

State of Alaska FY2017 Governor's Operating Budget

Department of Administration Public Broadcasting - Radio Component Budget Summary

Component: Public Broadcasting - Radio

Contribution to Department's Mission

To provide quality programs and public telecommunication services that inform, educate, enlighten, and entertain radio listeners throughout Alaska; to ensure the infrastructure for the dissemination of non-commercial public radio and related services.

Core Services

- This component contains funding for basic operating grants to public radio stations whose collective mission is to provide un-served and underserved audiences with free over the air programming available to all Alaskans regardless of their ability to pay. Public broadcasting focuses on the delivery of 'local' programming services with an emphasis on news and information programming, including education, health and safety programming; including participation in the Emergency Alert System (EAS).
- Alaska Public Broadcasting Commission (APBC) grants to eligible entities to support the delivery of public broadcasting programming by 30 public radio stations throughout Alaska. In addition to the main radio stations Alaska public radio operates some 60 signal translators throughout the state reaching 95% of all Alaskans. These stations and their widespread network of translators are a key component of Alaska's telecommunications and information dissemination infrastructure.
- Public radio provides thorough and in many cases the only coverage of local, regional and statewide news and information available to Alaskans, especially in bush and rural service areas. Additionally, public radio serves as a local center for community information and messaging to outlying areas. In many instances, public radio stations are providers of the state and federal Emergency Alert System (EAS) and other critical health and safety information programming.

Major Component Accomplishments in 2015

- Stations provided another year of service to un-served and underserved audiences across the state with free over the air programming and online services available to all Alaskans regardless of their ability to pay.
- Encouraged partnerships, collaborations, strategic restructuring between licensees as a means to further consolidate common services and functions in order to maintain program delivery while reducing expenses.
- Realized costs savings by successfully negotiating deeply discounted program prices with national networks for all stations. Negotiated group health insurance plan for stations.
- Improved government access programming on all digital platforms. Improved broadband capacity and connectivity between the four joint licensees was utilized for cost effective content sharing and distribution.
- Provided cost effective rural engineering service and in state training for station personnel.
- Continuation of the daily statewide news services from the Alaska Public Radio Network (APRN).
- Native stations in Alaska participated in the national dialogue and strategy on how to improve public broadcasting services for natives in Alaska and the lower 48.
- As a single point of contact, cost effectively represented system interests before national industry agencies and organizations.
- Satellite services continued to deliver content produced by and/or for Alaskan non-commercial public radio stations throughout Alaska.

Key Component Challenges

Community Service - Providing daily local news and information programming and community based services to residents across the state.

Engineering Support for Underserved Areas - In FY12 established a centrally managed engineering service which actively serves the system with emphasis on bush and rural stations with the greatest need. A third engineer would make the statewide work scope manageable.

Facilities Maintenance & Repair – For public broadcasters, almost all sources of federal support for basic broadcast infrastructure have been eliminated, leaving stations with little ability to replace obsolete equipment and keep up with changing technology.

Expansion of Local News Content - In the digital age, public media must increase production of local, regional and statewide content for distribution across digital platforms. This challenge requires new expertise and new financial resources. Over time the improved service level will deepen community engagement and translate into increased private sector support. Public media is a key component of Alaska's communications infrastructure with year round dissemination of news and community information including emergency services, health and safety, education, weather and marine conditions. Sustaining these services at the community and statewide level is further challenged by rising fixed costs, and lost federal and state revenue.

Strategic Restructuring - Public radio and television in Alaska is recognized nationally for strategic restructuring and resource realignment initiatives that attain more cost effective scale while improving service. This is difficult, time and resource consuming work. In FY2017 Alaska stations will continue to pursue strategic restructuring and forge new partnerships as a means to sustain and improve local service while gaining cost savings and operational efficiencies.

Significant Changes in Results to be Delivered in FY2017

Managers and local governing boards implemented a range of FY16 budget decisions. Despite efforts to increase FY16 revenue from the community, cuts to operating expenses occurred at all stations. Mid-year revisions may bring additional cuts after stations assess year to date local fundraising. The following FY16 impacts will continue in FY17.

