

# Board Workshop on Prospective Bond

July 16, 2024

**RENEW**  
**HISD**



**RENEW HISD**



# Objectives

1

**Bond Planning Process:** Explain the process for determining the scope and scale of this Bond Proposal.

2

**CTE Approach:** Provide additional detail on the research and analysis that informed proposed CTE investments.

3

**Bond Execution, Engagement & Oversight:** Provide details about oversight, community engagement, and planning and execution.



# Bond Planning Process

How did we develop this proposed bond package?



# A Bond for Every Student

This bond is unique because it is not just about building new schools.  
It is about prioritizing what all students in HISD deserve.



## Safe & Healthy Campuses

Every school will receive necessary upgrades in safety and security, HVAC systems, and lead abatement.



## Future Ready

We will increase access to PreK, CTE, and improve technology district-wide.



## Restoring Houston's Schools

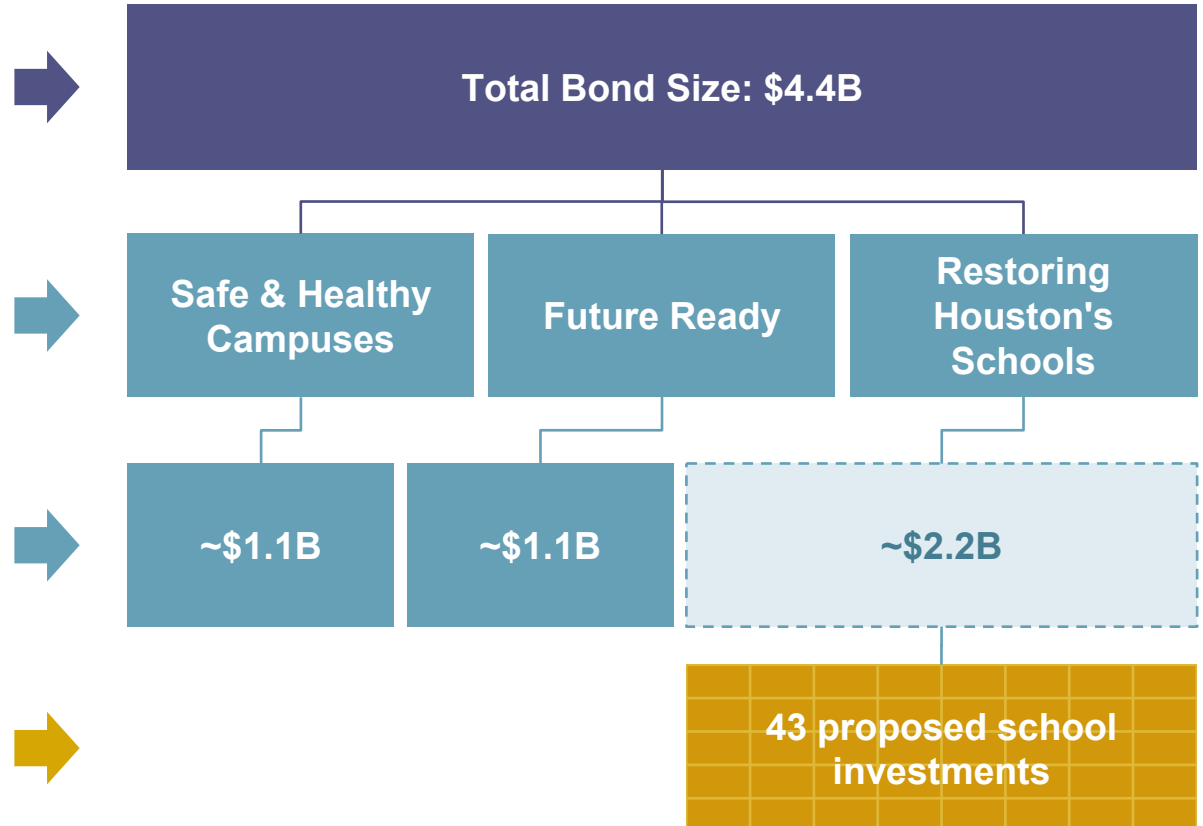
We will address the most urgent facility needs facing our schools.



# Overall Bond Planning Process

To construct a proposed bond package that met these criteria while also satisfying our commitment to **no tax increase** and **no school closures**, the administration took the following steps:

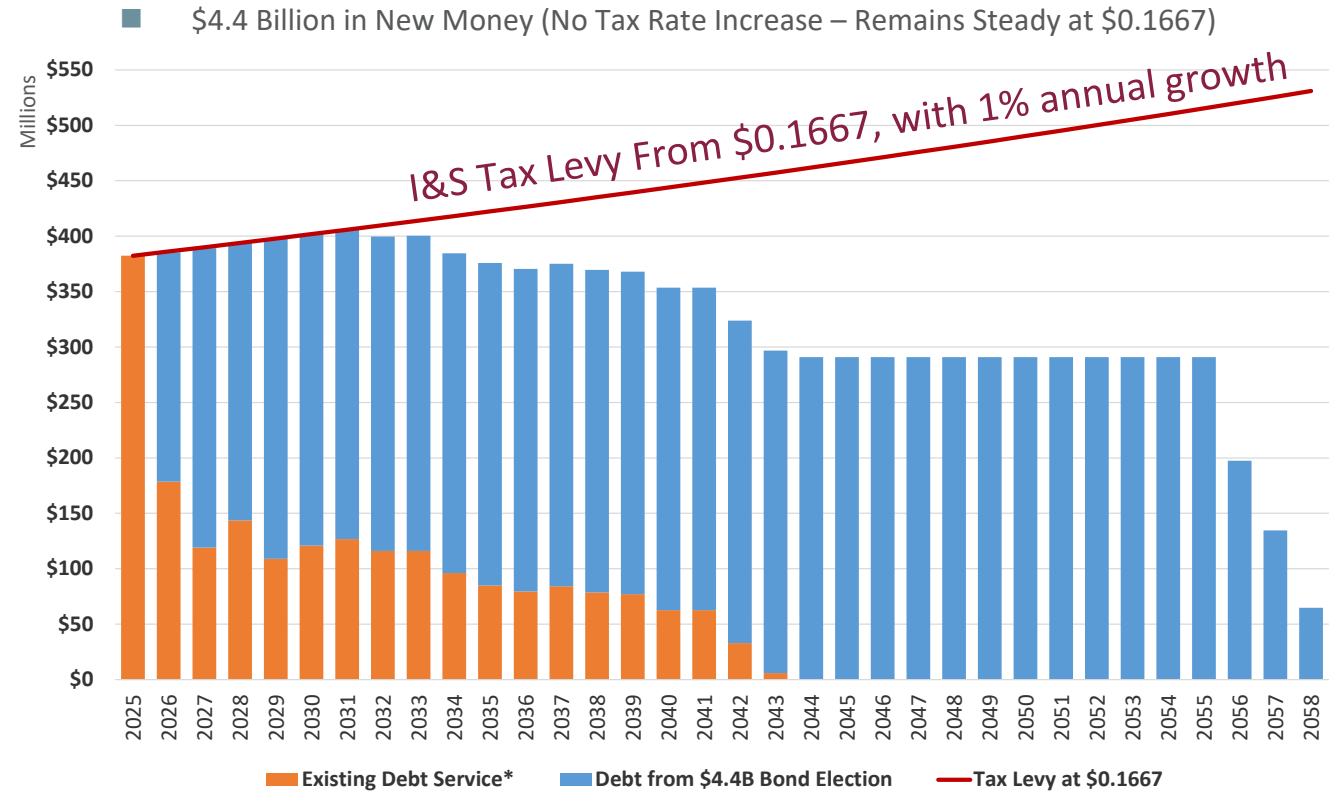
- 1) Determined the size of a total bond package that would result in **no tax increase**.
- 2a) Considered all categories of need that could be addressed in bond, identified priorities, and grouped them into **three investment buckets**.
- 2b) **Estimated the total costs** of "Safety & Healthy Campuses" and "Future Ready," then **assigned remaining funds** to "Restoring Houston's Schools."
- 3) Conducted an iterative and data-driven process to develop **43 proposed actions** at individual schools to address most urgent facility needs within ~\$2.2B.





