

Legislative Appropriations Request
for Fiscal Years 2020 and 2021

Submitted to the
Office of the Governor, Budget Division,
and the Legislative Budget Board

by

Lone Star College

August 3, 2018

**Lone Star College
Legislative Appropriations Request**

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Lone Star College

Administrator's Statement

Lone Star College was established in 1972 by voters in Aldine, Humble and Spring ISDs. The original three school districts have since been joined by eight other ISDs: New Caney in 1981, Tomball in 1982, Conroe in 1991, Willis and Splendora in 1996, Klein in 1998 and Cypress-Fairbanks and Magnolia in 2001.

Lone Star College Board of Trustees

Board Members are elected by citizens in the Lone Star College in-district service area in November of even-numbered years and serve terms of six years each. Board positions are elected as representatives of nine single-member districts effective in fall 2014. Existing At-Large Positions will become single-member districts at their next election date.

Board Member	Term Ending	Address
Alton Smith, Ed.D., Chair	November 2020	Houston, Texas
Kyle A. Scott, Ph.D., Vice Chair	November 2018	Spring, Texas
Ken E. Lloyd, Secretary	November 2020	Spring, Texas
Myriam Saldivar, Assistant Secretary	November 2022	Houston, Texas
David Holsey, DDS	November 2018	The Woodlands, Texas
Ron Trowbridge, Ph.D.	November 2018	Conroe, Texas
Art Murillo	November 2020	Houston, Texas
David A. Vogt	November 2022	The Woodlands, Texas
Linda S. Good, JD	November 2022	The Woodlands, Texas

Significant Policy Changes:

There are no significant changes in policy which impact this budget request.

Significant Changes in Provision of Service:

There are no significant changes in the provision of service which impact this budget request.

History, Mission and Area Demographics

Lone Star College is one of the fastest growing institutions of higher education within the country and the largest in the Gulf Coast Region. Located within the North Houston metropolitan area, the college has an enrollment of 95,000 credit and non-credit students and covers a service area of 1,400 square miles within Harris, Montgomery, and San Jacinto counties.

Lone Star College Mission Statement

Lone Star College provides comprehensive educational opportunities and programs to enrich lives.

Lone Star College Vision Statement

Lone Star College will be a model college globally recognized for achieving exceptional levels of success in student learning, student completion, gainful employment, equity and affordability.”

Lone Star College Strategic Goals

1. *Academic & Workforce Program Quality*
Provide high quality academic transfer and workforce programs that enhance students' learning experience and prepare them for the 21st century workforce.
2. *Student Success*
Promote student success by ensuring excellence in teaching, learning and student-centered support services.
3. *Financial Responsibility & Accountability*
Ensure sound financial practices that are accountable to stakeholders and fairly allocate budget and resources.
4. *Culture*
Nurture a culture that values and respects all Lone Star College members and encourages collaboration.
5. *Partnerships*
Build strong partnerships with local ISDs, and civic, charitable, higher education, industry and business organizations to promote student and community success.

The mission, vision, and strategic goals are achieved through the offering of academic, student, and community services that support the attainment of associate degrees, credit and non-credit certificates, and marketable skills awards offered by the College. Additional services offered by Lone Star College includes corporate training for industry partners and leisure learning opportunities for community members.

The area demographics are reflective of the diversity within Greater Houston and representative of the college's student body. Lone Star College is a majority-minority institution with over 60% of the students from underrepresented groups. The college is fortunate to have a service area with high performing school districts and growing economies; however, there are segments of concentrated poverty and low college attainment.

Lone Star College provides educational offerings and services through six comprehensive campuses, eight satellite centers, and seven instructional facilities.

