I. Call to Order

II. Pledge of Allegiance

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

IV. Closed Session

The Board of Trustees, in accordance with Section 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
  - Status of Pending or Proposed Litigation
  - On any item on the Agenda
- Section 551.072 – Deliberation Regarding Real Property
  - LSC-University Park, LSC-CyFair, LSC-North Harris, LSC-Tomball, LSC–Montgomery, LSC-Kingwood, LSC-System Office, Future Land Purchases
- Section 551.074 – Personnel Matters
- Section 551.076 – Deliberation Regarding Security Devices

V. Reconvene Regular Meeting

VI. Introductions, Special Guests, Recognitions – Captain Sandra Joachim

VII. Workshop

VIII. Approval of the Minutes of the February 7, 2019 Workshop and Regular Meeting of the Board of Trustees and the February 28, 2019 Board Retreat

IX. Special Reports and Announcements

1. Chancellor – Reports and comments from the Chancellor regarding meetings and conferences attended, campus visits, community and district activities, education programs, current affairs related to higher education
2. Presidents – Dr. Lee Ann Nutt

3. Vice Chancellors

4. Faculty Senate Presidents

5. Board Members
   • Reports and comments from Board chair and Board members regarding meetings and conferences attended, campus visits, community and district activities, education programs, current affairs related to higher education
   • Board Committee Reports

X. Citizen Participation

XI. Consideration of the 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 Considerations

1. Consideration and Review of the Recommended Revision of the Lone Star College (the “College”) System Board Policy Manual Sections VI.A. Admissions (SECOND READING)

2. Consideration and Approval of the Recommended Revision of the Lone Star College (the “College”) System Board Policy Manual Section II.L. Marketing and Branding (ACTION ITEM 1)

3. Consideration and Approval of the Lone Star College (the “College”) System Board Policy Manual Section III.C.2. Investment Management (ACTION ITEM 2)

4. Consideration and Approval of the Recommended Revision of the Lone Star College (the “College”) System Board Policy Manual Section VI.B.2.01. Installment Payment Plans (ACTION ITEM 3)

5. Consideration and Approval of the Recommended Revision of Lone Star College (the “College”) System Board Policy Manual Section I.E.1.03. Elect Board Officers (ACTION ITEM 4)

XIII. Financial Reports and Considerations
1. Consideration of Approval of the 2019-2020 Credit Tuition and Fee Schedule (ACTION ITEM 5)

2. Consideration of Approval of the 2019-2020 Continuing Education Academy for Lifelong Learning (“ALL”) Membership Fee Change (ACTION ITEM 6)

3. Consideration of Approval for Lone Star College (the “College”) to Provide a Tuition and Laboratory Fee Exemption for Firefighters Enrolled in the Emergency Medical Services (“EMS”) Certificates and Associate of Applied Science (“AAS”) Degree Programs (ACTION ITEM 7)

4. Consideration of Approval of an Increase in Workforce Non-Credit Open Enrollment Course Fees Effective for Fall 2019 (ACTION ITEM 8)

5. Consideration and Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Interlocal Agreement on Behalf of Lone Star College (the “College”) with the Economic Development Program of Harris County (ACTION ITEM 9)

6. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts on Behalf of Lone Star College (the “College”) to Purchase Movable Furnishings and Installation for Lone Star College-CyFair (“LSC-CyFair”) (ACTION ITEM 10)

7. Consideration of Approval to Modify the Language in the Previously Approved Agenda Item for Lone Star College-System Office (“LSC-SO”) and Lone Star College-North Harris (“LSC-North Harris”) for Additional Design Services with the Architectural Firm, Page Southerland Page Architects (ACTION ITEM 11)

8. Consideration of Approval to Authorize the Chancellor or Designee to Adopt a Prevailing Wage Rate in Accordance with the U.S. Department of Labor Davis-Bacon Act Rates or Based on a Local Market Survey (ACTION ITEM 12)

XIV. Personnel Report and Considerations

1. Consideration and Authorization for the Chancellor or Designee to Execute Proposed Employment Contracts for the Attached Individuals (ACTION ITEM 13)

XV. Financial Report

Monthly Financial Statements

XVI. Buildings and Grounds Report

Construction Projects Update
XVII. Suggested Future Agenda Items

XVIII. Adjournment

If during the course of the meeting covered by this notice, the Board should determine that a closed session of the Board should be held or is required in relation to an item noticed in this meeting, then such closed session as authorized by Section 551.001 et seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board concerning any and all subjects and for any and all purposes permitted by Section 551.071-551.089, inclusive, of the Open Meetings Act, including, but not limited to:

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 551.082 - Student Discipline
Section 551.0821 - Personally Identifiable Information About Student
Section 551.084 - Exclusion of Witness
Section 551.087 - Economic Development Negotiations
Certification of Posting of Notice to the March 7, 2019
Workshop and Regular Meeting of the
Lone Star College System’s
Board of Trustees

I, Stephen C. Head, Chancellor of the Lone Star College System, do hereby certify that a notice of this meeting was posted on Monday the 4th day of March, 2019 in a place convenient to the public at LSC-System Office The Woodlands, The Woodlands Leadership Building, 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 4th day of March, 2019.

LONE STAR COLLEGE SYSTEM

_____________________
Stephen C. Head
Chancellor
I. CALL TO ORDER: Dr. Smith called the workshop and regular meeting of the Board of Trustees to order at 5:00 p.m. after determining that a quorum was present.

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

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

IV. CLOSED SESSION: At 5:02 p.m. Dr. Smith 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
     - Status of Pending Litigation
     - On any item on the Agenda
   - Section 551.072 – Deliberation Regarding Real Property
     - LSC-University Park, LSC-CyFair, LSC-North Harris, LSC-Tomball, LSC–Montgomery, LSC-Kingwood, LSC-System Office, Future Land Purchases
   - Section 551.074 - Personnel Matters
Mr. Vogt entered the meeting at 5:07 p.m.

V. **RECONVENE REGULAR MEETING:** Dr. Smith reconvened the open meeting at 6:03 p.m.

VI. **INTRODUCTIONS, SPECIAL GUESTS AND RECOGNITIONS:** Dr. Head introduced Jane Stueckemann with the Houston Chronicle.

Ms. Linda Head, senior associate vice chancellor, division of external and employer relations introduced Dr. Eric Roe, executive director of the UT-Austin Texas engineering executive education program at UT-Austin’s Cockrell School of Engineering. Dr. Roe discussed the collaborative relationship with Lone Star College Corporate College and Lone Star College Small Business Development Center to provide training and consulting services to help meet workforce needs and assist with company growth.

Dr. Quentin Wright, vice chancellor and special assistant to the chancellor gave a brief overview of the proposed LSC-Fallbrook Center and partnership with Fallbrook Church. Dr. Wright discussed the proposed facility, enrollment projections and proposed programs. Senior Pastor Michael Pender, Pastor Olus Holder and Pastor George Flowers from Fallbrook Church were present to answer questions.

VII. **WORKSHOP:** PSSA (Professional Support Staff Association) presidents from each campus gave a presentation about what PSSA is doing on each campus to help promote community among employees, inspire professional growth, further the strategic goals and objectives of LSC’s cultural beliefs and provide an avenue for staff to bring concerns to the administration. The PSSA presidents are: Anabel Hernandez, LSC-SOUP; Nick Brown, LSC-SO-The Woodlands; Sarah Zapata, LSC-CyFair; Allison Huffy, LSC-Kingwood; Tabitha Yargo, LSC-Montgomery; Michelle Simon, LSC-North Harris; Lynda Bancroft, LSC-Tomball and Kerrah Cain, LSC-University Park.

VIII. **APPROVAL OF THE MINUTES OF THE DECEMBER 6, 2018 WORKSHOP AND REGULAR MEETING AND THE JANUARY 18, 2019 BOARD BUDGET RETREAT MEETING:** upon a motion by Mr. Sullivan and a second by Ms. Saldívar, the board approved the minutes of the December 6, 2018 Workshop and Regular Meeting. Upon a motion by Mr. Murillo and a second by Mr. Vogt the board approved the minutes of the January 18, 2019 Board Budget Retreat.

IX. **SPECIAL REPORTS AND ANNOUNCEMENTS:**

1. **Chancellor:** Dr. Head announced that LSC-Kingwood will have its Grand Reopening Ceremony on Friday, February 15, 2019 at 9 a.m.
The annual Chancellor’s Breakfast, to honor scholarship endowment donors, will take place on Tuesday, February 26, 2019 at 7:30 a.m. in the community building at The Woodlands location. Six student essay winners will read their essays.

The Employee Awards Banquet will be held on February 1, 2019 at 11 a.m. at the Marriott Waterway.

2. College Presidents: Gerald Napoles, president of LSC-North Harris, gave a presentation entitled “Welcome Back to Lone Star College” highlighting activities held at all campuses to welcome students back to school for the spring semester.

3. Vice Chancellors: None.

4. Faculty Senate Presidents: Devethia Guillory, faculty senate president, LSC-North Harris, gave a presentation on The Honors College Undergraduate Research.

5. Board Members: Ms. Ernestine Pierce spoke about the MABAH Leadership Mentor program she is involved in that is sponsored by the Mexican-American Bar Association of Houston.

Dr. Smith attended the January 11th Westway Park Center dedication and the January 25th Texas Workforce Commission check presentation to provide training for workforce. Dr. Smith also attended the Greater Houston Partnership luncheon where Dr. Head was selected to be on their board of directors.

Dr. Smith was invited by Dr. Patrick Gilbert, political science professor at LSC-Tomball, to participate in a video production for Black History month discussing education along generational lines.

Dr. Smith was elected to the board of directors for the American association of Community Colleges (ACCT). At the recent meeting in Washington, D.C., the ACCT board discussed the legislative agenda they endorse and will push at the national level.

Dr. Smith appointed board members to the following committees:

Policy Review Committee – Myriam Saldivar, Chair, Ken Lloyd, Ernestine Pierce; Audit Committee – Mike Sullivan, chair, David Vogt, Ken Lloyd; Finance Committee – Mike Sullivan, chair, David Vogt, Ken Lloyd; Grievance Committee – Linda Good, chair, Art Murillo, Ernestine Pierce; Education and Workforce Committee – Art Murillo, chair, Michael Stoma, Linda Good; Chancellor Evaluation Committee – David Vogt, chair, Mike Sullivan, Alton Smith.

X. CITIZEN PARTICIPATION: Mr. Alan Hall representing AFT announced the AFT sponsored scholarship winner, Ms. Boping Liang. Ms. Liang was present and read her winning essay.
Mr. Stuart Schroeder representing the Boy Scouts of America presented the 2018 Spirit of Scouting Award to Lone Star College.

XI. CONSIDERATION OF THE CONSENT AGENDA: Chair Smith proceeded with the Consent Agenda. Item #9 was pulled from the agenda to be voted on separately. Mr. Sullivan made a motion to approve Action Items 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21. Ms. Saldivar seconded the motion and the Board unanimously passed the Consent Agenda. A copy is attached as Exhibit “B”.

XII. POLICY REPORTS AND CONSIDERATIONS:

1. Consideration and Review of the Recommended Revision of the Lone Star College (the “College”) System Board Policy Manual Section II.L. Marketing and Branding (FIRST READING): the Board of Trustees considered and reviewed the proposed revision of the College’s Board Policy Manual Section II.L. Marketing and Branding Policy. A copy is attached as Exhibit “C”.

2. Consideration and Review of the Lone Star College (the “College”) System Board Policy Manual Section III.C.2. Investment Management (FIRST READING): the Board of Trustees considered and reviewed the College’s Board Policy Manual Section III.C.2. Investment Management. A copy is attached as Exhibit “D”.

3. Consideration and Review of the Recommended Revision of the Lone Star College (the “College”) Board Policy Manual Section VI.A. Admissions Policy to include subsection VI.A.2.1. Health Occupation Programs Admission Policy (FIRST READING): the Board of Trustees considered and reviewed revisions to the College’s Board Policy Manual Section VI.A. Admissions Policy to include subsection VI.A.2.1. Health Occupation Programs Admission Policy. A copy is attached as Exhibit “E”.

