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

ABSENT: Ms. Linda Good, Assistant Secretary  
Mr. David Vogt

I. CALL TO ORDER: Chair Smith called the workshop and regular meeting of the Board of Trustees to order at 2:00 p.m. after determining that a quorum was present.

Dr. Smith took a roll call to verify a quorum: Present: Myriam Saldivar, Art Murillo, Michael Stoma, Mike Sullivan, Ernestine Pierce, Ken Lloyd, and Alton Smith. Linda Good and David Vogt were absent.

II. PLEDGE OF ALLEGIANCE: Mr. Murillo 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: The Board did not convene into 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 or Proposed Litigation
   • On any item on the Agenda
   • On a matter in which the duty of the attorney to LSCS under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the OMA
   Section 551.072 – Deliberation Regarding Real Property
• LSC-CyFair, LSC-Houston North, LSC-Kingwood, LSC-Montgomery, LSC-North Harris, LSC-Tomball, LSC-University Park, LSC-System Office, Future Land Purchases

Section 551.074 – Personnel Matters
Section 551.076 – Deliberation Regarding Security Devices

V. RECONVENE REGULAR MEETING: None.


VII. PUBLIC COMMENT: John Burghduff representing AFT spoke about the Online College. Due to the pandemic, professors pulled off a miracle in a matter of weeks converting to online and LSC had a lower drop rate from the previous year. A larger online footprint may be needed in the future. Mr. Burghduff also thanked Trustee Smith and Trustee Lloyd for their service especially during Hurricane Harvey and the COVID-19 pandemic.

Ms. Erika Guerra representing LSC-CyFair SGA, spoke about reconsidering the vote on the student activity fee.

Justine Palmer representing LSC-Tomball SGA, spoke about the impacts of the student activity fee.

VIII. WORKSHOP: None.

IX. APPROVAL OF THE MINUTES OF THE OCTOBER 8, 2020 WORKSHOP AND REGULAR MEETING: upon a motion by Ms. Saldívar and a second by Mr. Stoma the board approved the minutes of the October 8, 2020 Workshop and Regular Meeting.

X. SPECIAL REPORTS AND ANNOUNCEMENTS:

1. Chancellor: Dr. Head gave COVID update since March: 376 students and 114 employees have reported they had COVID. As of today, there are 121 students and 14 employees reporting they have COVID. No cases were transmitted from the campuses and we are moving very slowly and cautiously reopening facilities and return to building.

Fall enrollments were minus less than 1% in student headcount and minus 4% for credit hours. Lone Star College remains in good shape and are looking at alternative funding
sources for the spring semester. There will be a budget planning workshop in February to make decisions for the fall semester. Spring registration opened on November 11\textsuperscript{th}. Drop rates are lower this year at 6.9% vs 8% last year. Online drop rates are at 6.6% vs 9% last year.

Dr. Head recognized Nicole Robinson Gauthier and Kyle Scott and reported that the Foundation had over $32M in investments and added $2.2M this year. The Foundation has over 480 endowed scholarships. They will be holding the annual golf tournament on November 16\textsuperscript{th}.

Dr. Head thanked Dr. Smith and Mr. Lloyd for their years of service on the board. During their six years:

- LSC saw an Enrollment increase of 9.6\% from Spring 2015 to fall 2020 from 78,455 to 86,051
- Added our seventh college - LSC-Houston North
- Added three baccalaureate programs
- Named a Great College to Work for by the Chronicle of Higher Education for 2017, 2018, 2019, 2020

They served as strong fiscal stewards for the college:
- Maintained a AAA credit rating
- Maintained tax rate at 10.78 cents, one of the lowest in the state, while the state average is 18.14 cents
- Increased cash reserves from 16\% to 19.3\% of budget

They weathered many challenges to our daily operations including:
- Tax Day floods in April 2016
- Hurricane Harvey
- COVID

They helped keep classes going, did not lay off employees and provided millions of dollars in emergency assistance to students and employees.

LSC opened new bond funded construction projects including:
- Transportation and Global Logistics Technology Center
- East Aldine Center
- Expansion of the Conroe Center
- Process Technology Center
- Construction and Skilled Trades Center at North Harris
- Live Entertainment Center at Montgomery
- Westway Park Technology Center
- Center for Science and Innovation at UP
- Center for Academic Engagement at CyFair
- Creekside Center
• And purchased land for Magnolia Center and 200 acres for a future Lone Star College off 99 and 290

46,546 degrees and certificates were awarded!

Dr. Head highlighted the timeline for the Trustees’ Election for Districts 3, 4 and 9. The election results will be canvassed on Tuesday, November 17, 2020 at 5:30 p.m. via WebEx. The results will be certified at this meeting. On November 20, 2020 at 3:30 p.m. the new trustees will be sworn in: Dr. Cain and Ms. Ayers-Wilson at LSC-Fairbanks and Mr. Art Murillo at LSC-Greenspoint. On December 10, 2020 during the regular board meeting via WebEx, the new trustees will be seated, and the election of board officers will take place.

2. Board Members: Dr. Smith thanked Dr. Head, staff and the trustees for all their help during his time serving on the LSC Board.

Trustee Sullivan indicated he had mailed a note to Dr. Smith and thanked him for his service to Lone Star College. Trustee Sullivan asked Dr. Head for clarification on the total amount of the Foundation investments, the drop rates this year vs last year and the amount of financial impact per contact hours to the budget.

Ms. Saldivar acknowledged and thanked Trustee Smith and Trustee Lloyd for their service on the board.

Trustee Stoma thanked Dr. Smith and Trustee Lloyd for their leadership on the board and what they have added to the board in diversity.

Trustee Murillo also thanked Dr. Smith and Trustee Lloyd for their help and guidance and feels their bond helped Hispanic and African American communities, empowering the people and that their legacy will live on.

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

XII. POLICY REPORTS AND CONSIDERATIONS:

A. Consideration and Approval of the Lone Star College (the “College”) System Board Policy Manual Section III.C.2. Investment Management (ACTION ITEM 1): the Board of Trustees considered and approved the College’s Board Policy Manual Section III.C.2. Investment Management. This item was passed in the Consent Agenda. A copy is attached as Exhibit “C”.
B. Consideration and Approval of Revisions to the Lone Star College (the “College”) System Board Policy Manual Sections VI.B.1.02. and VI.B.1.03. relating to Establishing Texas Residency and District Status and Grievance Policy for Tuition and Fees (ACTION ITEM 2): the Board of Trustees considered and approved revisions to the College’s Board Policy Manual Sections VI.B.1.02. and VI.B.1.03. relating to Establishing Texas Residency and District Status and Grievance Policy for Tuition and Fees. This item was passed in the Consent Agenda. A copy is attached as Exhibit “D”.

XIII. CURRICULUM REPORTS AND CONSIDERATIONS:

C. Consideration of Approval to Offer the Associate of Arts, Drama Field of Study (“FOS”) at Lone Star College-University Park (“LSC-University Park”) (ACTION ITEM 3): the Board of Trustees approved offering the Associate of Arts, Drama FOS at LSC-University Park. This item was passed in the Consent Agenda. A copy is attached as Exhibit “E”.

XIV. FINANCIAL REPORTS AND CONSIDERATIONS:

D. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Interlocal Agreement (the “Agreement”) on Behalf of Lone Star College (the “College”) with the University of Houston and their Air Force Reserve Officers’ Training Corps (“ROTC”) Program to Offer Two Air Force ROTC Courses (ACTION ITEM 4): upon a motion by Mr. Stoma and a second by Mr. Lloyd the Board of Trustees authorized the Chancellor or designee to negotiate and execute the Agreement on behalf of the College with the University of Houston and their Air Force ROTC Program for a five-year period. A copy is attached as Exhibit “F”.

E. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) for the Texas Workforce Commission COVID-19 Skills Development Fund Grant to Purchase Training Courses (ACTION ITEM 5): the Board of Trustees authorized the Chancellor or designee to negotiate and execute a contract on behalf of the College with Watco Companies, LLC (“Watco”), 315 W. 3rd St., Pittsburg, KS 66762, for use of the Texas Workforce Commission COVID-19 Skills Development Fund Grant to purchase training courses for Watco employees in a sum not exceeding $140,400. The term of the contract will not exceed five years. This item was passed in the Consent Agenda. A copy is attached as Exhibit “G”.