The six comprehensive campuses have extensive program offerings including multiple academic transfer degrees and workforce offerings. Lone Star College's six campuses range from 9,000 to 22,000 students. Those campuses are:

- Lone Star College-CyFair
- Lone Star College-Kingwood
- Lone Star College-Montgomery
- Lone Star College-North Harris
- Lone Star College-Tomball
- Lone Star College-University Park

The eight satellite centers are associated with the campuses with enrollments ranging from 1,100 to 2,800 students. Each facility is strategically placed in geographic locations to service specific community needs. The centers are listed below.

- LSC-Atascocita Center, Atascocita
- LSC-Conroe Center, Conroe
- LSC-Creekside Center, The Woodlands
- LSC-Cypress Center, Cypress
- LSC-Fairbanks Center, Cypress
- LSC-Greenspoint Center, Greater Greenspoint area
- LSC-Process Technology Center, Houston
- LSC-Victory Center, Acres Homes community

Lone Star College operates eight additional instructional facilities. Each facility has offerings and/or services that are specific an industry need or a college goal. The facilities are listed below.

- LSC-Health Professions Building
- LSC-Tomball Health Science Building
- LSC-EMCID Center (East Montgomery County Improvement District Center), New Caney
- LSC-Energy & Manufacturing Institute
- LSC-Transportation Institute
- CHI-Lone Star College-North Harris School of Cosmetology
- The LSC-University Center-The Woodlands
- The LSC-University Center-University Park

The Lone Star College tax rate is 10.78 cents per \$100 valuation. Special tax considerations include:

- The first \$5,000 or 1% of appraised value, whichever is greater, of owned and occupied residential property is exempt
- The first \$75,000 of a resident property owned and occupied by a person over 65 years of age is exempt
- Taxes are frozen at 2006 amounts for a person 65 or older or disabled

Background checks are conducted on all security-sensitive positions as permitted by the Texas Government Code, Sec. 411.094 and Texas Education Code, Section 61.003 (8), and consistent with the college's human resources procedures.

Special Item Request

Lone Star College is requesting \$15M as a Special Item Request.

On August 25, 2017, Hurricane Harvey, characterized as a Category 4 hurricane at its peak, made landfall on the Texas coast before stalling over the Houston-Galveston region and producing widespread and significant flooding. Many residences, commercial properties and industrial properties in the Region sustained damage, some of which was severe.

Lone Star College Kingwood campus sustained major flood damage to 6 of its 9 buildings. Damages system-wide are currently estimated to total \$38M. The College is also estimating a loss of tuition and fee revenue of \$1.9M due to students not being able to enroll in classes at the Kingwood Campus. The college received net insurance proceeds in the amount of \$8.6M and is in the process of working with FEMA for additional assistance. The college anticipates a shortfall of approximately \$15M after FEMA and insurance proceeds.

Without this funding, Lone Star College could be forced to cut projects funded through General Obligation Bonds approved by voters in November 2014 and may have to consider delaying plans to implement strategic priorities to enhance and establish new programs and services needed in its regional service area.

Community College Funding

Although not submitted as a request in this packet, Lone Star College respectfully supports the \$1.9 billion formula funding request submitted by the Texas Association of Community Colleges (TACC) in its letter dated, July 24, 2018. Lone Star College will utilize state funding to invest in initiatives and services that will support the achievement of Texas's 60X30 higher education plan. Specifically, Lone Star College will:

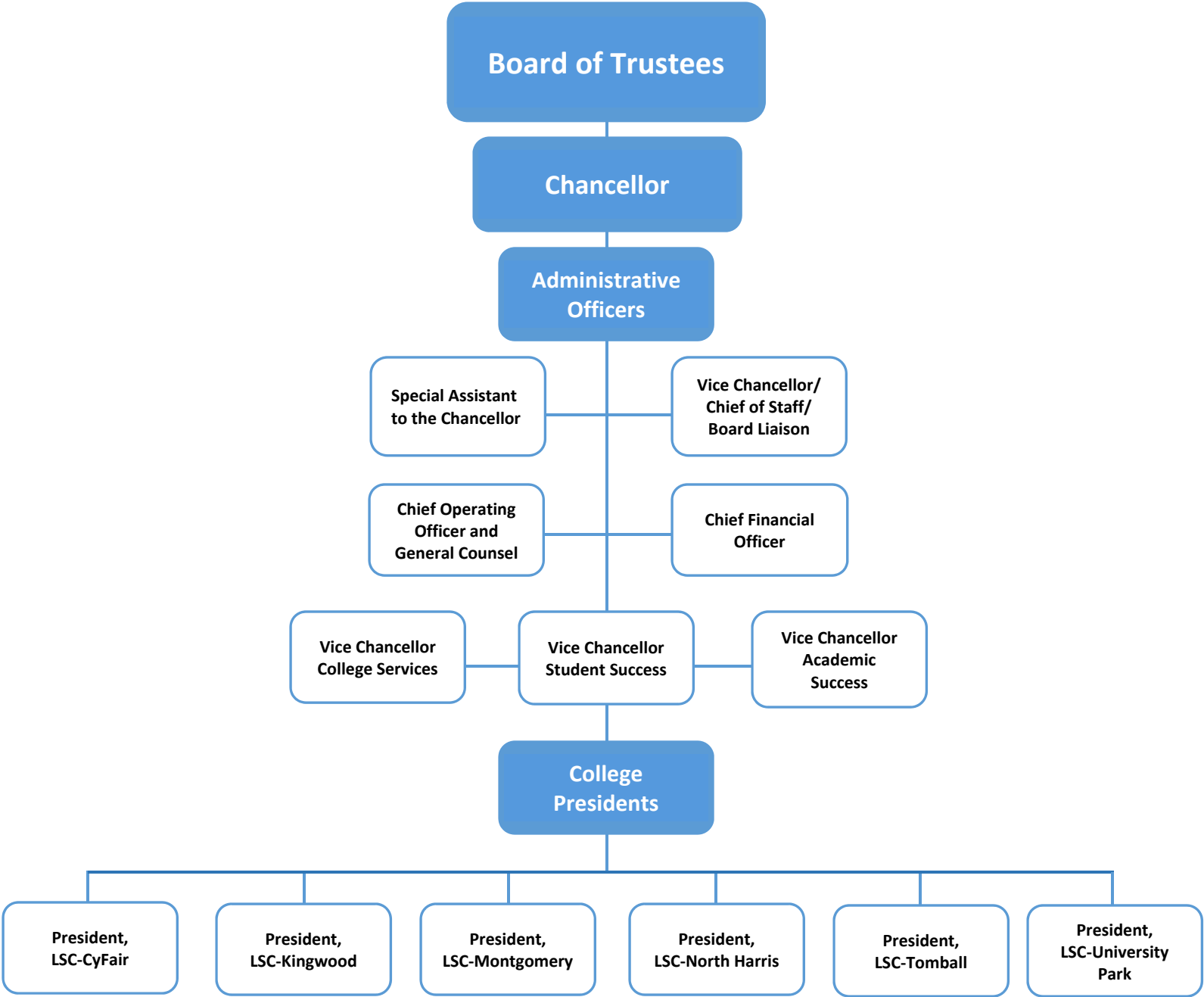
- Increase workforce offerings to support current and emerging occupations in the areas of Energy & Manufacturing, Construction Trades, Computer & Visual Communication, and Business and Professional Services;
- Develop academic pathways that will support an efficient completion of academic degrees;
- Improve equity and access in dual credit through the increased alignment of workforce and academic pathways to high school endorsement areas;
- Reduce college readiness gaps through the scaling of corequisite offerings;
- Expand program-to-program university articulation agreements by utilizing statewide fields of study pathways;
- Increase online offerings to provide flexible course options for working students, along with associated support.

Through these initiatives, Lone Star College will be in a position to play a pivotal role in the Texas 60X30 completion goals. Graduating nearly 8,000 students in the 2017-2018 academic year, Lone

Star College led the Greater Houston area in degrees awarded. Through continuous improvement and state support, the college expects the number of graduates to continue to increase.