4. Consideration and Review of the Recommended Revision of the Lone Star College (the “College”) System Board Policy Manual Section VI.B.2.01. Installment Payment Plans (FIRST READING): the Board of Trustees considered and reviewed the revision of the College’s Board Policy Manual Section VI.B.2.01. Installment Payment Plans. A copy is attached as Exhibit “F”.

XIII. CURRICULUM REPORTS AND CONSIDERATIONS:

1. Consideration of Approval of the Lone Star College (the “College”) Core Curriculum for the 2019-2021 Academic Years (ACTION ITEM 1): the Board of Trustees approved the revised core curriculum for the 2019-2021 academic years. This item was passed in the Consent Agenda. A copy is attached as Exhibit “G”.

2. Consideration of Approval to Expand the Lone Star College (the “College”) Mechatronics Technician Associate of Applied Science (“AAS”) Degree and Level 2 Certificate to Lone Star College-North Harris (“LSC-North Harris”) ACTION ITEM 2: the Board of Trustees approved expanding the Mechatronics Technician AAS
Degree and Level 2 Certificate to LSC-North Harris beginning in Fall 2019. This item was passed in the Consent Agenda. A copy is attached as Exhibit “H”.

3. Consideration of Approval to Expand the Lone Star College (the “College”) Mechanical Design Technology Associate of Applied Science (“AAS”) Degree and Computer Aided Design Operator/Drafting Level 1 Certificate to Lone Star College-Houston North (“LSC-Houston North”) Pending SACSCOC Approval of the New Branch Campus (ACTION ITEM 3): the Board of Trustees approved expanding the Mechanical Design Technology AAS Degree and Computer Aided Design Operator/Drafting Level 1 Certificate to LSC-Houston North. This item was passed in the Consent Agenda. A copy is attached as Exhibit “I”.

4. Consideration of Approval to Expand the Lone Star College (the “College”) Logistics Management Associate of Applied Science (“AAS”) Degree and First Line Logistics Leader Level 1 Certificate to Lone Star College-Houston North (“LSC-Houston North”) Pending SACSCOC Approval of the New Branch Campus (ACTION ITEM 4): the Board of Trustees approved expanding the College’s Logistics Management AAS Degree and First Line Logistics Leader Level 1 Certificate to LSC-Houston North beginning in Fall 2019. This item was passed in the Consent Agenda. A copy is attached as Exhibit “J”.

5. Consideration of Approval to Expand the Lone Star College (the “College”) Mobile/Web Application Development Associate of Applied Science (“AAS”) Degree to Lone Star College-Houston North (“LSC-Houston North”) Pending SACSCOC Approval of the New Branch Campus (ACTION ITEM 5): the Board of Trustees approved expanding Mobile/Web Application Development AAS Degree to LSC-Houston North beginning in Fall 2019. This item was passed in the Consent Agenda. A copy is attached as Exhibit “K”.

6. Consideration of Approval to Expand the Lone Star College (the “College”) Heating, Ventilation, Air Conditioning and Refrigeration (“HVAC”) Associate of Applied Science (“AAS”) Degree, HVAC Occupational Entry Certificate, HVAC Commercial Servicing Level 1 Certificate, and HVAC Residential Servicing Level 1 Certificate to Lone Star College-Houston North (“LSC-Houston North”) Pending SACSCOC Approval of the New Branch Campus (ACTION ITEM 6): the Board of Trustees approved expanding the College’s HVAC AAS Degree, HVAC Occupational Entry Certificate, HVAC Commercial Servicing Level 1 Certificate, and HVAC Residential Servicing Level 1 Certificate to LSC-Houston North beginning in Fall 2019. This item was passed in the Consent Agenda. A copy is attached as Exhibit “L”.

7. Consideration of Approval Expanding the New Lone Star College (the “College”) Welding Associate of Applied Science (“AAS”) Degree, Gas Metal Arc Welding Level 1 Certificate, Gas Tungsten Arc Welding Level 1 Certificate, Pipe Welding Level 1 Certificate, and Shielded Metal Arc Welding Level 1 Certificate to Lone Star College-Houston North (“LSC-Houston North”) Pending SACSCOC Approval of the New Branch Campus (ACTION ITEM 7): the Board of Trustees approved expanding the Welding AAS Degree, Gas Metal Arc Welding and Gas Tungsten Arc Welding Level 1 Certificates, Pipe Welding Level 1 Certificate, and Shielded Metal Arc Welding Level 1 Certificate to LSC-Houston North. This item was passed in the Consent Agenda. A copy is attached as Exhibit “M”.

5
Branch Campus (ACTION ITEM 7): the Board of Trustees approved expanding the Welding Associate of AAS Degree, Gas Metal Arc Welding Level 1 Certificate, Gas Tungsten Arc Welding Level 1 Certificate, Pipe Welding Level 1 Certificate, and Shielded Metal Arc Welding Level 1 Certificate to LSC-Houston North beginning in Fall 2019. This item was passed in the Consent Agenda. A copy is attached as Exhibit “M”.

8. Consideration of Approval to Expand the Lone Star College (the “College”) Human Services Substance Abuse Counseling Associate of Applied Science ("AAS") Degree and Basic Chemical Dependency Counselor Level 1 Certificate to Lone Star College-Houston North (“LSC-Houston North”) Pending SACSCOC Approval of the New Branch Campus (ACTION ITEM 8): the Board of Trustees approved expanding the College’s Human Services Substance Abuse Counseling AAS Degree and Basic Chemical Dependency Counselor Level 1 Certificate to LSC-Houston North beginning Fall 2019. This item was passed in the Consent Agenda. A copy is attached as Exhibit “N”.

XIV. FINANCIAL REPORTS AND CONSIDERATIONS:

1. Consideration of Approval of a Resolution to Authorize the Imposition of an Additional Penalty of 20% of the Delinquent Tax, Penalty, and Interest Owed to Lone Star College System (the “College”) on Real Property and Tangible Personal Property in Harris, Montgomery, and San Jacinto Counties (ACTION ITEM 9): upon a motion by Dr. Smith and a second by Mr. Murillo the Board of Trustees approved the resolution to authorize the imposition of an additional penalty of 20% of the delinquent tax, penalty, and interest owed to the College on real property and tangible personal property in Harris, Montgomery, and San Jacinto counties for a consecutive five-year period beginning in Tax Year 2018. A copy is attached as Exhibit “O”.

2. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Easements and Agreements on Behalf of Lone Star College (the “College”) Related to 0.8549 Acres of College Property Located on the South Side of West Road, West of Barker Cypress Road, Cypress, Harris County, Texas 77433 (ACTION ITEM 10): the Board of Trustees authorized the Chancellor or designee to negotiate and execute various easements and agreements on behalf of the College related to 0.8549 acres located on the south side of West Road, west of Barker Cypress Road, Cypress, Harris County, Texas 77433 in order to provide utilities, water, and sanitary sewer. This item was passed in the Consent Agenda. A copy is attached as Exhibit “P”.

3. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts on Behalf of Lone Star College (the “College”) to Purchase Facilities Management Services Programs for Lone Star College-North Harris (“LSC-North Harris”) and Related Satellite Centers (ACTION ITEM 11): the Board of Trustees authorized the Chancellor or designee to negotiate and execute contracts on behalf of the College to purchase facilities management services programs for LSC-North Harris, related satellite centers, and additional locations from ABM Texas
General Services, Inc. ("ABM"), 11651 Plano Road, Suite 200 Dallas TX 75243, in a sum not exceeding $20,656,603 over a five-year period, with additional funds for out of scope work services and repairs in a sum not exceeding $1,000,000 for a total sum not exceeding $21,656,603 over a five-year period, and if negotiations cease for any reason with ABM, that the Board of Trustees authorize the Chancellor or designee to negotiate with the next firm in the order of selection ranking with a score of not less than 70 until a contract is executed. This item was passed in the Consent Agenda. A copy is attached as Exhibit “Q”.

4. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Amendment on Behalf of Lone Star College (the “College”) to Purchase Additional Facilities Management Services for Additional Locations (ACTION ITEM 12): the Board of Trustees authorized the Chancellor or Designee to amend the contract on behalf of the College to purchase additional facilities management services with Jones Lang LaSalle, Inc. (“JLL”), 1400 Post Oak Blvd., Suite 1100, Houston, TX 77056 for a sum not exceeding $550,000 for a revised total sum not exceeding $11,069,000 for a five-year period and to authorize additional locations. This item was passed in the Consent Agenda. A copy is attached as Exhibit “R”.

5. Consideration of Approval to Authorize the Chancellor or Designee to Purchase Additional Voice and Data Communication Cabling Services for Lone Star College (the “College”) (ACTION ITEM 13): the Board of Trustees authorized the Chancellor or designee to purchase additional voice and data communication cabling services for the College in a sum not exceeding $1,000,000 for a revised sum not exceeding $2,500,000 over a five-year period. This item was passed in the Consent Agenda. A copy is attached as Exhibit “S”.

6. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) to Purchase Resume Distribution Services for the Workforce Education Programs (ACTION ITEM 14): the Board of Trustees authorized the Chancellor or designee to negotiate and execute a contract on behalf of the College to purchase resume distribution services from MyOpenJobs, LLC, 12200 Ford Road, Suite 100, Dallas TX 75234 in a sum not exceeding $267,100. The term of this award is for an initial three-year period with the option to renew for two additional one-year periods. This item was passed in the Consent Agenda. A copy is attached as Exhibit “T”.

7. Consideration of Approval to Modify the Language in the Previously Approved Agenda Item for Additional Design Services with Architectural Firm Rey de la Reza Architects for Lone Star College System Office-University Park (“SO-UP”) (ACTION ITEM 15): the Board of Trustees approved the modification of language in the previously approved agenda item dated November 2, 2017 for the purchase of architectural services from Rey de la Reza Architects (“RdlRA”), 1245 West 18th Street, Houston, Texas 77008 to allow for additional amendments for additional architectural services. This language modification request will not change the
previously approved sum not exceeding $382,876. This item was passed in the Consent Agenda. A copy is attached as Exhibit “U”.

8. Consideration of Approval to Authorize the Chancellor or Designee to Amend the Contract on Behalf of Lone Star College (the “College”) for Additional Construction Services with Brookstone, LP for the Lone Star College-CyFair (“LSC-CyFair”) Westway Park Technology Center (ACTION ITEM 16): the Board of Trustees authorized the Chancellor or designee to amend the contract on behalf of the College for additional construction services with Brookstone, LP, 3715 Dacoma Street, Houston, TX 77092 for the LSC-CyFair Westway Technology Center in a sum not exceeding $200,000, for a revised total sum not exceeding $7,740,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “V”.

9. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract Amendment on Behalf of Lone Star College (the “College”) to Purchase Financial Aid File Review and Verification Services (ACTION ITEM 17): the Board of Trustees authorized the Chancellor or Designee to negotiate and execute a contract on behalf of the College to purchase financial aid file review and verification services with Global Financial Aid Services (“Global”), 12268 Intraplex Parkway, Gulfport, MS 39502 for a sum not exceeding $75,000 through April 30, 2019 for a total revised sum not exceeding $345,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “W”.

10. Consideration of Approval to Ratify the Emergency Purchase of Repair Services to Restore the Hot Water Loop and Heating, Ventilation, and Air Conditioning (“HVAC”) System for Lone Star College-North Harris (“LSC-North Harris”) (ACTION ITEM 18): the Board of Trustees ratified the emergency purchase of repair services to restore the hot water loop and HVAC system for LSC-North Harris with TD Industries Inc., 13850 Diplomat Drive, Dallas, TX 77040 in a sum not exceeding $155,000. This item was passed in the Consent Agenda. A copy is attached as Exhibit “X”.

11. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Interlocal Agreement on Behalf of Lone Star College (the “College”) with the University of Texas Petroleum Extension Service (“UT-PETEX”) (ACTION ITEM 19): the Board of Trustees authorized the Chancellor or designee to negotiate and execute an Interlocal Agreement on behalf of the College with UT-PETEX for the College to lease an area to UT-PETEX at Lone Star College-University Park (“LSC-University Park”). This item was passed in the Consent Agenda. A copy is attached as Exhibit “Y”.

12. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts on Behalf of Lone Star College (the “College”) to Purchase Real Estate and to Negotiate and Execute Agreements and Easements Related to Property for a Future College Location in Harris County, Texas (ACTION ITEM 20): the Board of Trustees authorized the Chancellor or designee to negotiate and execute one or more contracts on behalf of the College to purchase real estate in Harris County,
Texas for a future College location. The property, approximately 200 acres, will be purchased at or below appraised value for a sum not exceeding $14,000,000. In addition, the Board of Trustees authorize the Chancellor or designee to negotiate and execute any required Agreements and Easements with the property owner(s), improvement district(s), municipal utility district(s), and utility providers necessary for access and utility service to the future College site. This item was passed in the Consent Agenda. A copy is attached as Exhibit “Z”.

XV. PERSONNEL REPORTS AND CONSIDERATIONS:

1. Consideration and Authorization for the Chancellor or Designee to Execute Proposed Employment Contracts for the Attached Individuals (ACTION ITEM 24): the Board of Trustees authorized the Chancellor or a designee to execute proposed employment contracts for the attached individuals. Each individual’s name, job title, not-to-exceed contract sum, and hire start date is attached. This item was passed in the Consent Agenda. A copy is attached as Exhibit “aa”.

XVI. FINANCIAL REPORT

Monthly Financial Report: Ms. Jennifer Olenick, vice chancellor and CFO for finance and administration, presented the monthly financial statements for the month ended November 30, 2018 and December 31, 2018. A copy is attached as Exhibit “bb”.

XVII. BUILDING AND GROUNDS REPORTS:

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

XVIII. SUGGESTED FUTURE AGENDA ITEMS: None.

XIX. ADJOURNMENT: There being no further business, the meeting was adjourned at 8:09 p.m.

ATTEST:

__________________________________________  _______________________________________
Board of Trustees, Chair                                  Board of Trustees, Secretary
MINUTES OF THE
BOARD OF TRUSTEES RETREAT
LONE STAR COLLEGE SYSTEM
HYATT CENTRIC THE WOODLANDS
CABANA ROOM
9595 SIX PINES DRIVE, THE WOODLANDS, TX 77380
FEBRUARY 22, 2019
9:00 A.M.

PRESENT: Dr. Alton Smith, Chair
Ms. Myriam Saldívar, Vice Chair
Mr. Art Murillo, Secretary
Mr. Ken Lloyd
Ms. Ernestine Pierce
Mr. Michael Stoma
Mr. Mike Sullivan
Mr. David Vogt

ABSENT: Ms. Linda Good, Assistant Secretary

I. CALL TO ORDER: Dr. Smith called the February 22, 2019 Board Retreat Meeting to order at 9: a.m. after determining a quorum was present. Mr. Vogt entered the meeting at 9:17 a.m. Mr. Sullivan entered the meeting at 10:36 a.m.

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

III. BOARD ROLE AND RESPONSIBILITIES: Board attorney Merri Schneider-Vogel reviewed the provisions that govern board members under law (TEC130.084 and TEC 11.051 (a)) and the Lone Star College System Board Policy Manual. She also provided an overview of selected public information act provisions.

IV. RECESS: The board recessed at 9:52 a.m. and reconvened at 10:02 a.m.

V. CLOSED SESSION: At 10:02 a.m., Dr. Smith 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
• On any item on the Agenda
Section 551.074 - Personnel Matters
• Chancellor’s evaluation
VI. **RECONVENE REGULAR MEETING:** Dr. Smith reconvened the Retreat Meeting at 12:19 p.m.

VII. **ADJOURNMENT:** Dr. Smith adjourned the meeting at 12:20 p.m.

**ATTEST:**

_________________________________________  _________________________________________
Board of Trustees, Chair                      Board of Trustees, Secretary
Consideration of Consent Agenda

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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<th>Action Item</th>
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<tbody>
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<td>1</td>
<td>Approve Rev Board Policy Sec II.L.Marketing/Branding</td>
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<td>2</td>
<td>Approve Rev Board Policy Sec III.C.2 Invest. Mgt</td>
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<td>3</td>
<td>Approve Rev Board Policy Sec VI.B.2.01 Install/Plans</td>
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<td>4</td>
<td>Approve Rev Board Policy Sec I.E.1.03 Elec Board Off</td>
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<td>Approve 2019-20 Credit Tuition/Fee Schedule</td>
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<td>Approve 2019-20 Cont/Ed/Acad/Lifelong/Learning Fee</td>
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<td>Approve Tuition/Lab Fee/Exemp/Firefighters/In/EMS</td>
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<td>Approve Increase Workforce Non-Credit Enroll/Fees</td>
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<td>Approve Modify Language Add’l DesignSvcs</td>
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<td>Approve Adoption of Prevailing Wage Rate</td>
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Request: Consideration and Review of the Recommended Revision of the Lone Star College (the “College”) Board Policy Manual Section VI.A. Admissions Policy to include subsection VI.A.2.1. Health Occupation Programs Admission Policy (SECOND READING)

Chancellor’s Recommendation: That the Board of Trustees consider and review the recommended revision of the College’s Board Policy Manual Section VI.A. Admissions Policy to include subsection VI.A.2.1. Health Occupation Programs Admission Policy.

Rationale: This revision would include a subsection specifically addressing admissions to the College’s Health Occupation Programs. The Health Occupations faculty and administration recommend setting the minimum applicant age to 18 years old. Their recommendation is based on the program’s criteria, including participation in clinical rotations in local hospitals and clinics. This revision gives notice to students of this requirement and provides for a grievance mechanism.

Fiscal Impact: None.

Staff Resource: Mario K. Castillo 832-813-6655
Dwight Smith 832-813-6603
SECTION VI – STUDENTS

VI.A. ADMISSIONS

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VI.A.2.1. Health Occupation Programs Admissions Policy
Health Occupation programs do not consider applications from Prospective Students not at least 18 years old at the time of the program application’s deadline—except that LSC-Tomball may honor a current contractual obligation with Klein ISD requiring the admission of students below the age of 18 years old. Any applicant that willfully misrepresents Material Information on the application will not be accepted or conditionally remain in a Health Occupation Program.

VI.A.2.2. Definitions

(a) Health Occupation Programs means programs identified by the College that prepare students to enter the healthcare industry. These programs include credit and non-credit programs.

(b) Prospective Students means a student who is seeking to submit an application and who is not officially accepted into the health occupation programs.

(c) Application Deadlines means the identified date provided and published by the health occupation program. Health Occupation Programs only consider applications fully completed by the Program’s application deadline.

(d) Material information means any information that the College reports to a third party on behalf of the student—including but not limited to: hospitals, accrediting, or state agencies.

VI.A.2.3. Admission Grievance Policy
The Health Occupation Programs have competitive admission processes even though the College admits students through open enrollment. Admission denials include, but are not limited to: incomplete applications, misleading information, not meeting admission criteria, or lower admission scores that other cohort members. Students may appeal admission denials to the Program Director and then to the appropriate Dean. The Dean’s admission decision is final.
Policy Report and Consideration No. 2 (ACTION ITEM 1) Board Meeting 3-7-19

Request: Consideration and Approval of the Recommended Revision of the Lone Star College (the “College”) System Board Policy Manual Section II.L. Marketing and Branding

Chancellor’s Recommendation: That the Board of Trustees consider and approve the recommended revision of the College’s Board Policy Manual Section II.L. Marketing and Branding Policy.

Rationale: The proposed revision clarifies and organizes the College’s marketing and branding policies, including revision of the title of Section II.L. to more accurately reflect the nature of the section. This revision also clarifies that the Vice Chancellor for marketing, advertising, and branding is tasked with effectuating this policy.

Fiscal Impact: None.

Staff Resource: Mario K. Castillo 832-813-6655
Helen Clougherty 832-813-6514
II. L. MARKETING AND BRANDING

II. L.1. Advertising Approval

II. L.1.01. Authorized Persons Advertising
Print, broadcast, Web, mail, and outdoor display advertising may be used as communication to promote the products or services or convey important messages of the College.

The Chancellor or designees must approve College advertising. Advertising to recruit faculty and staff will be conducted through Human Resources. Vendor-supplied advertising opportunities may be considered in purchasing practices.

The Vice Chancellor responsible for marketing, advertising, and branding (“Vice Chancellor”) shall manage the College’s relationships with advertising agencies and other related providers.

II. L.1.02. College Use of Identity and Branding Elements
The names, logos, trademarks, and other identifying marks of the College are valuable College assets. As such, these marks may be used by its Foundation, Board of Trustees, colleges, and centers only with the express approval of the Vice Chancellor or designee.

The College’s logos may be used by any College office for authorized College publications and activities. The official College Branding Styleguide, Digital Styleguide, and Editorial Styleguide outline procedures governing use of identifying marks. The logotypes may not be altered or presented except as outlined in the College styleguides.

II. L.1.03. Creation of Branding Elements
The creation of branding elements (e.g., slogans, taglines, and logotypes) is the responsibility of the Vice Chancellor or designee. Entities within the College wishing to create branding elements for departments, programs, or events must adhere to the processes outlined in the College styleguides.

II. L.1.04. Outside Advertising at the College
College departments and programs may accept advertising such as the display of commercial logos or slogans at sponsored events, or ads in publications in exchange for fees or services. The College reserves the right to refuse any advertisement that does not serve the College’s educational mission or does not meet the College’s standards.

Outside businesses and organizations must obtain written permission to distribute advertising on College premises. Proposals to post links on any College website that connect to businesses and organizations must be approved by the Vice Chancellor or designees.

II. L.2. Trademark Management

II. L.2.01. Policy
The names, logos, trademarks, and other identifying marks of the College and its colleges are protected. Individuals or entities unaffiliated with the College should not use the College’s marks
without express approval from the College’s designated representative. The General Counsel – in consultation with the Chancellor – is delegated the authority to take any reasonable and necessary actions to protect the College’s intellectual property, including trademarks.

II.L.2.02. Procedure
The Chancellor or designee may adopt procedures to implement this policy.
Request: Consideration and Approval of the Lone Star College (the “College”) System Board Policy Manual Section III.C.2. Investment Management

Chancellor’s Recommendation: That the Board of Trustees consider and approve the College’s Board Policy Manual Section III.C.2. Investment Management.

Rationale: The Texas Public Funds Act requires the College’s Board of Trustees review its investment policy and investment strategies at least annually.

Fiscal Impact: None.

Staff Resources: Mario K. Castillo 832-813-6655
Jennifer Mott 832-813-6512
III.C.2. Investment Management

III.C.2.1. Policy
The College invests available funds after evaluating the College’s anticipated cash flow requirements and giving due consideration to investment safety and risk. The College’s investment portfolio is prudently designed and managed to obtain reasonable revenue without compromising the College’s cash flow needs, to maintain public trust, and to comply with legal requirements and limitations. This policy applies to all investment assets under the College’s direct control.

The College invests with the following objectives in priority order: (1) safety and principal preservation; (2) liquidity; (3) diversification; (4) public trust; and (5) yield.

III.C.2.2. Definitions
(a) Act means Texas Government Code Chapter 2256, the Public Funds Investment Act.

(b) Board means the Board of Trustees with ultimate legal authority to govern the College.

(c) Hedging Transactions means contracts and related security, credit, and insurance agreements designed to protect the College from economic loss due to price fluctuation of a commodity or related investment by entering into an offsetting position or using a financial agreement or producer price agreement in a correlated security, index, or other commodity.

(d) Investment Officers means the College’s Chief Financial Officer and other employees as designated in writing by the College’s Chief Financial Officer, including an employee temporarily holding one of those positions in an acting or interim role.

(e) Repurchase Agreement means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date certain authorized investments for a market value not less than the principal amount of funds disbursed.

(f) SEC means the United States Securities and Exchange Commission.

III.C.2.3. Purpose and Strategy
The Act requires the College to adopt a written investment policy regarding investment of its funds and funds under its control, including a separate written investment strategy for each of the funds or group of funds under its control. At least annually, the Board reviews this investment policy and investment strategies and adopts a written instrument stating that this review has taken place and listing any changes to the investment policy or strategies. This investment policy addresses the methods and practices the College uses to ensure prudent fund management.
The College’s overall investment strategy is to properly safeguard College financial assets, provide sufficient liquidity and diversification, and produce a reasonable rate of return while enabling the College to react to changes in economic and market conditions. All investments this policy authorizes are suitable.

