

November 13, 2018

Carlos Quezada, Board President
Harlandale Independent School District
102 Genevieve Street
San Antonio, Texas 78214-2997

Ricardo Moreno, Board Vice-President
Harlandale Independent School District
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PRELIMINARY REPORT
INFORMAL REVIEW REQUEST DUE
December 4, 2018

Christine Carrillo, Board Secretary
Harlandale Independent School District
102 Genevieve Street
San Antonio, Texas 78214-2997

Juan Mancha, Board Member
Harlandale Independent School District
102 Genevieve Street
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Reynaldo Madrigal, Superintendent
Harlandale Independent School District
102 Genevieve Street
San Antonio, Texas 78214-2997

Sanchez & Wilson, PLLC.
Attn.: Mark A. Sanchez, Robert Wilson
6243 IH 10 West, Suite 1025
San Antonio, Texas 78201

Dear Board of Trustees and Superintendent Madrigal:

The enclosed report presents the preliminary findings resulting from a Special Accreditation Investigation (SAI) conducted by the Texas Education Agency's (TEA) Special Investigations Unit (SIU), pursuant to the authority set forth under Texas Education Code (TEC) §39.057. The investigation related to allegations that Harlandale Independent School District (HISD) was not in compliance with the Governance of Independent School District, Nepotism, Contract Procurement, Conflict of Interest/Disclosure requirements under Tex. Educ. Code §§11.051, 11.151, 11.1511, 11.1512, 11.1513, 44.031, 44.0411, Tex. Gov't Code §§573.002, 573.041 and Tex. Local Gov't Code §176.003.

This report addresses only those allegations described in this preliminary report and investigated by the SIU to date. These findings do not address all allegations raised before, during or after our investigation. Additional investigative work may be conducted in the future to address any

remaining allegations. Furthermore, other TEA divisions may be in the process of investigating HISD or issuing other investigative reports regarding the district.

The preliminary report is for your review and response related to the findings identified in the report. The school district or any person identified in this report as having violated a law, rule, or policy may request in writing, an informal review of the preliminary report, as authorized by the Tex. Educ. Code §39.058 and 19 Tex. Admin. Code §157.1123.

A request for an informal review must be received, along with any information or documentation the requestor would like the agency to consider during the informal review, on or before 5 p.m. on **12-3-18**, and addressed to the following postal mail or email address:

Mailing address: Jason Hewitt, Director
Division of Governance
Texas Education Agency
1701 N. Congress Avenue
Austin, Texas 78701

Email address: Jason.Hewitt@tea.texas.gov

If an informal review is not requested by the deadline, this report will become final, in accordance with 19 Tex. Admin. Code §157.1123(d).

If you have any questions, please contact me at (512) 936-5962.

Sincerely,

Jason Hewitt, Director
Division of Governance

TEA Special Accreditation Investigation Preliminary Investigative Report Harlandale Independent School District

The Texas Education Agency (TEA) received multiple complaints alleging that Harlandale Independent School District (HISD) is not in compliance with the laws relating to Governance of Independent School Districts, Tex. Educ. Code §§11.051, 11.151, 11.1511, 11.1512; Nepotism, Tex. Gov't Code §§573.002, 573.041, Tex. Educ. Code §11.1513, Harlandale ISD Board Policy DBE (Legal) 015904; Contract Procurement, Tex. Educ. Code §§44.031, 44.0411, Tex. Gov't. Code §2269.

In August 2017, TEA's Special Investigations Unit (SIU) contacted Harlandale ISD's (HISD) Superintendent and requested documentation and information in response to these allegations. In October 2017, HISD provided TEA with the requested documentation and information. Subsequently, in February 2018, SIU conducted an on-site visit at HISD. In May 2018, HISD provided additional documentation. The SIU investigation findings in this report are the result from the analysis of documents and interviews of HISD Board of Trustees, current and former HISD employees. The allegations and findings are described below resulting from the on-site inspections and extensive analysis of documents by SIU.