F. 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 a 0.1381 acre Right of Way (“ROW”) and to Negotiate and Execute Easements and Related Agreements for the Lone Star College-Tomball (“LSC-Tomball”) South Entrance (ACTION ITEM 6): the Board of Trustees authorized the Chancellor or designee to negotiate and execute a contract on behalf of the College to purchase a 0.1381 acre ROW land tract (parcels 509A & 509B) from Harris County for a sum not exceeding $9,026 and to negotiate and execute easements and related agreements for the LSC-
Tomball South Entrance with Harris County. This item was passed in the Consent Agenda. A copy is attached as Exhibit “H”.

G. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts on Behalf of Lone Star College (the “College”) to Purchase and Install Natural Gas Generators for Lone Star College–System Office The Woodlands (“LSC-SOTW”) (ACTION ITEM 7): upon a motion by Ms. Saldívar and a second by Mr. Stoma the Board of Trustees authorized the Chancellor or designee to negotiate and execute contracts on behalf of the College to purchase and install new natural gas generators in a sum not exceeding $890,000. Mr. Lloyd and Ms. Pierce voted no. A copy is attached as Exhibit “I”.

H. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) for the Purchase of the Development and Administration of a Separation Incentive Program (“SIP”) (ACTION ITEM 8): upon a motion by Mr. Sullivan and a second by Ms. Saldívar the Board of Trustees authorized the Chancellor or designee to negotiate and execute a contract on behalf of the College with Phase II Systems dba Public Agency Retirement Services (“PARS”), 4350 Von Kaman Avenue, Suite 100, Newport Beach, CA 92660 to purchase the development and administration of a SIP for a sum not exceeding $10,000,000 over a five-year period. A copy is attached as Exhibit “J”.

I. Consideration of Approval to Authorize the Chancellor or Designee to Purchase Additional Welding Supplies, Welding Gases, and Lab Gases for Lone Star College (the “College”) Welding and Lab Programs (ACTION ITEM 9): upon a motion by Mr. Sullivan and a second by Ms. Saldívar the Board of Trustees authorized the Chancellor or designee to purchase additional welding supplies, welding gases, and lab gases for the College welding and lab programs for a sum not exceeding $350,000 for a total revised sum not exceeding $1,150,000 over a five-year period. A copy is attached as Exhibit “K”.

J. Consideration of Approval to Authorize the Chancellor or Designee to Purchase Multi-Use and Color Paper (ACTION ITEM 10): the Board of Trustees authorized the Chancellor or designee to purchase multi-use and color copy paper from Western BRW Paper Company dba OVOL USA, 10425 Okanelle #600, Houston, TX 77041 for a sum not exceeding $570,000 over a five-year period. This item was passed in the Consent Agenda. A copy is attached as Exhibit “L”.

K. 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 Construction Project Management Software (ACTION ITEM 11): the Board of Trustees authorized the Chancellor or designee to negotiate and execute a contract on behalf of the College to purchase Construction Project Management software from Procore Technologies, Inc., 6309 Carpinteria Avenue, Carpinteria, CA 93109 in a sum not exceeding $750,000 over a five-year period. This item was passed in the Consent Agenda. A copy is attached as Exhibit “M”.

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L. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Easements and Related Agreements on Behalf of Lone Star College (the “College”) for the Lone Star College-Kingwood (“LSC-Kingwood”) Health Professions Center (ACTION ITEM 12): the Board of Trustees authorized the Chancellor or designee to negotiate and execute easements and related agreements on behalf of the College for the LSC-Kingwood Health Professions Center. This item passed in the Consent Agenda. A copy is attached as Exhibit “N”.

M. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute the Donation of a Recreational Easement from Lone Star College (the “College”) to Harris County at Lone Star College-Tomball (“LSC-Tomball”) (ACTION ITEM 13): the Board of Trustees authorized the Chancellor or designee to negotiate and execute the donation of a recreational easement from the College to Harris County at LSC-Tomball for an extension of the walk path onto the campus. This item was passed in the Consent Agenda. A copy is attached as Exhibit “O”.

N. Consideration of Approval to Authorize the Chancellor or Designee to Execute an Interlocal Agreement on Behalf of Lone Star College (the “College”) with Harris County to Implement and Administer a Workforce Development Program (ACTION ITEM 14): upon a motion by Ms. Saldívar and a second by Mr. Stoma the Board of Trustees authorized the Chancellor or designee to execute an interlocal agreement on behalf of the College with Harris County to Implement and Administer a Workforce Development Program effective upon signing through to March 31, 2021. A copy is attached as Exhibit “P”.

XV. SPECIAL REPORT AND CONSIDERATIONS:

O. Consideration of the Board of Trustees Scheduling a Retreat in the First Quarter of 2021 to Discuss the Lone Star College (the College) System Mission and Vision Statements to Ensure that They Align with the Budget Planning Process (ACTION ITEM 15): upon a motion by Mr. Stoma and a second by Mr. Lloyd the Board of Trustees considered and approved a facilitated retreat to discuss and possibly amend the LSCS Mission and Vision Statements. A copy is attached as Exhibit “Q”

XVI. PERSONNEL REPORT AND CONSIDERATIONS:

P. Consideration and Authorization for the Chancellor or Designee to Execute Proposed Employment Contracts for the Attached Individuals (ACTION ITEM 16): 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 “R”.

Q. Consideration and Authorization for the Chancellor or Designee to Execute Proposed Renewal Employment Contracts for the Attached Employees (ACTION ITEM 17): the Board of Trustees authorized the Chancellor or a designee to execute proposed
employment contracts for the attached Workforce Skilled Instructors. Each Instructor’s name and job title is attached. This item was passed in the Consent Agenda. A copy is attached as Exhibit “S”.

XVII. **FINANCIAL REPORT**


XVIII. **BUILDING AND GROUNDS REPORTS:**

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

XIX. **BOARD OFFICER ELECTIONS DISCUSSION:** Dr. Smith gave an overview of the board officer elections that will be held at the December 10, 2020 board meeting. Ms. Saldivar would preside over the meeting. Nominations will be accepted from the floor for Chair and each trustee will vote for the candidates and either email or text Ms. Helen Clougherty and she will tabulate the vote for the records and announce the number of votes for each candidate. The person that is elected chair will take over the meeting and will immediately call for nominations for the vice chair and follow the same process and then follow with the secretary and assistant secretary positions.

XX. **SUGGESTED FUTURE AGENDA ITEMS:** None.

XXI. **ADJOURNMENT:** Upon a motion by Mr. Murillo and a second by Mr. Stoma, the board approved the meeting be adjourned. There being no further business the meeting was adjourned at 3:29 p.m.

ATTEST:

______________________________
Board of Trustees, Chair

______________________________
Board of Trustees, Secretary
Certification of Posting of Notice to the November 12, 2020
Regular Meeting of the
Lone Star College System’s Board
of Trustees VIA WEBEX

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 9th day of November, 2020 on the Lone Star College website as required by 551.001 et. seq., Texas Government Code. Special notice of the meeting was provided to the news media as required by as required by the Texas Open Meetings Act.

Members of the public may access the meeting at Event address for attendees: https://lonestarevents.webex.com/lonestarevents/onstage/g.php?MTID=e0f9fb6d28d8dea245ea1c135bd3e0b48

Event number: 126 201 5982
Event password: LSCNOV12
The agenda for the meeting is below.

Given under my hand this the 9th day of November, 2020.

LONE STAR COLLEGE SYSTEM

Stephen C. Head
Chancellor
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:

<table>
<thead>
<tr>
<th>Action Description</th>
<th>Consent Agenda</th>
<th>Chancellor Recommended Separate Action</th>
<th>Board Separate Action</th>
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<tr>
<td># 1 – Approve Rev. Board Policy III.C.2. Investment Mgmt</td>
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<td># 2 – Approve Rev. Board Policy IV.B.1.02. and VI.B.1.03.</td>
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<td># 3 – Approve Assoc/Arts/Drama/FOS LSC-University Park</td>
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<td># 4 - Approve Interlocal Agree/UoH/Air/Force/ROTC</td>
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<td># 5 – Approve Cont/TWC/COVID-19/Devel/Fund/Grant</td>
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<td># 6 – Approve Purch/ROW/Exec/Easements/LSC-Tomball</td>
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<td>#10 – Approve Purch/Mult-Use and Color Paper</td>
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* This item was removed from the agenda with action to be taken at a later board meeting.
**ACTION ITEM 1**

**Policy Report and Consideration No. A**

**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 Investment Act requires the College’s Board of Trustees to review its investment policy and investment strategies not less than annually.