- Work force reductions and erosion of compensation and benefits; increased difficulty retaining, recruiting, and training staff. The group health insurance plan is at risk as group census drops.
- Alaska Public Radio Network (APRN), daily statewide Alaska news service for stations is clearly at risk. KUAC Fairbanks and KNBA Anchorage dropped APRN in FY16; a serious development and a harbinger of things to come. APRN will collapse if more stations can no longer afford to invest in the daily statewide news service.
- National network program providers American Public Media and Public Radio International were on the chopping block at the majority of stations. APBI negotiated with both entities to further reduce already heavily discounted group buys. As a result many stations, but not all, were able to keep these programs in FY16. National Public Radio remains on the air as a result of a heavily discounted group buy.
- Most stations will lose federal matching funds from the Corporation for Public Broadcasting (CPB) in FY18 as a result of FY16 cuts: an additional 6% of every dollar reduced for radio will be forfeited. Additional federal matching funds will be lost if there are more reductions. The bigger threat is future CPB eligibility status. As non-federal funds decline, up to eight Alaska stations will be at risk of losing significant federal funding.
- Urban organizations will be further stressed at a time when they will be increasingly relied upon by rural and bush stations that benefit from collaboration, restructuring and resource alignment. It is difficult to identify the tipping point for integrated service providers, those urban hubs that provide fee based support to rural stations by way of news, engineering, finance, fundraising, representation and administrative services.
- The APBC cannot effectively administer and monitor the APBC's obligations resulting in less oversight of grantee eligibility and compliance; a less prepared and informed Commission, and the possibility that DOA will have to resume all functions related to supporting the APBC and by extension the stations.

Degradation of station capacity and local services that began in FY16 will accelerate in FY17. Major impacts will be loss of local jobs, the demise of local programming including APRN, loss of national network programs, and further loss of federal funds. For many stations, a downward spiral will gain momentum as small staffs get smaller while workloads increase.

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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Component Detail All Funds
Department of Administration

Component: Public Broadcasting - Radio (2044)
RDU: Public Communications Services (30)

Non-Formula Component

	FY2015 Actuals	FY2016 Conference Committee	FY2016 Authorized	FY2016 Management Plan	FY2017 Governor	FY2016 Management Plan vs FY2017 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	3,319.9	2,786.6	2,786.6	2,786.6	2,036.6	-750.0	-26.9%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	3,319.9	2,786.6	2,786.6	2,786.6	2,036.6	-750.0	-26.9%
Fund Sources:							
1004Gen Fund (UGF)	3,319.9	2,786.6	2,786.6	2,786.6	2,036.6	-750.0	-26.9%
Unrestricted General (UGF)	3,319.9	2,786.6	2,786.6	2,786.6	2,036.6	-750.0	-26.9%
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 - Radio (2044)
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 FY2016 Conference Committee To FY2016 Authorized *****												
FY2016 Conference Committee												
1004 Gen Fund	ConfCom	2,786.6	0.0	0.0	0.0	0.0	0.0	2,786.6	0.0	0	0	0
		2,786.6										
	Subtotal	2,786.6	0.0	0.0	0.0	0.0	0.0	2,786.6	0.0	0	0	0
***** Changes From FY2016 Management Plan To FY2017 Governor *****												
Reduce Grant Funding for Public Radio												
1004 Gen Fund	Dec	-750.0	0.0	0.0	0.0	0.0	0.0	-750.0	0.0	0	0	0
		-750.0										
	Totals	2,036.6	0.0	0.0	0.0	0.0	0.0	2,036.6	0.0	0	0	0

A reduction in the unrestricted general funds for public radio funding will result in workforce reductions, reductions in local news, community information services; including State of Alaska Emergency Alert System (EAS) which includes tsunami and Amber alerts as well as local emergency information and potentially a shutdown of some stations.

Cost sharing efficiencies gained through collaborations between organizations (engineering, administration, fund-raising and programming) will be diminished resulting in reductions in news and public affairs services including Alaska Public Radio Network.

Rural stations rely upon urban organizations for support; rural audiences benefit from restructuring and resource alignment that has occurred between urban and rural stations.

If a reduction is targeted only to urban stations this will result in a reduction in services to rural stations or an inability for urban radio stations to offset costs to rural stations.

Line Item Detail
Department of Administration
Grants, Benefits

Component: Public Broadcasting - Radio (2044)
RDU: Public Communications Services (30)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
77000	Grants, Benefits		3,319.9	2,786.6	2,036.6
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
77000 Grants, Benefits Detail Totals			3,319.9	2,786.6	2,036.6
77437	General Government	Alaska Public Broadcasting radio station grants.	3,319.9	2,786.6	2,036.6