Allegations

- 1. Governance of Independent School District** In 2015, the Harlandale ISD Superintendent entered into four agreements and made payments to Terracon Consultants, Inc., without board approval, as required by CH (Local) X and Tex. Educ. Code. §11.1511.
- 2. Contract Procurement** Harlandale ISD has failed to follow proper procurement procedures as the bidding and selection processes were conducted improperly for the Gillette, Vestal and Carroll Bell Elementary Schools during fiscal year 2013-2014 and 2015-2016, in violation of Tex. Educ. Code §§44.031, 44.0411, Tex. Gov't. Code §2269.
- 3. Nepotism** Several family members of the Superintendent were hired to work in the district, in violation of Tex. Educ. Code §11.1513, Tex. Gov't Code §§573.002, 573.041, and Harlandale ISD Board Policy DBE (Legal) 015904.

FINDINGS

Finding #1 The HISD Superintendent entered into four agreements and made payments to Terracon Consultants, Inc., without board approval, in violation of CH (Local) X and Tex. Educ. Code. §11.1511(c)(4).

Finding #2 The HISD Board of Trustees failed to monitor district finances to ensure that the Superintendent properly maintained the district's financial procedures and records, in violation of Tex. Educ. Code §§11.1511(b)(9), 11.1511(b)(15)

Finding #3 The HISD Board of Trustees acted individually on behalf of the board, exceeded the scope of their authority, and failed to collaborate with the district's administration, in violation of Tex. Educ. Code §§11.051(a-1), 11.1512(a), (b)(3), and (b)(5).

Finding #4 The HISD Board of Trustees as a quorum held meetings through electronic means (group text messaging) and deliberated district business but failed to conduct these meetings as open to the public, required in Tex. Gov't Code §551.002. The HISD Board of Trustees written electronic communications (group text messaging) did not meet any exceptions from the definition of meeting or deliberation pursuant to Tex. Gov't Code §551.006, and thus failed to meet the open meetings requirements of the Texas Open Meetings Act, Tex. Gov't Code, Chapter 551.

Finding #5 The HISD Board of Trustees approved six (6) contract amendments and change orders that resulted in a changed contract over \$1 million and total change orders exceeding more than 25 percent over the original contract amount, in violation of Tex. Educ. Code §§44.0411(d), as well as, Tex. Educ. Code §11.1511(b)(15).

Finding #6 The District circumvented the bidding process in that the contracts with the Commissioning Agent did not contain an effective end-date, allowing the commissioning agent to continue its work through six contract amendments and multiple change orders, thus exceeding the \$50,000 threshold, in violation of Tex. Educ. Code §44.031(a), Tex. Gov't. Code §2269, local policy, as well as, Tex. Educ. Code §11.1511(b)(15).

Finding #7 The Superintendent's hiring of family members was not substantiated or undetermined as a violation of Tex. Educ. Code §11.1513 and Harlandale ISD Board Policy DBE (Legal) 015904.

Applicable Law

Tex. Educ. Code §11.051 (a) An independent school district is governed by a board of trustees who, as a body corporate, shall: (1) oversee the management of the district; and (2) ensure that the superintendent implements and monitors plans, procedures, programs, and systems to achieve appropriate, clearly defined, and desired results in the major areas of district operations. (a-1) Unless authorized by the board, a member of the board may not, individually, act on behalf of the board. The board of trustees may act only by majority vote of the members present at a meeting held in compliance with Chapter 551, Government Code, at which a quorum of the board is present and voting. The board shall provide the superintendent an opportunity to present at a meeting an oral or written recommendation to the board on any item that is voted on by the board at the meeting.

Tex. Educ. Code §11.1511(b)(9) The board shall monitor district finances to ensure that the superintendent is properly maintaining the district's financial procedures and records.

