I. Call to Order

II. Pledge of Allegiance

III. Certification of the Posting of the Notice of the Meeting

IV. Introductions, Special Guests, Recognitions

V. Workshop

VI. Closed Session

The Board of Trustees, in accordance with Sections 551.001, et seq. of the Texas Government Code will move into Closed Session under one or more of the following provision(s) of the ACT:

Section 551.071 - Consultation With Attorney
Section 551.072 - Deliberation Regarding Real Property
Section 551.073 - Deliberation Regarding Prospective Gift
Section 551.074 - Personnel Matters
Section 551.076 - Deliberation Regarding Security Devices
Section 551.087 - Economic Development Negotiations

VII. Reconvene Regular Meeting

VIII. Approval of the Minutes of the August 6, 2009 Public Hearing and Workshop and Regular Meeting

IX. Citizens Desiring to Address the Board

X. Special Reports and Announcements

1. Chancellor

2. College Presidents
3. Vice Chancellors

4. Faculty Senate Presidents

XI. Consideration of Consent Agenda

(The purpose of the consent agenda is to allow the Board to identify and approve action items which require no additional information or discussion and for which there is unanimous approval. Trustees receive agenda materials one week in advance of the meeting to prepare for the business to be conducted.)

XII. Policy Report and Consideration

1. Consideration of Approval for Board of Trustees Travel (ACTION ITEM 1)

2. Consideration of Approval of the Recommended Revision of the Board Policy Sections III D – Purchasing and Acquisitions (SECOND READING) (ACTION ITEM 2)

3. Consideration for the Recommended Revision of the Board Policy Sections VI.F - Student Disciplinary Action and Procedures (SECOND READING) (ACTION ITEM 3)

4. Consideration of the Recommended Revision of the Board Policy C 2.01 – Investment Management (FIRST READING)

XIII. Financial Reports and Considerations

1. Monthly Financial Statements

2. Consideration of Approval of Investment Broker Dealer List for 2009-2010 (ACTION ITEM 4)

3. Consideration of Approval of Renewal of the Appointment of Leo Vasquez, Harris County Tax Assess-Collector and J.R. Moore, Jr., Montgomery County Tax Assessor-Collector, to Collect Taxes Levied on Behalf of the System (ACTION ITEM 5)

4. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Multi-Year Agreements for the Purchase of Campus Research Database Services, Law Library Upkeep and Law Office Database Subscriptions (ACTION ITEM 6)
5. Consideration of Approval to Purchase Cabling Installation Services and Authorize the Chancellor or Designee to Execute Statement of Work Related to These Services (ACTION ITEM 7)

6. Consideration of Approval of Annual Purchases of Technology Hardware, Software, and Services and to Authorize the Chancellor or Designee to Execute Any Agreements or Statements of Work Related to These Purchases (ACTION ITEM 8)

7. Consideration of Approval of Contractual Licensing Program (CLP) Education Membership and Purchase of Adobe Software and Maintenance (ACTION ITEM 9)

8. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Energy Performance Contract (EPC) (ACTION ITEM 10)

9. Consideration of Proposed Ad Valorem Tax Rate for the Year 2009 and Establishing the Date and Time and Place for the Meeting to Adopt the Tax Rate (ACTION ITEM 11)

10. Consideration of Authorization for the Chancellor to Negotiate and Execute a Grant of Utility Easement for LSC-North Harris to CenterPoint Energy (ACTION ITEM 12)

11. Consideration of Approval to Amend Child Care Services Agreements for LSC-North Harris (ACTION ITEM 13)

12. Consideration of Acceptance of Gift (ACTION ITEM 14)

XIV. Building and Grounds Report

Construction Projects Update

XV. Personnel Reports and Considerations

1. Consideration of Ratification of Appointments (ACTION ITEM 15)

2. Consideration of Acceptance of Resignations (ACTION ITEM 16)

3. Consideration of Approval of Commissioning of Peace Officers (ACTION ITEM 17)

XVI. Suggested Future Agenda Items

XVII. Adjournment
The Board of Trustees, may at any time prior to adjournment, in accordance with Sections 551.001, et seq, of the Texas Government Code, move into Closed Session under the following provision(s) of the ACT:

Section 551.071 - Consultation With Attorney
Section 551.072 - Deliberation Regarding Real Property
Section 551.073 - Deliberation Regarding Prospective Gift
Section 551.074 - Personnel Matters
Section 551.076 - Deliberation Regarding Security Devices
Section 551.087 - Economic Development Negotiations
Certification of Posting of Notice to the September 3, 2009
Workshop and Regular Meeting of the
Lone Star College System’s
Board of Trustees

I, Richard Carpenter, Chancellor of the Lone Star College System, do hereby certify that a notice of this meeting was posted on Monday the 31st day of August, 2009 in a place convenient to the public in the Administration Office of the Central Services and Training Center, on all college campuses and on the system website as required by Section 551.002 et seq., Texas Government Code. Special notice of the meeting was provided to the news media as required by Section 551.001 et seq., Texas Government Code.

Given under my hand this the 31st day of August, 2009.

[Signature]
Richard Carpenter
Chancellor
Present: Dr. David Holsey, Vice Chair
Ms. Priscilla Kelly, Secretary
Dr. Richard Campbell
Ms. Stephanie Marquard
Mr. David Vogt

Absent: Mr. Randy Bates, Chair
Mr. Chris Daniel, Assistant Secretary
Mr. Robert Adam
Mr. Robert Wolfe

Public Hearing – 2009-2010 Proposed Budget

I. CALL TO ORDER: Dr. Holsey called the Public Hearing of the 2009-2010 proposed budget to order at 5:10 p.m. after determining a quorum was present.

II. PLEDGE OF ALLEGIANCE: Mr. Vogt led the Board and guests in reciting the Pledge of Allegiance.

III. CERTIFICATION OF THE POSTING OF THE NOTICE OF THE MEETING: Chancellor Carpenter confirmed that the Notice for the meeting had been properly posted. No action was required. A copy is attached as Exhibit “A.”

IV. PRESENTATION OF THE 2009-2010 PROPOSED BUDGET: Ms. Cindy Gilliam, vice chancellor for administration and finance, presented an overview of the proposed budget with total operating and auxiliary funds of $233.7M. The proposed budget includes funds for system initiatives as well as accountability measures to report back to the Board the results of the initiatives. Support of student services and educational programs was proposed in the form of additional funding provided to individual college budgets. Also included in the budget revenue is an estimated growth in student enrollment of 4.4% and a modest increase from the State that covers growth from the last two years. There is no increase in the tax rate. A 4% competitive compensation increase, with a minimum of $1,200, was proposed for eligible full-time employees.

V. CITIZENS COMMENTS: There were no citizen comments.
VI. **ADJOURNMENT OF PUBLIC HEARING:** Dr. Holsey adjourned the Public Hearing at 5:20 p.m.

**Workshop and Regular Meeting**

I. **CALL TO ORDER:** Dr. Holsey called the workshop and regular meeting of the Board of Trustees to order at 5:20 p.m. after determining a quorum was present.

II. **CERTIFICATION OF THE POSTING OF THE NOTICE OF THE MEETING:** Chancellor Carpenter confirmed that the Notice for the meeting had been properly posted. No action was required. A copy is attached as Exhibit “B.”

III. **WORKSHOP:**

   GO Bond Projects Update: Mr. Jimmy Martin, chief officer, construction and facilities, presented an overview of the progress of the bond projects for each of the college and the three satellite centers, which are on schedule to be completed by fall 2011. A graphic of the former HP facilities was presented showing what buildings the University Center, Willow Chase, administration offices, corporate college, food services and parking garage will be located.

IV. **INTRODUCTIONS, SPECIAL GUESTS, RECOGNITIONS:** Chancellor Carpenter welcomed Kassia Micek of the Conroe Courier and Bill Breslin of the Houston Chronicle.

   The Chancellor introduced State Representative Patricia Harless who presented the Board and the Chancellor a Resolution from the State of Texas honoring Lone Star College System for the vision and work involved in acquiring the former HP facilities.

   Dr. Campbell recognized Mr. Wayne Hemingway, adjunct math professor at LSC-Tomball, for his contribution to the quality of LSCS educational system and success of the students and for the celebration of his 90th birthday. Dr. Karr presented Mr. Hemingway with a State of Texas Resolution from Representative Debbie Riddle honoring his 66 years in education.

V. **CLOSED SESSION:** At 5:40 p.m. Dr. Holsey convened the Board in closed session, in accordance with Section 551.001 et. Seq. of the Texas Government Code under one or more of the following provision(s) of the Act:

   - Section 551.071 – Consultation With Attorney
   - Section 551.072 – Deliberation Regarding Real Property
   - Section 551.073 – Deliberation Regarding Prospective Gift
   - Section 551.074 – Personnel Matters
   - Section 551.076 – Deliberation Regarding Security Devices
VI. **RECONVENE REGULAR MEETING:** Dr. Holsey reconvened the open meeting at 7:10 p.m.

VII. **APPROVAL OF THE MINUTES OF THE JUNE 4, 2009 WORKSHOP AND REGULAR MEETING, JULY 27, 2009 BUDGET WORKSHOP AND JULY 27, 2009 SPECIAL MEETING:** upon a motion by Dr. Campbell and a second to the motion by Ms. Kelly, the Board unanimously approved the minutes of the June 4, 2009 Workshop and Regular Meeting, July 27, 2009 Budget Workshop and July 27, 2009 Special Meeting.

VIII. **CITIZENS DESIRING TO ADDRESS THE BOARD:** No citizens desired to address the Board.

IX. **SPECIAL REPORTS AND ANNOUNCEMENTS:**

1. **Chancellor:** Chancellor Carpenter extended a welcome to Dr. Susan Karr, president LSC-Tomball, Dr. Austin Lane, president LSC-Montgomery and Dr. Audre Levy, president LSC-CyFair to their first Board meeting. The Chancellor extended an invitation to the Board to attend the System’s fall convocation, August 19th, from 8:30 a.m.-11:30 a.m. at the Woodlands Waterway Marriott. The Chancellor reported fall enrollment is up 18.7% from this time last year. This dramatic increase is not expected to hold, but indicates a significant increase in enrollment for the fall.

2. **College Presidents:** No reports or announcements.

3. **Vice Chancellors:** No reports or announcements.

4. **Other:**

   **Summary Report of Awards of Funding Proposals:** the Board reviewed the report as presented. A copy is attached as Exhibit “C.”

X. **CONSIDERATION OF CONSENT AGENDA:** Dr. Holsey proceeded with the Consent Agenda. Action Item 3 was recommended to be considered separately. Dr. Campbell made a motion to approve Action Items 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45 and 46. Ms. Marquard seconded the motion and the Board unanimously passed the Consent Agenda. A copy is attached as Exhibit “D.”

XI. **POLICY REPORTS AND CONSIDERATIONS**

1. **Consideration for the Recommended Revision of the Lone Star College System Board Policy Sections III D (First Reading):** the Board unanimously considered the recommended revisions of the Lone Star College System Board Policy Sections III D
2. **Consideration to Adopt a Name for the New Campus Recently Purchased from HP (ACTION ITEM 1):** the Board unanimously adopted the name of Lone Star College – University Park for the new campus recently purchased from HP. This item was passed in the Consent Agenda. A copy is attached as Exhibit “F.”

3. **Consideration for the Recommended Revision of the Lone Star College System Board Policy Sections IV.F.8, 10 and 13 (First Reading):** the Board unanimously considered the recommended revisions of the Lone Star College System Board Policy Sections IV.F.8, 10 and 13. This constitutes a first consideration with a request for approval during the September Board meeting. A copy is attached as Exhibit “G.”

4. **Consideration for the Recommended Revision of the Lone Star College System Board Policy Sections VI.F (First Reading):** the Board unanimously considered the recommended revisions of the Lone Star College System Board Policy Sections VI.F Student Disciplinary Action and Procedures. This constitutes a first consideration with a request for approval during the September Board meeting. A copy is attached as Exhibit “H.”

XII. **CURRICULUM REPORT AND CONSIDERATION**

Consideration for Approval of the Core Curriculum for the Associate of Arts and the Associate of Science Degree for 2009-2010 (ACTION ITEM 2): the Board unanimously approved the revised Associate of Arts and Associate of Science Core Curriculum for the 2009-2010 academic year. The revised core curriculum must be submitted to the Texas Higher Education Coordinating Board. This item was passed in the Consent Agenda. A copy is attached as Exhibit “I.”

XIII. **FINANCIAL REPORTS AND CONSIDERATIONS**

1. **Monthly Financial Statements:** Ms. Cindy Gilliam, vice chancellor for administration and finance, presented the monthly financial statements. A copy is attached as Exhibit “J.”

2. **Quarterly Financial Report:** Ms. Cindy Gilliam, vice chancellor for administration and finance, presented the quarterly investment report. A copy is attached as Exhibit “K.”

3. **Consideration of Approval of an Order Authorizing the Issuance of Lone Star College System Limited Tax General Obligation Bonds, Series 2009; Authorizing the Vice Chancellor for Administration and Finance and Chief Financial Officer to Approve the Amount, the Interest Rate, Price, and Terms Thereof and Certain Other Procedures and Provisions Related Thereto (ACTION ITEM 3):** upon a motion by Dr. Campbell and a second to the motion by Ms. Kelly, the Board unanimously
approved an order authorizing the issuance of $150,000,000 Limited Tax General Obligation Building Bonds, Series 2009. A copy is attached as Exhibit “L.”

4. Consideration of Adoption of Resolutions Authorizing Signatories for the System’s Accounts with the Local Government Investment Cooperative (LOGIC), Lone Star Investment Pool, and TexPool (ACTION ITEM 4): the Board unanimously adopted resolutions to designate Cynthia Gilliam, Vice Chancellor for Administration and Finance and CFO; John Robertson, Treasurer; Mary Mbeche, Professional Analyst; Mary “Katy” Holloway, Debt Management Accountant; the authorized signatories to the System’s accounts with the LOGIC, Lone Star Investment Pool, and TexPool. This item was passed in the Consent Agenda. A copy is attached as Exhibit “M.”

5. Consideration of Adoption of Recommended 2009-10 Budget (ACTION ITEM 5): the Board unanimously adopted the 2009-10 budgets for the General and Auxiliary Funds. This item was passed in the Consent Agenda. A copy is attached as Exhibit “N.”

6. Consideration of Approval to Renew the System’s Annual Insurance Policies for FY 2009-10 and to Renew an Agreement for Administration of International Student Health Insurance (ACTION ITEM 6): the Board unanimously approved the renewal of the System’s annual insurance policies for FY 2009-10 for estimated premium amounts of $1,492,502 an increase of $215,374 (16.86%) from the expiring term, and the renewal of an agreement for administration of international student health insurance. This item was passed in the Consent Agenda. A copy is attached as Exhibit “O.”

7. Consideration of Approval to Extend the Award for Purchase of Cosmetology Supplies for LSC-North Harris and LSC-Kingwood (ACTION ITEM 7): the Board unanimously approved the extension of the award for the purchase of cosmetology supplies for LSC-North Harris and LSC-Kingwood from the following vendors for an estimated amount of $29,000 annually: Correlations, Major Advance International, Mariana Industries, Inc., Sally Beauty Supplies and YG Labs/The Esthetics Connections. In addition, approved the option to renew for two additional one year terms. This item was passed in the Consent Agenda. A copy is attached as Exhibit “P.”

8. Consideration of Approval to Extend the Award for Purchase of Veterinary Technology Supplies for LSC-Tomball (ACTION ITEM 8): the Board unanimously approved the extension of the award for the purchase of veterinary technology supplies for LSC-Tomball from the following vendors for an amount not to exceed $55,000 for one year with an option to renew for two additional one year terms: Butler Animal Health Supply, DVM Resources, Henry Schein, Miller Veterinary Supply and Webster Vet Supply. This item was passed in the Consent Agenda. A copy is attached as Exhibit “Q.”
9. Consideration of Authorization for the Chancellor to Negotiate and Execute an Agreement and Deed for the Conveyance of Land for the New Montgomery County Higher Education Center (ACTION ITEM 9): the Board unanimously authorized the Chancellor or his designee to negotiate and execute the Agreement and Deed for the conveyance of 7 acres of land located adjacent to LSC–Montgomery campus to the Texas State University System. This item was passed in the Consent Agenda. A copy is attached as Exhibit “R.”

10. Consideration of Approval to Purchase Local Restaurant Services (ACTION ITEM 10): the Board unanimously approved the purchase of local restaurant services for an estimated amount of $410,000 annually for an amount not to exceed $820,000 over two years from the attached list of restaurants. This item was passed in the Consent Agenda. A copy is attached as Exhibit “S.”

11. Consideration of Approval to Purchase Locksmith Hardware and Services (ACTION ITEM 11): the Board unanimously approved the purchase of locksmith hardware and services from Gordon’s Safe & Lock, Inc., 9206 FM 1960 West, Houston, TX 77070 and Pop-a-Lock, 3005 Cedar Ridge Trail, Friendswood, TX 77546 for an estimated amount of $35,000 annually not to exceed an amount of $70,000 over a two year period. This contract includes an option to renew for three additional one year terms. This item was passed in the Consent Agenda. A copy is attached as Exhibit “T.”

12. Consideration of Approval to Extend Award for Purchase of Science Supplies and Instructional Chemicals (ACTION ITEM 12): the Board unanimously approved the purchase of science supplies and instructional chemicals for an estimated amount of $200,000 per year for a total not-to-exceed amount of $800,000 over four years from the following vendors: Atlas Medical Supply, Bio-Rad Laboratories, Benz Microscopes Optic Center, Carolina Biological Supply, Connecticut Valley Biological Supply, EDVOTEK, Flinn Scientific, Fisher Scientific, Frey Scientific Nasco, Sargent Welch, Sigma Aldrich, Spectrum Chemicals & Lab, Thermo Fisher Scientific, Troy Biological, Ward’s Natural Science and VWR International, LLC. This item was passed in the Consent Agenda. A copy is attached as Exhibit “U.”