# Determining Total Bond Size

HISD conducted internal analysis and solicited multiple external studies to determine that a **\$4.4B bond would show no increase** to the current tax rate.






\* Existing Debt Service is net of planned defeasances, State Aid for Additional Homestead Exemption, and scheduled I&S fund balance increases.



# Defining Investment Buckets

We **considered all possible categories of work** that could be addressed in the bond according to Texas statute, **narrowed them to our most urgent priorities**, and grouped them into **3 buckets of investment**.

Possible Categories of Bond Work per Texas Statute	Prioritized	
Safety and Security upgrades the recent safety audit	✓	} →  <b>Safe &amp; Healthy Campuses</b>
HVAC and air quality improvement	✓	
Lead abatement	✓	
District-wide police and security equipment/facilities	✓	
CTE facilities	✓	
PreK spaces	✓	} →  <b>Future Ready</b>
Technology (software, devices, infrastructure)	✓	
School facility construction and improvement	✓	} →  <b>Restoring Houston's Schools</b>
Transportation (buses, bus barn, light fleet)	✗	
Nutrition (kitchen equipment, storage facilities)	✗	
Business logistics & purchasing (warehouse, supply trucks, inventory software)	✗	
Athletics facilities (stadiums, fields, natatorium)	✗	
Performing arts facilities (auditoriums, performing arts center)	✗	
Print shop	✗	





# Sizing Investment Buckets

To determine the size of each of the 3 buckets, we **first estimated the total costs of "Safe and Healthy Campuses" and "Future Ready,"** since these investments have the broadest impact on HISD students and families across the district. **This in turn determined how much would be available for "Restoring Houston's Schools" investments** without surpassing the total bond size of \$4.4B.


1

**Estimate total costs of investments that will impact the entire district.**

	Safe & Healthy Campuses	→	~\$1.1B
	Future Ready	→	~\$1.1B

2

**Assign remaining funds to individual school investments to meet most urgent needs.**

Total Bond Package	\$4.4B
Safe & Healthy Campuses	- ~\$1.1B
Future Ready	- ~\$1.1B
<hr/>	
 Restoring Houston's Schools	= ~\$2.2B



# Developing Restoring Houston's Schools Proposals



## Prioritization and Iteration Example



### School A

- FCI of 82%
- In the floodplain
- Issues with foundation, pipes, roof, and HVAC
- 77% utilization

**Propose Rebuild**



### School B

- FCI of 79%
- Non-floodplain
- Issues with roof, HVAC, and exterior
- 77% utilization

**Propose Renovation to improve FCI**



### School C

- FCI of 60%
- Non-floodplain
- HVAC near-failure
- 77% utilization

**Propose Safety and HVAC to improve FCI**



### School D

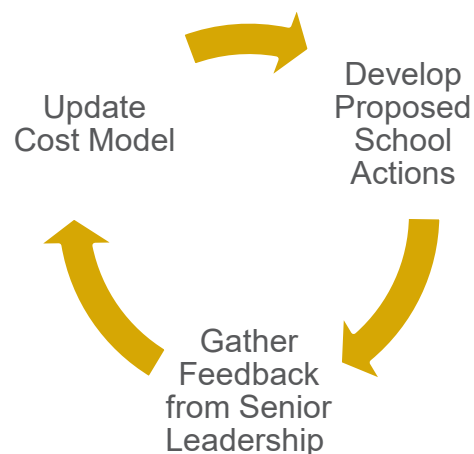
- FCI of 81%
- Non-floodplain
- Issues roof, HVAC, and exterior
- 54% utilization

**Propose Colocation + Health/Safety**

# Developing Restoring Houston's Schools Proposals



## Prioritization & Iteration



In developing proposals, we anchored to the following **guiding principles**:

- No school closures
- Prioritize impact for the most students in the worst-conditioned facilities
- Reduce the use of existing T-buildings at over-capacity facilities

## 43 Proposed School Actions, \$2.27B total

### New/Full Rebuild

- 15 full rebuilds (11 ELs, 4 MSs)
- 1 new build (impacts 3 schools – 2 ELs, 1 MS)
- 3 co-location full rebuilds (impacts 6 campuses - 3 ELs, 3 MSs)

### Renovation and/or Expansion

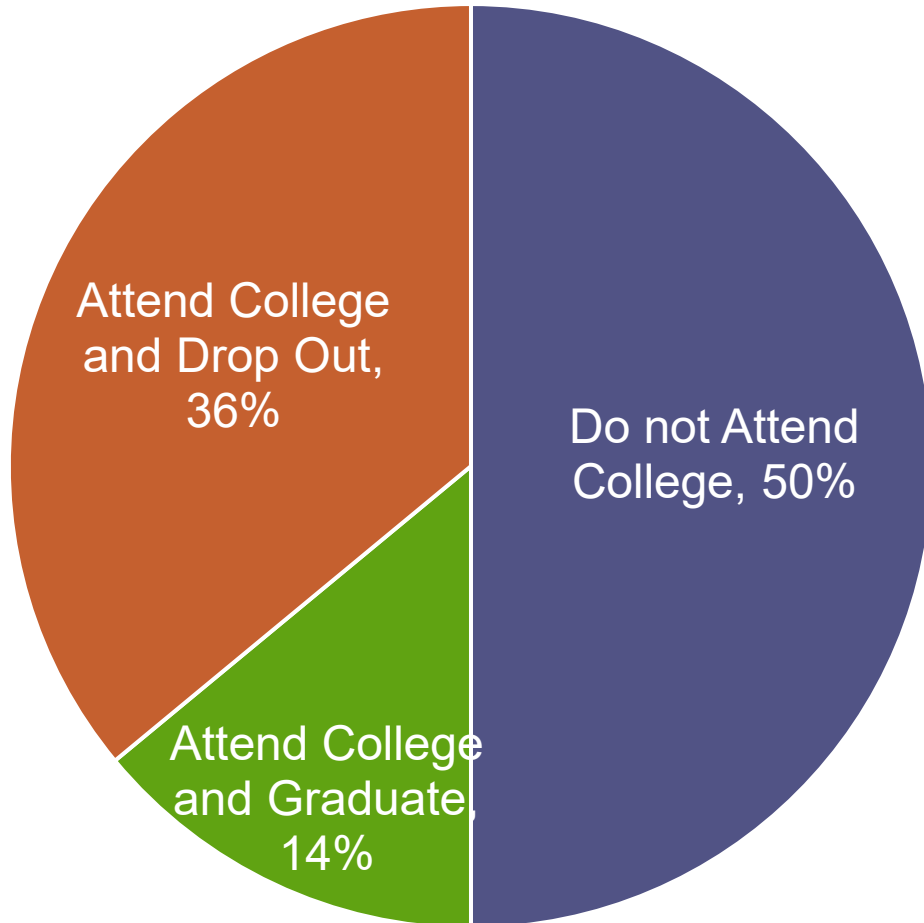
- 7 partial renovations (2 ELs, 5 MSs)
- 4 partial renovations + expansion (3 ELs, 1 MS)
- 2 expansions (2 ELs)
- 3 co-location partial renovations (impacts 6 schools - 3 ELs, 3 MSs)



# CTE Approach

How will proposed CTE investments benefit the students of HISD?

