

**State of Alaska
FY2016 Governor Amended Operating
Budget**

**Department of Administration
Satellite Infrastructure
Component Budget Summary**

Component: Satellite Infrastructure

Contribution to Department's Mission

To sustain the key satellite infrastructure used for the delivery of audio and video news, public affairs, legislative and other state government content, public service information, entertainment, education, and state and federal emergency alert services to communities statewide.

Core Services

- Alaska One - statewide public television (outside of Anchorage area) originating at KUAC Fairbanks distributed by satellite and broadcast throughout the state, providing rural viewers with Alaskan and national non-commercial programming.
- UATV - Distance education from the University of Alaska, distributed by satellite and reaching 100 communities and UA's rural campuses.
- Alaska Rural Communications Service (ARCS) - reaching more than 200 communities across Alaska with public television's educational programming, along with news and information, important statewide events, and commercial television programming. The State of Alaska owns and operates ARCS.
- State and Federal Emergency Alert Service (EAS) - delivery of transmitted tests of the Emergency Alert System statewide to bush, rural and urban communities as provided for in the State of Alaska's plan for emergency preparedness.
- Public Radio Services - delivery of programming by six different public radio stations and the Alaska Public Radio Network (APRN) to the 26 individual local stations and their translators reaching a total of 95% of Alaska's population.
- Technical monitoring and system maintenance of the satellite infrastructure is managed by Alaska Public Broadcasting Inc. (APBI) provides comprehensive management support and trouble-shooting services at the statewide and community levels. APBI also provides information and advice to DOA/ETS on public telecommunications policy issues, public broadcasting needs and issues and responds to requests for service from DOA or ETS on various other telecommunications issues.

Major Component Accomplishments in 2014

- Managed and coordinated the statewide ARCS television program service throughout FY2014 without any major system-wide shutdowns, failures or outages. In the course of the past year APBI handled over 670 contacts from 84 locations around Alaska, restoring service in over 51 cases.
- ARCS programming highlights include the AFN convention, Iditarod Trail Sled Dog Race, ASAA High School basketball tournaments, statewide election coverage, Governor's State of the State address, and numerous special news programs. ARCS is delivered into the homes of thousands of Alaskans in communities where other alternatives are either too expensive or simply do not exist.
- Successfully managed the satellite infrastructure responsible for delivering the ARCS service, Alaska Public Television services, University of Alaska Television and several public radio channels including APRN.
- As a State Satellite Relay Network, participated in and distributed all of the State of Alaska Emergency Alert System (EAS) monthly exercises and actual emergency alerts.

Key Component Challenges

Federal Mandate: LPTV Digital Conversion - The Federal Communications Commission (FCC) has set September 2016 as the date by which all analog Low Power Television (LPTV) operations must convert to digital. A major benefit of converting ARCS to digital is the service increase offered by the multi-channel nature of digital television. An additional benefit is the replacement of the aging remote analog transmission infrastructure with new digital systems. In its FY2014 Capital Budget, the State allocated funds and launched the ARCS Digital Conversion project to address the impending deadline and embrace the opportunity to significantly expand public service programming for bush residents.

Satellite Uplink Equipment Replacement - All of the original uplink infrastructure equipment was replaced by APBI in 2007. This core piece of infrastructure will pass the 9 year mark this fiscal year and is in need of replacement and is no longer supported by the manufacturer. Some components of the system have failed. Service is now dependent upon in-place backup systems. Services may be significantly jeopardized if further failures occur, or if backup components fail.

Maintenance - Communities fund costs associated with equipment repairs, replacement and shipping. Individuals at remote sites provide maintenance and troubleshooting labor on a volunteer basis and their communities provide space and power for antennas and electronics. The fleet of satellite dish antennas has been in service for over 20 years. Limited State funds are currently being applied to select sites where extreme conditions have resulted in unserviceable dish antennas. Costs for parts, labor, and shipping associated with maintenance of remote satellite antennas, cables, and electronics that support ARCS distribution remain the responsibility of local communities.

Alaska Emergency Alert System (EAS) - Continuation of the collaborative relationship between ARCS and the SOA Division of Homeland Security and Emergency Management (DHS&EM) alerting systems for the distribution of emergency alert and warning systems is critical. As a Satellite Relay Network ARCS plays a central role in the State of Alaska EAS Plan, and is a designated monitoring assignment choice available to Alaska broadcasters. The ARCS low power television signals in bush communities provide year round 24/7 access to emergency information for rural viewers in their homes.

Significant Changes in Results to be Delivered in FY2016

Federal Mandate LPTV Digital Conversion - In response to the September 2016 FCC deadline by which all analog LPTV transmitter operations must convert to digital, the State launched the ARCS Digital Conversion Project, targeting 185 remote sites for replacement of all inside electronics with new generation digital transmission systems. It is anticipated the new electronics will carry warranties of 2 years reducing the need for associated repair costs during that time period. As part of the conversion process the State is required to convert analog licenses to digital.