13. Consideration of Approval to Purchase Assessment Tests for FY 2009-10 (ACTION ITEM 13): the Board unanimously approved the purchase of paper and computerized assessment tests for FY 2009-10 for a not-to-exceed amount of $300,000 from the following vendors: American College Testing (ACT), The College Board, ASSET (paper) and COMPASS (computer-based) and ACCUPLACER (computer-based). This item was passed in the Consent Agenda. A copy is attached as Exhibit “V.”

14. Consideration of Approval to Purchase Mechatronics Technology Equipment for LSC-North Harris and LSC-Cy Fair (ACTION ITEM 14): the Board unanimously approved the purchase of mechatronics technology equipment for LSC-North Harris and LSC-CyFair from the lowest bidder, Advanced Technologies Consultants, Inc.,
110 W. Main Street, Northville, MI 48167 in the amount of $217,090. This item was passed in the Consent Agenda. A copy is attached as Exhibit “W.”

15. Consideration of Approval to Purchase Child Care Services for LSC-CyFair (ACTION ITEM 15): the Board unanimously approved the purchase of child care services from Langham Creek Family YMCA, 16725 Longenbaugh Drive, Houston, Texas 77095, in the amount of $51,430 annually for a total amount of $102,860 over two years. This purchase includes an option to renew annually for three additional years. In addition, authorized the Chancellor or designee to negotiate and execute amendment(s) to accommodate for any reasonable price adjustments for renewal terms. This item was passed in the Consent Agenda. A copy is attached as Exhibit “X.”

16. Consideration of Approval to Purchase Additional Temporary Employment Services (ACTION ITEM 16): the Board unanimously approved the purchase of additional temporary employment services in the amount of $2,450,000 for a total amount of $2,750,000 over two years from the following vendors: Burnett Staffing, Meador Staffing, Consultants Group International, ProStaff Personnel, DEPLOYIT Inc., Spherion Atlantic, Kelly Temporaries, Staff Solve, Kingwood Personnel, and Willis Group. This item was approved in the Consent Agenda. A copy is attached as Exhibit “Y.”

17. Consideration of Approval to Extend Agreement with Premier/U.S. Foodservice for Purchase of Grocery Supplies (ACTION ITEM 17): the Board unanimously approved the extension of the agreement with Premier/U.S. Foodservice, 111 Alliant Drive, Houston, TX 77032, for one additional year for the purchase of grocery supplies for an amount not to exceed $320,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “Z.”

18. Consideration of Approval to Extend The Cooperative Purchasing Network (TCPN) Lease of Temporary Modular Buildings at LSC-Montgomery and LSC-CyFair (ACTION ITEM 18): the Board unanimously approved the one year extension of the lease agreements for temporary modular buildings for LSC-Montgomery and LSC-CyFair from Williams Scotsman Corporation, 7915 FM 1960 West, Suite 115, Houston, Texas 77070 in the amount of $248,952. This item was passed in the Consent Agenda. A copy is attached as Exhibit “aa.”

19. Consideration of Approval of Annual Area Job Order Contractor (AJOC) Purchases for Construction Related Projects (ACTION ITEM 19): the Board unanimously approved the cooperative purchase of AJOC construction services for construction related projects from approved purchasing cooperative program contractors in an amount not to exceed $1,000,000 in FY 2009-10. In addition, authorized the Chancellor or designee to negotiate any contracts for the purchase of these services. This item was passed in the Consent Agenda. A copy is attached as Exhibit “bb.”
20. Consideration of Approval to Purchase Library Materials, Supplies, Services, and Resource Sharing Membership Fees for FY 2009-10 (ACTION ITEM 20): the Board unanimously approved the purchase of library materials, supplies, services, and resource sharing membership fees for FY 2009-10 for the five system libraries and associated centers for an amount not to exceed $1,112,000. In addition, authorized the Chancellor or designee to execute any agreements related to these purchases. This item was passed in the Consent Agenda. A copy is attached as Exhibit “cc.”

21. Consideration of Approval to Extend Agreement for Purchase of Insurance Broker Services (ACTION ITEM 21): the Board unanimously approved the extension of the agreement for the purchase of insurance broker services with Arthur J. Gallagher & Co., 7007 Wimbledon Estates Drive, Spring, TX 77379, in the amount of $64,680 for FY 2009-10 and $67,267 for FY 2010-11 for a total amount of $131,947 over two years. This item was passed in the Consent Agenda. A copy is attached as Exhibit “dd.”

22. Consideration of Approval to Purchase Additional Surveying Services (ACTION ITEM 22): the Board unanimously approved the purchase of additional surveying services for an estimated amount of $200,000 for a total purchase of $496,780 from the following firms: West Belt Surveying, Inc. for LSC-North Harris and LSC-Greenspoint; Pate Engineering for LSC-Tomball and HP Site; LJA Engineering & Surveying for LSC-Kingwood and New Atascocita Satellite Center; Landtech Consultants, Inc. for LSC-Montgomery and New Conroe Satellite Center; Surveying and Mapping, Inc. for LSC-CyFair and New CyFair Satellite Center. In addition, authorized the Chancellor or designee to negotiate and execute the contract amendments related to this additional purchase. This item was passed in the Consent Agenda. A copy is attached as Exhibit “ee.”

23. Consideration of Approval to Amend Food Service Operations Agreement with Presto Foods to Include LSC-Kingwood (ACTION ITEM 23): the Board unanimously approved an amendment to the Food Service Operations agreement with Presto Foods, LLC, d/b/a Fazoli’s Italian Restaurant, 10 Leisure Lane, Houston, TX 77024, to include LSC-Kingwood. This item was passed in the Consent Agenda. A copy is attached as Exhibit “ff.”

24. Consideration of Approval to Purchase Computer Numerical Controlled (CNC) Millwork Equipment for LSC-CyFair (ACTION ITEM 24): the Board unanimously approved the purchase of CNC millwork equipment from the lowest bidder, Champion Machine Tools, 1151 E. Cypresswood, Spring, TX 77383, in the amount of $67,750. This item was passed in the Consent Agenda. A copy is attached as Exhibit “gg.”

25. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract for Purchase of Land for a New LSC-CyFair Satellite Center (ACTION ITEM 25): the Board unanimously authorized the Chancellor or designee to negotiate and execute a contract to purchase approximately 10-12 acres on Clay
Road southwest of LSC-CyFair in an amount not to exceed the fair market value. This item was passed in the Consent Agenda. A copy is attached as Exhibit “hh.”

26. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Agreement for Purchase of Technology Consulting Services for Datatel Colleague Transition (ACTION ITEM 26): the Board unanimously authorized the Chancellor or designee to negotiate and execute an agreement and any related amendments for the purchase of technology consulting services for Datatel support during LSCS’s Enterprise Resource Planning (ERP) implementation in an amount not to exceed $1,000,000 from the following vendors: Strata Information Group (SIG), 3935 Harney Street, Suite 203, San Diego, CA 92110 and Sungard Higher Education, 2300 Maitland Center Parkway, Suite 340, Maitland, FL 32751. This item was passed in the Consent Agenda. A copy is attached as Exhibit “ii.”

27. Consideration of Approval to Purchase Radiography Imaging System for LSC-CyFair (ACTION ITEM 27): the Board unanimously approved the purchase of a radiography imaging system for the Medical Radiologic Technology program at LSC-CyFair from the lowest bidder, Cranford X-Ray Company, 8106 Berwyn Drive, Houston, TX 77037 in the amount of $53,400. This item was passed in the Consent Agenda. A copy is attached as Exhibit “jj.”

28. Consideration of Acceptance of Gifts (ACTION ITEM 28): the Board unanimously accepted and acknowledged gifts donated to the Lone Star College System in accordance with the donor’s wishes. This item was passed in the Consent Agenda. A copy is attached as Exhibit “kk.”

29. Consideration of Approval to Authorize the Chancellor or Designee to Execute Contract Amendments for Purchase of Additional Project Management Services (ACTION ITEM 29): the Board unanimously authorized the Chancellor or designee to execute contract amendments for the purchase of additional project management services and supplemental staffing from Broaddus & Associates for an additional amount of $700,000 for a total contract amount not to exceed $1,341,963. This item was passed in the Consent Agenda. A copy is attached as Exhibit “ll.”

30. Consideration of Approval for Purchase of Ultrasound Training Simulator for LSC-Cy-Fair ACTION ITEM 30): the Board unanimously approved the purchase of ultrasound training simulator equipment and software from MedSim, Inc., 3215 N.W. 10th Terrace, Suite 201, Ft. Lauderdale, FL 33309 in the amount of $77,100. This item was passed in the Consent Agenda. A copy is attached as Exhibit “mm.”

31. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Agreement for the Harris County Department of Education (HCDE) Cooperative Purchase of Historically Underutilized Business (HUB) Program Management Services (ACTION ITEM 31): the Board unanimously authorized the Chancellor or designee to negotiate and execute an agreement for the HCDE cooperative purchase of HUB program management services from P2MG-
Professional Project Management Group, 10303 Northwest Freeway Suite 102, Houston, Texas 77092 for an amount not to exceed $400,000 over the term of the 2008 general obligations bond program. This item was passed in the Consent Agenda. A copy is attached as Exhibit “nn.”

32. Consideration of Approval for the Chancellor to Negotiate and Execute a Contract for the Sale of Lone Star College System’s Satellite Center Known as Willow Chase Center Located at 9449 Grant Rd. Houston, TX 77070 (ACTION ITEM 32): the Board unanimously authorized the Chancellor or his designee to negotiate and execute a contract for the sale of Willow Chase Center to the Board of Regents of the Texas A&M University System, A&M System Building, Suite 2079, 200 Technology Way, College Station, Brazos County, Texas 77840-3424 in the amount of $8,900,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “oo.”

33. Consideration of Approval to Purchase Plagiarism Prevention Software (ACTION ITEM 33): the Board unanimously approved the purchase of plagiarism prevention software from iParadigms, LLC, 1624 Franklin Street, 7th Floor, Oakland, CA 94612 in an amount not to exceed $250,000 over five years. In addition, authorized the Chancellor or designee to negotiate and execute annual renewal subscriptions. This item was passed in the Consent Agenda. A copy is attached as Exhibit “pp.”

34. Consideration of Approval to Replace Main Electrical Switchgear at LSC-Tomball (ACTION ITEM 34): the Board unanimously approved the replacement of the main electrical switchgear at LSC-Tomball by the lowest bidder, Capp Electric, 4303 Glebe, Houston, TX 77018 in the amount of $296,264. This item was passed in the Consent Agenda. A copy is attached as Exhibit “qq.”

35. Consideration of Approval to Extend Agreement for Purchase of Lawn Maintenance Services for Four Locations (ACTION ITEM 35): the Board unanimously approved the extension of the lawn service maintenance agreements from the following contractors in the amount of $193,205 annually for a total amount of $386,410 over two years: Landscape Consultants of Texas dba Landscape Professionals for LSC-University Center in the amount of $12,877; LSC-Willow Chase Center* in the amount of $9,232; LSC-Conroe Center in the amount of $4,800 and Landscape Images of Texas for LSC-CyFair in the amount of $166,296. This item was passed in the Consent Agenda. A copy is attached as Exhibit “rr.”

*Subject to termination in December 2009.

36. Consideration of Approval to Purchase Professional Architectural Services for Construction Projects (ACTION ITEM 36): the Board unanimously approved the purchase of professional architectural services for construction projects for an amount not to exceed $250,000 over a period of three years from the following firms: CAPS Architectural Services, PGAL, OC+A Architects, Huitz Zollars and Hill & Swart Architect. In addition, authorized the Chancellor or designee to negotiate and execute the Statement of Work for each project. This item was passed in the Consent Agenda. A copy is attached as Exhibit “ss.”
37. Consideration of Approval to Purchase Professional Engineering Services for Construction Projects (ACTION ITEM 37): The Board unanimously approved the purchase of professional engineering services for construction projects for an amount not to exceed $500,000 over a period of three years from the following firms: Bovay Engineering, Inc., CAI Engineering, Lockwood Andrews & Associates, Marshall Engineering and Smith Seckman Reid, Inc. In addition, authorized the Chancellor or designee to negotiate and execute the Statement of Work for each project. This item was passed in the Consent Agenda. A copy is attached as Exhibit “tt.”

38. Consideration of Approval of Harris County Department of Education (HCDE) Cooperative Purchase to Install a Fence at LSC-North Harris Health Professions Building (ACTION ITEM 38): The Board unanimously approved the cooperative purchase to install a fence around the property of the LSC-North Harris Health Science Building from the HCDE Area Job Order Contractor (AJOC), Basic IDIQ General Contractors, 2900 Wood Ridge, Suite 312, Houston, TX 77087, in an amount not to exceed $124,351. This item was passed in the Consent Agenda. A copy is attached as Exhibit “uu.”

39. Consideration of Approval to Purchase Annual Construction Services for Repair and Replacement Projects (ACTION ITEM 37): The Board unanimously approved the purchase of construction services for repair and replacement projects for an amount not to exceed $2,680,000 for FY 2009-2010. In addition, authorized the Chancellor or designee to execute contracts related to these construction purchases. This item was passed in the Consent Agenda. A copy is attached as Exhibit “vv.”

40. Consideration of Approval to Purchase 3D Interactive Software, Projection Hardware, and Onsite Training for LSC-CyFair (ACTION ITEM 40): The Board unanimously approved the purchase of 3D interactive software, projection hardware, and onsite training from Eon Reality, 39 Parker Suite 100, Irvine, CA 92618 in the amount of $57,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “ww.”

41. Consideration of Approval to Amend Janitorial Services Agreement for LSC-North Harris (ACTION ITEM 41): The Board unanimously approved the amendment to the janitorial services agreement for LSC-North Harris with McLemore Building Maintenance (MBM), 110 Fargo Street, Houston, Texas 77006, for an additional amount of $67,032 annually for a total annual amount of $263,530. This item was passed in the Consent Agenda. A copy is attached as Exhibit “xx.”

42. Consideration of Approval of a Proposed Voluntary Health Insurance Plan for Students Participating in Health Occupation Internship/Clinical Programs (ACTION ITEM 42): The Board unanimously approved the establishment of a voluntary Health Insurance Plan for students desiring medical insurance. Hospitals providing internship opportunities for health occupation students are now including a student medical insurance requirement in their Affiliation Agreements with Lone Star
College System. This item was passed in the Consent Agenda. A copy is attached as Exhibit “yy.”

43. Consideration of Approval to Purchase Real Estate and Management Services for Health Professions Building at LSC-North Harris (ACTION ITEM 43): the Board unanimously approved the purchase of real estate and management services for the Health Professions Building at LSC-North Harris from FFC Management Services, LP d/b/a Caldwell Management Services, a Texas limited partnership in an amount not to exceed $100,000 over a period of one year. This item was passed in the Consent Agenda. A copy is attached as Exhibit “zz.”

XIV. BUILDING AND GROUNDS REPORT:

Construction Projects Update: the Board reviewed the report as presented. A copy is attached as Exhibit “AA.”

XV. PERSONNEL REPORTS AND CONSIDERATIONS:

1. Consideration of Ratification of Appointments (ACTION ITEM 44): the Board unanimously ratified the appointments as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit “BB.”

2. Consideration of Acceptance of Resignations (ACTION ITEM 45): the Board unanimously accepted the resignations as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit “CC.”

3. Consideration of Approval of Commissioning of Peace Officer (ACTION ITEM 46): the Board unanimously approved the commissioning of the following peace officers for the Lone Star College System: LSC-Tomball – Otis W. Curtis, Jr.; LSC-Kingwood – Quincy J. Jones and LSC-North Harris – Latyna C. Small. This item was passed in the Consent Agenda. A copy is attached as Exhibit “DD.”

XVI. SUGGESTED FUTURE AGENDA ITEMS: None

XVII. ADJOURNMENT: There being no further business, the meeting was adjourned at 7:21 p.m.

ATTEST:

_________________________________  ____________________________________
Board of Trustees, Vice Chair           Board of Trustees, Secretary
Consideration of Consent Agenda

Board Meeting 9-3-09

Consent Agenda:  A roll call of individual action items will determine the consent agenda. If a trustee has a question or plans to cast a negative vote regarding a specific recommendation, then the trustee/trustees need to acknowledge their intention to the Chair by show of hand during the roll call: this action item will be considered in the regular order of business as an individual action item.

Those action items that the trustees plan to approve without further question or discussion will be placed on the consent agenda during roll call of individual action items. Upon the creation of the consent agenda, a motion, a second to the motion, and unanimous approval of the Board of Trustees is needed to approve the action items. Upon approval of the consent agenda, the Board of Trustees will proceed with the remainder of the agenda.

Rationale:  The consent agenda format is an organization process for meetings that allows the governing board to focus their time and attention on action items that require more elaboration, information, and/or discussion. The intent of the consent agenda is to support efficiency and effectiveness of the meeting.

Tally of Action Items:

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<td>Approve Revision Board Policy Section III D</td>
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<td>Approve Commissioning Peace Officers</td>
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Request: Consideration of Approval for Board of Trustees Travel

Chancellor’s Recommendation: That the Board of Trustees authorize Robert Adam, Randy Bates, Richard Campbell, Chris Daniel and David Vogt to attend the Association of Community College Trustees Annual Congress on October 7-10, 2009 in San Francisco, CA.

Rationale: The annual conference programs and activities provide an opportunity for trustee development.

Fiscal Impact: Funds have been approved for professional development in the 2009-2010 Budget.

