



Educational Communications Board

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EDUCATIONAL COMMUNICATIONS BOARD MEETING

ECB Board Room

3319 West Beltline Highway

Madison, Wisconsin

July 15th, 2016

9:30 a.m.

MINUTES

Roll Call and Introductions

Vice-Chair Jim Zylstra called the meeting of the Educational Communications Board to order at 9:35 a.m. Mr. Zylstra noted that a new board member was present so he asked all members to introduce themselves. A roll call of board member attendance was recorded and a quorum was present. The complete attendance list follows:

Board Members Present:

- Dean Dietrich
- David Hutchison
- Erin Kastberg (representing Ray Cross)
- Kurt Kiefer (representing Superintendent Tony Evers)
- Rich Lepping
- Eileen Littig
- Representative Amy Loudenbeck
- Senator Luther Olsen
- Senator Fred Risser
- Karen Schroeder
- Jim Zylstra (representing Morna Foy), Vice-Chair
- Cate Zeuske (representing Scott Neitzel)

Absent:

- Eve Hall, Ph.D.
- Rolf Wegenke, Ph.D., Chair
- Bohdan Zachary

Vacant: State Assembly Democratic Caucus



Approval of Minutes from the July 15th, 2016 ECB Board Meeting

Dean Dietrich moved, seconded by Eileen Littig to approve the July 15th, 2016 meeting minutes. The motion carried by unanimous voice vote.

AGENDA ITEM 1. Report of the Board Chair

Vice-Chair Jim Zylstra reminded members that Dr. Wegenke could not be in attendance today and thanked everyone for their willingness to serve on the Board and attend today's meeting. Mr. Zylstra noted that he hadn't prepared a formal report but there was a full agenda and reports for the board to consider today.

AGENDA ITEM 2. Report of the Executive Director

Jim Zylstra introduced Executive Director Gene Purcell. Mr. Purcell reminded board members that a copy of the Executive Director's written report was included in the board packets distributed prior to the meeting, and encouraged board members to ask questions or share comments regarding the report.

Mr. Purcell reported on the end of year fiscal wrap up and informed the Board that ECB Deputy Director Marta Bechtol's presentation later in the agenda would provide more details regarding the fiscal year ending as well as planning for the next.

Mr. Purcell shared that ECB's three year contract with a private auditing firm has concluded. The ECB has issued a simplified bid request to contract a private auditing firm for one more year. Mr. Purcell reported that ECB will be working closely with partners at the University next year to solicit bids for financial audit services for both agencies. Mr. Purcell added that due to the complex relationship between the partners of public broadcasting, the audits will be completed more efficiently if one firm was contracted for the ECB and University. Mr. Purcell reminded the board that ECB's next audit may be more difficult than usual due to the state's transition to the STAR financial system and high number of manual entries which occurred during and after the transition period.

Mr. Purcell provided an update to the Board regarding ECB's request to the Department of Administration (DOA) for a General Waiver related to the spectrum repack. Mr. Purcell reported that ECB's request for a General Waiver has been approved and this will expedite purchasing processes for equipment and services related to the potential repacking of television stations following the FCC spectrum auction. Mr. Purcell commended the staff of DOA Legal Counsel and Purchasing for their guidance in the development of the General Waiver request.



Mr. Purcell informed the Board that ECB has entered a new contract for legal services. Mr. Purcell explained that while DOA provides legal services for most state agencies, a portion of ECB's legal services are uniquely related to broadcasting, so the ECB contracts with outside providers who specialize in non-commercial broadcasting. Mr. Purcell reviewed the ECB's history of legal services which had previously been negotiated and funded by the Office of the Governor. Mr. Purcell was notified in 2015 that the Governor's office will no longer provide legal services and the ECB has entered a contract with Gray, Miller, Persh LLP for broadcast related legal services at a cost of \$66,000 per year. Mr. Purcell added that Gray, Miller, Persh LLP specializes in representing non-commercial broadcasters and have been representing the ECB for many years. Mr. Purcell stated that Gray, Miller, Persh's expertise will be essential during the repack process.

Mr. Purcell answered a few questions from board members regarding the FCC spectrum auction and repacking process.

Cate Zeuske inquired about ECB's budget request and wondered if it included funding for LTE's or consultants to provide labor or expertise related to the repack process. Mr. Purcell responded that the ECB's budget request includes "worst case scenario" funding that assumes every station in the network will be repacked, and funding for LTE's or consultants is reflected in that request.

Karen Schroeder asked how much of the repacking process will be covered by the FCC. Mr. Purcell replied that since this is a Federal mandate, stations that are subject to repacking will be made whole by the FCC. Mr. Purcell added that \$1.75 billion has been designated for this purpose.

