



**EDUCATIONAL COMMUNICATIONS BOARD MEETING**

**ECB Board Room  
3319 West Beltline Highway  
Madison, Wisconsin  
October 12, 2018  
9:30 a.m.**

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**INTERIM EXECUTIVE DIRECTOR REPORT**

**Marta Bechtol, Interim Director**

**Biennial Budget Submissions**

*Technical (Operating) Budget*

The agency submitted its proposed 2019-2021 biennial technical budget on Monday, September 17. This is the first formal step in the state budget process. The Governor typically introduces the executive budget proposal in February of the following year, which is then forwarded for consideration to the Joint Committee on Finance. It then moves on to the full Legislature where it is deliberated before returning to the Governor for signature. The target for finalization is generally the end of the fiscal year, but the actual date has fluctuated.

Included in this year's submission was the agency response to Act 201, which requires the development of flat (0%) and reduced (-5%) budget scenarios. This year agencies were also asked to review their spending over the past 3 years and attest to their budgetary alignment with mission and goals. Which we can, and did.

As Gene Purcell mentioned at the July Board meeting, ECB would be making a request for restoration of some funds for K-12 education. As submitted, our budget proposal asks for \$21,199,500 in FY 20 and \$21,212,900 in FY 21, and includes the transfer of \$500,000 annually from agency program revenue to GPR which is intended to support the educational collaboration between ECB and WPT with both personnel and production capital.

*Capital Budget*

The proposed 2019-2021 biennial capital budget request was submitted on Friday, September 14. Our request was smaller and less complicated than it was in 2017-2019, but was not insignificant at \$6.2M. Our previous biennial request was \$15.4M, which represented a "worst case scenario" due to the uncertainty of the spectrum auction. Ultimately, two ECB stations were moved as a result of the auction (WHLA and WPNE). This work is now complete and has reimbursed by the FCC, leaving virtually no out-of-pocket costs to the state. Additionally, thanks to the good work of ECB engineering staff, we were also able to capitalize on a financial opportunity for transitioning early.



## Educational Communications Board

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The spectrum repack process presented a rare opportunity for ECB to request power increases at the repacked sites (WHLA and WPNE) which will allow our signals to reach much broader audiences. The FCC has granted our requests. Therefore, our 19-21 capital ask includes a \$2.4M enumeration for the equipment necessary to accommodate these increases. The balance of the request is for normal maintenance of our tower site infrastructure.

### **Capital Opportunity**

ECB was contacted in late September regarding an unexpected funding opportunity for projects we could initiate in the current fiscal year. ECB administration and engineering staff convened immediately to draft a proposal for small projects that could utilize some of the available funds. Any amount recovered would be a windfall for our capital projects program, and would help us move forward on the most acute maintenance concerns.

### **Federal Budget Update**

The Conference Report for the combined Fiscal Year (FY) 2019 Labor, Health and Human Services and Education (Labor-HHS-Education) and Department of Defense Appropriations Bill (the one that supports public broadcasting) was passed by the Senate and House on September 18 and September 27, respectively. The President signed it into law on September 28. This marks the first time in over 20 years that the Labor-HHS-Education package has been enacted *prior to* the start of the fiscal year. This funding was recommended by both the House and Senate Appropriations Committees earlier in the year, signifying broad bipartisan support for public broadcasting on both sides of Capitol Hill.

### **Annual Financial Audit**

ECB is required to undergo an annual financial audit in order to remain qualified for funding from the Corporation for Public Broadcasting. This year's process has begun. We expect the team from Baker Tilly in house the week of November 12, 2018.

The audit should be complete by February 2018 to meet CPB deadlines. The results will be shared with the Board after they have been received, and the audit will be formally presented to the Board by representatives from Baker Tilly during the April meeting.