**Fiscal Impact:** None.

**Staff Resource:**
- Mario K. Castillo 832-813-6655
- Jennifer Mott 832-813-6512
III.C.1.3. Approval
The Board approves all debt instruments in advance. Voters must also approve general obligation bonds in advance. Other debt instruments do not require voter approval, but lease revenue bonds are subject to annual appropriations. The Chancellor must adopt, and the College must adhere to, debt management procedures.

III.C.1.4. Alternative Structures
The College does not use alternative financial management products, such as interest rate swaps or derivatives, in connection with its debt instruments.

III.C.1.5. Maturity
No College debt instrument’s repayment term may exceed 30 years. The College maintains its weighted average debt instrument maturity at or below 25 years.

III.C.1.6. Reserves
The College maintains reserves to handle any unexpected cash flow variations or financial emergencies. At least annually, the Board sets the College’s minimum level of reserves. The adoption of the targeted reserve level must be publicly adopted by the Board and a reduction in the level must also be publicly adopted by the Board. To preserve the College’s favorable credit ratings, the Board considers reserve fund guidelines used by credit rating agencies. The Chancellor and Board must approve any expenditures that reduce reserves below levels set by the Board.

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
LSCS Policy Manual Section reviewed by the Board of Trustees on December 5, 2019

III.C.3. Depositories

III.C.3.1. Policy
The College safeguards public funds in deposit accounts with eligible institutions. All deposits of College funds are secured by collateral.

III.C.3.2. Definitions
(a) Act means Texas Government Code Chapter 2257, the Public Funds Collateral Act.

(b) Custodian Bank means a bank that holds securities pledged by a depository to secure College deposits, subject to a custody agreement between the College, depository, and custodian bank.

(c) Depository means a bank in Texas holding one or more College deposit accounts.

III.C.3.3. Reporting
The Chief Financial Officer’s monthly financial report to the Board includes the balances of all College depository accounts as of the end of the last month for which data is available.

III.C.3.4. Selecting a Depository
The College selects banks to serve as depositories of College funds as set forth in Sections 45.206 through 45.209 of the Texas Education Code (or their successor statutes) as amended. A bank is not disqualified from bidding, submitting a proposal, or becoming a College depository if one or more of the College’s Trustees is a stockholder, officer, director, or employee of the bank, but the Trustee(s) so associated with the bank may not vote on that item.

III.C.3.5. Depository Contracts
Contracts for depository services define the College’s rights to collateral in case of default, bankruptcy, or closing, and establish a perfected security interest under federal and state law. Each depository contracts is:

(a) in writing;
ACTION ITEM 2  

Policy Report and Consideration No. B  

Request: Consideration and Approval of Revisions to the Lone Star College (the “College”) System Board Policy Manual Sections VI.B.1.02. and VI.B.1.03. relating to Establishing Texas Residency and District Status and Grievance Policy for Tuition and Fees  

Chancellor’s Recommendation: That the Board of Trustees consider and approve revisions to the College’s Board Policy Manual Sections VI.B.1.02. and VI.B.1.03. relating to Establishing Texas Residency and District Status and Grievance Policy for Tuition and Fees.  

Rationale: The Texas Attorney General’s Office established the Address Confidentiality Program (“ACP”), in accordance with Section 56.82 of the Texas Code of Criminal Procedure, to maintain the confidentiality of certain crime victims’ addresses. Section 61.1025 of the Texas Administrative Code requires the College to accept a substituted address for ACP Participants. The Board must create policies related to the ACP under Section 61.1090 of the Texas Administrative Code. Board Policy Section VI.B.1.03. currently requires College applicants to disclose their home addresses to determine their residency and district status for tuition purposes. The proposed revisions provide ACP Participants an alternate method to establish their residency and district status while maintaining the confidentiality of their physical home addresses. Additionally, the proposed revisions streamline and condense the text for readability and update the definitions in Board Policy Section VI.B.1.02.  

Fiscal Impact: None  

Staff Resource: Mario K. Castillo  832-813-6655
VI.B.1.02 Definitions

(a) Child or minor means a person under 18 years of age who is not and has not been married or who has not had the disabilities of minority removed for general purposes.

(b) ACP Participant means an adult who is enrolled in the Texas Attorney General’s Address Confidentiality Program (ACP) or any member of an ACP enrolled adult’s household.

(c) Adult means a person who is not a child, as defined in this section.

(d) In-District Texas Resident means—for this tuition and fee policy—a person who satisfies one of several circumstances.

1. An adult Texas resident living in the College’s taxing district boundaries on the census date in the semester in which the student enrolls.

2. A non-adult Texas resident whose parents or guardians live within those boundaries on the census date in the semester in which the student enrolls.

3. Property owners, and their dependents, who pay the College’s property taxes and are Texas residents.

4. The College’s full-time employee’s immediate family members.

5. A Texas resident of the Acres Home Super Neighborhood attending the College’s Victory Center.

(e) Texas Resident means—for this tuition and fee policy—a person who satisfies one of several circumstances.

1. A person who established a domicile in Texas no less than one year before the semester’s census date in which the person enrolls and maintained that domicile continuously for the year preceding that census date.

2. A dependent whose parent or guardian established a domicile in Texas no less than one year before the semester’s census date in which the person enrolls and maintained that domicile continuously for the year preceding that census date.

3. A non-citizen person who first graduated from a Texas public or accredited private high school, home school program, or a Texas high school diploma-equivalent program. And second, established a domicile in Texas for at least 36 months prior to graduating or receiving a diploma-equivalent. And third, established a domicile in Texas for one year before the student’s first academic semester’s census date.

4. A nonresident of Texas employed by a business or organization established in Texas under a Texas Economic Development and Diversification In-State Tuition Incentive along with their spouse and children are eligible to pay resident tuition. It is irrelevant how long the
person has been domiciled in Texas. The enrolling student must provide a letter of intent to establish Texas residency with the College.

5. A person who established a domicile in Texas no less than 12 consecutive months before the semester’s 12th day in which the person enrolls. And who holds an immigration visa allowing him or her to live in the United States.

6. A person who has filed a Petition for Permanent Resident Status (I-130 or I-140). And who has established a domicile in Texas no less than 12 consecutive months before the applicable semester’s 12th day.

7. A person, ignoring immigration status, who satisfies (c)(3) above and provides the College an affidavit. The affidavit must promise that the person will apply for legal permanent residency as soon as eligible.

8. A person stationed in Texas who is an officer, enlisted, selectee, or draftee of the United States Army, Army National Guard, Air Force, Air National Guard, Navy, Marine Corps, Coast Guard, or a commissioned officer in the Public Health Service. This also applies to the person’s spouse and dependent children. This definition does not apply to service members training in Texas in an isolated or routine manner.

9. A member of the United States Armed Services whose Home of Record with the military is Texas is presumed to be a Texas resident, as are his or her spouse and dependent children. A member whose Home of Record is not Texas but who provides the institution Leave and Earnings Statements that show the member has claimed Texas as his or her place of residence for the 12 straight months prior to enrollment is presumed to be a Texas resident, as are his or her spouse and dependent children.

10. A Texas resident means a service member’s spouse or child under certain circumstances. First, the service member is stationed outside Texas. Second, the member’s spouse or child resides in Texas. Third, the spouse or child gives the College a letter of intent to establish Texas residency. It is irrelevant how long the spouse or child has lived in Texas if the letter of intent is filed.

(f) **Out-of-District Texas Resident** means an adult Texas resident living outside the College’s taxing district boundaries on the official enrollment reporting date. It can also mean a non-adult Texas resident whose parents or guardians live outside those boundaries on the official enrollment reporting date.

(g) **Out-of-State Residents** means a person aged over 18 years who does not meet the Texas Resident definition under this section. This definition also includes persons aged less than 18 years whose parents or legal guardians resided outside of Texas for the 12 months before the applicable semester.
VI.B.1.03 Establishing Texas Residency and District Status and Grievance Policy

The College will provide applicants with a questionnaire, which becomes part of the applicant’s admissions paperwork. The College can seek more information to answer questions raised by the applicant’s responses. Students must also tell the admissions office on the student’s college when a student changes residences. Current and returning students may be required to prove their residency through supporting documents. A student that does not inform the admissions office can be disciplined under the Student Code of Conduct. The student must ensure that any residency or district issues are resolved before registering for classes.

