



District Budget Committee (DBC)

To: Board of Trustees Budget Committee (BBC)

Date: 4/27/2017

From: Jose Torres, District Budget Committee (DBC) Chair

Re: DBC Recommendation 2017-07 – Guiding Principles for FCC Auction Proceeds Strategic Financial Plan

At its April 20, 2017 meeting, the District Budget Committee discussed the BBC request for input on guiding principles for the strategic financial plan being prepared in anticipation of the FCC auction proceeds. The following principles are a result of that discussion and have been approved by the DBC at its May 11, 2017 meeting.

All FCC Auction Proceeds activity should be transparent and follow collegial processes.
[SBVC Academic Senate]

One-Time Guiding Principles

[SBVC Academic Senate comment: Are we using one time funds to support CHC? If we do, we need collegial process.]

1. 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.
2. SBCCD will be reimbursed for all costs related to the FCC auction.
3. Fund balance should be restore to 15%.
4. With the exception of items 1-3 above, one-time expenditures should follow the approved program review and facilities master plan.

Principal Investment Guiding Principles

5. Our students are our core mission and we will focus our resources on their success.
6. We need to continue providing high quality, effective and accountable educational programs and services to the students and communities we serve.

7. Proceeds should be invested in a manner that serves the region for years to come and supports ~~districtwide initiatives the colleges' initiatives.~~ [CHC Academic Senate] Use of principal amount should be minimized as a resource for ongoing expenditures.
8. **MOVE TO NEXT SECTION** Revenue generated from the investment of proceeds should help the colleges meet their strategic goals as established in the educational master plan. ~~However, colleges should not supplant this for current activities (e.g. growth shortfalls, budget shortfalls, new hires, etc.).~~ [CHC Academic & Classified Senates]

OR

8. **MOVE TO NEXT SECTION** Revenue generated from the investment of proceeds should help the colleges meet their strategic goals as established in the educational master plan. However, colleges should not supplant this for ~~currently funded activities (e.g. growth shortfalls, budget shortfalls, new hires, etc.).~~ [CHC Budget Committee]

9. **MOVE TO NEXT SECTION** Revenue generated from the investment of proceeds should help KVCR ~~meet reach its~~ financial sustainability ~~assuring that its ongoing operation is not goals and not be~~ assessed to the colleges. This revenue is not intended as ongoing support for KVCR. [CHC Budget Committee]
10. Investment portfolio should include real estate ~~and should also be diversified enough to allow for some liquidity.~~ [CHC Budget Committee]
11. Investment Rate of Return goal should be set at 5%.
13. Annual revenue amount should be subject to annual allocation and shall follow existing collegial consultation processes ~~as follows~~. [CHC Budget Committee]:
 - a. Annual allocation amount ~~shall will~~ be determined by Chancellor's Cabinet and forwarded to District Budget Committee.
 - b. District Budget Committee will recommend annual allocation by site to Chancellor's Cabinet.
 - c. Chancellor's Cabinet will forward final recommendation to the Board of Trustees for approval.

Revenue Generated from Investment Guiding Principles

12. Revenue generated from the investment of proceeds should help the colleges fund student success programs ~~such as Valley Bound and Left Lane (Promise Program).~~ [CHC Budget Committee and SBVC Academic Committee]

OR

12. Revenue generated from the investment of proceeds should help the colleges ~~fund Student Success Programs such as Valley Bound and Left Lane (Promise Program).~~ [CHC Academic Senate]

[Question from SBVC Academic Senate: If the college does not need the funds, can they be kept in this higher investment?]

Attachment: CHC Classified Senate Resolution [CHC Classified Senate]



**Crafton Hills College Classified Senate
Resolution 2017-1
Appropriation of KVCR Spectrum Auction Proceeds**

- Whereas,** classified professionals participate in college governance developing processes for institutional planning and budget development,
- Whereas,** the San Bernardino Community College District (SBCCD) and Crafton Hills College (CHC) have established inclusive shared governance budget development processes through their respective Budget Committees, and
- Whereas,** the nature and scope of the KVCR spectrum auction proceeds require careful, thoughtful, transparent, and inclusive dialogue among all stakeholders,

Therefore be it Resolved, the CHC Classified Senate recommend district and college Budget Committee members to consider adopting the following values and strategies while discussing appropriation of auction proceeds:

- All discussions are public, transparent, and inclusive
- Auction proceeds are treated as a public good
- Budget Committee members actively seek input from their constituencies to aid in decision-making in lieu of passive representation
- The Budget Committees adopt superordinate goals that call upon the participants to reach beyond their self-interest in their recommendations
- SBCCD and CHC administration actively and ubiquitously communicate meetings, discussions, decisions, and implementation of those decisions

Proposed Attachment