates			
	2.1	Spring CTE Course Completion			
	2.2	Spring AP/IB Course Completion			
	2.3	Spring Dual Credit Completion			
October	1.1	BOY Universal Screener Performance			
	3.1	Reading Intervention Students Baseline			
	3.2	Math Intervention Students Baseline			
November	2	Support Data: NSC Performance			
	2.1	Fall CTE Course Enrollment			
	2.2	Fall AP/IB Course Enrollment			
	2.3	Fall Dual Credit Enrollment			
	3.1	Reading Intervention Students Baseline			
	3.2	Math Intervention Students Baseline			
December			4.1	Campus Admin. Rated Effective	
			4.2	1st Year Teachers at Struggling Schools	
			3.1	BOY Reading Demo. Gap	
			3.3	BOY Math Demo. Gap	



Houston ISD
TEA Lone Star Governance Monitoring Calendar

July 2018 – July 2020

Month / 2020	Goal/ GPM	Description	CPM	Description	Evaluations
January	3.1	Reading Intervention Students Meeting Growth			
	3.2	Math Intervention Students Meeting Growth			
February	2.1	Fall CTE Course Completion	4.3	Positions Held by Certified Teachers	
	2.2	Fall AP/IB Course Completion			
	2.3	Fall Dual Credit Completion			
March	1.1	MOY Universal Screener			
	3.1	Reading Intervention Students Meeting Growth			
	3.2	Math Intervention Students Meeting Growth			
April	1.2	DLA/Released STAAR Writing Assessments	3.1	MOY Reading Demo. Gap	
			3.2	DLA/Released STAAR Writing Demo. Gap	
			3.3	MOY Math Demo. Gap	
May	2	Support Data: Global Graduates Survey			
	2.1	Spring CTE Course Enrollment			
	2.2	Spring AP/IB Course Enrollment			
	2.3	Spring Dual Credit Enrollment			
June	1	Support Data: STAAR 5 & 8 and EOC	1.1	Every Community, Every School	
			1.2	Campuses Receiving Services	
			2.1	District-Required District-Created Formative Assessment	
July	NO MEETING				

REPORT FROM THE SUPERINTENDENT

Office of the Superintendent of Schools
Board of Education Meeting of December 13, 2018

SUBJECT: INVESTMENT REPORT

Section 2256 of the Government Code requires that the board-designated investment officers prepare and submit to the Board of Education, not less than quarterly, a written report of investment transactions for all funds covered by the act for the preceding quarter.

The quarterly investment report for the quarter ending September 30, 2018, for fiscal year 2018–2019 contains portfolio composition and maturity schedules for all funds, as well as beginning and ending book and market values for each fund's investments.

Houston Independent School District (HISD) investments are governed by the board-approved *Cash Management and Investment Policy*. All investments purchased meet the three basic tenets included in policy: investment safety, investment liquidity, and investment yield. All investments are held to maturity. HISD does not invest on a speculative basis.

This report also contains a compliance letter signed by the chief financial officer, the controller, and the treasurer, who have all been designated by the Board of Education as the district's investment officers for the day-to-day management of HISD's cash and investment position.

Executive Summary**Purpose:**

§2256 of the Government Code, commonly known as the Public Funds Investment Act, requires that the Board-designated investment officers prepare and submit to the Board of Education, not less than quarterly, a written report of investment transactions for all funds covered by the act for the preceding quarter.

The investment report for the quarter ending September 30, 2018 for fiscal year 2018-2019 contains portfolio composition and maturity schedules for all funds, as well as beginning and ending book and market values for each fund's investments.

Prerequisites:

None

Board Meeting Requirements:

None