THE HOUSTON INDEPENDENT SCHOOL DISTRICT

AGENDA

Board of Education Meeting

December 08, 2022
THE HOUSTON INDEPENDENT SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Index

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E. School Offices
F. Academics
G. Talent
H. Business Operations
I. Finance
J. Other
K. Policy
L. Superintendent’s Information Items

MEMBERS OF THE BOARD OF EDUCATION

Judith Cruz, President
Elizabeth Santos, First Vice President
Kathy Blueford-Daniels, Second Vice President
Sue Deigaard, Secretary
Myrna Guidry, Esq., Assistant Secretary
Dr. Patricia K. Allen
Kendall Baker
Dani Hernandez
Bridget Wade

Millard House II, Superintendent of Schools

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   a. Deliberate the duties of the superintendent of schools, chief officers, assistant superintendents, principals, employees, chief audit executive, and board members; evaluations of the superintendent and chief audit executive, consideration of compensation, and contractual provisions.

   b. Consider and approve proposed appointments, reassignments, proposed terminations, terminations/suspensions, contract lengths, proposed nonrenewals, renewals, and resignations/retirements of personnel including teachers, assistant principals, principals, including resignation agreements and full and final release for chief officers, assistant superintendents, executive officers, and other administrators, and, if necessary, approve waiver and release and compromise agreements.

   c. Hear complaints against and deliberate the appointment, evaluation, and duties of public officers or employees and resolution of same.

C-2. Legal Matters
   a. Matters on which the district's attorney's duty to the district under the Code of Professional Responsibility clearly conflicts with the Texas Open Meetings Law, including specifically any matter listed on this agenda and meeting notice.

   b. Pending or contemplated litigation matters and status report.

   c. Update on federal law enforcement activity on February 27, 2020.
d. Legal discussion and advice concerning House Bill 1842 (84th Leg., 2015), Senate Bill 1882 (85th Leg., 2017), and the district's options.


f. Legal Update on Special Education Accreditation Investigation.

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   • Refunding Order

   • Executive Summary
   • Certificate And Order
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- Certificate And Order

J. OTHER

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- EF(LOCAL), First Reading

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- EHBAA(LOCAL), First Reading

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   • Executive Summary
   • Quarterly Investment Report

HEARING OF THE COMMUNITY

TRUSTEE REPORTS AND COMMENTS
Reports and comments from the board president and board members regarding meetings and conferences attended, including board committee meetings, schools visited, community and district activities, new initiatives, education programs, and continuing education. The items may be discussed, but no final action will be taken on these items at this meeting.

REPORTS FROM THE SUPERINTENDENT
Reports and comments by the superintendent of schools regarding meetings and conferences attended, schools visited, community and district activities, new initiatives, and education programs, on which there will be no action. The items may be discussed, but no final action will be taken on these items at this meeting.

ADJOURN
SUBJECT: APPOINTMENT OF HOUSTON INDEPENDENT SCHOOL DISTRICT REPRESENTATIVES TO THE HOUSTON LAND BANK BOARD OF DIRECTORS

The Houston Independent School District (HISD) participated in a land assemblage program with the City of Houston, Harris County, and Houston Community College from 2002 until March 2014, when the land assemblage agreement expired. In 2015, the agreement was renewed and extended until March 12, 2017. In 2018, the program was reorganized as the Houston Land Bank (HLB; formerly known as the Land Assemblage Redevelopment Authority, or LARA). The program provides for transfer of certain foreclosed tax-delinquent properties to the HLB for building affordable housing initiatives.

The HLB is governed by a 13-member board, with three of those members appointed by the HISD Board of Education. It is recommended that the following people be appointed to the HLB board to represent HISD.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chrishelle Palay</td>
<td>8</td>
<td>Two-year term (Jan. 1, 2023 – Dec. 31, 2024)</td>
</tr>
<tr>
<td>Danielle Keys Bess</td>
<td>9</td>
<td>Two-year term (Jan. 1, 2023 – Dec. 31, 2024)</td>
</tr>
<tr>
<td>Tonzaino &quot;Zano&quot; Bailey</td>
<td>10</td>
<td>Two-year term (Jan. 1, 2023 – Dec. 31, 2024)</td>
</tr>
</tbody>
</table>

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the appointment of three designees to the board of directors of the Houston Land Bank, effective December 9, 2022.
**BOARD AGENDA ITEM EXPLANATORY SHEET**

<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>TITLE (SUBJECT)</th>
<th>SCHEDULED MEETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-1</td>
<td>Appointment Of Houston Independent School District Representatives To The Houston Land Bank Board Of Directors</td>
<td>12-08-22</td>
</tr>
</tbody>
</table>

**INITIATED BY:** Dr. Patricia K. Allen, District IV Trustee  
Kathy Blueford-Daniels, District II Trustee

**BACKGROUND:**
The district participated in a land assemblage program (Land Assemblage Redevelopment Authority, or LARA) with the City of Houston, Harris County, and Houston Community College from 2002 until March 2014, when the land assemblage agreement expired. The agreement was renewed and extended until March 12, 2017. In 2018, the program was reorganized as the Houston Land Bank (HLB), the Houston Independent School District (HISD) was continued as a lead appointing agency, and HISD made appointments to the district’s three positions on the HLB board.

The two-year terms for HISD’s three positions expire December 31, 2022, so the HISD Board of Education is due to approve appointments or reappointments for all three.

**OTHER DISTRICT RESOURCES OR PROGRAMS AFFECTED/NEEDED, IF ANY:** None

**ADMINISTRATIVE PROCEDURES REQUIRED:** None
SUBJECT: REAPPOINTMENT OF HOUSTON INDEPENDENT SCHOOL DISTRICT REPRESENTATIVES TO TAX INCREMENT REINVESTMENT ZONES BOARDS OF DIRECTORS

The Houston Independent School District (HISD) participates in tax increment reinvestment zones (TIRZ) with the City of Houston. As a participant, HISD is entitled to appoint a representative to the board of directors of each zone, upon the preceding director’s term expiration.

This agenda item is to authorize reappointment of the following representatives to two-year terms of service on the indicated TIRZ boards of directors:

- Michael Roa – TIRZ 1 (St. George Place): The term expired in December 2021; this reappointment is for the two-year term of service from January 1, 2022, through December 31, 2023.
- Lisa Lipscomb – TIRZ 2 (Midtown): The term expired in December 2021; this reappointment is for the two-year term of service from January 1, 2022, through December 31, 2023.
- Cathy Evans-Jackson – TIRZ 7 [Old Spanish Trail (OST)/Almeda]: The term expired May 6, 2022; this reappointment is for the two-year term of service from May 6, 2022, through May 6, 2024.
- Samuel Sarabia – TIRZ 8 (Gulfgate): This reappointment is for the two-year term of service from January 1, 2023, through December 31, 2024.
- Mya Carroll – TIRZ 9 (South Post Oak): This reappointment is for the two-year term of service from January 1, 2023, through December 31, 2024.

COST/FUNDING SOURCE(S): None
STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.
THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.
RECOMMENDED: That the Board of Education approves the reappointment of representatives to the listed TIRZ boards of directors, effective December 9, 2022.
Office of the Superintendent of Schools  
Board of Education Meeting of December 8, 2022  

Office of Business Operations  
Wanda Paul, Chief Operating Officer  

SUBJECT: **AUTHORITY TO NEGOTIATE, EXECUTE, AND AMEND A LEASE AGREEMENT WITH THE CITY OF HOUSTON FOR THE CITY PARK LOCATED ADJACENT TO THE FORMER BUCHANAN GRIMES ELEMENTARY SCHOOL SITE**  

The Houston Independent School District (HISD) has had a long-term lease agreement with the City of Houston for the use of a 9.7-acre tract of land adjacent to the former Buchanan Grimes Elementary School (ES) site for a city park. The city constructed improvements on the property including a basketball pavilion and a high-end baseball field with lights, thus providing a city park to be utilized by the community. The city has requested that the district renew this agreement for an additional five-year term. The current agreement expired on November 15, 2022.  

Approval of this lease agreement would allow the community and citizens of HISD to continue to use and enjoy this city park, and would ensure that the site continues to be maintained by the city. It would also be beneficial to HISD students living in the area to access the public park improvements that would be made available to them through the use of this property.  

The new agreement would be for a term not to exceed five years, with either party having the right to terminate without cause or for convenience with written notice not to exceed 90 days to the other party. Rental would be $1 for the entire term.  

**COST/FUNDING SOURCE(S):** None  

**STAFFING IMPLICATIONS:** None  

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports all four district goals and is aligned to Core Initiative 4: Data-Driven Accountability.  

**THIS ITEM DOES NOT REQUIRE CONSULTATION.**  

**THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.**
RECOMMENDED: That the Board of Education authorizes the superintendent of schools or a designee to negotiate, execute, and amend a lease agreement with the City of Houston for the city park located adjacent to the former Buchanan Grimes ES, effective December 9, 2022.
EXECUTIVE SUMMARY
LEASE OF PROPERTY FOR CITY PARK ADJACENT TO THE
FORMER BUCHANAN GRIMES ELEMENTARY SCHOOL SITE

The Houston Independent School District (HISD) has had a lease agreement for more than 20 years with the City of Houston for the use of property adjacent to the former Buchanan Grimes Elementary School (ES) site for a city park.

- The former Grimes ES has been vacated by HISD and is unoccupied.
- The city constructed improvements on the adjacent property including a basketball pavilion and a lighted baseball field, thus providing a city park to be utilized by the community.
- The city has requested that the district renew this agreement for an additional five-year term.
- The current agreement expired on November 15, 2022.
- Approval of this lease agreement would allow the community and citizens of HISD to continue to use and enjoy this city park and would ensure that the site would continue to be maintained by the City of Houston.
- It would also be beneficial to HISD students in the area to access the public park improvements that would be made available to them through the use of this property.
- The new agreement would be for a term not to exceed five years, with either party having the right to terminate without cause or for convenience with written notice not to exceed 90 days to the other party. Rental would be $1 for the entire term.
SUBJECT: **APPROVAL OF VENDOR AWARDS FOR PURCHASES OVER $100,000 AND RATIFICATION OF VENDOR AWARDS FOR PURCHASES UNDER $100,000**

The purpose of this item is to authorize vendor awards for purchases over $100,000 and ratify vendor awards for purchases under $100,000. Pursuant to Board of Education policy, contracts for purchases over $100,000 are submitted to the Houston Independent School District (HISD) Board of Education for approval prior to the issuance of purchase orders and/or agreement letters. Procurement Services, authorized by board policy, enters into purchase agreements for bid projects less than $100,000, subject to ratification by the Board of Education.

When determining the successful bidder, consideration is given to the quality of the articles supplied, conformity with developed specifications, suitability to the requirements of the educational system, and delivery terms. All advertised bids are in compliance with minority- and woman-owned business enterprise procedures. All contracts are negotiated and executed with the supplier(s) providing the best overall value for the district.

The attachment reflects the names of successful bidders, the budgets to be charged, and a description of the items to be purchased. A copy of each tabulation is on file in Board Services.

**COST/FUNDING SOURCE(S):** Funds for these recommended actions will be necessary only one time.

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports all four district goals and is aligned to all five core initiatives of the district.

**THIS ITEM DOES NOT REQUIRE CONSULTATION.**

**THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.**

**RECOMMENDED:** That the Board of Education approves vendor awards for purchases over $100,000 and ratifies vendor awards for purchases under $100,000, effective December 9, 2022.
**Approval of Purchase Over $100,000**

**Recommended for 12/8/2022 Board Agenda**

<table>
<thead>
<tr>
<th>Project Information</th>
<th>21-06-05-A – RFP / College and Career Readiness Materials and Services – {Scherer} – {CAO}</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Description</strong></td>
<td>This project was originally approved by the Board of Education on May 12, 2022. The purpose of this supplemental project is to award additional vendors, with no additional increase in funding, to provide college and career readiness materials, services, software, and supplies. The district applied the Best Value process in selecting the vendors to be awarded in accordance with Chapter 44 of the Texas Education Code (TEC) and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).</td>
</tr>
<tr>
<td><strong>RFx’s Sent/Viewed/Received</strong></td>
<td>3965/189/35</td>
</tr>
<tr>
<td><strong>Project Term</strong></td>
<td>The project term is from December 9, 2022, through June 30, 2023, with four automatic annual renewals, not to extend beyond June 30, 2027.</td>
</tr>
<tr>
<td><strong>Amount not to Exceed (Project Term)</strong></td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th>Various-Schools and/or-Departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Center</td>
<td>Functional-Area</td>
</tr>
<tr>
<td>General-Ledger</td>
<td>I/O</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th>Cost Center</th>
<th>Functional-Area</th>
<th>General-Ledger</th>
<th>I/O</th>
</tr>
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</table>

**Recommended Vendor(s) for Approval**

<table>
<thead>
<tr>
<th>Name</th>
<th>M/WBE-Commitment</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBD</td>
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### Project Information

<table>
<thead>
<tr>
<th>Project Information</th>
<th>23-08-11 – RFP / Swimming Pool Services – (Bean) – (COO)</th>
</tr>
</thead>
</table>

### Project Description

The purpose of this project is to obtain swimming pool services districtwide. Based on annual appropriations, the projected expenditure is not to exceed $3,000,000 for the duration of the project. The district applied the Best Value process in selecting the vendors to be awarded in accordance with Chapter 44 of the Texas Education Code (TEC), Chapter 791 of the Government Code, and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).

### RFx’s Sent/Viewed/Received

<table>
<thead>
<tr>
<th>RFx’s Sent/Viewed/Received</th>
<th>277/14/2</th>
</tr>
</thead>
</table>

### Project Term

The project term is from December 9, 2022, through December 8, 2023, with four automatic annual renewals, not to extend beyond December 8, 2027.

### Amount not to Exceed (Project Term)

$3,000,000

### Budget Information

<table>
<thead>
<tr>
<th>Fund</th>
<th>Cost Center</th>
<th>Functional Area</th>
<th>General Ledger</th>
<th>I/O</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Various Schools and/or Departments</td>
<td></td>
<td>General Ledger</td>
<td>I/O</td>
</tr>
<tr>
<td>Fund</td>
<td>Cost Center</td>
<td>Functional Area</td>
<td>General Ledger</td>
<td>I/O</td>
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<tr>
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<td>Cost Center</td>
<td>Functional Area</td>
<td>General Ledger</td>
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</table>

### Recommended Vendor(s) for Approval

<table>
<thead>
<tr>
<th>Name</th>
<th>M/WBE Commitment</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweetwater Pools, Inc.</td>
<td>C-D</td>
<td>H</td>
</tr>
<tr>
<td>USA Management, LLC</td>
<td>B-25%</td>
<td>O</td>
</tr>
</tbody>
</table>
### Project Information

| Project Information | 23-08-16 – RFP / Golf and Utility Cart Purchase, Rental, and Related Services – (Garza) – (CAO) |

### Project Description

The purpose of this project is to obtain new and used golf and utility carts for purchase, rental, parts, and services districtwide. Based on annual appropriations, the projected expenditure is not to exceed $750,000 $200,000 for the duration of the project. The district applied the Best Value process in selecting the vendors to be awarded in accordance with Chapter 44 of the Texas Education Code (TEC) and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).

### RFx's Sent/Viewed/Received

307/14/2

### Project Term

The project term is from December 9, 2022, through December 8, 2023, with four automatic annual renewals, not to extend beyond December 8, 2027.

### Amount not to Exceed (Project Term)

$200,000

### Budget Information

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<th>General Ledger</th>
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<th>Fund</th>
<th>Cost Center</th>
<th>Functional Area</th>
<th>General Ledger</th>
<th>I/O</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Various Schools and/or Departments</td>
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<td></td>
<td></td>
<td></td>
<td>General Ledger</td>
<td>I/O</td>
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</tr>
<tr>
<td></td>
<td>Fund</td>
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<td></td>
<td>Function Area</td>
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</table>

### Recommended Vendor(s) for Approval

<table>
<thead>
<tr>
<th>Name</th>
<th>M/WBE Commitment</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golf Cars of Houston, LP dba South Houston Golf Carts, Mile High Golf Carts, Golf Cars of Houston-Superstore, Fore Wheeler Golf Car</td>
<td>C-D</td>
<td>H</td>
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</tbody>
</table>
Approval of Cooperative Purchase Over $100,000
Recommended for 12/8/2022 Board Agenda

<table>
<thead>
<tr>
<th>Project Information</th>
<th>22-06-06-01 – Cooperative / Playground Equipment, Installation, Maintenance, and Repairs – (Miller) – (COO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Description</td>
<td>The purpose of this cooperative project is to obtain playground equipment, installation, maintenance, and repair services districtwide. Based on annual appropriations, the projected expenditure is not to exceed $2,500,000 for the duration of the project. This is a cooperative agreement with BuyBoard utilizing cooperative project number 679-22 in accordance with Chapter 44 of the Texas Education Code (TEC), Chapter 791 of the Government Code, and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).</td>
</tr>
<tr>
<td>RFx’s Sent/Viewed/Received</td>
<td>N/A</td>
</tr>
<tr>
<td>Project Term</td>
<td>The project term is from December 9, 2022, through September 30, 2023, with two automatic annual renewals, if BuyBoard executes its project renewal options, not to extend beyond September 30, 2025.</td>
</tr>
<tr>
<td>Amount not to Exceed (Project Term)</td>
<td>$2,500,000</td>
</tr>
</tbody>
</table>

| Budget Information |
|---------------------|---------------------|---------------------|
| Fund | Various Schools and/or Departments | Fund | Cost Center | Functional Area | General Ledger | I/O |
| Cost Center | Functional Area | General Ledger | I/O |
| General Ledger | I/O |

| Recommended Vendor(s) for Approval |
|-----------------|-----------------|-----------------|
| Name | M/WBE Commitment | Location |
| All Play, Inc. | N/A | H |
| Fun Abounds, Inc. | N/A | T |
| Kraftsman LP dba Kraftsman Commercial Playgrounds & Water Parks | N/A | T |
| Lone Star Recreation of Texas, LLC | N/A | T |
| McKenna Contracting | N/A | T |
| PlayPower LT Farmington, Inc. | N/A | OT |
| Soil Express LTD | N/A | T |
| The LETCO Group, LLC dba Living Earth | N/A | T |
| The PlayWell Group, Inc. | N/A | T |
Approval of Cooperative Purchase Over $100,000  
Recommended for 12/8/2022 Board Agenda

<table>
<thead>
<tr>
<th>Project Information</th>
<th>22-06-15-01 – Cooperative / Correctional and Detention Equipment &amp; Supplies – (Diaz) – (COP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Description</td>
<td>The purpose of this project is to service and obtain security equipment for the police department and various units within the district. Based on annual appropriations, the projected expenditure is not to exceed $150,000 for the duration of the project. This is a cooperative agreement with BuyBoard utilizing cooperative project number 669-22 in accordance with Chapter 44 of the Texas Education Code (TEC), Chapter 791 of the Government Code, and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).</td>
</tr>
<tr>
<td>RFx’s Sent/Viewed/Received</td>
<td>N/A</td>
</tr>
<tr>
<td>Project Term</td>
<td>The project term is from December 9, 2022, through May 31, 2023, with two automatic annual renewals, if BuyBoard executes its project renewal options, not to extend beyond May 31, 2025.</td>
</tr>
<tr>
<td>Amount not to Exceed (Project Term)</td>
<td>$150,000</td>
</tr>
</tbody>
</table>

**Budget Information**

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<th>Fund</th>
<th>Cost Center</th>
<th>Functional Area</th>
<th>General Ledger</th>
<th>I/O</th>
<th>Fund</th>
<th>Cost Center</th>
<th>Functional Area</th>
<th>General Ledger</th>
<th>I/O</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Various Schools and/or Departments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Recommended Vendor(s) for Approval**

<table>
<thead>
<tr>
<th>Name</th>
<th>M/WBE Commitment</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEIA USA, LTD</td>
<td>N/A</td>
<td>O</td>
</tr>
</tbody>
</table>
Approval of Cooperative Purchase Over $100,000
Recommended for 12/8/2022 Board Agenda

<table>
<thead>
<tr>
<th>Project Information</th>
<th>23-10-13-04 – Cooperative / Amazon Business Services – (Young) – (CFO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Description</td>
<td>The purpose of this cooperative project is to obtain products directly from Amazon Business. Based on annual appropriations, the projected expenditure is not to exceed $100,000,000 for the duration of the project. This is a cooperative agreement with Choice Partners utilizing cooperative project number 22/045KN-01 in accordance with Chapter 44 of the Texas Education Code (TEC), Chapter 791 of the Government Code, and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).</td>
</tr>
<tr>
<td>RFx's Sent/Viewed/Received</td>
<td>N/A</td>
</tr>
<tr>
<td>Project Term</td>
<td>The project term is from December 9, 2022, through August 16, 2023, with four automatic annual renewals, if Choice Partners executes its project renewal options, not to extend beyond August 16, 2027.</td>
</tr>
<tr>
<td>Amount not to Exceed (Project Term)</td>
<td>$100,000,000</td>
</tr>
</tbody>
</table>

| Budget Information |
|---------------------|-----------------|-----------------|
| Fund               | Various Schools and/or Departments |
| Cost Center        | Cost Center |
| Functional Area    | Functional Area |
| General Ledger     | General Ledger |
| I/O                | I/O |
| Fund               | Various Schools and/or Departments |
| Cost Center        | Cost Center |
| Functional Area    | Functional Area |
| General Ledger     | General Ledger |
| I/O                | I/O |

<table>
<thead>
<tr>
<th>Recommended Vendor(s) for Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
<tr>
<td>Amazon.com Services, LLC dba Amazon Business Amazon.com Sales, Inc. dba Amazon.com Services, LLC</td>
</tr>
</tbody>
</table>
Amendment to Item Approved on a Prior Board Agenda
Recommended for 12/8/2022 Board Agenda

Project Information

19-08-16 – REP / Board Certified Behavior Analyst and Behavior Specialist Services – (Gabino) – (CAO) – NTE Increase

Project Description

This project was originally approved by the Board of Education on November 8, 2018. On November 12, 2020, and May 12, 2022, an amendment to request an increase to the spending limit authorization was approved. The purpose of this project amendment is to request an increase to the spending limit authorization, and ratification of expenditures beginning TBD, in order to obtain behavior consultation and coaching in selected special education classrooms along with strategies and techniques that will assist staff with controlling and diminishing inappropriate behavior. Based on annual appropriations, the projected expenditure is not to exceed TBD for the duration of the project. The district applied the Best Value process in selecting the vendor to be awarded in accordance with Chapter 44 of the Texas Education Code (TEC) and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).

RFx’s Sent/Viewed/Received

N/A

Project Term

The project term is from November 9, 2018, through November 8, 2019, with four automatic annual renewals, not to extend beyond November 8, 2023.

Amount not to Exceed (Project Term)

TBD

Budget Information

<table>
<thead>
<tr>
<th>Fund</th>
<th>Various Schools and/or Departments</th>
<th>Fund</th>
<th>Cost Center</th>
<th>Functional Area</th>
<th>General Ledger</th>
<th>I/O</th>
<th>Fund</th>
<th>Cost Center</th>
<th>Functional Area</th>
<th>General Ledger</th>
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</tr>
</thead>
</table>

Recommended Vendor(s) for Approval

<table>
<thead>
<tr>
<th>Name</th>
<th>M/WBE Commitment</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBS Healthcare, LLC dba EBS – Educational Based Services</td>
<td>C-D</td>
<td>OT</td>
</tr>
<tr>
<td>Invo Healthcare Associates, LLC</td>
<td>B-25%</td>
<td>O</td>
</tr>
<tr>
<td>Maxim Healthcare Services Holdings, Inc. dba Maxim Healthcare Staffing Services, Inc.</td>
<td>C-1%</td>
<td>O</td>
</tr>
<tr>
<td>New Direction Solutions, LLC dba Bilingual Therapies</td>
<td>B-25%</td>
<td>O</td>
</tr>
</tbody>
</table>
### Amendment to Item Approved on a Prior Board Agenda

**Recommended for 12/8/2022 Board Agenda**

<table>
<thead>
<tr>
<th>Project Information</th>
<th>17-05-29 – RFP / Rental of Extracurricular Charter &amp; School Bus Services – (James) – (COO) – Term Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Description</td>
<td>This project was originally approved by the Board of Education on November 9, 2017. On November 12, 2020, an amendment to request an increase to the spending limit authorization was approved. The purpose of this project amendment is to request a term extension, with no additional increase in funding, to obtain transportation services for students and district staff on an as-needed basis. The district applied the Best Value process in selecting the vendors to be awarded in accordance with Chapter 44 of the Texas Education Code (TEC) and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).</td>
</tr>
<tr>
<td>RFx’s Sent/Viewed/Received</td>
<td>N/A</td>
</tr>
<tr>
<td>Project Term</td>
<td>The project term is from November 10, 2017, through November 9, 2018, with four automatic annual renewals, not to extend beyond March 14, 2023.</td>
</tr>
<tr>
<td>Amount not to Exceed (Project Term)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Budget Information

<table>
<thead>
<tr>
<th>Fund</th>
<th>Cost Center</th>
<th>Functional Area</th>
<th>General Ledger</th>
<th>I/O</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various Schools and/or Departments</td>
<td>Cost Center</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>General Ledger</td>
<td></td>
</tr>
</tbody>
</table>

### Recommended Vendor(s) for Approval

<table>
<thead>
<tr>
<th>Name</th>
<th>M/WBE Commitment</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBJ Inc., dba AFC Transportation</td>
<td>B-28%</td>
<td>H</td>
</tr>
<tr>
<td>Huerta Bus Service</td>
<td>A-100%</td>
<td>H</td>
</tr>
<tr>
<td>Kerrville Bus dba Coach USA</td>
<td>C-D</td>
<td>H</td>
</tr>
<tr>
<td>Royal Carriages Limousine, Inc.</td>
<td>C-10%</td>
<td>H</td>
</tr>
<tr>
<td>Sam’s Limousine &amp; Transportation, Inc.</td>
<td>A-100%</td>
<td>H</td>
</tr>
</tbody>
</table>
Amendment to Item Approved on a Prior Board Agenda
Recommended for 12/8/2022 Board Agenda

<table>
<thead>
<tr>
<th>Project Information</th>
<th>16-10-46 – RFP / Enrichment Services – (Contreras) – (CAO) – Vendor Name Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Description</td>
<td>This project was originally approved by the Board of Education on October 12, 2017. On December 14, 2017, and March 8, 2018, an amendment to add an additional vendor was approved. On November 11, 2019, an amendment to change the name of an awarded vendor was approved. On June 10, 2021, an amendment to extend the project term was approved. The purpose of this project amendment is to change the name of an awarded vendor, with no additional increase in funding, to enrich student development through various activities including activity sessions, student internships, and demonstrations. CSCRM, Inc. dba JumpBunch, has changed its business name to Elisabeth Katz Morris EKM Activities, LLC dba Jump Bunch Houston. The district applied the Best Value process in selecting the vendors to be awarded in accordance with Chapter 44 of the Texas Education Code (TEC) and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).</td>
</tr>
<tr>
<td>RFx’s Sent/Viewed/Received</td>
<td>N/A</td>
</tr>
<tr>
<td>Project Term</td>
<td>The project term is from October 12, 2017, through October 12, 2020, with two automatic annual renewals, not to extend beyond January 12, 2023.</td>
</tr>
<tr>
<td>Amount not to Exceed (Project Term)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th>Various Schools and/or Departments</th>
<th>Cost Center</th>
<th>Functional Area</th>
<th>General Ledger</th>
<th>I/O</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>Cost Center</td>
<td>Functional Area</td>
<td>General Ledger</td>
<td>I/O</td>
<td></td>
</tr>
<tr>
<td>Fund</td>
<td>Cost Center</td>
<td>Functional Area</td>
<td>General Ledger</td>
<td>I/O</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recommended Vendor(s) for Approval</th>
<th>M/WBE Commitment</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elisabeth Katz Morris EKM Activities, LLC dba Jump Bunch Houston</td>
<td>A-100%</td>
<td>H</td>
</tr>
</tbody>
</table>
### Project Information
20-09-02-01 – Cooperative / Vehicles, Heavy-Duty Trucks, Accessories, Parts, and Repair Services – (Garcia) – (COO) – Vendor Name Change

### Project Description
This project was originally approved by the Board of Education on February 13, 2020. On January 14, 2021, an amendment to correct the project term and award additional vendors was approved. On February 11, 2021, and March 11, 2021, amendments to change the name of awarded vendors were approved. On October 13, 2022, an amendment for a term extension and to request an increase to the spending limit authorization was approved. The purpose of this project amendment is to change the name of an awarded vendor, with no additional increase in funding, to obtain various vehicles, heavy-duty trucks, accessories, parts, and repair services. Cowboy Motor Co., LC dba Moore Chrysler Dodge Jeep Ram has changed its business name to Donalson CDJR, LLC. This is a cooperative agreement with BuyBoard utilizing cooperative project number 601-19 in accordance with Chapter 44 of the Texas Education Code (TEC), Chapter 791 of the Government Code, and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).

### RFx’s Sent/Viewed/Received
N/A

### Project Term
The project term is from January 15, 2021, through November 30, 2021, with two automatic annual renewals, if BuyBoard executes its project renewal options, not to extend beyond November 30, 2023.

### Amount not to Exceed (Project Term)
N/A

### Budget Information

<table>
<thead>
<tr>
<th>Fund</th>
<th>Cost Center</th>
<th>Functional Area</th>
<th>General Ledger</th>
<th>I/O</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>Cost Center</td>
<td>Functional Area</td>
<td>General Ledger</td>
<td>I/O</td>
</tr>
<tr>
<td>1993000000</td>
<td>1040810101</td>
<td>AD3499000000000000</td>
<td>6319000000</td>
<td></td>
</tr>
<tr>
<td>1993000000</td>
<td>1040810101</td>
<td>AD3499000000000000</td>
<td>6319000000</td>
<td>I/O</td>
</tr>
<tr>
<td>Various Schools and/or Departments</td>
<td>Fund</td>
<td>Cost Center</td>
<td>AD3499000000000000</td>
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<tr>
<td>Fund</td>
<td>Cost Center</td>
<td>Functional Area</td>
<td>General Ledger</td>
<td>I/O</td>
</tr>
<tr>
<td>1993000000</td>
<td>1040810101</td>
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</tbody>
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### Recommended Vendor(s) for Approval

<table>
<thead>
<tr>
<th>Name</th>
<th>M/WBE Commitment</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donalson CDJR, LLC</td>
<td>N/A</td>
<td>T</td>
</tr>
</tbody>
</table>
Amendment to Item Approved on a Prior Board Agenda  
Recommended for 12/8/2022 Board Agenda

<table>
<thead>
<tr>
<th>Project Information</th>
<th>21-06-03 – RFP / Student Services, Enrichment Tutorials, Mentoring Services, and Alcohol and Drug Counseling – (Contreras) – (CAO) – Vendor Name Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Description</td>
<td>This project was originally approved by the Board of Education on May 12, 2022. The purpose of this project amendment is to change the name of an awarded vendor, with no additional increase in funding, to obtain contracted services in the following areas: enrichment, mentoring, and student tutorial instruction in reading, math, English/language arts, social studies, and science that is designed to increase the progress and academic achievement of students, including English Language Learners (ELL) and Special Education students. CSCRM, Inc. dba JumpBunch, has changed its business name to Elisabeth Katz Morris EKM Activities, LLC dba Jump Bunch Houston. The district applied the Best Value process in selecting the vendors to be awarded in accordance with Chapter 44 of the Texas Education Code (TEC) and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).</td>
</tr>
<tr>
<td>RFx's Sent/Viewed/Received</td>
<td>N/A</td>
</tr>
<tr>
<td>Project Term</td>
<td>The project term is from July 1, 2022, through June 30, 2023, with four automatic annual renewals, not to extend beyond June 30, 2027.</td>
</tr>
<tr>
<td>Amount not to Exceed (Project Term)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Budget Information

<table>
<thead>
<tr>
<th>Fund</th>
<th>Cost Center</th>
<th>Functional Area</th>
<th>General Ledger</th>
<th>I/O</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Various Schools and/or Departments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Recommended Vendor(s) for Approval

<table>
<thead>
<tr>
<th>Name</th>
<th>M/WBE Commitment</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elisabeth Katz Morris EKM Activities, LLC dba Jump Bunch Houston</td>
<td>A-100%</td>
<td>H</td>
</tr>
</tbody>
</table>
Code Legend

**M/WBE - Minority and Women Business Enterprise Notations**

(A) Certified M/WBE firm; if listed as A-100% indicates an M/WBE firm; if listed as A->100% the awardee will subcontract with an M/WBE firm(s).

(B) Non-M/WBE firm; who will subcontract the indicated percentage with an M/WBE firm(s) to meet or exceed the District’s goal.

(C) Non-M/WBE firm; if listed as C-%, the awardee will subcontract with an M/WBE firm(s) for a percentage less than the District’s goal. If listed as C-D, the awardee made a good faith effort.

**Other Status Options**

(NP-0%) - Non-profit

**LOC – Location**

Houston (H); Texas (T); Out of State (O); Out of State with Local Office (OT).
Office of the Superintendent of Schools  
Board of Education Meeting of December 8, 2022  

Office of Finance  
Glenn Reed, Chief Financial Officer  

SUBJECT: **APPROVAL OF CURRENT AND ANTICIPATED DONATIONS FOR DISTRICTWIDE AND SCHOOL-SPECIFIC PROGRAMS AND AUTHORIZATION TO NEGOTIATE, EXECUTE, AND AMEND NECESSARY CONTRACTS ASSOCIATED WITH THESE DONATIONS**  

In accordance with board policy, all donations in aggregate of $5,000 or more must be approved by the Houston Independent School District Board of Education.  

The attachment reflects a summary of proposed donations.  

**COST/FUNDING SOURCE(S):** Shown on the attached list.  
**STAFFING IMPLICATIONS:** None  
**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports all four district goals and is aligned to Core Initiative 3: Rigorous Instructional Standards and Supports.  

THIS ITEM DOES NOT REQUIRE CONSULTATION.  

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.  

RECOMMENDED: That the Board of Education approves the proposed donations for districtwide and school-specific programs and authorizes the superintendent or a designee to negotiate, execute, and amend necessary contracts, effective December 9, 2022.
SUMMARY OF DONATIONS GREATER THAN $5,000

<table>
<thead>
<tr>
<th>Donor</th>
<th>Receiving School/ Department</th>
<th>Donation Disbursement</th>
<th>Total Value of Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbara Bush Houston Literacy Foundation</td>
<td>See list</td>
<td>My Home Library Books</td>
<td>$251,070.00 In-Kind</td>
</tr>
</tbody>
</table>

The Barbara Bush Houston Literacy Foundation has made an in-kind donation valued at $251,070.00 to twenty schools benefitting early childhood, kindergarten, and elementary grade students. The purpose of this donation is to provide students with books from the foundation's My Home Library Program to improve family literacy. This donation may only be used for the purpose intended.

<table>
<thead>
<tr>
<th>School Name</th>
<th>Students</th>
<th>Donation</th>
<th>School Name</th>
<th>Students</th>
<th>Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bastian Elementary School (ES)</td>
<td>643</td>
<td>$19,290</td>
<td>Gallegos ES</td>
<td>397</td>
<td>$11,910</td>
</tr>
<tr>
<td>Bellfort Early Childhood Center (ECC)</td>
<td>367</td>
<td>$11,010</td>
<td>Gregory-Lincoln</td>
<td>581</td>
<td>$17,430</td>
</tr>
<tr>
<td>Blackshear ES</td>
<td>302</td>
<td>$9,060</td>
<td>Highland-Heights ES</td>
<td>453</td>
<td>$13,590</td>
</tr>
<tr>
<td>Briscoe ES</td>
<td>192</td>
<td>$5,760</td>
<td>Lantrip ES</td>
<td>525</td>
<td>$15,750</td>
</tr>
<tr>
<td>Browning ES</td>
<td>400</td>
<td>$12,000</td>
<td>Lewis ES</td>
<td>738</td>
<td>$22,140</td>
</tr>
<tr>
<td>De Zavala ES</td>
<td>425</td>
<td>$12,750</td>
<td>Osborne ES</td>
<td>320</td>
<td>$9,600</td>
</tr>
<tr>
<td>Farias ECC</td>
<td>414</td>
<td>$12,420</td>
<td>Reynold ES</td>
<td>385</td>
<td>$11,550</td>
</tr>
<tr>
<td>Fonwood ECC</td>
<td>451</td>
<td>$13,530</td>
<td>Scarborough ES</td>
<td>644</td>
<td>$19,320</td>
</tr>
<tr>
<td>Foster ES</td>
<td>410</td>
<td>$12,300</td>
<td>Tijerina ES</td>
<td>346</td>
<td>$10,380</td>
</tr>
<tr>
<td>Franklin ES</td>
<td>291</td>
<td>$8,730</td>
<td>Wesley ES (PK-K only)</td>
<td>85</td>
<td>$2,550</td>
</tr>
</tbody>
</table>
### SUMMARY OF DONATIONS GREATER THAN $5,000

<table>
<thead>
<tr>
<th>Donor</th>
<th>Receiving School/ Department</th>
<th>Donation Disbursement</th>
<th>Total Value of Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombas</td>
<td>Sharpstown High School (HS), Sugar Grove Academy</td>
<td>Socks</td>
<td>$12,000.00 In-Kind</td>
</tr>
</tbody>
</table>

Bombas has made an in-kind donation of 3,000 pairs of socks to Sharpstown HS valued at $12,000.00. A portion of the donation will be distributed to Sugar Grove Academy as part of their community support to the feeder pattern campus. This donation may only be used for the purpose intended.

| Enrichment Services, Inc.   | School at St. George Place Elementary School (ES) | Technology            | $9,764.00               |

Enrichment Services, Inc., has donated $9,764.00 to the School at St. George Place ES. This donation will be used to purchase tablet charging carts for each classroom. This donation may only be used for the purpose intended.

| Feed the Children           | Homeless Education Office                     | Food and Hygiene Supplies | $20,402.30 In-Kind     |

Feed the Children has made an in-kind donation valued at $20,402.30 to the Homeless Education Office. The purpose of the donation is to provide food and hygiene supplies to the Homeless Education Office to be distributed to students and families in need of assistance. This donation may only be used for the purpose intended.
### SUMMARY OF DONATIONS GREATER THAN $5,000

<table>
<thead>
<tr>
<th>Donor</th>
<th>Receiving School/ Department</th>
<th>Donation Disbursement</th>
<th>Total Value of Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hess Corporation/Greater Houston Community Foundation (GHCF)</td>
<td>Energy Institute HS</td>
<td>Science, Technology, Engineering, and Math (STEM) Support</td>
<td>$118,450.00 In-Kind</td>
</tr>
</tbody>
</table>

The Hess Corporation/GHCF has made an in-kind donation to Energy Institute HS valued at $118,450.00 as part of the Hess Learning for Life Partnership Fund. The purpose of this donation is to provide STEM materials, tools, program support and outreach, transportation, professional development, teacher/staff/student support, appreciation/or incentives. The Hess Learning for Life Partnership Fund is a part of Mayor Sylvester Turner’s Complete Communities Initiative that will benefit 22 schools in the Third Ward, Magnolia, and Second Ward neighborhoods which includes Energy Institute HS. This donation may only be used for the purpose intended.