Satellite Downlink Equipment Replacement- Refurbishment work at satellite downlink facilities resulted in restoration of services in several chronically afflicted sites, will come to an end. Several downlink sites have been repaired and/or replaced, however there is more work to do and no funds are designated for ongoing maintenance of this infrastructure. Deflecting costs of maintaining this set of state owned equipment onto individual communities as they become affected by service outages will delay and/or prevent repairs from continuing. Those communities able to are expected to raise funds locally for these repairs, while others may seek funding through their legislative representatives in the form of discrete capital grants.

Statutory and Regulatory Authority

AS 44.21.305-330 Telecommunications

| Contact Information |
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| <p>Contact: Jamie Waste, Executive Director, Public Broadcasting Commission Phone: (907) 586-6300 Fax: (907) 586-5692 E-mail: jamie@akpb.org</p> |

**Satellite Infrastructure
Component Financial Summary**

All dollars shown in thousands

| | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
|---|----------------|---------------------------|----------------------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 0.0 | 0.0 | 0.0 |
| 72000 Travel | 0.0 | 0.0 | 0.0 |
| 73000 Services | 888.2 | 902.1 | 787.3 |
| 74000 Commodities | 0.0 | 0.0 | 0.0 |
| 75000 Capital Outlay | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Benefits | 160.0 | 268.9 | 92.2 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,048.2 | 1,171.0 | 879.5 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 848.2 | 847.3 | 779.5 |
| 1007 Interagency Receipts | 200.0 | 100.0 | 100.0 |
| 1108 Statutory Designated Program Receipts | 0.0 | 223.7 | 0.0 |
| Funding Totals | 1,048.2 | 1,171.0 | 879.5 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
|--|------------------------------|----------------|---------------------------|----------------------------|
| Unrestricted Revenues | | | | |
| None. | | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | |
| Interagency Receipts | 51015 | 200.0 | 100.0 | 100.0 |
| Statutory Designated Program Receipts | 51063 | 0.0 | 223.7 | 0.0 |
| Restricted Total | | 200.0 | 323.7 | 100.0 |
| Total Estimated Revenues | | 200.0 | 323.7 | 100.0 |

**Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended**

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> |
|--|-----------------------------------|---------------------------------|--------------------|--------------------------|--------------------|
| FY2015 Management Plan | 847.3 | 0.0 | 323.7 | 0.0 | 1,171.0 |
| Proposed budget decreases: | | | | | |
| -Reduce Uncollectible Statutory Designated Program Receipt Authority | 0.0 | 0.0 | -223.7 | 0.0 | -223.7 |
| -Reduce Funding for the Alaska Public Broadcasting Commission | -67.8 | 0.0 | 0.0 | 0.0 | -67.8 |
| FY2016 Governor Amended | 779.5 | 0.0 | 100.0 | 0.0 | 879.5 |

Component Detail All Funds
Department of Administration

Component: Satellite Infrastructure (AR11840) (2349)
RDU: Public Communications Services (30)