# Problem to Solve

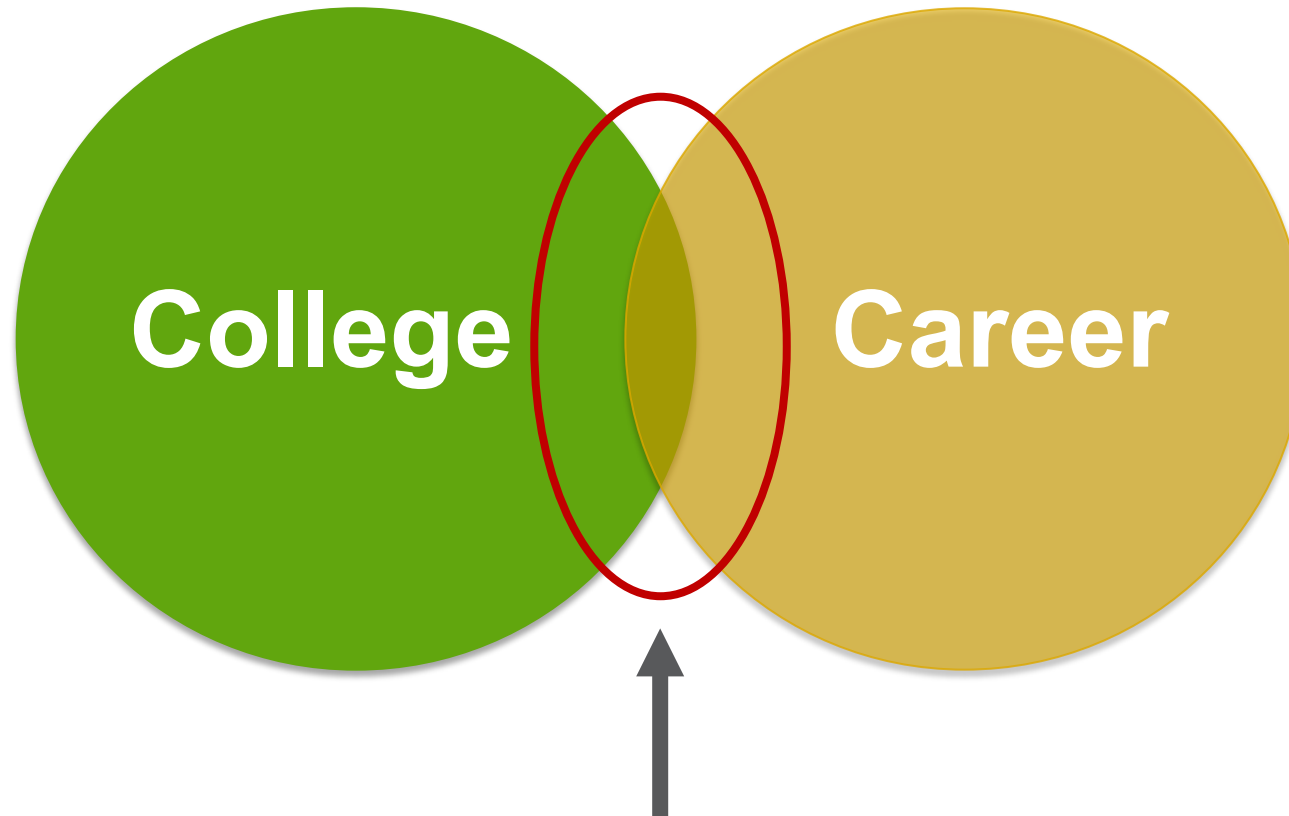


**The majority of HISD students are not graduating equipped for success in college or career.**

- Only 12% of students are completing CTE courses and obtaining an IBC
- Only 14% of student are graduating from college

# Problem to Solve

**Problem 1:** How can HISD improve college access and success?



**Problem 2:** How can HISD ensure all students have access to courses that prepare them for the high skill, high wage, high demand jobs of the future?

**Problem 3:** How can HISD design a system that supports all students in building both quality college AND career pathways?

**“Skills requirements will overtake degree requirements . . . College degrees are the top requirement of yesterday’s job descriptions, not tomorrow’s. Organizations today are increasingly . . . embracing skills-based hiring, even for some corporate jobs long considered degree-dependent.”**



# The Future of Work

By 2030, up to 30 percent of current hours worked could be automated, accelerated by generative AI (gen AI).

**Businesses will need a major skills upgrade.** . . . Surveyed executives in Europe and the United States expressed a need not only for advanced IT and data analytics but also for critical thinking, creativity, and teaching and training—skills they report as currently being in short supply.

Occupations with lower wages are likely to see **reductions in demand**, and workers will need to acquire new skills to transition to better-paying work. If that doesn't happen, there is a risk of a more polarized labor market, with more higher-wage jobs than workers and too many workers for existing lower-wage jobs.

*A new future of work: The race to deploy AI and raise skills in Europe and beyond*

Report by McKinsey Global Institute, May 21, 2024

# Research Shows College AND Career Outcomes Improve for CTE Concentrators



**8**

**percentage  
points**

**more likely to  
graduate HS on  
time**



**2**

**percentage  
points**

**more likely to  
enroll in a  
postsecondary  
program**



**5**

**percentage  
points**

**more likely to be  
employed full  
time 8 years  
after graduation**



**20**

**percentage  
points**

**ahead in median  
annual income 8  
years after  
graduation**



# Many programs leading to high volume, high wage careers are not available to students.

## Program Access at Comprehensive High Schools

TEA Program of Study	North	South	Central	West	TOTAL
Agriculture technology and mechanical systems	0%	0%	0%	0%	0%
Plumbing and pipefitter	14%	0%	0%	0%	2%
Electrical	71%	0%	27%	0%	21%
HVAC	14%	20%	0%	0%	7%
Renewable energy	0%	0%	0%	0%	0%
Nursing science	0%	0%	0%	0%	0%
Robotics and automation technology, industrial, maintenance	0%	14%	0%	0%	0%
Welding	71%	30%	33%	10%	33%
Diesel and heavy equipment maintenance	0%	0%	0%	0%	0%
Electric and hybrid vehicle maintenance (automotive)	0%	0%	0%	0%	0%

# Expanding Quality Programs

**High  
Wage**



**High  
Volume**



**High  
Skilled**



**Impact  
of AI**



# Challenge: Program Infrastructure

Career programs require infrastructure investment not feasible at all HISD high schools so offsite solutions must be explored.

## Building Space



## Equipment



# Challenge: Students have Limited Time so Minimal Travel Critical

Day of Week	Example Schedule
Monday, Wednesday & Every other Friday	Math
	Reading
	CTE Course
	CTE Course / Elective
Tuesday, Thursday & Every other Friday	Science
	Social Studies
	Fine Arts
	Elective

- Max 25 minutes of travel to fit all courses into student schedule
- Offsite courses at all locations must align exactly with high school bell schedules