<table>
<thead>
<tr>
<th>Donor</th>
<th>Receiving School/ Department</th>
<th>Donation Disbursement</th>
<th>Total Value of Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>KHOU 11/TEGNA Foundation</td>
<td>Walnut Bend ES</td>
<td>Uniforms, Supplies and Materials</td>
<td>$11,000.00</td>
</tr>
</tbody>
</table>

The KHOU 11/TEGNA Foundation has donated $11,000.00 to their adopted school, Walnut Bend ES, for the 2022–2023 school year. The purpose of this donation is to purchase uniforms, supplies, and any other materials to benefit the students and teachers. This donation may only be used for the purpose intended.
# SUMMARY OF DONATIONS GREATER THAN $5,000

<table>
<thead>
<tr>
<th>Donor</th>
<th>Receiving School/Department</th>
<th>Donation Disbursement</th>
<th>Total Value of Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Football League (NFL) Foundation</td>
<td>Westbury HS</td>
<td>Scoreboard</td>
<td>$5,000.00</td>
</tr>
</tbody>
</table>

The NFL Foundation has donated $5,000.00 to Westbury HS as part of the foundation’s 2022 NFL Player Matching Youth Football Grant to Charles Sims, a member of the Westbury HS Alumni and former NFL football player. The intent of the donation is to be used toward the purchase of a scoreboard for Westbury HS. This donation may only be used for the purpose intended.

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Operation Warm Inc.</td>
<td>Eliot ES</td>
<td>Socks, Coats</td>
<td>$9,720.00 In-Kind</td>
</tr>
</tbody>
</table>

Operation Warm Inc. has made an in-kind donation of 108 pairs of shoes and 108 coats valued at $9,720.00 to Eliot ES. The purpose of this donation is to provide shoes and coats to students in need. This donation may only be used for the purpose intended.

<table>
<thead>
<tr>
<th>Donor</th>
<th>Receiving School/Department</th>
<th>Donation Disbursement</th>
<th>Total Value of Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vertical Raise Trust Act</td>
<td>Westbury HS</td>
<td>School’s Athletic Programs</td>
<td>$13,725.00</td>
</tr>
</tbody>
</table>

The Westbury HS Athletics Department held an online fundraising campaign through Vertical Raise Trust Act and raised a total of $13,725.00. The funds will be distributed among the cheerleaders ($372.00), boys’ athletics program ($7,389.00), and girls’ athletics program ($5,964.00). The funds will be used at the discretion of the school’s Athletics Department for the betterment of the department’s programs. This donation may only be used for the purpose intended.
### SUMMARY OF DONATIONS GREATER THAN $5,000

<table>
<thead>
<tr>
<th>Donor</th>
<th>Receiving School/ Department</th>
<th>Donation Disbursement</th>
<th>Total Value of Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port of Houston Authority</td>
<td>Navarro Middle School (MS)</td>
<td>Supplies and Materials</td>
<td>$5,000.00</td>
</tr>
</tbody>
</table>

The Port of Houston Authority has donated $5,000 to Navarro MS. The purpose of the donation is to assist the campus with promoting maritime and marine STEM educational and career opportunities. The funds will be used to purchase supplies and instructional materials to implement the program. This donation may only be used for the purpose intended.

<table>
<thead>
<tr>
<th>Donor</th>
<th>Receiving School/ Department</th>
<th>Donation Disbursement</th>
<th>Total Value of Donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snap Mobile, Inc.</td>
<td>Heights HS</td>
<td>Other Operating Cost</td>
<td>$13,449.50</td>
</tr>
</tbody>
</table>

Snap Mobile, Inc., has donated $13,449.50 to Heights HS. The purpose of this gift is to pay for the school’s marching band trip to Chicago, Illinois. This donation may only be used for the purpose intended.

**Total Value of Donations:** $451,131.30 $469,580.80
SUBJECT: ACCEPTANCE OF GRANT FUNDS IN SUPPORT OF DISTRICTWIDE AND SCHOOL-SPECIFIC PROGRAMS AND AUTHORIZATION TO NEGOTIATE AND EXECUTE CONTRACTS REQUIRED UNDER THE GRANTS

In accordance with board policy, all grant funds in aggregate of $5,000 or more must be approved by the Houston Independent School District (HISD) Board of Education.

The attachment reflects a summary of grants awarded to HISD.

COST/FUNDING SOURCE(S): Shown on the attached list.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals and is aligned to Core Initiative 3: Rigorous Instructional Standards and Supports.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education accepts the proposed grant funds for districtwide and school-specific programs and authorizes the superintendent of schools or designee to negotiate and execute contracts required under the grants, effective December 9, 2022.
### SUMMARY OF GRANTS GREATER THAN $5,000

<table>
<thead>
<tr>
<th>Grantor</th>
<th>Receiving School/ Department</th>
<th>Grant Disbursement</th>
<th>Total Value of Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas Education Agency (TEA)</td>
<td>Office of Special Education Services</td>
<td>Payroll, Professional Development, Supplies and Materials</td>
<td>$49,600.00</td>
</tr>
</tbody>
</table>

The TEA has awarded the district a 2022–2023 Dyslexia Funding Support Grant in the amount of $49,600.00. This project originated from a need for remote dyslexia intervention to be provided to students during at-home learning due to the COVID-19 pandemic. The need for a statewide digital dyslexia intervention platform has decreased with the return to normal school operations. However, local education agencies (LEAs) that participated in the Amplio dyslexia intervention platform during the 2020–2021 school year and/or planned for use in the 2022–2023 school year will receive funding to offset the loss of the previously free statewide platform. As an eligible LEA, the district will use this funding to provide training or curriculum costs necessary to transition students to paper-based implementation of Esperanza, training or curriculum costs for other dyslexia intervention products, and extra duty pay for teachers that directly provide services for students with dyslexia. The grant funds can only be used for the purpose intended.

| National Endowment for the Arts (NEA)| Fine Arts Department | Arts Project Program | $40,000.00           |

The NEA has awarded a grant in the amount of $40,000.00 to the HISD Fine Arts Department. The purpose of this grant is to support a world dance program for students and to launch a series of collaborative dance classes, workshops, intensives, professional development, mentoring opportunities, performances, projects, and events. Through these dance events, students, teachers, and community artists will be able to recognize, unite, and celebrate different world cultures and heritages, as well as diversify current dance forms in a culturally responsible way. The project will culminate with a collaborative performance involving students, teachers, and arts organizations. The grant period is January 1, 2023, to December 31, 2024. The grant funds can only be used for the purpose intended.

**Total Value of Grants: $89,600.00**
SUBJECT: APPROVAL OF THE DECEMBER GENERAL FUND BUDGET AMENDMENT

A report on the status of the 2022–2023 budget has been completed. This report reflects budget amendments that require approval by the Houston Independent School District (HISD) Board of Education in accordance with state guidelines, as well as budget-neutral adjustments made by schools and departments for ratification by the board. Although this update reflects all known changes and recommendations, additional changes may be needed. This item requests authority to make adjustments, if necessary, for the December Budget Amendment.

General Fund:

Revenues: No change

Appropriations:

Budget neutral amendments are budget transfers between functions and do not impact the bottom-line district budget. The total for this column is zero.

Other Financing Sources (Uses): No change

COST/FUNDING SOURCE(S): Adjustments to the budget will be appropriated as shown in the December Budget Amendment.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This item supports all four district goals and is aligned to all five core initiatives. In addition, it allows HISD to fulfill its purposes and strategic intent.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.
RECOMMENDED: That the Board of Education approves the December Budget Amendment reflecting fiscal adjustments to estimated appropriations for fiscal year 2022–2023, effective December 9, 2022.
**General Fund:**

**Revenues:**

No Change

**Appropriations:**

Budget neutral amendments are budget transfers between functions and do not impact the bottom-line district budget. The total for this column is zero. Transfers are a result of position changes, supplies, contracted services, capital, and other operating expenses with varying reasons specific to each campus and department. Budget transfers included:

- Schools transferring funds from function 11 (Instruction) to function 23 (School Leadership) for position actions.
- Schools transferring funds from function 11 (Instruction) to function 36 (Co-Curricular/extracurricular activities) for buybacks and stipends.
- Schools transferring funds from function 11 (Instruction) to function 52 (Security and monitoring services) for extra pay/overtime support pay.
- Schools transferring funds from function 11 (Instruction) to function 53 (Data Processing) for position actions.
- Schools transferring funds from function 32 (Social Work Services) to function 11 (Instruction) for position actions.
- Schools transferring funds from function 32 (Social Work Services) to function 23 (School Leadership) for position actions.
- Departments transferring funds from function 11 (Instruction) to function 31 (Guidance, counseling, and evaluation services) for special education testing materials.
# HOUSTON INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF OPERATIONS BY FUNCTION

### GENERAL FUND

**BUDGET AMENDMENT FISCAL YEAR 2022-2023 (as adjusted)**

For December 31, 2022

### ESTIMATED REVENUES

| Source                           | 2021-2022 Adopted Budget | Budget Neutral Amendments
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As of November 30, 2022</td>
<td>As of December 31, 2022</td>
</tr>
<tr>
<td>Local sources</td>
<td>$ 1,900,655,772</td>
<td>$ 1,900,655,772</td>
</tr>
<tr>
<td>State sources</td>
<td>190,733,783</td>
<td>190,733,783</td>
</tr>
<tr>
<td>Federal sources</td>
<td>71,905,107</td>
<td>71,905,107</td>
</tr>
<tr>
<td><strong>Total estimated revenues</strong></td>
<td><strong>$ 2,163,294,662</strong></td>
<td><strong>$ 2,163,294,662</strong></td>
</tr>
</tbody>
</table>

### APPROPRIATIONS

- **11 Instruction** $1,149,772,623 (1,166,288,130)
- **12 Instructional resources and media services** 16,758,401 (17,926,934)
- **13 Curriculum and Instructional Staff Development** 36,198,801 (35,895,402)
- **21 Instructional leadership** 32,520,525 (27,249,523)
- **23 School leadership** 165,393,715 (168,022,876)
- **31 Guidance, counseling and evaluation services** 71,930,212 (73,365,442)
- **32 Social work services** 9,974,809 (10,796,472)
- **33 Health services** 25,434,809 (26,846,510)
- **34 Student transportation** 54,462,909 (55,983,856)
- **35 Food services** - -
- **36 Co-Curricular/extracurricular activities** 12,316,171 (14,090,446)
- **41 General administration** 47,841,669 (49,402,370)
- **51 Plant maintenance and operations** 215,192,846 (224,531,691)
- **52 Security and monitoring services** 30,294,544 (32,154,174)
- **53 Data processing services** 64,673,294 (82,833,941)
- **61 Community services** 1,946,674 (2,137,874)
- **71 Debt Service** -
- **81 Facilities acquisition and construction** - 760,191
- **91 Contracted Instructional Services Between Public Schools** 247,439,733 (247,439,733)
- **95 Juvenile justice alternative education programs** 792,000 (792,000)
- **97 Tax reinvestment zone payments** 68,625,372 (68,625,372)

**Total estimated appropriations** $2,267,677,919

### Excess (deficiency) of estimated revenues over (under) appropriations

<table>
<thead>
<tr>
<th>Procedure</th>
<th>2021-2022 Adopted Budget</th>
<th>Budget Neutral Amendments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from the sale of capital leases</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td><strong>$ 3,613,800</strong></td>
<td><strong>$ 3,613,800</strong></td>
</tr>
</tbody>
</table>

### OTHER FINANCING SOURCES (USES)

- **Net change before anticipated unspent funds** (100,769,457) (154,342,263)
- **Anticipated unspent funds** 70,000,000 70,000,000
- **Net Change** (30,769,457) (84,342,263)
- **Beginning Fund Balance July 1, 2022** 852,224,713 996,625,712
- **Projected Ending Fund Balance June 30, 2023** 821,455,256 842,283,449
- **Nonspendable Fund Balance** 20,562,375 20,562,375
- **Committed Fund Balance** 147,088,893 147,088,893
- **Assigned Fund Balance** 556,322,769 577,150,962

(1) Reflects liquidation of carryover encumbrances.
(2) Unspent funds at the end of 2022-2023 will flow into the assigned fund balance (Instructional Stabilization) or the unassigned fund balance.
## CAMPUS AND DEPARTMENT TRANSFERS BY FUNCTION

For December 31, 2022

<table>
<thead>
<tr>
<th>Function</th>
<th>Function Description</th>
<th>Budget Amendment</th>
<th>Campus Funds</th>
<th>Department Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Instruction</td>
<td>($1,252,998)</td>
<td>($1,125,998)</td>
<td>($127,000)</td>
</tr>
<tr>
<td>12</td>
<td>Instructional resources and media services</td>
<td>$7,815</td>
<td>$7,891</td>
<td>($76)</td>
</tr>
<tr>
<td>13</td>
<td>Curriculum and Instructional Staff Development</td>
<td>($8,550)</td>
<td>($24,850)</td>
<td>$16,300</td>
</tr>
<tr>
<td>21</td>
<td>Instructional leadership</td>
<td>($2,167)</td>
<td>$0</td>
<td>($2,167)</td>
</tr>
<tr>
<td>23</td>
<td>School leadership</td>
<td>$449,336</td>
<td>$449,336</td>
<td>$0</td>
</tr>
<tr>
<td>31</td>
<td>Guidance, counseling and evaluation services</td>
<td>$107,176</td>
<td>($11,900)</td>
<td>$119,076</td>
</tr>
<tr>
<td>32</td>
<td>Social work services</td>
<td>($91,858)</td>
<td>($101,858)</td>
<td>$10,000</td>
</tr>
<tr>
<td>33</td>
<td>Health services</td>
<td>$23,793</td>
<td>$23,793</td>
<td>$0</td>
</tr>
<tr>
<td>34</td>
<td>Student transportation</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>35</td>
<td>Food services</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>36</td>
<td>Co-Curricular/extracurricular activities</td>
<td>$643,398</td>
<td>$643,398</td>
<td>$0</td>
</tr>
<tr>
<td>41</td>
<td>General administration</td>
<td>$7,755</td>
<td>$0</td>
<td>$7,755</td>
</tr>
<tr>
<td>51</td>
<td>Plant maintenance and operations</td>
<td>$7,214</td>
<td>$21,102</td>
<td>($13,888)</td>
</tr>
<tr>
<td>52</td>
<td>Security and monitoring services</td>
<td>$41,968</td>
<td>$41,968</td>
<td>($0)</td>
</tr>
<tr>
<td>53</td>
<td>Data processing services</td>
<td>$50,486</td>
<td>$50,486</td>
<td>$0</td>
</tr>
<tr>
<td>61</td>
<td>Community services</td>
<td>($9,843)</td>
<td>$158</td>
<td>($10,001)</td>
</tr>
<tr>
<td>71</td>
<td>Debt Service</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>81</td>
<td>Facilities acquisition and construction</td>
<td>$26,475</td>
<td>$26,475</td>
<td>$0</td>
</tr>
</tbody>
</table>

Total: $(0)   $(0)   $(0)
SUBJECT:  **APPROVAL OF 2022 TAX ROLL**

At its meeting of October 13, 2022, the Houston Independent School District Board of Education adopted a tax rate of $1.0372 per $100 of taxable value for tax year 2022. On the basis of that tax rate, the Harris County Tax Office has calculated an initial tax roll levy of $2,188,137,419 based on taxable value of $210,965,813,720 prior to the age 65 and older and disabled persons' homestead frozen-levy loss calculations. The actual levy will be reduced by approximately $49,469,846 for levy loss due to those frozen-levy loss calculations. This levy includes certified appraisal roll values as of September 9, 2022, by the Harris County Appraisal District. The levy may also be subject to some increase as uncertified values are added to the roll, and to decrease due to settled value protests. This is submitted to the Board of Education for approval as the 2022 tax roll for the district pursuant to requirements of the Texas Property Tax Code.

A copy of the information from the Harris County Tax Office can be reviewed on the attachment and is on file in Board Services.

**COST/FUNDING SOURCE(S):** None

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports all four district goals and is aligned to Core Initiative 4: Data-Driven Accountability. It also supports the mission, vision, and beliefs of the district established by the Board of Education.

**THIS ITEM DOES NOT REQUIRE CONSULTATION.**

**THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.**

**RECOMMENDED:** That the Board of Education approves the 2022 Certified Appraisal Roll and 2022 Calculated Tax Roll as submitted, effective December 9, 2022.
**Executive Summary**

Approval of 2022 Tax Roll

<table>
<thead>
<tr>
<th><strong>Purpose:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 26.04 of the Texas Property Tax Code requires that the assessor for a taxing unit shall determine the total appraised value, the total assessed value, and the total taxable value of property taxable by the unit and submit the information to the taxing unit. Section 26.09 of the Texas Property Tax Code requires the tax assessor for a taxing unit to calculate the tax due a unit (Tax Levy) and submit the information to the governing body of the unit for approval.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Prerequisites:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The Harris County Appraisal District (HCAD) certified the appraisal roll to the taxing units on September 2, 2022. The Houston Independent School District (HISD) adopted its tax rate for tax year 2022 on October 13, 2022. The information was forwarded to HISD’s Tax Assessor-Collector Ann Harris Bennett, Harris County Tax Assessor-Collector. The Harris County Tax Office provides information to HISD regarding tax year 2022 as required under Texas Property Tax Code Sections 26.04 and 26.09.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Board Meeting Requirements:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The board approves the information provided by the Harris County Tax Assessor Collector for tax year 2022.</td>
</tr>
</tbody>
</table>
SUBJECT: APPROVAL OF ORDER EXPRESSING INTENT TO DEFEASE CERTAIN OF THE DISTRICT’S OUTSTANDING BONDS AND OTHER PROVISIONS RELATING THERETO

The Houston Independent School District (HISD) has previously issued its $148,850,000 Limited Tax Schoolhouse Bonds, Taxable Series 2009A-2 (Build America Bonds – Direct Payment to Issuer); $117,950,000 Limited Tax Schoolhouse Bonds, Taxable Series 2009A-3 (Build America Bonds – Direct Payment to Issuer); $114,615,000 Limited Tax Schoolhouse and Refunding Bonds, Series 2013A; $72,240,000 Limited Tax Refunding Bonds, Series 2013C; $590,455,000 Limited Tax Schoolhouse and Refunding Bonds, Series 2016A; and $616,655,000 Limited Tax Schoolhouse and Refunding Bonds, Series 2017.

The administration is recommending that up to $110,000,000 principal amount of such outstanding bonds be defeased no later than the district’s fiscal year ending June 30, 2023. Defeasance of such bonds will lower the district’s indebtedness in its portfolio. Approval of the attached order provides for the superintendent, chief financial officer, or controller to determine the aggregate principal amount of the bonds to be defeased and the timing of such defeasance.

The order approving the defeasance of up to $110,000,000 in principal amount of the outstanding bonds and other provisions relating thereto is attached.

COST/FUNDING SOURCE(S): All interest costs and debt-servicing costs are paid from the Debt Service Fund.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals and is aligned to Core Initiative 5: Culture of Trust through Action. The approval of this item ensures that HISD is in compliance with current statutory requirements.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.
RECOMMENDED: That the Board of Education approves the order expressing intent to defease certain of the district's outstanding bonds and other provisions relating thereto, effective December 9, 2022.
Executive Summary

**Purpose:**

The district anticipates it will have $110,000,000 available for a cash defeasance of outstanding bonds. The following bonds are outstanding and may be candidates for a cash defeasance if interest rates do not provide significant savings for a refunding or if debt planning warrants. Amounts indicate bonds outstanding to be considered for the defeasance.

- Limited Tax Schoolhouse Bonds, Taxable Series 2009A-2 Build America Bonds (BABs) in the amount of $148,850,000
- Limited Tax Schoolhouse Bonds, Taxable Series 2009A-3 BABs in the amount of $117,950,000
- Limited Tax Schoolhouse and Refunding Bonds, Series 2013A in the amount of $114,615,000
- Limited Tax Refunding Bonds, Series 2013C in the amount of $72,240,000
- Limited Tax Schoolhouse and Refunding Bonds, Series 2016A in the amount of $590,455,000
- Limited Tax Schoolhouse and Refunding Bonds, Series 2017 in the amount of $616,655,000

The administration is recommending the cash defeasance, at the discretion of the chief financial officer or controller, of up to $110,000,000 in par amount of all or part of such bonds. The purpose of this defeasance will be to reduce debt service costs and/or create capacity for future bond issues.

The agenda item and order grant authority to certain officers of the district to take the actions necessary in the course of defeasing the bonds.

Items I-6 through I-9 are related items which provide the district with the flexibility needed to execute both the budgeted, FY 2022-23 debt activity and capture potential savings by refinancing current bonds outstanding, while remaining within the current I&S Tax Rate adopted by the Board of Education on October 13, 2022.

**Prerequisites:**

Outstanding bonds are chosen to a maximum amount of $110,000,000 for defeasance purposes.

**Board Meeting Requirements:**

The Board of Education approves the order authorizing the cash defeasance of up to $110,000,000 in principal amount of the aforementioned bonds.
CERTIFICATE FOR ORDER

STATE OF TEXAS §
COUNTY OF HARRIS §
HOUSTON INDEPENDENT SCHOOL DISTRICT §

The undersigned officers of the Board of Education (the “Board”) of the Houston Independent School District (the “District”), hereby certify as follows:

1. The Board of the District convened in regular meeting on December 8, 2022, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

   Judith Cruz, President
   Elizabeth Santos, First Vice President
   Kathy Blueford-Daniels, Second Vice President
   Sue Deigaard, Secretary
   Myrna Guidry, Esq., Assistant Secretary
   Dani Hernandez, Member
   Dr. Patricia K. Allen, Member
   Kendall Baker, Member
   Bridget Wade, Member

   and all of such persons were present except ________________, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting:

   ORDER EXPRESSING INTENT TO DEFEASE CERTAIN OF THE DISTRICT’S OUTSTANDING BONDS; AND APPROVING OTHER PROVISIONS REALTING THERETO

   was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be passed; and, after due discussion, such motion, carrying with it the passage of such Order, prevailed and carried by the following vote:

   AYES __       NOES __           ABSTENTIONS __

   2. That a true, full and correct copy of such Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that such Order has been duly recorded in such Board’s minutes of such meeting; that the above and foregoing paragraph is a true, full and correct excerpt from such Board’s minutes of such meeting pertaining to the passage of such Order; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each
of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place and purpose of such meeting, and that such Order would be introduced and considered for passage at such meeting, and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; and that such meeting was open to the public, and public notice of the time, place and purpose of such meeting was given all as required by Chapter 551, Texas Government Code, as amended.
SIGNED AND SEALED this, ______________________2022.

________________________________________
Manager, Board Services
Houston Independent School District

(SEAL)
ORDER EXPRESSING INTENT TO
DEFEASE CERTAIN OF THE DISTRICT’S OUTSTANDING BONDS; AND
APPROVING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Houston Independent School District (the “District”) has duly issued and has
outstanding the following bonds that could potentially be defeased by the District in fiscal year
(Build America Bonds – Direct Payment to Issuer), $117,950,000 Limited Tax Schoolhouse
Bonds, Taxable Series 2009A-3 (Build America Bonds – Direct Payment to Issuer), $114,615,000
Limited Tax Schoolhouse and Refunding Bonds, Series 2013A, $72,240,000 Limited Tax
Refunding Bonds, Series 2013C, $590,455,000 Limited Tax Schoolhouse and Refunding Bonds,
Series 2016A and $616,655,000 Limited Tax Schoolhouse and Refunding Bonds, Series 2017
(collectively, the “Outstanding Bonds”); and

WHEREAS, the Board of Education (the “Board”) of the District desires to express its present
intent to defease up to approximately $110,000,000 in aggregate principal amount of such
Outstanding Bonds in the District’s fiscal year ending June 30, 2023.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF EDUCATION OF THE
HOUSTON INDEPENDENT SCHOOL DISTRICT THAT:

Section 1. The Board declares its present intent to defease up to approximately $110,000,000
in aggregate principal amount of such Outstanding Bonds in the District’s fiscal year ending June
30, 2023. The Board hereby directs the Superintendent and any other employees and agents of the
District to identify potential bonds of the Outstanding Bonds recommended to be defeased as
contemplated by this Order. Notwithstanding the foregoing, the District reserves the right to not
defease any of the Outstanding Bonds upon a determination by the Authorized Representative (as
defined below) that the funds of the District intended for such purpose could be better utilized for
(i) the payment of debt service on any outstanding bonds or limited tax bonds to be issued, (ii) the
contribution to any refunding of any outstanding bonds or (iii) the reduction of future interest and
sinking fund tax levies of the District.

Section 2. (a) The Board hereby determines that the discharge and defeasance of up to
approximately $110,000,000 in aggregate principal amount of the Outstanding Bonds may be
effectuated in any legal manner including by cash defeasance by the deposit of funds with the
paying agent for the Outstanding Bonds and/or pursuant to the terms and provisions of an Escrow
Agreement to be entered into by and between the District and The Bank of New York Mellon Trust
Company, N.A., as Escrow Agent. The Escrow Agreement, if utilized, shall be in a form similar
to such agreements previously utilized by the District for its bond refundings and/or defeasances.
The President, Vice President, or Secretary of the Board, the Superintendent, the District’s Chief
Financial Officer and the District’s Controller (each, an “Authorized Representative”) are each
hereby authorized to execute and deliver the Escrow Agreement, for and on behalf of the District
and as the act and deed of this Board; and such Escrow Agreement as executed by said officials
shall be deemed approved by the Board and constitute the Escrow Agreement herein approved.
(b) Furthermore, the Authorized Representative and the District’s Financial Advisor and Bond Counsel, in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the deposit of cash and/or the purchase of any securities referenced in the Escrow Agreement and the delivery thereof to the Escrow Agent funds to be deposited to the credit of certain of the Outstanding Bonds (the “Escrow Fund”), including the execution of subscription forms or agreements, if any, for the purchase of eligible securities for investment of amounts deposited to the Escrow Fund; all as contemplated and provided by the provisions of Chapter 1207, as amended, Texas Government Code, this Order, and the Escrow Agreement.

(c) The Authorized Representative is authorized to appoint a verification agent (the “Verification Agent”) to verify the sufficiency of the deposit to the Escrow Fund to accomplish the defeasance of the Outstanding Bonds, to the extent such appointment is necessary or desired and in the event of the establishment of a net defeasance escrow fund; provided, however, that in the event of a gross defeasance of the Outstanding Bonds, the sufficiency of the deposit to the Escrow Fund to accomplish such defeasance may be certified to the District by the District’s Financial Advisor or another qualified financial institution in lieu of verification by the Verification Agent.

Section 3. The President, Vice President, and Secretary of the Board are authorized to evidence adoption of this Order and, together with the Superintendent, the District’s Chief Financial Officer and the District’s Controller execute and deliver such agreements, certificates, notices, letters and other instruments as any such official shall deem necessary, appropriate or convenient to effect the defeasance and redemption described herein and otherwise give effect to the intent and purpose hereof.
PASSED AND APPROVED this ___day of December 2022.

President, Board of Education
Houston Independent School District

Secretary, Board of Education
Houston Independent School District
SUBJECT: APPROVAL OF ORDER AUTHORIZING THE ISSUANCE OF
HOUSTON INDEPENDENT SCHOOL DISTRICT LIMITED TAX
REFUNDING BONDS, AS TERM RATE BONDS OR FIXED RATE
BONDS, IN ONE OR MORE SERIES; SETTING CERTAIN
PARAMETERS FOR THE BONDS; AUTHORIZING A PRICING
OFFICER TO APPROVE THE AMOUNT, THE INTEREST RATE, PRICE,
INCLUDING THE TERMS THEREOF; AND AUTHORIZING CERTAIN
OTHER PROCEDURES AND PROVISIONS RELATED THERETO

The Houston Independent School District (HISD) currently has certain bonds outstanding that may be refunded for debt service savings at the option of the district. Those bonds include Limited Tax Schoolhouse Bonds, Taxable Series 2009A-2 Build America Bonds (BABs) in the amount of $148,850,000; Limited Tax Schoolhouse Bonds, Taxable Series 2009A-3 BABs in the amount of $117,950,000; Variable Rate Limited Tax Refunding Bonds, Series 2012 in the amount of $37,115,000; Limited Tax Schoolhouse and Refunding Bonds, Series 2013A in the amount of $109,510,000; Limited Tax Refunding Bonds, Series 2013C in the amount of $72,240,000; and Variable Rate Limited Tax Schoolhouse Bonds 2014A-1B in the amount of $82,105,000. The administration is recommending the current refunding of all or part of such outstanding bonds to take advantage of lower interest rates and generate savings for the district. The final amount to be refunded will be based upon pre-determined savings thresholds and market conditions at the time of sale.

The bonds will be sold as fixed rate bonds or term rate bonds via a negotiated sales process. This agenda item authorizes the superintendent, chief financial officer, or controller to select the underwriting team which will assist with the sale of the bonds.

The district will work with a financial advisor to determine a schedule for the bond marketing and sale. Given the turbulence in the current debt market, it may be necessary to sell the bonds on a day and at a time when the Board of Education is not scheduled to meet. The administration is asking for approval to sell the bonds for the purpose of refunding some or all of the outstanding bonds subject to the following parameters:

1. The aggregate principal amount of refunding bonds to be issued will not exceed $567,770,000;
2. The net effective interest rate of the refunding bonds shall not exceed 6 percent;
3. The net present value savings shall be greater than 2 percent of the par amount of the refunded bonds if the refunding bonds are issued as fixed rate bonds;
4. Any refunding of the refunded bonds by the issuance of term rate bonds will not be subject to a net present value savings calculation; and
5. The final maturity date of the refunding bonds will not exceed the final maturity date of the refunded bonds.

The administration is recommending that the authority to establish the interest rates, redemption provisions, and other terms of the refunding bonds be delegated to the authorized representative subject to the parameters described above. Any finding by the authorized representative relating to the sale and delivery of the refunding bonds will have the same force and effect as a finding or determination made by the Board of Education.

The delegation of authority to the authorized representative with respect to the sale of the refunding bonds will expire on December 8, 2023. A report on the results of the sale will be brought forward to the Board of Education.

Meetings will be scheduled with the rating agencies Moody’s Investors Service and Standard & Poor’s. With the exception of the Series 2013C non-Persistent School Fund (PSF) bonds, the refunding bonds are expected to be guaranteed by the Texas PSF which carries a rating of AAA.

The district and its financial advisor will closely monitor market conditions in connection with the proposed sale of the refunding bonds. This agenda item allows the administration to move forward with all actions needed to carry out the sale of the district’s refunding bonds.

COST/FUNDING SOURCE(S): All interest costs and debt-servicing costs are paid from the Debt Service Fund.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals and is aligned to Core Initiative 5: Culture of Trust through Action. The approval of this item ensures that HISD is in compliance with current statutory requirements.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.
RECOMMENDED: That the Board of Education approves the order authorizing the issuance of HISD Limited Tax Refunding Bonds or Fixed Rate Bonds, in one or more series; setting certain parameters for the bonds; authorizing a pricing officer to approve the amount, the interest rate, price, including the terms thereof; and authorizing certain other procedures and provisions related thereto, effective December 9, 2022.
**Executive Summary**

**Purpose:**

The district’s portfolio has several series of bonds which the district may wish to refund for either debt service savings (i.e., reducing the rate of interest) or to refund variable rate bonds into a fixed rate mode. The following bonds are currently callable, meaning that they can be refunded without any additional interest penalty. Amounts indicate callable bonds outstanding to be considered for refunding.

- Limited Tax Schoolhouse Bonds, Taxable Series 2009A-2 Build America Bonds (BABs) in the amount of $148,850,000
- Limited Tax Schoolhouse Bonds, Taxable Series 2009A-3 BABs in the amount of $117,950,000
- Limited Tax Schoolhouse and Refunding Bonds, Series 2013A in the amount of $109,510,000
- Limited Tax Refunding Bonds, Series 2013C in the amount of $72,240,000
- Variable Rate Limited Tax Refunding Bonds, Series 2012 in the amount of $37,115,000
- Variable Rate Limited Tax Schoolhouse Bonds 2014A-1B in the amount of $82,105,000

The administration is recommending the current refunding of all or a portion of such bonds to take advantage of lower interest rates and generate savings for the district. The final amount to be refunded will be based upon pre-determined savings thresholds and market conditions at the time of sale. The purpose in choosing these series of bonds is to give the chief financial officer or controller the maximum flexibility in debt service planning and to be prepared to take advantage of market conditions which may create an opportunity for a reduction in debt service costs.

The agenda item and Refunding Bond Order grant authority to certain officers of the district to take the actions necessary in the course of refunding the bonds.

Items I-6 through I-9 are related items which provide the district with the flexibility needed to execute both the budgeted, FY 2022-23 debt activity and capture potential savings by refinancing current bonds outstanding, while remaining within the current I&S Tax Rate adopted by the Board of Education on October 13, 2022.

**Prerequisites:**

Existing fixed rate bonds must meet certain parameters to be eligible for refunding. Specifically, these bonds must save the district at least 2 percent in net present value debt service costs. Variable rate bonds can be refunded into a fixed rate mode or term rate mode if the district’s planning warrants. The aggregate principal amount of refunding bonds to be issued will not exceed $567,770,000. The net effective interest rate of the refunding bonds shall not exceed 6 percent. The final maturity date of the refunding bonds will not exceed the final maturity date of the refunded bonds.
**Board Meeting Requirements:**

The Board of Education approves the order authorizing the refunding of some or all of the aforementioned bonds, depending on market interest rates at the time of sale.
ORDER AUTHORIZING THE ISSUANCE OF HOUSTON INDEPENDENT SCHOOL DISTRICT LIMITED TAX REFUNDING BONDS, AS TERM RATE BONDS OR FIXED RATE BONDS, IN ONE OR MORE SERIES; SETTING CERTAIN PARAMETERS FOR THE BONDS; AUTHORIZING A PRICING OFFICER TO APPROVE THE AMOUNT, THE INTEREST RATE, PRICE, INCLUDING THE TERMS THEREOF AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATED THERETO

THE STATE OF TEXAS §
COUNTY OF HARRIS §
HOUSTON INDEPENDENT SCHOOL DISTRICT §

WHEREAS, Houston Independent School District (the “District”) has heretofore issued the bonds described in Exhibit A attached hereto; and

WHEREAS, the District desires to refund a portion of said bonds (the “Refunded Bonds”) in advance of their maturities; and

WHEREAS, Chapter 1207, Texas Government Code, authorizes the District to issue refunding bonds as fixed rate bonds or Term Rate Bonds (pursuant to Appendix A) for the purpose of refunding the Refunded Bonds in advance of their maturities, and to accomplish such refunding by depositing directly with a paying agent for the Refunded Bonds (or other qualified escrow agent), the proceeds of such refunding bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Bonds, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds; and

WHEREAS, the District desires to authorize the execution of an escrow agreement or other deposit agreement, if necessary, to provide for the deposit of proceeds of the refunding bonds, together with other lawfully available funds of the District, to pay the Refunded Bonds; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Bonds shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the orders authorizing the issuance of the Refunded Bonds shall be, with respect to the Refunded Bonds, discharged, terminated and defeased; and

WHEREAS, the Board of Education (the “Board”) hereby finds and determines that the refunding of the Refunded Bonds as contemplated by this Order by fixed rate bonds will benefit the District by providing net present value debt service saving to the District and that such benefit constitutes a valid public purpose and is sufficient consideration for the refunding contemplated herein; and

WHEREAS, the Board hereby finds and determines that the manner in which the refunding of the Refunded Bonds with Term Rate Bonds does not make it practicable to make the determination required by Section 1207.008(a)(2) of the Texas Government Code; and
WHEREAS, the Board hereby finds and determines that it is necessary and in the best interest of the District and its citizens that it authorize by this Order the issuance and delivery of its refunding bonds at this time; and

WHEREAS, the District has a principal amount of at least $100,000,000 in a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued, and some amount of such long-term indebtedness is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation, and therefore, the District qualifies as an “Issuer” under Chapter 1371, Texas Government Code; and

WHEREAS, the District intends that the Term Rate Bonds will be refinanced with refunding bonds or other obligations issued under Chapter 1207, Texas Government Code, as amended, and, therefore (in accordance with Section 1371.057(c) of Chapter 1371), the District will treat such Term Rate Bonds as having the intended term and payment schedule of such refunding obligations, as determined by the Pricing Officer; and

WHEREAS, pursuant to Section 1207.007 and Section 1371.053, Texas Government Code, the District desires to delegate the authority to a Pricing Officer to effect the sale of the Bonds; Now, therefore

BE IT ORDERED BY THE BOARD OF EDUCATION OF HOUSTON INDEPENDENT SCHOOL DISTRICT:

1. Recitals; Consideration. It is hereby found and determined that the matters and facts set out in the preamble to this Order are true and correct.

2. Definitions. Throughout this Order the following terms and expressions as used herein shall have the meanings set forth below:


“Blanket Issuer Letter of Representations” means the Blanket Issuer Letter of Representations between the District, the Registrar and DTC.

“Bonds” means one or more series of Bonds issued by Houston Independent School District authorized in this Order and in Appendix A to this Order, as designated in an Officer’s Pricing Certificate.

“Business Day” means any day which is not a Saturday, Sunday, or a day on which the Registrar is authorized by law or executive order to close.

“Capital Appreciation Bonds” means those Bonds bearing compound interest at the rate set out in the Officer’s Pricing Certificate to accrete from their date of delivery and compounding on the dates set forth in the Officer’s Pricing Certificate, payable only at maturity.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Current Interest Bonds” mean those Bonds on which interest is paid semiannually on the Interest Payment Dates.

“Debt Service Fund” means the interest and sinking fund for payment of the Bonds established by the District in Section 19 of this Order.

“District” means the Houston Independent School District.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Escrow Agent” has the meaning given such term in the Officer’s Pricing Certificate.

“Escrow Agreement” means the agreement between the District and the Escrow Agent relating to the escrow of funds to pay the Refunded Bonds.

“Initial Bonds” means each Initial Current Interest Bond and the Initial Capital Appreciation Bond.

“Initial Capital Appreciation Bond” means an Initial Capital Appreciation Bond authorized by Section 4(b)(ii).