Resource: Richard Carpenter  832-813-6515
Request: Consideration of Approval of the Recommended Revision of the Board Policy Sections III D – Purchasing and Acquisitions (SECOND READING)

Chancellor’s Recommendation: That the Board of Trustees approve the recommended revisions of the Board Policy Sections III D – Purchasing and Acquisitions.

Rationale: During the 2009 legislative session, several key sections with the Texas Education Code were amended or repealed. Former Education Code §44.033 was repealed and §44.0311 was amended and replaced with HB 987 and HB 962, respectively, which gives the LSCS (i) greater flexibility in the way bids and proposals may be received, (ii) the means by which library goods and services are procured, and (iii) an increased threshold amount of $50,000 for required competitive procurement of other goods and services. In addition, and in the spirit and intent of HB 987, it is recommended that the threshold amount of approval to the Board of Trustees for goods and services be increased from $50,000 to $100,000.

Fiscal Impact: None.

Staff Resource: Brian S. Nelson 832-813-6655
LONE STAR COLLEGE SYSTEM
BOARD POLICY FOR PURCHASING AND ACQUISITIONS

PURCHASING AND ACQUISITIONS

1. Purchasing Overview

D.1.01 Legal Responsibility of System for Debts:

The Board shall assume responsibility for debts incurred in the name of the System so long as those debts are for purchases made in accordance with adopted Board policy, and current administrative procedures regarding contracting and purchasing. The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control. The Board shall not be responsible for any other unauthorized purchase or debt. All vendors are charged with the responsibility to discover an individual or an organization’s authority before any purchase, contract or debt is incurred. Persons making unauthorized purchases shall assume full responsibility for all such debts.

D.1.02 Forms of Purchase:

The System utilizes four forms of purchasing: check requests, approved credit card transactions (including Procurement Cards), petty cash disbursements, and purchase orders.

a. Check Requests should be used to request payment for goods and services where a purchase order is not warranted. Specific procedures concerning the use of check requests are to be developed by the Associate Vice Chancellor for Business Support Services and approved by the Executive Council.

b. System credit cards may be used to purchase travel-related services, including registration for approved conferences, and other small dollar purchases as approved by the Chancellor or Executive Council.

c. The Petty Cash Fund is set up to fund “out of pocket” expenditures by the employees of the System. Petty cash fund use must be approved in advance by the supervisor and no petty cash expenditure may exceed $75.00. Each petty cash expenditure shall be documented with a receipt appropriate to the purchase.

d. All other purchases shall be made by purchase order. All purchase orders shall be under the control of the System Purchasing Department. Creditors of the System shall be notified that purchase commitments made without a properly drawn purchase order and not authorized by the System Purchasing Director, or other designee of the Chancellor, will not be honored for payment.
**D.1.03 Responsibilities of LSCS Employees:**

All System employees engaged in the purchasing processes are to conduct themselves fairly, objectively, and will observe the confidentiality of the decision-making and award processes so as to serve the best interests of the System.

**D.1.04 Conflict of Interest:**

Purchases are not authorized from an employee or members of an employee’s family, nor are purchases authorized from a company in which an employee or his or her family member owns a five percent (5%) or greater interest. For purposes of this policy, a family member (natural, foster, adopted or step), means a spouse, child, in-law, sister, brother, mother, father, grandparent, significant other or life partner.

A purchase that would otherwise not be permitted because of this conflict of interest policy may be allowed if obtained via a competitive process and:

a. The goods or services being purchased are not under the direct or indirect authority of the approving employees’ department or division, and;

b. The family member’s bid is the lowest price bid that meets all bid specifications.

**D.1.05 Vendor Relations:**

The Texas Ethics Commission has adopted a conflict of interest questionnaire that requires a vendor to disclose the vendors’ business relationships and certain gifts or income provided to local government officers and/or their family members that may cause a potential conflict of interest with the System.

The records administrator of the System shall maintain a list of local government officers of the entity and shall make that list available to the public and any vendor who may be required to file a conflict of interest questionnaire.

These completed questionnaires are subject to the Public Information Act and shall also be made available on the System’s website.

**D.1.06 Purchase Approval:**

Regardless of the transactional form of the purchase, each purchase must be approved in advance by the appropriate budget manager or authorized designee and funds must be available in the appropriate budget.

**D.1.07 Purchasing Procedures:**

Purchasing procedures are to be developed by the Associate Vice Chancellor for Business Support Services and approved by the Executive Council.
2. Contracting

D.2.01 Definitions:

a. Contract

As used in this policy, the term "contract" refers to all written documents, whether entitled contracts, leases, licenses, memoranda of understanding, purchase orders, informal letter agreements and other instruments and agreements that seek to obligate the System or any of its colleges, programs or activities to pay money, to purchase insurance, to provide staff or other in-kind services to a third party. The term contract does not include any form of oral agreement.

b. Approval

As used in this Policy, the term "approval" refers to the process of securing necessary approval of the form, contents and business terms of a proposed contract from a member of the Board, the Chancellor, LEO, or authorized designee authorized by this Policy to give approval to the contract.

c. Execution

The execution of an agreement by an authorized System official, and the other party or parties to the contract makes the contract enforceable against the System.

Any contract requiring Board approval pursuant to this Policy, must be approved by the Board of Trustees, and executed by the Board Chair, the Chancellor, or authorized designee. However, any employment contract is to be executed by both the Board Chair and the Chancellor.

d. Renewals or Amendments

As used in this policy, the term "renewal" refers to the practice of extending the term of an already executed contract for an additional length of time. The term "amendment" refers to the practice of revising specific terms of an already executed contract. Amendments to contracts must be approved and executed at the same level of authority as the underlying contract.

e. LEO

As used in this policy, Location Executive Officer ("LEO") refers to System Vice Chancellors and Presidents.

D.2.02 Board Approval:

The following types of contracts require the approval of the Board of Trustees:

a. Employment contracts;

b. Finance agreements;
c. Purchases or sales of real property;

d. Contracts, excluding legal services, and leases with a term exceeding one year (including options to renew) that have a cumulative expenditure of $100,000 or more over the contract term;

f. Contracts involving the sale of intellectual property or technology transfer, including software licenses, owned in whole or in part, by the System.

D.2.03 Educational Agreements:

Board approval is not required for educational agreements. For purposes of this policy, educational agreements refer to agreements between the System and a third party for establishing the terms for the sharing or use of facilities, staff, or other educational resources. Educational agreements will be reported to the Board by the Chancellor at least annually.

D.2.04 Delegation of Authority:

Unless delegated pursuant to another section of this Policy Manual, the Board delegates to the Chancellor the authority to approve and execute contracts not specifically required by this Policy or by law to be approved by the Board. The Chancellor is authorized to delegate specific contract authority to System LEOs and the System's Director of Purchasing. The Chancellor or authorized designee shall develop procedures to implement this section which shall specify the type of contract authority delegated to administrative positions, the process to secure legal review of such contracts and any permitted sub-delegation authority, if any.

No employee or agent of the System has the authority to enter into any contract on behalf of the System, except as otherwise expressly provided by this Policy. If a System employee signs a contract without authority, or falsely represents to a third party that he or she has authority to sign a contract, the employee may be held personally responsible to the third party under Texas law. An agreement that is not expressed in writing and approved and executed in accordance with this Policy, shall not be binding on or enforceable against the System.

Any employee who signs a contract or seeks to bind the System to an agreement in violation of this Policy may be subject to discipline, up to and including discharge of employment.

3. Purchasing of Professional Services

D.3.01 Authority:

Professional Services Agreements, excluding legal services, with a value of $100,000 or more over the contract term, shall be approved by the Board of Trustees. Professional Services Agreements with a value of less than $100,000 over the contract term must be approved by the Chancellor, LEO, or authorized designee.
D.3.02 Definition:

Professional services include, but are not limited to: accounting, technology, financial, auditing, architecture, landscape architecture, land surveying, medical, optometry, professional engineering, legal, real estate appraising, or professional nursing.

D.3.03 Scope of Service:

Professional service providers are independent contractors retained to provide services to the System when regular employees, within the scope of their employment, cannot provide such services.

Procurement of professional services must be conducted in accordance with the Texas Government Code for Professional Services, to the extent applicable. This requires that contracts for the procurement of defined professional services may not be awarded on the basis of competitive bids. Instead, these contracts must be awarded on the basis of demonstrated competence and qualifications to perform the services, so long as the professional fees are:

a. Within the budget for the services;
b. A fair and reasonable price;
c. Do not exceed any maximums provided by state law; and
d. Consistent with, and not higher than, the recommended practices and fees published by the applicable professional associations.

D.3.04 Term of Service:

The Board may engage a professional services provider for a maximum period of five years. However, the Board will retain the right to terminate the engagement at any time upon due notice, such notice never requiring more than thirty (30) days prior notice.

A professional service provider currently under contract is eligible to respond to a request for proposal/qualifications for a subsequent term.

4. Purchasing of Goods and Services

D.4.01 Purchasing Authority:

The System shall comply with Texas Education Code Section 44.031 in establishing open and fair purchasing and bidding practices that provide the best value to the System.

Board approval is required for purchases or contracts of $100,000 or more over the contract term including options to renew. Authority for purchases and contracts for the procurement of goods or services below $100,000 can only be delegated by the Chancellor. Delegated authority to procurement personnel may be removed if unacceptable behavior or job performance is observed.
The authority to approve purchase orders, check requests, and employee expense and petty cash reimbursements is given to directors, managers and other employees as delegated by the Chancellor and LEOs.

**D.4.02 Policy Applicability:**

This policy applies to the purchase of tangible personal property or services except as follows:

a. Purchases of real property; or

b. Purchases of professional services (see “Purchasing Professional Services” subsection, above);

**D.4.03 Purchasing Objectives:**

When purchasing equipment, supplies, materials, services, hardware, and software, the two factors which drive the purchasing process, and the decisions to be made, are:

a. Obtaining the best overall value for the System; and

b. Fairness. Procurement activities shall be conducted in an open and fair manner with equal opportunity provided to all qualified suppliers. The System will provide equal contracting opportunities as provided by federal, state and local laws and regulations to historically underutilized businesses.

The purchase of equipment, supplies, materials and services shall be based upon a competitive process, except as otherwise provided in this Policy. Purchases may not be subdivided to avoid the competitive requirements of this Policy.

**D.4.04 Administrative Requirements:**

Unless otherwise covered by the sections above or required by law to meet other requirements, purchases of goods or services made on behalf of the System shall meet the following administrative requirements outlined below.

a  **Purchases Valued at $50,000 or More**

All purchases of $50,000 or more for goods or services shall be coordinated through the System Purchasing Department. These purchases shall follow a formal competitive process that includes:

i. Pre-qualification and selection of suppliers;

ii. Standards and specifications;

iii. Requests for bids/proposals;

iv. Submission of bids/proposals, and public openings; and

v. Award of purchase orders and contracts.

b  **Library Goods and Services**
The purchase, acquisition, or license of library goods and services shall not apply to the requirements set forth by D.4.04 (a) above.

“Library goods and services” means:

i. Serial and journal subscriptions, including electronic databases, digital content, and information products;

ii. Other library materials and resources, including books, e-books, and media not available under a statewide contract and papers;

iii. Library services, including periodical jobber and binding services not available under a statewide contract;

iv. Library equipment and supplies; and

v. Library or resource-sharing programs operated by the Texas State Library and Archives Commission.

Purchase, license or otherwise acquisition of library goods and services are acquired in any manner including but not limited to:

i. Statewide purchasing contracts

ii. Library or resource-sharing programs

iii. Available from one source

iv. Any other manner as authorized by Texas law with respect to a Public Senior College or University as defined under Texas Education Code §61.003.

c. Administrative Approval

Purchases valued at $50,000 or more and less than $100,000 require approval by the Vice Chancellor of Administration and Finance or designee.

d. Board Approval

All purchases of $100,000 or more for goods or services require Board approval, except as otherwise stated in this policy.

e. Emergency and Sole Source Purchases

At times, it may not be in the System’s best interest to engage in a formal competitive process. Purchases necessary to respond to emergencies (situations that jeopardize public or employee safety, or that could result in significant financial or operational loss), and sole source purchases which are purchases where only one supplier can provide the product or service (e.g. the product or service is protected by patent, copyright or trademark; or due to schedule conflicts, etc., only one supplier can provide the product or service when it is required) do not require a formal competitive process. Sole source purchases must be justified in writing and approved in advance by the System Director of Purchasing.
Emergency purchases must be justified in writing and approved in advance by the Chancellor for purchases $100,000 or more, by the Vice Chancellor of Administration and Finance or designee for purchases under $100,000. Emergency and Sole Source purchases of $100,000 or more must be approved or ratified by the Board of Trustees.

f. **Inter-local Purchase Agreements**

The System may enter into an inter-local purchase agreement with another local government or with the state or a state agency to purchase goods or services. Inter-local purchase agreements that are $100,000 or more, whether payable in a one time payment or in installments, over the contract term, shall be approved by the Board of Trustees. Purchases may be made through the agreement without a competitive bid process after a market analysis determines that the best value for the System is through the agreement. Documentation of the best value decision must accompany purchases for $50,000 or more.

**D.4.05 Departure from Policy:**

There may be instances that justify a departure from the normal competitive process. Departures from this policy shall be approved, in advance, by the Chancellor or authorized designee.

**D.4.06 Contract Award Criteria:**

In awarding a contract, the System must consider:

a. Purchase price, including delivery and installation,

b. The reputation of the vendor and of the vendor’s goods or services,

c. The quality of the vendor’s goods or services,

d. The extent to which the goods or services meet the System’s needs,

e. The vendor’s past relationship with the System,

f. The impact on the ability of the System to comply with laws relating to historically underutilized businesses,

g. The total long-term cost to the System to acquire the goods or services, and

h. Any other relevant factor specifically listed in the request for bids or proposals.

**D.4.07 Long-Term Contracts:**

The use of long-term contracts is encouraged to maximize the efficiency of the procurement process or to optimize long-term pricing. Long-term contracts shall not exceed five years. A contract that exceeds the end of the System’s fiscal year must include a provision that permits termination at the end of the fiscal year if funding is unavailable.
**D.4.08 Bidding Requirements:**

All bidding practices shall be in conformance with state law. The System will establish practices to identify when bids shall be required and when other practices of obtaining needed goods and services shall be utilized.

Bid openings shall be public and those submitting bids are invited to attend. The Board or authorized designee has authority to reject any and all bids.

All bids shall be conducted through the System Purchasing Department unless specific authorization is granted through Board approval.

The System may hold pre-bid conferences and may, upon proper notice, make the attendance at such a conference mandatory. The System will not open or consider any bid submitted by any vendor who did not attend a mandatory pre-bid conference.

**D.4.09 Surety Bonds:**

The System may, at the discretion of the Chief Financial Officer, require bid surety, payment bonds and performance bonds.

Bid surety bonds shall be returned to all bidders except the successful bidder at the time the award is made. The surety bond of the successful bidder shall be retained until the merchandise has been delivered and inspected for quality and other requirements of the bid.

**D.4.10 Personal Purchases:**

System employees shall not be permitted to purchase supplies or equipment for personal use through the System.

**D.4.11 Further Guidance:**

Guidelines and procedures for compliance with this Policy shall be developed and implemented by the Chancellor or authorized designee.

5. Petty Cash Purchases

**D.5.01 Petty Cash Purchases:**

Petty Cash Funds are intended to handle small, "out of pocket" expenditures by the employees of the System. Each Petty Cash Fund must have a custodian of record who is responsible and accountable for managing the fund. Petty cash audits are to be performed by an administrative business officer or designee, other than the fund’s custodian, as part of routine oversight of business procedures.

There is a limitation of $75 for any one transaction. Purchases may not be subdivided to fall under this $75 limit.
Request: Consideration of Approval of the Recommended Revision of the Board Policy Sections VI.F – Student Disciplinary Action and Procedures (SECOND READING)

Chancellor’s Recommendation: That the Board of Trustees approve the recommended revisions of the Board Policy Sections VI.F - Student Disciplinary Action and Procedures.

Rationale: This policy revision clarifies the process for student discipline. Greater emphasis has been placed on due process prior to any student discipline, while clarifying the role of the Student Discipline Committee, and the hearing and appeal process.

Fiscal Impact: None.

Staff Resource: Brian S. Nelson 832-813-6655
F. DISCIPLINARY ACTION AND PROCEDURES

1. Discipline Policy - General

F.1.01 - Policy on Discipline:

LSCS shall exercise its authority and prerogative to maintain order and discipline and shall vigorously pursue enforcement against students who fail to abide by its standards of conduct. Disciplinary action taken in any LSCS college shall be System-wide in effect.

LSCS administration and faculty may discipline students who cause disorder and/or disrupt the System's educational environment. Any student violating the Student Code of Conduct shall be subject to discipline, up to and including expulsion, in accordance with Board policy and applicable law. In the event that such violation is also a violation of federal, state, or local law, LSCS may decide to proceed or delay its own disciplinary processes.

F.1.02 - Disciplinary Procedures:

In all disciplinary matters, students shall be given a fair opportunity to defend themselves in a hearing before LSCS officials. Students are entitled to due process in disciplinary hearings, including having adequate notice of the hearing and definite charges in advance. Students may have a representative present to advise them in a disciplinary hearing. However, the representative shall not be permitted to present evidence, cross-examine witnesses, or formally address LSCS officials at the hearing.

The Chief Student Services Officer of the particular LSCS College shall be responsible for the administration of the disciplinary procedures. Final actions taken under this Section F shall also be communicated to the Lone Star College System Chief Student Services Officer.

F.1.03 - System Autonomy:

Students whose conduct constitutes a violation of both the Student Code of Conduct and federal, state, local, and/or other applicable law may be accountable to both the System and the civil or criminal authorities. Disciplinary action at the System will normally proceed during the course of criminal proceedings and will not be subject to challenge on the ground that criminal charges involving the same incident have been dismissed, reduced, or are pending.