Tex. Educ. Code §11.1511(b)(15) The board shall carry out other powers and duties as provided by this code or other law.

Tex. Educ. Code §11.1511(c)(4) The board may enter into contracts as authorized under this code or other law and delegate contractual authority to the superintendent as appropriate.

Tex. Educ. Code §11.1152 (a) In relation to the superintendent of the school district, the board of trustees of the district has the powers and duties specified by Sections 11.1511(b) and (c). The superintendent shall, on a day-to-day basis, ensure the implementation of the policies created by the board. (b) The board of trustees and the superintendent shall work together to: (3) provide educational leadership for the district, including leadership in developing the district vision statement and long-range educational plan; (5) support the professional development of principals, teachers, and other staff.

District board policy CH (Local) X, revised 09/2015, the board delegates to the Superintendent or designee the authority to make budgeted purchases for goods or services. However; any single, budgeted purchase of goods or services that costs \$25,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place.

District board CH (Local) X, prior to 09/2015 revision, the board delegates to the Superintendent or designee the authority to make budgeted purchases for goods or services. However; any single, budgeted purchase of goods or services that costs \$15,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place.

Tex. Gov't. Code §551.002 Every regular, special, or called meeting of a governmental body shall be open to the public, except as provided by this chapter.

Tex. Gov't. Code §551.006 (a) A communication or exchange of information between members of a governmental body about public business or public policy over which the governmental body has supervision or control does not constitute a meeting or deliberation for purposes of this chapter if: (1) the communication is in writing; (2) the writing is posted to an online message board or similar Internet application that is viewable and searchable by the public; and (3) the communication is displayed in real time and displayed on the online message board or similar Internet application for no less than 30 days after the communication is first posted.

Tex. Educ. Code §44.031(a) "Except as provided by this subchapter, all school district contracts for the purchase of goods and services, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for each 12-month period shall be made by the method, of the following methods, that provides the best value for the district: (5) a method provided by Chapter 2269, Government Code, for construction services.

Tex. Educ. Code §44.0411(d). Change Orders state a contract with an original contract price of \$1 million in addition or more may not be increased under this section by more than 25 percent. If a change order for a contract with an original contract price of less than \$1 million increases the contract amount to \$1 million or more, the total of the subsequent change orders may not increase the revised contract amount by more than 25 percent.

Tex. Educ. Code §11.1513(a)(2) The superintendent has sole authority to make recommendations to the board regarding the selection of all personnel other than the superintendent, except that the board may delegate final authority for those decisions to the superintendent.

District board policy DC (Local), Employment of Contractual Personnel, and DC (Legal): The Superintendent has sole authority to make recommendations to the Board regarding the selection of contractual personnel. The Board retains final authority of reemployment of contractual personnel.

Facts

On October 19 - 22, 2015, the District's Auditor contacted the district's procurement department inquiring about the \$60,000 payment made in fiscal year 2014-2015 to a consulting firm without board approval.

On October 22, 2015, the district responded that the district has been using their services since 2009, as needed at unplanned dates, due to the nature of unpredictable construction activity. It further responded: "To present them to the Board prior to construction activity would lead to questions if we do not use their services (or any other engineering firm) for construction testing. To present them to our Board after their services have been rendered would also lead to questions as this type of ratification has never been used for this type of construction testing service".

HISD's Report on Conduct of Audit for the Year Ended June 30, 2015, Section IX, Internal Control and Other Matters, page 5, noted that during the year the "District made eight payments totaling \$60,925 to an engineering firm. The district entered into four (4) related agreements for construction materials testing services. The four agreements total \$141,500 and were signed by the Superintendent; however, no effective dates were specified in the agreements. It appears that Board approval was not obtained for these agreements."

The Superintendent responded to the allegation stating: "Although the total of the purchase orders were \$141,500.00 and above the \$25,000.00 threshold, the purchase orders would not have to have been presented to the Board for approval since the consulting firm was one of the approved engineers to provide this service and the District had a satisfactory experience with them and chose to use them based on their qualifications, experience and service to the District. The total payments the fiscal year of 2014-2015 was \$60,925.00"

HISD Board of Trustees is currently comprised of seven board members.