Lone Star College had Base Appropriations for the 2018-2019 biennium of:

	2018	2019
Contact Hour Funding	\$69,593,608	\$69,593,608
Success Points Funding	7,682,601	7,682,600
Core Operations Funding	680,406	680,406
Total Formula Funding	\$77,956,615	\$77,956,614





CERTIFICATE

Agency Name Lone Star College

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Governor's Office Budget Division (Governor's Office) is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Governor's Office will be notified in writing in accordance with Article IX, Section 7.01 (2018-19 GAA).

Chief Executive Officer or Presiding Judge

Signature

Stephen C. Head, Ph.D.

Printed Name

Chancellor

Title

Date

07/30/18

Board or Commission Chair

Signature

Alton Smith, Ed.D.

Printed Name

Chair

Title

Date

7/30/2018

Chief Financial Officer

Signature

Jennifer Mott

Printed Name

Chief Financial Officer

Title

Date

7/30/18

2.A. Summary of Base Request by Strategy

86th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

996 Lone Star College System

Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
1 Provide Instruction					
1 Provide Administration and Instructional Services					
1 CORE OPERATIONS (1)	500,000	680,406	680,406	0	0
2 SUCCESS POINTS (1)	6,923,872	7,682,601	7,682,600	0	0
3 CONTACT HOUR FUNDING (1)	66,544,722	69,593,608	69,593,608	0	0
4 HURRICANE HARVEY-LSC KINGWOOD	0	0	0	0	0
TOTAL, GOAL 1	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0
TOTAL, AGENCY STRATEGY REQUEST	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0

(1) - Formula funded strategies are not requested in 2020-21 because amounts are not determined by institutions.

2.A. Summary of Base Request by Strategy

8/3/2018 1:11:33PM

86th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

996 Lone Star College System

Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	73,968,594	77,956,615	77,956,614	0	0
SUBTOTAL	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0
TOTAL, METHOD OF FINANCING	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/3/2018 1:14:37PM

Agency code: 996		Agency name: Lone Star College System				
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>GENERAL REVENUE</u>						
<u>1</u> General Revenue Fund						
REGULAR APPROPRIATIONS						
Regular Appropriations from MOF Table (2016-17 GAA)						
		\$73,968,594	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2018-19 GAA)						
		\$0	\$77,956,615	\$77,956,614	\$0	\$0
TOTAL,	General Revenue Fund	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0
TOTAL, ALL	GENERAL REVENUE	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0
GRAND TOTAL		\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0
FULL-TIME-EQUIVALENT POSITIONS						
TOTAL, ADJUSTED FTES						

2.B. Summary of Base Request by Method of Finance
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

8/3/2018 1:14:37PM

Agency code: **996**

Agency name: **Lone Star College System**

METHOD OF FINANCING

Exp 2017

Est 2018

Bud 2019

Req 2020

Req 2021

**NUMBER OF 100% FEDERALLY FUNDED
FTEs**

2.C. Summary of Base Request by Object of Expense

8/3/2018 1:15:20PM

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

996 Lone Star College System

OBJECT OF EXPENSE	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1001 SALARIES AND WAGES	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0
OOE Total (Riders)					
Grand Total	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0

2.E. Summary of Exceptional Items Request
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/3/2018
 TIME : 1:16:17PM

Agency code: 996

Agency name: Lone Star College System

Priority	Item	2020			2021			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Hurricane Harvey - Kingwood Campus	\$15,000,000	\$15,000,000		\$0	\$0		\$15,000,000	\$15,000,000
Total, Exceptional Items Request		\$15,000,000	\$15,000,000		\$0	\$0		\$15,000,000	\$15,000,000

Method of Financing

General Revenue	\$15,000,000	\$15,000,000		\$0	\$0		\$15,000,000	\$15,000,000
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$15,000,000	\$15,000,000		\$0	\$0		\$15,000,000	\$15,000,000