The longer an investment’s maturity, the greater its price volatility. Therefore, the College primarily invests in short- and intermediate-term investments to limit risk caused by interest rate changes. The College attempts to match its investments with its 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 College does not purchase investments maturing more than three years from the purchase date.

The College’s investment portfolio is designed to obtain a reasonable return throughout budgetary and economic cycles commensurate with investment risk constraints and cash flow needs. “Weighted Average Yield to Maturity” is used to calculate the portfolio’s rate of return.

The College commingles its operating, reserve, trust, and agency funds into one investment portfolio for investment efficiency, accurate distribution of earnings, and maximum investment opportunity. Nevertheless, the College recognizes each fund’s unique characteristics and needs and manages its portfolio accordingly. The maximum dollar weighted average maturity of the entire commingled portfolio reflecting cash flow needs will be no greater than one year, and the corresponding benchmark for the commingled portfolio will be the comparable one-year U.S. Treasury security.

Capital projects are managed separately in accordance with their anticipated expenditure schedules and bond document requirements.

**III.C.2.4. College Fund Investment Strategies**

(a) **General Fund** includes all College operating funds including, but not limited to, the general fund, payroll fund, technology fund, student activity fee fund, repair and replacement fund, and the auxiliary fund. This fund’s primary investment objectives are (1) to preserve and safeguard principal; and (2) to match anticipated cash flows with adequate investment liquidity. These objectives are accomplished by purchasing high credit quality, short- to intermediate-term investments matching cash flow requirements. Funds not needed for short-term cash flow requirements are invested in diversified instruments with diversified maturities readily marketable in the secondary market or, if certificates of deposit, redeemable with or without penalty. Yield may be enhanced by using maturity extensions available within the confines of accurate cash flow projections and market cycle timing. This fund’s maximum weighted average maturity is one year, and the maximum stated maturity for any one investment is three years.
(b) **Restricted Fund** includes local, state, and federal grant funds and funds from other sources restricted for instructional use. This fund’s primary investment objectives are (1) to preserve and safeguard principal; (2) to maintain liquidity sufficient to meet anticipated cash flow requirements; and (3) to optimize yield. These objectives are accomplished by purchasing high credit quality, short-term investments, diversified by instrument and maturity, and matching the investments’ maturity with anticipated liabilities. Funds not needed for short-term cash flow requirements are invested in diversified instruments with diversified maturities readily marketable in the secondary market or, if certificates of deposit, redeemable with or without penalty. A ladder of short-term investments with sufficient liquidity from cash equivalent investments may be used to maintain a maximum weighted average maturity of one year, and the maximum stated maturity for any one investment is two years or less.

(c) **Capital Projects Fund.** The Capital Projects Fund’s primary investment objectives are to (1) preserve and safeguard principal; (2) match cash flows from maturities and earnings of diversified investments to anticipated needs; and (3) obtain a reasonable market yield. Considering appropriate risk constraints, investment choices attempt to attain a return equal to or above the arbitrage yield to avoid negative arbitrage. These objectives are accomplished by purchasing high credit quality, short- and intermediate-term investments with maturities closely matching projected cash flow schedules. Funds not needed for short-term cash flow requirements are invested in diversified instruments with diversified maturities readily marketable in the secondary market or, if certificates of deposit, redeemable with or without penalty. An individual security’s maximum maturity will not exceed the shorter of the funds’ planned expenditure span or the maximum length—currently three years—allowed under this policy.

(d) **Debt Service Fund.** The Debt Service Fund’s primary investment objectives are to (1) preserve and safeguard capital; and (2) optimize yield to fund debt service payments in accordance with bond documents. Funds not required for immediate liquidity are invested in diversified instruments. Each successive debt service payment is fully funded before extensions are made. This fund’s maximum weighted average maturity is one year.

(e) **Trust and Agency Fund** includes local scholarship funds, club funds, and other funds for which the College acts as fiduciary and which have short average lives and high liquidity needs. This fund’s primary investment objectives are to ensure safety, liquidity, diversification, and yield. These objectives are accomplished by purchasing high credit quality, short-term investments and cash equivalents for liquidity. This fund’s maximum weighted maturity is six months, and the maximum stated maturity for any one investment is one year.

**III.C.2.5. Prudent Person Rule**  
When investing for the College, investment officers consider prevailing internal and market circumstances which persons of prudence, discretion, and intelligence would exercise when
managing their own affairs—not for speculation, but for investment. Investment officers consider the probable safety of capital as well as probable income from an investment decision.

When determining if an investment officer exercised prudence in an investment decision, reviewers consider the investment of all funds rather than a single investment and whether the investment decision was consistent with this investment policy.

**III.C.2.6. Credit Rating Downgrades**
At least quarterly, investment officers obtain from a reliable source the current credit rating for each College investment for which the Act requires a minimum rating. Investment officers meet to discuss any investment which has been downgraded or placed on credit-watch to evaluate and take any necessary and prudent measures to assure the safety of College funds. As quickly as prudently possible, the College liquidates any investment that becomes unauthorized or loses its required credit rating.

**III.C.2.7. Authority and Delegation**
The Act authorizes the College to manage College investments and to delegate such management.

**III.C.2.8. Investment Officers**
The Board designates the College’s investment officers and delegates to them responsibility to manage the College’s investment program under the Chancellor’s supervision. The Board retains ultimate fiduciary responsibility for College investments.

Investment officers are responsible for all investment transactions, and they establish and maintain controls to regulate subordinates’ activities. No person may engage in an investment transaction for the College except as set forth in this policy and relevant Chancellor’s procedures. Investment officers acting in good faith under relevant policies and procedures are not personally liable for investment results.

Investment officers report to the Board quarterly on investment results and annually on counterparties. No later than the 180th day after the 1st day of each regular session of the Texas Legislature, investment officers prepare and deliver a report to the Board on the Act.

**III.C.2.9. Investment Training**
The College provides access to periodic investment training for trustees, investment officers, and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in compliance with the Act.

Within six months after taking office or assuming duties, trustees and investment officers must acquire at least the minimum investment training required by the Texas Higher Education Coordinating Board. Training must include education in investment controls, security risks,
strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.

In addition, the College’s Chief Financial Officer’s staff directly involved with day-to-day investment operations will attend training about the Act not less than once each state fiscal biennium. Investment officers also complete at least the minimum required hours of training not less than once each state fiscal biennium. An independent source approved by the Board provides all such training. The following are Board-approved training providers:

1. American Institute of Certified Public Accountants
2. Arbitrage Compliance Group
3. Association of Governmental Accountants
4. City Managers’ Association
5. Council of Governments
6. Government Finance Officers’ Association
7. Government Finance Officers’ Association of Texas
8. Government Treasurers’ Organization of Texas
9. Texas Association of Community College Business Officers
10. Texas Higher Education Coordinating Board
11. Texas Municipal League
12. Texas Society of Certified Public Accountants
13. Texas State Board of Public Accountancy
14. The PFM Group
15. University of North Texas Center for Public Management

III.C.2.10. Ethics and Disclosure of Conflicts of Interest
Investment officers and other College employees involved in the investment process refrain from personal business activity that could (1) conflict with properly executing the investment program or (2) impair their ability to make impartial investment decisions. Investment officers disclose potential conflicts of interest annually and as conditions change. Investment officers file a disclosure statement with the Texas Ethics Commission and the Board if:

(a) The investment officer has a personal business relationship with a business organization offering to engage in an investment transaction with the College; or

(b) The investment officer is related within the second degree by affinity or consanguinity, as determined under Texas Government Code Chapter 573, to an individual seeking to transact investment business with the College.

III.C.2.11. Investment Providers
Investment officers obtain and maintain information on all financial institutions and brokers/dealers authorized to engage in investment transactions with the College, including the following information, as applicable:
(a) Audited annual financial statements;

(b) Proof of Financial Industry Regulatory Authority membership and CRD number;

(c) Proof of registration with the Texas State Securities Board; and

(d) Completed College questionnaire.

All investment providers (including but not limited to financial institutions, broker/dealers, investment pools, mutual funds, and investment advisors) must certify in writing that the entity’s authorized representative has received and thoroughly reviewed the College’s current investment policy and that the entity has reasonable procedures and controls to preclude transactions conducted with the College not authorized by its investment policy except to the extent that authorization depends on analyzing the College’s entire portfolio or requires interpretation of subjective investment standards. Whenever the Board adopts material changes to the College’s investment policy, investment providers must re-certify their adherence to this policy.


The Board annually adopts a list of qualified brokers/dealers authorized to engage in investment transactions with the College. The Board considers service, market involvement, and creditworthiness when selecting brokers/dealers to provide brokerage services. Selected firms may include primary dealers and regional dealers qualifying under the SEC’s uniform net capital rule.

Each year, investment officers review and evaluate firms authorized to enter into investment transactions with the College. Their review and evaluation may include the following criteria:

(a) Number of transactions competitively won/attempted;

(b) Prompt and accurate confirmation of transactions;

(c) Efficiency of transaction settlement;

(d) Accuracy of market information; and

(e) Account servicing.

After their review and evaluation, investment officers recommend to the Board a list of firms to authorize to enter into investment transactions with the College for the following year.

III.C.2.13. Authorized and Unauthorized Investments
The College may invest in any investment authorized by Texas Government Code Chapter 2256 or its successor statute.

The College may not invest in the following:

(a) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no interest.

(b) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and pays no interest.

(c) Collateralized mortgage obligations with a stated final maturity greater than 10 years.

(d) Collateralized mortgage obligations with an interest rate determined by an index that adjusts opposite to the changes in a market index.

III.C.2.14. Securities Held by Custodians
All securities owned by the College are held by independent third party custodians approved by the College. The delivery shall be made under normal and recognized practices in the securities and banking industries, including the book entry procedure of the Federal Reserve Bank.

III.C.2.15. Delivery versus Payment
Except for investment pool funds and mutual funds, the College settles all security transactions on a delivery versus payment basis.

III.C.2.16. Competition
College investment activities occur in a competitive environment. Competitive elements include, but are not limited to, analyzing strategies, reviewing investment alternatives, monitoring market conditions, requesting solicitations from multiple investment providers, adhering to applicable “bona fide solicitation” rules, and overall performance evaluations.

The College may compare and evaluate, but does not require formal bidding, before investing in financial institution deposits, money market mutual funds, or local government investment pools. Bids or offers may be solicited orally, in writing, or electronically for securities and certificates of deposit. The College maintains records of all prices and levels bid, offered, or accepted.

III.C.2.17. Diversification
The College recognizes investment risks from issuer defaults, market price changes, or complications leading to temporary illiquidity. The College manages market risks by diversifying its portfolio within the following general guidelines:
(a) Avoid over-concentration in investments from a specific issuer or business sector;

(b) Limit investments with higher credit risk (such as commercial paper);

(c) Invest in instruments with varying maturities to meet the College’s cash flow projections;

(d) Continuously invest part of the portfolio in readily available funds (such as local government investment pools, financial institution deposits, money market funds, or overnight repurchase agreements) to maintain sufficient liquidity for ongoing obligations.

(e) Adhere to the following maximum limits (at time of purchase) by instrument for the College’s total portfolio:

1. US Treasury Obligations ................................................................. 90%
2. US Agencies and Instrumentalities ............................................. 90%
3. Certificates of Deposit ................................................................. 90%
4. Repurchase Agreements (excluding bond proceeds) ............... 50%
5. Flexible Repurchase Agreements (bond proceeds) ................. 100%
6. Investment Pools ........................................................................ 100%
7. Municipal Securities ................................................................. 30%
8. Commercial Paper ..................................................................... 25%
9. Commercial Paper by issuer ..................................................... 5%

III.C.2.18. Hedging Transactions
As permitted by state law, the College may enter into hedging transactions related to commodities the College uses in its general operations or related to certain capital projects or other eligible projects. All hedging transactions must fully comply with all relevant state and federal laws, including Texas Government Code Chapter 2256 or its successor statute, the regulations of the federal Commodity Futures Trading Commission, and SEC regulations. Amounts the College receives under hedging transactions may be credited against expenses associated with a commodity purchase, and amounts the College pays under hedging transactions may be considered a maintenance and operations expense, an acquisition expense, a construction expense, or a project cost.

III.C.2.19. Internal Controls
Internal controls provide reasonable assurance that College funds are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that a control’s cost should not significantly exceed the benefits likely to be derived therefrom and that valuing costs and benefits requires estimates and judgments by management.