SIU investigators interviewed HISD Board of Trustees A-G, as well as former and current district employees. SIU reviewed electronic communications between Trustees and official reports.

SIU's interviews and review of documentation revealed the following:

- Significant dysfunction exists among Board of Trustees in the form of distrust, infighting and bullying, biased bid ranking, and alliances among the Trustees;
- An improper dependency relationship between certain Board Members and an outside contractor for possible exchange of monies, gifts, meals, and other in-kind donations;
- Trustees A, B, D, E, F and G acted outside the scope of their authority by frequenting the district's campuses, by directly contacting and questioning district employees about personal and district matters, by intimidating them, disrupting the day-to-day operations of the Superintendent and District employees, and thereby impeding the district's ability to govern and make decisions to carry out the business of HISD.

Examples SIU identified as overreach by HISD Trustees, included:

- Trustee A acted outside the scope of his authority when he accepted a dinner invitation from the former outside contractor discussing the possibility of terminating the current law firm for the district and retrieving Trustee A's campaign money through fundraisers.
- Between August 4, 2017, and March 3, 2018, Trustee E emailed the Superintendent on Sunday, he appeared in Human Resources (HR) unannounced, he called and texted the office of the HISD Executive Director of Human Resources directly and questioned the qualifications of the HISD Benefits Coordinator, asking for job description and job requirements, he e-mailed the HISD Executive Director of Human Resources regarding an inappropriate relationship between a coach and a student, he raised his voice saying the incident was kept quiet because the student was a former Board Member's granddaughter. He further stated he had "heard stuff" about her and as a Board Member he had a right to know, and that he was disappointed with her. He called the office asking staff to text him the HR Director's cell phone number and demanding to speak to him before she left work that day, he disrupted the day-to-day operation of school staff by visiting the school campus and circumventing the security/guest sign-in procedures and demanding information that did not pertain to his role as a Board of Trustee.

- On or about October 19, 2017, Trustee E requested district staff to select a different vendor than the one that was selected from the RFQ for the Structural Engineer. Trustee E was told that the selection was presented to the Board and the Board Members voted on the vendor. He was told he was micro-managing and he was not in line with his duties. Trustee E became angry and left.
- On or about March 3, 2018, Trustee E asked Trustee D to support him in terminating the Superintendent and re-hiring the former Commissioning Agent. Trustee E would keep on giving the Superintendent a hard time because he does not want the Superintendent to continue working with the District.

SIU's review of board minutes and documents confirmed that the Board of Trustees has been consistently divided on two critical issues: 1) the repair of a pier(s) to support the structure at Gillette Elementary School and 2) retaining and overpayment of an outside contractor, Jasmine Engineering, for the oversight of construction projects, instead of a more cost-effective in-house construction oversight.

The former Superintendent, who resigned effective close of business August 31, 2012, informed the TEA that he was threatened by one former and a current Board of Trustees with the loss of his job if he would not follow their directive to terminate the Assistant Supervisor of Maintenance/Operations.

Review of electronic communications (group texts) between HISD Board of Trustees on August 18, 2017, September 22, 2017, and December 30, 2017, show a quorum of the Board conducted a meeting via group text, deliberated HISD public business and public policy over which the Board has supervision or control, which was not open to the public. These electronic communications exchanged information and deliberated regarding city inspection delays, potential delays of a campus opening, district employee work schedules and pay, curriculum issues, and parent complaints.

The Board disregarded the Building Committee Report dated November 6, 2012, regarding Slay Engineering's recommendation to repair one Pier at Gillette Elementary School. Later, the Board followed Jasmine Engineering's recommendation to repair thirty-six piers instead, at a much higher cost for the district than originally quoted by Slay Engineering.