Full Time Equivalent Positions

Number of 100% Federally Funded FTEs

2.F. Summary of Total Request by Strategy
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/3/2018
 TIME : 1:16:51PM

Agency code: 996 Agency name: Lone Star College System

Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
1 Provide Instruction						
<i>1 Provide Administration and Instructional Services</i>						
1 CORE OPERATIONS	\$0	\$0	\$0	\$0	\$0	\$0
2 SUCCESS POINTS	0	0	0	0	0	0
3 CONTACT HOUR FUNDING	0	0	0	0	0	0
4 HURRICANE HARVEY-LSC KINGWOOD	0	0	15,000,000	0	15,000,000	0
TOTAL, GOAL 1	\$0	\$0	\$15,000,000	\$0	\$15,000,000	\$0
TOTAL, AGENCY STRATEGY REQUEST	\$0	\$0	\$15,000,000	\$0	\$15,000,000	\$0
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$0	\$0	\$15,000,000	\$0	\$15,000,000	\$0

2.F. Summary of Total Request by Strategy
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/3/2018
 TIME : 1:16:51PM

Agency code: 996 Agency name: Lone Star College System

Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
General Revenue Funds:						
1 General Revenue Fund	\$0	\$0	\$15,000,000	\$0	\$15,000,000	\$0
	\$0	\$0	\$15,000,000	\$0	\$15,000,000	\$0
TOTAL, METHOD OF FINANCING	\$0	\$0	\$15,000,000	\$0	\$15,000,000	\$0

FULL TIME EQUIVALENT POSITIONS

996 Lone Star College System

GOAL: 1 Provide Instruction
 OBJECTIVE: 1 Provide Administration and Instructional Services
 STRATEGY: 1 Core Operations

Service Categories:
 Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020 ⁽¹⁾	BL 2021 ⁽¹⁾
Objects of Expense:						
1001	SALARIES AND WAGES	\$500,000	\$680,406	\$680,406	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$500,000	\$680,406	\$680,406	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$500,000	\$680,406	\$680,406	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$500,000	\$680,406	\$680,406	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$500,000	\$680,406	\$680,406	\$0	\$0

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

(1) - Formula funded strategies are not requested in 2020-21 because amounts are not determined by institutions.

996 Lone Star College System

GOAL: 1 Provide Instruction
 OBJECTIVE: 1 Provide Administration and Instructional Services
 STRATEGY: 1 Core Operations

Service Categories:
 Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020 ⁽¹⁾	BL 2021 ⁽¹⁾
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,360,812	\$0	\$(1,360,812)	\$(1,360,812)	Community College Request are in total from THECB
			\$(1,360,812)	Total of Explanation of Biennial Change

(1) - Formula funded strategies are not requested in 2020-21 because amounts are not determined by institutions.

996 Lone Star College System

GOAL: 1 Provide Instruction
 OBJECTIVE: 1 Provide Administration and Instructional Services
 STRATEGY: 2 Success Points

Service Categories:
 Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020 ⁽¹⁾	BL 2021 ⁽¹⁾
Objects of Expense:						
1001	SALARIES AND WAGES	\$6,923,872	\$7,682,601	\$7,682,600	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$6,923,872	\$7,682,601	\$7,682,600	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$6,923,872	\$7,682,601	\$7,682,600	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$6,923,872	\$7,682,601	\$7,682,600	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$6,923,872	\$7,682,601	\$7,682,600	\$0	\$0

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

(1) - Formula funded strategies are not requested in 2020-21 because amounts are not determined by institutions.

996 Lone Star College System

GOAL: 1 Provide Instruction
 OBJECTIVE: 1 Provide Administration and Instructional Services
 STRATEGY: 2 Success Points

Service Categories:
 Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020 ⁽¹⁾	BL 2021 ⁽¹⁾
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$15,365,201	\$0	\$(15,365,201)	\$(15,365,201)	Community College Request are in total from THECB
			\$(15,365,201)	Total of Explanation of Biennial Change

(1) - Formula funded strategies are not requested in 2020-21 because amounts are not determined by institutions.

