

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

TO: Board of Trustees  
FROM: Gloria Macías Harrison, Chair, Board of Trustees Budget Committee  
REVIEWED BY: Bruce Baron, Chancellor  
PREPARED BY: Jose F. Torres, Vice Chancellor, Business & Fiscal Services  
DATE: September 14, 2017  
SUBJECT: Consideration of Final Approval of Guiding Principles for FCC Auction Proceeds

RECOMMENDATION

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

OVERVIEW

On March 9, 2017 the Board of Trustees tasked the Board of Trustees Budget Committee (BBC) to prepare a strategic financial plan using the proceeds from the FCC incentive auction.

ANALYSIS

After receiving public comment and reviewing the recommendation of the District Budget Committee, the BBC has developed the attached Guiding Principles for the FCC Auction Proceeds Strategic Financial Plan. The attached document was submitted for First Read at the August 10, 2017 Board of Trustees meeting.

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 Strategic Financial Plan

### Overarching

1. Our students are our core mission and we will focus our resources on their success.
2. All FCC auction proceeds activity should 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 should be restored to a range of 12-15%.
7. With the exception of items 3-6 above, one-time expenditures should support the approved program review, and educational and facilities master plans.

### Principal Investment

8. Proceeds should be invested in a manner that serves SBCCD for years to come.
9. Principal amount should 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 should help SBCCD meet its strategic goals as established in the comprehensive master plan.
12. Annual revenue amount should be subject to annual allocation and follow existing collegial consultation and established budget processes.



# District Budget Committee (DBC)

To: Board of Trustees Budget Committee (BBC)

Date: 5/23/2017

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 and May 18, 2017 meetings, the DBC discussed the BBC’s request for input on guiding principles for the strategic financial plan being prepared in anticipation of the FCC auction proceeds. As a result of those discussions, the following principles are being recommended.

### Overarching Plan Guiding Principles

- 1. Our students are our core mission and we will focus our resources on their success.
- 2. All FCC auction proceeds activity should be transparent ~~and follow collegial processes.~~

### One-Time Guiding Principles

- 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 ~~assuring that its ongoing operation is not assessed to the colleges within a specified, board approved timeframe.~~
- 6. ~~The district unrestricted general fund~~ balance should be restored to a range of 12-15%.
- 7. With the exception of items 3-6 above, one-time expenditures should support the approved program review, and educational and facilities master plans.

### Principal Investment Guiding Principles

- 8. Proceeds should be invested in a manner that serves ~~SBCCD the region~~

for years to come ~~and supports the colleges’ initiatives.~~

- 9. ~~P~~Use of principal amount should not be used minimized as a resource for ongoing expenditures unless approved by the Board of Trustees.
- 10. Investments ~~\_portfolio~~ should include real estate and ~~should also be a~~ diversified enough to allow for some liquidity portfolio.

### Revenue Generated from Investment Guiding Principles

- 11. Revenue generated from the investment of proceeds should help ~~SBCCD the colleges~~ meet its their strategic goals as established in the comprehensive educational master plan.
- ~~12. Revenue generated from the investment of proceeds should help the colleges serve students.~~
- ~~13-12.~~ Annual revenue amount should be subject to annual allocation and follow existing collegial consultation and established budget processes.
  - ~~a. District Budget Committee will recommend annual allocation by site to Chancellor’s Cabinet.~~
  - ~~b. Chancellor’s Cabinet will forward final recommendation to the Board of Trustees for approval.~~