

State of Alaska FY2013 Governor's Operating Budget

Department of Administration Public Broadcasting - T.V. Component Budget Summary

Component: Public Broadcasting - T.V.

Contribution to Department's Mission

To provide critical programs, local information, public telecommunication and new media services that inform and educate television viewers throughout bush, rural and urban Alaska; to ensure the infrastructure for the dissemination of non-commercial public television and related services to un-served and underserved audiences.

Core Services

- This component contains funding for operating grants to four private non-profit independently owned and operated public television stations that deliver public television programming to 87% of Alaska's population. These stations share a collective mission of providing un-served and underserved audiences with free over the air programming available to all Alaskans regardless of their ability to pay.
- These stations and their wide spread system of low power translators are a key component of Alaska's telecommunications infrastructure. The stations each provide at least 11 hours a day of educational programming aimed at pre-school and young children. In addition, each station produces important local and statewide programming, including Alaska Weather, Running, Anchorage Edition, Gavel to Gavel, as well as Alaska history, science and public affairs programs.
- Local ownership and local control of programming is a key element of Alaska's public television system. As mass media continues to consolidate ownership, the FCC is pushing the need for preserving and encouraging localism in broadcasting. These stations work together to provide relevant local, regional and state news, information and general entertainment programming and services for all generations.
- Public television serves as a key component for emergency alert information in the state and works in partnership with Alaska Public Broadcasting, Inc. to maintain the ARCS rural TV network.

Key Component Challenges

Federal Funding

Federal funding accounts for approximately 30% of total system revenue and federal funding for public broadcasting is at risk unlike any other time in history.

Digital Mandate

The FCC deadline for converting rural translators to digital service is September 1, 2015. Stations will be required to replace their extensive network of low-power analog translators, which serve rural Alaska, with digital equipment.

Collaboration

Alaska's public television stations continue to seek a more cost effective business model and corresponding organizational structure. Collaboration on this level is difficult work but remains a priority given the shared public service mission and financial constraints.

Revenue Growth

Growth of non-state operating revenue is challenging given Alaska's small population base, business community and changing economy. Stations struggle to increase local revenue in order to offset escalating fixed costs for power generation, utilities, insurance, and increases in the cost of DTV transmission mandated (but unfunded) by Congress.

Alaska Programming

Local, regional and statewide public affairs and cultural programming has been cut back as a result of the funding realities. Corresponding work force reductions have occurred at stations weakening their ability to produce local content or respond to emergencies.

Significant Changes in Results to be Delivered in FY2013

Collaboration

The stations and regional radio organization CoastAlaska explored benefits of consolidating activities to save costs and improve local service. Stations are implementing a new distribution system which will provide high-speed, two-way connections among the stations, allowing for the origination of live, local program and providing for cost savings through centralized technical operations. Managers will examine revenues and expenses for television-related services and develop a proposal for combining operations. The goal is to transition to a new suite of television services provided statewide by July 1, 2012. CoastAlaska has agreed to provide grant accounting and reporting services for KYUK, Bethel under a contract.

Digital Costs

As required by federal law, public television provides digital television broadcast services in Anchorage, Fairbanks, and Juneau, and the Bethel station plans to convert in the next 24 months. The mandated conversion has greatly increased operating expenses due to significant increases in electrical consumption, equipment maintenance and software upgrades. This drain on operating budgets will limit local production capability in FY2013.

Digital Content

Using the capability of the digital spectrum, stations provide additional public broadcasting services to viewers across the state. Three stations offer a second all Alaska channel called 360 North, which includes Gavel to Gavel. Two offer additional services, PBS World and PBS Create. While the conversion to digital television is a financial burden and has increased operating expenses, the new technology provides opportunities for a dramatic increase in Alaska-based public service for young children, K-12, college students and adult populations.

Major Component Accomplishments in 2011

- New funding was secured to improve broadband capacity between the four hub stations. The funding will support implementation of a new distribution system which will provide high-speed, two-way connections among the stations, allowing for the origination of live, local program and providing for cost savings through centralized technical operations.
- The stations studied a range of options for organizational change and are now focused on developing a unified television service. Managers are working to develop a sustainable model for combining the television services.
- Meeting the federal mandate to shut off analog transmitters and broadcast in digital remains costly. KUAC, KTOO and KAKM are all operating digital transmitters and providing enhanced multi-cast services on their digital transmitters and producing Alaskan programming in HDTV.
- Via the state's satellite infrastructure, the stations provided non-commercial programs to viewers statewide. In addition to programs like *Sesame Street*, *Masterpiece Mystery*, *Nova*, *Charlie Rose*, *PBS News Hour*, and *Nature*, public television provided Alaska programming like Gavel to Gavel; Alaska Supreme Court proceedings; presentations to the legislature by our congressional delegation, Chief Justice, and Governor; coverage of AFN Convention, Sealaska Heritage's Celebration and elections; and series like *Alaska Weather*, *Alaska Edition* and *AARP Alaska*. Public television facilitates the statewide broadcast and distribution of distance education courses to Alaskans via UATV (University of Alaska Television) and the statewide distribution of ARCS.

Statutory and Regulatory Authority

AS 44.21.256-290 Alaska Public Broadcasting Commission
2 AAC 55 Alaska Public Broadcasting Commission

Contact Information
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**Public Broadcasting - T.V.
Component Financial Summary**

All dollars shown in thousands

	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	527.1	727.1	727.1
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	527.1	727.1	727.1
Funding Sources:			
1004 General Fund Receipts	527.1	727.1	727.1
Funding Totals	527.1	727.1	727.1

**Summary of Component Budget Changes
From FY2012 Management Plan to FY2013 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2012 Management Plan	727.1	0.0	0.0	0.0	727.1
FY2013 Governor	727.1	0.0	0.0	0.0	727.1

Component Detail All Funds
Department of Administration

Component: Public Broadcasting - T.V. (2045)
RDU: Public Communications Services (30)

	FY2011 Actuals	FY2012 Conference Committee	FY2012 Authorized	FY2012 Management Plan	FY2013 Governor	FY2012 Management Plan vs FY2013 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	527.1	727.1	727.1	727.1	727.1	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	527.1	727.1	727.1	727.1	727.1	0.0	0.0%
Fund Sources:							
1004 Gen Fund (UGF)	527.1	727.1	727.1	727.1	727.1	0.0	0.0%
Unrestricted General (UGF)	527.1	727.1	727.1	727.1	727.1	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Administration

Component: Public Broadcasting - T.V. (2045)
RDU: Public Communications Services (30)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2012 Conference Committee To FY2012 Authorized *****												
FY2012 Conference Committee	ConfCom	727.1	0.0	0.0	0.0	0.0	0.0	727.1	0.0	0	0	0
1004 Gen Fund		727.1										
Subtotal		727.1	0.0	0.0	0.0	0.0	0.0	727.1	0.0	0	0	0
***** Changes From FY2012 Authorized To FY2012 Management Plan *****												
Subtotal		727.1	0.0	0.0	0.0	0.0	0.0	727.1	0.0	0	0	0
***** Changes From FY2012 Management Plan To FY2013 Governor *****												
Totals		727.1	0.0	0.0	0.0	0.0	0.0	727.1	0.0	0	0	0

Line Item Detail
Department of Administration
Grants, Benefits

Component: Public Broadcasting - T.V. (2045)
RDU: Public Communications Services (30)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
77000	Grants, Benefits		527.1	727.1	727.1
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
77000 Grants, Benefits Detail Totals			527.1	727.1	727.1
77437	General Government	Alaska Public Broadcasting television station grant	527.1	727.1	727.1