Internal controls for cash management and investment address at least the following points:

(a) Complete documentation of all transactions;
(b) Collusion control;

(c) Accounting and recordkeeping separation;

(d) Custodial safekeeping;

(e) Clear delegation of authority to subordinate staff members;

(f) Written confirmation for all transactions;

(g) Timely reconciliation of transactions; and

(h) Assurance of “delivery versus payment” settlement and competitive bidding.

III.C.2.20. Compliance Audit
At least once every two years, an external auditor in cooperation with, but independent of, the Chief Financial Officer reviews the College’s investment practices for compliance with College policies and procedures. The Chief Financial Officer coordinates this independent review in cooperation with the College’s Internal Auditor. Not later than January 1 of each even-numbered year, the College reports the most recent audit’s results to the Texas State Auditor’s Office.

III.C.2.21. Quarterly Reporting
Each quarter, investment officers prepare, sign, and present to the Chancellor and to the Board an investment report for the most recent quarter summarizing investment strategies employed and detailing the portfolio’s investment and earnings.

Each quarterly investment report includes a summary statement of investment activity. Quarterly reports allow the reader to ascertain whether investment activities during the reporting period adhered to the College’s investment policy. Each report includes at least the following:

(a) A detailed listing of individual investments by maturity date at the reporting period’s end;

(b) A portfolio summary by market sectors and maturities;

(c) The beginning and ending book and market values of each security and position by asset type and fund type invested;

(d) Unrealized market gains or losses at the reporting period’s end;

(e) The account, fund, or pooled group fund for which each individual investment was acquired;
(f) The portfolio’s average weighted yield to maturity as compared to its benchmark;

(g) Net accrued investment earnings for the reporting period;

(h) Diversification by market sectors; and

(i) A statement of compliance with the Act and the College’s investment policy and strategy as approved by the Board.

III.C.2.22. Market Values in Quarterly Reports
Market values used in quarterly reports are obtained from reputable and independent sources, which may include financial/investment publications and electronic media, investment tracking software, depository banks, commercial or investment banks, financial advisors, and representatives or advisors of investment pools or money market funds.

III.C.2.23. Annual Reporting
As required by the Texas State Auditor’s Office in accordance with the 82nd Texas Legislature’s General Appropriations Act, Article III, Rider 5–Investment Reports, the College files with the State Auditor, Comptroller of Public Accounts, Legislative Budget Board, and the Governor an annual report of all investment transactions involving endowment funds, short-term and long-term investment funds, and all other securities transactions, in a method prescribed by the State Auditor’s Office. The public may inspect copies of these reports, and the annual investment report is posted on the College’s website by December 31 of each year.

LSCS Policy Manual Section adopted by the Board of Trustees on March 1, 2018
Request: Consideration and Approval of the Recommended Revision of the Lone Star College (the “College”) System Board Policy Manual Section VI.B.2.01. Installment Payment Plans

Chancellor’s Recommendation: That the Board of Trustees consider and approve the recommended revision of the College’s Board Policy Manual Section VI.B.2.01. Installment Payment Plans.

Rationale: Section 54.007 of the Texas Education Code allows the College to offer students the option to pay tuition and mandatory fees through an installment payment plan. The College must establish a deadline for the first installment plan payment that is no later than the Census Date, or Official Day of Record, for the term. The current version of Section VI.B.2.01. lists the first day of class as the deadline for the first installment plan payment. The revised version of Section VI.B.2.01. extends the deadline to the Official Day of Record to allow students additional time to enroll in a payment plan and make their first payment, potentially increase enrollment, and reduce requests for variances from Board Policy for students who encounter unforeseen issues affecting their ability to pay prior to the day classes begin. Additionally, the proposed revision streamlines and condenses the section for readability.

Fiscal Impact: None.

Staff Resource: Mario K. Castillo 832-813-6655
Jennifer Mott 832-813-6512
VI.B.2. Installment Payment Plans

VI.B.2.01 Policy
The College may offer installment payment plans, as specified in the Tuition and Fees Procedures. Payment plans require a student’s first payment prior to the Official Day of Record for each session in a term and final payment by the last week of class. A student who uses a payment plan will pay an extra enrollment fee at enrollment for each semester the student has a payment plan. The College will inform a student about any overdue tuition or fees. Not paying tuition and fees may impact enrollment status.
Request: Consideration and Approval of the Recommended Revision of Lone Star College (the “College”) System Board Policy Manual Section I.E.1.03. Elect Board Officers

Chancellor’s Recommendation: That the Board of Trustees consider and approve the revision of the College’s Board Policy Manual Section I.E.1.03. Elect Board Officers. This revision omits the sentence that the Board of Trustees may also reorganize officers at other times at its discretion.

Rationale: State law requires officer elections at the first regular meeting of a board following the regular election of members of a board in even-numbered years, or at any time thereafter in order to fill a vacancy.

Fiscal Impact: None.

Staff Resource: Mario K. Castillo 832-813-6655
I.E. BOARD ORGANIZATION

I.E.1.01. Policy
The Board is organized under Texas law to most effectively exercise its power and authority to accomplish its responsibilities and duties.

I.E.1.02. Definitions

(a) **Board Chair** means a Trustee who presides at the Board’s regular and special meetings, signs all contracts duly authorized by Board policy, and appoints all committees not otherwise provided for, of which the Chair and Chancellor are each ex-officio members. The Chair is the only person authorized to speak for the Board, except when the Chair delegates this authority. The Chair has the right and power to speak and vote on all matters before the Board. Additionally, the Chair has the authority to prepare agendas for Board meetings and performs such other duties as the Board and Texas law allow.

(b) **Board Vice-Chair** means a Trustee who, when the Chair is absent, presides and temporarily has same powers and duties as the Chair would have if the Chair were present.

(c) **Board Secretary** means a Trustee who keeps the Board’s official seal and maintains records of all Board meetings, correspondence, and other official actions.

(d) **Board Assistant Secretary** means a Trustee who, when the Secretary is absent, temporarily assumes the Secretary’s duties.

I.E.1.03. Elect Board Officers
The Board elects its officers by majority vote at its first regular Board Meeting following the regular election of Trustees in even-numbered years. The Board may elect officers at any time to fill a vacancy. The Board elects a Board Chair, Board Vice-Chair, Board Secretary, Assistant Board Secretary, and other officers at its discretion.

I.E.1.04. Appoint Board Committees
The Board may create committees to aid the Board. The Open Meetings Act does not apply when fewer than five Trustees meet. The Board gives committees clear, appropriate responsibilities. Committees serve a purely advisory function and do not act for the Board; rather, they submit recommendations for action to the Board.

(a) **Ad Hoc Committee**. The Board or Board Chair may create ad hoc committees to handle special assignments. The Board Chair appoints members to such committees. The Board or Board Chair dissolves ad hoc committees that have completed their assignments.

(b) **Audit Committee**. The Board Chair appointed after the biennial reorganization appoints three Trustees to the Audit Committee for a two-year term coinciding with the Board’s biennial reorganization. The Audit Committee assists with hiring external auditors by obtaining and
evaluating proposals from prospective external auditors at least every five years and confirming market pricing for external auditors every two years. The Audit Committee reviews the proposed auditor’s (a) reputation; (b) recent or current clients; (c) familiarity with higher education institutions; (d) contract term costs; (e) primary office location; and (f) other relevant information. The Audit Committee personally interviews the top three auditor candidates after completing evaluations. The Audit Committee recommends an auditor to the Board. The Audit Committee reviews and annually recommends an engagement letter to the Board. The engagement letter sets out the audit’s scope and maximum fee.

The Audit Committee works with the College’s Chief Financial Officer on the annual external audit engagement. The Audit Committee meets at least a week before the regular board meeting with scheduled action on the annual audit report. External auditors, the Executive Director of Internal Audits, and the College’s Chief Financial Officer attend the Audit Committee’s meetings as invited. The Audit Committee recommends action on the annual audit report to the Board, which acts on the recommendation before December 31.

The Chancellor timely informs the Audit Committee after finding malfeasance via any audit. The Chancellor also informs the Audit Committee about future or current corrective actions. The Audit Committee annually reviews a summary status report prepared by the Executive Director of Internal Audit and approved by the Chancellor.
Request: Consideration of Approval of the 2019-2020 Credit Tuition and Fee Schedule

Chancellor’s Recommendation: That the Board of Trustees approve the adoption of the tuition and fee schedule changes for Fall 2019. The recommended tuition rates and assessed fees include the following changes from the Spring 2019 tuition and fee schedule:

- An increase in the credit tuition from $44 to $49 per credit hour.
- An increase in the out-of-district fee from $95 to $105 per credit hour.
- An increase in the out-of-state/international fee from $130 to $160 per credit hour.
- An increase in the discipline-based differential fee; the attached chart details the amount per discipline to be added to the base tuition rate.
- An increase in the distance learning fee from $15 to $16 per credit hour.
- An increase in the registration fee from $12 to $13 per semester registration.
- An increase in the infrastructure fee from $20 to $21 per semester registration.

Rationale: Credit Tuition and Fees: estimated impact of $8.1 million increase:
Per Board Policy III.B.1.3. Budget Planning, revenues should be increased to ensure sufficient resources to expend funds equal to the Expenditure Target and property tax revenue and student revenue should be equalized. To achieve these budget goals, tuition and fees need to be increased.

Out-of-Lone Star College (“the College”) fees: estimated impact of $2.7 million increase:
Community colleges operate under the principle of shared responsibility for the cost of educating students with a proportion of the cost shared by the State of Texas, local taxpayers, and students. The college receives 21% of its funding from state appropriations, 41% from local property taxes, 27% from student tuition and fees, 6% from Out-of-College fees, and 5% from grants and auxiliary operations.

In the 2017-2018 academic year, the College enrolled approximately 17,000 out-of-district and out-of-state/international students. Out-of-district students do not pay local property taxes to the system. Out-of-state and international students do not pay local property taxes and generate no contact hour reimbursement funding from the state. Therefore, out of
district students are charged an out-of-district fee to help mitigate the subsidy local property taxpayers provide for them. Out of state/international students are charged an out-of-state/international fee to account for the lack of property taxes and state funding.

Based on 2017-2018 enrollment data and audited revenues, in-district students pay a combined $208 per credit hour in tuition, fees and property taxes and generate $64 in contact hour funding. Out-of-district students pay $175 and generate $64 in contact hour funding and out-of-state/international students pay $211 per credit hour and generate no contact hour funding, resulting in a $32 and $61 gap, respectively, between in-district students and other students.

The last time out-of-College fees were raised was in March 2018 for Fall 2018 classes. The current increase is necessary to ensure that out-of-district, state and international students are effectively covering the costs of instruction given we do not collect taxes and, in the case of out-of-state/international students, state funding for them.

**Fiscal Impact:** It is estimated that the proposed changes will generate approximately $10.8 million in additional student revenues for FY 2020.