“Initial Current Interest Bond” means an Initial Current Interest Bond authorized by Section 4(b)(i).

“Interest Payment Date”, when used in connection with any Current Interest Bond, means the dates set forth in the Officer’s Pricing Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Officer’s Pricing Certificate” means the certificate signed by the Pricing Officer and containing the information regarding each issuance of the Bonds specified herein.

“Order” as used herein and in the Bonds means this order authorizing the Bonds.

“Owner” means any person who shall be the registered owner of any outstanding Bond.

“Pricing Officer” means the Superintendent, the Chief Financial Officer or the Controller.

“Purchase Agreement” means the agreement between the District and the Underwriters described in Section 4(e) of this Order.
“Record Date” means, for any Interest Payment Date, the close of business on the last Business Day of the month next preceding each Interest Payment Date or as otherwise set forth in the Officer’s Pricing Certificate.

“Refunded Bonds” means any of those bonds of the District described in Exhibit A attached hereto and as more particularly described in each Officer’s Pricing Certificate.

“Register” means the books of registration kept by the Registrar, in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner.

“Registrar” has the meaning given to such term in the Officer’s Pricing Certificate.

“Report” means the report of a verification agent, verifying the accuracy of certain mathematical computations relating to each issuance of the Bonds and the Refunded Bonds.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“Underwriters” means the individual underwriter or underwriting syndicate identified in each Officer’s Pricing Certificate.

3. **Authorization.** The Bonds shall be issued in fully registered form in a maximum principal amount not to exceed $567,770,000 for the purpose of refunding the Refunded Bonds, and paying the cost of issuance related thereto, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapter 1207, Texas Government Code.

4. **Delegation of Authority.** As authorized by Section 1207.007 and Section 1371.053, Texas Government Code, as amended, the Pricing Officer is hereby authorized to act on behalf of the District in selling and delivering the Bonds, and carrying out the other procedures specified in this Order including, without limitation, determining if the bonds shall be issued as fixed rate bonds or Term Rate Bond (as provided in Appendix A), determining the date on and price at which the Bonds will be sold, any premium or discount for the Bonds, the issuance date and dated date, whether and how many tranches in which the Bonds may be issued and the appropriate distinguishing designation for each such tranche, the year(s) in which the Bonds will mature, the aggregate principal amount of the Bonds, the interest rate mode(s), the Initial Rate(s) for the Bonds, the length of the Initial Rate Period(s), the Stepped Rate, length of any Term Rate Period, conversion to another Rate Period, any optional and mandatory sinking fund redemption provisions, whether the bonds are to be issued as taxable or tax-exempt and all other matters not expressly provided in this Order relating to the issuance, sale and delivery of the Bonds, including the refunding of the Refunded Bonds. The Pricing Officer’s authority to sell and deliver the Bonds is subject to the conditions and carrying out the other procedures as set forth below:

(a) **Designation.** The Bonds shall be designated as __________.¹

(b) The Bonds may be issued as Current Interest Bonds and/or Capital Appreciation Bonds.

¹ Insert from Officer’s Pricing Certificate.
(i) Each Initial Current Interest Bond shall be numbered ICI-1 and all other Current Interest Bonds shall be numbered in sequence beginning with RCI-1. Current Interest Bonds delivered on transfer of or in exchange for other Current Interest Bonds shall be numbered in order of their authentication by the Registrar, shall be in the denomination of $5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

(ii) Each Capital Appreciation Bonds, if any, shall be initially issued bearing compound interest at the rates set out in the Officer’s Pricing Certificate. The Initial Capital Appreciation Bond shall be numbered ICA-1 and all other Capital Appreciation Bonds shall be numbered in sequence beginning with RCA-1. Capital Appreciation Bonds delivered on transfer of or in exchange for other Capital Appreciation Bonds shall be numbered in order of their authentication by the Registrar, shall be in the Maturity Amount of $5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

(c) Date, Denomination, Interest Rates, and Maturities. The Bonds shall be dated, mature on the dates in each of the years and in the amounts set out in any Officer’s Pricing Certificate, shall be subject to prior optional and mandatory redemption on the dates, for the redemption prices and in the amounts, set out in the Officer’s Pricing Certificate and shall bear interest at rates and from their issue date as set out in the Officer’s Pricing Certificate payable on each Interest Payment Date.

(d) Selling and Delivering Bonds. The Pricing Officer shall determine any mandatory sinking fund redemption provisions for the Bonds, whether the Bonds will be issued as Current Interest Bonds and/or Capital Appreciation Bonds, and all other matters not expressly provided in this Order, relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Officer’s Pricing Certificate; provided that:

(i) the price to be paid for the Bonds shall not be less than 90% of the aggregate original principal amount of the Bonds plus accrued interest thereon from their date to their delivery;

(ii) the net effective interest rate on the Bonds shall not exceed 6%, except as otherwise provided in Appendix A;

(iii) the aggregate principal amounts of all series of the Bonds, may not exceed the maximum principal amount authorized in Section 3 hereof, and such amounts plus any net premium from the sale of the Bonds and any available funds of the District, must be sufficient to provide amounts necessary to fund the costs of refunding the
Refunded Bonds and the costs of issuance of the Bonds, including underwriters’ discount;

(iv) the net present value savings in debt service resulting from any refunding of the Refunded Bonds with fixed rate bonds shall be at least 2% of the principal amount of the Refunded Bonds, as shown by a table of calculations prepared by the District’s financial advisor and attached to the Officer’s Pricing Certificate;

(v) for avoidance of doubt any refunding of Refunded Bonds with Term Rate Bonds for restructuring purposes shall not be subject to a savings parameter; and

(vi) the Bonds shall mature not later than the Refunded Bonds that such Bonds were issued to refund.

(e) Sale; Purchase Agreement. The Bonds shall be sold and delivered to the Underwriters at a price to be set forth in an Officer’s Pricing Certificate, in accordance with the terms of one or more Purchase Agreements to be approved by the Pricing Officer. The Pricing Officer is hereby authorized and directed to execute one or more Purchase Agreements on behalf of the District, and the Pricing Officer and all other officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

(f) Use of Proceeds. Proceeds from the sale of the Bonds shall, promptly upon receipt by the District, be applied as follows:

(i) Accrued interest in the amount of $__________ 2 and, if necessary, net premium on the Bonds in the amount of $__________ 3, shall be deposited into the Debt Service Fund.

(ii) Net premium on the Bonds in the amount of $__________ 4 shall be used to pay the costs of issuance.

(iii) Net premium on the Bonds in the amount of $__________ 5 shall be used to pay the underwriters’ discount.

(iv) Bond proceeds in the amount of $__________ 6, and if necessary other available funds from the District in the amount of $__________ 7 shall be applied establish an escrow fund/or deposit with the paying agent to refund the Refunded Bonds, as more fully provided in Section 23 of the Order, and, to the extent not otherwise provided from Officer’s Pricing Certificate.

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2 Insert from Officer’s Pricing Certificate.
3 Insert from Officer’s Pricing Certificate.
4 Insert from Officer’s Pricing Certificate.
5 Insert from Officer’s Pricing Certificate.
6 Insert from Officer’s Pricing Certificate.
7 Insert from Officer’s Pricing Certificate.
provided for, to pay all expenses arising in connection with the issuance of the Bonds, the establishment of such escrow fund and the refunding of the Refunded Bonds. Any proceeds of the Bonds remaining after making all such deposits and payments shall be deposited into the Debt Service Fund.

5. Execution and Registration of Bonds. (a) The Bonds shall be signed by the President of the Board and countersigned by the Secretary of the Board, by their manual, lithographed, or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds.

(b) If any officer of the District whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Order unless and until there appears thereon the Registrar’s Authentication Certificate substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Registrar. In lieu of the executed Registrar’s Authentication Certificate described above, the Initial Bonds delivered at the Closing Date shall have attached thereto the Comptroller’s Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by her duly authorized agent, which certificates shall be evidence that the Initial Bonds have been duly approved by the Attorney General of the State of Texas and that they are valid and binding obligations of the District, and have been registered by the Comptroller.

(d) On the Closing Date, the Initial Bonds, payable in stated installments to the Underwriters or their designee, executed by manual or facsimile signature of the President of the Board and Secretary of the Board, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the Underwriters or their designee. Upon payment for the Initial Bonds, the Registrar shall cancel the Initial Bonds and definitive Bonds shall be delivered to DTC.

6. Payment of Principal and Interest. The Registrar is hereby appointed as the paying agent for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable at the principal payment office of the Registrar, in Dallas, Texas. The interest on each Bond shall be payable on each Interest Payment Date, by check mailed by the Registrar on or before the Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register.
If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

7. **Successor Registrars.** The District covenants that at all times while any Bonds are outstanding it will provide a commercial bank or trust company, organized under the laws of the United States or any state, duly qualified to serve as and perform the duties and services of Registrar for the Bonds. The District reserves the right to change the Registrar for the Bonds on not less than 30 days written notice to the Registrar, so long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

8. **Special Record Date.** If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the District. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

9. **Book-Entry Only System.** (a) The Initial Bonds shall be registered in the name designated in the Officer’s Pricing Certificate. Except as provided in Section 10 hereof, all other Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Bonds, except as provided in this Order. Without limiting the immediately preceding sentence, the District and the Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Order to the contrary, the District and the Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in
this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to payments of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the District to make payments of amounts due pursuant to this Order. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Order with respect to interest checks being mailed to the Owner of record as of the Record Date, the phrase “Cede & Co.” in this Order shall refer to such new nominee of DTC.

10. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the District, in its sole discretion, determines that the beneficial owners of the Bonds should be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the District shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall not longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Order.

11. Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations.

12. Ownership; Unclaimed Principal and Interest. The District, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the District and the Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

13. Registration, Transfer, and Exchange. So long as any Bonds remain outstanding, the Registrar shall keep the Register at its principal payment office in Dallas, Texas. Subject to
such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and
transfer of Bonds in accordance with the terms of this Order.

Each Bond shall be transferable only upon the presentation and surrender thereof at the
principal payment office of the Registrar in Dallas, Texas, duly endorsed for transfer, or
accompanied by an assignment duly executed by the registered Owner or his authorized
representative in form satisfactory to the Registrar. Upon due presentation of any Bond for
transfer, the Registrar shall authenticate and deliver in exchange therefor, within three Business
Days after such presentation, a new Bond or Bonds of the same type registered in the name of the
transferee or transferees, in authorized denominations and of the same maturity and aggregate
principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the principal
payment office of the Registrar in Dallas, Texas, for a Bond or Bonds of the same type, maturity
and interest rate in any authorized denomination, in an aggregate amount equal to the unpaid
principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is
hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions
of this Section. Each Bond delivered in accordance with this Section shall be entitled to the
benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such
Bond is delivered.

The District or the Registrar may require the Owner of any Bond to pay a sum sufficient to
cover any tax or other governmental charge that may be imposed in connection with the transfer
or exchange of such Bond. Any fee or charge of the Registrar for such transfer or exchange shall
be paid by the District.

14. Mutilated, Lost, or Stolen Bonds. Upon the presentation and surrender to the
Registrar of a mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a
replacement Bond of like maturity, interest rate, and principal amount, bearing a number not
contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken,
the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or
knowledge that such Bond has been acquired by a bona fide purchaser, shall authorize and the
Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and
principal amount, bearing a number not contemporaneously outstanding.

The District or the Registrar may require the Owner of a mutilated Bond to pay a sum
sufficient to cover any tax or other governmental charge that may be imposed in connection
therewith and any other expenses connected therewith, including the fees and expenses of the
Registrar. The District or the Registrar may require the Owner of a lost, apparently destroyed or
wrongfully taken Bond, before any replacement Bond is issued, to:

(1) furnish to the District and the Registrar satisfactory evidence of the
ownership of and the circumstances of the loss, destruction or theft of such
Bond;

(2) furnish such security or indemnity as may be required by the Registrar and
the District to save them harmless;
pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and

meet any other reasonable requirements of the District and the Registrar.

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the District and the Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the District in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

15. Cancellation of Bonds. All Bonds paid in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be cancelled and destroyed upon the making of proper records regarding such payment. The Registrar shall furnish the District with appropriate certificates of destruction of such Bonds.

16. Optional and/or Mandatory Redemption; Defeasance. The Bonds are subject to optional and/or mandatory redemption as set forth in the Form of Bonds and in an Officer’s Pricing Certificate.

Except as otherwise set forth in Appendix A, notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Registrar at least thirty days prior to the date fixed for redemption by sending written notice by first class mail to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds of a particular maturity are to be redeemed, the numbers of the Bonds or portions thereof of such maturity to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.
The District reserves the right to give notice of its election or direction to optionally redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the District retains the right to rescind such notice at any time prior to the scheduled redemption date if the District delivers a certificate of the District to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice of redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding.

Except as may be otherwise specified in the Officer’s Pricing Certificate, the Bonds may be discharged, defeased, redeemed or refunded in any manner now or hereafter permitted by law.

17. Forms. The form of the Bonds issued as fixed rate bonds, including the form of Registration Certificate of the Comptroller, which shall be attached or affixed to each Initial Bond, the form of the Registrar’s Authentication Certificate, the form of Assignment and the form of Guarantee Endorsement of the Commissioner of Education of the State of Texas, shall be, respectively, substantially as follows, with such additions, deletions and variations as may be required by the Superintendent and Chief Financial Officer, necessary or desirable and not prohibited by this Order:
(a) Form of Current Interest Bond.

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF HARRIS

REGISTERED NUMBER

HOUSTON INDEPENDENT SCHOOL DISTRICT
LIMITED TAX

INTEREST RATE:  MATURITY DATE:  DATED DATE:  CUSIP:
February 15, ___  ________ 9

REGISTERED OWNER:

PRINCIPAL AMOUNT:  DOLLARS

HOUSTON INDEPENDENT SCHOOL DISTRICT (the “District”) promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at the principal payment office of ________________ 10 (the “Registrar”), the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the [Dated Date/Date of Delivery] 11, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on _________ 12 and _________ 13 beginning on _______ 14, mailed to the registered owner as shown on the books of registration kept by the Registrar as of the close of business on the last business day of the month next preceding each interest payment date.

THIS BOND is one of a duly authorized issue of Bonds, aggregating $__________ 15 (the “Bonds”), issued for the purpose of refunding the Refunded Bonds under and in strict conformity with the Constitution and laws of the State of Texas particularly Chapter 1207 and Chapter 1371, Texas Government Code and pursuant to the Order. [The Bonds are issued as (i) Capital Appreciation Bonds in the aggregate principal amount of $__________ which pay interest only

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8 As designated in the Officer’s Pricing Certificate.
9 Insert from Officer’s Pricing Certificate.
10 Insert from Officer’s Pricing Certificate.
11 Insert from Officer’s Pricing Certificate.
12 Insert from Officer’s Pricing Certificate.
13 Insert from Officer’s Pricing Certificate.
14 Insert from Officer’s Pricing Certificate.
15 Insert from Officer’s Pricing Certificate.
16 Insert from Officer’s Pricing Certificate.
at maturity, and (ii) Current Interest Bonds in the aggregate principal amount of $__________ which pay interest semiannually until maturity or earlier redemption.\textsuperscript{17}

THE DISTRICT RESERVES THE RIGHT, at its option, to redeem Bonds maturing on or after __________,\textsuperscript{19} in whole or from time to time in part, in integral multiples of $5,000, on __________\textsuperscript{20}, or any date thereafter at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all the Bonds are to be redeemed, the District shall select the Bonds to be redeemed.

[If applicable, mandatory redemption language]\textsuperscript{21}

NOTICE OF ANY REDEMPTION shall be given by the Registrar at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owners of each Bond to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the principal payment office of the Registrar in Dallas, Texas, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Order.

THIS BOND IS EXCHANGEABLE at the principal payment office of the Registrar in Dallas, Texas, for Bonds in the denomination of $5,000 or any integral multiple thereof, subject to the terms and conditions of the Order.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Order.

THE DISTRICT has covenanted in the Order that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed.

\textsuperscript{17} Insert from Officer’s Pricing Certificate.
\textsuperscript{18} Remove bracketed language if there are no CABs.
\textsuperscript{19} Insert from Officer’s Pricing Certificate.
\textsuperscript{20} Insert from Officer’s Pricing Certificate.
\textsuperscript{21} Insert from Officer’s Pricing Certificate.
exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law as to maximum rate or amount, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District, and have been pledged irrevocably for such payment.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the President and countersigned with the manual or facsimile signature of the Secretary, and the official seal of the District has been duly impressed, or placed in facsimile, on this Bond.

(Authentication Certificate) (Seal) Houston Independent School District

_________________________
President, Board of Education
Houston Independent School District

_________________________
Secretary, Board of Education
Houston Independent School District
(b) Form of Capital Appreciation Bonds (if required).

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF HARRIS

REGISTERED NUMBER

REGISTERED MATURET

$__________

HOUSTON INDEPENDENT SCHOOL DISTRICT
LIMITED TAX _________

MATURITY DATE: ISSUANCE DATE: CUSIP:

__________ ________ ________

REGISTERED OWNER:

MATURITY AMOUNT: DOLLARS

HOUSTON INDEPENDENT SCHOOL DISTRICT (the “District”) promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at the principal payment office of _________

(“Registrar”), the Maturity Amount identified above, representing the principal amount hereof and accrued and compounded interest hereon (both as shown in the table attached to this Bond), in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of debts due the United States of America. The date of this Bond is ________, but interest shall accrue on the principal amount hereof from the Issuance Date at the per annum rate specified on the Table of Accreted Values attached hereto. The Accreted Value (per $5,000 of Maturity Amount) of this Bond, as of the Issuance Date and as of each _________ and _________ is set forth in the Table of Accreted Values attached hereto. Such value as of any other date shall be determined by straight-line interpolation between such values.

THIS BOND is one of a duly authorized issue of Bonds, aggregating $__________ the “Bonds”), issued for the purpose refunding the Refunded Bonds under and in strict conformity with the Constitution and laws of the State of Texas particularly Chapter 1207 and Chapter 1371, Texas Government Code and pursuant to the Order. [The Bonds are issued as (i) Current Interest Bonds in the aggregate principal amount of $__________ which pay interest only at maturity,

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22 As designated in the Officer’s Pricing Certificate.
23 Insert from Officer’s Pricing Certificate.
24 Insert from Officer’s Pricing Certificate.
25 Insert from Officer’s Pricing Certificate.
26 Insert from Officer’s Pricing Certificate.
27 Insert from Officer’s Pricing Certificate.
28 Insert from Officer’s Pricing Certificate.
29 Insert from Officer’s Pricing Certificate.
and (ii) Capital Appreciation Bonds in the aggregate principal amount of $\ldots^{30}$ which pay interest semiannually until maturity or earlier redemption.

**THIS BOND IS TRANSFERABLE** only upon presentation and surrender at the principal payment office of the Registrar, in \ldots^{31}, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Order.

**THIS BOND IS EXCHANGEABLE** at the principal payment office of the Registrar, in Dallas, Texas, for Bonds in the denomination of $5,000 or any integral multiple thereof, subject to the terms and conditions of the Order.

**THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Bond is either** (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

**THE REGISTERED OWNER** of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Order.

**THE DISTRICT** has covenanted in the Order that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

**IT IS HEREBY** certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law as to maximum rate or amount, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District, and have been pledged irrevocably for such payment.

**IN WITNESS WHEREOF,** this Bond has been signed with the manual or facsimile signature of the President and countersigned with the manual or facsimile signature of the Secretary, and the official seal of the District has been duly impressed, or placed in facsimile, on this Bond.

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30 Insert from Officer’s Pricing Certificate.
31 Insert from Officer’s Pricing Certificate.
TABLE OF ACCRITED VALUES

(c) Form of Comptroller’s Registration Certificate.

COMPTROLLER’S REGISTRATION CERTIFICATE: REGISTER NO. ________

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this ________________________.

__________________________________________________________
Comptroller of Public Accounts of the State of Texas

(SEAL)

(d) Form of Registrar’s Authentication Certificate.

AUTHENTICATION CERTIFICATE
It is hereby certified that this Bond has been delivered pursuant to the Bond Order described in the text of this Bond.

__________________________________________________________
As Paying Agent/Registrar

By ____________________________
Authorized Signature

Date of Authentication __________

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32 Insert from Officer’s Pricing Certificate, if necessary.
(e) Form of Assignment.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto

__________________________________________________________

(Please print or type name, address, and zip code of Transferee)

__________________________________________________________

(Please insert Social Security or Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

__________________________________________________________

attorney to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: __________________________

Signature Guaranteed:

__________________________________________________________

Registered Owner

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this Bond in every particular, without any alteration, enlargement or change whatsoever.

(f) Form of Guarantee Endorsement.

PSF CERTIFICATE

Under the authority granted by Article 7, Section 5 of the Texas Constitution and Subchapter C of Chapter 45 of the Texas Education Code, the payment, when due, of the principal of and interest on the issuance by the Houston Independent School District of its Limited Tax Bond ___________33, dated ___________34, in the principal amount of $___________35 is guaranteed by the corpus of the Permanent School Fund of the State pursuant to the bond guarantee program administered by the Texas Education Agency. This guarantee shall be removed in its entirety upon defeasance of such bonds.

Reference is hereby made to the continuing disclosure agreement of the Texas Education Agency, set forth in Section I of the Agency’s Investment Procedure Manual and the Agency’s commitment letter for the guarantee. Such disclosure agreement has been made with respect to

33 As designated in the Officer’s Pricing Certificate.
34 Insert from Officer’s Pricing Certificate.
35 Insert from Officer’s Pricing Certificate.
the bond guarantee program, in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission, for the benefit of the holders and beneficial owners of the bonds.

In witness thereof I have caused my signature to be placed in facsimile on this bond.

________________________________
Mike Morath
Commissioner of Education

The Initial Bond shall be in the form set forth in paragraphs (a), (b), (c), (e) and (f) of this Section, except for the following alterations:

(i) immediately under the name of the Current Interest Bond, the headings “INTEREST RATE” and “MATURITY DATE” shall both be completed with the words “As Shown Below” and the word “CUSIP” deleted; immediately under the name of the Capital Appreciation Bond, the heading “MATURITY DATE” shall be completed with the words “As Shown Below” and the word “CUSIP” deleted;

(ii) in the first paragraph of the Current Interest Bond, the words “on the maturity date specified above” and “at the rate shown above” shall be deleted and the following shall be inserted at the end of the first sentence “…, with such principal to be paid in installments on the dates, in each of the years and in the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:”

[Information to be inserted from schedule in the Officer’s Pricing Certificate]

(iii) in the first paragraph of the Capital Appreciation Bond, the words “on the maturity date specified above” shall be deleted, and the words “the Maturity Amount identified above” shall be replaced with “the Maturity Amounts shown in the schedule below”.

[Information to be inserted from schedule in the Officer’s Pricing Certificate]

(iv) the Initial Bonds shall be numbered ICI-1 and ICA-1, respectively.

18. CUSIP Numbers. CUSIP Numbers may be printed on the Bonds, but errors or omissions in the printing of such numbers shall have no effect on the validity of the Bonds.

19. Debt Service Fund; Tax Levy. A special fund to be designated “Houston Independent School District Limited Tax__________36, Debt Service Fund” (the “Debt Service Fund”) is hereby created, and the proceeds from all taxes levied, assessed and collected for and on account of the Bonds authorized by this Order shall be deposited, as collected, in such Fund. While

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36 As designated in the Officer’s Pricing Certificate.
the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, a continuing direct annual ad valorem tax, within the limits prescribed by law as to maximum rate or amount, upon all taxable property in the District, sufficient to pay the interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same matures, full allowance being made for delinquencies and costs of collection, and said taxes are hereby irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose; provided that the annual aggregate bond taxes in the District shall never be more than $1.00 on each $100 valuation of taxable property in the District.

Money on deposit in the Debt Service Fund may, at the option of the District, be invested as permitted under Texas law, provided that all such investments shall be made in such manner that the money will be available at the proper time or times. For purpose of maximizing investment returns, money in the Debt Service Fund may be invested with other money of the District in common investments, or in a common pool of investments, which shall not be deemed to be or constitute a commingling of such money as long as safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by the Debt Service Fund are held by or on behalf of the Debt Service Fund.

To pay the debt service coming due on any Bonds issued prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Any money received by the District with respect to the Bonds as state assistance pursuant to the instructional allotment or as state assistance with existing debt, each as authorized by Chapter 46, Texas Education Code, shall be deposited in the Debt Service Fund as required by Sections 46.009 and 46.035, Texas Education Code, respectively. The District will take into account the balance in the Debt Service Fund when it sets its debt service tax rate each year.

20. **Application of Chapter 1208, Government Code.** Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the District under Section 19 of this Order, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the taxes granted by the District under Section 19 of this Order is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

21. **Further Proceedings.** After the Initial Bonds have been executed, it shall be the duty of the President of the Board and other appropriate officials and agents of the District to deliver the Initial Bonds and all pertinent records and proceedings to the Attorney General of the State of Texas, for examination and approval. After the Initial Bonds have been approved by the
Attorney General, they shall be delivered to the Comptroller for registration. Upon registration of the Initial Bonds, the Comptroller (or the Comptroller’s bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller’s Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

22. Federal Income Tax Exclusion. For any Bonds for which the District intends that the interest on the Bonds shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”), and all applicable temporary, proposed and final regulations (the “Regulations”) and procedures promulgated thereunder and applicable to the Bonds: For this purpose, the District covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Bonds (including all property the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Bonds) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause interest on the Bonds to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Bonds for federal income tax purposes. Without limiting the generality of the foregoing, the District shall comply with each of the following covenants:

(a) The District will use all of the proceeds of the Bonds to (i) provide funds for the purposes described in Section 3 hereof, which will be owned and operated by the District and (ii) to pay the costs of issuing the Bonds. The District will not use any portion of the proceeds of the Bonds to pay the principal of or interest or redemption premium on, any other obligation of the District or a related person.

(b) The District will not directly or indirectly take any action, or omit to take any action, which action or omission would cause the Bonds to constitute “private activity bonds” within the meaning of Section 141(a) of the Code.

(c) Principal of and interest on the Bonds will be paid solely from ad valorem taxes collected by the District, investment earnings on such collections, and as available, proceeds of the Bonds.

(d) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds or any portion thereof to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(e) At all times while the Bonds are outstanding, the District will identify and properly account for all amounts constituting gross proceeds of the Bonds in accordance with the Regulations. The District will monitor the yield on the investments of the proceeds of the Bonds and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Bonds. To the extent necessary to prevent the Bonds from constituting “arbitrage bonds,” the District will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Bonds to be less than the yield that is materially higher than the yield on the Bonds.
(f) The District will not take any action or knowingly omit to take any action that, if taken or omitted, would cause the Bonds to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code.

(g) The District represents that not more than fifty percent (50%) of the proceeds of the Bonds will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the District reasonably expects that at least eighty-five percent (85%) of the spendable proceeds of the Bonds will be used to carry out the governmental purpose of the Bonds within the three-year period beginning on the date of issue of the Bonds.

(h) The District will take all necessary steps to comply with the requirement that certain amounts earned by the District on the investment of the gross proceeds of the Bonds, if any, be rebated to the federal government. Specifically, the District will (i) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Bonds as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the District allocable to other obligations of the District or moneys which do not represent gross proceeds of any obligations of the District and retain such records for at least six years after the day on which the last outstanding Bond is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of any gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Bonds and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the District will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty.

(i) The District will not directly or indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if such arrangement had been at arm’s length and had the yield on the Bonds not been relevant to either party.

(j) The District will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Bonds on such form and in such place as the Secretary may prescribe.

(k) The District will not issue or use the Bonds as part of an “abusive arbitrage device” (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the District to exploit
the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

(l) Proper officers of the District charged with the responsibility for issuing the Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Bonds and stating whether there are facts, estimates or circumstances that would materially change the District’s expectations. On or after the date of issuance of the Bonds, the District will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

(m) The covenants and representations made or required by this Section are for the benefit of the Bond holders and any subsequent Bond holder, and may be relied upon by the Bond holders and any subsequent Bond holder and bond counsel to the District.

In complying with the foregoing covenants, the District may rely upon an unqualified opinion issued to the District by nationally recognized bond counsel that any action by the District or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Bonds to be includable in gross income for federal income tax purposes under existing law.

Notwithstanding any other provision of this Order, the District’s representations and obligations under the covenants and provisions of this Section shall survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion of interest on the Bonds from the gross income of the owners for federal income tax purposes.

23. Escrow Agreement/Deposit with Paying Agent for Refunded Bonds. The discharge and defeasance of the Refunded Bonds may be effectuated pursuant to the terms and provisions of an Escrow Agreement or other deposit agreement to be entered into by and between the District and the Escrow Agent or pursuant to a deposit of funds with the paying agent for the Refunded Bonds. The terms and provisions of an Escrow Agreement or other deposit agreement, if needed, are hereby approved, subject to such insertions, additions and modifications as shall be necessary to carry out the terms of this Order and the Pricing Certificate. The mathematical accuracy of the terms of the refunding shall be certified to by a verification agent selected by the District or by a certificate of sufficiency of deposit executed by the District’s financial advisor or the paying agent for the Refunded Bonds. The President or Vice President is hereby authorized to execute and deliver such Escrow Agreement or other such deposit agreement on behalf of the District in multiple counterparts and the Secretary or the Assistant Secretary is hereby authorized to attest thereto and affix the District’s seal.

24. Purchase of Escrowed Securities. If the Escrow Agreement is utilized, to assure the purchase of the Escrowed Securities referred to in the Escrow Agreement, if required, a Pricing Officer is hereby authorized to subscribe for, agree to purchase and purchase obligations which are authorized investments for escrow accounts pursuant to Section 1207.062, Texas Government Code, in such amounts and maturities and bearing interest at such rates as may be provided for in the Report to be attached to the Escrow Agreement, and to execute any and all subscriptions, agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing. Any actions heretofore taken for such purpose are hereby ratified and approved.
25. Redemption Prior to Maturity of Refunded Bonds. The District has exercised its option to call the bonds of the District for redemption prior to maturity on the dates and at the prices shown on Exhibit A attached to an Officer’s Pricing Certificate, and authorized and directed notice of such redemption to be given in accordance with the orders authorizing the issuance of such bonds.

26. Permanent School Fund Guarantee. The Bonds may be guaranteed by the Permanent School Fund. The District may apply for and receive approval from the Texas Commissioner of Education (the “Commissioner”), subject to compliance with the Commissioners rules and regulations, for payment of the principal of and interest on the Bonds to be guaranteed by the Permanent School Fund of the State of Texas. If the Bonds are defeased, the guarantee of the Bonds will be removed in its entirety and, in case of default and in accordance with Texas Education Code § 45.061, the Comptroller of Public Accounts will withhold the amount paid, plus interest, from the first state money payable to the District in the following order: foundation school fund, available school fund. In connection with the guarantee of the Bonds by the Permanent School Fund, the District, hereby certifies and covenants that

   (a) a certified copy of this Order and copies of the Final Official Statement (and final savings schedule for refunded bonds) shall be furnished to the Division of State Funding, School Facilities and Transportation, within ten (10) calendar days;

   (b) following any determination by the District that it is or will be unable to pay maturing or matured principal or interest on the bonds, the District will take all action required by Subchapter C of Chapter 45 of the Texas Education Code, as amended, including, but not limited to, the giving of timely notice of such determination to the Commissioner; and

   (c) the District will notify the Division of State Funding in writing within ten (10) calendar days of the defeasance of any guaranteed Bonds.

27. Continuing Disclosure Undertaking. (a) Annual Reports. The District will provide certain updated financial information and operating data to the MSRB annually in an electronic format as prescribed by the MSRB and available via the Electronic Municipal Market Access (“EMMA”) system at www.emma.msrb.org. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in the Official Statement authorized by Section 28, as determined by the Pricing Officer and identified in the Officer’s Pricing Certificate. The District will update and provide this information within six months after the end of each fiscal year. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles prescribed by the Texas State Board of Education or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation and (2) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not so provided, then the District shall provide unaudited financial statements for the applicable fiscal year by the required time, and audited financial statements when audited financial statements become available.
If the District changes its fiscal year, it will submit a notice of such change to the MSRB, and the date of the new fiscal year end prior to the next date by which the District otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB).

(b) The District shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner (not in excess of ten (10) days after the occurrence of the event), of any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the District;

(xiii) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business,
the entry into a definitive agreement to undertake such an action or
the termination of a definitive agreement relating to any such
actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor or additional trustee or the change of
name of a trustee, if material;

(xv) Incurrence of a Financial Obligation of the District, if material, or
agreement to covenants, events of default, remedies, priority rights,
or other similar terms of a Financial Obligation of the District, any
of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of
terms, or other similar events under the terms of a Financial
Obligation of the District, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (xii)
is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent,
or similar officer for the District in a proceeding under the United States Bankruptcy Code or in
any other proceeding under state or federal law in which a court or governmental authority has
assumed jurisdiction over substantially all of the assets or business of the District, or if such
jurisdiction has been assumed by leaving the existing governing body and officials or officers of
the District in possession but subject to the supervision and orders of a court or governmental
authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation
by a court or governmental authority having supervision or jurisdiction over substantially all of
the assets or business of the District and (b) the District intends the words used in the immediately
preceding paragraphs (xv) and (xvi) and the definition of Financial Obligation in this Section to
have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-
83885, dated August 20, 2018.

The District shall notify the MSRB, in a timely manner, of any failure by the District to
provide financial information or operating data in accordance with Section 28(a) of this Order by
the time required by such Section.

The Pricing Officer is authorized and directed to establish and implement written
procedures to ensure compliance with the reporting requirements imposed by this Section. Such
procedures may be modified and amended by the Pricing Officer from time to time to the extent
the modification or amendment of such procedures are deemed necessary, useful or appropriate.

(c) Limitations, Disclaimers, and Amendments. The District shall be obligated to
observe and perform the covenants specified in this Section for so long as, but only for so long as,
the District remains an “obligated person” with respect to the Bonds within the meaning of the
Rule, except that the District in any event will give notice of any deposit made in accordance with
Texas law that causes Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and the beneficial
owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any
legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes
to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DISTRICT, WHETHER NEGLIGENCE OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE UNLIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the District in observing or performing its obligations under this Section shall comprise a breach of or default under this Order for purposes of any other provision of this Order.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

The provisions of this Section may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, or status or type of principal payment of the District, if (1) the agreement, as so amended, would have permitted an underwriter to purchase or sell Bonds in the initial primary offering in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate amount of the outstanding Bonds consent to such amendment or (b) a person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If any such amendment is made, the District will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

28. **Official Statement.** The District hereby approves the form and content and distribution of the Preliminary Official Statement prepared in the initial offering and sale of the Bonds and hereby authorizes the preparation of a final Official Statement reflecting the terms of the Purchase Agreement and other relevant information. The use of such final Official Statement...
by the Underwriters is hereby approved and authorized and the proper officials of the District are authorized to sign such Official Statement.

29. Power to Revise Form of Documents. Notwithstanding any other provision of this Order, the President of the Board or the Pricing Officer is hereby authorized to make or approve such revisions, additions, deletions, and variations to this Order and in the form of the documents attached hereto as exhibits as, in the judgment of the President or the Pricing Officer, and in the opinion of Bond Counsel to the District, may be necessary or convenient to carry out or assist in carrying out the purposes of this Order, the Preliminary Official Statement, the final Official Statement, or as may be required for approval of the Bonds by the Attorney General of Texas; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Bonds or such documents shall be subject to the prior approval of the Board.

30. Amendments. Except as otherwise provided in Appendix A, the District may amend this Order without the consent of or notice to any Owner in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the District may with the written consent of the holders of a majority of the aggregate principal amount or, in the case of Capital Appreciation Bonds, Maturity Amount, of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Order; except that, without the consent of the Owners of the Bonds affected, no such amendment, addition or rescission may (i) make any change in the maturity of any of the outstanding Bonds; (ii) reduce the rate of interest borne by any of the outstanding Bonds; (iii) reduce the amount of the principal of or Maturity Value of, or redemption premium, if any, payable on any outstanding Bonds; (iv) modify the terms of payment of principal or Maturity Value or, of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or (v) change the minimum percentage of the principal amount or, in the case of the Capital Appreciation Bonds, the Maturity Amount, of the Bonds necessary for consent to such amendment.

31. Related Matters. To satisfy in a timely manner all of the District’s obligations under this Order and the Purchase Agreement, the President or Vice President, the Secretary or the Assistant Secretary, and all other appropriate officers and agents of the District are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance of the Bonds and the refunding of the Refunded Bonds including, without limitation, executing and delivering on behalf of the District all agreements, certificates, consents, receipts, requests, and other documents as may be reasonably necessary to satisfy the District’s obligations under the Purchase Agreement and this Order and to direct the application of funds of the District consistent with the provisions of this Order.

32. Registrar. The form of agreement setting forth the duties of the Registrar is hereby approved, and the appropriate officials of the District are hereby authorized to execute such agreement for and on behalf of the District.

33. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Order, against any official or employee of the District or any person executing any Bonds.
34. **Open Meeting.** It is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.
PASSED AND APPROVED this _____ day of, _____________2022.

President, Board of Education
Houston Independent School District

ATTEST:

Secretary, Board of Education
Houston Independent School District

(SEAL)
EXHIBIT A

HOUSTON INDEPENDENT SCHOOL DISTRICT

REFUNDING CANDIDATES

Limited Tax Schoolhouse Bonds, Taxable Series 2009A-2 (BABs)
Limited Tax Schoolhouse Bonds, Taxable Series 2009A-3 (BABs)
Variable Rate Limited Tax Refunding Bonds, Series 2012
Limited Tax Schoolhouse and Refunding Bonds, Series 2013A
Limited Tax Refunding Bonds, Series 2013C
Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A-1B
APPENDIX A

This Appendix A applies to Bonds issued as Initial Term Rate Bonds, Term Rate Bonds or Fixed Rate Bonds after the Fixed Rate Conversion Date. To the extent the provisions of such Bonds are not expressly addressed in this Appendix A, the provisions of the body of the Order shall govern.

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. Capitalized terms used in this Appendix A shall have the meanings provided for them in this Section 1.01 and capitalized terms not defined in this Appendix A, shall have the meaning set forth in the body of the Order.

“Authorized Denominations” shall mean, unless otherwise set forth in the Officer’s Pricing Certificate, with respect to Bonds bearing interest at a Term Rate (including the Initial Term Rate) $100,000 and any integral multiple of $5,000 in excess thereof (provided, however, at the District’s sole discretion, Bonds bearing interest at a Term Rate (including the Initial Term Rate) may be issued in denominations of $5,000 or any integral multiple thereof); and with respect to Bonds bearing interest at a Fixed Rate, $5,000 and integral multiples thereof.