Any decision to delay disciplinary action proceedings shall be made by the Chief Student Services Officer if such is in the best interest of the College as determined in his/her sole discretion. Because LSCS's policies and procedures are distinct and different from criminal statutes and procedures, an outcome in a civil or criminal proceeding is separate from the question of whether the Student Code of Conduct was violated.

F.1.04 - Reports of Alleged Violation in Writing:

Written reports of alleged student violations of the Student Code of Conduct may be submitted by any individual to the Chief Student Services Officer of the College where the accused student is enrolled. Such reports shall contain a concise summary giving the date(s), time(s), place(s), and event(s) of the facts or conduct on which the allegation is based. The reporting individual shall supply supporting documentation for the charge, if available. Individuals who file a report must be prepared to participate in any resultant proceedings without delay. It is the responsibility of the Chief Student Services Officer to investigate and interpret the alleged violation and to identify the appropriate specific charge(s) that will be brought against the student(s) involved.
2. **Emergency Disciplinary Procedures**

   **F.2.01 - Emergency Discipline Policy:**

   The Chief Student Services Officer may take immediate action to protect the College community and the public prior to any administrative hearing where it appears that there is a potential immediate threat to the health or safety of members of the College community and the public or threat of disruption of normal College operations.

   Before emergency disciplinary action is taken, the Chief Student Services Officer or his or her designee shall make an initial evaluation of the reliability of the information received and make such further investigation as circumstances permit.

   **F.2.02 - Effect of Appeal on Emergency Disciplinary Action:**

   Emergency disciplinary action shall have System-wide effect immediately and shall remain in effect until it has been lifted or overturned upon successful appeal, which is evidenced with a written decision by the College President overturning the emergency action.

   If the appeal is unsuccessful, the emergency disciplinary action shall remain in effect until it expires by its own terms, has been replaced by disciplinary sanction(s) under the regular disciplinary procedures, or is lifted by successful appeal under the regular disciplinary procedures.

   Successful appeal of emergency disciplinary action does not alter the effect of regular disciplinary action taken against the student. Even though the emergency disciplinary action may have been lifted or overturned by successful appeal, the student may still be subject to the regular disciplinary procedures under the subsection on “Disciplinary Sanctions.”

   **F.2.03 - Forms of Emergency Disciplinary Action:**

   Emergency disciplinary actions may include, but are not limited to, those listed below:

   a. barring one or more students from LSCS or any part of the System;
   b. removing one or more students from a particular class or classes;
   c. prohibiting one or more students from participating in any System/College-sponsored activities, whether on or off campus; and
   d. temporarily suspending one or more students, pending further investigation.

   Emergency disciplinary action taken on one college campus shall be System-wide in effect, and pertinent information, including name, date, nature of violation, and form of sanction shall be communicated immediately, by electronic means, to all Deans of Student Services, security directors, LEOs, and Chancellor.

   **F.2.04 - Temporary Suspension:**

   Temporary Suspension shall entail suspension from participating in classes in which the student is enrolled, from participating in any System/College-sponsored activities, and from entry onto any LSCS College premises.

   **F.2.05 - Right to Notice:**
A student subject to emergency disciplinary action shall be given written notice of such action by the Chief Student Services Officer or his or her designee. The written notice shall contain:

a. a concise summary giving date(s), time(s), place(s), and event(s) of the facts or conduct on which the allegation is based;

b. the particular section of the Student Code of Conduct allegedly violated;

c. a statement to the effect that the emergency disciplinary action is System-wide; and

d. information concerning the student’s right to appeal to the College President.

F.2.06 - Emergency Disciplinary Action – Appeal Procedures:

Within two (2) business days from the date the student is given written notice of the emergency disciplinary action, a student may appeal the Chief Student Services Officer's decision to the College President. The appeal will consist of a written position paper and review of the documents underlying the disciplinary action from both the employee and the System. The appeal shall be limited to:

a. whether the conduct and circumstances reasonably indicate that the student’s presence on campus or in a particular class or activity poses a threat to the health or safely of members of the College community or the public, or poses a threat of disruption of normal College operations;

b. whether the information concerning the student’s conduct is reliable; and

c. whether the scope of the emergency disciplinary action is reasonable.

The decision of the President shall be in writing and made within two (2) business days and shall be final. The emergency disciplinary action shall be effective immediately and remain in effect during the appeal process until completion of all disciplinary proceedings unless the President decides otherwise.

Emergency disciplinary action taken by any LSCS College shall be System-wide in effect.

F.2.07 - Expedited Disciplinary Procedures:

Emergency disciplinary actions are effective System-wide. LSCS’s Chief Student Services Officer will notify the Chief Student Services Officer at each College. If emergency action is taken, the Chief Student Services Officer will take steps to expedite the regular disciplinary procedures unless the student requests a delay and continuation of the emergency disciplinary action until a later date. The granting of any such delay and continuance shall be based on the best interest of the College as determined by the Chief Student Services Officer in his/her sole discretion.

Except for the emergency disciplinary action noted above, no disciplinary sanction will be imposed against a student prior to completion of the appeals process.

3. Investigation of Student Code Violations

F.3.01 - Informal Resolution Procedures:

A faculty member, staff member, or administrator reporting an allegation of student misconduct shall first schedule a conference with the student for an opportunity to
informally resolve the matter. If such a conference is not possible or unsuccessful, then the
reporting personnel shall forward written notification of the allegation to the Chief Student
Services Officer of the particular College.

Upon notification in writing by a faculty member, administrator, or staff member of an
alleged violation of the Student Code of Conduct, the Chief Student Services Officer will
initiate an investigation of the incident to determine possible courses of action.

F.3.02 - Disciplinary Conferences:

The Chief Student Services Officer will request the student appear for a conference at a
particular place, date, and time. If the student fails to appear at the conference, the Chief
Student Services Officer may institute any of the actions described in the section on
"Disciplinary Sanctions," except as noted otherwise.

After meeting with the student, reviewing the alleged violations, specifying the charges,
conducting further investigation, obtaining any necessary information, and explaining the
Student Code of Conduct procedures, the Chief Student Services Officer shall within ten
(10) business days issue a decision in writing either:

a. finding the student responsible for violating the Student Code of Conduct. The Chief Student Services Officer in the decision may offer a Disciplinary
Sanction(s), (see "Disciplinary Sanctions" below) which the student can either accept and waive the right to a hearing in writing, or decline and
choose to dispute the allegation(s) at a hearing.; or

b. dismissing the charge(s) brought against the student.

The student may appeal the sanction imposed under paragraph a in accordance with
Section F.6.01.

F.3.03 - Student Disciplinary Committee:

In disciplinary cases where the student chooses not to accept the Chief Student Services
Officer discipline offer and waive the right to a hearing, or where the student disputes the
alleged violation(s) the student has the right upon written request filed with the Chief
Student Services Officer within ten (10) working days after receiving the Disciplinary
Conference decision, to a formal hearing before a Student Disciplinary Committee.

a. a Student Discipline Committee shall be appointed at each College for the
academic year by the LEO and shall consist of three (3) faculty and/or
professional staff and two (2) currently enrolled students. At its first
meeting and before conducting any hearings, the Committee shall select a
chair from among the faculty or professional staff members on the
Committee.

b. When a student appeals a sanction and/or a disciplinary decision, the Chief
Student Services Officer shall be responsible for convening and coordinating a
hearing of the Student Discipline Appeal Committee.

c. Nothing in this policy shall preclude members of a committee from a hearing panel
for one College from serving on a committee for another College if such service is
deemed appropriate by the Chief Student Services Officer. Nothing in this policy
shall preclude a Chief Student Services Officer from establishing a special
committee in accordance with the procedures to hear appeals during the summer
sessions.

F.3.04 - Student Disciplinary Committee Hearing:
Upon receiving the student's request for a hearing, the Chief Student Services Officer shall notify the Student Disciplinary Committee. The Chief Student Services Officer shall notify the student of the date, time, and location of the hearing. The Chief Student Services Officer may postpone the hearing for good cause. The notice shall notify the student of the following hearing procedures:

a. the hearing will be a private hearing;

b. the student may have a representative present to advise him/her in the hearing. However, the representative shall not be permitted to present evidence, cross-examine witnesses, or formally address the Committee;

c. the student may present evidence, witnesses, cross-examine witnesses and argue on his/her own behalf;

d. prior to the hearing the student will receive a copy of the complaint any documents that will be used against him/her in the hearing, and a list of witnesses who will testify against him/her;

The Chair shall preside over the hearing, verify the Chief Student Services Officer has followed the requirements listed in Section F.302 and will rule on the admissibility of evidence (legal rules of evidence will not apply) and objections to the procedure. Within ten (10) business days from the date of the hearing, the Committee will issue a written majority decision either dismissing the complaint or upholding the complaint. If the complaint is upheld the decision will list the following information:

a. the date(s), time(s), place(s), and event(s) of the facts or conduct on which the violation is based;

b. a citation to, and quotation from, the section of the Student Code of Conduct which was violated;

c. if disciplinary action is imposed, the student shall be informed of the duration of such action and/or the date by which restitution or other appropriate conditions must be met; and

d. a statement that the disciplinary action imposed shall be System-wide in effect; and

e. an explanation of the appeal rights and the procedures to request an appeal hearing.

A copy of the letter shall be provided to the student and the Chief Student Services Officer. If the charge is dismissed, the student shall be notified that the System may appeal that decision to the LEO.

Within five (5) business days of receipt of the decision, the student or System may appeal the decision or the discipline sanction to the College president.

The decision of the Student Discipline Committee shall be implemented by the Chief Student Services Officer; however, decisions which involve dismissal shall be approved by the President prior to implementation.

F.3.05 - Other Dispositions:
Nothing contained in this policy shall limit the right of a LSCS College at any time to agree to a disciplinary sanction(s) if the student agrees not to contest the charges. Any such agreement shall be reduced to writing.

Nothing contained in this policy shall preclude a LSCS College from pursuing any and all remedies available at law or equity, and such rights and remedies are specifically reserved.

**F.3.06 - Charged Student Barred from Registration:**

Any student against whom a disciplinary action has been filed and not been resolved may not register without the approval of the Chief Student Services Officer.

**F.3.07 - Effective Notice:**

Whenever these procedures provide that the student shall be notified in writing, a copy shall be served in person or by certified, return receipt requested mail to the student(s) address that is on file at the Office of Admissions, Records, and Registration.

For purposes of computing any time frames under these procedures, where service is by mail, the date of service shall be considered to be the third day after the day of mailing. It is the responsibility of the student to ensure that the Office of Admissions, Records, and Registration has the student's current address on file.

**F.3.08 - Joint Hearing:**

Nothing in these procedures shall preclude a LSCS College from holding one hearing or a joint hearing when two or more students are alleged to have participated in the same act or transaction or the same series of acts or transactions constituting an offense or offenses under the Student Code of Conduct.

To challenge a decision to consolidate a complaint(s), the student(s) charged must notify the chair of the Student Discipline Appeal Committee of the ground(s) for the challenge in writing at least four (4) days before the hearing is scheduled to take place.

**4. Disciplinary Sanctions**

**F.4.01 - Disciplinary Sanction Defined:**

For purposes of the Student Code of Conduct, "disciplinary sanction" is defined as any action affecting the status of an individual as a student, which is taken by LSCS in response to student misconduct. The Student Discipline Committee may impose one or more of the following sanctions for violation of the Student Code of Conduct: an admonition; written warning; probation; suspension; expulsion; failing grade for an examination, assignment or course, or other academic penalty; or other penalty as deemed appropriate under the circumstances.

**F.4.02 - Disciplinary Sanctions System-Wide:**

Unless otherwise specified in writing, a disciplinary action, emergency disciplinary action, or other sanction involving suspension or dismissal shall be System wide in effect. A student
who is barred from, suspended, or dismissed from one College unless the effect of disciplinary action or emergency disciplinary action has expired by its own terms, has been lifted by the President or unless the student has received special written permission from the College Chief Student Services Officer.

Any disciplinary action, emergency disciplinary action, or sanction, that involves barring or limiting a student's access to the College shall be considered to apply to all LSCS facilities and programs whether on or off campus.

5. Miscellaneous Disciplinary Provisions:

F.5.01 - Disciplinary Procedure – Library Materials/Academic Resources:

Where the director of library or learning resource center has reason to believe that a student has engaged in an offense involving the College's library material(s) or academic resources, the director of the library or learning resource center may impose the following two sanctions: (1) require restitution of any damaged or stolen material(s); and/or (2) designate a number of hours of community service which must be performed by the student in the library. In addition to the above sanctions, each director of the library or his/her designee has the prerogative of referring the matter to the Chief Student Services Officer for further disciplinary action.

F.5.02 - Disciplinary Procedure – Academic Misconduct:

If a faculty member, test proctor, or other academic administrator believes that a student has engaged in academic dishonesty or misconduct, sanctions may be imposed. See Section “Academic Achievement”, Chapter V - INSTRUCTION, LSCS Board Policy Manual.

6. Student Appeals

F.6.01 - Right of Appeal:

The student or the System may appeal the decision or sanction(s) imposed by the Student Discipline Committee. The student may also appeal the sanction(s) offered by the Chief Student Services Officer in the Disciplinary Conference. The appeal shall be submitted in writing to the Chief Student Services Officer within five (5) business days of the date the student is informed of the decision and shall state the basis for challenging the decision or sanction. The College president shall review the appeal submission and the written record of the decision and, within fifteen (15) calendar days, shall determine whether to uphold, modify, or deny the decision or discipline. The College president shall notify the student and Chief Student Services Officer of the decision. The decision of the College president shall be implemented by the Chief Student Services Officer. The College president's decision shall be final.
Request: Consideration of Recommended Revision of Board Policy C.2.01: Investment Management

Chancellor’s Recommendation: That the Board of Trustees consider the recommended revisions of Board Policy C.2.01: Investment Management Policy. This constitutes a first consideration with a request for approval during the October Board meeting.

Rationale: The Board is required by Government Code Section 2256.005(e) (Public Funds Investment Act) and Board Policy C.2.01: Investment Management to perform an annual adoption of the Investment Management Policy and Strategies.

Fiscal Impact: No change in financial resources.

Staff Resource: Cindy Gilliam 832-813-6512
2. Investment Management

C.2.01 - Investment Management:

It is the policy of the System that after allowing for the anticipated cash flow requirements of the System and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformity with this investment policy and governing statutes, seeking to safeguard assets, maintain liquidity and optimize interest earnings.

Effective cash management is recognized as essential to good fiscal management and investment interest serves as a source of revenue to the System. The System's investment portfolio shall be designed and managed in a prudent manner to obtain reasonable revenue within the limitations of the System's cash flow needs, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the following objectives in priority order:

- a. Safety and preservation of principal
- b. Maintenance of sufficient liquidity to meet operating needs
- c. Diversification
- d. Optimization of earnings in the portfolio

This Investment Policy extends to all financial assets under the direct control of the System.

C.2.02 - Purpose:

The purpose of this Investment Policy is to comply with the Public Funds investment Act Chapter 2256 of the Texas Government Code (the "Act"), which requires that the System annually adopt a written investment policy regarding the investment of its funds and funds under its control. This Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the System's funds.

C.2.03 - Strategy:

The overall objective of the Investment and Cash Management Policy is to ensure that System financial assets are properly safeguarded, provide sufficient liquidity, diversification and produce a reasonable rate of return while enabling the System to react to changes in economic and market conditions. The longer the maturity of investments, the greater their price volatility. Therefore, the System concentrates its investment portfolio in short and intermediate term securities to limit market risk caused by changes in interest rates. The System attempts to match its investments with anticipated cash flow requirements. Cash flow requirements generally divide the portfolio into four major parts: liquidity needs, short term needs, intermediate term needs, and longer term, core investment. The System will not invest in securities maturing more than three (3) years from the date of purchase.

The System commingles its operating and reserve funds into one investment portfolio for investment purposes of efficiency, accurate distribution of interest, and maximum investment opportunity. Bond funds are managed separately in accordance with their anticipated expenditure schedules and bond document requirements. Although commingled, the System recognizes the unique characteristics and needs of the individual funds in its strategy statement and in the management of the funds. The maximum dollar weighted average maturity (WAM) of the entire commingled portfolio reflecting cash flow needs shall be no greater than one (1) year and the corresponding benchmark for the commingled portfolio shall be the comparable one year US Treasury security.

C.2.04 - General Fund:

The General Fund includes all operating funds of the System including, but not limited to, the general fund, payroll fund, technology fund, student activity fee fund, repair and replacement fund, and, the auxiliary operating fund. The primary investment strategy for this fund is to assure the preservation and safety of principal; and, secondly, that anticipated cash flows are matched with adequate investment liquidity. These objectives shall be accomplished by purchasing high credit quality, short- to intermediate term securities matching cash flow requirements. Funds not needed for short-term cash flow requirements will be invested in diversified instruments with diversified maturities and be readily marketable in the secondary market. Yield will be enhanced by the use of maturity extensions available within the confines of accurate cash flow projections and market cycle timing. Based on ongoing cash flow analysis needs the maximum weighted average maturity shall be one year.

C.2.05 - Restricted Fund:

The Restricted Fund includes local, state and federal grant funds as well as funds from other sources that are restricted for instructional use. The primary objectives are safety and liquidity sufficient to meet anticipated cash flow requirements as well as yield optimization. These objectives shall be accomplished by purchasing high-credit quality, short-term securities, diversified by instrument and maturity, and matching the maturity of the securities with anticipated liabilities. A ladder of short-term securities with sufficient liquidity from pool investments will be used to maintain a maximum weighted average maturity of one year. The maximum stated maturity will be two years.