**Staff Resource:** Jennifer Mott 832-813-6512
## 2019-2020 Differential Fee Schedule
### Amounts Per Credit Hour

<table>
<thead>
<tr>
<th>DISCIPLINE</th>
<th>CURRENT</th>
<th>2018-19 CHANGE</th>
<th>2018-19 TOTAL FEE</th>
<th>TOTAL COST OF 12 CR HRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>$4</td>
<td>$2</td>
<td>$6</td>
<td>$934</td>
</tr>
<tr>
<td>Architecture and Precision Production Trades</td>
<td>$13</td>
<td>$2</td>
<td>$15</td>
<td>$1,042</td>
</tr>
<tr>
<td>Biology, Physical Sciences, and Science Technology</td>
<td>$16</td>
<td>$2</td>
<td>$18</td>
<td>$1,078</td>
</tr>
<tr>
<td>Business Management, Marketing, and Administrative Services</td>
<td>$17</td>
<td>$2</td>
<td>$19</td>
<td>$1,090</td>
</tr>
<tr>
<td>Communications</td>
<td>$9</td>
<td>$2</td>
<td>$11</td>
<td>$994</td>
</tr>
<tr>
<td>Computer and Information Sciences</td>
<td>$13</td>
<td>$2</td>
<td>$20</td>
<td>$1,102</td>
</tr>
<tr>
<td>Construction Trades</td>
<td>$17</td>
<td>$2</td>
<td>$19</td>
<td>$1,090</td>
</tr>
<tr>
<td>Consumer and Homemaking Education</td>
<td>$16</td>
<td>$2</td>
<td>$18</td>
<td>$1,078</td>
</tr>
<tr>
<td>Engineering</td>
<td>$8</td>
<td>$2</td>
<td>$10</td>
<td>$982</td>
</tr>
<tr>
<td>Engineering Related</td>
<td>$17</td>
<td>$2</td>
<td>$19</td>
<td>$1,090</td>
</tr>
<tr>
<td>English, Language, Literature, Philosophy, Humanities, and Interdisciplinary</td>
<td>$13</td>
<td>$2</td>
<td>$15</td>
<td>$1,042</td>
</tr>
<tr>
<td>Foreign Languages</td>
<td>$0</td>
<td>$2</td>
<td>$10</td>
<td>$982</td>
</tr>
<tr>
<td>Health Occupations-Dental Asst., Medical Lab. and Assoc. Degree Nursing</td>
<td>$19</td>
<td>$2</td>
<td>$21</td>
<td>$1,114</td>
</tr>
<tr>
<td>Health Occupations-Dental Hygiene</td>
<td>$20</td>
<td>$2</td>
<td>$22</td>
<td>$1,126</td>
</tr>
<tr>
<td>Health Occupations-Other</td>
<td>$17</td>
<td>$2</td>
<td>$19</td>
<td>$1,090</td>
</tr>
<tr>
<td>Health Occupations-Respiratory Therapy</td>
<td>$19</td>
<td>$2</td>
<td>$21</td>
<td>$1,114</td>
</tr>
<tr>
<td>Health Occupations-Vocational Nursing</td>
<td>$18</td>
<td>$2</td>
<td>$20</td>
<td>$1,102</td>
</tr>
<tr>
<td>Mathematics</td>
<td>$11</td>
<td>$2</td>
<td>$13</td>
<td>$1,018</td>
</tr>
<tr>
<td>Mechanics and Repairers-Automotive</td>
<td>$13</td>
<td>$2</td>
<td>$20</td>
<td>$1,102</td>
</tr>
<tr>
<td>Mechanics and Repairers-Diesel, Aviation Mech., and Transport Workers</td>
<td>$18</td>
<td>$2</td>
<td>$20</td>
<td>$1,078</td>
</tr>
<tr>
<td>Mechanics and Repairers-Electronics</td>
<td>$17</td>
<td>$2</td>
<td>$19</td>
<td>$1,090</td>
</tr>
<tr>
<td>Physical Education and Fitness</td>
<td>$17</td>
<td>$2</td>
<td>$19</td>
<td>$1,090</td>
</tr>
<tr>
<td>Protective Services and Public Administration</td>
<td>$17</td>
<td>$2</td>
<td>$19</td>
<td>$1,090</td>
</tr>
<tr>
<td>Psychology, Social Services, and History</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$862</td>
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<tr>
<td>Visual and Performing Arts</td>
<td>$18</td>
<td>$2</td>
<td>$20</td>
<td>$1,102</td>
</tr>
</tbody>
</table>
Request: Consideration of Approval of the 2019-2020 Continuing Education Academy for Lifelong Learning (“ALL”) Membership Fee Change

Chancellor’s Recommendation: That the Board of Trustees approve the adoption of the proposed ALL annual membership fee changes for academic year 2019-2020. The recommended membership fees include the following changes from the 2018-2019 fees:

- An annual campus-level membership fee increase from $20 to $25.
- An annual global-level membership fee increase from $55 to $65.

Rationale: ALL membership fees for five campuses of Lone Star College (the “College”) have been $20 for several years with one campus having a $25 membership fee. This request for board approval proposes making the annual membership fee for a single campus membership consistent across the College at $25.

Additionally, this request proposes an increase in the ALL global-level membership fee to $65 annually which allows members access to ALL courses at all of the College campuses.

ALL is a community service program. Raising membership fees would help defer the College’s expenses. There is an apart-time program coordinator for the ALL program at each campus. The course offerings are designed by the volunteer ALL advisory committee and taught by volunteer lecturers.

The table below shows membership numbers and financials from these proposed changes.

<table>
<thead>
<tr>
<th>Membership Level</th>
<th># Current</th>
<th>Current Fee</th>
<th>Current Revenue from Fees</th>
<th>FY19 Budgeted Expenses</th>
<th>Proposed FY20 Fee</th>
<th>Proposed FY20 Revenue (if same # members)</th>
<th>Estimated FY20 Revenue to Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Campus Memberships</td>
<td>3,080</td>
<td>$20 @5 colleges, $25 @ 1 college</td>
<td>$66,080</td>
<td>$25.00</td>
<td>$77,000</td>
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<tr>
<td>System-wide Memberships</td>
<td>474</td>
<td>$55.00</td>
<td>$26,070</td>
<td>$65.00</td>
<td>$30,810</td>
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<tr>
<td>Total</td>
<td>3,554</td>
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<td>$92,150</td>
<td>$156,829</td>
<td>$107,810</td>
<td>($49,019)</td>
<td></td>
</tr>
</tbody>
</table>

Fiscal Impact: The proposed fee increase will generate an approximate $15,660 in additional revenue.

Staff Resource: Dwight Smith 832-813-6603
Request: Consideration of Approval for Lone Star College (the “College”) to Provide a Tuition and Laboratory Fee Exemption for Firefighters Enrolled in the Emergency Medical Services (“EMS”) Certificates and Associate of Applied Science (“AAS”) Degree Programs

Chancellor’s Recommendation: That the Board of Trustees authorize the College to exempt from tuition and laboratory fees firefighters enrolled in the College’s EMS Certificates and AAS Degree starting Summer 2019.

Rationale: Texas Education Code Section 54.353 requires that the College exempt certain firefighters from paying tuition and laboratory fees for courses offered as part of the College’s fire science curriculum. The College currently provides a tuition exemption to firefighters enrolled in the Fire Science program, which includes all credit and non-credit Basic Structural Firefighter Certificate, Fire Science Technology AAS, EMS Professions Intermediate Certificate, EMS Professions Paramedic Certificate, EMS Professions AAS and general education courses required for Fire Science certificate or degree completion. Approval of this agenda item extends the exemption to the EMS certificates and degree. Tuition for the EMS AAS degree, excluding two courses already required for firefighter certification, would total $3,408 that includes a $204 lab fee.

Fiscal Impact: There is an estimated exemption expense of $64,080 per cohort if an entire EMS cohort of 20 firefighter students seeks the full AAS at $3,204 per student.

Staff Resource: Dwight Smith 832-813-6603
Financial Report and Consideration No. 4  (ACTION ITEM 8)  Board Meeting 3-7-19

Request: Consideration of Approval of an Increase in Workforce Non-Credit Open Enrollment Course Fees Effective for Fall 2019

Chancellor’s Recommendation: That the Board of Trustees approve an increase in Workforce non-credit open enrollment course fees effective Fall 2019 to $16 per contact hour. Fee changes proposed as follows:

- Increase standard course tuition by $3 per contact hour for workforce non-credit open enrollment courses (from $13 to $16 per contact hour);
- Increase professional truck driving course tuition by $2 per contact hour (from $14 to $16 per contact hour)

Rationale: The College’s Career and Continuing Education (“CCE”) department has increased student support services to its students. The College has not increased tuition for these courses since 2015. Annual pay increases have added to the cost for the administration and instruction of these courses.

Fiscal Impact: The proposed fee increase will generate an approximate $108,231 in revenue.

Staff Resource: Dwight Smith  832-813-6603
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Interlocal Agreement on Behalf of Lone Star College (the “College”) with the Economic Development Program of Harris County

Chancellor’s Recommendation: That the Board of Trustees approve the Chancellor or designee to negotiate and execute an interlocal agreement on behalf of the College with the Economic Development Program of Harris County for an in-kind sum not exceeding $125,000.

Rationale: The College has participated in this Economic Development Program since 1998, and it provides funds for the College to provide economic development research and resources to local related partners including chambers of commerce and economic development entities through the North Houston Economic Development Center. The College will be awarded $125,000 if it will match the amount in-kind. The College provides this match of funding through employee salaries, facilities, services, equipment, and rentals. The current agreement expired February 28, 2019.

Approval from the Board of Trustees is required as this interlocal agreement will be with another Texas governmental entity.

Fiscal Impact: Funds for this match are included in FY 2019 operating budgets.

Staff Resource: Dwight Smith 832-813-6603
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts on Behalf of Lone Star College (the “College”) to Purchase Movable Furnishings and Installation for Lone Star College-CyFair (“LSC-CyFair”)

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute contracts on behalf of the College for the purchase and installation of movable furnishings with J.Tyler Services, Inc., 5920 Milwee, Houston, TX 77092 for LSC-CyFair in a sum not exceeding $525,000 over a two-year period. If negotiations cease for any reason with J. Tyler Services, Inc., the College may proceed to negotiate with the next firm in the order of selection ranking with a score of not less than 70 until a contract is executed.

Rationale: LSC-CyFair is celebrating its 15 year anniversary. Most of the furniture in the original five buildings is worn with visible damage and is no longer under warranty. This purchase is the first phase of a multi-year furniture replacement plan. Furnishings to be replaced are for 15 classrooms, five computer labs, and chairs for 75 faculty and staff offices.

In accordance with the provisions of the Texas Education Code §44.031 (a), Request for Proposal (“RFP”) #638 was publically advertised and the College received seven responses. The College evaluated the proposals based on price, qualifications, experience (relevant to higher education), service needs met, reputation, quality of goods and services, past performance, the extent to which certified historically underutilized businesses (“HUB”), minority and/or veteran or woman-owned businesses are utilized, long-term cost, and other relevant factors, including value-added services and completeness of the proposal.

Fiscal Impact: Funds for this purchase are available from the approved FY 2019 operating budget. Funds for subsequent years will be included in future proposed budgets.

Staff Resource: Seelpa Keshvala 281-290-3940
Jennifer Mott 832-813-6512
Request: Consideration of Approval to Modify the Language in the Previously Approved Agenda Item for Lone Star College-System Office (“LSC-SO”) and Lone Star College-North Harris (“LSC-North Harris”) for Additional Design Services with the Architectural Firm, Page Southerland Page Architects

Chancellor’s Recommendation: That the Board of Trustees approve the modification of language in the previously approved agenda item dated December 6, 2018, to allow for additional amendments and funds for the purchase of architectural services from Page Southerland Page, Inc. dba Page (“Page”), 1100 Louisiana, Suite 1, Houston, Texas, for additional architectural services. This request is to modify the total sum not exceeding from $859,180 to $988,582.

Rationale: On November 1, 2018, the Board approved the request to enter an amendment to the contract to provide additional design services for Lone Star College-Tomball (“LSC-Tomball”) projects for a sum not exceeding $129,402. This amendment was for the LSC-Tomball South Entrance project.

On December 6, 2018, the Board approved the request to enter an amendment to the contract to provide additional design services for LSC-North Harris and LSC-System Office projects for a sum not exceeding $340,000. The design services included LSC-North Harris Greenspoint projects for Houston North College Administration Suite Level 3 and other functional spaces as well as design for the LSC-System Office single accessible restroom project. The sum authorized at the December 6, 2018 Board Meeting did not include the November approved amount.