996 Lone Star College System

GOAL: 1 Provide Instruction
 OBJECTIVE: 1 Provide Administration and Instructional Services
 STRATEGY: 3 Contact Hour Funding

Service Categories:
 Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020 ⁽¹⁾	BL 2021 ⁽¹⁾
Objects of Expense:						
1001	SALARIES AND WAGES	\$66,544,722	\$69,593,608	\$69,593,608	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$66,544,722	\$69,593,608	\$69,593,608	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$66,544,722	\$69,593,608	\$69,593,608	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$66,544,722	\$69,593,608	\$69,593,608	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$66,544,722	\$69,593,608	\$69,593,608	\$0	\$0

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

(1) - Formula funded strategies are not requested in 2020-21 because amounts are not determined by institutions.

996 Lone Star College System

GOAL: 1 Provide Instruction
 OBJECTIVE: 1 Provide Administration and Instructional Services
 STRATEGY: 3 Contact Hour Funding

Service Categories:
 Service: 19 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020 ⁽¹⁾	BL 2021 ⁽¹⁾
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$139,187,216	\$0	\$(139,187,216)	\$(139,187,216)	Community College Request are in total from THECB
			<u>\$(139,187,216)</u>	Total of Explanation of Biennial Change

(1) - Formula funded strategies are not requested in 2020-21 because amounts are not determined by institutions.

996 Lone Star College System

GOAL: 1 Provide Instruction
 OBJECTIVE: 1 Provide Administration and Instructional Services
 STRATEGY: 4 Hurricane Harvey Damage - Lone Star College - Kingwood Campus

Service Categories:
 Service: NA Income: NA Age: NA

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Objects of Expense:						
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$0	\$0	\$0	\$0

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

996 Lone Star College System

GOAL: 1 Provide Instruction
 OBJECTIVE: 1 Provide Administration and Instructional Services Service Categories:
 STRATEGY: 4 Hurricane Harvey Damage - Lone Star College - Kingwood Campus Service: NA Income: NA Age: NA

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$0	\$0	\$0	\$0	Lone Star College Kingwood sustain \$35M in damages related to flooding from Hurricane Harvey in August 2017. \$15M is the anticipated amount that will not be covered by Insurance and FEMA proceeds.
			\$0	Total of Explanation of Biennial Change

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0
METHODS OF FINANCE (INCLUDING RIDERS):				\$0	\$0
METHODS OF FINANCE (EXCLUDING RIDERS):	\$73,968,594	\$77,956,615	\$77,956,614	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:					

4.A. Exceptional Item Request Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/3/2018**
 TIME: **1:21:05PM**

Agency code: **996**

Agency name:
Lone Star College System

CODE	DESCRIPTION	Excp 2020	Excp 2021
	Item Name: Kingwood College Campus - Hurricane Harvey Damages Item Priority: 1 IT Component: No Anticipated Out-year Costs: No Involve Contracts > \$50,000: Yes Includes Funding for the Following Strategy or Strategies: 01-01-04 Hurricane Harvey Damage - Lone Star College - Kingwood Campus		

OBJECTS OF EXPENSE:

5000	CAPITAL EXPENDITURES	15,000,000	0
TOTAL, OBJECT OF EXPENSE		\$15,000,000	\$0

METHOD OF FINANCING:

1	General Revenue Fund	15,000,000	0
TOTAL, METHOD OF FINANCING		\$15,000,000	\$0

DESCRIPTION / JUSTIFICATION:

On August 25, 2017, Hurricane Harvey, characterized as a Category 4 hurricane at its peak, made landfall on the Texas coast before stalling over the Houston-Galveston region and producing widespread and significant flooding. Many residences, commercial properties and industrial properties in the Region sustained damage, some of which was severe.