# Challenge: TEA Requirements

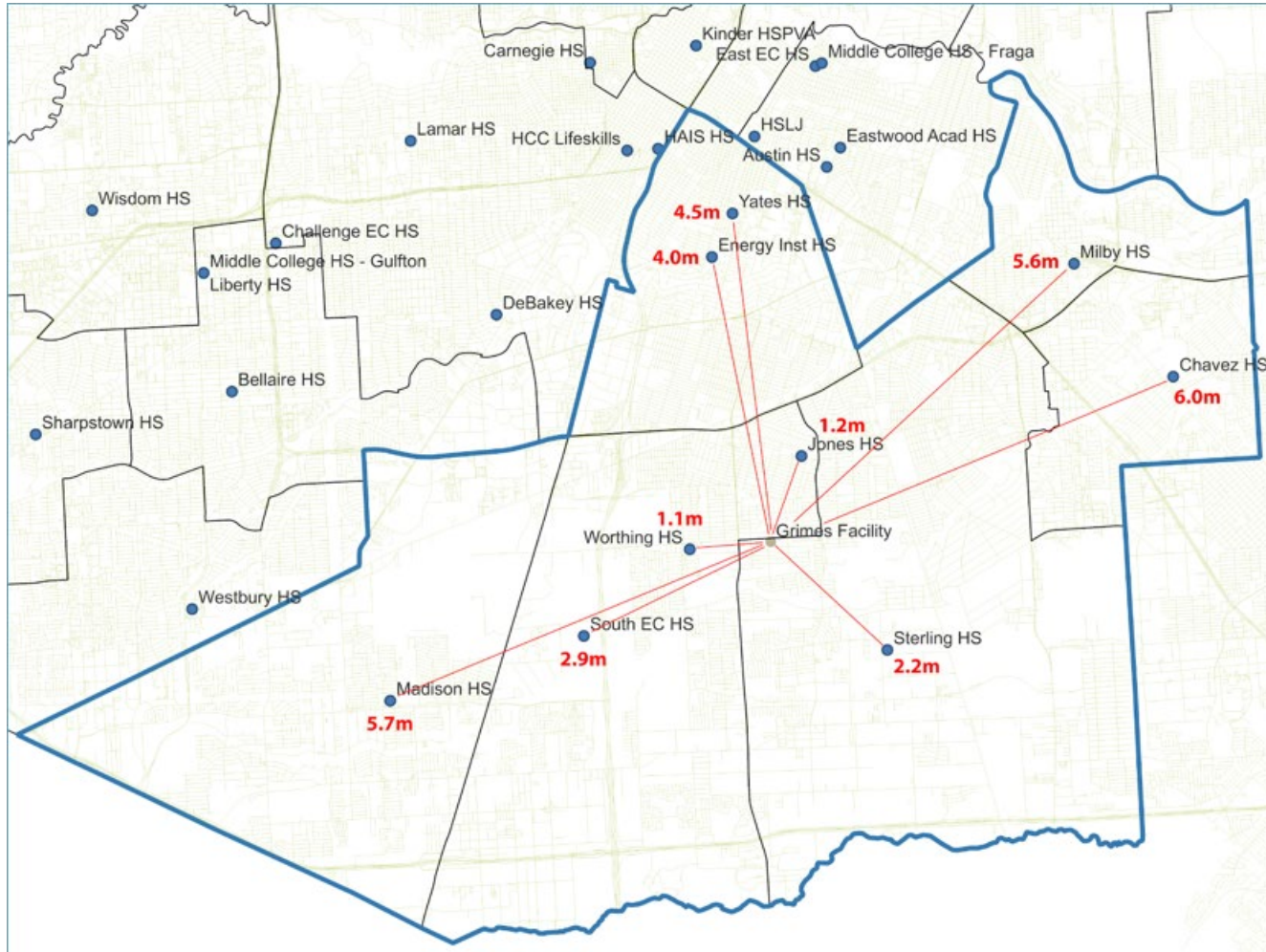
TEA requirements are getting more rigorous over time and partners are not incentivized to provide full offering to students.

TEA Accountability Student Requirements

SY22-23	SY23-24	SY24-25	SY25-26
No course requirements	Pass one Level 2 Course in aligned program of study	<b>Concentrator</b> Pass at least 2 courses and 2 credits in aligned program of study	<b>Completer</b> Pass at least 3 courses and 4 credits in aligned program of study
IBC	Aligned IBC	Aligned IBC	Aligned IBC

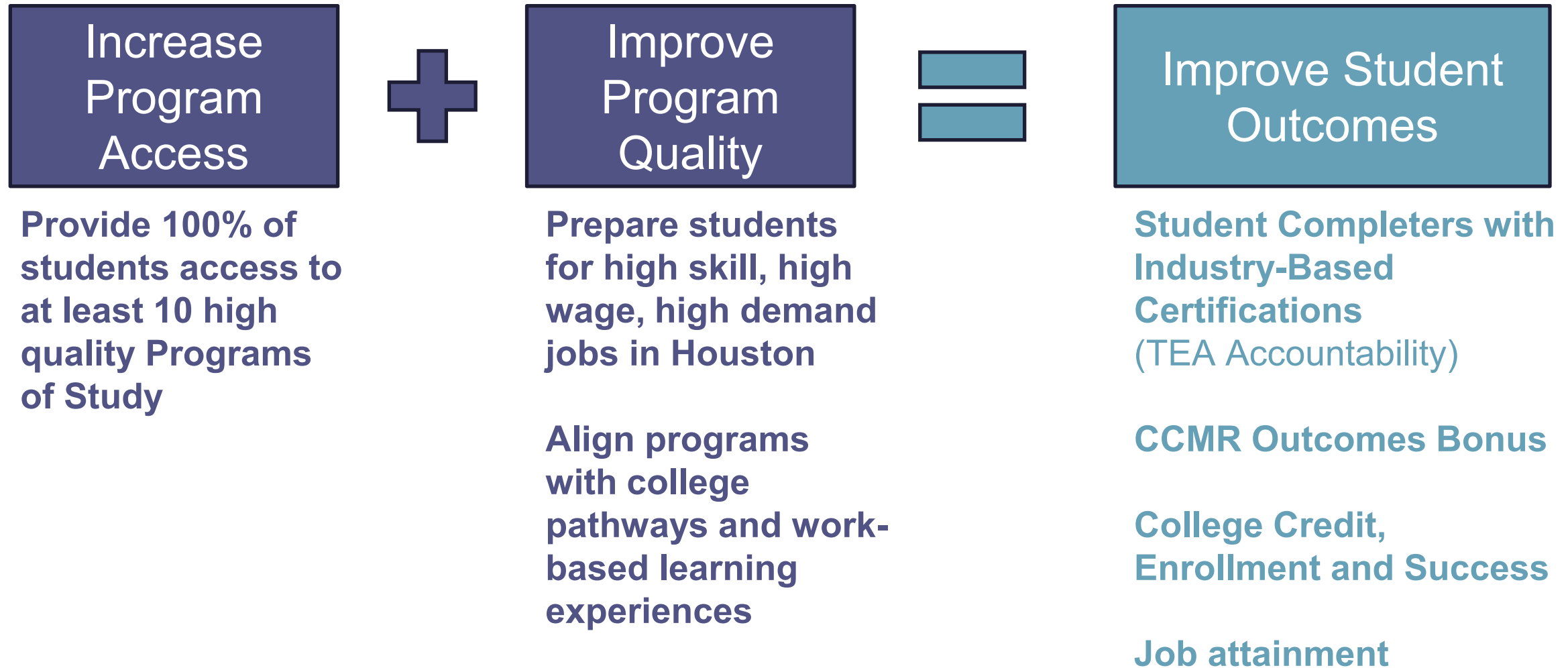


# Solution: Our CTE Center Approach



- Build center aligned to the jobs of the future
- 10+ options for all students
- Travel limited
- One system keeps operations aligned
- Opportunity to embed partners within HISD sites

# Career Center Goals



# Programs Aligned to Gulf Area Careers



ARCHITECTURE AND  
CONSTRUCTION



ENERGY



HEALTH SCIENCES



MANUFACTURING



AGRICULTURE, FOOD AND  
NATURAL RESOURCES



INFORMATION TECHNOLOGY



TRANSPORTATION  
DISTRIBUTION & LOGISTICS

The final list of programs in each CTE Center would be determined based on input from campuses, community, higher education partners and business partners.