The table below reflects the Board approved 3rd amendment that was inadvertently left off of the December 6, 2018 Board Agenda item:

<table>
<thead>
<tr>
<th>Page Contract Summary</th>
<th>Board Approval</th>
<th>Description</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original</td>
<td>4/9/2015</td>
<td>Architectural Services</td>
<td>$303,000</td>
</tr>
<tr>
<td>Board Approved</td>
<td>5/5/2016</td>
<td>Language Modification – allow for purchase of Design Services to be funded from any source</td>
<td>N/A</td>
</tr>
<tr>
<td>1st Amendment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board Approved</td>
<td>8/4/2016</td>
<td>Additional Design Services</td>
<td>$216,180</td>
</tr>
<tr>
<td>2nd Amendment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board Approved 3rd Amendment</td>
<td>11/1/2018</td>
<td>Additional Design Services</td>
<td>$129,402</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------</td>
<td>-----------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Board Approved 4th Amendment</td>
<td>12/6/2018</td>
<td>Additional Design Services</td>
<td>$300,000</td>
</tr>
<tr>
<td>Board Approved 5th Amendment</td>
<td>12/6/2018</td>
<td>Additional Design Services</td>
<td>$40,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$988,582</strong></td>
</tr>
</tbody>
</table>

**Fiscal Impact:** Funds for this purchase are available from the 2014 General Obligation Bond Referendum, Series 2017A.

**Staff Resource:**
- Gerald Napoles 281-618-5444
- Jennifer Mott 832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Adopt a Prevailing Wage Rate in Accordance with the U.S. Department of Labor Davis-Bacon Act Rates or Based on a Local Market Survey

Chancellor's Recommendation: That the Board of Trustees authorize the Chancellor or a designee to annually, each fiscal year, adopt a Prevailing Wage Rate in accordance with the U.S. Department of Labor Davis-Bacon Act rates or based on a local market survey for applicable College projects. The Chancellor recommends that the Board of Trustees follow the U.S. Department of Labor Davis-Bacon Act Prevailing Wage Rates from March 7, 2019 until August 31, 2019.

Rationale: When applicable, College contractors and subcontractors that work on the construction of a public work, paid for at least in part by public funds, must pay workers the College’s adopted Prevailing Wage Rates.

Fiscal Impact: Unknown.

Staff Resource: Jennifer Mott 832-813-6512
### Personnel Report and Consideration No. 1  (ACTION ITEM 13)  Board Meeting 3-7-19

**Request:** Consideration and Authorization for the Chancellor or Designee to Execute Proposed Employment Contracts for the Attached Individuals

**Chancellor’s Recommendation:** That the Board of Trustees authorize the Chancellor or a designee to execute proposed employment contracts for the attached individuals. Each individual’s name, job title, not-to-exceed contract sum, and hire start date is attached.

**Rationale:** Board Policy Section III.D.1.3.(a) requires Board approval of employment contracts. In accordance with this policy, this authorization would expressly delegate such authority to the Chancellor or a designee for the attached individuals.

**Fiscal Impact:** Positions and salaries have been budgeted for 2019–2020.

**Staff Resource:** Mario K. Castillo  
832-813-6606
<table>
<thead>
<tr>
<th>Name</th>
<th>Job Title</th>
<th>Not-to-Exceed Contract Sum</th>
<th>Hire Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashworth, Miranda</td>
<td>Assistant Professor, Political Science</td>
<td>$ 45,000</td>
<td>1/7/2019</td>
</tr>
<tr>
<td>Britanak-Bohem, Bridgette</td>
<td>Assistant Professor, Nursing</td>
<td>$ 45,000</td>
<td>1/7/2019</td>
</tr>
<tr>
<td>Clinkscales, Geneen</td>
<td>Reference Librarian/Professor</td>
<td>$ 56,048</td>
<td>1/3/2019</td>
</tr>
<tr>
<td>Dinh, Hai</td>
<td>Senior Project Director, Construction</td>
<td>$ 92,410</td>
<td>1/16/2019</td>
</tr>
<tr>
<td>Eckert, Eileen</td>
<td>Instructor, Nursing Licensed Vocational Nurse</td>
<td>$ 40,000</td>
<td>1/14/2019</td>
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<tr>
<td>Esposito, Marita</td>
<td>Dean, Lone Star College Greenspoint Center</td>
<td>$ 92,410</td>
<td>1/3/2019</td>
</tr>
<tr>
<td>Greene, Robert</td>
<td>Associate Vice Chancellor, Lone Star College Online</td>
<td>$ 125,140</td>
<td>1/15/2019</td>
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<tr>
<td>Gruenhagen, Katie</td>
<td>Assistant Professor, Live Entertainment Technology</td>
<td>$ 46,650</td>
<td>1/7/2019</td>
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<tr>
<td>Hines-Goosby, Montisha</td>
<td>Director, LifePATH</td>
<td>$ 65,140</td>
<td>2/4/2019</td>
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<tr>
<td>Horn, Marion</td>
<td>Assistant Professor, Math</td>
<td>$ 45,000</td>
<td>1/7/2019</td>
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<tr>
<td>Jackson, Doris</td>
<td>Executive Director, Registered Nurse Bachelors of Science in Nursing Program</td>
<td>$ 106,800</td>
<td>1/3/2019</td>
</tr>
<tr>
<td>Junious, DeMonica</td>
<td>Director, Nursing Program</td>
<td>$ 79,960</td>
<td>1/3/2019</td>
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<tr>
<td>Konak Unal, Saadet</td>
<td>Instructor, Government</td>
<td>$ 50,000</td>
<td>1/14/2019</td>
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<tr>
<td>Lizama, Edgar</td>
<td>Director, Human Resources Information System</td>
<td>$ 99,340</td>
<td>1/16/2019</td>
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<tr>
<td>Lucio, Luis</td>
<td>Dean, Lone Star College Centers</td>
<td>$ 92,410</td>
<td>1/3/2019</td>
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<tr>
<td>McQuade, Lisa</td>
<td>Assistant Professor, Physical Education</td>
<td>$ 45,000</td>
<td>1/7/2019</td>
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<tr>
<td>Mordeno-Jordan, Maria</td>
<td>Assistant Professor, Psychology</td>
<td>$ 45,000</td>
<td>1/7/2019</td>
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<tr>
<td>Romaguera, Taylor</td>
<td>Assistant Professor, Live Entertainment Technology</td>
<td>$ 40,000</td>
<td>1/7/2019</td>
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<tr>
<td>Silva, Muniwarage</td>
<td>Associate Professor, Biology</td>
<td>$ 50,000</td>
<td>1/7/2019</td>
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<tr>
<td>Smith, Kisha</td>
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<td>1/7/2019</td>
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<tr>
<td>Taylor, Danielle</td>
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<td>1/9/2019</td>
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<td>Turnell, Lynda</td>
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<td>$ 99,340</td>
<td>1/3/2019</td>
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<td>1/7/2019</td>
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<tr>
<td>Woods, Patricia</td>
<td>Director, Human Resources</td>
<td>$ 74,380</td>
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</table>
Report: Monthly Financial Statements

The financial statements for the month ended January 31, 2019 are presented for Board review.
TORONTO COLLEGE

Statement of Revenues and Expenditures
General and Auxiliary Funds
YTD January 31, 2019
Unaudited

<table>
<thead>
<tr>
<th>REVENUES:</th>
<th>BUDGET</th>
<th>FORECASTED VARIANCE</th>
<th>FISCAL YTD ACTUAL</th>
<th>% ACTUAL TO BUDGET</th>
<th>PRIOR YEAR ACTUAL TO BUDGET</th>
<th>PRIOR YEAR ACTUAL ELAPSED</th>
<th>PRIOR YEAR 42% FY ELAPSED</th>
</tr>
</thead>
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<tr>
<td>State Appropriations</td>
<td>$77,983,684</td>
<td>$ (1,693)</td>
<td>$33,532,257</td>
<td>43.0%</td>
<td>$33,533,950</td>
<td>43.0%</td>
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</tr>
<tr>
<td>Tuition and Fees</td>
<td>$124,416,026</td>
<td>$(5,062,279)</td>
<td>$101,250,900</td>
<td>81.4%</td>
<td>$115,442,365</td>
<td>75.9%</td>
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<tr>
<td>Taxes</td>
<td>$161,159,785</td>
<td></td>
<td>$126,419,475</td>
<td>78.4%</td>
<td>$398,028</td>
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<tr>
<td>Investments</td>
<td>$1,660,907</td>
<td></td>
<td>$1,243,890</td>
<td>78.4%</td>
<td>$115,442,365</td>
<td>75.9%</td>
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</tr>
<tr>
<td>Product/Service</td>
<td>$6,598,334</td>
<td></td>
<td>$2,872,735</td>
<td>43.5%</td>
<td>$3,868,745</td>
<td>41.2%</td>
<td></td>
</tr>
<tr>
<td>Misc Revenues</td>
<td>$9,365,452</td>
<td></td>
<td>$4,146,126</td>
<td>44.3%</td>
<td>$3,868,745</td>
<td>41.2%</td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$381,184,188</td>
<td></td>
<td>$269,035,704</td>
<td>70.6%</td>
<td>$255,592,233</td>
<td>68.4%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES:</th>
<th>BUDGET</th>
<th>FORECASTED VARIANCE</th>
<th>FISCAL YTD ACTUAL</th>
<th>% ACTUAL TO BUDGET</th>
<th>PRIOR YEAR ACTUAL ELAPSED</th>
<th>PRIOR YEAR 42% FY ELAPSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Time Faculty</td>
<td>$72,279,056</td>
<td>$ (664,312)</td>
<td>$29,752,621</td>
<td>41.2%</td>
<td>$28,393,517</td>
<td>40.1%</td>
</tr>
<tr>
<td>Part Time Faculty</td>
<td>$30,904,110</td>
<td>$13,548,919</td>
<td>$99,415,549</td>
<td>78.6%</td>
<td>$34,016,869</td>
<td>30.7%</td>
</tr>
<tr>
<td>Full Time Staff</td>
<td>$114,154,520</td>
<td>$45,073,545</td>
<td>39.5%</td>
<td>$41,715,670</td>
<td>35.5%</td>
<td></td>
</tr>
<tr>
<td>Part Time Staff</td>
<td>$12,755,877</td>
<td>$14,047,739</td>
<td>$115,969,708</td>
<td>35.5%</td>
<td>$398,028</td>
<td>61.0%</td>
</tr>
<tr>
<td>Staff Benefits</td>
<td>$34,622,489</td>
<td>$12,432,709</td>
<td>$35.9%</td>
<td>$11,969,708</td>
<td>35.5%</td>
<td></td>
</tr>
<tr>
<td>Other Employee Benefits</td>
<td>$2,732,578</td>
<td>$1,507,321</td>
<td>$55.2%</td>
<td>$1,377,174</td>
<td>102.4%</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>$43,580,631</td>
<td>$18,019,458</td>
<td>$41.3%</td>
<td>$14,589,229</td>
<td>36.0%</td>
<td></td>
</tr>
<tr>
<td>ProfDev/Travel</td>
<td>$3,884,594</td>
<td>$1,060,758</td>
<td>$27.3%</td>
<td>$879,805</td>
<td>24.5%</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>$11,112,080</td>
<td>$4,102,547</td>
<td>$36.9%</td>
<td>$3,407,164</td>
<td>31.2%</td>
<td></td>
</tr>
<tr>
<td>Monthly Charges</td>
<td>$7,216,336</td>
<td>$1,580,000</td>
<td>$22.0%</td>
<td>$1,223,581</td>
<td>19.6%</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>$9,930,644</td>
<td>$3,583,984</td>
<td>$36.1%</td>
<td>$2,879,332</td>
<td>28.5%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$16,321,892</td>
<td>$2,014,827</td>
<td>$13.5%</td>
<td>$1,570,093</td>
<td>10.5%</td>
<td></td>
</tr>
<tr>
<td>Non-Capital Equipment</td>
<td>$6,256,337</td>
<td>$1,803,145</td>
<td>$28.8%</td>
<td>$1,460,454</td>
<td>25.6%</td>
<td></td>
</tr>
<tr>
<td>CIP Land/Building</td>
<td>$6,255</td>
<td>$19,965</td>
<td>$31.9%</td>
<td>$0</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$297,562</td>
<td>$62,730</td>
<td>$21.1%</td>
<td>$63,975</td>
<td>17.7%</td>
<td></td>
</tr>
<tr>
<td>Furniture, Fixture, Equipment</td>
<td>$2,012,424</td>
<td>$95,113</td>
<td>$4.7%</td>
<td>$39,396</td>
<td>1.5%</td>
<td></td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$368,123,679</td>
<td>$138,305,985</td>
<td>$37.6%</td>
<td>$127,018,706</td>
<td>36.1%</td>
<td></td>
</tr>
<tr>
<td>Other Changes - Debt Service Transfers</td>
<td>$8,200,000</td>
<td>$2,825,113</td>
<td>$2,214,813</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Changes - R&amp;R Transfers</td>
<td>$5,642,409</td>
<td>$5,642,409</td>
<td>$5,469,080</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating Transfers</td>
<td>$13,842,409</td>
<td>$7,927,522</td>
<td>$7,683,893</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenditures &amp; Transfers</td>
<td>$381,966,088</td>
<td>$146,233,507</td>
<td>$134,702,599</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL NET INCREASE IN FUND BALANCES | $ (781,900) | $ 1,754,112 | $122,802,197 | $ 120,889,634 |