“Board” shall mean the Board of Education of the District.

“Conversion Date” shall mean: (a) with respect to the Fixed Rate Period, the Fixed Rate Conversion Date; and (b) with respect to a Term Rate Period, the Term Rate Conversion Date.

“Fixed Rate” shall mean the per annum rate or rates of interest the Bonds shall bear during the Fixed Rate Period after the Fixed Rate Conversion Date.

“Fixed Rate Conversion Date” shall mean the date on which the Bonds begin to bear interest at the Fixed Rate.

“Fixed Rate Period” shall mean the period beginning on the Fixed Rate Conversion Date and ending at the stated maturity or maturities of the Bonds, during which the Bonds bear interest at one or more Fixed Rates.

“Initial Term Rate” shall mean the initial interest rate or rates the Bonds (which may include separate rates for separate maturities of the Bonds or subseries of the Bonds) shall bear for the Initial Term Rate Period(s). The Initial Term Rate(s) shall be set forth in the Officer’s Pricing Certificate.

“Initial Term Rate Bonds” means the first issuance of Bonds issued pursuant to this Appendix A.

“Initial Term Rate Period” shall mean the period (or periods) commencing on the issuance date and ending the date (or dates) set forth in the Officer’s Pricing Certificate.
“Interest Payment Date” shall mean, unless otherwise provided in the Officer’s Pricing Certificate (a) with respect to Bonds bearing interest at the Initial Term Rate or the Term Rate, each February 15 and August 15, beginning on the first such date occurring after the Term Rate Conversion Date; (b) with respect to Bonds bearing interest at the Fixed Rate, each February 15 and August 15, beginning on the first such date occurring after the Fixed Rate Conversion Date unless the District provides for different payment dates at the time of conversion of the Bonds to a Fixed Rate; (c) each mandatory tender date; (d) each Conversion Date, in the even such date is not an Interest Payment Date; and (e) the maturity date for the Bonds or scheduled mandatory sinking fund redemption dates for the Bonds subject to mandatory sinking fund redemption.

“Interest Period” unless otherwise set forth in the Officer’s Pricing Certificate, shall mean (i) during the Initial Term Rate Period, the period from and including the Issuance Date to the date set forth in the Officer’s Pricing Certificate, and (ii) upon the expiration of the Initial Term Rate Period, the period from and including any Interest Payment Date to and including the day immediately preceding the next following Interest Payment Date.

“Maximum Rate” means the lesser of (a) Maximum Rate set forth in the Officers Pricing Certificate, (b) 15% per annum or (c) the maximum net effective interest rate permitted by law to be paid thereon as provided by Section 1204.006, Texas Government Code, as amended, or any successor statute.

“Opinion of Bond Counsel” shall mean an opinion of nationally recognized bond counsel, unless otherwise specified herein, that the action proposed to be taken is authorized or permitted by this Order and State law and does not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

“Outstanding” shall mean when used to modify Bonds, Bonds issued, authenticated and delivered under this Order, excluding (i) Bonds which have been exchanged or replaced or otherwise surrendered for cancellation, (ii) Bonds which have been paid, (iii) Bonds which have become due and for the payment of which money has been duly provided, (iv) Bonds deemed tendered for purchase and not delivered to the Tender Agent on the applicable purchase date, provided sufficient funds for payment of the Purchase Price are on deposit with the Tender Agent, and (v) Bonds with respect to which this Order has been discharged pursuant to the terms of this Order.

“Payment Fund” shall mean the fund described in Section 4.01(b)(ii) hereof.

“Purchase Price” shall mean, unless otherwise set forth in the Officers Pricing Certificate, with respect to each Bond (or any portion thereof) tendered for purchase pursuant to Article IV hereof, the par amount thereof, plus accrued but unpaid interest thereon to the date of purchase.

“Rate Determination Date” shall mean the date when the Remarketing Agent determines the rate of interest to be borne by the Bonds pursuant to Section 3.02(b) and (c), as applicable.

“Rate Period” shall mean the period during which a particular rate of interest determined for the Bonds is to remain in effect pursuant to Article III.
“Remarketing Agent” shall mean the entity designated in the Remarketing Agreement pertaining to the Bonds, and any successors thereto.

“Remarketing Agreement” shall mean the Remarketing Agreement between the District and the Remarketing Agent pertaining to the Bonds.

“Stepped Rate” shall mean the rate set forth in the Officer’s Pricing Certificate.

“Stepped Rate Period” shall mean the period of time commencing on the Mandatory Tender Date described in Sections 4.03(g) and 4.05 and continuing through a subsequent remarketing or redemption of the Bonds.

“Tender Agent” shall have the meaning set forth in the Officer’s Pricing Certificate.

“Tender Agent Agreement” shall mean the Tender Agent Agreement between the District and the Tender Agent pertaining to the Bonds, or any similar agreement entered into from time to time with any successor Tender Agent.

“Term Rate” unless otherwise set forth in the Officer’s Pricing Certificate, shall mean the interest rate to be determined for the Bonds in a Term Rate Period.

“Term Rate Conversion Date” unless otherwise set forth in the Officer’s Pricing Certificate shall mean the day the Bonds first bear interest at a Term Rate.

“Term Rate Period” shall mean each period during which the Bonds bear interest at a Term Rate.

“Undelivered Bonds” shall mean Bonds which are required to be delivered to the Tender Agent pursuant to the terms of this Order and which are not in fact delivered.

ARTICLE II
MISCELLANEOUS

Section 2.01. Term Rate Held in Book Entry System. This Section 2.01 shall apply with respect to tenders and purchases of Term Rate Bonds held in the Book Entry System. The Remarketing Agent will transfer proceeds from the remarketing of tendered Term Rate Bonds directly to DTC to be distributed in accordance with DTC’s normal procedures. Evidence of beneficial ownership in Term Rate Bonds purchased with such remarketing proceeds shall be provided to the purchasers thereof according to DTC’s normal procedures.

ARTICLE III
INTEREST RATES ON BONDS

Section 3.01. Initial Interest Rates; Subsequent Interest Rates. The Bonds shall bear interest at the Initial Term Rate(s) for the Initial Term Rate Period(s) as set forth in the Officer’s Pricing Certificate. At the end of the Initial Term Rate Period(s), the Bonds shall be subject to mandatory tender on the date(s) set forth in the Officer’s Pricing Certificate, without right of retention by the Owner; provided, however, that a failure of the Remarketing Agent to remarket
any of the Bonds at the end of the Initial Term Rate Period(s), as further described in Section 4.05, shall result in the holders of all the Bonds retaining such Bonds until the same are remarked or redeemed pursuant to the applicable provisions of this Order. After the Initial Term Rate Period, the Bonds shall be converted to bear interest in a different Rate Period (as provided in an Officer’s Pricing Certificate) as determined in accordance with the provisions of this Order, until the Bonds mature or are converted to a different Rate Period, as applicable, all as provided herein. Notwithstanding the foregoing, if the Remarketing Agent fails to remarket the Bonds, resulting in the holders thereof retaining such Bonds subsequent to the end of the Initial Term Rate Period(s), the Bonds shall bear interest at the Stepped Rate for the duration of the Stepped Rate Period. No opinion of counsel is required prior to conversion from the Initial Term Rate Period(s) to a Rate Period of one year or more.

Section 3.02. Term Rates; Conversions to Term Rate Periods.

(a) Determination by Remarketing Agent. Subject to the further provisions of this Article III the Term Rate to be applicable to Bonds during any Term Rate Period shall be determined by the Remarketing Agent. The Remarketing Agent shall determine the Term Rate in accordance with this section on the Rate Determination Date, and all Bonds, unless otherwise set forth in the Officer’s Pricing Certificate (other than Bonds bearing interest at the Stepped Rate) shall be issued in the same Term Rate mode. The Term Rate so determined shall become effective on the first day of the next succeeding Rate Period.

(i) In each case, the Term Rate for the Term Rate Period in question shall be determined by the Remarketing Agent on the Rate Determination Date required pursuant to Section 3.02(b) or (c) below, as is applicable.

(ii) Each Term Rate determined by the Remarketing Agent shall be the lowest rate of interest which, in the judgment of the Remarketing Agent, would cause the Bonds to have a market value not less than the principal amount thereof, plus accrued interest, under prevailing market conditions as of the Rate Determination Date, provided, however, the Term Rate will not cause such Bonds to exceed the Purchase Price; provided that: (A) if the Remarketing Agent fails for any reason to determine or notify the Pricing Officer, the Tender Agent or the Paying Agent/Registrar of the Term Rate for any Term Rate Period when required hereunder, the Term Rate for such period shall be deemed to be determined as the Term Rate then in effect; and (B) in no event shall the Term Rate for any Term Rate Period exceed the Maximum Rate.

(iii) All determinations of Term Rates pursuant to this Section shall be conclusive and binding, absent manifest error, upon the District, the Tender Agent, the Paying Agent/Registrar, and the Owners of the Bonds to which such rates are applicable. The District, the Tender Agent, the Paying Agent/Registrar and the Remarketing Agent shall not be liable to any Owners for failure to give any notice required above or for failure of any Owners to receive such notice.

(b) Term Rates. A Term Rate shall be determined for each Term Rate Period as follows:
(i) Term Rate Periods shall (A) commence initially on the Term Rate Conversion Date and (B) end on the last day preceding either the commencement date of the following Term Rate Period or the Conversion Date on which a different Rate Period shall become effective.

(ii) The Term Rate for each Term Rate Period shall be effective from and including the commencement date of such Period and remain in effect through and including the last day thereof. Each such Term Rate shall be determined for each Term Rate Period not later than 12:00 p.m., New York City time on the Rate Determination Date, which date shall be the day immediately preceding the commencement date of such Term Rate Period, and each such Term Rate shall be made available to the Paying Agent/Registrar and the Tender Agent by the Remarketing Agent by the close of business on its Rate Determination Date.

(iii) Notice of each Term Rate shall be given by the Paying Agent/Registrar to each Owner promptly after such Term Rate is determined.

(iv) At the expiration of then-applicable Term Rate Period, there occurs a failed remarketing of the type described in Section 4.03(g) hereto, such Bonds shall bear interest at the Stepped Rate for the duration of the Stepped Rate Period.

(c) Conversions between Term Rate Periods. At the option of the District, the Bonds may be converted from one Term Rate Period to another. To accomplish the proposed conversion, the District shall give written notice of the proposed conversion together with a copy of the Opinion of Bond Counsel, if required, to the Remarketing Agent not less than one day prior to the date that notice is required to be given pursuant to Section 3.02(c)(ii). The conversion shall be accomplished as follows:

(i) Unless otherwise provided in the Officer’s Pricing Certificate, the Conversion Date of a conversion to a different Term Rate Period shall be an Interest Payment Date on which interest is payable for the Term Rate Period from which the conversion is to be made; provided, however, that if the conversion is from a Term Rate Period to a different Term Rate Period, the Conversion Date shall be limited to an Interest Payment Date on which a new Term Rate Period would otherwise have commenced pursuant to Section 3.02(c) above. Conversions from a Stepped Rate Period may occur on any date during the Stepped Rate Period.

(ii) The District shall give written notice of any such conversion to the Paying Agent/Registrar and the Tender Agent (if any) not less than forty-five (45) days prior to the proposed Conversion Date. Such notice shall specify the proposed Conversion Date and the Term Rate Period to which the conversion will be made.

(iii) Not less than thirty (30) days prior to the Conversion Date, the Paying Agent/Registrar shall provide a written notice of the conversion to the Owners. Such notice shall:

(A) contain the information set forth in the notice from the District pursuant to Section 3.02(c)(ii) above;
(B) set forth the dates by which the Remarketing Agent will determine and the Paying Agent/Registrar will notify the Owners of the Term Rate for the Term Rate Period commencing on the Conversion Date pursuant to Section 3.02(c)(iv) below; and

(C) set forth the matters required to be stated pursuant to Section 4.03 with respect to purchases of such Bonds governed by such Section.

(iv) The Term Rate for the Term Rate Period commencing on the Conversion Date shall be determined by the Remarketing Agent in the manner provided in Section 3.02(a) above on the date set forth in Section 3.02(b) or (c), whichever is applicable to the Term Rate Period to which the conversion shall be made.

(v) Any conversion pursuant to this Section 3.02 - (a) from a Term Rate Period of one year in duration to a Term Rate Period of longer than one year in duration or vice versa; or (b) to a Fixed Rate shall be subject to the condition that on or before five (5) days prior to the date the Paying Agent/Registrar is required to give notice of the date of such conversion, the District shall have delivered to the Paying Agent/Registrar and the Remarketing Agent an Opinion of Bond Counsel. If such Opinion of Bond Counsel is not delivered, the conversion shall not occur and the Bonds shall not be converted but shall remain in the same Rate Period; provided, however, that such Bonds shall be subject to mandatory tender as provided herein. For the avoidance of doubt, no opinion of Bond Counsel is required when converting from the Initial Term Rate Period to a Rate Period of one year or more in duration (unless otherwise provided in the Officer’s Pricing Certificate).

(d) On any Conversion Date, in accordance with all applicable law, the District reserves the right to divide the Bonds into two or more subseries or to further divide the Bonds currently in a subseries.

Section 3.03. Reserved.

Section 3.04. Fixed Rate Conversion at Option of the District. At the option of the District, and pursuant to an order of the Board, Bonds bearing interest at a Term Rate (including the Initial Term Rate) may be converted in whole or in part to a Fixed Rate to their maturity or prior redemption. In the event of a partial conversion pursuant to this Section, the Paying Agent/Registrar shall select by lot or other customary random method the Bonds to be converted to a Fixed Rate in order to effectuate a pro rata allocation of the mandatory redemption schedule as set forth in the Officer’s Pricing Certificate between the Bonds to be converted to a Fixed Rate and the Bonds remaining in a Term Rate. Any such conversion shall be made as follows:

(a) The Fixed Rate Conversion Date shall be an Interest Payment Date on which a new Term Rate Period would otherwise have commenced pursuant to Section 3.02(c) hereof; provided, further that Bonds bearing interest at a Stepped Rate may be converted to a Fixed Rate or Rates on any Business Day. The Fixed Rate Conversion Date for a conversion from the Initial Term Rate Period shall be on the schedule date of the mandatory tender at the end of the Initial Term Rate Period as further described in Section 3.01 of this Order.

(b) (i) The District shall give written notice of any such conversion to the Remarketing Agent, the Paying Agent/Registrar and the Tender Agent, if any, not less than forty-
five (45) days prior to the proposed Conversion Date, Such notice shall specify the Fixed Rate Conversion Date and the principal amount of Bonds to be converted.

(ii) Not less than thirty (30) days prior to the Fixed Rate Conversion Date, the Paying Agent/Registrar shall give written notice of the conversion to the Owner of all Bonds to be converted, specifying the Conversion Date and setting forth the matters required to be stated pursuant to Section 3.04(c).

(c) Notice of conversion shall be given by the Paying Agent/Registrar to Moody’s, S&P, and Fitch (if rating the Bonds) and the Owners of all Bonds to be converted. Such notice shall inform the Owners of:

(i) the proposed Fixed Rate Conversion Date;

(ii) the dates by which the Remarketing Agent will determine and the Paying Agent/Registrar will notify the Owners of the Fixed Rate pursuant to Section 3.04(d) below;

(iii) the conditions to the conversion pursuant to Section 3.04(e) below; and

(iv) the matters required to be stated pursuant to Section 4.04 with respect to purchases of Bonds governed by such Section.

(d) Not later than 12:00 p.m., New York City time, on the seventh (7th) Business Day prior to the Fixed Rate Conversion Date the Remarketing Agent shall, in consultation with and subject to the approval of the District, determine the Fixed Rate or Rates for the Bonds which will cause the Bonds to have a market value equal to the principal amount thereof (with the redemption dates and prices determined pursuant to Section 5.02(c) hereof), and make the Fixed Rate or Rates available to the Paying Agent/Registrar; provided, however, in no event shall the Bonds converted to Fixed Rate bear interest at a rate exceeding the Maximum Rate. Such determination shall be conclusive and binding upon the District, the Paying Agent/Registrar and the Owners of the Bond to which such Rate will be applicable. Promptly after the date of determination, the Paying Agent/Registrar shall give notice of such Fixed Rate or Rates to the Tender Agent, and the Owners (as of the Fixed Rate Conversion Date).

(e) Any conversion to a Fixed Rate pursuant to this Section 3.04 shall be subject to the following conditions:

(i) on or before the Fixed Rate Conversion Date, the District shall have delivered to the Paying Agent/Registrar and the Remarketing Agent an Opinion of Bond Counsel; and

(ii) as of the Fixed Rate Conversion Date, sufficient funds shall be available to purchase Bonds which are then required to be purchased pursuant to Section 4.04.

If the foregoing conditions are not met for any reason, the conversion shall not be effective, the Bonds shall continue to bear interest at the last effective Term Rate or Stepped Rate, as
applicable and the provisions of Section 4.03(g) to the extent applicable and not contradictory shall apply.

(f) At its option, the District also may determine the serial or term maturities, redemption provisions and other terms which shall be applicable to the pricing of the Bonds on and after the Fixed Rate Conversion Date. Such option may be exercisable only on a Fixed Rate Conversion Date. Serial maturities shall be determined by the Board at the time of the conversion to a Fixed Rate. Following the Fixed Rate Conversion Date, the Bonds shall be subject to optional redemption in whole or in part on such dates as shall be determined at the time of the conversion. If the District so elects, the serial maturities or mandatory redemption provisions for the Bonds converted to a Fixed Rate shall be determined in the basis of providing similar relative principal and interest payments on such Bonds, including the principal payment schedule set forth in Section 5.03 (after giving pro rata effect for any prior sinking fund redemptions of the Bonds, if any, not then converted to a Fixed Rate). Also, if the District exercises its option to change the redemption provisions and the serial maturity dates, then on or before the Fixed Rate Conversion Date on which such option is exercised, the District shall, as a condition to the exercise of such option, deliver to the Paying Agent/Registrar an Opinion of Bond Counsel.

ARTICLE IV
TENDER AND PURCHASE OF BONDS

Section 4.01. Procedures for Tendered Bonds.

(a) No Optional Tender. Bonds are not subject to optional tender.

(b) Purchase of Tendered Bonds.

(i) Notice. At or before 3:00 p.m., New York City time, on the Business Day immediately preceding the date fixed for purchase of tendered Bonds, the Remarketing Agent shall give notice by telephone, telegram, telex, facsimile transmission, or other similar communication to the Tender Agent of the principal amount of tendered Bonds which were not remarketed. Not later than 4:00 p.m., New York City time, on the date of receipt of such notice the Tender Agent shall give notice by telephone, telegram, telex, facsimile transmission, or other similar communication to a Pricing Officer, and the Paying Agent/Registrar specifying the principal amount of tendered Bonds as to which the Remarketing Agent has not found a purchaser. At or before 3:00 p.m., New York City time, on the Business Day prior to the purchase date, to the extent known to the Remarketing Agent, but in any event, no later than 10:30 a.m., New York City time, on the date fixed for purchase, the Remarketing Agent shall give notice to the Tender Agent by telephone (promptly confirmed in writing) of any change in the names, addresses, and taxpayer identification numbers of the purchaser, the Authorized Denominations of the Bonds to be delivered to each purchaser and, if available, payment instructions for regularly scheduled interest payments.

(ii) Sources of Payment. At or before 10:30 a.m., New York City time, the Remarketing Agent shall cause to be paid to the Tender Agent for deposit in the “Houston Independent School District Remarketing Proceeds Payment Fund” (the “Payment Fund”) on the
date fixed for purchase of the tendered Bonds, all amounts representing proceeds of the remarketing of such Bonds.

(iii) Payments by the Tender Agent. At or before 2:30 p.m., New York City time, on the date set for purchase of tendered Bonds and upon receipt by the Tender Agent of 100% of the aggregate Purchase Price of the tendered Bonds, the Tender Agent shall pay the Purchase Price of such Bonds to the Owners thereof at its designated office or by bank wire transfer. Such payments shall be made in immediately available funds. If sufficient funds are not available for the purchase of all tendered Bonds, no purchase shall be consummated.

(iv) Registration and Delivery of Tendered or Purchased Bonds. Bonds purchased or remarkedeted by the Remarketing Agent shall be registered by the Tender Agent and delivered to the new registered owner in accordance with the instructions of the Remarketing Agent. Notwithstanding anything to the contrary in the foregoing paragraph, for so long as the Bonds are held in the Book-Entry System of DTC hereof, any Bond remarkedeted by the Remarketing Agent shall be delivered to the new beneficial owner thereof by a transfer in the Book-Entry System of DTC of such remarkedeted Bond to the applicable DTC Participant account for such beneficial owner.

(v) Delivery of Bonds; Effect of Failure to Surrender Bonds. All Bonds to be purchased on any date shall be required to be delivered to the office of the Tender Agent at or before 5:00 p.m., New York City time, on the Business Day next preceding the purchase date (12:00 noon New York City time on the tender date for Bonds held in book entry only system). If the Owner of any Bond (or portion thereof) that is subject to purchase pursuant to this Section fails to deliver such Bond to the Tender Agent for purchase on the purchase date, and if the Tender Agent is in receipt of the Purchase Price therefor, such Bond (or portion thereof) shall nevertheless be deemed purchased on the day fixed for purchase thereof and shall constitute an Undelivered Bond. Ownership of Undelivered Bonds (or portions thereof) shall be transferred to the purchaser thereof as provided in Section 4.01(d)(iv) above. Any Owner of Undelivered Bonds shall have no further right thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Bond to the Tender Agent. The Tender Agent shall, as to any Undelivered Bonds, (A) promptly notify the Remarketing Agent of such nondelivery and (B) place a stop transfer against such Undelivered Bonds.

Section 4.02. Reserved.

Section 4.03. Mandatory Tender Upon Term Rate Conversion.

(a) Conversions to Term Rate Periods. Bonds to be converted from any Term Rate Period to a different Term Rate Period on any Conversion Date pursuant to Section 3.02(c), are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price. The Owners of such Bonds shall not have the right to elect to retain such Bonds.

(b) Reserved.

(c) Reserved.
(d) **Notice to Owners.** Any notice of a Conversion Date given to Owners pursuant to Section 3.02(c)(iii) shall, in addition to the requirements of such Section state that the Bonds to be converted will be subject to mandatory tender for purchase on the Conversion Date and the time at which Bonds are to be tendered for purchase.

(e) **Remarketing.** On the date any notice of a Conversion Date is given to Owners pursuant to Section 4.03(a) above, the Tender Agent shall notify an Pricing Officer and the Remarketing Agent by telephone, telegram, telecopy, facsimile transmission or other similar communication, of the principal amount of Bonds to be tendered for purchase on the Conversion Date. The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for such Bonds. The terms of any sale by the Remarketing Agent shall provide for the payment of the Purchase Price of tendered Bonds to the Remarketing Agent in immediately available funds at or before 9:30 a.m., New York City time, on the Conversion Date.

(f) **Purchase of Tendered Bonds.** The provisions of Section 4.01(b) shall apply to tenders pursuant to this Section 4.03.

(g) **Conversions – Stepped Rate.** If the conversion of Bonds relates to a conversion from a Term Rate then the Bonds shall be subject to mandatory tender on the Term Rate Conversion Date pursuant to Section 4.03(a). In the event that such Bonds are not converted and remarketed to new purchasers on the scheduled date of mandatory tender, the District shall have no obligation to purchase the Bonds tendered on such date, the failed conversion and remarketing shall not constitute an event of default under this Order or the Bonds, the mandatory tender will be deemed to have been rescinded for that date with respect to all the Bonds and the Bonds (i) will continue to be Outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarketing of such Bonds, (iii) will bear interest at the Stepped Rate during the Stepped Rate Period, (iv) will be subject to redemption and mandatory tender for purchase on any date during the Stepped Rate Period upon which a conversion occurs (which shall occur at the District’s discretion upon delivery of at least one day’s notice to the holders thereof), and (v) will be deemed to continue in a Term Rate Period for all other purposes of this Order (including the identification of the Interest Payment Dates until the Bonds are remarketed or redeemed), though bearing interest during such time at the Stepped Rate until remarketed or redeemed in accordance with the terms of this Order. In the event of a failed conversion and remarketing as described above, the District will cause the Bonds to be converted and remarked on the earliest reasonably practicable date on which they can be sold at par, in such interest rate mode or modes as the District directs, at a rate not exceeding the Maximum Rate. All other provisions of Section 4.03 shall apply to and govern Bonds described in this Subsection (g) to the extent such terms are not in conflict with those included herein.

Section 4.04. **Mandatory Tender Upon Fixed Rate Conversion.**

(a) **Mandatory Tender Upon Conversion.** Bonds to be converted to a Fixed Rate pursuant to Section 3.04 shall be subject to mandatory tender for purchase on the Fixed Rate Conversion Date at the Purchase Price. The Owners shall not have the right to elect to retain their Bonds.
(b) **Notice to Owners.** Any notice of conversion given to Owners pursuant to Section 3.04(c) shall, in addition to the requirements of such Section, state that Owners shall not have the right to waive mandatory tender and that Bonds not delivered to the Tender Agent for purchase on the date specified in the notice shall be deemed tendered on such date and that after such date Owners will not be entitled to any payment (including interest to accrue subsequent to the required purchase date) other than the Purchase Price for such Undelivered Bonds and such Undelivered Bonds shall no longer be entitled to the benefits of this Order.

(c) **Remarketing.** The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for the Bonds; provided that in no event shall the Remarketing Agent offer any such Bond for sale to any person unless the Remarketing Agent has advised such person of the fact that, after the Fixed Rate Conversion Date, the Bond will no longer be subject to tender at the option of the Owner. The terms of any sale by the Remarketing Agent shall provide for the payment of the Purchase Price to the Remarketing Agent of the tendered Bonds in immediately available funds at or before 9:30 a.m., New York City time on the Fixed Rate Conversion Date.

(d) **Purchase of Tendered Bonds.** The provisions of Section 4.01(b) shall apply to mandatory tenders pursuant to this Section 4.04.

**Section 4.05. Mandatory Tender at End of Initial Term Rate Period.** The District shall use its best efforts to take all such actions required by this Order to be performed by the District to cause all Bonds (of a particular series or subseries) to be converted from the Initial Term Rate Period to a different Rate Period on the first Business Day immediately following the last day of the applicable Initial Term Rate Period. Notwithstanding any provisions of this Order to the contrary, the Bonds issued hereunder shall be subject to mandatory tender on the Conversion Date immediately following the end of the Initial Term Rate Period, without right of retention by the Owner, at the Purchase Price. Bonds tendered pursuant to this Section 4.05 shall be delivered to the Remarketing Agent against payment therefor in accordance with the provisions of Section 4.01(b). In the event that such Bonds are not converted and remarketed to new purchasers on the scheduled date of mandatory tender, the District shall have no obligation to purchase the Bonds tendered on such date, the failed conversion and remarketing shall not constitute an event of default under this Order or the Bonds, the mandatory tender will be deemed to have been rescinded for that date and the Bonds (i) will continue to be Outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarketing of such Bonds, (iii) will bear interest at the Stepped Rate during the Stepped Rate Period, (iv) will be subject to redemption and mandatory tender for purchase on any date during the Stepped Rate Period upon which a conversion occurs (which shall occur at the District’s discretion upon delivery of at least one day’s notice to the holders thereof), and (v) will be deemed to continue in an Initial Term Rate Period for all other purposes of this Order (including the identification of Interest Payment Dates until the bonds are remarshaled or redeemed), though bearing interest during such time at the Stepped Rate, until remarshaled or redeemed in accordance with the terms of this Order. In the event of a failed conversion and remarketing as described above, the District will cause the Bonds to be converted and remarshaled on the earliest reasonably practicable date on which they can be sold at not less than par, in such interest rate mode or modes as the District directs, at a rate not exceeding the Maximum Rate.

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4150-3515-5776.4
ARTICLE V
REDEMPTION OF BONDS BEFORE MATURITY

Section 5.01. Limitation on Redemption. The Bonds shall be subject to redemption before scheduled maturity only as provided in the Officer’s Pricing Certificate.

Section 5.02. Optional Redemption. (a) Unless otherwise provided for in the Officer’s Pricing Certificate, prior to the Fixed Rate Conversion Date, Bonds, other than Bonds bearing interest at the Initial Term Rate during the Initial Term Rate Period, and Bonds bearing interest at the Stepped Rate during the Stepped Rate Period, are subject to redemption at the option of the District, in whole or in part, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption date, on any Interest Payment Date.

(b) Bonds bearing interest at the Stepped Rate during the Stepped Rate Period are subject to redemption, in whole or in part, at the option of the District, at a redemption price equal to the principal amount thereof plus interest accrued thereon at the Stepped Rate, as applicable, to the redemption date, on any date. Bonds bearing interest at the Initial Term Rate during the Initial Term Rate Period are subject to redemption at the option of the District as set forth in the Officer’s Pricing Certificate.

(c) Bonds bearing interest at a Fixed Rate are subject to redemption at the option of the District, in whole or in part, on the dates and at the prices determined and established by the District on the Fixed Rate Conversion Date.

(d) The District shall deliver notice to the Paying Agent/Registrar of its intention to redeem Bonds, which notice shall specify the principal amount of the Bonds to be redeemed (i) with respect to Bonds bearing interest at a Stepped Rate, at least two (2) days prior to the redemption date, (ii) with respect to Bonds bearing interest at any Term Rate at least twelve (12) days prior to the redemption date; and (iii) with respect to Bonds bearing interest at a Fixed Rate, at least thirty-five (35) days prior to the redemption date.

Section 5.03. Notice of Redemption. The Paying Agent/Registrar shall cause notice of redemption of any Bond to be redeemed in whole or in part to be given to any Rating Agency then rating the Bonds, and to the Owner thereof at the address of the Owner appearing in the Register (i) with respect to a Bond bearing interest at a Stepped Rate at least one (1) day prior to the redemption date; (ii) with respect to a Bond bearing interest at a Term Rate at least ten (10) days prior to the redemption date; and (iii) with respect to a Bond bearing interest at the Fixed Rate, at least thirty (30) days prior to the redemption date.

ARTICLE VI
REMARKETING AGENT; TENDER AGENT

Section 6.01. Remarketing Agent. The District shall select a Remarketing Agent and enter into a Remarketing Agreement for the Bonds prior to the end of the Initial Term Rate Period. The Pricing Officer is hereby authorized to select and appoint the initial Remarketing Agent for the Bonds, which appointment shall be set forth in the Officer’s Pricing Certificate and to approve the terms (including fees) in the Remarketing Agreement. The President of the Board, Vice
President of the Board or a Pricing Officer are hereby authorized to executed and deliver the Remarketing Agreement.

Section 6.02. Appointment of Initial Tender Agent. The Pricing Officer is hereby authorized to select and appoint the initial Tender Agent for the Bonds, which appointment shall be set forth in the Officer’s Pricing Certificate and to approve the terms (including fees) in the Tender Agent Agreement. The Tender Agent shall signify its acceptance of the duties and obligations imposed on it hereunder by its execution of the Tender Agent Agreement in a form similar to other tender agent agreements entered into by the District, the execution of which is hereby approved. Additionally, the President or Vice President of the Board is hereby authorized and directed to execute and deliver the Tender Agent Agreement for and on behalf of the District and this Board, and such Tender Agent Agreement as executed by the President or Vice President of the Board shall be deemed to be the Tender Agent Agreement herein approved and authorized to be executed and delivered for and on behalf of the District and this Board.

Each Tender Agent shall be a commercial bank or trust company organized under the laws of the United States or any state, or other entity duly qualified and legally authorized to serve as and perform the duties and services of tender agent for the Bonds.

Section 6.03. Maintaining Remarketing Agent and Tender Agent. (a) Subject to Section 6.01 hereof, the District hereby agrees that, while any of the Bonds bear interest at a Term Rate, it will maintain a Remarketing Agent (if required by the interest rate mode of the Bonds) and Tender Agent with respect to the Bonds, qualified to act in such respective capacity. No resignation or removal of the Remarketing Agent or Tender Agent shall become effective until a successor has been appointed and accepted such appointment. Any successor Tender Agent shall have capital of not less than $50,000,000. The Remarketing Agent shall use its best efforts to remarket the Bonds on the terms described in this Order.

(b) Promptly upon each change in the entity serving as Remarketing Agent or Tender Agent the District will cause notice of such change to be sent to each Owner by first class mail.

ARTICLE VII
FORM OF THE BONDS

Section 7.01. Form Generally. The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in Exhibit A, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including the guarantee of the Permanent School Fund, insurance legends in the event the Bonds (or any Stated Maturities thereof) are insured, and any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the District or by the officers executing such Bonds, as evidenced by their execution.
ARTICLE VIII
AMENDMENTS AND SUPPLEMENTS TO ORDER

Section 8.01. Without Consent of Owners. Without notice to or the consent of any Owner, the District may, at any time, amend this Order to cure any ambiguity or cure, correct or supplement any defective or inconsistent provision contained in this Order (including any particular series or subseries):

(a) to cure or correct any ambiguity or defective provision herein or to correct or supplement any provisions in this Order which may be inconsistent with any other provision contained herein;

(b) to modify this Order or the Bonds to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;

(c) to authorize different authorized denominations of the Bonds and to make correlative amendments and modifications to this Order regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(d) to increase or decrease the number of days specified for the giving of notices in Articles III, IV and V of this Order and to make corresponding changes to the period for notice of redemption of the Bonds provided that no decreases in any such number of days shall become effective except while the Bonds bear interest at a Term Rate and until 10 days after the Paying Agent/Registrar has given notice to the Owners of the Bonds;

(e) to provide for an uncertificated system of registering the Bonds or to provide for the change to or from a Book-Entry System for the Bonds;

(f) to make any change to this Order when all Bonds have been tendered to the Remarketing Agent pursuant to the terms of this Order, but have not been remarshaled following such tender; provided, however, that the Remarketing Agent has received notice of such amendment or supplement;

(g) effective upon any Conversion Date to a new Rate Period to make any amendment affecting only the Bonds being converted;

(h) to increase the Maximum Rate; or

(i) to make any other change that does not, in the opinion of bond counsel to the District, materially adversely affect the interests of the Owners.

Section 8.02. With Consent of Owners. If an amendment of or supplement to this Order or the Bonds without any consent of Owners is not permitted by the preceding Section, the District may enter into such amendment or supplement without prior notice to any Owners but with the consent of Owners of at least a majority in principal amount of the Bonds then Outstanding. However, nothing herein contained shall permit or be construed to permit the amendment, without
the consent of each Owner affected thereby, of or supplement to the terms and conditions in this Order, so as to:

(a) change the sinking fund requirements, if any, interest payment dates, rights to tender or the maturity or maturities of the Outstanding Bonds;

(b) reduce the rate of interest borne by any of the Outstanding Bonds;

(c) reduce the amount of the principal or purchase price of or premium, if any, payable on the Outstanding Bonds;

(d) modify the terms of payment of principal or purchase price of, premium, if any, or interest on the Outstanding Bonds, or impose any conditions with respect to such payments;

(e) affect the rights of the Owners of fewer than all of the Outstanding Bonds; or

(f) decrease the minimum percentage of the principal amount of Outstanding Bonds necessary for consent to any such amendment.

In addition, if money or investments have been deposited or set aside with the Paying Agent/Registrar for the payment of Bonds and those Bonds shall not have in fact been actually paid in full, no amendment to the provisions of that Article shall be made without the consent of the Owner of each of those Bonds affected.

Section 8.03. Effect of Consents. Any consent received pursuant to Section 8.02 will bind each Owner delivering such consent and each subsequent Owner of a Bond or portion of a Bond evidencing the same debt as the consenting Owner’s Bond.

Section 8.04. Notation on or Exchange of Bonds. If an amendment or supplement changes the terms of a Bond, the Paying Agent/Registrar may require the Owner to deliver it to the Paying Agent/Registrar. The Paying Agent/Registrar may place an appropriate notation on the Bond about the changed terms and return it to the Owner. Alternatively, if the Paying Agent/Registrar and the District determine, the District in exchange for the Bond will issue and the Paying Agent/Registrar will authenticate a new Bond that reflects the changed terms.

Section 8.05. Notice to Owners. Upon receipt of notice of an amendment or change to the Order, the Paying Agent/Registrar shall cause notice of the execution of each supplement or amendment to this Order to be mailed to the Owners. The notice will at the option of the Paying Agent/Registrar, either (i) briefly state the nature of the amendment or supplement and that copies of it are on file with the Paying Agent/Registrar for inspection by Owners or (ii) enclose a copy of such amendment or supplement.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Notice to Rating Agencies. At any time during which the Bonds are rated by Moody’s, S&P, or Fitch, the Paying Agent/Registrar shall notify Moody’s, S&P, and Fitch
promptly of (i) any change in the Paying Agent/Registrar, Tender Agent, or Remarketing Agent, (ii) the expiration, termination, extension or any other material change to this Order or the Remarketing Agreement, and (iii) the redemption, defeasance or payment of all of the Bonds or conversion of the Bonds to a Fixed Rate. Any such notice shall be sent by first class mail, postage prepaid, to: Moody’s Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Attention: Public Finance Group—Texas Local Ratings; Standard & Poor’s, 55 Water Street, 38th Floor, New York, New York 10004, Attention: Municipal Structured Finance, email pubfin_structuredstandardandpoors.com; and Fitch Ratings, One State Street Plaza, New York, New York, 10004, Attention: Municipal Structured Finance.
EXHIBIT A
FORM OF BOND

REGISTERED NO. R-1

REGISTERED AMOUNT $__________*

UNITED STATES OF AMERICA
STATE OF TEXAS

HOUSTON INDEPENDENT SCHOOL DISTRICT
VARIABLE RATE LIMITED TAX ____________ * BOND
SERIES ________ *

Dated Date: * Issuance Date: * Interest Rate: * Maturity Date: * CUSIP No.: *

REGISTERED OWNER: ____________________________ *

PRINCIPAL AMOUNT: ____________________________ *

The Houston Independent School District (hereinafter referred to as the District), a body corporate and political subdivision in the County of Harris, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinafore stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the later of the Issuance Date shown above or the most recent Interest Payment Date to which interest has been paid or provided for. Interest shall accrue from the Issuance Date.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Order pursuant to which the Bonds are issued.