# Each Program Recommendation Creates Pathways to High Salary Careers



## ARCHITECTURE AND CONSTRUCTION

List of Aligned Careers	Median Salary
Construction and Building Inspectors	\$64,533
Construction Managers	\$99,366
Cost Estimators	\$74,138
First-Line Supervisors of Construction Trades	\$69,740
Project Management Specialists	\$94,834

# Each Program Recommendation Creates Pathways to High Salary Careers



## HEATH SCIENCES (Nursing)

List of Aligned Careers	Median Salary
Registered Nurses	\$82,223
Licensed Practical and Licensed Vocational Nurses	\$54,209



## HEATH SCIENCES (Diagnostic and Therapeutic Services)

List of Aligned Careers	Median Salary
Clinical Laboratory Technologists and Technicians	\$50,271
Radiologic Technologists and Technicians	\$75,318
Dental Hygienists	\$79,040
Surgical Technologists	\$59,576
Diagnostic Medical Sonographers	\$79,257
Magnetic Resonance Imaging Technologists	\$81,151

# Business Partnerships

HISD Requirements (based on TEA)

9<sup>th</sup> Grade  
Level 1  
Course

10<sup>th</sup> Grade  
Level 2  
Course

11<sup>th</sup> Grade  
Level 3  
Course

12<sup>th</sup> Grade  
Level 4  
Course

Industry Based Certifications (IBC)

Upskilling / Training Teachers

Funding equipment and/or staff

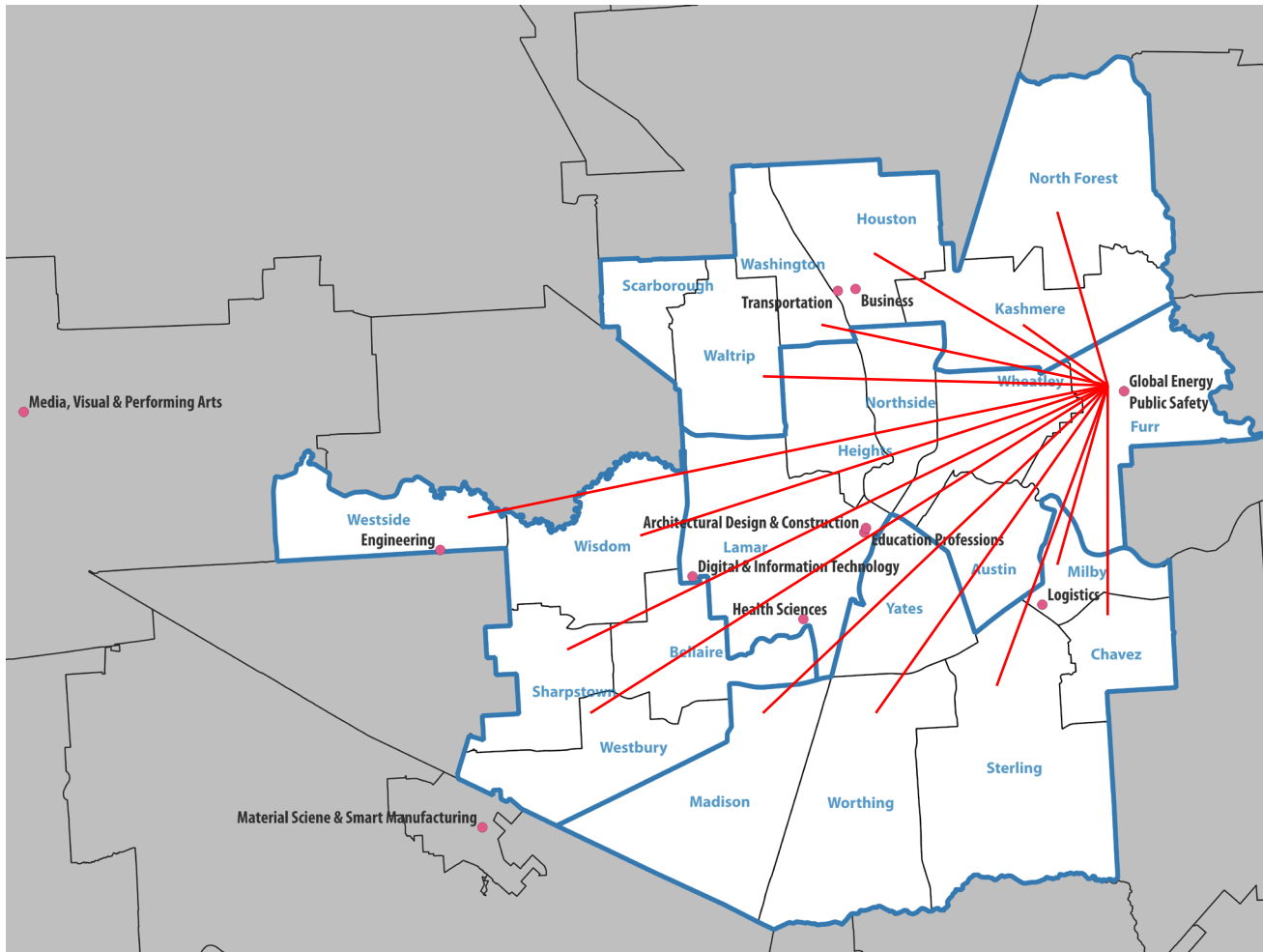
Hosting student work-based  
Learning / Internships

Business Partner Role

**Employment**

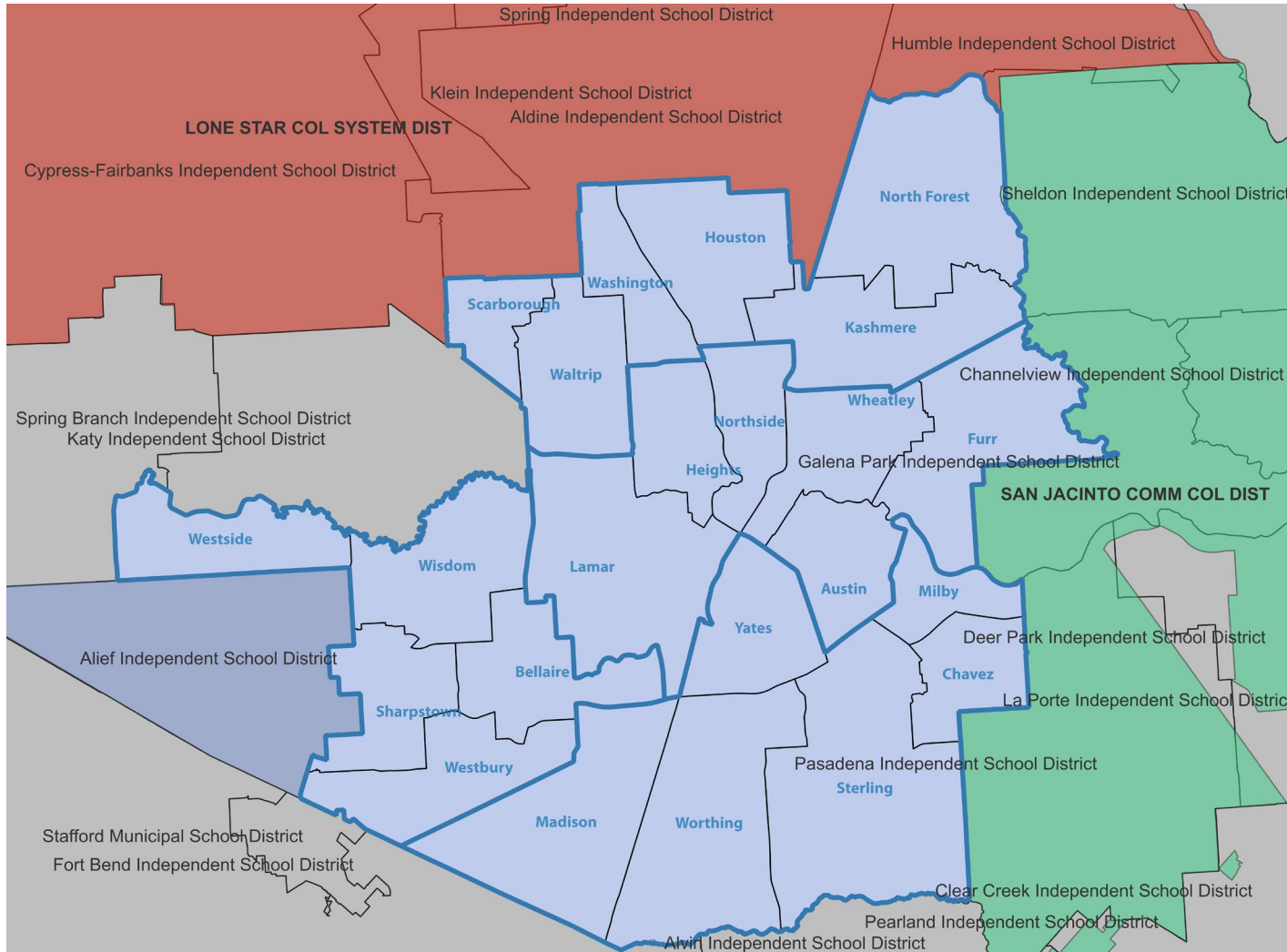
(High School to  
Career Pipeline)