C.2.06 - Capital Projects:

The primary investment objective for the Capital Projects Fund is preservation and safety of principal. In addition, the System will seek to match cash flows from maturities and earnings of diversified investments to anticipated needs.
while obtaining a reasonable market yield. Investments will be made in an attempt to attain a rate equal to or above the arbitrage yield in order to avoid negative arbitrage. These objectives shall be accomplished by purchasing high-
credit quality, short and intermediate-term securities with maturities closely matching the projected cash flow
schedules. The maximum maturity of an individual security shall not exceed the expenditure plan of the funds.

C.2.07 - Debt Service:

The investment strategy for the Debt Service Fund has as its primary objective the preservation and safety of capital
while optimizing yield in order to fund debt service payments in accordance with provisions in the bond documents.
Funds not required for immediate liquidity shall be invested in diversified instruments. Each successive debt service
payment shall be fully funded before extensions are made. The maximum maturity of an individual security shall not
exceed two years. The maximum dollar average weighted maturity shall not exceed one year.

C.2.08 - Trust and Agency Fund:
The Trust and Agency Fund is comprised of local scholarship funds, club funds, and other funds for which the
System acts as fiduciary and which have short average lives and high liquidity needs. The primary objectives are
safety, liquidity, diversification and yield. These objectives shall be accomplished by purchasing high credit quality,
short-term securities and utilizing investment pools for liquidity. The maximum maturity shall be one year and the
maximum weighted average maturity six months.

C.2.09 - Prudent Person Rule:
Investments shall be made, considering prevailing internal and market circumstances, which persons of prudence,
discretion, and intelligence would exercise in the management of their own affairs not for speculation, but for
investment, and considering the probable safety of capital as well as probable income from an investment decision.
In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the
determination shall take into account the investment of all funds rather than a single investment, and, whether the
investment decision was consistent with the System's Investment Policy.

C.2.10 - Downgrades:
The System is not required to liquidate investments that were authorized investments at the time of purchase, if they
subsequently become unauthorized. However, it is the policy of the System to liquidate as quickly as is prudently
possible any investment that becomes unauthorized while held in the System's portfolio.
The Investment Officers will meet within two business days on any security which has been downgraded or placed
on credit-watch to evaluate and take any necessary and prudent measures to assure the safety of System funds.

C.2.11 - Delegation of Responsibility:
Authority to manage the System's investment program is derived from and delegated pursuant to provisions of the
Act.

C.2.12 - Investment Officers:
The Board designates the Vice Chancellor for Business Affairs and CFO and the Deputy Vice Chancellor for Finance
& Treasurer as the System's Investment Officers. Management's responsibility for the investment program is hereby
delegated to the Investment Officers. The Investment Officers shall exercise judgment and care, under prevailing
circumstances, which a prudent person would exercise in the management of the person's own affairs, but the Board
retains ultimate fiduciary responsibility.
The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls
to regulate the activities of subordinate officials. The Investment Officers shall establish and maintain a cash flow
analysis used as the basis of investment decisions. The Officers shall develop written procedures for the investment
program consistent with the Investment Policy. Procedures shall include explicit delegation of authority for all
investment activities and provide controls for all transactions. The Officers will report quarterly to the Board on
investment results and annually on counter-parties used in the process.
No person may engage in an investment transaction except as provided under the terms of this Policy and the
procedures established by the Investment Officers. Investment Officers acting in good faith and in accordance with
these Policies and Procedures shall be relieved of personal liability.

C.2.13 - Capability of Investment Officers:
The System shall provide access to periodic training in investments for Trustees and designated Investment Officers
and other investment personnel through courses and seminars offered by professional organizations, associations,
and other independent sources in compliance with the Act to insure the quality and capability of investment
management.

C.2.14 - Training:
Members of the Board of Trustees and designated Investment Officers shall acquire 5 hours of investment training
from the Texas Higher Education Coordinating Board within 6 months after taking office or assuming duties. Training
must include education in investment controls, security risks, strategy risks, market risks, diversification of
investment portfolio, and compliance with the Act. Training must be obtained from an independent source approved
by the Board.
The Investment Officers are required to complete 5 hours of training every two years.
The Investment Officer shall prepare a report on the provisions of the Act and deliver it to the Board no later than the
180th day after the 1st day of each regular session of the Legislature.

C.2.15 - Ethics and Disclosure of Conflicts of Interest:
Investment Officers and employees of the System involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. All Investment Officers shall complete disclosure related to potential conflicts of interest annually or as conditions change. Investment Officers must file a disclosure statement with the Texas Ethics Commission and the System if:

1. The officer has a personal business relationship with a business organization offering to engage in an investment transaction with the System.
2. The officer is related within the second degree by affinity or consanguinity, as determined by Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the System.

C.2.16 - Authorized Financial Dealers and Institutions:
The Investment Officers shall obtain and maintain information on all financial institutions and brokers/dealers authorized to transact financial transactions with the System. The information shall include the following:

1. Audited annual financial statements.
2. Proof of National Association of Security Dealers membership and CRD number (as applicable).
3. Proof of registration with the Texas State Securities Commission (as applicable)
4. Completed System questionnaire.

Certification that the authorized representative of the firm has received and thoroughly reviewed the System's current Investment Policy. This statement shall certify that the firm has implemented reasonable procedures and controls in an effort to preclude transactions conducted with the System not authorized by the Investment Policy except to the extent that this authorization is dependent on the analysis of the makeup of the System’s entire portfolio or requires interpretation of subjective investment standards.

C.2.17 - Annual Review:
The Investment Officers shall annually submit a list of financial institutions for Board approval. These institutions shall be authorized to provide depository services to the System. No System deposit shall be made except in an authorized public depository as defined by state law.

The Investment Officers shall annually submit a list of financial and brokers/dealer institutions for Board approval. These institutions shall be selected for service, market involvement, and credit worthiness and be authorized to provide brokerage services. These may include primary dealers and regional dealers that qualify under the Securities and Exchange Commission uniform net capital rule (Rule 15C3-1).

The Board shall annually review and evaluate the firms authorized to enter into investment or depository transactions with the System.

The following minimum criteria may be included in the review and evaluation:
1. Number of transactions competitively won/lost.
2. Prompt and accurate confirmation of transactions.
3. Efficiency of securities deliveries.
4. Accuracy of market information.
5. Account servicing.

Subsequent to the review and evaluation, the Board will approve a list of firms authorized to enter into investment or depository transactions with the System for the following year.

C.2.18 - Authorized Investments:

The following are authorized for investment with System funds:
1. Obligations of the United States of America, its agencies and instrumentalities, excluding mortgage backed securities (MBS) and with a stated maturity date not to exceed three (3) years;
2. Certificates of Deposit issued by a depository institution that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner consistent with state law and the Investment Policy, with a stated maximum maturity not to exceed one year.
3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States government or its respective agencies and instrumentalities, excluding mortgage backed securities;
4. Fully collateralized repurchase agreements with a defined termination date secured by obligations of the United States government, its agencies and instrumentalities including mortgage backed securities. Underlying securities shall be held in the System's name, deposited at the time the investment is made with the System, and held by an independent custodian approved by the System. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. The Bond Industry Association Master Repurchase Agreement must be executed prior to the transaction. All repurchase agreements will be executed on a delivery vs. payment basis.
5. Underlying securities shall have a continuous market value greater than or equal to 102 percent. The transaction shall have a maximum maturity of 120 days except flex repurchase agreements used for bond proceeds. The maximum maturity for a flex shall be matched to project cash flow projections and the requirements of the governing bond ordinance.
6. SEC registered Money Market Mutual Funds continuously rated AAA by at least one nationally recognized rating service and in compliance with the requirements of Section 2256.014 of the Act.
7. Constant dollar local government investment pools in Texas which, 1) meet the requirements of the Act, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, 3) seek to maintain a $1.00 net asset value, and 4) are authorized by resolution of the Board.
8. Commercial paper with a maximum maturity of 120 days, rated A1/P1 or equivalent by at least two nationally recognized credit rating agencies.
9. Other types of investments which may be authorized by statute are not authorized for investment by the System until the Investment Policy is amended and adopted by the Board.

The following are not authorized for investment with System funds:
1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no interest;
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
3. Collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and,
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

C.2.19 - Collateralization:
Consistent with the requirements of the Public Funds Collateral Act (Texas Government Code §2257), it is the policy of the System to require full collateralization of all System time and demand deposits. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% (and 110% on mortgage backed collateral) of market value of principal and accrued interest on the deposits less an amount insured by the FDIC.

Securities pledged as collateral shall be held by an independent third party bank outside the holding company of the pledging bank, approved by the System, and under a tri-party custodial agreement executed under the terms of FIRREA.
The Vice Chancellor of Business Affairs and CFO is authorized to execute depository and/or collateral agreements approved by the Board of Trustees. The agreements shall specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities with prior System approval, documentation of the pledge of securities, and the monthly reporting on the valuation of collateral. Original evidences of ownership (safekeeping receipt) must be supplied to the System and retained. The financial institution shall be contractually liable for monitoring and maintaining the required collateral and collateral margins at all times.

C.2.20 - Authorized Collateral:
The System authorizes only the following types of collateral:
1. Obligations of the United States or its agencies and instrumentalities including mortgage backed securities which pass the bank test;
2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. Obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent.

All collateral shall be subject to inspection and audit by the System's internal audit staff or by its independent auditors on a reasonable basis.

C.2.21 - Independent Third Party:
All securities owned by the System and collateral pledged to the System shall be held by independent third party custodians approved by the System and held in the System's name as evidenced by original safekeeping receipts of the institution with which the securities are deposited.

C.2.22 - Delivery versus Payment:
All investment transactions except investment pool funds and mutual funds shall be executed on a delivery versus payment basis.

C.2.23 - Competitive Bidding:
A competitive bidding process, involving a minimum of three bids/offers from firms authorized to engage in investment transactions with the System is required. Comparison and evaluation of comparables, but not formal bidding, may be used to invest in money market mutual funds or local government investment pools.

Bids/offers may be solicited orally, in writing, or electronically. Records shall be kept of the prices/levels (bid and/or offered and accepted) on the System’s trade ticket. The System shall determine what constitutes a responsive bid/offer.

C.2.24 - Diversification:
The System recognizes that investment risks can result from issuer defaults, market price changes, or various complications leading to temporary illiquidity. Market risks are managed through portfolio diversification that shall be achieved within the following general guidelines:

a. Limiting investments to avoid over concentration in investments from a specific issuer or business sector (excluding U.S. Treasury securities).
b. Limiting investments with higher credit risk (such as commercial paper)
c. Investing in securities with varying maturities and in accordance with the System's cash flow projections, and
d. Continuously investing a portion of the portfolio in readily available funds such as local government investment
pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in
order to meet ongoing obligations.

To assure diversification of the portfolio and reduce market risk, the following maximum limits, by instrument, are
established for the System's total portfolio:

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Maximum Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasury Obligations</td>
<td>90%</td>
</tr>
<tr>
<td>US Agencies and Instrumentalities</td>
<td>80%</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>30%</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>50%</td>
</tr>
<tr>
<td>Flex Repurchase Agreements</td>
<td>100% of proceeds</td>
</tr>
<tr>
<td>Investment Pools</td>
<td>100%</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>30%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>25%</td>
</tr>
<tr>
<td>Commercial Paper by issuer</td>
<td>5%</td>
</tr>
</tbody>
</table>

The internal control structure shall be designed to provide reasonable assurance that System funds are protected
from loss, theft, or misuse. The concept of reasonable assurance recognizes that (1) the cost of a control should not
exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and
judgments by management.

The internal controls established for the cash management and investment process shall address the following
points at a minimum:
1. Complete documentation of all transactions
2. Control of collusion
3. Separation of accounting and record keeping
4. Custodial safekeeping
5. Clear delegation of authority to subordinate staff members
6. Written confirmation for all transactions
7. Timely reconciliation of transactions
8. Assurance of delivery versus payment and competitive bidding

The Vice Chancellor of Affairs and CFO shall establish a process for annual independent review by an external
auditor to assure compliance with policies and procedures.

C.2.25 - Monthly Reporting:
The Investment Officers shall prepare a monthly report on all investment positions as of the close of business for the
prior month. The report shall be provided to the Board as an integral part of the monthly financial reports.

C.2.26: Quarterly Reporting:
The Investment Officers shall prepare and present an investment report to the Board on a quarterly basis that
summarizes investment strategies employed in the most recent quarter, details the portfolio in terms of investment
securities and earnings, and summarizes the overall strategy for the period.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance
with generally accepted accounting principles and the Act. The reports will be prepared in a manner that will allow
the reader and the System to ascertain whether investment activities during the reporting period have conformed to
the Investment Policy. The report will include the following at a minimum:
1. A detailed listing of individual securities and depository accounts by maturity date at the end of the reporting
   period;
2. A summary of the portfolio by market sectors and maturities;
3. The beginning and ending book and market value of each security and position by the type of asset and fund type
   invested;
4. Unrealized market gains or losses at the end of the period;
5. Additions and changes in market value from the beginning of the period;
6. The account or fund or pooled group fund for which each individual investment was acquired;
7. Average weighted yield to maturity of the portfolio as compared to its benchmark;
8. Interest earnings for the reporting period (accrued net of amortization);
9. Diversification by market sectors;
10. Statement of compliance with the Act and the System's Investment Policy and strategy as approved by the
    Board.

C.2.27 - Market Values:
Market values used in the monthly and quarterly reports will be obtained from reputable and independent sources.
Information sources may include: financial/investment publications and electronic media, available software for
tracking investments, depository banks, commercial or investment banks, financial advisors, and
representatives/advisors of investment pools or money market funds.

C.2.28 - Compliance Audit:
The System's independent auditors will perform a formal annual review of the quarterly reports with the results reported to the Board. The compliance audit should review management controls on investments and adherence to the entity’s established investment policies.

**C.2.29 - Annual Policy Review and Adoption:**

The Board of Trustees shall, not less than annually, adopt by resolution the System's Investment Policy and incorporated investment strategy. The adopting resolution shall state any changes made to either the policy or strategies. Material changes to the policy will require re-certification by financial firms.

LSCS Policy Manual Section adopted by the Board of Trustees on August 7, 2008
Report: Monthly Financial Statements

The financial statements for the month ended July 31, 2009 are presented for Board review.
### LONE STAR COLLEGE SYSTEM

STATEMENT OF CURRENT OPERATING FUNDS, EXCLUDING THE TECHNOLOGY FUND
REVENUES, EXPENDITURES AND OTHER CHANGES - BUDGET & ACTUAL
FOR THE ELEVEN MONTHS ENDED JULY 31, 2009
UNAUDITED

<table>
<thead>
<tr>
<th>REVENUES:</th>
<th>92% OF PRIOR YEAR</th>
<th>% OF ACTUAL</th>
<th>08/31/08</th>
<th>% OF ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATE APPROPRIATIONS</td>
<td>$55,000,000</td>
<td>$52,710,630</td>
<td>95.84%</td>
<td>$49,911,390</td>
</tr>
<tr>
<td>TUITION AND FEES</td>
<td>49,336,900</td>
<td>49,947,366</td>
<td>101.24%</td>
<td>45,736,301</td>
</tr>
<tr>
<td>TAXES</td>
<td>89,560,000</td>
<td>86,794,892</td>
<td>96.91%</td>
<td>83,829,339</td>
</tr>
<tr>
<td>INVESTMENTS</td>
<td>2,700,000</td>
<td>1,219,472</td>
<td>45.17%</td>
<td>2,310,600</td>
</tr>
<tr>
<td>OTHER</td>
<td>3,150,000</td>
<td>3,233,230</td>
<td>102.64%</td>
<td>1,539,980</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$199,746,900</td>
<td>$193,905,590</td>
<td>97.08%</td>
<td>$183,327,610</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSTRUCTION - ACADEMIC</td>
</tr>
<tr>
<td>INSTRUCTION - WORKFORCE</td>
</tr>
<tr>
<td>PUBLIC SERVICE</td>
</tr>
<tr>
<td>ACADEMIC SUPPORT</td>
</tr>
<tr>
<td>STUDENT SERVICES</td>
</tr>
<tr>
<td>INSTITUTIONAL SUPPORT</td>
</tr>
<tr>
<td>PLANT OPERATION AND MAINTENANCE</td>
</tr>
<tr>
<td>STAFF BENEFITS</td>
</tr>
<tr>
<td><strong>TOTAL EDUCATIONAL AND GENERAL EXPENDITURES</strong></td>
</tr>
<tr>
<td>REPAIR, REPLACEMENT AND OTHER INTERNALLY DESIGNATED</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
</tr>
<tr>
<td>OTHER CHANGES - DEBT SERVICE &amp; FUND TRANSFERS</td>
</tr>
<tr>
<td><strong>NET INCREASE (DECREASE) IN FUND BALANCES</strong></td>
</tr>
</tbody>
</table>
## LONE STAR COLLEGE SYSTEM