The pier repairs for Gillette Elementary School have been ongoing for over five years and has not yet been completed. The pier repair costs have increased exponentially, from an original proposal to repair one pier, at a cost of approximately one hundred eighty-five

thousand dollars (\$185,000.00) to an estimated cost of four million, four hundred thousand dollars (\$4,400,000.00) to repair thirty-six piers. In addition, the Board of Trustees have also paid approximately two hundred and twelve thousand dollars (\$212,000.00) to Jasmine Engineering, for the oversight of the project.

The current Superintendent informed the TEA that he was threatened by Jasmine Azima that he would lose his job if he did not support her as the District's Project Manager.

SIU requested to interview Jasmine Azima, the representative of Jasmine Engineering. Jasmine Azima declined to be interviewed on the advice of her attorney.

From 2006 to 2017, the district contracted with an engineering company, Jasmine Engineering, under a Professional Service Agreement. The district continued the agreement through six (6) contract amendments and did not request proposals for bids.

- A review of the original contract and the six (6) contract amendments showed that the contracts were made without the specification of an end-date. This enabled the contractor to keep working for the district without going through the bidding process, which should have occurred after approximately two (2) years. Over the course of the years, the scopes of the projects were increased and by vote of the board, the duration of the contract was amended and prolonged six times.
- Per district statements, the Commissioning Agent, Jasmine Engineering was paid between 1.5% and 6% commission of the Total Project Cost for the oversight of contractors and subcontractors, including hiring, related to the Bond Projects of 2006, 2008, 2009, and 2015, Priority Projects, and Additional Projects unrelated to the Original Priority Projects. Jasmine Engineering also was paid hourly and fixed fees for consulting services as described in contract documents.

The ranking committee for the selection of potential vendor projects included the Commissioning Agent with two of her own employees, and two HISD Board Members, thus giving the appearance that the ranking is biased and unfair to other bidders.

Per cost summary provided by the District, the total commissioning agent fee paid to Jasmine Engineering to date, for Bond 2015, totals three million, one hundred two thousand, one hundred seventy-three dollars (\$3,102,173.00).

During the 2015 Bond Projects, the Board of Trustees added to the scope of work the repair of Piers at the Gillette Elementary School. One of the initial cost estimates was approximately one hundred eighty-five thousand dollars (\$185,000.00) which was declined through HISD Board vote. Per the district's statement, HISD did not find a response to its Request for Proposals for the pier repairs, however; it ended up paying two hundred twelve thousand, one hundred and fourteen dollars (\$212,114.00) in commissioning fees. Per district statement, the piers, as of today, have not yet been repaired.

Per documentation collected from the district, the selection of qualified applicants for the position of Assistant High School Principal was made by an interview committee, which did not include the Superintendent.

Documentation to verify whether the Superintendent engaged in nepotism by hiring his cousin for the position of High School Principal was no longer available, as the district responded that some of the information requested is no longer maintained by the district. The district stated in 1997 the district adopted the Texas State Library and Archives Commission SD and GR schedules.

Analysis

The Superintendent violated district board policy CH (Local) X, when he did not request board approval for goods or services, regardless of whether the services are competitively purchased, when the amounts were outside the scope of budgeting authority granted to the Superintendent pursuant to Tex. Educ. Code 11.1511(c)(4).

The Board violated Tex. Educ. Code §§11.1511(b)(9) and 11.1511(b)(15) when it failed to monitor the District's finances to ensure that the superintendent was properly maintaining the district's financial procedures and records, when it failed to identify the contracts with Terracon Consulting as outside the budgeting authority granted to the Superintendent or question the payments made to Terracon.

Based on the interviews of the Board of Trustees and former and current district employees, as well as the review of electronic communications and official reports, SIU investigators identified that certain Trustees directed the reassignment of district employees, questioned employees about issues outside their scope, for the sole benefit of that Trustee, in violation of Tex. Educ. Code §11.051(a-1).