The College generally does not require ACP Participants to disclose their physical addresses. ACP Participants must submit a completed ACP Participant Affidavit and a valid authorization card to their college’s Chief Student Services Officer to establish their residency and district status. An ACP Participant may be required to comply with traditional address verification requirements if his or her authorization card expires without proof of renewal.

A student may file any grievance or objection with their Chief Student Services Officer. The Chief Student Services Officer has final authority to determine a student’s residency or district status under this policy.
Curriculum Report and Consideration No. C

Request: Consideration of Approval to Offer the Associate of Arts, Drama Field of Study (“FOS”) at Lone Star College-University Park (“LSC-University Park”)

Chancellor’s Recommendation: That the Board of Trustees approve offering the Associate of Arts, Drama FOS at LSC-University Park.

Rationale: Adding the Associate of Arts, Drama FOS expands the inventory of academic programs available to students that provide a clear path to university transfer programs.

Fiscal Impact: Funds for these programs are available from the approved FY 2020 operating budgets. Funds for subsequent years will be included in future proposed budgets.

Staff Resource: Shah Ardalan 281-290-2999
Dwight Smith 832-813-6603
ACTION ITEM 4

Financial Report and Consideration No. D

Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute an Interlocal Agreement (the “Agreement”) on Behalf of Lone Star College (the “College”) with the University of Houston and their Air Force Reserve Officers’ Training Corps (“ROTC”) Program to Offer Two Air Force ROTC Courses

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute the Agreement on behalf of the College with the University of Houston and their Air Force ROTC Program for a five-year period.

Rationale: The Agreement complies with the provisions of Texas Government Code, Title 7, Chapter 791, Interlocal Cooperation Act (the “Interlocal Cooperation Act”), which allows the use of interlocal agreements between institutions of higher education or university systems for the purpose of procuring services and agreements. The Interlocal Cooperation Act requires that the Agreement be approved by the Board.

Lone Star College-North Harris requests to provide the Air Force ROTC General Military Course and/or the Professional Officer Course to the College’s qualified students who desire to earn appointments as United States Air Force commissioned officers. Classes are offered at the University of Houston’s main campus.

The initial interlocal agreement with the College was dated February 1, 2008 for a ten-year period. The new interlocal agreement will commence on December 1, 2020 and will expire on November 30, 2025.

Fiscal Impact: Direct costs of about $200 are associated with the College hosting an annual meeting of the Advisory Council at North Harris. These costs are included in the approved FY 2021 operating budget for the College. Funds for subsequent years will be included in future proposed budgets.

Staff Resource: Archie Blanson

281-618-5440
ACTION ITEM 5  

Financial Report and Consideration No. E  

**Request:**  
Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) for the Texas Workforce Commission COVID-19 Skills Development Fund Grant to Purchase Training Courses

**Chancellor’s Recommendation:**  
That the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract on behalf of the College with Watco Companies, LLC (“Watco”), 315 W. 3rd St., Pittsburg, KS 66762, for use of the Texas Workforce Commission COVID-19 Skills Development Fund Grant to purchase training courses for Watco employees in a sum not exceeding $140,400. The term of the contract will not exceed five years.

**Rationale:**  
Board Policy Section III.D.1.3 Transactions Requiring Board Approval requires Board approval of contracts with College expenditures of $100,000 or more over the contract term.

The Texas Workforce Commission, with grant funds for the College in partnership with Watco, will provide the tuition cost for Watco employees participating in preapproved training opportunities, which are included in the Texas Workforce Commission COVID-19 Skills Development Fund Grant. Contract funds will be allocated by the Texas Workforce Commission, and training will be provided by Watco employees. The term of the contract is anticipated to be through June 30, 2021.

**Fiscal Impact:**  
Funds for this purchase are available through reimbursement by the Texas Workforce Commission COVID-19 Skills Development Grant at a rate per student per course. Direct costs are approximately $140,400 for the Watco training in the COVID-19 Skills Development Fund Grant.

**Staff Resource:**  
Dwight Smith  
Jennifer Mott  

832-813-6603  
832-813-6512
Financial Report and Consideration No. F

Request: 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 a 0.1381 acre Right of Way (“ROW”) and to Negotiate and Execute Easements and Related Agreements for the Lone Star College-Tomball (“LSC-Tomball”) South Entrance

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract on behalf of the College to purchase a 0.1381 acre ROW land tract (parcels 509A & 509B) from Harris County for a sum not exceeding $9,026 and to negotiate and execute easements and related agreements for the LSC-Tomball South Entrance with Harris County.

Rationale: Harris County and the Texas Department of Transportation have been working to finalize the Highway 249 Toll Road expansion and Harris County is now prepared to sell surplus acreage acquired from the College during the initial roadway expansion. LSC-Tomball would like to install monument entrance signage on a portion of the South ROW land. Harris County has agreed to sell the land. The College obtained an appraisal value for the ROW land of $9,026.

Fiscal Impact: Purchase of the ROW land is valued at $9,026.

Staff Resource: Jennifer Mott 832-813-6512
ACTION ITEM 7

Financial Report and Consideration No. G

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 and Install Natural Gas Generators for Lone Star College–System Office The Woodlands (“LSC-SOTW”)

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute contracts on behalf of the College to purchase and install new natural gas generators in a sum not exceeding $890,000.

Rationale: During Hurricane Laura the College experienced a power failure from Entergy at LSC-SOTW. The generator that supports the data center failed due to a mechanical problem and the data center crashed. LSC-SOTW currently has one 300 KW generator for back-up power to the data center and emergency power for the Woodlands Leadership Building (“WLB”), STAR, and Training and Development Center (“TDC”) buildings, and one 250 KW generator for police dispatch and emergency power for the Community Building (“CB”). The current system does not provide back-up power to each individual generator and the data center generator is nearing the end of its useful life.

This request is to purchase and install two new 300KW natural gas generators as required per the electrical load demand. One generator will become the main power for the data center, police dispatch call center and emergency power & lighting for the WLB, STAR, TDC, and CB, in the event of lost power. The second generator will back-up the main generator and will come online in the event of a power failure.

Approving this bond-funded purchase in advance dramatically improves project schedules for installation prior to the start of the 2021 hurricane season, which would likely be unachievable otherwise.

The purchase of generators will be made in accordance with Texas Government Code, Subchapter F, Sections 271.101-102, through Board approved purchasing cooperatives (upon completion of market analysis).

Fiscal Impact: Funds for these purchases are available from the 2014 General Obligation Bonds, Series 2017A.

Staff Resource: Jennifer Mott 832-813-6512
ACTION ITEM 8

Board Meeting 11-12-20

Financial Report and Consideration No. H

Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract on Behalf of Lone Star College (the “College”) for the Purchase of the Development and Administration of a Separation Incentive Program (“SIP”)

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract on behalf of the College with Phase II Systems dba Public Agency Retirement Services (“PARS”), 4350 Von Kaman Avenue, Suite 100, Newport Beach, CA 92660 to purchase the development and administration of a SIP for a sum not exceeding $10,000,000 over a five-year period.

Rationale: PARS offers analysis, design, and implementation of a SIP that is IRS compliant and that is viable for a public junior college. PARS has the ability to tailor a plan designed to meet operational and fiscal needs of the College. The SIP reduces the overall percentage of personnel costs, which allows the College to effectively and efficiently manage finances over the next five years.

In compliance with Texas Education Code Section 44.031 (a), a Request for Proposals (“RFP”) #729 was publicly advertised and the College received one response. The College conducted an evaluation of the proposal based on cost, qualifications, experience and service needs met; references; quality of services; the extent to which certified historically underutilized business (“HUB”), minority and/or veteran or women-owned business are utilized; past performance; location; enhanced services and completeness and thoroughness of response.

Fiscal Impact: Funds for this purchase are available from the approved FY 2021 budget. Funds for subsequent years will be included in future proposed budgets.