# HCC Partnership Limitations



- 14 HCC sites are designed by program and not geography
- For example, the energy program is located on the east side of HISD
- Do not offer full set of TEA required courses

# Lone Star / San Jac Limitations



- Lone Star and San Jacinto located beyond HISD boundaries so location sharing is difficult
- Still opportunity to partner (e.g., dual credit, post-secondary pathways)

# CCMR Advisory Group

## Participants:

A group of industry experts and higher education partners

## Role:

To share best practices with the District and advise programmatically on the following components of the District's CCMR Strategy:

- CTE Center Programming
- College Coursework / Higher Education Partnerships
- PTECH
- Student Counseling and Advising

## Timeline:

Fall 2024 Launch

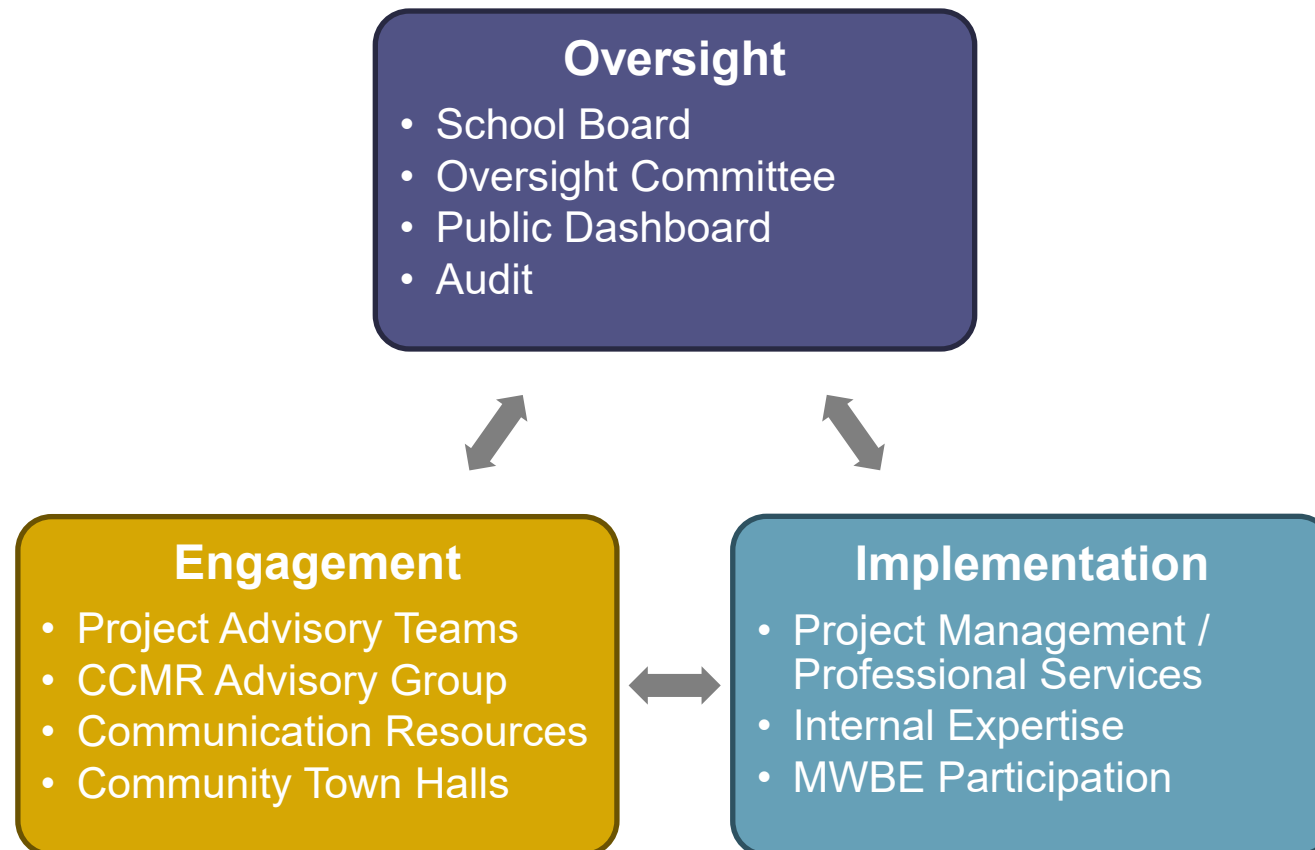


# **Transparent Execution: Engagement, Implementation & Oversight**



# Ensuring Transparent Execution

Ensuring effective and transparent execution on a Bond of this scope will require strong, interconnected mechanisms for **oversight, engagement, and implementation.**







# The School Board: Oversight

The HISD School board has the authority to authorize:

## (1) the election order (pre- November Bond vote)

- The election order enumerates **specifics about the scope and costs of projects** within the bond, which becomes a **contract with voters**.

## (2) the sale of bond tranches and use of funds

- If the Bond is passed, it is anticipated that **proposed bonds will be sold in 4 series, or “tranches”** – in 2025, 2026, 2027, and 2028.
- For each tranche, the Board must adopt a Bond Order to **authorize the sale, issuance, and delivery of bonds**, and authorize **all other terms of that tranche** (interest rates, interest payment dates, redemption provisions, the specific projects to be financed by such series, etc.).

## (3) the amount of funds to be used for the bond

- The Board retains the ability to issue less than all voter authorized bonds should the Board determine it is in the District’s best interests to issue less than all legally authorized bonds.
- In special cases, the Board can authorize changes to the election order, to account for unforeseen health, safety, or structural contingencies.

# Bond Oversight Committee



The Committee's charge is to **monitor the progress** of Bond construction and help Houstonians stay **informed**.

## Among the committee, members will:

- Have expertise related to construction, finance, or project management
- Be active in the HISD business community
- Be parents or guardians of HISD students
- Serve the community at-large

*The charter for the Bond Oversight Committee will be **finalized and shared with Board members prior to August 8.***

Up to 9 voting members, appointed to staggered two or three-year terms.

Meet in a public forum, at least quarterly.

Visit bond sites and review progress reports.