The evidence reviewed by TEA demonstrates the dysfunction within the HISD administration and lack of collaboration within the Board of Trustees and with the Superintendent, in violation of Tex. Educ. Code §11.1512(a), (b)(3), and (b)(5), which requires the Board of Trustees and the superintendent to work together to provide educational leadership for the district, including leadership in developing the district vision statement and long-range education plans, and shall support the professional development of principals, teaches, and other staff.

In addition, based on the interviews and documentation, Trustees A, B, D, E, F and G have acted outside the scope of their authority by frequenting the district's campuses, by directly contacting and questioning district employees about personal and district matters, by intimidating them, disrupting the day-to-day operations of the Superintendent and District employees, and thereby impeding the district's ability to govern and make decisions to carry out the business of HISD and resulted in a failure to collaborate with the district's administration, in violation of Tex. Educ. Code §§11.051(a-1), 11.151(b), 11.1512(a) and (b)(3).

Review of the electronic communications, in the form of written texts, between a quorum of HISD Board members deliberating on school confirmed that the electronic communications between Trustees were not posted to an online message board, or similar Internet application, viewable and searchable by the public in real time nor displayed for 30 days, as required by Tex. Gov't. Code §551.006. Tex. Gov. Code §551, restricts members of a governmental body from discussing public business or public policy within their jurisdiction outside of an open meeting (except for expressly authorized executive sessions).

The Board's approval of Jasmine Engineering contract amendments with change orders that resulted in a changed contract over one million (\$1,000,000.00). Once the addition of an approved change order to the original contract resulted in a changed contract over one million (\$1,000,000.00), the Board's approval of change orders resulting in a cumulative sum of more than 25 percent of the original contract to the total changed contract, was in violation of Tex. Educ. Code §44.0411(d).

The District circumvented the bidding process in that the contracts with the Commissioning Agent, Jasmine Engineering, did not contain an effective end-date, allowing the commissioning agent to continue its work through six contract amendments and multiple change orders, thus exceeding the \$50,000 threshold, in violation of Tex. Educ. Code §44.031, Tex. Gov't. Code §2269, and local policy. By doing so, the district

did not allow other vendors to bid for the project of Commissioning Agent and deprived the district of its opportunity to find the best value for the district.

The Superintendent did not violate the district or state hiring policy, as he brought the recommendation for the selection of the Assistant High School Principal before the Board of Trustees for voting. The Superintendent's daughter chosen for the position of Assistant High School Principal was qualified, and while having considerably less years of service and experience than other applicants, there was only an appearance of favoritism.

Regarding the Superintendent hiring his cousin, SIU was unable to determine a violation of district or state hiring policy due to lack of documentation available for review.

Summary

The findings establish that a systemic breakdown of the HISD Board of Trustees' ability to govern and manage HISD prevents the Board from carrying out the powers and duties as provided by the Texas Education Code or other law, as required by Tex. Educ. Code 11.151(b)(15). This systemic breakdown is demonstrated by the Board failing to oversee and monitor the district finances, taking actions outside the scope of their authority in directing district employees to perform tasks that personally benefit the Trustees, and intimidating and questioning former and current employees about their responsibilities, and directing hiring decisions, in violation of Tex. Educ. Code §§11.1511(b)(9), 11.1512(a), (b)(3), and (b)(5). The Board's failure is further evidenced by the Trustees' inability to appropriately collaborate with the Superintendent and refrain from exceeding the scope of their authority within the district as required by Tex. Educ. Code. §11.051(a-1). The HISD Board violated the Texas Open Meetings Act by conducting meetings in which school business was deliberated, with no exception to the open meetings requirements, in violation of Tex. Gov't Code §§551.002.

The HISD Board of Trustees violated contract and procurement requirements in the bidding, contract approval, contract amendment, and change order process required under Tex. Educ. Code §§44.0411(d), 44.031(a), Tex. Gov't Code §2269, local policy, as well as §§11.151(b)(15).