Staff Resource: Jennifer Mott 832-813-6512
ACTION ITEM 9

Financial Report and Consideration No. 1

Request: Consideration of Approval to Authorize the Chancellor or Designee to Purchase Additional Welding Supplies, Welding Gases, and Lab Gases for Lone Star College (the “College”) Welding and Lab Programs

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to purchase additional welding supplies, welding gases, and lab gases for the College welding and lab programs for a sum not exceeding $350,000 for a total revised sum not exceeding $1,150,000 over a five-year period.

Rationale: On February 2, 2017, the Board approved the purchase of welding supplies, welding gases, and lab gases for the College welding and lab programs. The following vendors were awarded as a result of a formal bid process in compliance with Texas Education Code Section 44.031 (a).

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Praxair</td>
<td>111425 West Little York, Houston, TX  77041</td>
</tr>
<tr>
<td>Conroe Welding</td>
<td>415 S. Frazier, Conroe, TX  77304</td>
</tr>
<tr>
<td>Lincoln Electric</td>
<td>22801 St. Clair Avenue, Cleveland, OH  44117</td>
</tr>
<tr>
<td>Professional Welding Supply</td>
<td>3000 Brittmore Rd., Bldg. G, Houston, TX  77043</td>
</tr>
</tbody>
</table>

This approval is to purchase additional welding supplies required to support the College's welding instructional programs that have expanded to more campuses and centers. Welding gases and lab gases are also used by various departments across the College, including the Facilities department.

Fiscal Impact: Funds for this purchase are available from the approved FY 2021 budget. Funds for subsequent years will be included in future proposed budgets.

Staff Resource: Dwight Smith  832-813-6603
Jennifer Mott  832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Purchase Multi-Use and Color Paper

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to purchase multi-use and color copy paper from Western BRW Paper Company dba OVOL USA, 10425 Okanella #600, Houston, TX 77041 for a sum not exceeding $570,000 over a five-year period.

Rationale: Paper is necessary to support the daily business operations of the College. Multi-Use paper is used in copiers, scanners, printers, and fax machines throughout the College, while color paper is used for special projects.

This purchase complies with Texas Education Code Section 44.031 (a) (4) which allows for the use of interlocal contracts. The purchase from Western BRW Paper Company dba OVOL USA was conducted through Choice Partners Purchasing Cooperative Program, Contract #CPC 16/011MP-01. A market analysis was completed to ensure best value.

Fiscal Impact: Funds for this purchase are available from the approved FY 2021 budget. Funds for subsequent years will be included in future proposed budgets.

Staff Resource: Jennifer Mott 832-813-6512
Request: 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 Construction Project Management Software

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute a contract on behalf of the College to purchase Construction Project Management software from Procore Technologies, Inc., 6309 Carpinteria Avenue, Carpinteria, CA 93109 in a sum not exceeding $750,000 over a five-year period.

Rationale: The College’s Facilities and Construction department requires construction management software to effectively track, document, and process construction activities and processes in order to deliver projects in an efficient manner. Utilization of management software will help streamline and define current processes by expediting execution, improving documentation, and increasing transparency within the department.

This purchase will be acquired through General Services Administration (“GSA”) Schedule 70, contract # GSA GS-35F-0511T. The cooperative purchasing program allows state, local, and tribal governments to purchase IT, security, and law enforcement products and services through specific schedule contracts. A market analysis was conducted.

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

Staff Resource: Jennifer Mott 832-813-6512
ACTION ITEM 12

Financial Report and Consideration No. L

Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Easements and Related Agreements on Behalf of Lone Star College (the “College”) for the Lone Star College-Kingwood (“LSC-Kingwood”) Health Professions Center

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to negotiate and execute easements and related agreements on behalf of the College for the LSC-Kingwood Health Professions Center.

Rationale: Certain easements and related agreements will be necessary to provide utilities to the Kingwood Health Professions Center. These may include, but are not limited to, agreements related to sanitary and stormwater connections, encroachments on existing easements, construction-related stormwater management, natural gas service, and electrical service.

Fiscal Impact: None.

Staff Resource: Jennifer Mott 832-813-6512
**ACTION ITEM 13**

**Board Meeting 11-12-20**

**Financial Report and Consideration No. M**

<table>
<thead>
<tr>
<th>Request:</th>
<th>Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute the Donation of a Recreational Easement from Lone Star College (the “College”) to Harris County at Lone Star College-Tomball (“LSC-Tomball”)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chancellor’s Recommendation:</strong></td>
<td>That the Board of Trustees authorize the Chancellor or designee to negotiate and execute the donation of a recreational Easement from the College to Harris County at LSC-Tomball for an extension of the walk path onto the campus.</td>
</tr>
<tr>
<td><strong>Rationale:</strong></td>
<td>Harris County has been working to finalize the design of a hike and bike path around the detention pond adjacent to the Tomball Campus as an extension of the Spring Creek Greenway. The plan is for this walk path to be extended across Highway 249 to allow walking or biking access from the other side of Highway 249 to the LSC-Tomball Campus.</td>
</tr>
<tr>
<td></td>
<td>Harris County has made a request to tie into our walk path to extend it for the benefit of LSC-Tomball, Harris County, and City of Tomball residents. Harris County is requesting that LSC-Tomball donate an easement tract to accommodate the extension.</td>
</tr>
<tr>
<td><strong>Fiscal Impact:</strong></td>
<td>The estimated appraised value of the easement is $2,500.</td>
</tr>
<tr>
<td><strong>Staff Resource:</strong></td>
<td>Jennifer Mott</td>
</tr>
<tr>
<td></td>
<td>832-813-6512</td>
</tr>
</tbody>
</table>
ACTION ITEM 14  

Financial Report and Consideration No. N

Request: Consideration of Approval to Authorize the Chancellor or Designee to Execute an Interlocal Agreement on Behalf of Lone Star College (the “College”) with Harris County to Implement and Administer a Workforce Development Program

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or designee to execute an interlocal agreement on behalf of the College with Harris County to Implement and Administer a Workforce Development Program effective upon signing through to March 31, 2021.

Rationale: The College requests approval to authorize the Chancellor or designee to execute an interlocal agreement on behalf of the College with Harris County to Implement and Administer a Workforce Development Program effective upon signing through to March 31, 2021.

Lone Star College will administer workforce training programs for individuals impacted by the COVID-19 public health emergency, including unemployed and underemployed populations. Harris County is funding the effort through its federal award from the CARES Act’s Coronavirus Relief Fund (CRF), and Lone Star College is a subrecipient.

At its meeting on October 13, 2020, Harris County Commissioners Court approved this workforce development program as part of three recommendations presented by Guide House and Universal Services.

Approval from the Board of Trustees is sought because interlocal agreements must be authorized by the governing body of each party to the agreement.

Fiscal Impact: The College will receive up to $527,740 from Harris County for this workforce development program.

Staff Resource: Dwight Smith 832-813-6603
ACTION ITEM 15

Special Report and Consideration No. O

Request: Consideration of the Board of Trustees Scheduling a Retreat in the First Quarter of 2021 to Discuss the Lone Star College (the College) System Mission and Vision Statements to Ensure that They Align with the Budget Planning Process

Trustee’s Recommendation: That the Board of Trustees consider a facilitated retreat to discuss and possibly amend the LSCS Mission and Vision Statements.

Rationale: The Board of Trustees approved the College’s Strategic Plan 2020-2025 at their Regular Meeting on 8/20/20. The Mission Statement and Vision Statement were approved as part of the Strategic Plan. Trustee Stoma would like to consider the Mission Statement and Vision Statement separately.

Fiscal Impact: $1,500

Resource: Michael Stoma 832-813-6514
ACTION ITEM 16  

Personnel Report and Consideration No. P

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

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or a designee to execute new proposed employment contracts for the attached individuals. Everyone’s name, job title, not-to-exceed contract sum, and hire date is attached. The individuals named in the attached tables are new to their listed position.

Rationale: The 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. This Board Agenda Item is presented to the Board at each regular Board meeting to capture persons who started in contract eligible positions in immediately preceding months. These individuals are new to the position listed below. The Board has not previously considered their applicable proposed employment contract.

Fiscal Impact: Positions and salaries have been budgeted for 2020–2021.