Interest on this Bond is payable to the registered owner hereof by check, dated as of the Interest Payment Date, and sent by first class mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address shown on the Register or by such other customary banking

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1 Initial Bond to be numbered T-1.
* Insert from Officer’s Pricing Certificate.
* Insert from Officer’s Pricing Certificate.
* Insert from Officer’s Pricing Certificate.
* Insert from Officer’s Pricing Certificate.
* Insert from Officer’s Pricing Certificate.
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* Insert from Officer’s Pricing Certificate.
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* Insert from Officer’s Pricing Certificate.
Delete from Initial Bond.
* Insert from Officer’s Pricing Certificate.
* Insert from Officer’s Pricing Certificate.
arrangement acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of the Owner. The principal hereof is payable upon presentation and surrender of this Bond at the designated office of __________________*, as Paying Agent/Registrar, or any successor Paying Agent/Registrar.

For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered on the “Record Date,” as set forth in the Order. “Interest Payment Date” shall have the meaning given to such term in the Order.

Any payments required to be made hereunder on any day which is not a Business Day (as defined in the Order) shall be made instead on the next succeeding Business Day and no interest shall accrue on such payments in the interim except in the Initial Term Rate Period [or as set forth in the Pricing Certificate].

This Bond is one of a series of duly registered bonds specified in the title hereof issued in the aggregate principal amount of $_______* (herein referred to as the “Bonds”), issued pursuant to an order adopted by the Board of Education of the District (the “Bond Order”) and a pricing certificate executed pursuant to the Bond Order and relating the Bonds (the “Pricing Certificate together with the Bond Order is the “Order”) for the purpose of refunding certain outstanding obligations of the District and to pay the costs of issuing the Bonds.

This Bond shall not be valid or obligatory for any purpose unless it is registered by the Comptroller of Public Accounts of Texas by certificate affixed or attached hereto or authenticated by the Paying Agent/Registrar by due execution of the Authentication Certificate provided herein.

**INTEREST PROVISIONS**

This Bond bears interest at an Initial Term Rate, Term Rate or a Fixed Rate as set forth in the Order.

This Bond initially shall bear interest at the Initial Term Rate per annum from the Issuance Date stated above through __________* (the “Initial Term Rate Period”). The Bonds shall be subject to mandatory tender, without right of retention by the owners thereof, on __________* and shall be tendered to the Remarketing Agent against payment therefor. During the Initial Term Rate interest shall be computed on the basis of a 360-day year of twelve 30-day months. Thereafter, this Bond shall bear interest at a Term Rate until converted to another interest rate mode, or at a Fixed Rate.

The rate of interest applicable to any Rate Period shall be determined in accordance with the applicable provisions of the Order and pursuant to the terms of the Remarketing Agreement (if any) between the District and the initial Remarketing Agent, or any successor thereto (the “Remarketing Agent”).

* Insert from Officer’s Pricing Certificate.
* Insert from Officer’s Pricing Certificate.
* Insert from Officer’s Pricing Certificate.
* Insert from Officer’s Pricing Certificate.

A-2
WRITTEN NOTICE OF RATE MODE CHANGE

While the Bonds bear interest at a Term Rate, the Paying Agent/Registrar shall give notice to the registered owners of the conversion from one interest rate mode to another at the times described in the Order. ANY REGISTERED OWNER OF BONDS WHO MAY BE UNABLE TO TAKE TIMELY ACTION ON ANY NOTICE SHOULD CONSIDER WHETHER TO MAKE ARRANGEMENTS FOR ANOTHER PERSON TO ACT IN HIS OR HER STEAD. If a new interest rate mode for the Bonds is not selected in a timely fashion in accordance with the Order, the interest rate mode then in effect will continue until changed by timely notice.

MANDATORY TENDER

This Bond is subject to mandatory tender for purchase by the Tender Agent in accordance with the terms Order.

FAILED REMARKETING

Initial Term Rate Period. In the event that this Bond bears interest at an Initial Term Rate and it is not converted and remarshaled to new purchasers on the scheduled date of mandatory tender, the District shall have no obligation to purchase this Bond tendered on such date, the failed conversion and remarshaled shall not constitute an event of default under the Order or this Bond, the mandatory tender will be deemed to have been rescinded for that date with respect to this Bond, and this Bond (i) will continue to be Outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarshaled of this Bond, (iii) will bear interest at the Stepped Rate during the Stepped Rate Period, (iv) will be subject to redemption and mandatory tender for purchase on any date during the Stepped Rate Period upon which a conversion occurs (which shall occur at the District’s discretion upon delivery of at least one day’s notice to the holder hereof), and (v) will be deemed to continue in an Initial Term Rate Period for all other purposes of the Order (including the identification of Interest Payment Dates until the Bonds are remarshaled or redeemed), though bearing interest during such time at the Stepped Rate, until remarshaled or redeemed in accordance with the terms of the Order. In the event of a failed conversion and remarshaled as described above, the District will cause this Bond to be converted and remarshaled on the earliest reasonably practical date on which it can be sold at par, in such interest rate mode or modes as the District directs, at a rate not exceeding the Maximum Rate.

Term Rate Periods. If this Bond is subject to mandatory tender on the Term Rate Conversion Date because of conversion from a Term Rate Period relating to this Bond, and this Bond is not converted and remarshaled to new purchasers on the scheduled date of mandatory tender because of a failed remarshaled, then the District shall have no obligation to purchase this Bond tendered on such date, the failed conversion and remarshaled shall not constitute an event of default under the Order or this Bond, the mandatory tender will be deemed to have been rescinded for that date with respect to this Bond, and this Bond (i) will continue to be Outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarshaled of this Bond, (iii) will bear interest at the Stepped Rate during the Stepped Rate Period, (iv) will be subject to redemption and mandatory tender for purchase on any date during the Stepped Rate Period upon which a conversion occurs (which shall occur at the District’s discretion upon delivery of at least one day’s notice to the holders thereof), and (v) will be deemed to continue in a Term Rate Period,
for all other purposes of this Order (including the identification of Interest Payment Dates until the Bonds are remarketed or redeemed), though bearing interest during such time at the Stepped Rate until remarketed or redeemed in accordance with the terms of this Order. In the event of a failed conversion and remarketing as described above, the District will cause this Bond to be converted and remarked on the earliest reasonably practical date on which it can be sold at par, in such interest rate mode or modes as the District directs, at a rate not exceeding the Maximum Rate.

**UNDELIVERED BONDS**

Bonds which are required to be tendered by the Owners thereof for purchase by the Tender Agent but which are not in fact delivered for purchase on the date and at the time required and for which there has been deposited an amount sufficient to pay the Purchase Price thereof, shall cease to accrue interest on the tender date, and the Owner thereof shall not be entitled to any payment other than the Purchase Price for such Bond. Such Bond shall no longer be outstanding and entitled to the benefits of the Order, except for the payment of the Purchase Price from money held by the Tender Agent for such payment. On the tender date, the Tender Agent shall authenticate and deliver substitute Bonds in lieu of such Undelivered Bonds.

**REDEMPTION PROVISIONS**

**Optional Redemption.**

Bonds bearing interest at the Initial Term Rate are subject of redemption, in whole or in part, at the option of the District on [add from Pricing Certificate].

Bonds bearing interest at the Term Rate are subject of redemption, in whole or in part, at the option of the District on [add from Pricing Certificate].

Bonds bearing interest at a Stepped Rate are subject to redemption, in whole or in part, at the option of the District, on any date at a redemption prices equal to the principal amount thereof plus interest accrued thereon at the Stepped Rate to the redemption date or as otherwise set forth in the Officer’s Pricing Certificate.

Bonds bearing interest at a Fixed Rate or Rates are subject to redemption on the dates and at the prices determined by the District on the Fixed Rate Conversion Date.

**Minimum Mandatory Redemption.** The Bonds are subject to mandatory redemption from money on deposit in the Interest and Sinking Fund at a price of par plus accrued interest to the date fixed for redemption, on August 15 in each of the years and in the following minimum principal amounts:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
</table>

* Insert from Officer’s Pricing Certificate.

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4150-3515-5776.4

A-4
In lieu of mandatorily redeeming the Bonds pursuant to such Minimum Mandatory Redemption requirements, the District reserves the right to purchase for cancellation Bonds of the same maturity at a price no greater than the applicable redemption price of such Bonds.

The Paying Agent/Registrar will select by lot the specific Bonds (or with respect to Bonds having a denomination in excess of an Authorized Denomination, each portion thereof equal to an Authorized Denomination) to be redeemed by mandatory redemption. The principal amount of Bonds required to be redeemed on any redemption date pursuant to the foregoing Minimum Mandatory Redemption provisions shall be reduced, at the option of the District, by the principal amount of any Bonds having the same maturity which have been purchased or redeemed by the District as follows, at least 45 days prior to the mandatory redemption date:

(a) if the District directs the Paying Agent to purchase Bonds with money in the debt service fund for the Bonds (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Bonds purchased will be made against the next mandatory redemption installment due, or

(b) if the District purchases or redeems Bonds with other available moneys, then the principal amount of such Bonds will be credited against future mandatory redemption installments in any order, and in any annual amount, that the District may direct.

Notice of optional and scheduled mandatory redemption shall be given by first class mail, postage prepaid (i) with respect to a Bond bearing interest at a Stepped Rate, at least one (1) day prior to the redemption date; (ii) with respect to a Bond bearing interest at a Term Rate at least ten (10) days prior to the redemption date; and (iii) with respect to a Bond bearing interest at the Fixed Rate, at least thirty (30) days prior to the redemption date to the Owner of each Bond to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

Notice of Redemption. Notice of optional and mandatory redemption shall be given as provided in the Order.
GENERAL PROVISIONS

As provided in the Order, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the designated office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity and interest rate mode, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

DELIVERY OF NOTICES AND BONDS

Any Bonds required to be delivered to the Tender Agent for purchase, and any notices required to be delivered to the Tender Agent hereunder shall be delivered to: (insert from Officer’s Pricing Certificate).

Bonds required to be tendered for purchase shall be delivered to the Tender Agent prior to 5:00 p.m. on the Business Day next preceding the date of purchase.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law and has been authorized by a vote of the properly qualified electors of the District; that all acts, conditions, and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form, and manner, as required by law; that sufficient and proper provision for the levy and collection of taxes has been made, without limit as to rate or amount, and that annual ad valorem taxes, without legal limit as to maximum rate or amount, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District, and have been pledged irrevocably for such payment; and that the total indebtedness of the District, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF; the District has caused this Bond to be executed by the manual or facsimile signature of the President or Vice President of the Board of Education of the District and countersigned by the manual or facsimile signature of the Secretary of the Board of Education of the District, and the official seal of the District has been duly impressed or placed in facsimile on this Bond.

President, Board of Education
Houston Independent School District

Secretary, Board of Education
Houston Independent School District

[SEAL]
Form of Comptroller’s Registration to Appear on Initial Bonds only

OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the Houston Independent School District, and that this Bond has this day been registered by me.

WITNESS my signature and seal of office at Austin, Texas.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

Form of Authentication Certificate to Appear on Definitive Bonds only

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is to certify that this is one of the Bonds referred to in the within-mentioned Order.

Registered this date: ________________, as Paying Agent/Registrar

By: ____________________________
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): __________________________

(Social Security or other identifying number): ____________________________ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints ____________________________attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.
DATED: ___________________  

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers.

Signature guaranteed:

__________________________________

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[FORM OF PERMANENT SCHOOL FUND CERTIFICATE]

PERMANENT SCHOOL FUND CERTIFICATE

Under the authority granted by Article 7, Section 5 of the Texas Constitution and Subchapter C of Chapter 45 of the Texas Education Code, the payment, when due, of the principal of and interest on the issuance by the Houston Independent School District of its Variable Rate Limited Tax Bond, Series, dated, in the principal amount of is guaranteed by the corpus of the Permanent School Fund of the State pursuant to the bond guarantee program administered by the Texas Education Agency. This guarantee shall be removed in its entirety upon defeasance of such bonds.

Reference is hereby made to the continuing disclosure agreement of the Texas Education Agency, set forth in Section I of the Agency’s Investment Procedure Manual and the Agency’s commitment letter for the guarantee. Such disclosure agreement has been made with respect to the bond guarantee program, in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission, for the benefit of the holders and beneficial owners of the bonds.

In witness thereof I have caused my signature to be placed in facsimile on this bond.

Commissioner of Education
State of Texas

* Insert from Officer’s Pricing Certificate.
* Insert from Officer’s Pricing Certificate.
* Insert from Officer’s Pricing Certificate.
* Insert from Officer’s Pricing Certificate.
SUBJECT: APPROVAL OF ORDER APPROVING NEW TERM RATE PERIOD OR FIXED RATE PERIOD FOR HOUSTON INDEPENDENT SCHOOL DISTRICT VARIABLE RATE LIMITED TAX SCHOOLHOUSE BONDS, SERIES 2012; AUTHORIZING THE REDEMPTION OF A PORTION OF OUTSTANDING BONDS; AND APPROVING OTHER PROVISIONS RELATING THERETO

In February 2012, the Houston Independent School District (HISD) issued its $182,080,000 Variable Rate Limited Tax Refunding Bonds, Series 2012. The Series 2012 Bonds that mature on June 1, 2029, were issued with an initial rate period ending May 31, 2014. The current term rate period for the Series 2012 Bonds that mature on June 1, 2029, ends on May 31, 2023, when $37,115,000 of such bonds are scheduled to be remarketed.

After consultation with the district’s financial advisor, Estrada Hinojosa & Company, the administration recommends remarketing the tranche of the Series 2012 Bonds that mature June 1, 2029, for a new term rate period or the conversion to a fixed rate period. Approval of the attached order provides for the superintendent, chief financial officer, or the controller to determine the duration of a new term rate period or the conversion to a fixed rate.

The administration is also recommending that up to $110,000,000 of the district’s outstanding bonds with current interest rate periods ending May 31, 2023, be redeemed no later than June 1, 2023, consisting of (i) some or all of the district’s Variable Rate Limited Tax Refunding Bonds, Series 2012 that mature June 1, 2029, and (ii) some or all of the district’s Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A-1B. Redemption of such bonds will lower the district’s indebtedness in its debt portfolio. Approval of the attached order provides for the superintendent, chief financial officer, or the controller to determine the aggregate principal amount of the bonds to be redeemed on or before that date.

The order approving (i) the new term rate period or fixed rate period for the tranche of the Series 2012 Bonds that matures on June 1, 2029; (ii) the redemption of a portion of the outstanding bonds; and (iii) other provisions relating thereto is attached.

COST/FUNDING SOURCE(S): All interest costs and debt-servicing costs are paid from the Debt Service Fund.

STAFFING IMPLICATIONS: None
ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals and is aligned to Core Initiative 5: Culture of Trust through Action. The approval of this item ensures that HISD is in compliance with current statutory requirements.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the order approving a new term rate period or fixed rate period for HISD Variable Rate Limited Tax Schoolhouse Bonds, Series 2012, and authorizing the redemption of a portion of outstanding bonds and other provisions, effective December 9, 2022.
Executive Summary

**Purpose:**

A portion of the district’s debt portfolio includes variable rate bonds which were issued with term rates that expire within various term periods. This form of variable rate debt (also referred to as a Put Bond) must be remarketed (or redeemed) when the term rate period ends. Otherwise, the rate will automatically increase to a pre-determined (usually higher) step rate. Rate periods have been scheduled to end on May 31 of each year to coincide with the district’s budgetary planning. This timing provides for the best estimates of available funds for redemptions as well the best estimates for interest costs in the subsequent budget year. The final maturity of the debt is not changed in the course of the remarketing.

The Series 2012 Variable Rate Bonds in the amount of $37,115,000 are subject to be remarketed on May 31, 2023, for a new term and term rate or, alternatively, may be converted to a fixed rate to maturity. The order also authorizes the district to redeem (pay off) all or a portion of the bonds using available debt service funds instead of remarketing the bonds.

The agenda item and remarketing order grant authority to certain officers of the district to take the actions necessary in the course of remarketing the variable rate debt.

Items I-6 through I-9 are related items which provide the district with the flexibility needed to execute both the budgeted, FY 2022-23 debt activity and capture potential savings by refinancing current bonds outstanding, while remaining within the current I&S Tax Rate adopted by the Board of Education on October 13, 2022.

**Prerequisites:**

The Variable Rate Series 2012 Bonds are previously issued debt of the district with term rates expiring on May 31, 2023.

**Board Meeting Requirements:**

The Board of Education approves the order authorizing a new term rate period or, alternatively, a fixed rate for the Series 2012 Variable Rate Bonds, the redemption of outstanding bonds, and other provisions related thereto.
CERTIFICATE FOR ORDER

STATE OF TEXAS §
COUNTY OF HARRIS §
HOUSTON INDEPENDENT SCHOOL DISTRICT §

The undersigned officers of the Board of Education (the “Board”) of the Houston Independent School District (the “District”), hereby certify as follows:

1. The Board of the District convened in regular meeting on December 8, 2022 at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

   Judith Cruz, President                     Dani Hernandez, Member
   Elizabeth Santos, First Vice President    Dr. Patricia K. Allen, Member
   Kathy Blueford-Daniels, Second Vice President Kendall Baker, Member
   Sue Deigaard, Secretary                   Bridget Wade, Member
   Myrna Guidry, Esq., Assistant Secretary

   and all of such persons were present except __________________, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

   ORDER APPROVING NEW TERM RATE PERIOD OR FIXED RATE PERIOD FOR A PORTION OF HOUSTON INDEPENDENT SCHOOL DISTRICT VARIABLE RATE LIMITED TAX REFUNDING BONDS, SERIES 2012; AUTHORIZING THE REDEMPTION OF A PORTION OF OUTSTANDING BONDS; AND APPROVING OTHER PROVISIONS RELATING THERETO

   was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be passed; and, after due discussion, such motion, carrying with it the passage of such Order, prevailed and carried by the following vote:

   AYES __      NOES __      ABSTENTIONS __

2. That a true, full and correct copy of such Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that such Order has
been duly recorded in such Board’s minutes of such meeting; that the above and foregoing paragraph is a true, full and correct excerpt from such Board’s minutes of such meeting pertaining to the passage of such Order; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place and purpose of such meeting, and that such Order would be introduced and considered for passage at such meeting, and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; and that such meeting was open to the public, and public notice of the time, place and purpose of such meeting was given all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this, ____________________________ 2022.

______________________________________________
Manager, Board Services
Houston Independent School District

(SEAL)
ORDER APPROVING NEW TERM RATE PERIOD OR FIXED RATE PERIOD FOR A PORTION OF HOUSTON INDEPENDENT SCHOOL DISTRICT VARIABLE RATE LIMITED TAX REFUNDING BONDS, SERIES 2012; AUTHORIZING THE REDEMPTION OF A PORTION OF OUTSTANDING BONDS; AND APPROVING OTHER PROVISIONS RELATING THERETO

WHEREAS, pursuant to Chapter 45, Texas Education Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended, and an order adopted on February 9, 2012 (the “Bond Order”), the Board of Education (the “Board”) of the Houston Independent School District (the “District”) authorized the issuance of the District’s Variable Rate Limited Tax Refunding Bonds, Series 2012 (the “Bonds”);

WHEREAS, the Bonds maturing on June 1, 2029 (the “2029 Maturity”) currently bear interest at a Term Rate for a Term Rate Period ending on May 31, 2023;

WHEREAS, the Board has determined that it is in the best interests of the District for the 2029 Maturity to bear interest at a new Term Rate or Fixed Rate commencing June 1, 2023 (the “Conversion Date”);

WHEREAS, the Board desires to delegate authority to the Superintendent, Chief Financial Officer and Controller (each, an “Authorized Representative”) to determine certain terms of the 2029 Maturity in connection with the remarketing and conversion of such bonds;

WHEREAS, the District has heretofore issued the 2029 Maturity and its Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A1-B (collectively, the “Callable Bonds”), a portion of which the Board desires to redeem in advance of their maturities on June 1, 2023, in a principal amount not to exceed $110,000,000, as more fully determined by an Authorized Representative;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF EDUCATION OF THE HOUSTON INDEPENDENT SCHOOL DISTRICT THAT:

Section 1. Recitals. The recitals to this Order are hereby approved by the Board and incorporated into and made a part hereof.

Section 2. Definitions. Terms not otherwise defined in this Order shall have the same meanings set forth in the Bond Order.

Section 3. Approval of Term Rate Period or Fixed Rate Period. Pursuant to Section 3.02(g) of the Bond Order and subject to the availability of sufficient funds to purchase the 2029 Maturity, the 2029 Maturity will be purchased pursuant to Sections 4.03 and 4.08 of the Bond
Order. Upon conversion, the 2029 Maturity shall bear interest at a Term Rate or Fixed Rate for a period commencing June 1, 2023 and ending on a date designated by an Authorized Representative in the Officer’s Pricing Certificate. An Authorized Representative is authorized to approve the Term Rate or Fixed Rate, when established by the Remarketing Agent. Costs of the remarketing shall be paid from available funds of the District or from the proceeds of a premium, if any, generated from the remarketing of the 2029 Maturity.

Section 4. **Delegation.** The Authorized Representative is hereby authorized to act on behalf of the District in connection with the remarketing and conversion of the 2029 Maturity and to approve any modifications to the terms of all or a portion of the bonds subject to conversion deemed necessary or advisable to effectuate the remarketing of such 2029 Maturity on the most favorable terms, including, but not limited to, terms related to optional redemption, the Term Rate or the Fixed Rate, the duration of the Term Rate Period or the Fixed Rate Period, the Stepped Rate and any term-out provisions applicable upon a failed remarketing of such 2029 Maturity. Any determinations by the Authorized Representative shall be set forth in an Officer’s Pricing Certificate delivered to the Remarketing Agent, the Paying Agent/Registrar and the Tender Agent on or before the Conversion Date. Any finding or determination by the Authorized Representative as authorized herein shall have the same force and effect as a finding or determination made by the Board. The Authorized Representative and all other appropriate officers, agents and representatives of the District are hereby authorized and directed to take all other actions and to execute, deliver, and accept on behalf of the District all agreements and documents that are necessary to carry out the actions contemplated by this Order or the Bond Order.

Section 5. **Reoffering Memorandum.** The Board hereby authorizes one or more Authorized Representatives to assist in the preparation of an Offering Memorandum, and any addendum, supplement or amendment thereto, as the Authorized Representative(s) deem appropriate in connection with the remarketing of the 2029 Maturity for the Term Rate Period or the Fixed Rate Period. The Board further approves the use and distribution of such Offering Memorandum in the remarketing of the 2029 Maturity.

Section 6. **Redemption of Bonds.** The Board hereby approves the redemption of a portion of the Callable Bonds on June 1, 2023, in a principal amount not to exceed $110,000,000. An Authorized Representative is authorized to determine the maturities and aggregate principal amount of the Callable Bonds to be redeemed on such date, and is hereby authorized and directed to provide notice of such redemption in accordance with the orders authorizing the issuance of the Callable Bonds. On or before June 1, 2023, the District shall deposit with the paying agent/registrar for the Callable Bonds lawfully available funds sufficient to pay the redemption price of the Callable Bonds to be redeemed on such date. The Board hereby ratifies and confirms any and all action taken by any Authorized Representative prior to the date hereof, and hereby authorizes the
Authorized Representative(s) to do any and all things necessary and convenient to effectuate such redemption.

Section 7. **Open Meeting.** It is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and public notice of the time, place and purpose of the meeting was given, all as required by the Texas Open Meetings Act.

Section 8. **Effective Date; Effect of Failure of Term Rate or Fixed Rate.** (a) This Order shall be in full force and effect from and upon its adoption.

(b) If, for any reason, the conditions precedent to the remarketing of the 2029 Maturity in a new Term Rate or Fixed Rate are not satisfied, the new Term Rate or Fixed Rate shall not be effective, the 2029 Maturity shall bear interest at the Stepped Rate, and the Paying Agent/Registrar and the Authorized Representative shall promptly notify the Owners of such fact and shall give such additional notices and take such further actions as may be required pursuant to the Bond Order.

Section 9. **Appointment of Remarketing Agent.** An Authorized Representative is hereby authorized to select and appoint the Remarketing Agent for the remarketing of the 2029 Maturity Bonds which appointment shall be set forth in the Officer’s Pricing Certificate and to approve the terms (including fees) in the Remarketing Agreement. An Authorized Representative is hereby authorized to execute and deliver the Remarketing Agreement.

Section 10. **Severability.** If any section, paragraph, clause or provision of this Order shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Order.

Section 11. **Repealer.** All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

[The remainder of the page is intentionally left blank.]
PASSED AND APPROVED this December ___, 2022.

ATTEST:

________________________
President, Board of Education
Houston Independent School District

________________________
Secretary, Board of Education
Houston Independent School District

(SEAL)
Office of the Superintendent of Schools  
Board of Education Meeting of December 8, 2022  

Office of Finance  
Glenn Reed, Chief Financial Officer  

SUBJECT:  APPROVAL OF ORDER APPROVING NEW TERM RATE PERIOD OR FIXED RATE PERIOD FOR HOUSTON INDEPENDENT SCHOOL DISTRICT VARIABLE RATE LIMITED TAX SCHOOLHOUSE BONDS, SERIES 2014A-1B; AUTHORIZING THE REDEMPTION OF A PORTION OF OUTSTANDING BONDS; AND APPROVING OTHER PROVISIONS THERETO  

In June 2014, the Houston Independent School District (HISD) issued its $349,740,000 Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A. Upon the expiration of the initial rate period for the bonds, the bonds were divided into two subseries and remarshaled as Series 2014A-1 and Series 2014A-2. Upon the expiration of the term rate period for the Series 2014A-1 Bonds on May 31, 2016, the Series 2014A-1 Bonds were further divided into two subseries and remarshaled as Series 2014A-1A Bonds and Series 2014A-1B Bonds. The current term rate period for the Series 2014A-1B Bonds ends on May 31, 2023, when $82,105,000 of such bonds are scheduled to be remarshaled.  

After consultation with the district’s financial advisor, Estrada Hinojosa & Company, the administration recommends remarshaled of the Series 2014A-1B Bonds for a new term rate period or fixed rate period commencing June 1, 2023. Approval of the attached order provides for the superintendent, chief financial officer, or controller to determine the duration of a new term rate period or the conversion to a fixed rate period.  

The administration is also recommending that up to $110,000,000 of the district’s outstanding bonds with current interest rate periods ending May 31, 2023, be redeemed no later than June 1, 2023, consisting of some or all of the District’s Variable Rate Limited Tax Refunding Bonds, Series 2012, that mature June 1, 2029, and some or all of the District’s Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A-1B. Redemption of such bonds will lower the district’s indebtedness in its debt portfolio. Approval of the attached order provides for the superintendent, chief financial officer, or the controller to determine the aggregate principal amount of the bonds to be redeemed on or before that date.  

The order approving the new term rate period or fixed rate period, the redemption of a portion of the outstanding bonds, and other provisions relating thereto is attached.  

COST/FUNDING SOURCE(S):  All interest costs and debt-servicing costs are paid from the Debt Service Fund.  

STAFFING IMPLICATIONS:  None
ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals and is aligned to Core Initiative 5: Culture of Trust through Action. The approval of this item ensures that HISD is in compliance with current statutory requirements.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the order approving a new term rate period or fixed rate period for HISD Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A-1B, and authorizing the redemption of a portion of outstanding bonds and other provisions, effective December 9, 2022.
### Executive Summary

<table>
<thead>
<tr>
<th><strong>Purpose:</strong></th>
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<tbody>
<tr>
<td>A portion of the district’s debt portfolio includes variable rate bonds which were issued with term rates that expire within various term periods. This form of variable rate debt (also referred to as a Put Bond) must be remarkedeted (or redeemed) when the term rate period ends. Otherwise, the rate will automatically increase to a pre-determined (usually higher) step rate. Rate periods have been scheduled to end on May 31 of each year to coincide with the district’s budgetary planning. This timing provides for the best estimates of available funds for redemptions as well as the best estimates for interest costs in the subsequent budget year. The final maturity of the debt is not changed in the course of the remarketing.</td>
</tr>
<tr>
<td>The Series 2014A-1B Variable Rate Bonds in the amount of $82,105,000 are subject to be remarkedeted on May 31, 2023, for a new term and term rate or alternatively, may be converted to a fixed rate to maturity. The order also authorizes the district to redeem (pay off) all or a portion of the bonds using available debt service funds instead of remarketing the bonds.</td>
</tr>
<tr>
<td>The agenda item and remarketing order grant authority to certain officers of the district to take the actions necessary in the course of remarketing the variable rate debt.</td>
</tr>
<tr>
<td>Items I-6 through I-9 are related items which provide the district with the flexibility needed to execute both the budgeted, FY 2022-23 debt activity and capture potential savings by refinancing current bonds outstanding, while remaining within the current I&amp;S Tax Rate adopted by the Board of Education on October 13, 2022.</td>
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<tr>
<th><strong>Prerequisites:</strong></th>
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<tbody>
<tr>
<td>The Variable Rate Series 2014A-1B Bonds are previously issued debt of the district with term rates expiring on May 31, 2023.</td>
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</table>

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<tr>
<th><strong>Board Meeting Requirements:</strong></th>
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<tbody>
<tr>
<td>The Board of Education approves the order authorizing a new term rate period or alternatively, a fixed rate for the Series 2014A-1B Variable Rate Bonds, the redemption of outstanding bonds, and other provisions related thereto.</td>
</tr>
</tbody>
</table>
CERTIFICATE FOR ORDER

STATE OF TEXAS §
COUNTY OF HARRIS §
HOUSTON INDEPENDENT SCHOOL DISTRICT §

The undersigned officers of the Board of Education (the “Board”) of the Houston Independent School District (the “District”), hereby certify as follows:

1. The Board of the District convened in regular meeting on December 8, 2022, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

   Judith Cruz, President
   Elizabeth Santos, First Vice President
   Kathy Blueford-Daniels, Second Vice President
   Sue Deigaard, Secretary
   Myrna Guidry, Esq. Assistant Secretary
   Dani Hernandez, Member
   Dr. Patricia K. Allen, Member
   Kendall Baker, Member
   Bridget Wade, Member

and all of such persons were present except______________________, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDER APPROVING NEW TERM RATE PERIOD OR FIXED RATE PERIOD FOR HOUSTON INDEPENDENT SCHOOL DISTRICT VARIABLE RATE LIMITED TAX SCHOOLHOUSE BONDS, SERIES 2014A-1B; AUTHORIZING THE REDEMPTION OF A PORTION OF OUTSTANDING BONDS; AND APPROVING OTHER PROVISIONS RELATING THERETO

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be passed; and, after due discussion, such motion, carrying with it the passage of such Order, prevailed and carried by the following vote:

   AYES __     NOES __     ABSTENTIONS __

2. That a true, full and correct copy of such Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that such Order has been duly recorded in such Board’s minutes of such meeting; that the above and foregoing paragraph is a true, full and correct excerpt from such Board’s minutes of such meeting pertaining
to the passage of such Order; that the persons named in the above and foregoing paragraph are the
duly chosen, qualified and acting officers and members of the Board as indicated therein; that each
of the officers and members of the Board was duly and sufficiently notified officially and
personally, in advance of the time, place and purpose of such meeting, and that such Order would
be introduced and considered for passage at such meeting, and each of such officers and members
consented, in advance, to the holding of such meeting for such purpose; and that such meeting was
open to the public, and public notice of the time, place and purpose of such meeting was given all
as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this, ________________2022.

____________________________________
Manager, Board Services
Houston Independent School District

(SEAL)
ORDER APPROVING NEW TERM RATE PERIOD OR FIXED RATE PERIOD FOR HOUSTON INDEPENDENT SCHOOL DISTRICT VARIABLE RATE LIMITED TAX SCHOOLHOUSE BONDS, SERIES 2014A-1B; AUTHORIZING THE REDEMPTION OF A PORTION OF OUTSTANDING BONDS; AND APPROVING OTHER PROVISIONS RELATING THERETO

WHEREAS, pursuant to Chapter 45, Texas Education Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended, and an order adopted on June 12, 2014 (the “Bond Order”), the Board of Education (the “Board”) of the Houston Independent School District (the “District”) authorized the issuance of the District’s Variable Rate Limited Tax Schoolhouse Bonds, Series 2014A (the “Bonds”);

WHEREAS, the Bonds were issued in a single tranche for an Initial Rate Period ending on May 31, 2015;

WHEREAS, upon expiration of the Initial Rate Period, the Bonds were divided into two subseries and remarke ted as “Series 2014A-1 Bonds” and “Series 2014A-2 Bonds” with Term Rate Periods of one and two years, respectively;

WHEREAS, upon expiration of the Term Rate Period for the Series 2014A-1 Bonds on May 31, 2016, the Series 2014A-1 Bonds were further divided into two subseries and remarke ted as “Series 2014A-1A Bonds” and “Series 2014A-1B Bonds;”

WHEREAS, the current Term Rate Period for the Series 2014A-1B Bonds ends May 31, 2023;

WHEREAS, the Board has determined that it is in the best interests of the District for the Series 2014A-1B Bonds to bear interest at a new Term Rate or Fixed Rate commencing June 1, 2023 (the “Conversion Date”);

WHEREAS, the Board desires to delegate authority to the Superintendent, Chief Financial Officer and Controller (each, an “Authorized Representative”) to determine certain terms of the Series 2014 A-1B Bonds in connection with the remarketing and conversion of such bonds;

WHEREAS, Section 3.05 of the Bond Order authorizes the Authorized Representative to approve any modifications to the terms of all or a portion of the Series 2014A-1B Bonds subject to conversion;

WHEREAS, the District has heretofore issued the Series 2014A-1B Bonds and its Variable Rate Limited Tax Refunding Bonds, Series 2012, (collectively, the “Callable Bonds”), a portion
of which the Board desires to redeem in advance of their maturities on June 1, 2023, in a principal amount not to exceed $110,000,000, as more fully determined by an Authorized Representative;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF EDUCATION OF THE HOUSTON INDEPENDENT SCHOOL DISTRICT THAT:

Section 1. Recitals. The recitals to this Order are hereby approved by the Board and incorporated into and made a part hereof.

Section 2. Definitions. Terms not otherwise defined in this Order shall have the same meanings set forth in the Bond Order.

Section 3. Approval of Term Rate Period or Fixed Rate Period. Pursuant to Section 3.02(i) of the Bond Order and subject to the availability of sufficient funds to purchase the Series 2014A1-B Bonds, the Series 2014A1-B Bonds will be purchased pursuant to Sections 4.03 and 4.08 of the Bond Order. Upon conversion, the Series 2014A-1B Bonds shall bear interest at a new Term Rate or Fixed Rate for a period commencing June 1, 2023 and ending on a date designated by an Authorized Representative in the Officer’s Pricing Certificate. An Authorized Representative is authorized to approve the Term Rate or Fixed Rate, when established by the Remarketing Agent. Costs of the remarketing shall be paid from available funds of the District or from the proceeds of a premium, if any, generated from the remarketing of the Series 2014A1-B Bonds.

Section 4. Delegation. The Authorized Representative is hereby authorized to act on behalf of the District in connection with the remarketing and conversion of the Series 2014A1-B Bonds and to approve any modifications to the terms of all or a portion of the bonds subject to conversion deemed necessary or advisable to effectuate the remarketing of such Series 2014A1-B Bonds on the most favorable terms, including, but not limited to, terms related to optional redemption, the Term Rate or Fixed Rate, the duration of the Term Rate Period or the Fixed Rate Period, the Stepped Rate and any term-out provisions applicable upon a failed remarketing of such 2014A1-B Bonds. Any determinations by the Authorized Representative shall be set forth in an Officer’s Pricing Certificate delivered to the Remarketing Agent, the Paying Agent/Registrar and the Tender Agent on or before the Conversion Date. Any finding or determination by the Authorized Representative as authorized herein shall have the same force and effect as a finding or determination made by the Board. The Authorized Representative and all other appropriate officers, agents and representatives of the District are hereby authorized and directed to take all other actions and to execute, deliver, and accept on behalf of the District all agreements and documents that are necessary to carry out the actions contemplated by this Order or the Bond Order.
Section 5. **Reoffering Memorandum.** The Board hereby authorizes one or more Authorized Representatives to assist in the preparation of an Offering Memorandum, and any addendum, supplement or amendment thereto, as the Authorized Representative(s) deem appropriate in connection with the remarketing of the Series 2014A-1B Bonds for the Term Rate Period or the Fixed Rate Period. The Board further approves the use and distribution of such Offering Memorandum in the remarketing of the Series 2014A-1B Bonds.

Section 6. **Redemption of Bonds.** The Board hereby approves the redemption of a portion of the Callable Bonds on June 1, 2023, in a principal amount not to exceed $110,000,000. An Authorized Representative is authorized to determine the maturities and aggregate principal amount of the Callable Bonds to be redeemed on such date, and is hereby authorized and directed to provide notice of such redemption in accordance with the orders authorizing the issuance of the Callable Bonds. On or before June 1, 2023, the District shall deposit with the paying agent/Registrar for the Callable Bonds lawfully available funds sufficient to pay the redemption price of the Callable Bonds to be redeemed on such date. The Board hereby ratifies and confirms any and all action taken by any Authorized Representative prior to the date hereof, and hereby authorizes the Authorized Representative(s) to do any and all things necessary and convenient to effectuate such redemption.

Section 7. **Open Meeting.** It is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and public notice of the time, place and purpose of the meeting was given, all as required by the Texas Open Meetings Act.

Section 8. **Effective Date; Effect of Failure of Term Rate or Fixed Rate.** (a) This Order shall be in full force and effect from and upon its adoption.

(b) If, for any reason, the conditions precedent to the remarketing of the Series 2014A-1B Bonds in a new Term Rate or Fixed Rate are not satisfied, the new Term Rate or Fixed Rate shall not be effective, the Series 2014A-1B Bonds shall bear interest at the Stepped Rate, and the Paying Agent/Registrar and the Authorized Representative shall promptly notify the Owners of such fact and shall give such additional notices and take such further actions as may be required pursuant to the Bond Order.

Section 9. **Appointment of Remarketing Agent.** An Authorized Representative is hereby authorized to select and appoint the Remarketing Agent for the remarketing of the 2014A-1B Bonds which appointment shall be set forth in the Officer’s Pricing Certificate and to approve the terms (including fees) in the Remarketing Agreement. An Authorized Representative is hereby authorized to execute and deliver the Remarketing Agreement.
Section 10. **Severability.** If any section, paragraph, clause or provision of this Order shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Order.

Section 11. **Repealer.** All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

[The remainder of the page is intentionally left blank.]
PASSED AND APPROVED this December ___, 2022.

_______________________________
President, Board of Education
Houston Independent School District

ATTEST:

________________________________
Secretary, Board of Education
Houston Independent School District

(SEAL)
SUBJECT: AUTHORITY TO NEGOTIATE AND EXECUTE AN AGREEMENT AND RELATED DOCUMENTS WITH HARRIS COUNTY FOR A DISPARITY STUDY

Beginning in the mid-1990s the Houston Independent School District (HISD) has implemented a Minority- and Woman-Owned Business Enterprise (M/WBE) program. The focus of the program was to address past discrimination against minority- and woman-owned businesses. Currently, the district’s program is operated through the Procurement Department and relies on certification of M/WBE status from the City of Houston and XXXX. The district does not have its own certification process.