Furthermore, the Superintendent exceeded his scope of authority when he entered into four agreements and made payments to a consulting firm, without board approval, as required by Tex. Educ. Code §11.1511(c)(4). The Superintendent also violated Tex. Educ. Code §11.152(a-b) by failing to ensure the implementation of board policies. The

Superintendent's hiring of family members was not substantiated or undetermined as a violation of Tex. Educ. Code §11.1513 and Harlandale ISD Board Policy DBE (Legal) 015904.

Recommendations for Referral

As the conduct described above, regarding the Open Meetings Act, may also constitute criminal violations of Tex. Gov't Code §551, SIU recommends referral of its findings related to this conduct by the Members of the Board of Trustees and the Superintendent to the appropriate state or local agencies.

As the conduct described above, regarding contract and procurement, may also constitute a criminal violation of Tex. Educ. Code §44.032, SIU recommends referral of its findings related to this conduct by the Members of the Board of Trustees and the Superintendent to the appropriate state or local agencies.

Recommendations for Corrective Action

1. Harlandale ISD must adopt policies and procedures necessary to ensure that, going forward, required information is obtained and in compliance with the requirements of Tex. Educ. Code §§11.051, 11.151, 11.1511, 11.1512, 11.1513, 44.031, 44.0411, Tex. Gov't Code §2269, Tex. Gov't Code §§551.002, 551.006.
2. Harlandale ISD must present their required policies that delegate specific duties related to Governance of Independent School District, Contract Procurement and Conflict of Interest to Harlandale ISD staff responsible for the execution and adherence of such policies.
3. Harlandale ISD must provide a list to TEA of all individuals charged with performing the duties described in the above-referenced policies. The personnel on this list are required to attend (and confirm to TEA completion of) subject matter training on these policies and procedures. Any future Harlandale ISD employees involved in the policy writing and adherence should attend this training, as well. All training should commence as soon as possible (preferably during the 2018-2019 school year.)
4. An external Forensic Audit related to Contract/Procurement will be conducted by an independent auditor at the expense of the district.

Recommendations for Sanctions

As authorized by Tex. Educ. Code. §§39.057(d), 39A.002, 39A.004, Tex. Admin. Code §§97.1055(b)(2)(B)(ii), 97.1059(b)(1)(E), 97.1073(e)(7)-(8), it is recommended that the Commissioner:

- Lower the Accreditation of HISD, install a TEA Conservator and appoint a Board of Managers to replace the existing Board of Trustees due to the HISD Board of Trustees and the current Superintendent's inability to appropriately govern and oversee the fiscal management of the District without taking actions outside the scope of their authority, in accordance and §39A.002(7). The above recommendation will enable the District to function in the best interest of students, while policies and procedures can be implemented to address the issues raised in this investigation.
- Order a hearing by the HISD Board of Directors to notify the public of the district's insufficient performance, the improvements in performance expected by the agency and the interventions and sanctions that may be imposed under this section if the performance does not improve, in accordance with TEC §39A.002(2).
- HISD is required to post notice of this hearing as a public meeting to ensure that the general public is allowed to attend and may not limit the number of speakers who would like to address the board, nor may the board limit the amount of time any speaker takes to make their statements regarding HISD's noncompliance with Governance of Independent School District, Nepotism, Contract Procurement, Conflict of Interest/Disclosure requirements under Tex. Educ. Code §§11.051, 11.151, 11.1511, 11.1512, 11.1513, 44.031, 44.0411, Tex. Gov't Code §551.006 and §2269.

TEA reserves the right to implement all available interventions and sanctions under Tex. Educ. Code, Chapter 39A, §39.102 and 19 Tex. Admin. Code, §97.1073, including §97.1059(a)(b)(1)(E) to address the current, or any future deficiencies, identified for HISD.