



Allotment of FCC Auction Proceeds to Crafton Hills College Guidelines

November 27, 2018

Background

On April 12, 2018, the Board of Trustees approved an allotment of \$3,029,000 from the FCC auction proceeds to be used by CHC at their discretion. The funds have no restrictions.

Guidelines

The Crafton Hills College Budget Committee recommends the following local guidelines for the use of the FCC funds.

1. Utilize funds for one-time expenses identified and prioritized in Planning and Program Review.
2. Utilize as seed funding for initiatives/programs that will increase college revenues.

2018-19 Direction

Initially, \$350K of the \$3,029,000 will be reserved for immediate use in the 2018-19FY. The remainder (\$2,679,000) will be invested with the District's and SBVC's portion of the FCC auction proceeds in the PARS Trust fund held through the District. A separate account will be established to distinguish Crafton's allotment from the funds invested by the District and SBVC. CHC anticipates an average 5% annual rate of return, which would provide approximately \$130K/year ($\$2,679,000 \times 5\%$) in interest to perpetually fund college needs in accordance with the above guidelines. It is not the intention to use the principle, but may be revisited if the need arises. The \$350K set aside for PPR is based upon the one-time resource requests in the 2017-18 PPR prioritized objective list.