STATEMENT OF OPERATIONS - TECHNOLOGY FUND

REVENUES, EXPENDITURES AND OTHER CHANGES - BUDGET & ACTUAL

FOR THE ELEVEN MONTHS ENDED JULY 31, 2009

UNAUDITED

<table>
<thead>
<tr>
<th></th>
<th>92 % OF FISCAL YEAR</th>
<th>% ACTUAL</th>
<th>PRIOR YEAR</th>
<th>% OF 08/31/08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGET</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology fee</td>
<td>$ 5,570,000</td>
<td>$ 5,496,475</td>
<td>98.68%</td>
<td>$ 5,261,562</td>
</tr>
<tr>
<td>Investments</td>
<td>130,000</td>
<td>35,919</td>
<td>27.63%</td>
<td>102,083</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>9,849</td>
<td>0.00%</td>
<td>19,622</td>
</tr>
<tr>
<td><strong>Total revenues &amp; additions</strong></td>
<td><strong>5,700,000</strong></td>
<td><strong>5,542,243</strong></td>
<td><strong>97.23%</strong></td>
<td><strong>5,383,267</strong></td>
</tr>
</tbody>
</table>

| **EXPENDITURES:**  |                     |          |            |               |
| Automated Library System | Services | 328,405 | 263,822 | 80.33% | 260,009 | 96.54% |
| Travel and Professional Development | - | - | - | - | - |
| Supplies | 16,144 | 9,497 | 58.83% | 4,691 | 33.10% |
| Communications | 24,000 | 24,000 | 100.00% | 22,000 | 91.67% |
| **Total Dynix Library System** | **375,545** | **299,180** | **79.67%** | **286,700** | **93.23%** |

| Datatel Services | Services | 839,733 | 671,514 | 79.97% | 704,261 | 88.92% |
| Travel and Professional Development | - | - | - | - | - |
| Supplies | 22,602 | 27 | 0.12% | 99 | 100.00% |
| Communications | 216,018 | 177,741 | 82.28% | 12,807 | 86.65% |
| **Equipment** | **15,500** | **15,499** | **99.99%** | - | 0.00% |
| **Total Datatel Services** | **1,129,566** | **875,007** | **77.46%** | **717,979** | **84.58%** |

| E-Mail Services & Telecommunications | Services | 714,449 | 674,183 | 94.36% | 762,037 | 96.02% |
| Travel and Professional Development | 29,700 | 19,830 | 66.77% | 15,528 | 65.79% |
| Supplies | 15,506 | 14,155 | 91.29% | 30,421 | 89.23% |
| Communications | 58,720 | 55,206 | 94.02% | 254,468 | 89.23% |
| **Equipment** | **397,425** | **189,715** | **47.74%** | **64,036** | **15.18%** |
| **Total E-Mail Services & Telecommunications** | **1,215,800** | **953,089** | **78.39%** | **1,126,490** | **72.07%** |

| Campus Support | Services | 429,046 | 375,416 | 87.50% | 259,641 | 72.51% |
| Supplies | 1,833,127 | 1,629,727 | 88.90% | 777,401 | 84.09% |
| **Equipment** | **716,916** | **617,139** | **86.08%** | **828,969** | **68.64%** |
| **Total Campus Support** | **2,979,089** | **2,622,282** | **88.02%** | **1,866,011** | **74.93%** |

| **Total expenditures** | **5,700,000** | **4,749,558** | **83.33%** | **3,997,180** | **76.73%** |

**NET INCREASE (DECREASE) IN FUND BALANCE**

|               | $ - | $ 792,685 | $ 1,386,087 |
LONE STAR COLLEGE SYSTEM  
SUMMARY OF INVESTMENTS  
AS OF JULY 31, 2009

<table>
<thead>
<tr>
<th>Book Value</th>
<th>Market Value</th>
<th>Weighted Avg. Days To Maturity</th>
<th>Weighted Avg. Purchase Yield</th>
</tr>
</thead>
</table>
| OPERATING UNRESTRICTED  
(Includes Renewal and Replacement Funds) |
| U. S. Government Agencies | $9,173,197 | $9,189,595 | 1.05% |
| Logic | 25,458,158 | 25,458,158 | 0.46% |
| Lone Star | 28,322,243 | 28,322,243 | 0.42% |
| TexPool | 19,157,905 | 19,157,905 | 0.46% |
| Overnight Sweep | 1,132,598 | 1,132,598 | 0.00% |
| **TOTAL** | 83,244,101 | 83,260,499 | 58 | 0.51% |

| CONSTRUCTION IN PROGRESS |
| Commercial Paper | 9,970,085 | 9,994,285 | 1.41% |
| JPMorgan Chase - MMF | 55,259,579 | 55,259,579 | 0.32% |
| Lone Star | 18,325,241 | 18,325,241 | 0.40% |
| TexPool | 8,941,953 | 8,941,953 | 0.46% |
| **TOTAL** | 92,496,858 | 92,521,058 | 17 | 0.31% |

| INTEREST & SINKING |
| Logic | 1,192 | 1,192 | 0.46% |
| Lone Star | 24,077,705 | 24,077,705 | 0.42% |
| TexPool | 207,767 | 207,767 | 0.46% |
| **TOTAL** | 24,286,664 | 24,286,664 | 1 | 0.42% |

| TOTAL INVESTMENTS | $200,027,623 | $200,068,221 | 32 | 0.41% |

Benchmark: 90 day U.S. Treasury Bill 0.18%
## LONE STAR COLLEGE SYSTEM
### INVESTMENT ACTIVITY REPORT
#### FOR THE MONTH ENDED JULY 31, 2009

<table>
<thead>
<tr>
<th>Operating Unrestricted*</th>
<th>Avg Buy Yield</th>
<th>Avg Buy Yield</th>
<th>Avg Interest &amp; Sinking Yield</th>
<th>Avg Buy Yield</th>
<th>Avg Total Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING BOOK VALUE</td>
<td>$ 88,483,346</td>
<td>0.60%</td>
<td>$ 93,394,015</td>
<td>0.42%</td>
<td>$ 24,019,822</td>
</tr>
</tbody>
</table>

**PURCHASES:**

| Logic                  | 2,744,629   | 0.46% | - | - | - | 2,744,629 | 0.46% |
| Lone Star              | -           | -     | - | 266,782 | 0.42% | 266,782 |
| TexPool                | 6,155,990   | 0.46% | 3,517 | 0.46% | 60 | 6,159,567 | 0.46% |
| JPMorgan Chase Liquidity MMF | - | 18,348 | 0.32% | - | - | 18,348 | 0.32% |
| Overnight Sweep        | 23,296,332  | 0.13% | - | - | - | 23,296,332 | 0.13% |
| TOTAL PURCHASES        | $ 32,196,951 | 0.13% | 21,865 | 0.34% | 266,842 | 0.42% | $ 32,485,658 | 0.13% |

**MATURITIES**

| U.S. Government Agencies | 2,000,000 | 1.14% | - | - | - | 2,000,000 | 1.14% |
| Lone Star               | 12,364,530 | 0.42% | 926,881 | 0.40% | - | 13,291,411 | 0.42% |
| Overnight Sweep         | 23,067,783 | 0.20% | 926,881 | 0.40% | - | 23,067,783 | 0.20% |
| TOTAL MATURITIES        | $ 37,432,313 | 0.20% | 926,881 | 0.40% | - | 38,359,194 | 0.20% |

| Premium / ( Discount )  | 41,197 | (29,915) | - | - | - | 11,282 |
| Unrealized Gains ( Losses) | (45,080) | 37,774 | - | - | - | (7,306) |

**ENDING BOOK VALUE**

| $ 83,244,101 | 0.51% | $ 92,496,858 | 0.31% | $ 24,286,664 | 0.42% | $ 200,027,623 | 0.41% |

| Beg. Unrealized Gains (Losses) | 17,586 | 17,400 | 34,986 |
| Unrealized Gains ( Losses) Chg. | (1,188) | 6,800 | 5,612 |

**ENDING MARKET VALUE**

| $ 83,260,499 | $ 92,521,058 | $ 24,286,664 | $ 200,068,221 |

*Includes Renewal & Replacement Fund
Request: Consideration of Approval of Investment Broker Dealer List for 2009-2010

Chancellor’s Recommendation: Board of Trustees approves the Investment Broker Dealer List for 2009-2010.

Rationale: The Public Funds Investment Act requires that the Board approve those firms authorized to transact investment business with the System.

Each of the recommended brokers is currently authorized to transact business with the System. The System has completed the recertification process for each of the recommended broker dealers. In compliance with System policy and state law, each has been provided a copy of the System’s Investment Policy and has completed the required broker/dealer certification documenting their understanding of the Public Funds Investment Act and the suitability of investments according to the System's Investment Policy.

Fiscal Impact: None

Staff Resource: Cindy Gilliam 832-813-6512
Investment Broker/Dealer List

Deutsche Bank Alex. Brown
Mr. Larry Burns
700 Louisiana, Suite 1500
Houston, TX 77002
832.239.3311
832.239.3333 Fax
larry.burns@db.com
angie.thompson@db.com

Duncan Williams
Mr. Steve Capoferi
11458 W. Travelers Way Circle
Houston, TX 77065
866.394.0236
281.890.6439 Fax
scapo@bloomberg.net
steve@duncanw.com

UBS Financial Services/Paine Webber
Mr. Richard Ebert
10001 Woodloch Forest Drive, Suite 100
The Woodlands, TX 77382
281.362.6360
281.362.6340 Fax
richard.ebert@ubs.com

Wells Fargo Brokerage Services, LLC
William Greer
Institutional Brokerage & Sales
1000 Louisiana St., Suite 650
Houston, TX 77002
1.800.603.9111
713.319.1119
713.739.1037 fax
william.m.greer@wellsfargo.com
Courtney Lewis - W. Greer’s Assistant
courtney.lewis-williams@wellsfargo.com

Depository Services

J.P. Morgan Chase
Art Neville
712 Main St., 5 East
Houston, TX 77002
713.216.8031
713.216.4048

Custodial Services

Frost National Bank Capital Markets
Dr. Jeff Beckel
100 West Houston Street
P.O. Box 1600
San Antonio, TX 78296
800.438.4891 ext. 56147
800.220.4111 Fax
jbeckel@bloomberg.net
Request: Consideration of Approval of Renewal of the Appointment of Leo Vasquez, Harris County Tax Assessor-Collector, and J.R. Moore, Jr., Montgomery County Tax Assessor-Collector, to Collect Taxes Levied on Behalf of the System

Chancellor’s Recommendation: That the Board of Trustees renew the appointments of Leo Vasquez, Harris County Tax Assessor-Collector to collect System property taxes in Harris County, and J.R. Moore, Jr., Montgomery County Tax Assessor-Collector, to collect System property taxes levied in Montgomery County, for the tax year 2009.

Rationale: Board policy B.2.04 (Taxing Authority) requires that the System’s ad valorem taxes are assessed and collected by Harris County Assessor and Collector of Taxes and Montgomery County Assessor and Collector of Taxes. The Texas Property Code permits the Board to appoint the individual serving as the County Tax Assessor-Collector to collect taxes for the System in that county. Both the Harris and Montgomery Offices of Tax Assessor-Collector request that the Board of Trustees annually acknowledge the renewal of this appointment.

Fiscal Impact: No change in financial resources.

Staff Resource: Cindy Gilliam 832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Multi-Year Agreements for the Purchase of Campus Research Database Services, Law Library Upkeep and Law Office Database Subscriptions

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute multi-year agreements for the purchase of campus research database and law library subscription services from West Publishing Corp., 610 Opperman Drive, Elgin, MN 55123 and Lexis/Nexis, 9443 Springboro Pike, Miamisburg, Ohio 45342 for an estimated amount of $65,000 annually for a total not to exceed $325,000 over five years.

Rationale: LSC-North Harris offers an American Bar Association accredited degree and certificate program for students wishing to pursue a professional career in paralegal studies and to assist attorneys in the provision of legal services. A law reference database provides the paralegal program with an extensive legal hard copy reference library, on-line legal research service and CD-ROM legal libraries to meet the needs of the program and state requirements. Paralegal instructors teach students to use both the text and database as research tools since not all attorneys have access to databases.

Campus research databases provide students, faculty, staff and the community the ability to search thousands of news and business information databases for virtually any subject area. This database provides information that cannot easily be found on the Internet or from any other readily available source. Additionally, this purchase will include access to professional on-line state and national law research resources that are used in daily business/legal activities by the LSCS General Counsel Office.

Texas Education Code 44.0311(c) states that Education Code 44.031, a formal competitive bid process, does not apply to the purchase, acquisition, or license of library goods and services for a library operated as a part of a junior college district. The purchases of these services is in accordance with LSCS Board policy that provides the best value.

The Westlaw product provides the best value for the paralegal program at LSC-North Harris and the campus libraries as it is an “industry standard” database that is used in professional legal careers. The Office of General Counsel has selected the Lexis/Nexis product as the best value for its department. The database is more comprehensive for the department’s
needs and requirements.

**Fiscal Impact:** Funds for these services are available from the FY 2009-10 operating budgets. Funds for subsequent years will be included in the future proposed budgets.

**Staff Resource:**
- Brian Nelson 832-813-6655
- Donetta Goodall 832-813-6597
Financial Report and Consideration No. 5 (ACTION ITEM 7) Board Meeting 9-3-09

Request: Consideration of Approval to Purchase Cabling Installation Services and Authorize the Chancellor or Designee to Execute Statement of Work Related to These Services

Chancellor’s Recommendation: That the Board of Trustees approve the purchase of cabling installation services from AT&T, 6500 West Loop South, Bellaire, TX 77401 for an estimated amount of $100,000 annually for a not to exceed amount of $300,000 over a period of three years. This contract includes an option to renew for two additional one year terms. In addition, authorize the Chancellor or designee to execute statement of work related to these services.

Rationale: The college system has the need for general cabling installation services for small projects, repairs, and/or rework of previous installations. Projects may include repair and/or replacement of existing cables and components and new installation of cables, data wiring, and panel assemblies for all LSCS campuses.

The term of the award will be for a period of three years beginning August 2009 with the option to renew for two additional one year terms. This award will establish a master agreement and statements of work will be issued against the master agreement for each individual project. The college system reserves the right to cancel the agreement without cause with 30 day written notice.

Proposals were sent to twenty-three cabling installation service companies and thirteen responses were received. The award could not be based upon low bid alone. Proposals were evaluated based upon pricing, ability to meet scope of services, quality of services/warranty, completeness and thoroughness of proposal, Historically Underutilized Business (HUB) status/plan, and references. It is recommended to award these services to the contractor with the highest points, AT&T. See attached Evaluation and Bid Tabulations.

Fiscal Impact: Funds for this purchase are included in the approved FY 2009-10 operating budgets. Funds for subsequent fiscal years will be included in future proposed budgets.

Staff Resource: Shah Ardalan 832-813-6737
Cindy Gilliam 832-813-6512
**Cabling Installation Services**

**EVALUATION TABULATION**

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Pricing (35 pts)</th>
<th>Ability to meet Scope of services (25 pts)</th>
<th>Certified Products/Warranty (15 pts)</th>
<th>Completeness &amp; thoroughness of proposal (15 pts)</th>
<th>References (5 pts)</th>
<th>HUB (5 pts)</th>
<th>Total (100 pts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT&amp;T</td>
<td>27.10</td>
<td>23.75</td>
<td>15</td>
<td>15</td>
<td>5</td>
<td>0</td>
<td>85.85</td>
</tr>
<tr>
<td>Black Box Network</td>
<td>27.66</td>
<td>23.75</td>
<td>15</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>76.41</td>
</tr>
<tr>
<td>CX2, Inc.</td>
<td>13</td>
<td>10</td>
<td>5</td>
<td>3.5</td>
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<td>0</td>
<td>31.50</td>
</tr>
<tr>
<td>DB Communications</td>
<td>10.33</td>
<td>5</td>
<td>15</td>
<td>15</td>
<td>2.75</td>
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<td>48.08</td>
</tr>
<tr>
<td>DataVox</td>
<td>22.66</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>2</td>
<td>0</td>
<td>67.66</td>
</tr>
<tr>
<td>DC Services</td>
<td>26.09</td>
<td>13.75</td>
<td>12.5</td>
<td>10</td>
<td>2.5</td>
<td>5</td>
<td>69.84</td>
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<tr>
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<td>19</td>
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<td>5</td>
<td>5</td>
<td>77.75</td>
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<tr>
<td>ieSmartSystems</td>
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<td>23.75</td>
<td>15</td>
<td>15</td>
<td>5</td>
<td>0</td>
<td>82.00</td>
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<tr>
<td>MCA Communications</td>
<td>13.16</td>
<td>23.75</td>
<td>10</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>66.91</td>
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<tr>
<td>MIS Cabling</td>
<td>20.25</td>
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<td>10</td>
<td>0</td>
<td>0</td>
<td>40.25</td>
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<tr>
<td>NetVersant</td>
<td>17.75</td>
<td>25</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>72.75</td>
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<tr>
<td>Network Cabling</td>
<td>33.25</td>
<td>20</td>
<td>10</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>83.25</td>
</tr>
<tr>
<td>One Source</td>
<td>18.34</td>
<td>25</td>
<td>8.75</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>52.09</td>
</tr>
</tbody>
</table>

**BID TABULATION**

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Service Call Fee</th>
<th>Standard Hourly Rate</th>
<th>Overtime/Holiday Hourly Rate</th>
<th>Average Cost Per Drop</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT&amp;T</td>
<td>$92</td>
<td>$51</td>
<td>$51</td>
<td>$511.81</td>
</tr>
<tr>
<td>Black Box Network</td>
<td>$95</td>
<td>$50</td>
<td>$75</td>
<td>$494.00</td>
</tr>
<tr>
<td>CX2, Inc.</td>
<td>$95</td>
<td>$95</td>
<td>$142.50</td>
<td>$487.58*</td>
</tr>
<tr>
<td>DataVox</td>
<td>$85</td>
<td>$50</td>
<td>$75</td>
<td>$622.50</td>
</tr>
<tr>
<td>DB Communications</td>
<td>$90</td>
<td>$60</td>
<td>$140</td>
<td>$753.25</td>
</tr>
<tr>
<td>DC Services</td>
<td>$80</td>
<td>$40</td>
<td>$60</td>
<td>$587.51*</td>
</tr>
<tr>
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<td>$30</td>
<td>$90</td>
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<tr>
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<td>$75</td>
<td>$125</td>
<td>$543.88*</td>
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<tr>
<td>MIS Cabling</td>
<td>$65</td>
<td>$65</td>
<td>$292.50</td>
<td>$356.25*</td>
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<td>$64.50</td>
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<td>Network Cabling</td>
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<td>$65</td>
<td>$48</td>
<td>$443.00</td>
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<tr>
<td>One Source</td>
<td>$70</td>
<td>$60</td>
<td>$60</td>
<td>$411.25*</td>
</tr>
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</table>

*Did not bid all items
Request: Consideration of Approval of Annual Purchases of Technology Hardware, Software, and Services and to Authorize the Chancellor or Designee to Execute Any Agreements or Statements of Work Related to These Purchases

Chancellor’s Recommendation: That the Board of Trustees approve the purchase of technology hardware, software, and services in an amount not to exceed $12,000,000 in FY 2009-10. In addition, authorize the Chancellor or designee to execute any agreements or statements of work related to these purchases.