In 1989, the U.S. Supreme Court ruled that public entities must establish a “compelling interest” to support the establishment of an M/WBE program. In order to meet this requirement, governmental entities must rely on a Disparity Study also known as a Croson Study, named after the plaintiff in the Supreme Court case. The study can be used to determine/support a need for an M/WBE program in HISD, and the availability of M/WBE businesses within the area. In order to continue to operate the district’s M/WBE program, it is necessary to participate in a study.

At its March 10, 2022, meeting, the HISD Board of Education adopted a resolution authorizing the administration to pursue conducting a Disparity Study to determine the scope of businesses within the Harris County area that are available to provide services to the district, and past usage of M/WBE businesses by the district. Harris County Commissioners Court approved a $2 million fund to aid public school districts and community colleges seeking to conduct disparity studies. This agenda item seeks to approve HISD’s participation in the Disparity Study process as outlined by Harris County and to apply for grant funding to assist in the cost of the study.

Approval of this agenda item will allow HISD to apply for grant funding from Harris County to conduct the study and move forward with participation in the study.

COST/FUNDING SOURCE(S): Harris County grant funds and HISD General Fund

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals and is aligned to Core Initiative 4: Data-Driven Accountability.
THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education authorizes the administration to apply for grant funding from Harris County, and to negotiate and execute an agreement and related documents with Harris County, for conducting a Disparity Study related to the district’s M/WBE program, effective December 9, 2022.
SUBJECT: ADOPTION OF RESOLUTION TO PAY EMPLOYEES RELATED TO THE BOIL WATER NOTICE ISSUED BY THE CITY OF HOUSTON ON NOVEMBER 27, 2022

The Houston Independent School District (HISD) Board of Education is asked to consider adoption of a resolution authorizing payment to employees for November 28, 2022, and November 29, 2022. The administration recommends that impacted district staff receive compensation for these dates during which they did not report to work due to a districtwide closure of schools and facilities necessitated by a Boil Water Alert issued by the City of Houston on the evening of November 27, 2022. The administration further recommends that staff members be paid in accordance with CKC8(REGULATION) and other guidelines issued by the chief financial officer.

The resolution recites that the board finds that a public purpose and a benefit to HISD exist to pay impacted employees for the two days missed due to the aforementioned districtwide closures at schools and district facilities, which include student and employee health and safety precautions and employee morale.

A copy of the above-referenced resolution is attached to this item.

COST/FUNDING SOURCE(S): Funds are budgeted in the 2022–2023 operating budget.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports the district's Strategic Plan and all four district goals and is aligned to all five core initiatives.

THIS ITEM DOES REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the adoption of the resolution related to the payment of employees during the closure of district schools, offices, and facilities on November 28, 2022, and November 29, 2022, due to a City of Houston Boil Water Notice issued on November 27, 2022, effective immediately.
ADOPTION OF RESOLUTION TO PAY EMPLOYEES FOR WORKDAYS MISSED DURING DISTRICT CLOSURE DUE TO CITY OF HOUSTON BOIL WATER NOTICE

WHEREAS the City of Houston issued a Boil Water Notice on the evening of November 27, 2022, which impacted all Houston Independent School District (“HISD” or the “District”) schools, offices, and facilities; and

WHEREAS the necessary compliance with the City of Houston Boil Water Notice impacted the District’s ability to provide safe and clean food preparation for students, drinking water for students and staff, and general sanitary conditions, resulting in the closure of the District on November 28, 2022; and

WHEREAS on November 29, 2022, the City of Houston lifted the Boil Water Notice, necessitating an additional day of school, office, and facility closures to allow HISD Maintenance and Nutrition Services staff to initiate processes related to preparing for the reuse of water facilities. This included flushing, cleaning, and sanitizing water fountains, ice machines, pipes, faucets, and other fixtures with waterline connections, along with replacing water filters at water bottle filling stations districtwide; and

WHEREAS the Board of Education believes that there is a public purpose served and a benefit to the District to take prudent and necessary steps to provide a safe environment for students and staff when notified by the City of Houston of a potentially contaminated water supply; and

WHEREAS the Board of Education believes that there is a public purpose served and a benefit to the District to demonstrate support of its employees, enhance employee morale, and support the retention of employees by compensating employees impacted by the closure of facilities in accordance with District policy, regulations, and guidelines developed by the Office of the Chief Financial Officer; and

WHEREAS the Board understands that it was in the best interest of HISD to close schools, offices and facilities on November 28, 2022, and November 29, 2022, following
a citywide Boil Water Notice, and the subsequent safety activities required by the District following the lifting of the Notice; and

WHEREAS the Board understands that payment of impacted employees for the two days of absences due to student, staff, and public safety concerns, contributes to the district’s ability to attract and retain staff; and promotes employee morale among employees who, through no fault of their own, were unable to work, as well as those employees who, of necessity were required to report to work at district facilities; and

WHEREAS this Resolution is not meant to excuse the failure to report to duty on days employees were instructed by the administration to do so, or who were required by contract or job description to report for duty, and who are emergency services personnel or whose presence was necessary to provide for the safety and well-being of the general public.

THEREFORE, BE IT RESOLVED by the Board of Education that all the above-referenced paragraphs are incorporated into and made a part of this resolution; and

The Board finds that a public purpose and a benefit to HISD exists to pay impacted employees for the two days of absence due to school and work location closures resulting from the City of Houston Boil Water Alert, and that payments for such days are necessary in the conduct of the public schools as provided by Texas Education Code, Section 45.105(c): and

The Board hereby authorizes the Superintendent of Schools to pay employees for the days of absence due to school and work location closures necessitated by the City of Houston Boil Water Notice in accordance with district policy, regulations, Chief Financial Officer guidelines, and past practice.

The Board hereby ratifies and approves, to the extent permitted by law, all actions taken by the Superintendent in the exercise of his discretion to protect and preserve the public property and assets of HISD, and for the safety and welfare of the employees, students, parents, taxpayers, and other members of the HISD community, to the extent necessary as a result of the November 27, 2022, City of Houston Boil Water Notice.
Approved this ____ day of December 2022.

Judith Cruz, President
HISD Board of Education

Attest:

Sue Deigaard, Secretary
HISD Board of Education
SUBJECT: APPROVAL OF PROPOSED REVISIONS TO BOARD POLICY 
EF(LOCAL), INSTRUCTIONAL RESOURCES—FIRST READING

The purpose of this agenda item is to request that the Houston Independent School 
District (HISD) Board of Education approves revisions to Board Policy EF(LOCAL), 
Instructional Resources, as recommended by the Texas Association of School Boards 
(TASB).

RATIONALE
TASB recommends revisions to this local policy to address the selection and review of 
all instructional resources, including instructional materials and library materials. In April 
of 2022, the Texas Education Agency (TEA) released its model local policy for selecting 
and reviewing library materials. In its correspondence, TEA recommends that boards 
“consider if an adjustment to current policy is necessary.” The revisions address the 
selection and review of library materials as well as parental complaints about those 
materials.

A copy of EF(LOCAL) showing the proposed changes is attached.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals 
and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES REQUIRE CONSULTATION.

THIS ITEM DOES MODIFY BOARD POLICY.

RECOMMENDED: That the Board of Education accepts the recommended changes 
to Board Policy EF(LOCAL), Instructional Resources, on first 
reading, effective December 9, 2022.
INSTRUCTIONAL RESOURCES

Note: For information related to the selection process and accounting of instructional materials, as this term is defined by state law and rule, see CMD and EFA.

The District shall provide a wide range of instructional resources for students and faculty that present varying levels of difficulty, diversity of appeal, and a variety of points of view. Although the Superintendent shall ensure professional staff members may select instructional resources for their use in accordance with District policy and administrative regulations, the ultimate authority for determining and approving the curriculum, and instructional program, and instructional resources of the District lies with the Board.

Objectives

In this policy, “instructional resources” includes both instructional materials and library materials.

Instructional materials may include textbooks, library acquisitions, supplementary resources for classroom use, and any other instructional resources, including electronic resources, used for formal or informal teaching and learning purposes. The primary objectives of instructional resources are to implement, enrich, and support the District’s educational program.

Library materials may include printed and electronic library acquisitions and other ancillary or supplementary materials maintained in a campus library for independent use by students and faculty outside of the District’s core educational program. In accordance with state and local guidelines, library collections should enrich and support the state and local curriculum. Collections should also provide materials of high interest to encourage student reading and learning for pleasure.

Library materials may be used to enhance the instructional program, for formal or informal teaching and learning purposes, and for voluntary inquiry or self-selected reading.

In accordance with state and local standards, school libraries are essential interactive collaborative learning environments, ever evolving to provide equitable physical and virtual access to ideas, information, and learning tools for the entire school community.

School libraries are essential, safe, and inviting centers for teaching and learning that provide equitable access to emerging technologies and physical and virtual collections of high quality, reflecting input from stakeholders.

The Board shall rely on District professional staff to select and acquire instructional resources that:
1. Enrich and support the curriculum, taking into consideration students' varied interests, abilities, learning styles, and maturity levels.

2. Stimulate growth in factual knowledge, enjoyment of reading, literary appreciation, aesthetic values, and societal standards.

3. Present various sides of controversial issues so that students have an opportunity to develop, under guidance, skills in critical analysis and in making informed judgments in their daily lives.

4. Represent many ethnic, religious, and cultural groups and their contributions to the national heritage and world community.

5. Provide a wide range of background information that will enable students to make intelligent judgments in their daily lives.

Selection Criteria

Administrators, teachers, librarians, other District personnel, parents, and community members, as appropriate, may recommend instructional resources for selection.

Instructional Resources

The Board shall rely on District professional staff to select and acquire in the selection of instructional resources, professional staff shall ensure that the resources:

1. Enrich and support the curriculum consistent with the general educational goals of the state and District, and the aims and objectives of individual schools and specific courses, and consistent with the District and campus improvement plans.

2. Are appropriate for the subject area and for the age, ability level, learning styles, interests, and social and emotional development of the students for whom they are selected.

2-3. Meet high standards for artistic quality and/or literary style, authenticity, educational significance, factual content, physical format, presentation, readability, and technical quality.

3. Are appropriate for the subject area and for the age, ability level, learning styles, and social and emotional development of the students for whom they are selected.

4. Present various sides of controversial issues so that students have an opportunity to develop, under guidance, skills in critical analysis and in making informed judgments in their daily lives. [See also EMB regarding instruction about controversial issues.] Are designed to help students gain an awareness of our pluralistic society.
5. Are designed to provide information that will motivate students and staff to examine their own attitudes and behavior; to understand their duties, responsibilities, rights, and privileges as citizens participating in our society; and to make informed choices in their daily lives and promote literacy.

6. For library selections, are integral to the instructional program, are appropriate for the reading levels and understanding of students, reflect the interests and needs of the students and faculty, are included because of their literary or artistic value and merit, and present information with the greatest degree of accuracy and clarity.

Administrators, teachers, library media specialists, other District personnel, parents, and community members, as appropriate, may recommend instructional resources for selection. Gifts of instructional resources shall be evaluated according to these criteria and accepted or rejected in accordance with CDC(LOCAL).

Selection of resources is an ongoing process that includes the removal of resources no longer appropriate and the periodic replacement or repair of resources that still have educational value.

In addition to the criteria above, District professional staff may select additional instructional materials in accordance with administrative regulations.

In addition to the criteria above, librarians and other professional staff shall ensure that library materials:

1. Develop a balanced collection presenting multiple viewpoints related to controversial issues to foster critical thinking skills and encourage discussion based on rational analysis [see EMB regarding instruction about controversial issues];

2. Represent many ethnic, religious, and cultural groups and their contributions to the national heritage and world community;

3. Provide a wide range of background information that will enable students to make intelligent decisions in their daily lives;

4. Demonstrate literary merit, quality, value, and significance;

5. Have received favorable professional library reviews from state- and nationally-recognized review publications;

6. Have received state or national awards or are included on recommended reading lists developed by library professionals and educators;
7. Cover topics, authors, series, or genres that fill gaps in the school library collection;

8. For non-fiction resources, include accurate and authentic factual content from authoritative sources;

9. Have a high degree of potential user appeal and interest;

10. Offer a global perspective that promotes equity of access, including print and nonprint materials such as electronic and multimedia, to meet the needs of individual learners;

11. Are requested or recommended by students and teachers;

12. Mirror selections found in neighboring districts or libraries in the region; and

13. Represent diverse viewpoints and cultures appropriate to each campus to ensure the collection embodies the unique background of its student population.

Library materials shall not include “harmful material” as defined by Penal Code 43.24(a)(2) or "obscene" material as defined by Penal Code 43.21(a)(1).

Library materials shall comply with the Children's Internet Protection Act (CIPA), including technology protection measures. [See CQ]

Gifts of instructional resources shall be evaluated according to the provisions above and accepted or rejected in accordance with CDC(LOCAL).

In general, a student is afforded the opportunity to self-select library materials as part of literacy development and the library program. District staff may assist a student in selecting library material; however, the ultimate determination of appropriateness remains with the student and parent. Parents are encouraged to communicate with the campus librarian and their child’s teacher about special considerations regarding library materials self-selected by their student. In accordance with state law and administrative regulations, parents may select alternative library materials for their student. [For information on parental rights regarding instructional materials and other instructional resources see EF(LEGAL).]

District professional staff shall endeavor to maintain a balanced collection representing various views when selecting instructional resources on controversial issues. Resources shall be chosen to clarify historical and contemporary forces by presenting and analyzing intergroup tension and conflict objectively, placing emphasis
on recognizing and understanding social and economic problems. [See also EMB regarding instruction about controversial issues and EHAA regarding human sexuality instruction.]

Challenged Resources

A parent of a District student, a student who is 18 years of age or older, an individual employee, or any District resident may formally challenge an instructional resource used in the District’s educational program on the basis that the instructional material fails to meet the standards set forth in this policy of appropriateness.

Guiding Principals

The following principles shall guide the Board and staff in responding to challenges of instructional resources:

1. A complainant may raise an objection to an instructional resource used in a school’s educational program, despite the fact that the professional staff selecting the resources were qualified to make the selection, followed the proper procedure, and adhered to the objectives and criteria for instructional resources set out in this policy.

2. A parent’s ability to exercise control over instruction extends only to his or her own child as set forth in Education Code Chapter 26.

3. Access to a challenged resource shall not be restricted during the reconsideration process, except the District may deny access to a child if requested by the child’s parent.

The major criterion for the final decision on challenged resources is the appropriateness of the resource for its intended educational use. No challenged instructional resource shall be removed solely because of the ideas expressed therein.

Informal Reconsideration

When the District or a campus receives an objection, the appropriate administrator shall try to resolve the matter informally. The administrator shall explain the selection process and discuss the intended educational purpose for the instructional resource. If appropriate, the administrator may offer a concerned parent an alternative instructional resource to be used by that parent’s child in place of the challenged material.

If the complainant wishes to make a formal challenge, the administrator shall provide the complainant a copy of this policy and a form to request a formal reconsideration of the instructional resource, using the following procedure:
1. The principal or designee shall explain the school’s selection process, the criteria for selection, and the qualifications of the professional staff who selected the questioned resource.

2. The principal or designee shall explain the intended educational purpose of the resource and any additional information regarding its use.

3. If appropriate, the principal or designee may offer a concerned parent an alternative instructional resource to be used by that parent’s child in place of the challenged resource.

4. If the complainant wishes to make a formal challenge, the principal or designee shall provide the complainant a copy of this policy and a form to request a formal reconsideration of the resource.

Formal Reconsideration

A complainant shall make any formal objection to an instructional resource on the form provided by the District and shall submit the completed and signed form to the Director of Library Services principal. Upon receipt of the form, the Director of Library Services principal shall appoint a reconsideration committee.

The reconsideration committee shall include at least one member of the instructional staff who has experience using the challenged resource with students or is familiar with the challenged resource’s content. Other members of the committee may include District-level staff, library staff, secondary-level students, parents, and any other appropriate individuals.

All members of the committee shall review the challenged instructional resource in its entirety. As soon as reasonably possible, the committee shall meet and determine whether the challenged resource conforms to the principles of selection set out in this policy and whether the challenged material will continue to be used in the educational program. The committee shall prepare a written report of its findings, and provide copies to the principal, the Superintendent or designee, other appropriate administrators, and the complainant shall receive copies of the report.

Frequency of Review

After an instructional resource has been reviewed through formal reconsideration, it shall not be reviewed again until it is evaluated in the periodic local selection or maintenance process, as applicable.

Appeal

The complainant may appeal the decision of the reconsideration committee in accordance with appropriate complaint policies, starting with the appropriate administrator at Level Two. [See DGBA, FNG, and GF]
Guiding Principles

The following principles shall guide the Board and staff in responding to challenges of instructional resources:

1. A complainant may raise an objection to an instructional resource used in a school’s educational program, despite the fact that the professional staff selecting the resources were qualified to make the selection, followed the proper procedure, and adhered to the objectives and criteria for instructional resources set out in this policy.

2. A parent’s ability to exercise control over reading, listening, or viewing matter extends only to their own child.

3. Access to a challenged resource shall not be restricted during the reconsideration process, except the District may deny access to a child if requested by the child’s parent.

The major criterion for the final decision on challenged resources is the appropriateness of the resource for its intended educational use. No challenged instructional resource shall be removed solely because of the ideas expressed therein.

Effective Date

This policy shall be effective as of the adoption date, February 11, 2022.
SUBJECT: APPROVAL TO ADOPT NEW BOARD POLICY EHBAA(LOCAL), SPECIAL EDUCATION: IDENTIFICATION, EVALUATION, AND ELIGIBILITY—FIRST READING

The purpose of this agenda item is to request that the Houston Independent School District (HISD) Board of Education adopts new Board Policy EHBAA(LOCAL), *Special Education: Identification, Evaluation, And Eligibility*, as recommended by the Texas Association of School Boards (TASB).

RATIONALE
New Board Policy EHBAA(LOCAL), *Special Education: Identification, Evaluation, And Eligibility*, which requires the district to ensure that a student who is transitioning from early childhood intervention (ECI) has an individualized education program (IEP) developed and implemented by the child’s third birthday, is recommended by TASB to meet Texas Education Agency (TEA) policy requirements for the ongoing TEA special education cyclical monitoring reviews.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES REQUIRE CONSULTATION.

THIS ITEM DOES ESTABLISH BOARD POLICY.

RECOMMENDED: That the Board of Education accepts the recommended adoption of Board Policy EHBAA(LOCAL), *Special Education: Identification, Evaluation, And Eligibility*, on first reading, effective December 9, 2022.
When a student transitions from early childhood intervention (ECI) to early childhood special education (ECSE) services, the District shall develop and implement an individualized education program (IEP) by the child’s third birthday.

**Effective Date**

This policy shall be effective as of the adoption date.
Office of the Superintendent of Schools  
Board of Education Meeting of December 8, 2022  

Office of Academics  
Shawn Bird, Chief Academic Officer  

SUBJECT: **APPROVAL OF PROPOSED REVISIONS TO BOARD POLICY EHBB(LOCAL), SPECIAL PROGRAMS: GIFTED AND TALENTED STUDENTS—FIRST READING**  

The purpose of this agenda item is to request that the Houston Independent School District (HISD) Board of Education approves revisions to Board Policy EHBB(LOCAL), *Special Programs: Gifted And Talented Students*, as recommended by the Texas Association of School Boards (TASB).  

**RATIONALE**  
TASB recommends changes to Board Policy EHBB(LOCAL), *Special Programs: Gifted And Talented Students*, to align with House Bill 1525 (Regular Session) which removed the statutory requirement for a district to annually certify to the commissioner of education that the district’s gifted and talented program is consistent with the Texas State Plan for the Education of Gifted/Talented Students. The corresponding local policy provision at Use of Funds is therefore recommended for deletion.  

**COST/FUNDING SOURCE(S):** None  

**STAFFING IMPLICATIONS:** None  

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports all four district goals and is aligned to Core Initiative 5: Culture of Trust through Action.  

**THIS ITEM DOES NOT REQUIRE CONSULTATION.**  

**THIS ITEM DOES MODIFY BOARD POLICY.**  

**RECOMMENDED:** That the Board of Education accepts the recommended changes to Board Policy EHBB(LOCAL), *Special Programs: Gifted And Talented Students*, on first reading, effective December 9, 2022.
The District believes that every student deserves a stimulating curriculum and the opportunity to excel; therefore, a comprehensive advanced academics program shall be provided to any student in kindergarten–grade 12 who meets the statutory definition of “gifted and talented student.” [See EHBB(LEGAL)]

Any District-enrolled student may be referred at any time for the District’s gifted and talented (GT) program by the following persons: teachers, school counselors, students (self-referral), parents of children in kindergarten–grade 12, and other interested persons.

The District believes that application and assessment procedures should be consistent, credible, and uniformly applied to all students. Instruments and procedures used to assess students for program services shall measure diverse abilities and intelligences and provide students with an opportunity to demonstrate their talents and strengths.

The District shall provide assessment opportunities to complete the screening and identification process for referred students at least once per school year.

Written procedures include provisions regarding the appeals of District decisions on program placement, furlough, and transfer of students.

Written documentation shall be disseminated to all parents and shall include the following:

1. Procedures on student identification for GT programs; and
2. Additional provisions regarding furloughs, transfer students, and appeals of District decisions regarding program placement.

Data collected through both objective and subjective assessments shall be measured against the criteria approved by the Board to determine individual eligibility for the program. Instruments and procedures used to assess students for program services shall measure diverse abilities and intelligences and provide students with an opportunity to demonstrate their talents and strengths. Assessment tools may include, but are not limited to, the following: achievement tests, intelligence tests, creativity tests, behavioral checklists completed by teachers and parents, student/parent conferences, and available student work products.

The District shall obtain written parental consent before any special testing or individual assessment is conducted as part of the screening and identification process. All student information collected during the screening and identification process shall be an
educational record, subject to the protections set out in policies at FL(LEGAL) and (LOCAL).

**Identification**
A selection committee shall evaluate each referred student according to the established criteria and shall identify those students for whom placement in the GT program is the most appropriate educational setting. The committee shall be composed of at least three professional educators who have received training in the nature and needs of gifted students, as required by law.

The Board-approved program for GT shall establish criteria to identify GT students. The criteria shall be specific to the state definition of GT and shall ensure the fair assessment of students with special needs, such as the culturally different, the economically disadvantaged, and students with disabilities.

**Definition**
The term “gifted education plan” (GEP) means a written statement for each student who qualifies for gifted education that includes:

1. • A statement of the student’s present levels of academic achievement;

2. • A description of how the student’s education shall be differentiated based on GT identification results and past academic performance; and

3. • A statement of the curricular modifications or supports for school personnel that shall be provided for the student.

**GT Committee**
A campus shall have a GT committee for the purpose of implementing the District’s GT programs in accordance with 19 Texas Administrative Code 89.1 and Board policy. The responsibilities of the campus GT committee include:

1. • Determination of eligibility for GT services based on District-established criteria; and

2. • Development of the student’s GEP.

Appeals of District decisions regarding program placement shall be in accordance with FNG(LOCAL) as well as the Elementary and Secondary School Guidelines.

**Committee Members**
A campus shall ensure that each GT committee shall be composed of at least three local-campus certified educators who have received training in the nature and needs of gifted students, as required by law.

**Committee Meetings**
A campus shall initiate and conduct GT committee meetings for the purposes of developing, reviewing, and revising the GEP of a student who qualifies for gifted education. The committee shall review
K.3.a

SPECIAL PROGRAMS
GIFTED AND TALENTED STUDENTS

each student’s GEP, and, if appropriate, revise it. A meeting must be held for this purpose at least once a year.

A “meeting” does not include informal or unscheduled conversations involving District personnel and conversations on issues such as teaching methodology, lesson plans, or coordination of service provisions if those issues are not addressed in the student's GEP.

Notification

Parents and students shall be notified in writing of selection or rejection for the gifted program. Participation in any program or services provided for gifted students is voluntary. The District shall obtain written permission from a parent before a student is placed in a gifted program.

Reassessments

The District shall not perform routine reassessments unless requested by a parent or guardian. If the District reassesses students in the GT program, the reassessment shall be based on a student's performance in response to services and shall occur no more than once in elementary grades, once in middle-school grades, and once in high-school grades. The District shall not perform routine reassessments unless requested by a parent or guardian.

Transfer Students

When a student identified as gifted by a previous school district transfers into the District, the GT Office shall review the student’s records, and conduct assessment procedures when necessary, to determine if placement in the District's program for GT students is appropriate. The GT Office shall make a recommendation to the campus.

The GT Committee shall make its determination within 30 days of receiving GT transfer records and shall base its decision on the recommendation of the GT office and the collection of additional screening criteria as needed. The parent shall be notified in writing of the placement decision.

[See FDD(LEGAL) for information regarding transfer students and the Interstate Compact on Educational Opportunities for Military Children.]

Intradistrict

Intradistrict transfer students who have been identified as GT according to established District criteria shall continue in the program on the campus to which they transfer.

Furloughs

The District may place on a furlough any student who is unable to maintain satisfactory performance or whose educational needs are not being met within the structure of the GT program. A furlough may be initiated by the District, the parent, or the student.

In accordance with the Board-approved program, a furlough shall be granted for specified reasons and for a specified period of time.
At the end of a furlough, the student may reenter the GT program, be placed on another furlough, or be exited from the program.

The following guidelines regarding furloughs shall apply:

1. Furloughs may be granted on an “as-needed” basis. A request with a specific timeline for a furlough must be submitted in writing to the campus Vanguard coordinator.

2. If a furlough is granted, space shall be reserved for the student with a one-school-year maximum.

3. Furloughs are considered on a case-by-case basis and may include, but are not limited to, the following: custody issues, divorce, parent/guardian sabbatical leave, foreign exchange programs, medical problems, and the like.

Exiting of Students from Program Services

The District shall monitor student performance in response to GT program services. If at any time the selection committee or a parent determines it is in the best interest of the student to exit the program, the committee shall meet with the parent and student before finalizing an exit decision.

Appeals

A parent, student, or educator may appeal any final decision of the selection committee regarding selection for or exit from the GT program. Appeals shall be made first to the selection committee. Any subsequent appeals shall be made in accordance with FNG(LOCAL) beginning at Level Two.

Magnet / Vanguard Transfers

See current provisions on transfers to Vanguard programs in policy FDB(LOCAL).

Program Design

The District believes that GT programs are important and necessary in order to meet the special educational needs of GT students. A flexible system of viable program options that provides a learning continuum and reinforces the strengths, needs, and interests of GT students shall be established to:

1. Provide an array of learning opportunities commensurate with the abilities of GT students and emphasize content in the core academic areas, as well as the areas of creativity, the arts, and leadership;

2. Provide services during the school day as well as the entire school year; and

3. Provide program options enabling GT students to work together as a group, work with other students, and work independently during the school day.
Every student deserves a stimulating curriculum and the opportunity to excel; therefore, curriculum and instruction for GT students shall be modified in the depth, complexity, and pacing from the general school program and shall provide:

1. An array of appropriately challenging learning experiences for GT students in kindergarten–grade 12 that emphasize content from the four core academic areas; and

2. A continuum of learning experiences that lead to the development of advanced-level products and/or performances.

All personnel involved in the planning, developing, and delivering of services to GT students shall meet the statutorily mandated staff-development requirements.

District teachers who provide instruction and services for GT students must receive annually six hours of professional development in gifted education, as required by law. [See EHBB(LEGAL)]

The District shall ensure that information about the District’s GT program is available to parents and community members. The District shall schedule a GT program awareness session for parents that provides an overview of the assessment procedures and services for the program prior to beginning the screening and identification process.

The District shall continue to encourage community and family participation in services designed for GT students through:

1. Written policies on student identification and curriculum that are disseminated to parents;

2. Programs that are evaluated annually with the data used to modify and update District plans; and

3. Access to exemplar curriculum, as well as real-time access.

The District shall annually evaluate the effectiveness of its GT program, and the results of the evaluation shall be used to modify and update the District and campus improvement plans. The District shall include parents in the evaluation process and shall share the information with Board members, administrators, teachers, school counselors, students in the GT program, and the community.

The District’s GT program shall address effective use of funds for programs and services consistent with the standards in the state plan for GT students.
The District shall annually report to the Texas Education Agency (TEA) regarding funding used to implement the District's GT program. The District shall annually certify to TEA:

1. The establishment of a GT program by the District; and
2. That the District’s program is consistent with the state plan for GT students.

Effective Date

This policy shall be effective as of the adoption date, August 14, 2020.
SUBJECT: APPROVAL OF PROPOSED REVISIONS TO BOARD POLICY EIF(LOCAL), ACADEMIC ACHIEVEMENT: GRADUATION—FIRST READING

The purpose of this agenda item is to request that the Houston Independent School District (HISD) Board of Education approves revisions to Board Policy EIF(LOCAL), Academic Achievement: Graduation, as recommended by the Texas Association of School Boards (TASB).

RATIONALE
TASB recommends changes to Board Policy EIF(LOCAL), Academic Achievement: Graduation, to comply with revised administrative code rules that require a policy to address the methods by which a student can confirm completion and submission of a financial aid application to meet graduation requirements. The recommended text aligns with Texas Education Agency (TEA) guidance and addresses methods for both the Free Application for Federal Student Aid (FAFSA) and the Texas Application for State Financial Aid (TASFA).

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES MODIFY BOARD POLICY.

RECOMMENDED: That the Board of Education accepts the recommended changes to Board Policy EIF(LOCAL), Academic Achievement: Graduation, on first reading, effective December 9, 2022.
High School Personal Graduation Plan

The high school principal shall designate a school counselor or administrator to review personal graduation plan (PGP) options with each student entering grade 9 together with the student’s parent or guardian. The PGP review must include the options for the distinguished level of achievement and the endorsements. Before the conclusion of the school year, the student and the student’s parent or guardian must confirm and sign a PGP for the student. The plan may be revised according to the student’s interest and the availability of particular programming at the campus. Each year, the campus and the student shall refer to the plan while developing the student’s course schedule. The plan and the course selection sheet shall be kept on file by the school counselor or administrator.

A high school PGP must:

1. __Identify a course of study that promotes:
   a. __College or workforce readiness; and
   b. __Career placement and advancement.

2. __Facilitate the student’s transition from secondary to post-secondary education.

Middle School Personal Graduation Plan

A middle school principal shall designate a guidance counselor, teacher, or other appropriate individual to develop and administer a PGP for students enrolled in grades 6–8 who:

1. __Failed a state-mandated assessment; or

2. __Are not likely to receive a high school diploma before the fifth school year following the student’s enrollment in grade 9 as determined by the District.

A PGP must:

1. __Identify educational goals for the student;

2. __Include diagnostic information, appropriate monitoring and intervention, and other evaluation strategies;

3. __Include an intensive instruction program described in Education Code 28.0213 [see EHBC and EHBAB];

4. __Address participation of the student’s parent or guardian, including consideration of the parent’s or guardian’s educational expectations for the student; and

5. __Provide innovative methods to promote the student’s advancement, including flexible scheduling, alternative learning environments, online instruction, and other interventions that are proven to accelerate the learning process and have been
scientifically validated to improve learning and cognitive ability.

Diploma and Academic Achievement Record

All graduates, including special education students, shall be awarded the same type of diploma. The academic achievement record (transcript) shall include the individual accomplishments, achievements, and courses completed. Also, the appropriate seal representing the student’s academic program shall be affixed to the academic achievement record.

Graduation Requirements

Graduation requirements for a particular student shall be those in effect when the student first enters grade 9 or as otherwise adopted by the Board. Students may graduate under the programs listed below. Details regarding the number of credits and specific courses for each of the programs are found in EIF(EXHIBIT).

Upon reaching the age of 26, a former student who attended District schools during grade 12 but did not graduate under District requirements will be eligible to graduate under the minimum state requirements in effect at their grade 9 entry, provided Houston ISD was the last district of enrollment.

All students entering grade 9 in the 2014–15 school year and thereafter shall be automatically enrolled in the distinguished level of achievement plan in the foundation high school program, and parental approval shall be required to leave the plan to graduate under the 22-credit Texas Education Agency (TEA) foundation high school program or the 22-credit HISD foundation high school program.

A seal on each student’s transcript shall identify the program under which the student graduated. For specific course and other requirements of each program, see EIF(LEGAL) and the Secondary School Guidelines for the current year. [See also EI(LEGAL) and (LOCAL) and FMH(LOCAL)]

Special Education

A student receiving special education services shall be eligible to graduate upon completion of the requirements specified in the individualized education program (IEP) as determined by the student’s admission, review, and dismissal (ARD) committee. [See options for graduation under the Special Education Program in the School Guidelines for the current year]

The secondary program of a student receiving special education services shall terminate either with graduation or when the student no longer meets the age requirement. When a student graduates with a regular diploma, or when the student no longer meets the age eligibility for FAPE, the District must provide the child with a Diplomas and Academic Achievement Records.
summary of the child’s academic achievement and functional performance, which shall include recommendations on how to assist the child in meeting the child’s postsecondary goals. [See 300.305(e) (3) – IDEIA IDEA]

All students must satisfy District graduation requirements for physical education. The District shall classify students for physical education on the basis of health into one of the following categories:

1.● Unrestricted — not limited in activities.

2.● Restricted — may exclude the more vigorous activities. The two types of restricted classification are:

   a.● Permanent — A member of the healing arts licensed to practice in the State of Texas shall provide written documentation to the school as to the nature of the impairment and the expectations for physical activity for the student.

   b.● Temporary — A student may be restricted from certain physical activity of the physical education class. A member of the healing arts licensed to practice in the State of Texas shall provide written documentation to the school as to the nature of the impairment and the expectations for physical activity for the student. During recovery time, the student shall continue to learn the concepts of the lessons but shall participate to the level indicated by the licensed health-care professional.

3.● Adapted and remedial — Specific activities prescribed or prohibited for students so classified as directed by a member of the healing arts licensed to practice in the State of Texas.

The District has chosen to award state credit for physical education for appropriate private or commercially sponsored physical activity programs conducted either on or off campus, upon program approval by the Board and participation approval by the Health and Physical Education Department.

Students leaving the District in the last semester of their senior year shall be allowed to transfer credits back from any accredited high school where they complete graduation requirements and receive a high school diploma from the District.

In order to receive a diploma from a District high school, a senior student transferring from another District school:
1. • Shall have enrolled in that high school, at the latest, during the first 15 days of the last semester of the senior year;

2. • Must have earned at least 2 credits from the District high school; and

3. • Must have completed District graduation requirements, including satisfactory performance on the state-mandated assessment.

A student who does not meet these qualifications may have their complete coursework transferred back to the previous District school and then receive a diploma from the school they previously attended.

To be eligible for honors based on academic achievement, a transfer senior student must earn the last 5 credits at the school in which the awards are presented, at least 2 credits of which must be completed before class ranking time.

Financial Aid Application Confirmation

As confirmation of a student’s completion and submission of a free application for federal student aid (FAFSA) or a Texas application for state financial aid (TASFA), the District shall accept the following:

- A screenshot that includes the processed date field in ApplyTexas Counselor Suite FAFSA data;
- Notification, such as a copy of an email, from the United States Department of Education verifying completion of the FAFSA;
- A copy or screenshot of the FAFSA acknowledgment page;
- A screenshot of the TASFA submission acknowledgment page (from those institutions that offer an electronic form);
- An acknowledgment receipt from an institution of higher education (IHE); or
- A copy of a financial aid award letter from an IHE.

[For students who choose not to complete and submit a FAFSA or a TASFA, see EIF(LEGAL).]

The District shall maintain individual student documentation of the financial aid application requirement as an education record. [See FL]

Effective Date

This policy shall be effective as of the adoption date, January 14, 2022.
SUBJECT: APPROVAL OF PROPOSED REVISIONS TO BOARD POLICY
FFBA(LOCAL), CRISIS INTERVENTION: TRAUMA-INFORMED CARE—FIRST READING

The purpose of this agenda item is to request that the Houston Independent School District (HISD) Board of Education accepts proposed revisions to Board Policy FFBA(LOCAL), Crisis Intervention: Trauma-Informed Care, as recommended by the Texas Association of School Boards (TASB).

RATIONALE
This policy revision ensures legal compliance with Senate Bill (SB) 1267; which requires training in trauma-informed care to be provided by school districts aligned with their professional development plan. A reference has been added to refer to the district’s board-approved professional development plan, and it deletes the requirement to report the number of employees who have completed the training to the Texas Education Agency.

A copy of Board Policy FFBA(LOCAL) is attached.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all four district goals and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES REQUIRE CONSULTATION.

THIS ITEM DOES MODIFY BOARD POLICY.

RECOMMENDED: That the Board of Education accepts the proposed revisions to Board Policy FFBA(LOCAL), Crisis Intervention: Trauma Informed Care, as recommended by TASB, effective December 9, 2022.
**Trauma-Informed Care Program**

The District's trauma-informed care program, as included in the District Improvement Plan, shall provide for the integration of trauma-informed care practices in the school environment, including increasing staff and parent awareness of trauma-informed care, implementation of trauma-informed practices and care by District and campus staff, and providing information about available counseling options for students affected by trauma or grief.

**Training**

The District shall provide training in trauma-informed care to District educators as required by law and the Board-approved District professional development plan. The District Improvement Plan shall specify required training for any other District employees as applicable.

**Annual Report**

The District shall provide an annual report to the Texas Education Agency on the number of employees who have participated in trauma-informed care training.

**Effective Date**

This policy shall be effective as of the adoption date.
Office of the Superintendent of Schools  
Board of Education Meeting of December 8, 2022

Office of Talent  
Jeremy Grant-Skinner, Chief Talent Officer

SUBJECT: **APPROVAL OF PROPOSED REVISIONS TO BOARD POLICY FFH(LOCAL), STUDENT WELFARE: FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION—FIRST READING**

The purpose of this agenda item is to request that the Houston Independent School District (HISD) Board of Education approves revisions to Board Policy FFH(LOCAL), *Student Welfare: Freedom from Discrimination, Harassment, and Retaliation*, as recommended by the Texas Association of School Boards (TASB).

**RATIONALE**
TASB recommends changes to Board Policy FFH(LOCAL) to meet requirements of Senate Bill (SB) 9 (Second Called Session). The revisions relate to new requirements on dating violence, including parental notification upon a report of dating violence, and a provision requiring districts to make available to students age-appropriate materials on the dangers of dating violence and resources for students seeking help.

**COST/FUNDING SOURCE(S):** None

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item is not aligned to a core initiative but is ministerial for compliance purposes only.

