



## District Budget Committee (DBC) Recommendation 2019-01

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**To:** Bruce Baron, Chancellor

**Date:** 12/17/2018

**From:** Jose Torres, District Budget Committee Chairperson

**Re:** District Budget Committee Recommendation 2019-01 –  
FCC Auction Proceeds – Use of Annual Income

On December 13, 2018 the DBC approved a recommendation for the use of annual income from the allocated investments of FCC Auction Proceeds as indicated on the attached. This recommendation is being made with the understanding that in tough economic times SBCCD can revisit the use of proceeds and even the use of principal.

Chancellor Cabinet Response:

12/17/18

Chancellor

Date



**\$157 Million Approved Allotment**

Allocations	Recipient	Amount	Type of Investment	Possible Annual Income @ 5%	Uses of Annual Income
Set Aside of \$20 Million into Pension Rate Stabilization Trust (PRST)	Colleges	\$ 20,000,000	Long-Term	\$ 1,000,000	Offset to General Fund
Mandated Transition & Modernization	KVCR	16,000,000	One-Time	-	
KVCR Operations Deficit for Three Years (2017-18, 2018-19, 2019-20)	KVCR	5,000,000	Medium-Term	\$ 250,000	KVCR Operations
Media Academy Start Up	Colleges	2,000,000	One-Time	-	
KVCR Endowment (PRST)	KVCR	21,000,000	Long-Term	\$ 1,050,000	KVCR Operations
SBVC One Time (\$5,000,000 to PRST)	Colleges	6,971,000	One-Time	-	
CHC One Time	Colleges	3,029,000	One-Time	-	
District Support Services One Time	DSS	1,000,000	One-Time	-	
Auction Expense Reimbursement to General Fund	DSS	2,000,000	One-Time	-	
Commercial Buildings Purchase (Estimated Cost)	TBD	45,000,000	Long-Term	\$ 2,250,000	TBD
Earmark Funds for SBCCD Promise	Students	10,000,000	Medium-Term	\$ 500,000	SBCCD Promise
Additional Pension Rate Stabilization Trust Set Aside (PRST)	TBD	24,000,000	Long-Term	\$ 1,200,000	TBD
Unallotted	TBD	1,000,000	One-Time	\$ -	
<b>Total</b>		<b>\$ 167,000,000</b>			

Total by Recipient	
Colleges	\$ 32,000,000
KVCR	42,000,000
DSS	3,000,000
Students	10,000,000
TBD	70,000,000
<b>Total</b>	<b>\$ 167,000,000</b>

Proposed Changes in RED

**\$157 Million Proposed Uses of Annual Income**

Allocations	Recipient	Amount	Type of Investment	Possible Annual Income @ 5%	Uses of Annual Income
Set Aside of \$20 Million into Pension Rate Stabilization Trust (PRST)	Colleges	\$ 20,000,000	Long-Term	\$ 1,000,000	Offset to General Fund
Mandated Transition & Modernization	KVCR	\$ 16,000,000	One-Time	-	
KVCR Operations Deficit for Three Years (2017-18, 2018-19, 2019-20)	KVCR	5,000,000	One-Time	\$ -	
Media Academy Start Up	Colleges	2,000,000	One-Time	-	
KVCR Endowment (PRST)	KVCR	21,000,000	Long-Term	\$ 1,050,000	KVCR Operations
SBVC One Time (\$5,000,000 to PRST)	Colleges	6,971,000	One-Time	-	
CHC One Time	Colleges	3,029,000	One-Time	-	
District Support Services One Time	DSS	1,000,000	One-Time	-	
Auction Expense Reimbursement to General Fund	DSS	2,000,000	One-Time	-	
First-Year Implementation of SBCCD Promise	Students	4,000,000	One-Time	\$ -	
Commercial Buildings Purchase (Estimated Cost)	Students	46,000,000	Long-Term	\$ 2,300,000	SBCCD Promise
Endowment for Media Academy (PRST)	Colleges	9,000,000	Long-Term	\$ 450,000	Media Academy Ongoing Costs
Additional Pension Rate Stabilization Trust Set Aside (PRST)	Colleges	21,000,000	Long-Term	\$ 1,050,000	Offset to General Fund
<b>Total</b>		<b>\$ 167,000,000</b>			

Total by Recipient	
Colleges	\$ 62,000,000
KVCR	42,000,000
DSS	3,000,000
Students	50,000,000
TBD	-
<b>Total</b>	<b>\$ 167,000,000</b>