Representative Loudbeck asked for some clarification regarding the FCC Spectrum Auction. Since today was the Representative's first meeting at the ECB, Mr. Zylstra asked Mr. Purcell to provide some background information and briefly review the spectrum auction and repacking process.

There were no additional questions or comments regarding the Executive Director report.

AGENDA ITEM 3. ECB Year-End Budget Update – Marta Bechtol, ECB Deputy Director

Gene Purcell briefly reviewed the budget process for state agencies and discussed Act 201, a new law that requires agencies to submit a budget document reflecting both a flat budget and 5% reduction in funding. Mr. Purcell then introduced ECB Deputy Director Marta Bechtol to provide an update to the Board regarding ECB's progress in closing out fiscal year 2016 and preparing the budget request for the next budget biennium.

Ms. Bechtol's presentation showed that from FY2015 to FY2016 the ECB's budget included a \$1.4 million reduction in General Purpose Revenue (GPR) funding and a nearly \$1 million



increase in Program Revenue (PR) funding. By the fiscal year's end, the ECB's operating expenses were reduced by \$1.5 million. Ms. Bechtol went on to break down the complete budget to show expenditures for GPR and PR.

Ms. Bechtol displayed a PowerPoint presentation including charts with detailed figures which will be included in the official minutes for this meeting.

Ms. Bechtol went on to discuss what is currently known about Act 201. The 5% reduction will exclude debt service and possibly payroll. Ms. Bechtol indicated this will be a challenging exercise considering that many of the ECB's expenditures are fixed costs and some expenditures such as utilities or DOA shared services costs, could go up. Ms. Bechtol added that ECB is still awaiting budget instructions but will work closely with DOA budget analysts to comply with the Act 201 requirement.

AGENDA ITEM 4. ECB Capital Planning Process – Gene Purcell, ECB Executive Director

Gene Purcell updated the Board on the ECB's Capital Budget planning process. As with the agency operating budget, Mr. Purcell reminded the Board that ECB is required to submit a Capital Budget request every two years. Mr. Purcell indicated that ECB's Capital Budget includes the technical operation and maintenance of 64 transmitter sites, the Operations Center at the ECB Beltline facility, and leased broadcast interconnect fiber. The facilities and technology collectively represent \$31 million in physical assets which have a depreciated value of \$10 million. Mr. Purcell reported that ECB's Capital Budget request for the last biennium was \$1.8 million, and went on to review Capital Budget requests from past bienniums. Mr. Purcell reported that ECB's Capital Budget request for the next biennium will be for \$14 million. Mr. Purcell noted the bulk of the request represents the "worst case scenario" planning for the repacking process following the FCC Spectrum Auction. Mr. Purcell noted that it remains to be seen if any of the ECB's transmitter sites will be affected by the auction, but under advisement from staff at the State Building Commission, the ECB will plan for the replacement of every transmitter site that could be affected by the Spectrum Auction. The remainder of the request, about \$2 million, is routine replacement and on-going needs going forward.

AGENDA ITEM 5. 100th Anniversary of WI Public Broadcasting – Mike Crane, WPR Director

Jim Zylstra introduced Mike Crane, Wisconsin Public Radio (WPR) Director to provide the Board with an update regarding the 100 year anniversary of Wisconsin Public Broadcasting which is being celebrated in 2017. Mr. Crane was joined by Kathy Bissen, Chief Operating Officer for Wisconsin Public Television. Mr. Crane and Ms. Bissen reviewed the history of public broadcasting in Wisconsin, discussed activities being planned for the anniversary, and shared WPR and WPT's focus on the next century.



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AGENDA ITEM 6. Financial Report

The Board reviewed the financial statements which were distributed in advance of the Board of Directors meeting. There were no questions or comments.

AGENDA ITEM 7. Proposed Meeting Dates for 2017

Mr. Zylstra asked board members to note the proposed meeting dates listed on today's agenda:

Friday, January 20th, 2017

Friday, April 21st, 2017

Friday, July 14th, 2017

Friday, October 13th, 2017

Mr. Zylstra asked board members to notify Gene Purcell or David Cobb if there are any potential conflicts with the proposed dates.

AGENDA ITEM 7. Questions/Comments from Board Members

There were no questions or comments from board members.

AGENDA ITEM 8. Adjournment

Karen Schroeder moved to adjourn, seconded by Senator Luther Olsen. The motion passed by unanimous voice vote. Dr. Wegenke announced the meeting adjourned at 11:45 a.m.