**THIS ITEM DOES REQUIRE CONSULTATION.**

**THIS ITEM DOES MODIFY BOARD POLICY.**

**RECOMMENDED:** That the Board of Education accepts the proposed recommended changes to Board Policy FFH(LOCAL), *Student Welfare: Freedom from Discrimination, Harassment, and Retaliation*, on first reading, effective December 9, 2022.
Note: This policy addresses discrimination, including harassment, and retaliation against District students. For provisions regarding discrimination, including harassment, and retaliation against District employees, see DIA. For reporting requirements related to child abuse and neglect, see FFG. Note that FFH shall be used in conjunction with FFI (bullying) for certain prohibited conduct.

Statement of Nondiscrimination

The District prohibits discrimination, including harassment, against any student on the basis of race, color, religion, sex, gender, national origin, age, disability, ancestry, marital status, veteran status, political affiliation, sexual orientation, gender identity, and/or gender expression, or any other basis prohibited by law. The District prohibits dating violence, as defined by this policy. Retaliation against anyone involved in the complaint process is a violation of District policy and is prohibited.

Discrimination

Discrimination against a student is defined as conduct directed at a student on the basis of race, color, religion, sex, gender, national origin, age, disability, ancestry, marital status, veteran status, political affiliation, sexual orientation, gender identity, and/or gender expression, or any other basis prohibited by law, that adversely affects the student.

Prohibited Conduct

In this policy, the term “prohibited conduct” includes discrimination, harassment, dating violence, and retaliation as defined by this policy, even if the behavior does not rise to the level of unlawful conduct.

Prohibited conduct also includes sexual harassment as defined by Title IX. [See FFH(LEGAL)]

Statement of Nondiscrimination

The District prohibits discrimination, including harassment, against any student. Discrimination is defined as treating a student or group of students differently from similarly situated students on the basis of race, color, religion, sex, gender, national origin, age, disability, ancestry, marital status, veteran status, political affiliation, sexual orientation, gender identity and/or gender expression, or any other basis prohibited by law. Retaliation against anyone exercising their rights under this policy is a violation of District policy and is prohibited.

Prohibited Harassment

Prohibited harassment of a student is defined as physical, verbal, or nonverbal conduct based on the student’s race, color, religion, sex, gender, national origin, age, disability, ancestry, marital status, veteran status, political affiliation, sexual orientation, gender identity, and/or gender expression, or any other basis prohibited by law,
when the conduct is so severe, persistent, or pervasive that the conduct:

1. • Affects a student's ability to participate in or benefit from an educational program or activity, or creates an intimidating, threatening, hostile, or offensive educational environment;

2. • Has the purpose or effect of substantially or unreasonably interfering with the student's academic performance; or

3. • Otherwise adversely affects the student's educational opportunities.

Prohibited harassment includes dating violence as defined by law and this policy.

Examples

Examples of prohibited harassment may include offensive or derogatory language directed at another person's religious beliefs or practices, accent, skin color, or need for accommodation; threatening, intimidating, or humiliating conduct; offensive jokes, name calling, slurs, or rumors; cyberharassment; physical aggression or assault; display of graffiti or printed material promoting racial, ethnic, or other negative stereotypes; or other kinds of aggressive conduct such as theft or damage to property.

Sex-Based Title IX Sexual Harassment

As required by law, the District shall follow the procedures below at Response to Title IX Sexual Harassment—Title IX upon a report of sex-based harassment, including sexual harassment, sex-based discrimination, gender-based harassment, and dating violence, when such allegations, if proved, would meet the definition of sexual harassment in an education program or activity and against a person in the United States under Title IX. [See FFH(LEGAL)]

Other Sexual Harassment

By an Employee

Sexual harassment of a student by a District employee includes both welcome and unwelcome sexual advances; requests for sexual favors; sexually motivated physical, verbal, or nonverbal conduct; or other conduct or communication of a sexual nature when:

1. • A District employee causes the student to believe that the student must submit to the conduct in order to participate in a school program or activity, or that the employee will make an educational decision based on whether or not the student submits to the conduct; or

2. • The conduct is so severe, persistent, or pervasive that it:

   a. • Affects the student’s ability to participate in or benefit from an educational program or activity, or otherwise adversely affects the student’s educational opportunities; or
b. Creates an intimidating, threatening, hostile, or abusive educational environment.

Romantic or other inappropriate social relationships between students and District employees are prohibited. Any sexual relationship between a student and a District employee is always prohibited, even if consensual. [See DH]

By Others

Sexual harassment of a student, including harassment committed by another student, includes unwelcome sexual advances; requests for sexual favors; or sexually motivated physical, verbal, or nonverbal conduct when the conduct is so severe, persistent, or pervasive that it:

1. Affects a student’s ability to participate in or benefit from an educational program or activity, or creates an intimidating, threatening, hostile, or offensive educational environment;

2. Has the purpose or effect of substantially or unreasonably interfering with the student’s academic performance; or

3. Otherwise adversely affects the student’s educational opportunities.

Examples

Examples of sexual harassment of a student may include sexual advances; touching intimate body parts or coercing physical contact that is sexual in nature; jokes or conversations of a sexual nature; and other sexually motivated conduct, contact, or communications, including electronic communication.

Necessary or permissible physical contact such as assisting a child by taking the child’s hand, comforting a child with a hug, or other physical contact not reasonably construed as sexual in nature is not sexual harassment.

Gender-Based Harassment

Gender-based harassment includes physical, verbal, or nonverbal conduct based on the student’s gender, the student’s expression of characteristics perceived as stereotypical for the student’s gender, or the student’s failure to conform to stereotypical notions of masculinity or femininity. For purposes of this policy, gender-based harassment is considered prohibited harassment if the conduct is so severe, persistent, or pervasive that the conduct:

1. Affects a student’s ability to participate in or benefit from an educational program or activity, or creates an intimidating, threatening, hostile, or offensive educational environment;

2. Has the purpose or effect of substantially or unreasonably interfering with the student’s academic performance; or
FFH (LOCAL)

Examples of gender-based harassment directed against a student, regardless of the student's or the harasser's actual or perceived sexual orientation or gender identity, may include offensive jokes, name-calling, slurs, or rumors; cyberharassment; physical aggression or assault; threatening or intimidating conduct; or other kinds of aggressive conduct such as theft or damage to property.

Dating Violence occurs when a person in a current or past dating relationship uses physical, sexual, verbal, or emotional abuse to harm, threaten, intimidate, or control the other person in the relationship. Dating violence also occurs when a person commits these acts against a person in a marriage or dating relationship with the individual who is or was once in a marriage or dating relationship with the person committing the offense.

For purposes of this policy, dating violence is considered prohibited harassment if the conduct is so severe, persistent, or pervasive that the conduct:

1. Affects a student's ability to participate in or benefit from an educational program or activity, or creates an intimidating, threatening, hostile, or offensive educational environment;

2. Has the purpose or effect of substantially or unreasonably interfering with the student's academic performance; or

3. Otherwise adversely affects the student's educational opportunities.

Examples of dating violence against a student may include physical or sexual assaults; name-calling; put-downs; or threats directed at the student, the student’s family members, or members of the student’s household. Additional examples may include destroying property belonging to the student, threatening to commit suicide or homicide if the student ends the relationship, attempting to isolate the student from friends and family, stalking, threatening a student’s spouse or current dating partner, or encouraging others to engage in these behaviors.

Any student who believes that he or she has experienced prohibited conduct, or any person who believes that another student has experienced prohibited conduct should immediately report the alleged acts to a teacher, school counselor, principal, other District employee, or the appropriate District official listed in this policy.
### Employee Report

Any District employee who suspects or receives direct or indirect notice that a student or group of students has or may have experienced prohibited conduct shall immediately notify the appropriate District official listed in this policy and take any other steps required by this policy.

### Definition of District Officials

For the purposes of this policy, District officials are the Title IX coordinator, the ADA/Section 504 coordinator, and the Superintendent.

- **Title IX Coordinator**: Reports of discrimination based on sex, including sexual harassment, gender-based harassment, or dating violence, may be directed to the designated Title IX coordinator for students. [See FFH(EXHIBIT)]

- **ADA / Section 504 Coordinator**: Reports of discrimination based on disability may be directed to the designated ADA/Section 504 coordinator for students. [See FFH(EXHIBIT)]

- **Superintendent**: The Superintendent shall serve as coordinator for purposes of District compliance with all other nondiscrimination laws.

### Alternative Reporting Procedures

An individual shall not be required to report prohibited conduct to the person alleged to have committed the conduct. Reports concerning prohibited conduct, including reports against the Title IX coordinator or ADA/Section 504 coordinator, may be directed to the Superintendent.

A report against the Superintendent may be made directly to the Board. If a report is made directly to the Board, the Board shall appoint an appropriate person to conduct an investigation.

### Timely Reporting

To ensure the District’s prompt investigation, reports of prohibited conduct shall be made as soon as possible after the alleged act or knowledge of the alleged act.

### Notice to Parents

The District official or designee shall promptly notify the parents of any student alleged to have experienced prohibited conduct by a District employee or another adult.

[For parental notification requirements regarding an allegation of educator misconduct with a student, see FFF.]

> **When the District receives a report of prohibited conduct that includes dating violence, the appropriate District official shall immediately notify the parent or guardian of the student who has been identified in the report as the alleged victim or perpetrator.**

### Investigation of Reports Other Than Title IX

The following procedures apply to all allegations of prohibited conduct other than allegations of harassment prohibited by Title IX. [See FFH(LEGAL)] For allegations of sex-based harassment that,
If proved, would meet the definition of sexual harassment under Title IX, including sexual harassment, gender-based harassment, and dating violence, see the procedures below at Response to Title IX Sexual Harassment—Title IX.

The District may request, but shall not require, a written report. If a report is made orally, the District official shall reduce the report to written form.

Initial Assessment

Upon receipt or notice of a report, the District official shall determine whether the allegations, if proved, would constitute prohibited conduct as defined by this policy. If so, the District shall immediately undertake an investigation, except as provided below at Criminal Investigation.

If the District official determines that the allegations, if proved, would not constitute prohibited conduct as defined by this policy, the District official shall refer the complaint for consideration under FFI.

Interim Action

If appropriate and regardless of whether a criminal or regulatory investigation regarding the alleged conduct is pending, the District shall promptly take interim action calculated to address prohibited conduct or bullying prior to the completion of the District’s investigation.

District Investigation

The investigation may be conducted by the District official or a designee, such as the principal, or by a third party designated by the District, such as an attorney. When appropriate, the principal shall be involved in or informed of the investigation.

The investigation may consist of personal interviews with the person making the report, the person against whom the report is filed, and others with knowledge of the circumstances surrounding the allegations. The investigation may also include analysis of other information or documents related to the allegations.

Criminal Investigation

If a law enforcement or regulatory agency notifies the District that a criminal or regulatory investigation has been initiated, the District shall confer with the agency to determine if the District investigation would impede the criminal or regulatory investigation. The District shall proceed with its investigation only to the extent that it does not impede the ongoing criminal or regulatory investigation. After the law enforcement or regulatory agency has finished gathering its evidence, the District shall promptly resume its investigation.

Concluding the Investigation

Absent extenuating circumstances, such as a request by a law enforcement or regulatory agency for the District to delay its investigation, the investigation should be completed within ten District
business days from the date of the report; however, the investigator shall take additional time if necessary to complete a thorough investigation.

The investigator shall prepare a written report of the investigation. The report shall include a determination of whether prohibited conduct or bullying occurred. The report shall be filed with the District official overseeing the investigation.

**Notification of Outcome**

Notification of the outcome of the investigation shall be provided to both parties in compliance with FERPA.

**District Action**

If the results of an investigation indicate that prohibited conduct occurred, the District shall promptly respond by taking appropriate disciplinary action in accordance with the Student Code of Conduct and may take corrective action reasonably calculated to address the conduct.

**Corrective Action**

Examples of corrective action may include a training program for those involved in the report, a comprehensive education program for the school community, counseling to the victim and the student who engaged in prohibited conduct, follow-up inquiries to determine if any new incidents or any instances of retaliation have occurred, involving parents and students in efforts to identify problems and improve the school climate, increasing staff monitoring of areas where prohibited conduct has occurred, and reaffirming the District’s policy against discrimination, harassment, and retaliation.

**Bullying**

If the results of an investigation indicate that bullying occurred, as defined by FFI, the District official shall refer to FFI for appropriate notice to parents and District action. The District official shall refer to FDB for transfer provisions.

**Improper Conduct**

If the investigation reveals improper conduct that did not rise to the level of prohibited conduct or bullying, the District may take disciplinary action in accordance with the Student Code of Conduct or other corrective action reasonably calculated to address the conduct.

**Court Orders**

The District and each school shall, to the extent possible, enforce court-ordered protective orders resulting from dating violence and related issues, and, when deemed appropriate, shall implement school-based alternatives to protective orders, which shall include transferring an alleged victim or perpetrator under the safe school choice option or placing the alleged perpetrator in a District alternative educational program. [See FDE]

**Confidentiality**

To the greatest extent possible, the District shall respect the privacy of the complainant, persons against whom a report is filed,
and witnesses. Limited disclosures may be necessary in order to conduct a thorough investigation and comply with applicable law.

A student or parent who is dissatisfied with the outcome of the investigation may appeal through FNG(LOCAL), beginning at the appropriate level. A student or parent shall be informed of his or her right to file a complaint with the United States Department of Education Office for Civil Rights.

For purposes of the District’s response to reports of harassment prohibited by Title IX, definitions can be found in FFH(LEGAL).

When the District receives notice or an allegation of conduct that, if proved, would meet the definition of sexual harassment under Title IX, the Title IX coordinator shall promptly contact the complainant to:

- Discuss the availability of supportive measures and inform the complainant that they are available, with or without the filing of a formal complaint;
- Consider the complainant’s wishes with respect to supportive measures; and
- Explain to the complainant the option and process for filing a formal complaint.

The District’s response to sexual harassment shall treat complainants and respondents equitably by offering supportive measures to both parties, as appropriate, and by following the Title IX formal complaint process before imposing disciplinary sanctions or other actions that are not supportive measures against a respondent.

If a formal complaint is not filed or dismissed, the District reserves the right to investigate and respond to prohibited conduct in accordance with Board policies and the Student Code of Conduct. The Title IX coordinator also reserves the right to sign a formal complaint, initiating the Title IX grievance process, if it would be deliberately indifferent not to investigate and respond to the prohibited conduct in accordance with Board policies and the Student Code of Conduct.

To distinguish the process described below from the District’s general grievance policies [see DGBA, FNG, and GF], this policy refers to the grievance process required by Title IX regulations for responding to formal complaints of sexual harassment as the District’s “Title IX formal complaint process.”
The Superintendent shall ensure the development of a Title IX formal complaint process that complies with legal requirements. [See FFH(LEGAL)] The formal complaint process shall be posted on the District’s website. In compliance with Title IX regulations, the District’s Title IX formal complaint process shall address the following basic requirements:

1. Equitable treatment of complainants and respondents;

2. An objective evaluation of all relevant evidence;

3. A requirement that the Title IX coordinator, investigator, decision-maker, or any person designated to facilitate an informal resolution process not have a conflict of interest or bias;

4. A presumption that the respondent is not responsible for the alleged sexual harassment until a determination is made at the conclusion of the Title IX formal complaint process;

5. Time frames that provide for a reasonably prompt conclusion of the Title IX formal complaint process, including time frames for appeals and any informal resolution process, and that allow for temporary delays or the limited extension of time frames with good cause and written notice as required by law;

6. A description of the possible disciplinary sanctions and remedies that may be implemented following a determination of responsibility for the alleged sexual harassment;

7. A statement of the standard of evidence to be used to determine responsibility for all Title IX formal complaints of sexual harassment;

8. Procedures and permissible bases for the complainant and respondent to appeal a determination of responsibility or a dismissal of a Title IX formal complaint or any allegations therein;

9. A description of the supportive measures available to the complainant and respondent;

10. A prohibition on using or seeking information protected under a legally recognized privilege unless the individual holding the privilege has waived the privilege;

11. Additional formal complaint procedures in 34 C.F.R. 106.45(b), including written notice of a formal complaint, consolidation of formal complaints, recordkeeping, and investigation procedures; and

12. Other local procedures as determined by the Superintendent.
The standard of evidence used to determine responsibility in a Title IX formal complaint of sexual harassment shall be the preponderance of the evidence.

Retaliation

The District prohibits retaliation by a student or District employee against a student alleged to have experienced discrimination or harassment, including dating violence, or another student who, in good faith, makes a report of harassment or discrimination, files a complaint of harassment or discrimination, serves as a witness, or participates in an investigation. The definition of prohibited retaliation under this policy also includes retaliation against a student who refuses to participate in any manner in an investigation under Title IX. In the absence of a formal Title IX complaint, allegations of retaliation shall be investigated under Investigation of Reports Other Than Title IX, above.

Examples

Examples of retaliation may include threats, intimidation, coercion, rumor spreading, ostracism, assault, destruction of property, unjustified punishments, or unwarranted grade reductions. Unlawful retaliation does not include petty slights or annoyances.

False Claim

A student who intentionally makes a false claim or offers false statements in a District investigation regarding discrimination or harassment, including dating violence, shall be subject to appropriate disciplinary action in accordance with law.

Records Retention

The District shall retain copies of allegations, investigation reports, and related records regarding any prohibited conduct in accordance with the District’s records control schedules, but for no less than the minimum amount of time required by law. [See CPC]

[For Title IX recordkeeping and retention provisions, see FFH(LEGAL) and the District’s Title IX formal complaint process.]

Access to Policy and Procedures

Information regarding this policy and any accompanying procedures shall be distributed annually in the employee and student handbooks. Copies of the policy and procedures shall be posted on the District’s website, to the extent practicable, and readily available at each campus and the District’s administrative offices.

Effective Date

This policy shall be effective as of the adoption date, August 14, 2020.
REPORT FROM THE SUPERINTENDENT

Office of the Superintendent of Schools
Board of Education Meeting of December 8, 2022

SUBJECT: INVESTMENT REPORT

Section 2256 of the Government Code requires that the board-designated investment officers prepare and submit to the Board of Education, not less than quarterly, a written report of investment transactions for all funds covered by the act for the preceding quarter.

The quarterly investment report for the quarter ending September 30, 2022, for fiscal year 2022–2023 contains portfolio composition and maturity schedules for all funds, as well as beginning and ending book and market values for each fund’s investments.

Houston Independent School District (HISD) investments are governed by the board-approved Cash Management and Investment Policy. All investments purchased meet the three basic tenets included in policy: investment safety, investment liquidity, and investment yield. All investments are held to maturity. HISD does not invest on a speculative basis.

This report also contains a compliance letter signed by the chief financial officer, the controller, and the treasurer, who have been designated by the Board of Education as the district’s investment officers for the day-to-day management of HISD’s cash and investment position.
Executive Summary

Purpose:

§2256 of the Government Code, commonly known as the Public Funds Investment Act, requires that the Board-designated investment officers prepare and submit to the Board of Education, not less than quarterly, a written report of investment transactions for all funds covered by the act for the preceding quarter.

The investment report for the quarter ending September 30, 2022, for fiscal year 2022–2023 contains portfolio composition and maturity schedules for all funds, as well as beginning and ending book and market values for each fund’s investments.

Prerequisites:

None

Board Meeting Requirements:

None
QUARTERLY INVESTMENT REPORT

Houston Independent School District
As of September 30, 2022
HOUSTON INDEPENDENT SCHOOL DISTRICT

BOARD OF EDUCATION
(As of September 30, 2022)

Judith Cruz, PRESIDENT
Elizabeth Santos, FIRST VICE PRESIDENT
Kathy Blueford-Daniels, SECOND VICE PRESIDENT
Sue Deigaard, SECRETARY
Myrna Guidry, Esq., ASSISTANT SECRETARY

Dani Hernandez
Dr. Patricia K. Allen
Kendall Baker
Bridget Wade

Millard House II, SUPERINTENDENT OF SCHOOLS
Glenn Reed, CHIEF FINANCIAL OFFICER
Sherrie H. Robinson, CONTROLLER
Lisa Pepi, TREASURER
Under the Public Funds Investment Act (PFIA), governmental units are required to have Board approved investment policies, investment portfolios limited to only those investments specifically authorized by law, and quarterly reports submitted to the governing body which disclose both the book and market values of investments held.

The Houston Independent School District is in compliance with the PFIA. All investments purchased meet the four basic tenets included in the District’s investment policy in descending order of priority – investment safety, liquidity, public trust and yield.

The day-to-day management of the District’s cash and investment position is the responsibility of the Chief Financial Officer, the Controller, and the Treasurer, who have all been designated by the Board as the District’s investment officers.
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<td>24-33</td>
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<td>34</td>
</tr>
<tr>
<td>Glossary</td>
<td>35</td>
</tr>
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</table>
COMPLIANCE CERTIFICATION

We hereby certify that the Quarterly Investment Report represents the investment position of the District as of September 30, 2022, and that all investments were purchased in compliance with the Board-approved Cash Management and Investment Policy.

Glenn Reed  
Chief Financial Officer

Sherrie H. Robinson  
Controller

Lisa Pepi  
Treasurer
# Quarterly Compliance Review
## As of September 30, 2022

### Houston ISD Compliance Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Compliant</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Management &amp; Investment Policy</td>
<td>Yes</td>
<td>Approved by Board of Education on 06/09/2022</td>
</tr>
<tr>
<td>Authorized Broker/Dealer List</td>
<td>Yes</td>
<td>Approved by Board of Education on 06/09/2022</td>
</tr>
<tr>
<td>Distribution to Brokers/Financial Entities</td>
<td>Yes</td>
<td>Distribution = 25</td>
</tr>
<tr>
<td>Investment Officers &amp; Administrators</td>
<td>Yes</td>
<td>Approved by Board of Education 04/14/2022</td>
</tr>
<tr>
<td>Training</td>
<td>Yes</td>
<td>The Investment Officers of the District are in compliance with the training requirements</td>
</tr>
<tr>
<td>Eligibility, gifts &amp; contributions</td>
<td>Yes</td>
<td>Annual contracts and reports maintained by Human Resources</td>
</tr>
<tr>
<td>Investments</td>
<td>Yes</td>
<td>As authorized by Public Funds Investment Act and Cash Management &amp; Investment Policy</td>
</tr>
<tr>
<td>Standard of care</td>
<td>Yes</td>
<td>Objectives of investment consistently exceeded or met</td>
</tr>
<tr>
<td>Collateral pledges</td>
<td>Yes</td>
<td>Minimum required level maintained</td>
</tr>
<tr>
<td>Ratings</td>
<td>Yes</td>
<td>As required by Public Funds Investment Act and Cash Management &amp; Investment Policy</td>
</tr>
<tr>
<td>Internal Management Reports</td>
<td>Yes</td>
<td>Quarterly Investment Reports submitted to the Board of Education</td>
</tr>
</tbody>
</table>
INVESTMENT PRIORITIES

Houston Independent School District investments are guided by four priorities in declining order of priority:

- **Safety** Ensuring the return of principle invested, credit risk is minimized by investing in highly rated investments as defined in the District’s investment policy and the Public Funds Investment Act.

  Monitoring safety factors includes limiting exposure to concentration of credit risk, interest rate risk, and event risk.

- **Liquidity** Ensuring that funds are available when needed for expenditures.

- **Public Trust** Maintenance of the public trust as custodians and managers responsible for the investing of funds subject to state and federal laws.

- **Yield** Attaining a reasonable rate of return in order to further District goals while not taking speculative risks.
INVESTMENT VEHICLES

U.S. Agency Securities
U.S. Agency securities are purchased directly by the District from investment brokerage firms registered to do business with the District. These securities are purchased in the District’s name, cleared through the Federal Reserve Bank system, and held in safekeeping by JPMorgan Chase Bank, NA.

U.S. Treasury Securities
Debt securities issued by the United States Department of the Treasury and purchased through brokers.

Municipal Bonds
Debt securities issued by a state or local government or their agencies.

Certificates of Deposit (CDs)
Certificates of deposit are time deposits issued by commercial banks against funds deposited for specified periods of time usually with fixed interest rates.

Lone Star Investment Pool (LSIP)
The LSIP is a local government investment pool administered by First Public with investment advisory services provided by American Beacon Advisors and Mellon Investment Corp.

TexPool
TexPool is a local government investment pool administered by the State Comptroller’s Office and managed and serviced by Federated Hermes.

TexSTAR
TexSTAR is a local government investment pool co-administered by Hilltop Securities, Inc., and J. P. Morgan Asset Investment Management, Inc.
In order to minimize credit risk, the District has defined the types of allowable investments in the Cash Management and Investment Policy. The District has additionally placed limits on the percentage of investment types and issuers in order to reduce concentration of credit risk.

<table>
<thead>
<tr>
<th>INVESTMENT TYPE</th>
<th>DISTRICT LIMIT</th>
<th>ISSUER LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Securities</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Investment Pools *</td>
<td>100%</td>
<td>40%</td>
</tr>
<tr>
<td>U.S. Agency Securities</td>
<td>80%</td>
<td>40%</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>50%</td>
<td>10%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>30%</td>
<td>5%</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>Money Market Mutual Funds</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Money Market Accounts</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Investments in any pool additionally will be limited to 25% of the Net Asset Value of the pool.
PORTFOLIO COMPLIANCE
DISTRICT LIMITS
Holdings as of September 30, 2022

<table>
<thead>
<tr>
<th>Investment Pools</th>
<th>U.S. Agency Securities</th>
<th>US Treasury</th>
<th>Muni Bond</th>
<th>Certificates of Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance Limit</td>
<td>100.00%</td>
<td>80.00%</td>
<td>100.00%</td>
<td>20.00%</td>
</tr>
<tr>
<td>Portfolio Holdings</td>
<td>83.27%</td>
<td>5.16%</td>
<td>2.58%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
PORTFOLIO COMPLIANCE
ISSUER LIMITS
Holdings as of September 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>Compliance Limit</th>
<th>Portfolio Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lone Star</td>
<td>40.00%</td>
<td>35.96%</td>
</tr>
<tr>
<td>TexPool</td>
<td>40.00%</td>
<td>31.48%</td>
</tr>
<tr>
<td>TexStar</td>
<td>40.00%</td>
<td>15.83%</td>
</tr>
<tr>
<td>FHLMC</td>
<td>40.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>FHLB</td>
<td>40.00%</td>
<td>5.16%</td>
</tr>
<tr>
<td>FFCB</td>
<td>40.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>US Treasury</td>
<td>100.00%</td>
<td>2.58%</td>
</tr>
<tr>
<td>Muni Bond</td>
<td>5.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>CDs</td>
<td>10.00%</td>
<td>8.99%</td>
</tr>
</tbody>
</table>
PORTFOLIO COMPOSITION - ALL FUNDS
by INVESTMENT TYPE
As of September 30, 2022

- TexStar 16%
- Texpool 32%
- Lone Star 36%
- CD 9%
- FHLB 5%
- TBill 2%
MATURITY SCHEDULE

As of September 30, 2022 92.59% of the District’s investments will mature within three months, 7.41% within three to six months.

Short-term cash requirements are maintained through money market like accounts with the Lone Star Investment Pool, TexPool, and TexSTAR. The monthly and daily cash flow projections used by investment officers show the amount of funds that will be needed for any given time period. Investments are purchased to meet the cash flow needs of the District.

<table>
<thead>
<tr>
<th>Maturity Range</th>
<th>Amount</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than or equal 3 months</td>
<td>$1,199,448,629</td>
<td>92.59%</td>
</tr>
<tr>
<td>Greater than 3 months less than or equal 6 months</td>
<td>$96,047,659</td>
<td>7.41%</td>
</tr>
<tr>
<td>Greater than 6 months less than or equal 1 year</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Greater than 1 year less than or equal 3 years</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Greater than 3 years less than or equal 5 years</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,295,496,288</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
LIQUIDITY

PORTFOLIO MATURITY SCHEDULE - ALL FUNDS
As of September 30, 2022

$1,199,448,629
92.59%

$96,047,659
7.41%

$0
0.00%

$0
0.00%

$0
0.00%

$0
0.00%
The focus of the third quarter remained squarely on inflation. The year-over-year headline consumer price index (CPI) appears to have peaked in June, but so far, the pace of cooling has been disappointingly slow. Frustrated Fed officials grew increasingly hawkish in their response throughout the quarter and signaled that the overnight funds target rate would need to be higher for longer in order to drive inflation down to the FOMC’s 2.0% long-term goal. Seventy-five (75) basis point increases were announced at both the July and September FOMC meetings, bringing total rate hikes since March to three full percentage points, the most aggressive pace on record.

Source: Hilltop Securities Asset Management: Economic Summary Q3 2022
YIELD

YIELD BENCHMARKS

As of September 30, 2022 the District made a comparison of the yields earned by the District as compared to the three-month Treasury bill rate, Lone Star Investment, Logic, TexPool and TexSTAR. Average yields as of September 30, 2022 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>4th QTR 20-21</th>
<th>1st QTR 21-22</th>
<th>2nd QTR 21-22</th>
<th>3rd QTR 21-22</th>
<th>4th QTR 21-22</th>
<th>1st QTR 22-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston ISD</td>
<td>.07%</td>
<td>.07%</td>
<td>.08%</td>
<td>.13%</td>
<td>.72%</td>
<td>2.04%</td>
</tr>
<tr>
<td>TexPool</td>
<td>.05%</td>
<td>.05%</td>
<td>.06%</td>
<td>.15%</td>
<td>.72%</td>
<td>2.09%</td>
</tr>
<tr>
<td>TexSTAR</td>
<td>.01%</td>
<td>.01%</td>
<td>.01%</td>
<td>.05%</td>
<td>.65%</td>
<td>1.78%</td>
</tr>
<tr>
<td>Lone Star</td>
<td>.07%</td>
<td>.07%</td>
<td>.19%</td>
<td>.19%</td>
<td>.78%</td>
<td>2.19%</td>
</tr>
<tr>
<td>Logic Pool</td>
<td>.07%</td>
<td>.04%</td>
<td>.05%</td>
<td>.15%</td>
<td>.80%</td>
<td>2.10%</td>
</tr>
<tr>
<td>3-Month T-Bill Avg.</td>
<td>.03%</td>
<td>.03%</td>
<td>.18%</td>
<td>.31%</td>
<td>1.07%</td>
<td>2.67%</td>
</tr>
</tbody>
</table>

The District’s portfolio for the quarter ended September 30, 2022 earned an average yield of 2.04%, Lone Star yielded 2.19%, TexPool yielded 2.09%, and TexSTAR yielded 1.78%.
YIELD COMPARISONS
As of September 30, 2022
As of September 30, 2022

The "Structured Portfolio" is comprised of 1/3- Fed Funds, 1/3- 1 yr. T, and 1/3- 2 yr. T. This structure is designed to approximate a portfolio with an average maturity of one year.
Earnings in this management report do not include unrealized gains or losses resulting from fair market valuation entries.
Chart 1 displays interest earnings for each quarter in the current year and three preceding years.

Chart 2 displays year-to-date interest earnings as of the current quarter end for the current year and three preceding years.

Earnings in this management report do not include unrealized gains or losses resulting from fair market valuation entries.
PORTFOLIO REPORTS

- **Summary Report** – This report shows the change in book value and market value from the prior quarter end through the current quarter end in summary form. The report also shows accrued interest receivable by fund groups for those funds which have investments paying interest on a non-monthly basis.

- **Balances by Fund** – This report shows investment sector totals by fund.

- **Portfolio Inventory and Transaction Report** – This report details each individual investment security and pool account subtotaled by fund group.
  - Security type or pool name are detailed.
  - Purchase and maturity dates are shown for those investments which have a stated final maturity.
  - The change in book and market value for each investment is shown for the period reported.
  - Purchases and redemptions in investment pool accounts are shown on a net basis.
  - Purchases, sales, and maturities of securities are shown on an individual transaction basis.
  - The final maturity (Par) value of securities are detailed.
<table>
<thead>
<tr>
<th>FUND NAME</th>
<th>BOOK VALUE 6/30/22</th>
<th>MARKET VALUE 6/30/22</th>
<th>BOOK VALUE 9/30/22</th>
<th>MARKET VALUE 9/30/22</th>
<th>CHANGE IN BOOK VALUE</th>
<th>CHANGE IN MARKET VALUE</th>
<th>ACCRUED INTEREST RECEIVABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$1,469,180,549</td>
<td>$1,469,175,044</td>
<td>$853,804,937</td>
<td>$853,658,231</td>
<td>$(615,375,612)</td>
<td>$(615,516,813)</td>
<td>$64,929</td>
</tr>
<tr>
<td>Capital Projects Fund</td>
<td>$271,367,643</td>
<td>$271,367,643</td>
<td>$229,605,851</td>
<td>$229,605,851</td>
<td>$(41,761,792)</td>
<td>$(41,761,792)</td>
<td>-</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>$68,574,782</td>
<td>$68,574,782</td>
<td>$18,127,277</td>
<td>$18,127,277</td>
<td>$(50,447,505)</td>
<td>$(50,447,505)</td>
<td>-</td>
</tr>
<tr>
<td>Food Service Fund</td>
<td>$25,266,764</td>
<td>$25,266,764</td>
<td>$53,799,858</td>
<td>$53,799,858</td>
<td>$28,533,094</td>
<td>$28,533,094</td>
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</tr>
<tr>
<td>Marketplace</td>
<td>$447,038</td>
<td>$447,038</td>
<td>$210,662</td>
<td>$210,662</td>
<td>$(236,376)</td>
<td>$(236,376)</td>
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<tr>
<td>Health Insurance Fund</td>
<td>$45,301,558</td>
<td>$45,301,558</td>
<td>$39,830,546</td>
<td>$39,830,546</td>
<td>$(5,471,012)</td>
<td>$(5,471,012)</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Fund</td>
<td>$40,355,903</td>
<td>$40,355,903</td>
<td>$38,423,083</td>
<td>$38,423,083</td>
<td>$(1,932,820)</td>
<td>$(1,932,820)</td>
<td>-</td>
</tr>
<tr>
<td>Internal Service Fund</td>
<td>$10,895,851</td>
<td>$10,895,851</td>
<td>$11,071,655</td>
<td>$11,071,655</td>
<td>$175,804</td>
<td>$175,804</td>
<td>-</td>
</tr>
<tr>
<td>Medicaid Fund</td>
<td>$18,774,826</td>
<td>$18,774,826</td>
<td>$19,408,655</td>
<td>$19,408,655</td>
<td>$633,829</td>
<td>$633,829</td>
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<tr>
<td>Print Shop Fund</td>
<td>$5,861,311</td>
<td>$5,861,311</td>
<td>$8,274,729</td>
<td>$8,274,729</td>
<td>$2,413,418</td>
<td>$2,413,418</td>
<td>-</td>
</tr>
<tr>
<td>Special Revenue Fund</td>
<td>$61,707,485</td>
<td>$61,707,485</td>
<td>$1,543,091</td>
<td>$1,543,091</td>
<td>$(60,164,394)</td>
<td>$(60,164,394)</td>
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</tr>
<tr>
<td>Trust &amp; Agency Funds</td>
<td>$4,927,838</td>
<td>$4,927,838</td>
<td>$5,082,373</td>
<td>$5,082,373</td>
<td>$154,535</td>
<td>$154,535</td>
<td>-</td>
</tr>
<tr>
<td>Activity Funds</td>
<td>$12,397,761</td>
<td>$12,397,761</td>
<td>$16,313,571</td>
<td>$16,313,571</td>
<td>$3,915,810</td>
<td>$3,915,810</td>
<td>-</td>
</tr>
<tr>
<td>Public Facility Corporation</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL INVESTMENTS</td>
<td>$2,035,059,309</td>
<td>$2,035,053,804</td>
<td>$1,295,496,288</td>
<td>$1,295,349,582</td>
<td>$(739,563,021)</td>
<td>$(739,704,223)</td>
<td>$64,929</td>
</tr>
<tr>
<td>Fund</td>
<td>U.S. Treasury Investments</td>
<td>Muni Bond Investments</td>
<td>Agency Investments</td>
<td>Lone Star Investment Pool</td>
<td>Investments in TexPool</td>
<td>Investments in Texstar</td>
<td>Certificates of Deposit</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>---------------------------</td>
<td>-----------------------</td>
<td>--------------------</td>
<td>---------------------------</td>
<td>------------------------</td>
<td>------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>General Fund</td>
<td>$32,939,491</td>
<td>$65,864,741</td>
<td>$226,904,460</td>
<td>$265,750,374</td>
<td>$162,105,871</td>
<td>$100,240,000</td>
<td>$853,804,937</td>
</tr>
<tr>
<td>Capital Projects Fund</td>
<td>$</td>
<td>$</td>
<td>$88,562,208</td>
<td>$94,723,281</td>
<td>$46,320,362</td>
<td>$</td>
<td>$229,605,851</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>$</td>
<td>$</td>
<td>$16,557,338</td>
<td>$1,569,938</td>
<td>$</td>
<td>$</td>
<td>$18,127,277</td>
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<td>Food Service Fund</td>
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<td>$</td>
<td>$43,380,637</td>
<td>$10,419,221</td>
<td>$</td>
<td>$</td>
<td>$53,799,858</td>
</tr>
<tr>
<td>Marketplace</td>
<td>$</td>
<td>$</td>
<td>$210,662</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$210,662</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>$</td>
<td>$</td>
<td>$33,100,035</td>
<td>$6,730,511</td>
<td>$</td>
<td>$</td>
<td>$39,830,546</td>
</tr>
<tr>
<td>Workers' Compensation</td>
<td>$</td>
<td>$</td>
<td>$28,897,009</td>
<td>$9,526,074</td>
<td>$</td>
<td>$</td>
<td>$38,423,083</td>
</tr>
<tr>
<td>Internal Service Fund</td>
<td>$</td>
<td>$</td>
<td>$11,071,655</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$11,071,655</td>
</tr>
<tr>
<td>Medicaid</td>
<td>$</td>
<td>$</td>
<td>$19,364,418</td>
<td>$44,237</td>
<td>$</td>
<td>$</td>
<td>$19,408,655</td>
</tr>
<tr>
<td>Print Shop</td>
<td>$</td>
<td>$</td>
<td>$8,274,729</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$8,274,729</td>
</tr>
<tr>
<td>Special Revenue Fund</td>
<td>$</td>
<td>$</td>
<td>$806,389</td>
<td>$736,702</td>
<td>$</td>
<td>$</td>
<td>$1,543,091</td>
</tr>
<tr>
<td>Trust &amp; Agency Funds</td>
<td>$</td>
<td>$</td>
<td>$65,646</td>
<td>$5,016,727</td>
<td>$</td>
<td>$</td>
<td>$5,082,373</td>
</tr>
<tr>
<td>Activity Funds</td>
<td>$</td>
<td>$</td>
<td>$15,698,754</td>
<td>$614,817</td>
<td>$</td>
<td>$</td>
<td>$16,313,571</td>
</tr>
<tr>
<td>Public Facility Corporation</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENTS</strong></td>
<td><strong>$32,939,491</strong></td>
<td><strong>$65,864,741</strong></td>
<td><strong>$473,547,557</strong></td>
<td><strong>$414,478,265</strong></td>
<td><strong>$208,426,233</strong></td>
<td><strong>$100,240,000</strong></td>
<td><strong>$1,295,496,288</strong></td>
</tr>
</tbody>
</table>
## PORTFOLIO INVENTORY AND TRANSACTION REPORT

