



EDUCATIONAL COMMUNICATIONS BOARD MEETING

**ECB Board Room
3319 West Beltline Highway
Madison, Wisconsin
October 28th, 2016
9:30 a.m.**

EXECUTIVE DIRECTOR REPORT

Gene Purcell

Budget Submission

Operating Budget

The submission of ECB's 2017-2019 operating budget request in mid-September was the first formal step in the state's biennial budget process which will end next summer when the new budget is signed by the Governor.

In the meantime, there is a long process ahead which will include the Governor's introduction of his budget proposal, which will most likely occur in February 2017. This will be followed by consideration by the Joint Committee on Finance and ultimately, the full Legislature before returning to the Governor for his signature.

As outlined in my September note to you, ECB's request is largely flat with the major exception being a request for GPR funding to help fund ECB's work in licensing and producing K-12 educational media.

The \$650-thousand annual funding request would restore some of the educational media funding lost in the 2015-2017 budget process and will augment the new educational collaboration between ECB and WPT.

Capital Budget

ECB's capital budget request was submitted at the same time as the ECB's operating budget, and as I have mentioned in the past few Board meetings, this biennial request is substantially higher than the capital budget requests of recent memory.

Most of the smaller state agencies don't incur significant capital budget costs. However, since ECB's statutory responsibilities include the construction and maintenance of the necessary infrastructure which delivers WPR and WPT to the state of Wisconsin, the agency has significant capital needs.



ECB's last capital budget request for 2015-2017 totaled about \$1.8-million, about \$500,000 of which was funded.

The biennial request for 2017-2019 totals about \$15-million, due to inclusion the "worst case scenario" of the impending FCC-mandated "repack" of television spectrum. The repack, which could begin as early as 2017, will require many TV stations throughout the country to move to a new channel, which generally requires significant capital costs for items such as broadcast transmitters, antennas and antenna line. In the case of the ECB, it is possible that all of its transmitter sites could be repacked – this would be the worst case scenario we've planned for in the capital budget request- that scenario itself is estimated to cost about \$12-million.

The repack itself is scheduled to last for about three years, so it is possible this project could extend into the 2019-2021 biennial budget.

A reminder that the FCC has pledged to reimburse stations for the cost of repacking out of proceeds from the spectrum auction currently underway and a \$1.75-billion dollar fund has been established for this purpose.

Act 201 Follow up

This year, new legislation enacted earlier this year required state agencies to submit additional budgets in a separate format. Under the requirements of Act 201, a flat budget and a separate budget outlining a 5% reduction to the operating budget were to be submitted as part of the budget process.

In consultation with our analyst in the state budget office, we prepared our Act 201 paperwork and included it with our budget submission as required.

As you know, the Wisconsin State Journal published an article in the following week outlining the response of several state agencies to Act 201. Among those agencies, ECB was characterized as defiant and being out of compliance with the requirements of Act 201.

In follow-up with our budget analyst, it was recommended we resubmit the Act 201 paperwork, and we have since completed that work.

In addition, I have followed up individually with a number of state legislative offices, including those on the ECB Board, legislative leaders and the authors of Act 201 in order to ensure they know that ECB is in full compliance with Act 201 requirements.



Wisconsin Media Lab joins with WPT to form new educational unit

We have moved to include ECB's education work as part of the partnership agreement between ECB and UW-Extension which currently covers Wisconsin Public Radio and Wisconsin Public Television.

Following a year of operations with limited funding and staff, it became clear that last year's GPR budget cut would not allow ECB to continue licensing or producing K-12 educational media with the remaining funding available to it.

At the same time, opportunities within Wisconsin Public Television arose that allowed a restructuring of WPT's Pre-K and educational outreach work to include K-12.

Although the impact on ECB is significant, this move will allow the important work of ECB's education efforts to continue and grow with the inclusion of WPT in a formal partnership and there will be more details provided to you at the October meeting.