Staff Resource: Mario K. Castillo  
832-813-6606
### Employment Contracts

<table>
<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>Job Title</th>
<th>Not-to-Exceed Contract Sum</th>
<th>Hire Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdulkadir</td>
<td>Ali</td>
<td>Instructor, Echocardiography</td>
<td>$42,088</td>
<td>8/24/2020</td>
</tr>
<tr>
<td>Beucler</td>
<td>Brandy</td>
<td>Director, Marketing Services</td>
<td>$87,645</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Biles</td>
<td>John</td>
<td>Assistant Professor, History</td>
<td>$55,794</td>
<td>8/24/2020</td>
</tr>
<tr>
<td>Branstetter</td>
<td>Michelle</td>
<td>Assistant Professor, Math</td>
<td>$24,132</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Braswell</td>
<td>Michelle</td>
<td>Instructor, Fire Science</td>
<td>$42,088</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Burns</td>
<td>Jessica</td>
<td>Workforce Skills Instructor, HVAC</td>
<td>$61,437</td>
<td>8/24/2020</td>
</tr>
<tr>
<td>Dickson</td>
<td>Kevin</td>
<td>Instructor, Fire Science</td>
<td>$32,163</td>
<td>8/24/2020</td>
</tr>
<tr>
<td>Gadson</td>
<td>Lauren</td>
<td>Assistant Professor, Art</td>
<td>$50,148</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Gorman</td>
<td>Jeffrey</td>
<td>Instructor, Chemistry</td>
<td>$40,205</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Gregerson</td>
<td>Sandra</td>
<td>Senior Associate Vice Chancellor Governance, Accountability, and Compliance</td>
<td>$150,000</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Guevara</td>
<td>Alicia</td>
<td>Director, Accessibility Services</td>
<td>$96,594</td>
<td>9/16/2020</td>
</tr>
<tr>
<td>Hash</td>
<td>Sadie</td>
<td>Instructor, English</td>
<td>$34,096</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Johnson</td>
<td>Bridgett</td>
<td>Senior Associate Vice Chancellor, Administrative Services</td>
<td>$150,000</td>
<td>7/1/2020</td>
</tr>
<tr>
<td>Johnson</td>
<td>Kristen</td>
<td>Director, Student Services and Equity</td>
<td>$64,626</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Khawaja</td>
<td>Anita</td>
<td>Assistant Professor, Registered Nursing</td>
<td>$50,213</td>
<td>8/24/2020</td>
</tr>
<tr>
<td>Kot</td>
<td>Valerie</td>
<td>Associate Vice Chancellor, Financial Reporting and Controller</td>
<td>$125,140</td>
<td>6/1/2020</td>
</tr>
<tr>
<td>Lewis</td>
<td>Tony</td>
<td>Assistant Professor, AUMT</td>
<td>$60,125</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Lindo</td>
<td>Ashauna</td>
<td>Assistant Professor, Mathematics</td>
<td>$59,665</td>
<td>8/17/2020</td>
</tr>
<tr>
<td>Mackey</td>
<td>Jonathan</td>
<td>Instructor, Economics</td>
<td>$17,575</td>
<td>8/24/2020</td>
</tr>
<tr>
<td>McGinley</td>
<td>Michael</td>
<td>Instructor, Art</td>
<td>$36,183</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Main</td>
<td>Erika</td>
<td>Instructor, Veterinary Technician</td>
<td>$18,930</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Martin</td>
<td>Crystal</td>
<td>Director, Human Resources</td>
<td>$79,516</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Martinez</td>
<td>Esmeralda</td>
<td>Assistant Professor, Chemistry</td>
<td>$57,348</td>
<td>8/17/2020</td>
</tr>
<tr>
<td>McCrackin</td>
<td>Heather</td>
<td>Instructor, Vocational Nursing</td>
<td>$41,263</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Nguyen</td>
<td>Jaime</td>
<td>Instructor, AD Nursing</td>
<td>$17,575</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Parrish</td>
<td>Brittany</td>
<td>Assistant Professor, Biology</td>
<td>$55,122</td>
<td>8/17/2020</td>
</tr>
<tr>
<td>Phillips</td>
<td>Angela</td>
<td>Instructor, Government</td>
<td>$41,766</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Schmidt</td>
<td>Liesl</td>
<td>Executive Director, AR</td>
<td>$102,649</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Tran-Hoang</td>
<td>Paul</td>
<td>Professor, Philosophy</td>
<td>$58,870</td>
<td>8/17/2020</td>
</tr>
<tr>
<td>Van Rysdam</td>
<td>John</td>
<td>Director, Communications and Media</td>
<td>$97,118</td>
<td>9/1/2020</td>
</tr>
<tr>
<td>Wilson</td>
<td>Wendy</td>
<td>Executive Director, Accreditation and Current Management</td>
<td>$114,241</td>
<td>6/1/2020</td>
</tr>
</tbody>
</table>
ACTION ITEM 17  

Personnel Report and Consideration No. Q

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

Chancellor’s Recommendation: That the Board of Trustees authorize the Chancellor or a designee to execute proposed renewal employment contracts for the attached employees. Each Employee’s name and job title are attached. These persons are current employees who started in positions after the Board authorized the Chancellor or a designee to execute proposed renewal FY21 employment contracts for faculty and non-faculty employees (earlier this year in May and June respectively).

Rationale: The persons on the attached tables were hired at the end of last fiscal year (FY20)—after the Board considered all other ongoing employee renewal contracts. As such, the Board authorized, as required by Board Policy Section III.D.1.3.(a), the below persons to receive only short-term, end-of-fiscal year employment contracts, ending August 31, 2020. With the start of a new fiscal year, the below employees are presented to the Board for consideration of proposed renewal employment contracts for FY21. A contract sum and hire start date was provided to the Board when the person was initially hired. It is therefore excluded from the below tables. This authorization would allow the Chancellor to execute proposed renewal FY21 employment contracts for all employees named in the below tables.

Fiscal Impact: Positions and salaries have been budgeted for 2020–2021.

Staff Resource: Mario K. Castillo  832-813-6606
<table>
<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td>Stephanie</td>
<td>Director, Corporate College Training Implementation</td>
</tr>
<tr>
<td>Castano</td>
<td>Marinela</td>
<td>Director, Nursing Program</td>
</tr>
<tr>
<td>Griffis</td>
<td>Kathie</td>
<td>Associate Vice Chancellor, Supply Management</td>
</tr>
<tr>
<td>Heidel</td>
<td>Will</td>
<td>Director, Facilities</td>
</tr>
<tr>
<td>Kirk</td>
<td>Jeremy</td>
<td>Director, Diversity and Inclusion</td>
</tr>
<tr>
<td>Leal</td>
<td>Kelly</td>
<td>Director, Facilities</td>
</tr>
<tr>
<td>Ledinski</td>
<td>Michel</td>
<td>Director, Server Services</td>
</tr>
<tr>
<td>McMahon</td>
<td>Siara</td>
<td>Director, Veteran Advising</td>
</tr>
<tr>
<td>Sherif</td>
<td>Dalia</td>
<td>Executive Dean, BPP</td>
</tr>
<tr>
<td>Solis</td>
<td>Maria</td>
<td>Director, CE/CTE</td>
</tr>
<tr>
<td>Williams</td>
<td>Dan</td>
<td>Director, Facilities</td>
</tr>
<tr>
<td>Last Name</td>
<td>First Name</td>
<td>Title</td>
</tr>
<tr>
<td>------------</td>
<td>------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Camejo</td>
<td>David</td>
<td>Associate Professor, Chemistry</td>
</tr>
<tr>
<td>Carranza</td>
<td>Ashley</td>
<td>Assistant Professor, Nursing</td>
</tr>
<tr>
<td>Granizo</td>
<td>Ilse</td>
<td>Assistant Professor, Speech</td>
</tr>
<tr>
<td>Howell</td>
<td>Dylan</td>
<td>Associate Professor, Instruction</td>
</tr>
<tr>
<td>Jennings</td>
<td>Shelia</td>
<td>Faculty, EMTM</td>
</tr>
<tr>
<td>Kinniebrew</td>
<td>Daevisha</td>
<td>Assistant Professor, Vocational Nursing</td>
</tr>
<tr>
<td>Lawson</td>
<td>Dale</td>
<td>Workforce Skills Instructor, Truck Driving</td>
</tr>
<tr>
<td>Martinez</td>
<td>Eric</td>
<td>Workforce Skills Instructor, Machining</td>
</tr>
<tr>
<td>Nangia</td>
<td>Himika</td>
<td>Professor, Biology</td>
</tr>
<tr>
<td>Samford</td>
<td>Scotty</td>
<td>Workforce Skills Instructor, Phlebotomy</td>
</tr>
<tr>
<td>Sherwood</td>
<td>Carly</td>
<td>Associate Professor, English</td>
</tr>
<tr>
<td>West</td>
<td>Tamarra</td>
<td>Assistant Professor, Criminal Justice</td>
</tr>
<tr>
<td>Wright</td>
<td>Casandra</td>
<td>Associate Professor, Math</td>
</tr>
</tbody>
</table>
Report: Monthly Financial Statements