Lone Star College Kingwood campus sustained major flood damage to 6 of its 9 buildings. Damages system-wide are currently estimated to total \$38M. The College is also estimating a loss of tuition and fee revenue of \$1.9M due to students not being able to enroll in classes at the Kingwood Campus. The college received net insurance proceeds in the amount of \$8.6M and is in the process of working with FEMA for additional assistance. The college anticipates a shortfall of approximately \$15M after FEMA and insurance proceeds.

Without this funding, Lone Star College could be forced to cut projects funded through General Obligation Bonds approved by voters in November 2014 and may have to consider delaying and/or abandoning plans to implement strategic priorities to enhance and/or establish new programs and services needed in its regional service area.

EXTERNAL/INTERNAL FACTORS:

Hurricane Harvey Damage sustained in August 2017

PCLS TRACKING KEY:

4.A. Exceptional Item Request Schedule
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/3/2018**
TIME: **1:21:05PM**

Agency code: **996**

Agency name:
Lone Star College System

CODE	DESCRIPTION	Excp 2020	Excp 2021
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APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM : 75.00%

CONTRACT DESCRIPTION :

Contracts for professional services, construction related, furniture, fixtures and equipment related to the reconstruction of LSC Kingwood.

4.B. Exceptional Items Strategy Allocation Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/3/2018
 TIME: 1:21:58PM

Agency code: 996 Agency name: Lone Star College System

Code	Description	Excp 2020	Excp 2021
Item Name: Kingwood College Campus - Hurricane Harvey Damages			
Allocation to Strategy: 1-1-4 Hurricane Harvey Damage - Lone Star College - Kingwood Campus			
OBJECTS OF EXPENSE:			
5000	CAPITAL EXPENDITURES	15,000,000	0
TOTAL, OBJECT OF EXPENSE		\$15,000,000	\$0
METHOD OF FINANCING:			
1	General Revenue Fund	15,000,000	0
TOTAL, METHOD OF FINANCING		\$15,000,000	\$0

4.C. Exceptional Items Strategy Request
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/3/2018
TIME: 1:22:30PM

Agency Code: **996** Agency name: **Lone Star College System**

GOAL: 1 Provide Instruction

OBJECTIVE: 1 Provide Administration and Instructional Services

Service Categories:

STRATEGY: 4 Hurricane Harvey Damage - Lone Star College - Kingwood Campus

Service: NA Income: NA Age: NA

CODE DESCRIPTION	Excp 2020	Excp 2021
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OBJECTS OF EXPENSE:

5000 CAPITAL EXPENDITURES	15,000,000	0
Total, Objects of Expense	\$15,000,000	\$0

METHOD OF FINANCING:

1 General Revenue Fund	15,000,000	0
Total, Method of Finance	\$15,000,000	\$0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Kingwood College Campus - Hurricane Harvey Damages

Schedule 3C: Group Insurance Data Elements (Community Colleges)
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/3/2018 1:24:34PM

996 Lone Star College System

	Total I & A Enrollment	Local Non I & A	Total Enrollment
FULL TIME ACTIVES			
1a Employee Only	1,452	160	1,612
2a Employee and Children	413	37	450
3a Employee and Spouse	251	21	272
4a Employee and Family	384	20	404
5a Eligible, Opt Out	31	3	34
6a Eligible, Not Enrolled	108	49	157
Total for this Section	2,639	290	2,929
PART TIME ACTIVES			
1b Employee Only	6	0	6
2b Employee and Children	0	0	0
3b Employee and Spouse	3	0	3
4b Employee and Family	2	0	2
5b Eligible, Opt Out	0	0	0
6b Eligible, Not Enrolled	45	0	45
Total for this Section	56	0	56
Total Active Enrollment	2,695	290	2,985

