



## Discussion Item

**Date:** October 7, 2024

**Division:** Finance

**Subject:** Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) Investment Pool

### **Background Information:**

- Board Policy CDA states, “A district may invest its funds or funds under its control through an eligible investment pool if the board by rule, order, ordinance, or resolution, as appropriate, authorizes the investment in the particular pool.”
- The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was established in 1996 as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act. The investment objectives of Texas CLASS are (1) to invest only in legally permitted investments under the Public Funds Investment Act, (2) minimize risk by managing portfolio investments to preserve principal, (3) manage portfolio investments in a way that ensures that cash will be available as required by the district, and (4) maximize current interest earnings to the degree consistent with legality, safety, and liquidity.
- Texas CLASS is rated ‘AAAm’ by S&P Global Ratings. S&P Global Ratings defines ‘AAAm’ as “extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk.”

### **Administrative Consideration:**

- Administration is requesting approval to participate in the Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) as another option to consider when investing district funds to diversify our investments. Currently, most of the district’s investments are with one investment pool.