The financial statements for the month ended September 30, 2020 are presented for Board review.
## LONE STAR COLLEGE

Statement of Revenues and Expenditures
General and Auxiliary Funds
YTD September 30, 2020
Unaudited

<table>
<thead>
<tr>
<th></th>
<th>BUDGET</th>
<th>FORECASTED VARIANCE</th>
<th>FISCAL YTD</th>
<th>% ACTUAL TO BUDGET</th>
<th>PRIOR YEAR</th>
<th>% ACTUAL TO BUDGET</th>
<th>PRIOR YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>ACTUAL</td>
<td></td>
<td>8% FY</td>
<td></td>
<td>8% FY</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ELAPSED</td>
<td></td>
<td>9/30/2019</td>
<td></td>
<td>9/30/2019</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>$74,749,189</td>
<td>$ -</td>
<td>$9,441,483</td>
<td>12.6%</td>
<td>$9,442,001</td>
<td>12.0%</td>
<td></td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>113,703,903</td>
<td>-</td>
<td>55,959,556</td>
<td>49.2%</td>
<td>58,730,659</td>
<td>45.1%</td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>172,811,610</td>
<td>-</td>
<td>118,110</td>
<td>0.1%</td>
<td>300,385</td>
<td>0.2%</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>1,000,000</td>
<td>-</td>
<td>179,175</td>
<td>17.9%</td>
<td>128,295</td>
<td>6.5%</td>
<td></td>
</tr>
<tr>
<td>Product/Service</td>
<td>7,192,856</td>
<td>-</td>
<td>1,485,131</td>
<td>20.6%</td>
<td>615,423</td>
<td>8.0%</td>
<td></td>
</tr>
<tr>
<td>Misc Revenues</td>
<td>7,989,033</td>
<td>-</td>
<td>435,955</td>
<td>5.5%</td>
<td>1,029,569</td>
<td>10.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>377,446,591</td>
<td>0</td>
<td>67,619,410</td>
<td>17.9%</td>
<td>70,246,334</td>
<td>17.9%</td>
<td></td>
</tr>
</tbody>
</table>

| **EXPENDITURES:**    |        |                     |            |                    |            |                    |            |
| Full Time Faculty    | 74,385,013 | - | 5,964,836 | 8.0% | 5,968,953 | 8.0% |
| Part Time Faculty    | 28,049,733 | - | 2,998,951 | 10.7% | 3,372,567 | 11.0% |
| Full Time Staff      | 119,280,162 | - | 9,829,597 | 8.2% | 9,667,382 | 7.7% |
| Part Time Staff      | 9,650,409 | - | 381,489 | 4.0% | 663,075 | 5.1% |
| Staff Benefits       | 35,761,734 | - | 2,821,809 | 7.9% | 2,731,284 | 8.2% |
| Other Employee Benefits | 1,881,091 | - | 121,334 | 6.5% | 146,052 | 5.8% |
| Services             | 48,475,656 | - | 2,678,275 | 5.5% | 4,868,155 | 10.5% |
| ProfDev/Travel       | 1,933,008 | - | 8,469 | 0.4% | 35,592 | 0.9% |
| Supplies             | 13,182,231 | - | (97,973) | -0.7% | 218,751 | 1.9% |
| Monthly Charges      | 5,390,613 | - | (58,700) | -1.1% | 76,417 | 1.1% |
| Utilities            | 9,202,995 | - | 626,614 | 6.8% | 6,795 | 0.1% |
| Other                | 20,906,250 | - | 563,884 | 2.7% | 837,726 | 4.8% |
| Non-Capital Equipment | 4,393,967 | - | (87,928) | -2.0% | 21,726 | 0.5% |
| CIP Land/Building    | 0 | - | 0 | 0.0% | 0 | 0.0% |
| Capital Expenditures | 223,421 | - | 0 | 0.0% | 5,556 | 1.8% |
| Furniture, Fixture, Equipment | 856,044 | - | 0 | 0.0% | (6,600) | -0.5% |
| **Total Expenditures** | 373,572,327 | 0 | 25,750,657 | 6.9% | 28,613,431 | 7.5% |
| Other Changes - Capital Project Transfers | 161,250 | - | 4,014 | - | - |
| Other Changes - Debt Service Transfers | 8,500,000 | - | 2,441,213 | 2.365,213 | |
| Other Changes - R&R Transfers | 350,000 | - | 350,000 | 3,350,000 | |
| **Total Operating Transfers** | 9,011,250 | - | 2,795,227 | 5,715,213 | |
| **Total Expenditures & Transfers** | 382,583,577 | 0 | 28,545,884 | 34,328,644 | |

**TOTAL NET INCREASE IN FUND BALANCES** | $ (5,136,986) | $ 0 | $39,073,526 | $35,917,690 |
## LONE STAR COLLEGE

### Balance Sheet

**September 30, 2020**

**Unaudited**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>General &amp; Reporting</th>
<th>Restricted</th>
<th>GASB Totals</th>
<th>Memorandum Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, cash equivalents &amp; investments</td>
<td>$140,987,920</td>
<td>$56,803,558</td>
<td>$197,791,478</td>
<td>$195,491,481</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>32,179,473</td>
<td>6,375,897</td>
<td>7,209,261</td>
<td>45,764,631</td>
</tr>
<tr>
<td>Prepaid and deferred expenses</td>
<td>2,807,404</td>
<td>-</td>
<td>2,807,404</td>
<td>4,440,346</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>950,970,104</td>
<td>953,382,262</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>175,974,797</td>
<td>63,179,455</td>
<td>958,179,365</td>
<td>1,197,333,617</td>
</tr>
</tbody>
</table>

| Deferred Outflows Pension & OPEB | - | - | 167,229,450 | 167,229,450 |
| **TOTAL ASSETS AND DEFERRED OUTFLOWS** | $175,974,797 | $63,179,455 | $1,125,408,815 | $1,364,563,067 |

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCES</th>
<th>General &amp; Reporting</th>
<th>Restricted</th>
<th>GASB Totals</th>
<th>Memorandum Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$24,694,065</td>
<td>$149,539</td>
<td>$24,843,604</td>
<td>$23,936,072</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>5,823,870</td>
<td>3,066,729</td>
<td>-</td>
<td>8,890,599</td>
</tr>
<tr>
<td>Accrued compensable absences payable</td>
<td>11,038,664</td>
<td>92,346</td>
<td>-</td>
<td>11,131,010</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>-</td>
<td>3,505,855</td>
<td>-</td>
<td>3,786,314</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>-</td>
<td>-</td>
<td>656,849,066</td>
<td>701,314,043</td>
</tr>
<tr>
<td>Net Pension &amp; OPEB Liability</td>
<td>-</td>
<td>-</td>
<td>271,188,931</td>
<td>271,188,931</td>
</tr>
<tr>
<td>Assets held in custody for others</td>
<td>-</td>
<td>10,415,645</td>
<td>-</td>
<td>10,415,645</td>
</tr>
<tr>
<td>L/T Due to Other Local Government</td>
<td>-</td>
<td>16,519,352</td>
<td>-</td>
<td>16,519,352</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>41,556,599</td>
<td>33,749,466</td>
<td>928,037,997</td>
<td>1,001,344,062</td>
</tr>
</tbody>
</table>

| Deferred Inflows Pension & OPEB | - | - | 73,316,457 | 73,316,457 |
| **TOTAL LIABILITIES AND DEFERRED INFLOWS** | 41,556,599 | 33,749,466 | 1,001,354,454 | 1,076,660,519 |