Rationale: To enhance student success, LSCS has an aggressive plan to meet the technology needs of faculty, staff and students. This pre-approval will enable the Office of Technology Services to acquire goods and services needed to upgrade enterprise systems and replace equipment that has reached end-of-life, as well as required consulting services. Last fiscal year, this approach for technology purchases was able to save the college system up to 50.72% off the already negotiated cooperative purchasing program’s contract prices.

Approving the technology hardware, software, and services in advance will dramatically improve project schedules. In addition, the use of the various procurement methods for these purchases will enable faculty, students and staff to receive updated technology on time in the most cost-effective method.

The purchase of technology hardware, software and services will be made in accordance with:

- Texas Education Code 44.031, through competitive bid processes, or
- Texas Government Code, Subchapter F, Sections 271.101-102, through Board approved purchasing cooperatives (upon completion of market analysis, as applicable), or
- Texas Government Code 2254.003, or
- Any other method approved by state law.

To ensure the Board continues to have visibility of the technology purchases made under this request, a brief summary of purchases and savings will be submitted on a regular basis.

Fiscal Impact: Funds for this purchase are included in the approved FY 2009-10 operating, technology and bond fund budgets.

Staff Resource: Shah Ardalan 832-813-6847
Request: Consideration of Approval of Contractual Licensing Program (CLP) Education Membership and Purchase of Adobe Software and Maintenance

Chancellor’s Recommendation: That the Board of Trustees approve the CLP Education Membership with Adobe Systems Inc., 345 Park Avenue, San Jose, CA 95110-2704. The purchase of Adobe software and maintenance will be placed with the designated reseller and Department of Information Resources (DIR) cooperative vendor, PC Mall Gov, Inc., 7421 Gateway Court, Manassas, VA 20109, for an amount not to exceed $200,000 over two years.

Rationale: Adobe software is used extensively in Interactive Media and Computer Graphic Arts Technology curriculum training, as well as in numerous other departments within the System. The Adobe CLP agreement will provide the System with the required Adobe licenses and maintenance/upgrades at a reduced academic rate. The savings from this agreement range from 20% to 25%. The purchase of maintenance will provide software upgrades at no additional charge and ensure students receive training on the most current technology.

The contract term will be for a period of two years beginning September 30, 2009.

The Adobe software and maintenance are available through the DIR cooperative purchasing program. Local Government Code Section 2251.001 provides the legal authority for local governments to participate in the State of Texas purchasing programs. The college system’s ability to participate in the DIR cooperative was approved by the Board on October 15, 1992. A market analysis has confirmed that the prices and services available from SHI Government provide the best value.

Fiscal Impact: Funds for this purchase are included in the approved FY 2009-10 operating budgets and technology funds. Funds for subsequent fiscal years will be included in future proposed budgets.

Staff Resource: Shah Ardalan 832-813-6737
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Energy Performance Contract (EPC)

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute an EPC with Johnson Controls, Inc. (JCI), 3021 West Bend Drive, Irving, Texas 75063 in an amount not to exceed $36,000,000.

Rationale: In March 2009, the Board of Trustees approved the execution of a Project Development Agreement (PDA) for an evaluation study of LSCS’s premises from JCI in an amount not to exceed $211,000. The PDA included the submittal of a detailed evaluation study of LSCS’s premises to identify facility improvements and operational efficiency measures, procedures and other services that could be provided by JCI to improve the infrastructure, reduce operating costs and replace obsolete or end of life equipment. JCI provided LSCS with a written report which included:

- a list of specific facility improvements and operational efficiency measures that JCI proposes to install;
- a description of the operating and maintenance procedures that JCI believes can reduce operating costs; and
- estimated operating costs that will be saved by the equipment and procedures recommended.

In accordance with Texas State law, an independent third (3rd) party engineer (Bocci Engineering) was contracted directly by LSCS to review the findings contained in the JCI report. See attached system-wide summary of the program’s facility improvement measures, project costs, total savings, payback period and information on the energy and other cost savings.

Based upon the proposed recommendations provided by JCI and validation from the independent 3rd party engineer, it is recommended for the Board to authorize the Chancellor or designee to negotiate and execute an EPC with JCI in an amount not to exceed $36 million. The terms of the PDA state that if JCI can achieve the savings and LSCS elects to proceed with executing the EPC, the costs of the evaluation study will be carried over to the EPC and payment will not occur until the substantial completion date of the improvements.

The initial purchase of these services was in accordance with Texas Education Code, Subchapter Z, Section 44.091 and Texas Government Code, Subchapter A, Section 2254.004.
Fiscal Impact: This program will be funded through a third party lease purchase agreement. Under terms of the contract, JCI is required to guarantee the annual savings realized by LSC will exceed the annual debt service of the lease purchase agreement. Should the savings fall short of the guaranteed amount in any given year of the agreement, JCI is required to pay LSC that shortfall amount.

Staff Resource: Cindy Gilliam 832-813-6512
### Average Utility Rates

<table>
<thead>
<tr>
<th>Utility</th>
<th>Cost per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>$0.0715/kWh</td>
</tr>
<tr>
<td>Electricity</td>
<td>$5.7155/kW</td>
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<tr>
<td>Natural Gas</td>
<td>$0.9641/CCF</td>
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<tr>
<td>Water</td>
<td>$2.1778/kGal</td>
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<tr>
<td>Sewer</td>
<td>$3.0390/kGal</td>
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### Project Guaranteed Payback Selection

<table>
<thead>
<tr>
<th>Description</th>
<th>Guaranteed Savings/Yr (Yrs) w/ X Savings</th>
<th>Guaranteed Savings</th>
<th>Guaranteed Utility &amp; O&amp;M Savings</th>
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<tr>
<td>Facility Improvement Measure</td>
<td></td>
<td>Electricity kWh</td>
<td>Electricity kVA</td>
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<tr>
<td>No.</td>
<td></td>
<td>NatGas CCF</td>
<td>Water kGal</td>
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<tr>
<td>1 Lighting Improvements</td>
<td>1,193,336 x 11,176 $</td>
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<td>2 Direct Digital Controls Upgrades</td>
<td>557,283 x 41,037 $</td>
<td>6,452,309 $</td>
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<tr>
<td>3 Solar Window Film</td>
<td>66,278 x 166,278 $</td>
<td>166,278 $</td>
<td>166,278 $</td>
</tr>
<tr>
<td>4 Power Factor Correction</td>
<td>6,977 x 168,278 $</td>
<td>168,278 $</td>
<td>168,278 $</td>
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<tr>
<td>5 Water Conservation Improvements</td>
<td>130,442 x 24,049 $</td>
<td>130,442 $</td>
<td>24,049 $</td>
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<tr>
<td>6 Vending Machines</td>
<td>6,760 x 87,783 $</td>
<td>6,760 $</td>
<td>87,783 $</td>
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<tr>
<td>7 Mechanical Retrofits</td>
<td>310,264 x 3,678,532 $</td>
<td>310,264 $</td>
<td>3,678,532 $</td>
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<td>Engineering/PDA</td>
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<tr>
<td>Construction Monitoring &amp; Verification</td>
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<td>Contingency</td>
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<td><strong>Totals</strong></td>
<td><strong>32,769,210 $</strong></td>
<td><strong>2,419,384</strong> 13.54</td>
<td><strong>2,199,863</strong> 24,106,590 18,340 58,827 26,649 24,049 $ - $219,521</td>
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Request: Consideration of Proposed Ad Valorem Tax Rate for the Year 2009 and establishing the date and time and place for the meeting to adopt the tax rate.

Chancellor’s Recommendation: That the Board of Trustees set the tax rate for the 2009 Maintenance and Operations (M&O) component of the ad valorem tax rate at $0.0766/$100 valuation and the Interest and Sinking (I&S) component for the 2009 tax rate at $0.0335/$100 valuation, for a total tax rate of $0.1101/$100 valuation.

Rationale: The chief tax appraisers from Montgomery and San Jacinto Counties have submitted certified tax rolls. We will not have a certified tax roll from Harris County until August 31st. An effective tax rate cannot be calculated until we have all certified tax rolls. The proposed tax rate of $0.1101 represents no change in the M&O rate and no change in the I&S rate, however, we expect the effective rate to be lower so to maintain the current tax rate for 2009, the Board must first vote on a proposed tax rate.

After adoption of the proposed tax rate by a record vote and setting the date, time and place for the meeting to adopt the tax rate, the Board must set the date, time and place for the two public hearings.

Fiscal Impact: A proposed tax rate of $0.1101 per $100 of taxable valuation will support approximately 42% of the System’s Operating Budget and approximately 90% of the System’s Debt Service Requirements for fiscal year 2009-10. The remainder of the debt service is funded from investment earnings and pledged operating revenues.

Staff Resource: Richard Carpenter 832-813-6515
Cindy Gilliam 832-813-6512
Request: Consideration of Authorization for the Chancellor to Negotiate and Execute a Grant of Utility Easement for LSC-North Harris to CenterPoint Energy

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor to negotiate and execute a grant of utility easement from LSC-North Harris to CenterPoint Energy.

Rationale: CenterPoint Energy is constructing an additional main electrical distribution feed to the LSC-North Harris campus as part of the 2008 General Obligation Bond program. To provide this service, CenterPoint must acquire a utility easement from LSCS to construct the new electrical feed. CenterPoint has requested a 10-foot wide easement running approximately 470 feet across the rear of LSC-North Harris campus.

CenterPoint will operate the distribution system in the easement without damaging any existing infrastructure or facilities previously installed within the easement. CenterPoint will restore the easement parcel as nearly as possible to its condition prior to construction.

LSCS retains the right of the use of the surface of the easement tracts for any and all purposes except construction of fences, buildings, and structures.

Fiscal Impact: CenterPoint Energy will compensate LSCS $1.00 for the granting of the easement.

Staff Resource: Steve Head 281-618-5444
Cindy Gilliam 832-813-6512
Request: Consideration of Approval to Amend Child Care Services Agreements for LSC-North Harris

Chancellor’s Recommendation: That the Board of Trustees approve a second amendment to the child care services agreement between LSC-North Harris and Aldine/Greenspoint Family YMCA in the amount not to exceed $75,000 annually for a total annual cost of $475,485 over the five year contract term.

Rationale: The Board of Trustees approved the purchase of child care operational services for LSC-North Harris from Aldine/Greenspoint Family YMCA in June 2008 and approved an amendment to the agreement in March 2009. The initial agreement provided on-campus child care services for students attending class or studying in the library in the amount of $303,071 annually. The amendment included an additional amount of $97,414 annually for a summer camp program. This second amendment will provide youth sports for North Harris area students. Activities will include basketball, soccer, and other sports activities.

The term for these additional services will coincide with the original contract term which expires in August 2013. LSCS reserves the right to cancel these additional services with 30 days written notice.

The initial purchase of the child care operational services was in accordance with Texas Education Code 44.031 through a formal competitive bid process.

Fiscal Impact: Funds for these additional services are included in the approved FY 2009-10 auxiliary budgets for LSC-North Harris. Funds for subsequent years will be included in future proposed budgets. Fees will be collected to help offset the costs of providing such services.

Staff Resource: Steve Head 281-618-5444
Request: Consideration of Acceptance of Gifts

Chancellor’s Recommendation: That the Board of Trustees formally accept and acknowledge the following gifts donated to the Lone Star College System in accordance with the donors’ wishes:

One (1) Gang Box, four (4) Lights on Stands and eight (8) Duct Cheaters donated by C-AIR.S Mechanical/Bill Johnson to the Commercial Construction Trade Program at LSC-North Harris.

Six (6) sets of blueprints, and ten (10) rolls of Fiberglass Insulation donated by MESA Mechanical Inc./Jerry Busch to the Commercial Construction Trade Program at LSC-North Harris.

Two (2) Dewalt Bandsaws, two (2) Hitachi Sawzalls, (2) TOWER GFI’s, and six (6) 50’ Tower Extension Cords donated by Accurate Air Systems/Jason Matthews to the Commercial Construction Trade Program at LSC-North Harris.

One (1) 40’ CONEX Storage Container, five hundred (500) pounds of Rectangular Ductwork, and four hundred (400) pounds of Spiral Metal Ductwork donated by Mason Road Sheet Metal to the Commercial Construction Trade Program at LSC-North Harris.

Eight (8) books, thirteen (13) binders and seven (7) sets of audio visual cassettes donated by Lee R. Stoiser to the Library at LSC-Tomball.

Three (3) books donated by Natasha Daniel to the Library at LSC-Tomball.

Rationale: In accordance with LSCS Board Policy Business Services: A3.01- Gifts, the authority to accept gifts is vested solely with the Board of Trustees.

Fiscal Impact: None

Staff Resource: Ray Laughter 832-813-6620
Report: Construction Projects Update

The District’s plant operations and facilities department has provided a summary report of the District’s construction projects. See attached report.
General Obligation Bond Project Summaries – 2008 Election:

- **LSC-Montgomery**
  - Design development for the new Conroe (Satellite) Center is complete and the construction document phase is underway. The contract associated with the donation of the land has been executed by both parties. The construction of the project is expected to be bid in the October/November timeframe.
  - Design development of the new academic, health/science, music instruction buildings and the new central plant are complete and the construction document phase is underway. The construction of the projects is expected to be bid in the September/October timeframe.
  - The design-build services agreement for the parking garage project has been fully executed by all parties. Design meetings are ongoing with campus staff and design team. The construction of the project is expected to begin in late September, early October with completion planned for July 2010.

- **LSC-Tomball**
  - Schematic design has been approved at the campus level and forwarded to the System for final approval.
  - Design development has commenced for the Performing Arts Theatre, the Veterinary Technology Building and the Health Science Building.
  - Developer Review Committees (introductory meetings with all City of Tomball officials) have transpired for all projects.

- **LSC-CyFair**
  - Design development is now in progress for the new general classroom and science classroom buildings and is scheduled to be completed by the end of September.
  - The schematic design for the renovation of the existing student services area in the Learning Center is complete. This space will become the new Student Activities Center.
  - The campus site utilities, the new loop road and parking lots are in design development phase.
  - Three of the temporary classroom buildings housing 15 classrooms with 450 student seats will need to be moved before construction of the new general classroom building begins. A team meeting with Williams Scotsman outlined a plan and
schedule for the relocation. William Scotsman is preparing a cost proposal for the relocation.

- **LSC-Central Services and Training Center**
  - The space allocation master plan for the existing buildings is complete. The architects will be finalizing the programming documents by the end of September. Construction documents are scheduled to be complete in December.
  - The programming kickoff meeting for Houston Advanced Research Center (HARC) renovations was held in August. Construction documents are scheduled to be complete in December.

- **LSC-University Park**
  - The design work on the Willow Chase relocation to University Park has been completed. Request for proposals associated with the subcontract components of the project have been publically advertised and bids will be received and evaluated in late August. Demolition of floors 2-5 in building 13 is in progress. Spring 2010 classes are targeted to begin in the new space.
  - The Commons conference center will officially open supporting the corporate college on September 1st. Design work associated with a minor refresh of the space and upgrade of the technology is under development.
  - Building 11 renovations are underway to accommodate the August 24th partial occupation of the third floor by members of the Oracle ERP team.

- **LSC-Cy Fair Center**
  - Due diligence continues on the Clay Road parcel identified for the project. A letter of intent to purchase the land has been sent to the owner while consultants are being retained to perform the market appraisal, site survey and phase I environmental review. Perspectiva will complete design development documents by mid October and construction documents are expected to be completed in early January.

- **LSC-North Harris**
  - Programming for the off-campus Health Professions building has been approved, and Schematic Design phase is proceeding. Schematic design for the main campus projects has been approved, and the Design Development phase is proceeding. Design development for the Greenspoint Center projects has been approved, and the Construction Documents phase is proceeding.
  - Installation work on the electrical infrastructure upgrade has been completed. The final details of the associated easement agreement are being negotiated with CenterPoint Energy.

- **LSC-Kingwood**
  - The Student and Conference Center, Concert Hall, Renovations and Infrastructure Programming documents have been completed and forwarded to System for final approval. Preliminary schematic design work is underway.
LSC-Kingwood Satellite Center

Programming documents for the Atascocita Center have been approved and schematic design is underway.

2007 Revenue Bond Project Summaries:

LSC-North Harris

- MUD Conversion Project – Design work continues with the surveying and site utility location/validation work currently underway. Construction documents are expected by mid to late-fall.

LSC-Montgomery

- Card Access System Replacement - The original project scope has been completed. Installation works associated with additional components approved by the Board in June are ongoing and expected to be complete in September.

LSC-Kingwood

- Fire Alarm System Upgrade for LSC-Kingwood – Work is complete including the additional scope of adding the temporary trailer to the fire alarm system. All buildings (except temporary trailers) have been approved by the Fire Marshall. Remaining punchlist items are being addressed.
- Roof Repairs and/or Replacement for LSC-Kingwood – The project is 100% complete.

LSC-Tomball

- Replace Switchgear – This Project was awarded at the August regular board meeting. Switchgear is scheduled to be replaced over the winter break in December.
- Repair Exterior Windows – This project is scheduled to be complete by the end of the calendar year.
- Entry Column Renovations – Revised construction documents are being reviewed and an RFP is under development.

Remediation

LSC-Montgomery

- Building F (Library) Patio Drainage – The project to implement a secondary drainage system for the patio will begin in the Fall.

