



## Educational Communications Board

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### **EDUCATIONAL COMMUNICATIONS BOARD MEETING**

**ECB Board Room  
3319 West Beltline Highway  
Madison, Wisconsin  
January 20, 2017  
9:30 a.m.**

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#### **EXECUTIVE DIRECTOR REPORT**

**Gene Purcell**

#### ***State budget update***

ECB submitted its operating and its capital budget requests for the 2017-2019 biennial budget cycle last September.

The operating budget submission included a separate request for the restoration of some of the ECB's K-12 education funding which was cut in the last budget process.

Elsewhere, the capital budget request included a substantial increase designed to address the potential of ECB/WPT television stations having to move channels as the result of the FCC spectrum auction which is currently underway. (If channel reassignments were to occur, the FCC process calls for ECB to be reimbursed for the costs associated with the channel move).

While we know the Governor's office has been working on developing the 2017-2019 budget proposal, there are few other details at this time. It is not likely that I will have any new details to share with you before the budget proposal is formally released.

Governor Walker has not scheduled his budget address as of this writing, but it is expected to take place in early to mid-February. Following that address, I will provide an initial budget update for Board members.

#### ***Federal budget update***

For non-commercial radio and TV broadcasters, November's presidential and congressional election results have resulted in questions about the future direction of the federal budget.

For about the past decade, federal funding for public broadcasting has remained essentially flat, although it should be noted that there has a significant reduction in funding for capital projects as a result of program eliminations by the Obama administration.



As of this writing, there has been no indication from the incoming Trump administration as to its stance on federal funding for public broadcasting.

The Continuing Resolution which funds federal government operations runs through late April and it is likely we will learn more then as debate begins on the funding for the remainder of the federal fiscal year.

Federal funding for ECB comprises about 10-percent of its overall budget.

### ***FCC spectrum auction update***

The fourth round of the FCC spectrum auction is underway. For this round, the amount of TV spectrum being auctioned has been decreased to 84 MHz and it remains to be seen whether this round will be successful. You may remember that the forward auctions in rounds 2 and 3 ended much more quickly than anticipated which has led to some speculation that the auction itself may not be completed successfully.

If the fourth round of the auction is completed successfully, it is possible that some of ECB/WPT's television stations may have to move to a new channel, a process known as repacking. It is also possible that there will be an update on the fourth round of the auction process between now and the board meeting. If so, I will provide you with that update at the Board meeting.

### ***Financial audit update***

ECB's annual financial audit is underway and is expected to be completed within the next few weeks. Internal preparation for the audit began several months ago and auditors began their on-site work at the Beltline building earlier this month.

As I've mentioned in the past, one of the particular challenges for this year's audit preparations involved the integration of financial data from State of Wisconsin financial systems. Since the state moved to a new financial system (STAR) in the middle of a fiscal year, this year's audit will require a significant amount of manual entry work which is more likely to result in errors.

Once the transition to STAR is complete, I expect that the level of this type of work will decrease which will simplify the audit process for auditors and ECB staff.

The audit is expected to be complete in mid-February and audit results will be formally presented to Board members at the April Board meeting.