LONG TERM CASH RESERVES:

<table>
<thead>
<tr>
<th>Revised Forecasted Net Increase in Fund Balance</th>
<th>FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>$972,212</td>
<td></td>
</tr>
</tbody>
</table>

FY 2019 “One-Time” Cash Transactions | (1,823,669) |
Elimination of Non Cash Transactions |
Beginning Cash Reserves, 9/1/2018 | $66,670,194 |
Forecasted Cash Reserves, 8/31/2019 | $65,818,737 |

LONG TERM CASH RESERVES AS A % OF BUDGETED EXPENDITURES | 17.9% |
**LONE STAR COLLEGE**

**Balance Sheet**

**January 31, 2019**

**Unaudited**

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>General &amp; Auxiliary</th>
<th>Gasb Reporting Entries (*)</th>
<th>Memorandum Totals Current Year</th>
<th>Memorandum Totals Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, cash equivalents &amp; investments</td>
<td>$213,569,887</td>
<td>$107,676,828</td>
<td>$321,246,715</td>
<td>$375,594,340</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>65,313,305</td>
<td>73,400,074</td>
<td>144,334,805</td>
<td>139,187,890</td>
</tr>
<tr>
<td>Prepaid and deferred expenses</td>
<td>1,680,802</td>
<td></td>
<td>1,680,802</td>
<td>1,352,795</td>
</tr>
<tr>
<td>Inventories, at cost</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>-</td>
<td></td>
<td>892,233,325</td>
<td>841,234,663</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>280,563,994</td>
<td>181,076,902</td>
<td>1,376,693,873</td>
<td>1,375,743,065</td>
</tr>
</tbody>
</table>

**Deferred Outflows Pension & OPEB**

| Description                                      | -                   |                           | -                            | 17,189,226                  |

**TOTAL ASSETS AND DEFERRED OUTFLOWS**

| Description                                      | $280,563,994         | $181,076,902               | $1,376,693,873               | $1,375,743,065               |

### LIABILITIES AND FUND BALANCES

#### LIABILITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>$58,027,084</th>
<th>$991,850</th>
<th>$59,018,934</th>
<th>$38,319,603</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred revenues</td>
<td>31,128,309</td>
<td>12,410,300</td>
<td>-</td>
<td>10,711,643</td>
</tr>
<tr>
<td>Accrued compensable absences payable</td>
<td>10,605,639</td>
<td>106,004</td>
<td>-</td>
<td>14,802,362</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>-</td>
<td>14,802,362</td>
<td>-</td>
<td>14,802,362</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>-</td>
<td>739,672,088</td>
<td>-</td>
<td>739,672,088</td>
</tr>
<tr>
<td>Assets held in custody for others</td>
<td>-</td>
<td>7,565,691</td>
<td>-</td>
<td>7,565,691</td>
</tr>
<tr>
<td>L/T Due to Other Local Government</td>
<td>-</td>
<td>16,570,630</td>
<td>-</td>
<td>16,570,630</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>99,761,032</th>
<th>52,446,837</th>
<th>1,028,389,291</th>
<th>1,004,848,899</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Inflows Pension &amp; OPEB</td>
<td>-</td>
<td>-</td>
<td>32,089,673</td>
<td>32,089,673</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND DEFERRED INFLOWS**

| Description                                      | 99,761,032          | 52,446,837                | 1,060,478,964                | 1,015,511,453               |

#### FUND BALANCES:

<table>
<thead>
<tr>
<th>Description</th>
<th>$27,468,968</th>
<th>-</th>
<th>-</th>
<th>28,287,134</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Operating</td>
<td>10,184,528</td>
<td>-</td>
<td>-</td>
<td>9,654,963</td>
</tr>
<tr>
<td>Restricted for Technology</td>
<td>2,858,183</td>
<td>-</td>
<td>-</td>
<td>2,857,008</td>
</tr>
<tr>
<td>Unrestricted Auxiliary</td>
<td>1,818,653</td>
<td>-</td>
<td>-</td>
<td>1,407,128</td>
</tr>
<tr>
<td>Unrestricted Tenant Related</td>
<td>7,652,105</td>
<td>-</td>
<td>-</td>
<td>6,506,929</td>
</tr>
<tr>
<td>Restricted Operating Cash - Short Term Reserves</td>
<td>86,203,863</td>
<td>-</td>
<td>-</td>
<td>106,208,613</td>
</tr>
<tr>
<td>Restricted Operating Cash - Long Term Reserves</td>
<td>44,616,662</td>
<td>-</td>
<td>-</td>
<td>24,200,000</td>
</tr>
<tr>
<td>Restricted for Grants</td>
<td>-</td>
<td>(20,054,933)</td>
<td>(20,054,933)</td>
<td>746,786</td>
</tr>
<tr>
<td>Restricted for Debt Service</td>
<td>-</td>
<td>55,839,880</td>
<td>-</td>
<td>84,099,601</td>
</tr>
<tr>
<td>Restricted for Construction</td>
<td>-</td>
<td>92,845,118</td>
<td>-</td>
<td>113,264,397</td>
</tr>
</tbody>
</table>

**TOTAL FUND BALANCES**

| Description                                      | 180,802,962         | 128,630,065               | 316,214,909                  | 360,231,612                 |

**TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES**

| Description                                      | $280,563,994         | $181,076,902               | $1,376,693,873               | $1,375,743,065               |

*Includes GASB (Governmental Accounting Standards Board) reporting entries related to Capital Assets, Long-Term Debt, and Pensions*
LONE STAR COLLEGE

Statement of Revenues and Expenditures
Fund 35 Harvey Recovery
PROFORMA from inception to 01.31.19
Unaudited

<table>
<thead>
<tr>
<th></th>
<th>System Office</th>
<th>North Harris</th>
<th>Kingwood</th>
<th>Tomball</th>
<th>Montgomery</th>
<th>CyFair</th>
<th>University Park</th>
<th>UP SO</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$11,102,667</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$11,102,667</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$11,102,667</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$11,102,667</td>
</tr>
</tbody>
</table>

| EXPENDITURES:        |               |              |          |         |            |        |                |       |              |
| Buildings            |       $8,744  | 49,733       | 12,564,827 | 17,566 | 5,201      | 796,629 | 10,671        | 13,453,371 |
| Contracts            |       784,879 | 1,832        | 9,266,100 | 49,212 | 65,472     | 10,855  | 10,178,350    |
| Equipment            |       565,971 | 4,527,535    |          | 200,761 |           | 5,294,267 |
| Insurance Deductible/Attorney | 1,504,050 |                   |        | 25,000  |           | 1,529,050 |
| Personnel            |       281,839 | 9,056        | 6329     | 12,905  | 21,946     | 9,270   | 30,084        | 385,959 |
| Supplies             |       12,574  | 1,567        | 536,552  | 5,755   | 1,171      | 5,876   | 563,496       |
| Travel               |       1,452   | 203          | 791      |         |           |         | 2             | 2,447 |
|                      |               |              |          |         |            |        |                |       |              |
| Total Expenditures   |       $3,159,508 | 62,391       | 26,902,133 | 20,286 | 80,853     | 98,495  | 1,042,515     | 40,757 | 31,406,939  |

FUND BALANCE - Increase (Decrease)

|                      |       $7,943,159 | (62,391)    | (26,902,133) | (20,286) | (80,853) | (98,495) | (1,042,515) | (40,757) | (20,304,273) |
| Encumbrances         |       (33,585)  | -           | (17,917,714) | -       | -        | (20,450) | (455,857)   | (2,500)  | (18,430,106) |

ADJUSTED FUND BALANCE

|                      |       $7,909,573 | (62,391)    | (44,819,848) | (20,286) | (80,853) | (118,945) | (1,498,372) | (43,257) | (38,734,379) |
LONE STAR COLLEGE

Balance Sheet
Fund 35 Harvey Recovery
As of 01.31.19

Unaudited

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>All Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid and deferred expenses</td>
<td>-</td>
</tr>
</tbody>
</table>

TOTAL ASSETS

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES:</td>
</tr>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Due To Others</td>
</tr>
</tbody>
</table>

TOTAL LIABILITIES | 20,304,273 |

TOTAL FUND BALANCE | (20,304,273) |

TOTAL LIABILITIES AND FUND BALANCE | $ |
<table>
<thead>
<tr>
<th>ACCOUNT</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPOSITORY</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Operating Cash - Subtotal</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>POOLS</td>
<td>$82,354,583</td>
</tr>
<tr>
<td>MONEY MARKET ACCOUNTS</td>
<td>$1,849,280</td>
</tr>
<tr>
<td>Operating Short Term Cash Reserves</td>
<td>Subtotal $84,203,863</td>
</tr>
<tr>
<td>US GOVT. AGENCIES</td>
<td>$32,950,359</td>
</tr>
<tr>
<td>MUNICIPAL BONDS</td>
<td>$4,767,083</td>
</tr>
<tr>
<td>US TREASURY NOTES</td>
<td>$3,950,633</td>
</tr>
<tr>
<td>COMMERCIAL PAPER</td>
<td>$2,948,587</td>
</tr>
<tr>
<td>Operating Long Term Cash Reserves</td>
<td>Subtotal $44,616,662</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$130,820,525</td>
</tr>
</tbody>
</table>
Report: Construction Projects Update

The monthly construction projects update is presented for Board review.
1. **LSC-Kingwood: Hurricane Harvey Recovery:**
   A renovation of 200,000 sf of the first floors of five of six buildings has reached substantial completion. The architect is AutoArch and design was completed August 2018. The construction firm is Anslow Bryant and construction began July 2018. Classes resumed in the five completed buildings for Spring 2019 with the Library building scheduled for completion and opening in April 2019.
   - **Substantial Completion:** Spring 2019
   - **Budget:** $45,000,000
2. **LSC-University Park: Student Life Renovation:**
A renovation of 9,583 sf in the Commons Building Level 2, this project will support student life for the college. The architect is RdIR Architects and design was completed November 2017. The construction firm is Gadberry and they began construction February 2019.
- **Substantial Completion:** Summer 2019
- **Budget:** $840,000

3. **LSC-North Harris: East Aldine Satellite Center:**
A new 65,000 sf building, this project will support general curriculum studies and workforce instruction in the Aldine School District area; as well as an Early College program partnership with Aldine ISD. The architect is Texas IBI Group and design was completed December 2017. The construction firm is Bartlett Cocke General Contractors and construction began March 2018.
- **Substantial Completion:** Summer 2019
- **Budget:** $28,940,000

4. **LSC-Tomball: South Entrance Drive Monument:**
A new main entrance monument, sign, and landscaping, this project will support the new Tomball South Drive Entrance completed January 2018. Discussions and a survey are in progress with TxDOT to purchase property as well as appraisals being prepared.
- **Substantial Completion:** Fall 2019
- **Budget:** $2,650,000

5. **LSC-Corporate College: Transportation Institute:**
A new 16,000 sf building, this project will support the growing truck driving program. The architect is PBK Architects and design was completed September 2018. The construction firm is Tellepsen and construction began February 2019.
- **Substantial Completion:** Late Fall 2019
- **Budget:** $13,000,000

6. **LSC-University Park: Visual Performing Arts Center:**
A new 40,000 sf building, this project will support an instructional arts program. The architect is Studio Red Architects and programming began May 2018.
- **Substantial Completion:** Summer 2021
- **Budget:** $21,675,000

7. **LSC-Montgomery: Student Services Building:**
A new 50,000+ sf building, this project will support expanded student services capabilities. The architect is Harrison Kornberg and programming began June 2018. The construction firm is Durotech, Inc. General Contractors.
- **Substantial Completion:** Spring 2021
- **Budget:** $25,650,000
8. **LSC-Kingwood: Healthcare Instructional Building:**

A new 50,000+ sf building, this project will support a healthcare instructional program. The architect is AutoArch and schematic design began July 2018. The construction firm is Tellepsen.

- **Substantial Completion:** Spring 2021
- **Budget:** $27,590,000