Status Report on the Area Job Order Contract (AJOC) Purchases for Construction Related Projects

At the August 2008 regular board meeting, the Board of Trustees approved the purchase of construction services for the System from Texas Cooperative Purchasing Network (TCPN) AJOC Contractor, Kellogg Brown and Root Inc. (KBR), BuyBoard AJOC Contractor Jamail & Smith, and Harris County Department of Education AJOC Contractors Dura Pier Facilities Services and Basic IDIQ. This approval authorized the System to use the AJOC method for
individual projects up to $100,000 and to make collective purchases not to exceed $1,000,000 for FY 2008-2009. Projects that exceed $100,000 are to be presented to the Board of Trustees individually for consideration of approval. To ensure the Board of Trustees continues to have information regarding the AJOC projects under $100,000, a brief summary of projects is included in the Facilities Planning and Construction Report each quarter.

The projects listed below were awarded to **Dura Pier**:

Projects under $50,000 completed:
- LSC-North Harris – Renovate Monument Signs. $36,034.
- LSC-Kingwood – Paint Tennis Court Poles & Fixtures. $11,000.
- LSC-Kingwood – Concrete Patio Re-Surfacing. $15,000.
- LSC-Kingwood – Replace Wheel Stops, Concrete Ramp. $8,200.
- LSC-Kingwood – Concrete Bleacher Pads. $16,000.

The projects listed below were awarded to **Basic IDIQ**:

Projects under $100,000 completed:
- LSC-Tomball – Photo Lab Renovation. $64,000.

Projects under $50,000 completed:
- LSC-Tomball - Renovation of Bursar’s Office. $49,000.
- LSC-Tomball – Renovation of Financial Aid Offices. $13,000.
- LSC-Tomball – Sheetrock Repair – Fire Protection Additions. $4,906.

**Status Report on the Cooperative Purchases of Materials and Labor for Roofing and Exterior Building Projects**

At the August 2008 regular board meeting, the Board of Trustees approved the purchase of construction services for roofing and exterior building repairs for the System from the Texas Procurement and Support Services (TPASS) Texas Multiple Award Schedule (TXMAS) Cooperative contractors The Garland Company/Design-Build Solutions, Inc. and Tremco/Weatherproofing Technologies, Inc. This approval authorized the System to use TXMAS contractors to purchase individual roofing and exterior building projects up to $75,000 and collective purchases not to exceed $550,000 in FY 2008-2009. Projects that exceeded $75,000 were presented to the Board individually for consideration of approval. To ensure the Board of Trustees continues to have information regarding these projects under $75,000, a brief summary of projects is included in the Facilities Planning and Construction Report each quarter.

The projects listed below were completed by **The Garland Company/Design-Build Solutions, Inc.**:

LSC-Central Services & Training Center – Roof, Wall, and Skylight Repairs. $49,151
LSC-Montgomery – Replace Building A Window and Masonry Control Joint Sealant. $29,586
LSC-CyFair – Damp proof Building. $68,330
LSC-CyFair – Replace Flashing and Seal CMU on Arts Building. $40,461

The projects listed below were completed by Tremco/Weatherproofing Technologies, Inc.:

LSC-University Center, Montgomery, and Conroe Center – Roof Repairs. $25,242
Request: Consideration of Ratification of Appointments

Chancellor’s Recommendation: That the contractual appointments listed on the following pages be ratified for the positions indicated.

Rationale: These contractual appointments include ratification of Administrators from LSC-CyFair, LSC-Kingwood, LSC-Montgomery, LSC-North Harris, LSC-Tomball, and System Office.

Fiscal Impact: Positions and salaries have been budgeted for 2009-2010.

Staff Resource: Rand Key 832-813-6522
a. LSC-CyFair

Mark Thorsby, Philosophy, Assistant Professor

Effective: Ten and one-half month contracted employee at an annual salary of $50,776 beginning September 1, 2009.


Experience: Research Assistant, The New School; Adjunct Professor, New York City College of Technology and New Jersey City University; Research Assistant to Simon Critchley, Philosophy Depart, The New School of Social Research.

Jacquelyn Jebens, Sociology, Associate Professor

Effective: Ten and one-half month contracted employee at an annual salary of $53,665 beginning September 1, 2009.


Experience: Teaching Assistant, Texas A&M University; Sociology Instructor, Kiswaukee Community College and Waubonsee Community College; Teaching Assistant/Sociology Instructor, North Illinois University.

Matthew Backer, Art History, Associate Professor

Effective: Ten and one-half month contracted employee at an annual salary of $54,148 beginning September 1, 2009.

Education: M.A., Indiana University, Major: Art History; B.A., Pomona College, Major: Art History.

Experience: Art History Instructor, Southeast Missouri State University; Art History Assistant Instructor, Wabash College; Instructor of Art History & American Studies and Art History Assistant Instructor, Indiana University.

Glenda Arnold, Assistant Dean, Student Learning

Effective: Twelve month contracted employee at an annual salary of $66,364 beginning September 1, 2009.

Experience: Dean, Extended Learning, Three Rivers Community College; Associate Dean of Instructor-Division of Continuing Education and Allied Health, Labette Community College; Acting Associate Dean of Career and Technical Education and Career and Technical Education Grant Projects Director, Eastern New Mexico University-Roswell; Continuing Education Coordinator/ISO 9000 Management Representative, The Metropolitan Community Colleges’ Business & Technology Center.

Andrea Brooks, Associate Degree Nursing, Assistant Professor

Effective: Twelve month contracted employee at an annual salary of $56,472 beginning September 1, 2009.

Education: M.S., Texas Woman’s University, Major: Pediatric Nurse Practitioner; B.S.N., University of Texas Medical Branch, Major: Nursing.

Experience: Pediatric Nurse Practitioner, Wee Kare Pediatrics, and Dr. Lora Torres; Adjunct Faculty, Lone Star College-CyFair; Home Health Nurse, and Staff Nurse, Texas Children’s Hospital; Nurse-Agency, Pulse Staffing.

b. LSC-Kingwood

Amy Murphy, Dental Hygiene, Associate Professor

Effective: Ten and one-half month contracted employee at an annual salary of $49,092 beginning September 1, 2009.

Education: B.S., Stephen F. Austin State University, Major; Health Science.

Experience: Dental Hygienist, Dr. Michelle McClintock; Adjunct Faculty Dental Hygiene, Lone Star College-Kingwood; Dental Hygienist, Dr. Ryan Garrett; Assistant Clinical Professor, UT Health Science Center Dental Branch Houston.

John Reutter, Developmental Math, Associate Professor

Effective: Ten and one-half month contracted employee at an annual salary of $50,776 beginning September 1, 2009.

Education: M.S., Eastern Michigan University, Major: Math; B.S., Xavier University, Cincinnati, OH, Major: Math.

Experience: Adjunct Faculty, Lone Star College-Montgomery & North Harris; Instructor, Temporary Full Time, Houston Community College-Northwest; Adjunct, Monroe Community College, Ave Maria College, Oakland Community College, and Washtenaw Community College; GED Teacher, Ann Arbor Public Schools-Adult Education.
c. LSC-Montgomery

Kendra Smith, Director, Business & Auxiliary Services

Effective: Twelve month contracted employee at an annual salary of $62,000 beginning August 3, 2009.

Education: M.S., Texas Woman’s University, Major: Nutrition & Food Science; B.S., Texas Tech University, Major: Nutrition & Food Science.


Simone Rieck, English, Assistant Professor

Effective: Ten and one-half month contracted employee at an annual salary of $55,831 beginning September 1, 2009.

Education: M.A. & B.A., University of Houston-Clear Lake, Major: Humanities & Literature.

Experience: Adjunct Instructor, Brookhaven College, North Central Texas College, and College of the Mainland; Writing Tutor/Instructional Assistant, University of Houston-Clear Lake.

Desiree Bittner, Emergency Medical Services (EMS), Assistant Professor

Effective: Ten and one-half month contracted employee at an annual salary of $49,092 beginning September 1, 2009.

Education: B.A., Sam Houston State University, Major: Communication; A.A.S., Lone Star College System, Major: Paramedic Technology.

Experience: ER Paramedic, Memorial Hermann Hospital; Field Paramedic, Montgomery County Hospital District; Firefighter/Paramedic, The Woodlands Fire Department.

Linda Carlson, Physical Therapist Assistant Program, Assistant Professor

Effective: Twelve month contracted employee at an annual salary of $55,028 beginning September 1, 2009.

Education: B.S., University of Nebraska Medical Center, Major: Physical Therapy.

Experience: Adjunct Faculty, and Lab Coordinator, Lone Star College-Montgomery; Physical Therapist, Select Medical Corporation Texas Physical Therapy Division;
Administrator, Clinical Instructor & Physical Therapist, HEALTHSOUTH Sports Medicine and Rehabilitation Center.

**Brandi Michele Ford-Griffin, English, Instructor**

**Effective:** 4.5-month contracted employee at an annual pro-rated (70%) salary of $15,233 beginning September 1, 2009.

**Education:** M.A. & B.A., Sam Houston University, Major: English.

**Experience:** Adjunct Faculty and Certified Writing Tutor, Lone Star College-Montgomery and North Harris; Senior Customer Specialist, CT Corporation System; Administrative Assistant, Parks & Luttrell, LLC.

**Rhonda Sallilynn Bitner, English, Instructor**

**Effective:** 4.5-month contracted employee at an annual pro-rated (70%) salary of $14,934 beginning September 1, 2009.

**Education:** M.A. & B.A., Sam Houston State University, Major: English; A.A., Phillips County Community College, Major: English.

**Experience:** Temporary Full-Time Instructor, Adjunct Faculty, Lone Star College-Montgomery; Faculty, University of Phoenix; Secondary English Teacher, Conroe ISD.

**David Joseph Borchardt, Criminal Justice, Instructor**

**Effective:** 4.5-month contracted employee at an annual pro-rated (70%) salary of $15,233 beginning September 1, 2009.

**Education:** M.S., University of Great Falls, Major: Criminal Justice Administration; B.A., University of Missouri, Major: Broadcast Journalism.

**Experience:** HQ Staff Officer, Team Chief, Installation Security, Director of Operations/Deputy Chief of Police, Officer in Charge, Support Services, Shift Lieutenant, Officer in Charge, Security Operations, Assistant to the Director of Operations, and Public Information Officer, U.S. Air Force.

**Joseph L. Trackey, Biology, Assistant Professor**

**Effective:** 4.5-month contracted employee at an annual pro-rated salary of $21,761 beginning September 1, 2009.

**Education:** M.A., University of Hartford, Major: Psychology/Neuroscience; B.S., SUNY Plattsburgh, Major: Psychology; A.S., Adirondack Community College, Major: Science.
Experience:  Science Teacher, Splendora ISD; Adjunct Faculty, Lone Star College-Montgomery; Sr. Research Associate, Lexicon Genetics.

d. LSC-North Harris

Michael Krall, Dean, Instruction

Effective:  Twelve month contracted employee at an annual salary of $88,400 beginning August 1, 2009.

Education:  M.S., Georgia Institute of Technology, Major: Electrical Engineering; B.S., Texas A&M University, Major: Bioengineering.

Experience:  Microcontroller Software Consulting Engineer, Hughes Christensen; Professor, and Department Chair, Lone Star College-Montgomery.

Cheryl Edwards, Cosmetology, Associate Professor

Effective:  Twelve month contracted employee at an annual salary of $55,028 beginning September 1, 2009.

Education:  A.A.S., Lone Star College System, Major: Cosmetology.

Experience:  Cosmetology Instructor, Regency Beauty Institute, San Jacinto College, and Lone Star College System; Stylist, The Attic Salon.

e. LSC-Tomball

Margaret Ann Hayes, Professor, Associate Degree Nursing

Effective:  Nine month contracted employee at an annual salary of $48,105 beginning September 1, 2009.

Education:  M.E.D., University of Houston, Major: Education; B.S.N., University of Central Arkansas, Major: Nursing.

Experience:  Director, and Professor of Nursing, Lone Star College-Tomball; Adjunct Faculty, Lone Star College-Tomball & North Harris; Program Manager for Partial Hospitalization Program, Heritage Health Services; Director of Nurses, Plantation Health Care Center; Associate Degree Nursing Instructor, Galveston College.

Vanessa Gilbert-Cronen, Sociology, Instructor

Effective:  4.5-month contracted employee at an annual pro-rated (70%) salary of $17,508 beginning September 1, 2009.
Education: Ph.D. & M.P.H., University of North Texas Health Science Center-Ft. Worth, Major: Biomedical Science & Health Services Research/Community Health; B.A., University of North Texas-Denton, Major: Sociology and Anthropology.

Experience: Adjunct Faculty and Temporary Full-Time Instructor, Lone Star College-Tomball; Research Consultant-Site Manager, University of Akron Institute for Health and Social Policy; Research Associate, National Organization on Adolescent Pregnancy, Parenting and Prevention, Inc.; Needs Assessment Consultant, Blue Cross Blue Shield Texas Incorporated.

Chandra A. Schorg, Accounting, Instructor

Effective: 4.5-month contracted employee at an annual pro-rated (70%) salary of $15,233 beginning September 1, 2009.

Education: M.B.A. & B.B.A, Texas Woman’s University, Major: Accounting.

Experience: Adjunct Faculty, and Temporary Full-Time Instructor, Lone Star College-Tomball, Montgomery & Kingwood; Assistant Professor of Accounting & Visiting Assistant Professor of Accounting, Loyola University-New Orleans; Lecturer III in Accounting, Texas Woman’s University.

Glenn Dennis, Associate Degree Nursing, Associate Professor

Effective: Ten and one-half month contracted employee at an annual salary of $50,776 beginning September 1, 2009.

Education: M.S.N. & B.S.N., University of Texas-Health Science Center-Houston, Major: Nursing; A.A.S., San Jacinto Community College, Major: Nursing.

Experience: Director of ICU, IMC, and Neuro Units, HCA-Bayshore Medical Center; Division Cardiovascular Education Coordinator, HCA Gulf Coast Division Office; Associate Professor, Lone Star College-CyFair; Clinical Coordinator, GMP Wireless Medicine; Registered Nurse, Cypress Fairbanks Medical Center.

Susan Mueller, Developmental English, Assistant Professor

Effective: Nine month contracted employee at an annual pro-rated salary of $44,967 beginning August 17, 2009.

Education: M.E.D., University of Houston-Victoria, Major: Curriculum and Instruction; B.S., Houston Baptist University, Major: Elementary Education & History.

Experience: Assistant Principal, and Reading Recovery Teacher Leader, Magnolia ISD; Reading Recovery Teacher Leader, and Classroom teacher, Language Arts Specialist, and Third Grade Teacher/ESL Teacher, Alief ISD.
f. LSC-System Office

Kenneth Shirey, PeopleSoft Technical/Enterprise Architect

Effective: Twelve-month contracted employee at an annual salary of $100,000 beginning August 3, 2009.

Education:


Gary Wallace, Executive Director, Construction

Effective: Twelve-month contracted employee at an annual salary of $100,000 beginning August 5, 2009.

Education: M.S., Texas A&M University, Major: Building Construction; B.A., Iowa State University, Major: Architecture.

Experience: Vice President, Finger Companies; Managing Director, Greystar; Vice President, Hanscomb, Inc., Project/Construction Manager, Century Development; Project Manager, AECC, Inc..

James Vasquez, OTS-Executive Director, Application-Functional

Effective: Twelve-month contracted employee at an annual salary of $115,000 beginning August 10, 2009.

Education: B.S., Trinity University, Major: Computer and Information Science.

Experience: Practice Director, Database Administration and ERP Applications, Chief Information Officer, Director, and Enterprise Applications/Technology Management, Sungard Higher Education; Corporate Director, Information Technology, Total Safety, Inc.; Associate Vice Chancellor/Executive Director Information Technology, and Assistant Vice Chancellor, Information Processing, Houston Community College.

Debra Rockefeller, Director, Compliance & Assessment

Effective: Twelve-month contracted employee at an annual salary of $84,008 beginning September 1, 2009.
Education: Ph.D., University of North Texas, Major: Applied Technology, Training & Development; M.S. & B.A., University of Nebraska, Major: Vocational Business Education.

Experience: System Director, Distance Learning & Instructional Technologies, Adjunct Faculty, Professional Development & Distance Education Coordinator, Computer Labs Manager, and Community Education (C.E.) Program Director, Lone Star College System; Teaching Fellow/Adjunct Faculty, University of North Texas; Business Instructor, University of Nebraska at Omaha, and Iowa Western Community College.
Request: Consideration of Resignations

Chancellor’s Recommendation: That the resignations listed below be accepted and acknowledged.

LSC-Kingwood

Valerie Y. Williams, Assistant Professor, Dance
Effective August 31, 2009

LSC-Montgomery

Sue Jan Herber, Professor, Counselor
Effective September 4, 2009

LSC-Tomball

Patricia A. Butler, Professor, Reference Librarian
Effective July 31, 2009

LSC-System Office

George Crossland, Executive Director, Institutional Effectiveness
Effective August 31, 2009

Staff Resource: Rand Key 832-813-6522
Request: Consideration of Approval of Commissioning of Peace Officers

Chancellor’s Recommendation: That the Board of Trustees approves the commissioning of the following peace officers for the Lone Star College System.

Lone Star College-Tomball
Stephen F. Tester

Lone Star College-Kingwood
Stephen B. Phillips
James A. Cansler

Lone Star College-Montgomery
Glenn T. Welter

Rationale: These officers are eligible to be commissioned by this Board because they:
1. Have a current license from the Texas Commission on Law Enforcement Officer Standards and Education;
2. Have taken and filed the oath required of peace officers; and
3. Possess a sufficient number of college credit hours to meet the minimum standard for a Lone Star College System peace officer.

Fiscal Impact: None

Staff Resource: Rand Key 832-813-6522