| | FY2014 Actuals | FY2015 Conference Committee | FY2015 Authorized | FY2015 Management Plan | FY2016 Governor Amended | FY2015 Management Plan vs FY2016 Governor Amended | |
|-----------------------------------|-----------------------|------------------------------------|--------------------------|-------------------------------|--------------------------------|--|---------------|
| 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 | 888.2 | 902.1 | 902.1 | 902.1 | 787.3 | -114.8 | -12.7% |
| 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 | 160.0 | 268.9 | 268.9 | 268.9 | 92.2 | -176.7 | -65.7% |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Totals | 1,048.2 | 1,171.0 | 1,171.0 | 1,171.0 | 879.5 | -291.5 | -24.9% |
| Fund Sources: | | | | | | | |
| 1004Gen Fund (UGF) | 848.2 | 847.3 | 847.3 | 847.3 | 779.5 | -67.8 | -8.0% |
| 1007I/A Rcpts (Other) | 200.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0.0 | 0.0% |
| 1108Stat Desig (Other) | 0.0 | 223.7 | 223.7 | 223.7 | 0.0 | -223.7 | -100.0% |
| Unrestricted General (UGF) | 848.2 | 847.3 | 847.3 | 847.3 | 779.5 | -67.8 | -8.0% |
| Designated General (DGF) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0% |
| Other Funds | 200.0 | 323.7 | 323.7 | 323.7 | 100.0 | -223.7 | -69.1% |
| 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: Satellite Infrastructure (2349)
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 FY2015 Conference Committee To FY2015 Authorized ***** | | | | | | | | | | | | |
| FY2015 Conference Committee | | | | | | | | | | | | |
| ConfCom | | 1,171.0 | 0.0 | 0.0 | 902.1 | 0.0 | 0.0 | 268.9 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | 847.3 | | | | | | | | | | |
| 1007 I/A Rcpts | | 100.0 | | | | | | | | | | |
| 1108 Stat Desig | | 223.7 | | | | | | | | | | |
| Subtotal | | 1,171.0 | 0.0 | 0.0 | 902.1 | 0.0 | 0.0 | 268.9 | 0.0 | 0 | 0 | 0 |
| ***** Changes From FY2015 Authorized To FY2015 Management Plan ***** | | | | | | | | | | | | |
| Subtotal | | 1,171.0 | 0.0 | 0.0 | 902.1 | 0.0 | 0.0 | 268.9 | 0.0 | 0 | 0 | 0 |
| ***** Changes From FY2015 Management Plan To FY2016 Governor Amended ***** | | | | | | | | | | | | |
| Reduce Uncollectible Statutory Designated Program Receipt Authority | | | | | | | | | | | | |
| Dec | | -223.7 | 0.0 | 0.0 | -114.8 | 0.0 | 0.0 | -108.9 | 0.0 | 0 | 0 | 0 |
| 1108 Stat Desig | | -223.7 | | | | | | | | | | |
| A reduction of uncollectable statutory designated program receipts is necessary to align budget authorization with actuals. | | | | | | | | | | | | |
| Reduce Funding for the Alaska Public Broadcasting Commission | | | | | | | | | | | | |
| Dec | | -67.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -67.8 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | -67.8 | | | | | | | | | | |
| Totals | | 879.5 | 0.0 | 0.0 | 787.3 | 0.0 | 0.0 | 92.2 | 0.0 | 0 | 0 | 0 |

Line Item Detail
Department of Administration
Services

Component: Satellite Infrastructure (2349)
RDU: Public Communications Services (30)

| Line Number | Line Name | | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
|-------------------------------------|----------------------|--------------------------------------|----------------|------------------------|-------------------------|
| 73000 | Services | | 888.2 | 902.1 | 787.3 |
| Expenditure Account | Servicing Agency | Explanation | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
| 73000 Services Detail Totals | | | 888.2 | 902.1 | 787.3 |
| 73150 | Information Technlgy | Information technology service costs | 71.6 | 80.4 | 72.0 |
| 73156 | Telecommunication | Telecommunication services. | 816.6 | 821.7 | 715.3 |

Line Item Detail
Department of Administration
Grants, Benefits

Component: Satellite Infrastructure (2349)
RDU: Public Communications Services (30)

| Line Number | Line Name | | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
|---|-------------------------|----------------------------|-----------------------|-------------------------------|--------------------------------|
| 77000 | Grants, Benefits | | 160.0 | 268.9 | 92.2 |
| | | | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
| Expenditure Account | Servicing Agency | Explanation | | | |
| 77000 Grants, Benefits Detail Totals | | | 160.0 | 268.9 | 92.2 |
| 77437 | General Government | General government grants. | 160.0 | 268.9 | 92.2 |

Restricted Revenue Detail
Department of Administration

Component: Satellite Infrastructure (2349)
RDU: Public Communications Services (30)

| Master Account | Revenue Description | | | | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
|---------------------------|---|------------------|-------------------------|-------------------|-----------------------|-------------------------------|--------------------------------|
| 51015 | Interagency Receipts | | | | 200.0 | 100.0 | 100.0 |
| Detail Information | | | | | | | |
| Revenue Amount | Revenue Description | Component | Collocation Code | AKSAS Fund | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
| 59450 | University Of Alaska RSA with the University of Alaska Fairbanks for the Alaska transponder fee. | | 2300200 | 11100 | 100.0 | 100.0 | 100.0 |
| 59450 | University Of Alaska | | 2309202 | 11100 | 100.0 | 0.0 | 0.0 |

Restricted Revenue Detail
Department of Administration

Component: Satellite Infrastructure (2349)
RDU: Public Communications Services (30)

| Master Account | Revenue Description | | | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended | |
|---------------------------|--|------------------|-------------------------|-----------------------|-------------------------------|--------------------------------|--------------------------------|
| 51063 | Statutory Designated Program Receipts | | | 0.0 | 223.7 | 0.0 | |
| Detail Information | | | | | | | |
| Revenue Amount | Revenue Description | Component | Collocation Code | AKSAS Fund | FY2014 Actuals | FY2015 Management Plan | FY2016 Governor Amended |
| 55922 | Stat Desig -Contract Potential revenue from outside entities. | | 2300200 | 11100 | 0.0 | 223.7 | 0.0 |