**FCC Auction Proceeds**

**PARS Update**

**December 2019**

<table>
<thead>
<tr>
<th>Source</th>
<th>Principal</th>
<th>Unrealized Gains</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBCCD PRST 06/2018</td>
<td>$46,000,000</td>
<td>$9,074,852</td>
</tr>
<tr>
<td>SBVC 06/2018</td>
<td>$5,000,000</td>
<td>$638,393</td>
</tr>
<tr>
<td>CHC 11/2019</td>
<td>$2,700,000</td>
<td>$56,978</td>
</tr>
<tr>
<td>Media Academy 09/2019</td>
<td>$9,000,000</td>
<td>$309,615</td>
</tr>
<tr>
<td>KVCR 06/2018</td>
<td>$12,000,000</td>
<td>$2,338,682</td>
</tr>
<tr>
<td>FNX 08/2019</td>
<td>$9,000,000</td>
<td>$343,700</td>
</tr>
</tbody>
</table>

*Includes investment of $5 million from General Fund approved prior to FCC Auction Proceeds.*
FCC Auction Proceeds

History of Board Action

- July 2017: $157 Million in FCC Auction Proceeds
- September 2017: Guiding Principles Established
- December 2017: Board Sets Aside $100 Million for Investment
- April 2018: Board Allocates $57 Million
- August 2018: Board Authorizes Commercial Property Investment
- February 2020: Mirror Accounts Established for Unrealized Gains

Guiding Principles for FCC Auction Proceeds (Board Affirmed December 2019)

**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 10-15%.
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.