FOR QUARTER ENDED SEPTEMBER 30, 2022

<table>
<thead>
<tr>
<th>INVESTMENT TYPE</th>
<th>DATE OF PURCHASE</th>
<th>MATURITY DATE</th>
<th>BOOK VALUE 6/30/2022</th>
<th>MARKET VALUE 6/30/2022</th>
<th>MATURITIES PURCHASES</th>
<th>BOOK VALUE 9/30/2022</th>
<th>MARKET VALUE 9/30/2022</th>
<th>FINAL MATURITY 9/30/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lone Star Liq +</td>
<td>Open Open</td>
<td>$82,922,292</td>
<td>$82,922,292</td>
<td>(12,374,191)</td>
<td>$-</td>
<td>$70,548,101</td>
<td>$70,548,101</td>
<td>$70,548,101</td>
</tr>
<tr>
<td>Lone Star Corp</td>
<td>Open Open</td>
<td>$72,680,392</td>
<td>$72,680,392</td>
<td>-</td>
<td>$44,269,709</td>
<td>$116,950,100</td>
<td>$116,950,100</td>
<td>$116,950,100</td>
</tr>
<tr>
<td>TexPool</td>
<td>Open Open</td>
<td>$131,647,442</td>
<td>$131,647,442</td>
<td>(82,934,016)</td>
<td>$-</td>
<td>$48,713,427</td>
<td>$48,713,427</td>
<td>$48,713,427</td>
</tr>
<tr>
<td>TexPool Prime</td>
<td>Open Open</td>
<td>$376,051,758</td>
<td>$376,051,758</td>
<td>(159,014,811)</td>
<td>$-</td>
<td>$217,036,947</td>
<td>$217,036,947</td>
<td>$217,036,947</td>
</tr>
<tr>
<td>TexSTAR</td>
<td>Open Open</td>
<td>$373,979,636</td>
<td>$373,979,636</td>
<td>(211,873,765)</td>
<td>$-</td>
<td>$162,105,871</td>
<td>$162,105,871</td>
<td>$162,105,871</td>
</tr>
<tr>
<td>CD EAST WEST BANK</td>
<td>3/15/2022 10/28/2022</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>-</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>CD EAST WEST BANK</td>
<td>7/27/2021 10/28/2022</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>-</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>CD EAST WEST BANK</td>
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<td>$20,000,000</td>
<td>-</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>CD EAST WEST BANK</td>
<td>10/28/2021 10/28/2022</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>-</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>CD EAST WEST BANK</td>
<td>10/28/2021 10/28/2022</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>-</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>CD IND BANK</td>
<td>1/25/2021 1/25/2022</td>
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<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>CD IND BANK</td>
<td>8/5/2021 8/5/2022</td>
<td>$30,000,000</td>
<td>$30,000,000</td>
<td>(30,000,000)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>CD IND BANK</td>
<td>11/30/2021 11/30/2022</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>$-</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>CD UNITY</td>
<td>9/1/2022 9/1/2023</td>
<td>$145,000</td>
<td>$145,000</td>
<td>(145,000)</td>
<td>$-</td>
<td>$145,000</td>
<td>$145,000</td>
<td>$145,000</td>
</tr>
<tr>
<td>US Agencys</td>
<td>8/31/2022 8/31/2023</td>
<td>$65,523,086</td>
<td>$65,517,580</td>
<td>$341,655</td>
<td>$65,864,741</td>
<td>$65,791,388</td>
<td>$66,000,000</td>
<td>$66,000,000</td>
</tr>
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<td>Treasury Bill</td>
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<td>$167,524</td>
<td>$32,599,491</td>
<td>$32,666,138</td>
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<td>$33,000,000</td>
<td>$33,000,000</td>
</tr>
<tr>
<td><strong>GENERAL FUND TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,469,160,550</td>
<td>$1,469,160,538</td>
<td>$853,804,927</td>
</tr>
</tbody>
</table>

| **CAPITAL PROJECTS** | Gov | Open | Open | $13,667,907 | $13,667,907 | (17,869,726) | $11,879,747 | $11,879,747 | $11,879,747 |
| Lone Star Corp   | Op Plus | Open | Open | $21,985,049 | $21,985,049 | (21,972,833) | $12,766  | $12,766  | $12,766  |
| TexPool          | Open | Open | $75,040,050 | $75,040,050 | $384,195 | $75,424,245 | $75,424,245 | $75,424,245 |
| TexSTAR          | Open | Open | $70,781,484 | $70,781,484 | $46,320,362 | $46,320,362 | $46,320,362 | $46,320,362 |
| **CAPITAL PROJECTS TOTAL** |                  |               |                       |                        |                       | $271,367,643       | $271,367,643         | $229,605,851           |

### Notes

- For quarter ended September 30, 2022.
- Capital Projects and General Fund are separate accounts with distinct investment strategies and objectives.
- The portfolio includes various types of investments such as CDs, Treasury Bills, and Agency securities.
- The table provides a snapshot of the portfolio's performance, including purchase dates, book and market values, and final maturities.
<table>
<thead>
<tr>
<th>INVESTMENT TYPE</th>
<th>DATE OF PURCHASE</th>
<th>DATE MATURITY</th>
<th>BOOK VALUE</th>
<th>MARKET VALUE</th>
<th>MATURITIES PURCHASES</th>
<th>BOOK VALUE</th>
<th>MARKET VALUE</th>
<th>FINAL MATURITY</th>
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<tr>
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<td>6/30/2022</td>
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<td>9/30/2022</td>
<td></td>
<td>9/30/2022</td>
<td>9/30/2022</td>
<td></td>
</tr>
<tr>
<td><strong>DEBT SERVICE FUND</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lone Star Liq +</td>
<td>Open</td>
<td>Open</td>
<td>100,615</td>
<td>100,615</td>
<td>-</td>
<td>11,500,817</td>
<td>11,601,432</td>
<td>11,601,432</td>
</tr>
<tr>
<td>Lone Star Corp</td>
<td>Open</td>
<td>Open</td>
<td>66,912,608</td>
<td>66,912,608</td>
<td>(61,956,701)</td>
<td>4,955,906</td>
<td>4,955,906</td>
<td>4,955,906</td>
</tr>
<tr>
<td>TexPool</td>
<td>Open</td>
<td>Open</td>
<td>635,119</td>
<td>635,119</td>
<td>-</td>
<td>3,252</td>
<td>638,371</td>
<td>638,371</td>
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<tr>
<td>TexPool Prime</td>
<td>Open</td>
<td>Open</td>
<td>926,441</td>
<td>926,441</td>
<td>-</td>
<td>5,127</td>
<td>931,568</td>
<td>931,568</td>
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<tr>
<td><strong>DEBT SERVICE TOTAL</strong></td>
<td></td>
<td></td>
<td>68,574,782</td>
<td>66,574,782</td>
<td>(61,956,701)</td>
<td>11,509,196</td>
<td>18,127,277</td>
<td>18,127,277</td>
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<tr>
<td><strong>FD1-FOOD SERVICE FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lone Star Liq +</td>
<td>Open</td>
<td>Open</td>
<td>4,572</td>
<td>4,572</td>
<td>-</td>
<td>24</td>
<td>4,596</td>
<td>4,596</td>
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<tr>
<td>Lone Star Corp</td>
<td>Open</td>
<td>Open</td>
<td>14,896,045</td>
<td>14,896,045</td>
<td>-</td>
<td>28,479,997</td>
<td>43,376,041</td>
<td>43,376,041</td>
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<tr>
<td><strong>FD1-TOTAL</strong></td>
<td></td>
<td></td>
<td>25,266,764</td>
<td>25,266,764</td>
<td>-</td>
<td>28,533,093</td>
<td>53,799,858</td>
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<td><strong>FD2-MARKETPLACE</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Lone Star Liq</td>
<td>Open</td>
<td>Open</td>
<td>447,038</td>
<td>447,038</td>
<td>(236,376)</td>
<td>-</td>
<td>210,662</td>
<td>210,662</td>
</tr>
<tr>
<td><strong>FD2-TOTAL</strong></td>
<td></td>
<td></td>
<td>447,038</td>
<td>447,038</td>
<td>(236,376)</td>
<td>-</td>
<td>210,662</td>
<td>210,662</td>
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<td><strong>IS2-WORKERS COMPENSATION FUND</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lone Star Corp</td>
<td>Open</td>
<td>Open</td>
<td>29,665,214</td>
<td>29,665,214</td>
<td>(768,205)</td>
<td>-</td>
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<td>Open</td>
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<td>2,578,004</td>
<td>2,578,004</td>
<td>(1,209,509)</td>
<td>-</td>
<td>1,368,496</td>
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<tr>
<td>TexPool Prime</td>
<td>Open</td>
<td>Open</td>
<td>8,112,685</td>
<td>8,112,685</td>
<td>-</td>
<td>44,893</td>
<td>8,157,578</td>
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<td><strong>IS2-TOTAL</strong></td>
<td></td>
<td></td>
<td>40,355,903</td>
<td>40,355,903</td>
<td>(1,977,713)</td>
<td>44,893</td>
<td>38,423,083</td>
<td>38,423,083</td>
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<tr>
<td><strong>IS1-HEALTH INSURANCE FUND</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lone Star Corp</td>
<td>Open</td>
<td>Open</td>
<td>45,271,580</td>
<td>45,271,580</td>
<td>(12,171,545)</td>
<td>-</td>
<td>33,100,035</td>
<td>33,100,035</td>
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<td>Open</td>
<td>Open</td>
<td>29,978</td>
<td>29,978</td>
<td>-</td>
<td>6,700,533</td>
<td>6,730,511</td>
<td>6,730,511</td>
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<tr>
<td><strong>IS1-TOTAL</strong></td>
<td></td>
<td></td>
<td>45,301,558</td>
<td>45,301,558</td>
<td>(12,171,545)</td>
<td>6,700,533</td>
<td>39,830,546</td>
<td>39,830,546</td>
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<td><strong>MD1-MEDICAID FUND</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lone Star Liq</td>
<td>Open</td>
<td>Open</td>
<td>18,730,814</td>
<td>18,730,814</td>
<td>-</td>
<td>633,604</td>
<td>19,364,418</td>
<td>19,364,418</td>
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<td>Open</td>
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<td>44,011</td>
<td>-</td>
<td>225</td>
<td>44,237</td>
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<tr>
<td><strong>MD1-TOTAL</strong></td>
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<td></td>
<td>18,774,826</td>
<td>18,774,826</td>
<td>-</td>
<td>633,829</td>
<td>19,408,655</td>
<td>19,408,655</td>
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<tr>
<td>INVESTMENT DATE OF MATURITY BOOK MARKET MATURITIES PURCHASES BOOK MARKET FINAL MATURITY</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>-----------------------------------------------</td>
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<td>-----------------------------------------------</td>
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<tr>
<td>TYPE</td>
<td>DATE OF PURCHASE DATE</td>
<td>BOOK VALUE</td>
<td>MARKET VALUE</td>
<td>MATURITIES PURCHASES VALUE</td>
<td>BOOK VALUE</td>
<td>MARKET VALUE</td>
<td>FINAL MATURITY</td>
<td></td>
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<tr>
<td>IS3-INTERNAL SERVICE FUND</td>
<td>6/30/2022</td>
<td>10,895,851$</td>
<td>10,895,851$</td>
<td>- $</td>
<td>175,804$</td>
<td>11,071,655$</td>
<td>11,071,655$</td>
<td>11,071,655$</td>
</tr>
<tr>
<td>TexPool</td>
<td>Open</td>
<td>$</td>
<td>$</td>
<td>- $</td>
<td>11,071,655$</td>
<td>$</td>
<td>$</td>
<td>11,071,655$</td>
</tr>
<tr>
<td>IS3-TOTAL</td>
<td>6/30/2022</td>
<td>10,895,851$</td>
<td>10,895,851$</td>
<td>- $</td>
<td>175,804$</td>
<td>11,071,655$</td>
<td>11,071,655$</td>
<td>11,071,655$</td>
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<tr>
<td>PS1-PRINT SHOP FUND</td>
<td>6/30/2022</td>
<td>5,861,311$</td>
<td>5,861,311$</td>
<td>- $</td>
<td>2,413,417$</td>
<td>8,274,729$</td>
<td>8,274,729$</td>
<td>8,274,729$</td>
</tr>
<tr>
<td>TexPool</td>
<td>Open</td>
<td>$</td>
<td>$</td>
<td>- $</td>
<td>8,274,729$</td>
<td>$</td>
<td>$</td>
<td>8,274,729$</td>
</tr>
<tr>
<td>PS1-TOTAL</td>
<td>6/30/2022</td>
<td>5,861,311$</td>
<td>5,861,311$</td>
<td>- $</td>
<td>2,413,417$</td>
<td>8,274,729$</td>
<td>8,274,729$</td>
<td>8,274,729$</td>
</tr>
<tr>
<td>SR1-SPECIAL REVENUE FUND</td>
<td>6/30/2022</td>
<td>160,046$</td>
<td>160,046$</td>
<td>(152,596)$</td>
<td>- $</td>
<td>7,450$</td>
<td>7,450$</td>
<td>7,450$</td>
</tr>
<tr>
<td>Lone Star Liq</td>
<td>Open</td>
<td>$</td>
<td>$</td>
<td>(152,596)$</td>
<td>- $</td>
<td>7,450$</td>
<td>7,450$</td>
<td>7,450$</td>
</tr>
<tr>
<td>Lone Star Liq +</td>
<td>Open</td>
<td>122,031$</td>
<td>122,031$</td>
<td>(39,483)$</td>
<td>- $</td>
<td>82,548$</td>
<td>82,548$</td>
<td>82,548$</td>
</tr>
<tr>
<td>Lone Star Corp</td>
<td>Open</td>
<td>60,692,754$</td>
<td>60,692,754$</td>
<td>(59,976,364)$</td>
<td>- $</td>
<td>716,391$</td>
<td>716,391$</td>
<td>716,391$</td>
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<td>TexPool</td>
<td>Open</td>
<td>12,152$</td>
<td>12,152$</td>
<td>- $</td>
<td>62$</td>
<td>12,214$</td>
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<td>TexPool</td>
<td>Open</td>
<td>720,501$</td>
<td>720,501$</td>
<td>- $</td>
<td>3,987$</td>
<td>724,488$</td>
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<tr>
<td>SPECIAL REVENUE TOTAL</td>
<td>6/30/2022</td>
<td>61,707,485$</td>
<td>61,707,485$</td>
<td>(60,168,443)$</td>
<td>4,049$</td>
<td>1,543,091$</td>
<td>1,543,091$</td>
<td>1,543,091$</td>
</tr>
<tr>
<td>TRUST &amp; AGENCY FUNDS</td>
<td>6/30/2022</td>
<td>49,283$</td>
<td>49,283$</td>
<td>- $</td>
<td>254$</td>
<td>49,537$</td>
<td>49,537$</td>
<td>49,537$</td>
</tr>
<tr>
<td>Lone Star Liq</td>
<td>Open</td>
<td>$</td>
<td>$</td>
<td>- $</td>
<td>49,537$</td>
<td>$</td>
<td>$</td>
<td>49,537$</td>
</tr>
<tr>
<td>Lone Star Corp</td>
<td>Open</td>
<td>16,017$</td>
<td>16,017$</td>
<td>- $</td>
<td>92$</td>
<td>16,109$</td>
<td>16,109$</td>
<td>16,109$</td>
</tr>
<tr>
<td>TexPool</td>
<td>Open</td>
<td>4,862,538$</td>
<td>4,862,538$</td>
<td>- $</td>
<td>154,189$</td>
<td>5,016,727$</td>
<td>5,016,727$</td>
<td>5,016,727$</td>
</tr>
<tr>
<td>TRUST &amp; AGENCY TOTAL</td>
<td>6/30/2022</td>
<td>5,927,838$</td>
<td>5,927,838$</td>
<td>- $</td>
<td>5,045,535$</td>
<td>5,982,373$</td>
<td>5,982,373$</td>
<td>5,982,373$</td>
</tr>
<tr>
<td>TA-ACTIVITY FUNDS</td>
<td>6/30/2022</td>
<td>7,961,178$</td>
<td>7,961,178$</td>
<td>- $</td>
<td>5,704,963$</td>
<td>13,666,141$</td>
<td>13,666,141$</td>
<td>13,666,141$</td>
</tr>
<tr>
<td>Lone Star Liq</td>
<td>Open</td>
<td>$</td>
<td>$</td>
<td>- $</td>
<td>13,666,141$</td>
<td>$</td>
<td>$</td>
<td>13,666,141$</td>
</tr>
<tr>
<td>Lone Star Corp</td>
<td>Open</td>
<td>3,824,897$</td>
<td>3,824,897$</td>
<td>(1,792,285)$</td>
<td>- $</td>
<td>2,032,613$</td>
<td>2,032,613$</td>
<td>2,032,613$</td>
</tr>
<tr>
<td>TexPool</td>
<td>Open</td>
<td>611,685$</td>
<td>611,685$</td>
<td>- $</td>
<td>3,132$</td>
<td>614,817$</td>
<td>614,817$</td>
<td>614,817$</td>
</tr>
<tr>
<td>ACTIVITY FUNDS TOTAL</td>
<td>6/30/2022</td>
<td>12,397,761$</td>
<td>12,397,761$</td>
<td>(1,792,285)$</td>
<td>5,708,095$</td>
<td>16,313,571$</td>
<td>16,313,571$</td>
<td>16,313,571$</td>
</tr>
<tr>
<td>TOTAL PORTFOLIO</td>
<td>6/30/2022</td>
<td>2,035,059,308$</td>
<td>2,035,059,308$</td>
<td>(846,919,127)$</td>
<td>107,356,107$</td>
<td>1,295,496,288$</td>
<td>1,295,349,582$</td>
<td>1,295,692,055$</td>
</tr>
</tbody>
</table>
INVESTMENT POOL REPORTS

**TEXPOOL**
- As of September 30, 2022, the District had $168,328,647.93 invested in TEXPOOL comprising 0.69% of the market value of the pool.
- As of September 30, 2022, the District had $246,149,617.57 invested in TEXPOOL Prime comprising 2.51% of the pools’ market value.

**LONESTAR**
- As of September 30, 2022, the District had $94,160,061.87 invested in Government Overnight Fund comprising 2.10% of the pools’ market value.
- As of September 30, 2022, the District had $72,673,595.31 invested in Corporate Overnight Fund comprising 2.32% of the pools’ market value.
- As of September 30, 2022, the District had $306,713,899.79 invested in Corporate Overnight Plus Fund comprising 3.88% of the pools’ market value.

**TEXSTAR**
- As of September 30, 2022, the District had $208,426,232.70 invested in TexSTAR comprising 2.12% of the pools’ market value.
<table>
<thead>
<tr>
<th></th>
<th>TexPool</th>
<th>TexPool Prime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Invested Balance</td>
<td>$24,157,195,382</td>
<td>$9,448,375,411</td>
</tr>
<tr>
<td>Weighted Average Maturity**</td>
<td>25 Days</td>
<td>14 Days</td>
</tr>
<tr>
<td>Weighted Average Life**</td>
<td>94 Days</td>
<td>71 Days</td>
</tr>
<tr>
<td>Net Asset Value</td>
<td>0.99941</td>
<td>0.99982</td>
</tr>
<tr>
<td>Total Number of Participants</td>
<td>2,733</td>
<td>466</td>
</tr>
<tr>
<td>Management Fee on Invested Balance</td>
<td>0.0450%</td>
<td>0.0550%</td>
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<tr>
<td>Interest Distributed</td>
<td>$45,232,569.22</td>
<td>$19,494,294.71</td>
</tr>
<tr>
<td>Management Fee Collected</td>
<td>$735,357.89</td>
<td>$372,623.59</td>
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<tr>
<td>Standard &amp; Poor’s Current Rating</td>
<td>AAAm</td>
<td>AAAm</td>
</tr>
<tr>
<td><strong>Month Averages</strong></td>
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<tr>
<td>Average Invested Balance</td>
<td>$24,247,301,289</td>
<td>$9,744,826,889</td>
</tr>
<tr>
<td>Average Monthly Rate*</td>
<td>2.41%</td>
<td>2.61%</td>
</tr>
<tr>
<td>Average Weighted Average Maturity**</td>
<td>24</td>
<td>12</td>
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<tr>
<td>Average Weighted Average Life**</td>
<td>90</td>
<td>63</td>
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</tbody>
</table>
### Portfolio by Maturity (%)

**As of September 30, 2022**

- 1-7 days: 80.7%
- 8-30 days: 3.5%
- 31-90 days: 6.0%
- 91-180 days: 5.9%
- 181+ days: 3.9%

### Portfolio by Type of Investment (%)

**As of September 30, 2022**

- Agencies: 40.8%
- Repurchase Agreements: 35.0%
- Treasuries: 17.5%
- Money Market Funds: 6.7%

### Portfolio Asset Summary as of September 30, 2022

<table>
<thead>
<tr>
<th>Account</th>
<th>Book Value</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninvested Balance</td>
<td>$1,112.97</td>
<td>$1,112.97</td>
</tr>
<tr>
<td>Receivable for Investments Sold</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Accrual of Interest Income</td>
<td>40,369,447.22</td>
<td>40,369,447.22</td>
</tr>
<tr>
<td>Interest and Management Fees Payable</td>
<td>-48,026,936.34</td>
<td>-48,026,936.34</td>
</tr>
<tr>
<td>Payable for Investments Purchased</td>
<td>-40,000,000.00</td>
<td>-40,000,000.00</td>
</tr>
<tr>
<td>Accrued Expenses &amp; Taxes</td>
<td>-24,391.93</td>
<td>-24,391.93</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>8,465,762,000.00</td>
<td>8,465,762,000.00</td>
</tr>
<tr>
<td>Mutual Fund Investments</td>
<td>1,627,074,000.00</td>
<td>1,627,085,200.00</td>
</tr>
<tr>
<td>Government Securities</td>
<td>9,887,421,724.44</td>
<td>9,878,233,578.21</td>
</tr>
<tr>
<td>US Treasury Bills</td>
<td>2,113,665,269.50</td>
<td>2,110,396,392.97</td>
</tr>
<tr>
<td>US Treasury Notes</td>
<td>2,110,953,156.47</td>
<td>2,109,177,673.29</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$24,157,195,382.33</strong></td>
<td><strong>$24,142,974,076.39</strong></td>
</tr>
</tbody>
</table>
### Portfolio by Maturity (%)
**As of September 30, 2022**
- 1-7 days: **79.6%**
- 8-30 days: **7.4%**
- 31-90 days: **9.9%**
- 91-180 days: **1.3%**
- 181+ days: **1.8%**

### Portfolio by Type of Investment (%)
**As of September 30, 2022**
- Commercial Paper: **56.1%**
- Variable Rate Notes: **29.2%**
- Money Market Funds: **29.2%**
- Repurchase Agreements: **3.7%**
- Government: **2.3%**

### Portfolio Asset Summary as of September 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>Book Value</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninvested Balance</td>
<td>$1,034.12</td>
<td>$1,034.12</td>
</tr>
<tr>
<td>Receivable for Investments Sold</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Accrual of Interest Income</td>
<td>9,028,349.76</td>
<td>9,028,349.76</td>
</tr>
<tr>
<td>Interest and Management Fees Payable</td>
<td>-20,915,933.16</td>
<td>-20,915,933.16</td>
</tr>
<tr>
<td>Payable for Investments Purchased</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Accrued Expenses &amp; Taxes</td>
<td>-11,980.07</td>
<td>-11,980.07</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>347,236,000.00</td>
<td>347,236,000.00</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>5,311,416,419.49</td>
<td>5,310,906,988.58</td>
</tr>
<tr>
<td>Mutual Fund Investments</td>
<td>830,153,483.22</td>
<td>829,694,072.14</td>
</tr>
<tr>
<td>Government Securities</td>
<td>198,938,000.08</td>
<td>199,012,881.00</td>
</tr>
<tr>
<td>Variable Rate Notes</td>
<td>2,772,530,037.36</td>
<td>2,771,572,180.79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,448,375,410.80</strong></td>
<td><strong>$9,446,523,593.16</strong></td>
</tr>
</tbody>
</table>
Quarterly Position Report
September 30, 2022

Yield to Maturity

Years to Maturity

Packet Pg. 206
### Government Overnight Fund

<table>
<thead>
<tr>
<th>Duration</th>
<th>Participant Assets</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.02087</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of Quarter Balance</td>
<td>4,739,028,610.79</td>
<td>4,738,375,182.52</td>
</tr>
<tr>
<td>Deposits</td>
<td>2,405,206,813.35</td>
<td></td>
</tr>
<tr>
<td>Withdrawals</td>
<td>(2,620,192,426.34)</td>
<td></td>
</tr>
<tr>
<td>End of Quarter Balance</td>
<td>4,524,042,997.80</td>
<td>4,524,114,881.90</td>
</tr>
</tbody>
</table>

### Corporate Overnight Fund

<table>
<thead>
<tr>
<th>Duration</th>
<th>Participant Assets</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.18985</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of Quarter Balance</td>
<td>3,701,861,533.61</td>
<td>3,701,027,188.31</td>
</tr>
<tr>
<td>Deposits</td>
<td>1,821,648,205.74</td>
<td></td>
</tr>
<tr>
<td>Withdrawals</td>
<td>(2,391,883,719.75)</td>
<td></td>
</tr>
<tr>
<td>End of Quarter Balance</td>
<td>3,131,626,019.60</td>
<td>3,131,546,153.14</td>
</tr>
</tbody>
</table>

### Corporate Overnight Plus Fund

<table>
<thead>
<tr>
<th>Duration</th>
<th>Participant Assets</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.19453</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of Quarter Balance</td>
<td>8,376,484,442.51</td>
<td>8,373,634,945.15</td>
</tr>
<tr>
<td>Deposits</td>
<td>4,704,688,209.18</td>
<td></td>
</tr>
<tr>
<td>Withdrawals</td>
<td>(5,274,371,001.67)</td>
<td></td>
</tr>
<tr>
<td>End of Quarter Balance</td>
<td>7,806,801,650.02</td>
<td>7,806,423,963.12</td>
</tr>
<tr>
<td>Returns</td>
<td>July</td>
<td>August</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
<td>--------</td>
</tr>
<tr>
<td></td>
<td>Average Rate</td>
<td>7-day SEC Yield</td>
</tr>
<tr>
<td>Govt Overnight Fund</td>
<td>1.51%</td>
<td>1.79%</td>
</tr>
<tr>
<td>Corp Overnight Fund</td>
<td>1.70%</td>
<td>1.98%</td>
</tr>
<tr>
<td>Corp Overnight Plus Fund</td>
<td>1.73%</td>
<td>2.01%</td>
</tr>
</tbody>
</table>
## PERFORMANCE

**As of September 30, 2022**

<table>
<thead>
<tr>
<th>Current Invested Balance</th>
<th>$8,448,258,598.47</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted Average Maturity (1)</td>
<td>12 Days</td>
</tr>
<tr>
<td>Weighted Average Life (2)</td>
<td>48 Days</td>
</tr>
<tr>
<td>Net Asset Value</td>
<td>0.999510</td>
</tr>
<tr>
<td>Total Number of Participants</td>
<td>994</td>
</tr>
<tr>
<td>Management Fee on Invested Balance</td>
<td>0.06%*</td>
</tr>
<tr>
<td>Interest Distributed</td>
<td>$17,014,012.43</td>
</tr>
<tr>
<td>Management Fee Collected</td>
<td>$434,628.93</td>
</tr>
<tr>
<td>% of Portfolio Invested Beyond 1 Year</td>
<td>6.86%</td>
</tr>
<tr>
<td>Standard &amp; Poor's Current Rating</td>
<td>AAAm</td>
</tr>
</tbody>
</table>

**September Averages**

<table>
<thead>
<tr>
<th>Average Invested Balance</th>
<th>$8,813,500,442.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Monthly Yield, on a simple basis</td>
<td>2.2941%</td>
</tr>
<tr>
<td>Average Weighted Maturity (1)</td>
<td>16 Days</td>
</tr>
<tr>
<td>Average Weighted Life (2)</td>
<td>43 Days</td>
</tr>
</tbody>
</table>

**Definition of Weighted Average Maturity (1) & (2)**

1. This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.
2. This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

*Rates reflect historical information and are not an indication of future performance.*
PORTFOLIO BY TYPE OF INVESTMENT AS OF SEPTEMBER 30, 2022

- Treasuries: 16.94%
- Agencies: 13.78%
- Repurchase Agreements: 69.28%

- 91 to 180 days: 2.70%
- 181+ days: 1.18%
- 1 to 7 days: 83.75%
- 31 to 90 days: 9.12%
- 8 to 30 days: 3.25%

PORTFOLIO BY MATURITY AS OF SEPTEMBER 30, 2022 (1)

- Utility District: 28.47%
- School District: 27.97%
- Higher Education: 2.52%
- County: 5.63%
- Health Care: 2.81%
- Other: 7.75%
- City: 24.85%

DISTRIBUTION OF PARTICIPANTS BY TYPE AS OF SEPTEMBER 30, 2022

(1) Portfolio by Maturity is calculated using WAM (1) definition for stated maturity. See page 1 for definition.
## Historical Program Information

<table>
<thead>
<tr>
<th>Month</th>
<th>Average Rate</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Net Asset Value</th>
<th>WAM (1)</th>
<th>WAL (2)</th>
<th>Number of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 22</td>
<td>2.2941%</td>
<td>$8,448,258,598.47</td>
<td>$8,444,307,157.72</td>
<td>0.999510</td>
<td>16</td>
<td>43</td>
<td>994</td>
</tr>
<tr>
<td>Aug 22</td>
<td>1.9469%</td>
<td>$8,988,292,520.61</td>
<td>$8,983,610,837.50</td>
<td>0.999479</td>
<td>27</td>
<td>50</td>
<td>991</td>
</tr>
<tr>
<td>Jul 22</td>
<td>1.4010%</td>
<td>$9,799,798,062.32</td>
<td>$9,793,880,215.07</td>
<td>0.999396</td>
<td>34</td>
<td>49</td>
<td>990</td>
</tr>
<tr>
<td>Jun 22</td>
<td>0.9850%</td>
<td>$9,799,299,684.61</td>
<td>$9,793,062,348.93</td>
<td>0.999363</td>
<td>42</td>
<td>57</td>
<td>989</td>
</tr>
<tr>
<td>May 22</td>
<td>0.6459%</td>
<td>$9,701,777,049.61</td>
<td>$9,700,243,468.41</td>
<td>0.999841</td>
<td>43</td>
<td>61</td>
<td>988</td>
</tr>
<tr>
<td>Apr 22</td>
<td>0.3225%</td>
<td>$8,985,925,505.16</td>
<td>$8,984,338,322.90</td>
<td>0.999818</td>
<td>39</td>
<td>60</td>
<td>986</td>
</tr>
<tr>
<td>Mar 22</td>
<td>0.1070%</td>
<td>$9,050,970,696.95</td>
<td>$9,050,137,013.72</td>
<td>0.999907</td>
<td>27</td>
<td>38</td>
<td>981</td>
</tr>
<tr>
<td>Feb 22</td>
<td>0.0104%</td>
<td>$9,779,113,455.23</td>
<td>$9,778,353,196.78</td>
<td>0.999922</td>
<td>26</td>
<td>32</td>
<td>979</td>
</tr>
<tr>
<td>Jan 22</td>
<td>0.0100%</td>
<td>$9,399,813,099.48</td>
<td>$9,399,092,954.95</td>
<td>0.999923</td>
<td>31</td>
<td>38</td>
<td>977</td>
</tr>
<tr>
<td>Dec 21</td>
<td>0.0139%</td>
<td>$8,763,539,414.27</td>
<td>$8,763,577,847.71</td>
<td>1.000011</td>
<td>40</td>
<td>52</td>
<td>977</td>
</tr>
<tr>
<td>Nov 21</td>
<td>0.0102%</td>
<td>$8,132,746,877.26</td>
<td>$8,133,007,416.80</td>
<td>1.000032</td>
<td>47</td>
<td>62</td>
<td>965</td>
</tr>
<tr>
<td>Oct 21</td>
<td>0.0100%</td>
<td>$8,641,191,692.82</td>
<td>$8,641,540,291.95</td>
<td>1.000040</td>
<td>41</td>
<td>58</td>
<td>963</td>
</tr>
</tbody>
</table>

## Portfolio Asset Summary as of September 30, 2022

<table>
<thead>
<tr>
<th>Description</th>
<th>Book Value</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninvested Balance</td>
<td>$564.28</td>
<td>$564.28</td>
</tr>
<tr>
<td>Accrual of Interest Income</td>
<td>3,740,956.37</td>
<td>3,740,956.37</td>
</tr>
<tr>
<td>Interest and Management Fees Payable</td>
<td>(16,944,724.91)</td>
<td>(16,944,724.91)</td>
</tr>
<tr>
<td>Payable for Investment Purchased</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Repurchase Agreement</td>
<td>5,861,584,999.52</td>
<td>5,861,584,999.52</td>
</tr>
<tr>
<td>Government Securities</td>
<td>2,599,876,803.21</td>
<td>2,595,925,362.46</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$8,448,258,598.47</strong></td>
<td><strong>$8,444,307,157.72</strong></td>
</tr>
</tbody>
</table>
U.S. AGENCY INVESTMENTS

The federal government has established a number of different agencies and instrumentalities to channel funds to particular sectors of the economy. These institutions are known collectively as federally sponsored credit agencies. Not all government agency and instrumentality securities are widely traded, and some are inappropriate for cash management purposes by virtue of their price volatility or technical characteristics. Commonly used agency issues include:

- Federal National Mortgage Association (FNMA)
- Federal Home Loan Banks (FHLB)
- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Mortgage Corporation (FHLMC)

These federally-sponsored credit agencies, as a group, issue about 20 percent of their debt with an original maturity of less than one year. They are in the market every day to borrow money on discount notes with maturities of less than 360 days up to final maturities of 30 years. Descriptions of these securities are shown in the glossary of this report.

Based upon cash flow forecasts, excess cash on any given day is invested. The yields on available investments are compared and if any agency security is to be purchased, the Treasurer’s Office obtains bids from at least three broker/dealers who are registered with the District. The broker/dealers advise the District of available investment opportunities and their maturity dates. The investment officers determine if any available investments meet the cash flow needs of the District, and the securities are purchased from the broker/dealer with the best yield for the maturity period needed.
# REGISTERED BROKER/DEALERS

Broker/dealers currently registered with the District include:

| Bank of America/Merrill Lynch                  | Multi-Bank Securities, Inc.               |
| Bank of New York/Mellon                       | Piper Sandler                             |
| Blaylock Van LLC                              | Ramirez & Co.                             |
| Citigroup Global Markets                      | Raymond James & Associates Inc.           |
| East West Bank                                | SAMCO Capital Markets                     |
| First Public, LLC (Lone Star)                 | Signature Bank                            |
| Hilltop Securities TexSTAR                    | Stifel, Nicolaus & Co.                    |
| Frost National Bank                           | TexPool                                   |
| FTN Financial                                 | UBS Painewebber, Inc.                     |
| Independent Bank                              | Unity National Bank                       |
| JPMorgan Chase Bank                           | Wells Fargo Brokerage Services LLC        |
| Morgan Stanley                                |                                          |
INVESTMENT ADVISORY COMMITTEE

Glenn Reed  
Chief Financial Officer  

Sherrie H. Robinson  
Controller  

Lisa Pepi  
Treasurer  

Jerome Senegal  
Morgan Stanley  

Erick Macha  
Hilltop Securities Inc.  

Roland Gonzalez  
Houston Port Authority  

Connie Niehaus  
Morgan Stanley  

Joe Gomez  
DNB Bank
<table>
<thead>
<tr>
<th>Glossary Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Book Value</strong></td>
<td>The purchase price net of unamortized premium or discount as recorded on the general ledger (Books) of the District.</td>
</tr>
<tr>
<td><strong>Date of Purchase</strong></td>
<td>Date of initial investment.</td>
</tr>
<tr>
<td><strong>Final Maturity Value</strong></td>
<td>Par amount or what the security will pay when it matures.</td>
</tr>
<tr>
<td><strong>FNMA</strong></td>
<td>Federal National Mortgage Association (Fannie Mae), a federally chartered and stockholder-owned corporation, is the largest investor in home mortgages in the United States. FNMA provides funds to the mortgage market by purchasing mortgage loans from lenders. FNMA was originally incorporated in 1938 as a wholly-owned government corporation but the Housing and Urban Development Act of 1968 changed FNMA to a federally chartered corporation.</td>
</tr>
<tr>
<td><strong>FHLB</strong></td>
<td>Federal Home Loan Bank system, established in 1932, includes twelve Federal Home Loan Banks and their member institutions. The Federal Home Loan Banks are instrumentalities of the United States and under the supervision of the Federal Housing Finance Board.</td>
</tr>
<tr>
<td><strong>FFCB</strong></td>
<td>Federal Farm Credit Bank system provides credit and related services to farmers, ranchers, producers and harvesters of aquatic products, farm related businesses, agricultural cooperatives and rural utilities. FFCB system institutions are federally chartered under the Farm Credit Act of 1971 and are subject to regulation by a federal agency, the Farm Credit Administration.</td>
</tr>
<tr>
<td><strong>FHLMC</strong></td>
<td>Federal Home Loan Mortgage Corporation (Freddie Mac) is a publicly-held, government-sponsored enterprise created pursuant to the Federal Home Loan Mortgage Corporation Act of 1970. Freddie Mac’s statutory mission is to provide stability in the secondary market for home mortgages, to respond appropriately to the private capital market and to provide ongoing assistance to the home mortgage secondary market.</td>
</tr>
<tr>
<td><strong>Market Value</strong></td>
<td>The amount of money you can get for the agency security, if you were to sell that security on a given date. Market value changes daily.</td>
</tr>
<tr>
<td><strong>Securities Called/Matured/Sold</strong></td>
<td>Agency securities matured on the maturity date or sold on a given date.</td>
</tr>
<tr>
<td><strong>Type of Agency</strong></td>
<td>Name of agency issuing the security.</td>
</tr>
</tbody>
</table>