



Doing good business and saving customers money can be challenging, especially during times of economic hardship, but when it comes to getting a great education Lone Star College System will be able to save taxpayers millions of dollars and provide updated facilities to its students. This is in part due to the AAA rating that LSCS received from Standard & Poor's on its latest issue of notes, and the Aa2 and Aa3 ratings they received from Moody's Investor Services on their bonds. These ratings indicate that LSCS has "strong financial performance, low direct debt, and a sizable and expanding tax base."

Standard & Poor's first gave LSCS the AAA rating in July, and gave this highest rating again in November on the \$32.5 million in maintenance tax notes that will mature in 2028. Additionally, Moody's Investor Services gave an Aa2 rating to LSCS's \$150 million in general obligation bonds and a Aa3 rating to their \$35 million outstanding revenue bonds. These excellent ratings will allow LSCS to get the lowest interest rates available, saving millions of dollars over the life of the bond. This savings will have a direct positive impact on students as Cindy Gilliam, LSCS vice chancellor for administration and finances shared, "That savings is then used to pay down our debt earlier than scheduled, which allows us to continue to provide quality facilities to our students without an increase in the debt tax rate."

Standard & Poor's is known to investors worldwide as a leader of financial-market intelligence, and most notably as an independent provider of credit ratings. They provide credit ratings, indices, investment research and risk evaluations and solutions to investors who want to make better informed investment decisions. In 2008 they published more than one million new and revised credits ratings and rated more than US\$32 trillion in outstanding debt.

According to S&P's website, credit ratings are opinions about credit risk published by a rating agency which express the ability and willingness of an issuer, such as a state or city government, to meet its financial obligations in accordance with the terms of those obligations. Credit ratings are also opinions about the credit quality of an issue, such as a bond or other debt obligation, and the relative likelihood that it may default.

James Breeding, a credit analyst with Standard & Poor's, expressed his opinion about LSCS, "From our viewpoint, the AAA means the district has an extremely strong capacity to meet its financial obligations associated with the bonds. The rating also reflects the district's inclusion in the Houston economic base, stable enrollment trends, a diverse revenue mix of state funding,

local property taxes as well as student tuition, and significant revenue-raising flexibility.”

For more information on credit ratings or on Lone Star College System please visit [www.standardandpoors.com](http://www.standardandpoors.com)  
and  
[www.lonestar.edu](http://www.lonestar.edu)

Source: [www.hcnonline.com](http://www.hcnonline.com)