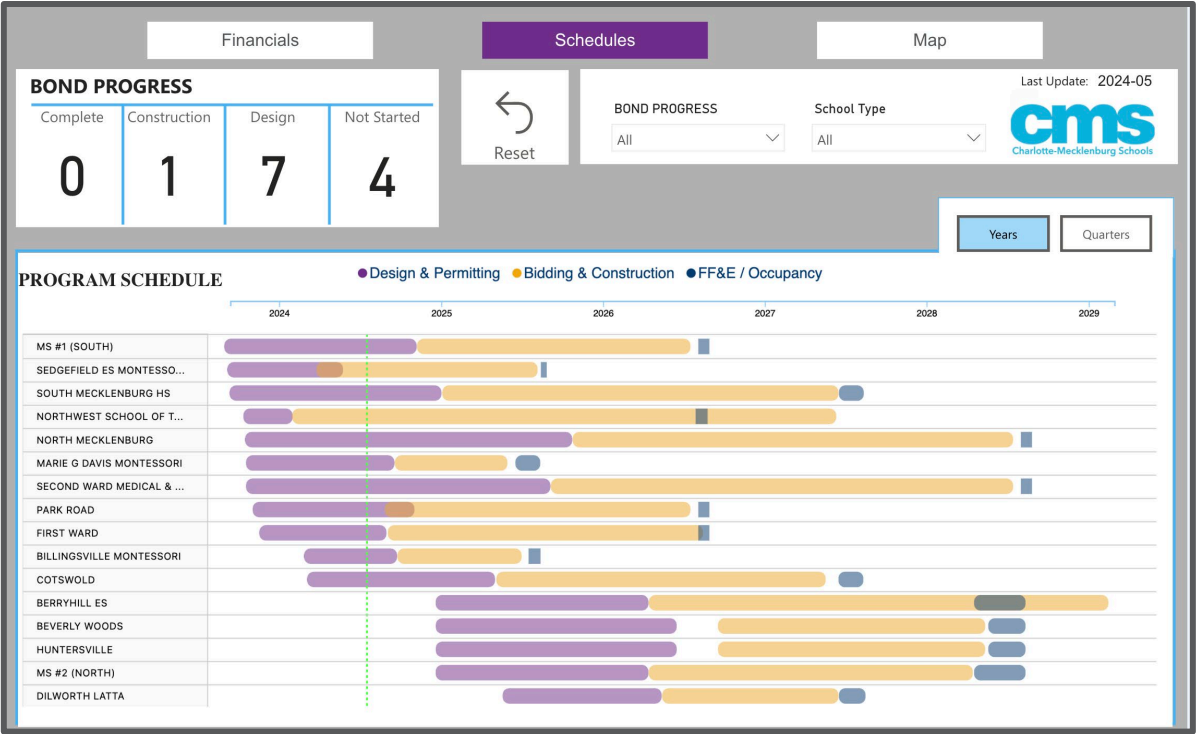
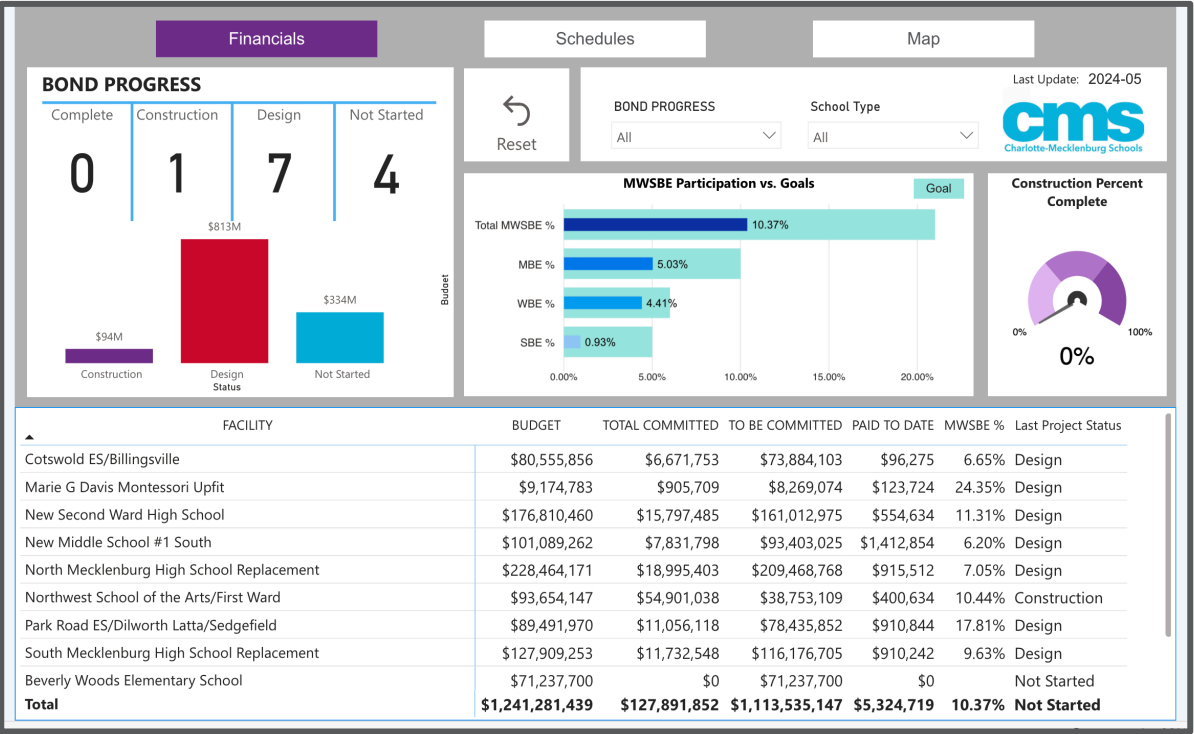
Review financial reports to verify efficient and compliant use of bond funds.

Provide counsel to the administration.



# Public Dashboard: Oversight

Similar to this example from Charlotte-Mecklenburg Schools, HISD will launch a public web-based dashboard.



This will be updated regularly to keep the public informed of progress and increase transparency and accountability.



# Engagement: Communication & Community Input

HISD will provide **multiple platforms and opportunities for communication and community engagement** throughout Bond implementation.

## Bond Town Halls

Division-based Town Halls to explain projects, celebrate successes, and receive feedback, at least twice every year.

## Bond Website

Dedicated 2024 Bond website where all materials will be hosted, including financial reports, dashboard, and project details

## Feedback Tools

Surveys, dedicated email address with timely responses, and focus group opportunities

## Project-Specific Engagement

CCMR Advisory Group for new CTE centers, and additional community meetings for co-location projects



# Engagement: Project Advisory Teams

The Project Advisory Teams (PAT) will ...



Provide Input on  
Project Design



Reflect Families, Students,  
Staff & Community  
Interests & Values



Support Broader  
School & Community  
Engagement



Tour the Project Site  
and Review Progress  
Updates

Each campus undergoing major construction will have a Project Advisory Team. The PAT's will meet regularly and serve from the design phase through completion.



# Implementation: Project Management Consultant

The Project Management Consultant (PMC) is a team of industry experts responsible for overseeing the scope and sequence for each project and how those work alongside community input and market factors.



Program Management  
(PM) Services



Internal Experience

A key early deliverable is a comprehensive plan (timelines, sequences) for each phase and the ~300 projects. They will liaise with our Operations team, who will have the responsibility for implementation, and receive information from community engagement efforts.



# Implementation: Internal Roles & Responsibilities



# Implementation: MWBE Participation



HISD aims to enhance MWBE (Minority and Women owned Business Enterprise) participation in contracts, setting a goal of 30% for all contracts over \$50,000.



