

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

TO: Board of Trustees
FROM: Bruce Baron, Chancellor
REVIEWED BY: Jose F. Torres, Executive Vice Chancellor
PREPARED BY: Jose F. Torres, Executive Vice Chancellor
DATE: December 13, 2018
SUBJECT: Consideration of Approval to Review and Reaffirm Guiding Principles for the FCC Auction Proceeds

RECOMMENDATION

It is recommended that the Board of Trustees review and affirm the attached Guiding Principles for the FCC Auction Proceeds.

OVERVIEW

In July 2017, SBCCD was the recipient of \$157 million in FCC Auction Proceeds in exchange for the transition of KVCR-DT from UHF to VHF. After much discussion a set of guiding principles was developed, reviewed by collegial process, and approved by the Board of Trustees.

ANALYSIS

It has been recommended by District Support Services and the Board of Trustees Budget Committee that the Guiding Principles for the FCC Auction Proceeds be reviewed periodically for revision or reaffirmation.

INSTITUTIONAL VALUES

III. Resource Management for Efficiency, Effectiveness, and Excellence

FINANCIAL IMPLICATIONS

There are no financial implications connected with the approval of this item.

Guiding Principles for the FCC Auction Proceeds Submitted for Review & Reaffirmation December 13, 2018

[v.11.28.2018.p.1|1]

Board Approved September 14, 2017

Overarching

1. Our students are our core mission and we will focus our resources on their success.
2. All FCC auction proceeds activity shall be transparent.

One-Time Expenditures

3. SBCCD will use the proceeds as a one-time investment in KVCR for the mandatory transition costs from UHF to VHF over-the-air and current broadcast standards.
4. SBCCD will be reimbursed for all costs related to the FCC auction.
5. One-time fund proceeds should help KVCR reach financial sustainability within a specified, board-approved timeframe.
6. The district unrestricted general fund balance shall be restored to a range of 12-15%.
7. With the exception of items 3-6 above, one-time expenditures shall support the approved program review, and educational and facilities master plans.

Principal Investment

8. Proceeds shall be invested in a manner that serves SBCCD for years to come.
9. Principal amount shall not be used as a resource for ongoing expenditures unless approved by the Board of Trustees.
10. Investments should include real estate and a diversified portfolio.

Revenue Generated from Investments

11. Revenue generated from the investment of proceeds shall help SBCCD meet its strategic goals as established in the comprehensive master plan.
12. Annual revenue amount shall be subject to annual allocation and follow existing collegial consultation and established budget processes.