



EDUCATIONAL COMMUNICATIONS BOARD MEETING

**ECB Board Room
3319 West Beltline Highway
Madison, Wisconsin
April 15th, 2016
9:30 a.m.**

EXECUTIVE DIRECTOR REPORT

Gene Purcell

The FCC Spectrum Auction is underway

The deadline has passed for TV stations to inform the Federal Communications Commission (FCC) whether they will participate in the FCC's voluntary spectrum auction. In January, the FCC had opened an application period for stations to indicate their level of participation; the deadline ended on March 29.

In October, the ECB voted to keep its TV licenses out of the auction. Separately, the UW Board of Regents also voted to keep its TV license out of the auction, with the result that no WPT stations will participate in the spectrum auction.

Although the deadline for registration has passed, and the auction is set to begin, we won't know the level of participation in the auction until after it is completed. It's estimated that the auction will continue through the summer.

ECB is preparing for the "repack" of television spectrum

Although the ECB is not participating in the spectrum auction, we will be required to participate in a process known as "repacking." Following the completion of the spectrum auction, the FCC will assign new channels to some TV broadcasters, a process the National Association of Broadcasters estimates could affect between 860 to 1164 stations.

Since the ECB holds licenses to 5 full-power TV stations, there is the possibility that all 5 stations could be assigned new channels. It is also possible that no ECB stations will be affected. Unfortunately, there is no way of accurately predicting the outcome in advance of the new channel assignments and it is unlikely that we will have that information available until the third quarter of 2016.

The costs for each repacking scenario are site-specific, and ECB estimates costs of between \$1 to 2-million per site. Costs for the repack are to be paid for by the FCC by using proceeds from the spectrum auction.



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In addition, the FCC has imposed a time limit of 39 months for all repacked stations to finish their work or go off the air. While there is great skepticism within the TV broadcast engineering community as to whether this deadline is feasible, ECB is proceeding under the assumption that the 39-month deadline will remain in place. To that end, ECB is working closely with DOA Legal Counsel and DOA purchasing to ensure a process which will allow the Agency to purchase equipment and services in a timely fashion.

ECB's annual audit is complete

The annual financial audit of the ECB was completed in February and I'm pleased to tell you that the Agency has received an unqualified opinion that its financial statements accurately represent the financial position of the Agency. In more informal terms, we have a "clean" audit.

However, I would like to draw your attention to the inclusion of a "significant deficiency" in the management letter.

While a significant deficiency does not affect the material position of the financial statements, it is serious enough to warrant additional attention.

In this case, the significant deficiency is related in part to WisMart, the financial accounting system used by State of Wisconsin agencies until September 30, 2015. Because of the age of the WisMart technology, the system does not enable the direct transfer of financial information into ECB's financial accounting system. Instead, the process requires manual entry of that information, which greatly increases the risk of error which in turn can lead to a financial misstatement. For those of you who have served on the ECB for some time, you will recall that this issue has been noted in previous audits.

Board members should have received an electronic copy of the audit and audit letter in February, and paper copies of these documents will also be available at the April 15 Board meeting.

We will also be joined by phone during the meeting by Carrie Gindt, the partner at Reilly, Penner, Benton LLP responsible for the audit. She will formally present the audit to the Board for acceptance and will be available to answer any questions you might have.



Wisconsin Media Lab update

We continue to examine options as we plan the future of Wisconsin Media Lab. The 2015-2017 state budget which eliminated state funding for Wisconsin Media Lab has had the effect of reducing Wisconsin Media Lab staffing from 9 to 1 which in turn has ended the ability of WML to license and produce K-12 media.

However, the Wisconsin Media Lab website remains online, and with substantial help from the Wisconsin Department of Public Instruction, the site has been upgraded to a Drupal content management framework. The new technology will improve the usability of the site and will also allow it to interact with the WISELearn portal currently under development at DPI.

At the same time, we are working to develop a sustainable structure which will allow ECB to continue providing these essential media resources to Wisconsin K-12 educators and students.

WPR announces changes to its programming schedule

Wisconsin Public Radio announced several program changes within the past months. Among those, WPR announced that it will be ending production of Michael Feldman's "Whad 'Ya Know?" at the end of June 2016.

The program, which has been in production for 31 years, has seen a steady decline in audience and station carriage and WPR management made the difficult decision to end production of the program.

Last week, WPR also announced several other changes to its program schedule.

WPR Director Mike Crane has more details regarding the program changes in his WPR report included as part of your board packet.

The STAR transition continues

The implementation of the "STAR" project at ECB and other State of Wisconsin Agencies is continuing.

The STAR project involves phasing out the wide variety of antiquated HR and financial IT platforms used by the State of Wisconsin and combining these functions into a common platform. Planning for the project began in early 2014.

ECB functions included in the transition include: Agency Financial recordkeeping, purchasing, accounts payable, payroll, benefits and more.

Financial functions such as purchasing and budgeting were transitioned to the new systems beginning on October 1, 2015



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In December 2015, the second phase of the project was implemented as Agencies transitioned into using the STAR system for staff payroll. As with the implementation of the financial systems earlier in 2015, there was a great deal of internal planning and preparation throughout 2014 and 2015, followed by a steep learning curve for DOA and ECB staff as those systems were implemented.

As of this writing, the STAR financial and payroll systems are functional, although they continue to require additional implementation from DOA and ECB staff.

Further implementation of STAR system functions are scheduled for 2016.

Budget work is underway

The budget at ECB can be divided into the two broad areas of Operations and Capital.

State of Wisconsin Agencies such as the ECB prepare and submit the Operations and Capital budgets separately and the work of outlining the next biennial budget request will begin over the summer.

Given the reductions in the ECB operating budget passed in July 2015, I expect that the upcoming budget process will be a very challenging one for the Agency.

If past schedules are any indication, I expect that ECB's work on the budget submissions will be complete by mid-September.