<table>
<thead>
<tr>
<th>FUND BALANCES:</th>
<th>General &amp; Reporting</th>
<th>Restricted</th>
<th>GASB Totals</th>
<th>Memorandum Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Operating</td>
<td>10,414,622</td>
<td>-</td>
<td>-</td>
<td>10,414,622</td>
</tr>
<tr>
<td>Restricted for Technology</td>
<td>11,032,362</td>
<td>-</td>
<td>-</td>
<td>11,032,362</td>
</tr>
<tr>
<td>Restricted for Student Activity</td>
<td>1,270,176</td>
<td>-</td>
<td>-</td>
<td>1,270,176</td>
</tr>
<tr>
<td>Unrestricted Auxiliary</td>
<td>3,198,961</td>
<td>-</td>
<td>-</td>
<td>3,198,961</td>
</tr>
<tr>
<td>Unrestricted Tenant Related</td>
<td>9,912,613</td>
<td>-</td>
<td>-</td>
<td>9,912,613</td>
</tr>
<tr>
<td>Restricted Operating Cash - Short Term Reserves</td>
<td>31,173,350</td>
<td>-</td>
<td>-</td>
<td>31,173,350</td>
</tr>
<tr>
<td>Restricted Operating Cash - Long Term Reserves</td>
<td>67,416,114</td>
<td>-</td>
<td>-</td>
<td>67,416,114</td>
</tr>
<tr>
<td>Restricted for Grants</td>
<td>-</td>
<td>(16,307,615)</td>
<td>-</td>
<td>(16,307,615)</td>
</tr>
<tr>
<td>Restricted for Debt Service</td>
<td>-</td>
<td>17,337,807</td>
<td>-</td>
<td>17,337,807</td>
</tr>
<tr>
<td>Restricted for Construction</td>
<td>-</td>
<td>28,399,797</td>
<td>-</td>
<td>28,399,797</td>
</tr>
<tr>
<td><strong>TOTAL FUND BALANCES</strong></td>
<td>134,418,198</td>
<td>29,429,989</td>
<td>124,054,361</td>
<td>287,902,548</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</th>
<th>General &amp; Reporting</th>
<th>Restricted</th>
<th>GASB Totals</th>
<th>Memorandum Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$175,974,797</td>
<td>$63,179,455</td>
<td>$1,125,408,815</td>
<td>$1,364,563,067</td>
<td>$1,371,718,910</td>
</tr>
</tbody>
</table>

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

Subject to Change pending completion of the August 31, 2020 audit

FY 2019 Prior Year audited as of August 31, 2019
## LONE STAR COLLEGE

**Statement of Revenues and Expenditures**  
Fund 35 Harvey Recovery  
PROFORMA from inception to 09.30.2020  
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><strong>REVENUES:</strong></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>35,752,038</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35,752,038</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>35,752,038</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35,752,038</td>
</tr>
</tbody>
</table>

| **EXPENDITURES:**   |               |              |          |         |            |        |                |      |             |
| Buildings           | 8,744         | 49,733       | 25,091,379 | - | 17,566 | 49,710 | 796,629 | 194,591 | 26,208,352 |
| Contracts           | 786,279       | 1,832        | 12,201,091 | - | 49,212 | 88,805 | 10,855  | -      | 13,138,073 |
| Equipment           | 577,564       | -            | 8,428,561  | - | -      | 18,813 | 204,779 | -      | 9,229,717  |
| Insurance Deductible/Attorney | 1,504,050 | -            | 1,000     | - | -      | -      | 25,000  | -      | 1,530,050  |
| Personnel           | 319,923       | 11,679       | 680,367   | 16,561 | 12,905 | 21,946 | 11,365  | 30,084  | 1,104,829  |
| Supplies            | 20,264        | 1,567        | 661,384   | 5,819  | 1,171 | 5,876  | -       | -      | 696,082    |
| Travel              | 1,563         | 203          | 1,149     | -      | -      | -      | -       | 2      | 2,917       |
| **Total Expenditures** | $3,218,387   | 65,013       | 47,064,931 | 22,381 | 80,853 | 185,149 | 1,048,629 | 224,677 | 51,910,020 |

| **FUND BALANCE - Increase (Decrease)** | $32,533,651 | (65,013) | (47,064,931) | (22,381) | (80,853) | (185,149) | (1,048,629) | (224,677) | (16,157,982) |

| Encumbrances        | -            | -          | (1,030,451) | - | -      | -      | -       | -      | (1,030,451) |

| **ADJUSTED FUND BALANCE** | $32,533,651 | (65,013) | (48,095,383) | (22,381) | (80,853) | (185,149) | (1,048,629) | (224,677) | (17,188,434) |
**LONE STAR COLLEGE**

**Balance Sheet**  
**Fund 35 Harvey Recovery**  
**As of 09.30.2020**  
*Unaudited*

<table>
<thead>
<tr>
<th>All Locations</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$ -</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>258,145</td>
</tr>
<tr>
<td>Prepaid and deferred expenses</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>258,145</strong></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND FUND BALANCES</strong></td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES:</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ -</td>
</tr>
<tr>
<td>Due To Others</td>
<td>16,416,126</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>16,416,126</strong></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL FUND BALANCE</strong></td>
<td><strong>(16,157,981)</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND FUND BALANCE</strong></td>
<td><strong>$ 258,145</strong></td>
</tr>
</tbody>
</table>
# Operative Funds

**LONE STAR COLLEGE**  
**Summary of Operative Funds**  
**As of September 30, 2020**

<table>
<thead>
<tr>
<th>OPERATING FUNDS 09/30/2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING SHORT TERM CASH</strong></td>
<td></td>
</tr>
<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>$27,272,858</td>
</tr>
<tr>
<td>MONEY MARKET ACCOUNTS</td>
<td>$1,900,492</td>
</tr>
<tr>
<td>Operating Short Term Cash Reserves Subtotal</td>
<td>$29,173,350</td>
</tr>
<tr>
<td><strong>OPERATING LONG TERM CASH RESERVES</strong></td>
<td></td>
</tr>
<tr>
<td>US GOVT. AGENCIES</td>
<td>$47,780,166</td>
</tr>
<tr>
<td>MUNICIPAL BONDS</td>
<td>$11,752,362</td>
</tr>
<tr>
<td>US TREASURY NOTES</td>
<td>$5,888,203</td>
</tr>
<tr>
<td>COMMERCIAL PAPER</td>
<td>$1,995,383</td>
</tr>
<tr>
<td>Operating Long Term Cash Reserves Subtotal</td>
<td>$67,416,114</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$98,589,464</td>
</tr>
</tbody>
</table>
Report: Construction Projects Update

The monthly construction projects update is presented for Board review.
CONSTRUCTION PROJECTS UPDATE
As of November 12, 2020

1. LSC-Kingwood: Hurricane Harvey Recovery:
   A renovation of 200,000 sf of the first floors of five of six buildings. The architect is AutoArch
   and design was completed August 2018. The construction firm is Anslow Bryant. Substantial
   completion was reached on January 6, 2019 for five of the six buildings as well as May 17,
   2019 for the library, respectively. Project completion was reached on October 30, 2020.
   - Substantial Completion: Fall 2020 (COVID-19 delay)
   - Budget: $52,553,603
2. **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. The contractor is Landscape Art and the construction notice to proceed was issued August 2020.  
- **Substantial Completion:** Fall 2020  
- **Budget:** $2,650,000

3. **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:** May 4, 2020  
- **Budget:** $13,000,000

4. **LSC-University Park: Visual Performing Arts Center:**  
A new 30,000 sf building, this project will support an instructional arts program. The Construction Manager at Risk is Durotech with re-programming to begin Spring 2020.  
- **Substantial Completion:** Fall 2022  
- **Budget:** $21,675,000

5. **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:** Fall 2021  
- **Budget:** $25,650,000

6. **LSC-Kingwood: Healthcare Instructional Building:**  
A new 50,000+ sf building, this project will support a healthcare instructional program. The architect is AutoArch. The construction firm is Tellepsen and estimated construction notice to proceed is Spring 2020.  
- **Substantial Completion:** Fall 2021  
- **Budget:** $27,590,000

7. **LSC-Magnolia Center:**  
- A new 50,000+ sf building, this project will support the needs of the Magnolia community. Land was recently purchased, the architect is Harrison Kornberg and programming was completed July 2019.  
  - **Substantial Completion:** TBD  
  - **Budget:** $28,858,538

8. **LSC-Fallbrook:**  
- A new 55,000+ sf building, this building will have two stories with 14 classrooms, two computer labs, two science labs, and a 4,000 sf logistics management warehouse to support the needs of the Fallbrook community.  
  - **Substantial Completion:** Fall 2020