996 Lone Star College System

	Total I & A Enrollment	Local Non I & A	Total Enrollment
FULL TIME RETIREES by ERS			
1c Employee Only	0	0	0
2c Employee and Children	0	0	0
3c Employee and Spouse	0	0	0
4c Employee and Family	0	0	0
5c Eligible, Opt Out	0	0	0
6c Eligible, Not Enrolled	0	0	0
Total for this Section	0	0	0
PART TIME RETIREES by ERS			
1d Employee Only	0	0	0
2d Employee and Children	0	0	0
3d Employee and Spouse	0	0	0
4d Employee and Family	0	0	0
5d Eligible, Opt Out	0	0	0
6d Eligible, Not Enrolled	0	0	0
Total for this Section	0	0	0
Total Retirees Enrollment	0	0	0
TOTAL FULL TIME ENROLLMENT			
1e Employee Only	1,452	160	1,612
2e Employee and Children	413	37	450
3e Employee and Spouse	251	21	272
4e Employee and Family	384	20	404
5e Eligible, Opt Out	31	3	34
6e Eligible, Not Enrolled	108	49	157
Total for this Section	2,639	290	2,929

996 Lone Star College System

	Total I & A Enrollment	Local Non I & A	Total Enrollment
TOTAL ENROLLMENT			
1f Employee Only	1,458	160	1,618
2f Employee and Children	413	37	450
3f Employee and Spouse	254	21	275
4f Employee and Family	386	20	406
5f Eligible, Opt Out	31	3	34
6f Eligible, Not Enrolled	153	49	202
Total for this Section	2,695	290	2,985

996 Lone Star College System

Hurricane Harvey - Lone Star College Kingwood Campus

(1) Year Non-Formula Support Item First Funded:	2020
Year Non-Formula Support Item Established:	2018
Original Appropriation:	\$0

(2) Mission:

On August 25, 2017, Hurricane Harvey, characterized as a Category 4 hurricane at its peak, made landfall on the Texas coast before stalling over the Houston-Galveston region and producing widespread and significant flooding. Many residences, commercial properties and industrial properties in the Region sustained damage, some of which was severe.

Lone Star College Kingwood campus sustained major flood damage to 6 of its 9 buildings. Damages system-wide are currently estimated to total \$38M. The College is also estimating a loss of tuition and fee revenue of \$1.9M due to students not being able to enroll in classes at the Kingwood Campus. The college received net insurance proceeds in the amount of \$8.6M and is in the process of working with FEMA for additional assistance. The college anticipates a shortfall of approximately \$15M after FEMA and insurance proceeds.

(3) (a) Major Accomplishments to Date:

All water and mold remediation has been completed. CMAR contract issued.

(3) (b) Major Accomplishments Expected During the Next 2 Years:

Completion of construction to be fully operational for the start of classes in January 2019.

(4) Funding Source Prior to Receiving Non-Formula Support Funding:

Lone Star College General Obligation Bonds and Cash Reserves

(5) Formula Funding:

\$15,000,000 to cover expenditures not reimbursed by insurance and FEMA proceeds.

(6) Category:

Institutional Enhancement

(7) Transitional Funding:

N

(8) Non-General Revenue Sources of Funding:

General Obligation Bonds and Cash Reserves

996 Lone Star College System

(9) Impact of Not Funding:

Lone Star College "the College" could be forced to cut projects funded through General Obligation Bonds approved by voters in November 2014. These projects were approved to maintain and build new facilities that would allow the College to enhance/expand/establish existing and new academic transfer and workforce programs. If the College is forced to fund with cash reserves, the College may have to consider delaying and/or abandoning plans to implement strategic priorities to enhance and/or establish new programs and services needed in its regional service area. The College's credit rating could be at risk of being downgraded if forced to use cash reserves thereby costing tax payers through increased interest rates associated with issuance of debt.

(10) Non-Formula Support Needed on Permanent Basis/Discontinuu

Not Permanent

(11) Non-Formula Support Associated with Time Frame:

September 2017 - January 2019

(12) Benchmarks:

N/A

(13) Performance Reviews:

N/A