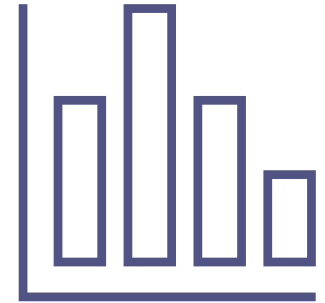
MWBE Program Goals



Vendor Engagement



Subcontractor Events

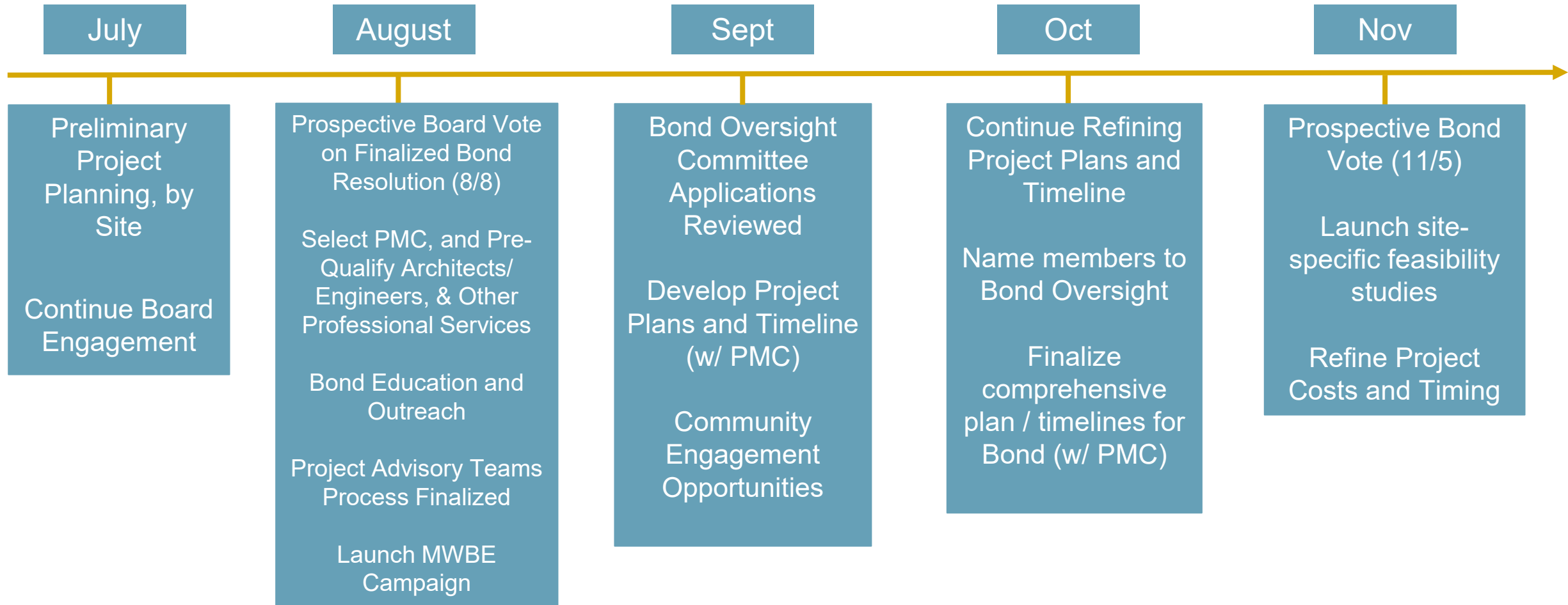


Outcomes and Metrics

The program aims to create a simplified procurement system, increase MWBE participation, provide economic uplift to marginalized communities, and demonstrate HISD's commitment to underrepresented populations. HISD is in the process of scheduling subcontractor-focused events to inform the community of procurement opportunities



# 5 Month Timeline



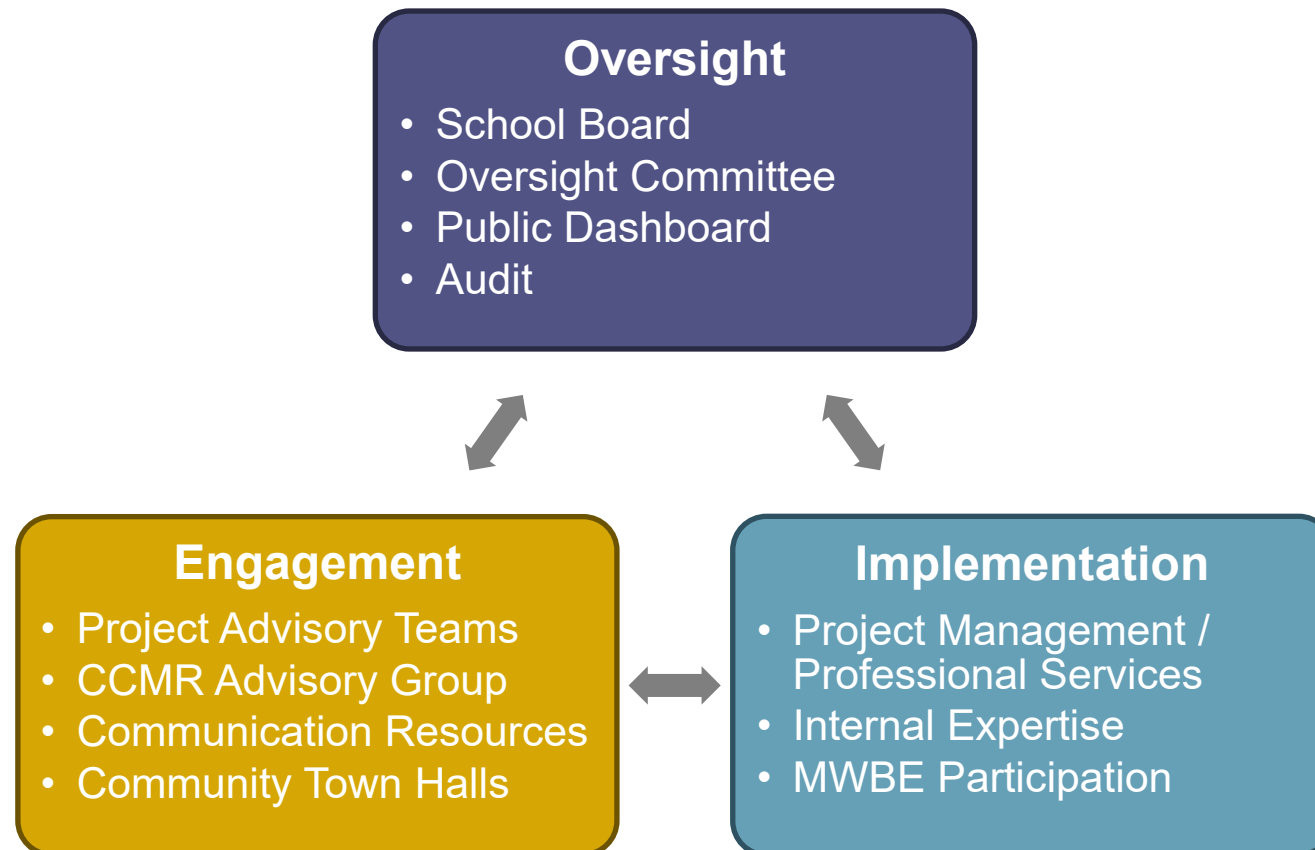
# Post-November Timeline





# Ensuring Transparent Execution

Ensuring effective and transparent execution on a Bond of this scope will require strong, interconnected mechanisms for **oversight, engagement, and implementation.**



# RENEW HISD

## Q & A



# CTE Center Capacity Analysis

**19,000**



**4,750**



**1,200**

■ 40% of high school students

■ Average students by division

■ Recommended capacity per Center (4 rotating groups)

## Assumptions:

- Serves 9<sup>th</sup> – 12<sup>th</sup> grade
- Serves 40% of district (aligned with other urbans and outcomes data)
- Assumes 4 rotating groups of students for full-time utilization