

# **State of Alaska FY2017 Governor's Operating Budget**

## **Department of Administration Public Broadcasting Commission Component Budget Summary**

**Component: Public Broadcasting Commission**

## **Contribution to Department's Mission**

The primary purpose of the Alaska Public Broadcasting Commission (APBC) is the encouragement and support of noncommercial public broadcasting in the state through the provision of operating and capital grants in support of the delivery of noncommercial programs intended for a general audience by locally controlled nonprofit broadcast stations or telecommunications entities.

## **Core Services**

- The primary service provided by the Commission is guiding development of an integrated public broadcasting system for the state through allocation of grants to qualified entities. In addition, the Commission shall:
- Provide monitoring and oversight of expenditure of state grants by eligible stations, and assure compliance with state grant requirements.
- Provide consultative services in all aspects of public broadcasting to all public or private agencies that request them.
- Serve as a library and clearinghouse for public broadcasting information.
- Prepare and submit to the governor and legislature a long-term plan for the development of public broadcasting stations and systems in the state and biennially update the plan.
- Perform all other functions necessary to ensure the orderly and coordinated development of public broadcasting in the state.

## **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.
- Increases in broadband capacity and connectivity between the four TV stations allowed for cost effective content sharing, distribution, and application on all digital platforms.
- Improved government access programming on all digital platforms.
- Provided cost effective rural engineering service and in state training for station managers, news personnel, and development/fundraising staff.
- 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.

## **Key Component Challenges**

**Administrative Support** - The APBC has been on a shoestring budget since 2001. The APBC cannot effectively administer and monitor its obligations causing reduced 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.

**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 a centrally managed engineering service was established 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 & Information 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 must 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 buy health insurance plan is at risk as group census drops.
- Alaska Public Radio Network (APRN), daily statewide Alaska news service for stations is 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.
- KTOO-TV Juneau, a PBS member since 1979, has now dropped membership in the national network in order to devote limited resources towards local programming, statewide legislative coverage, and producing content for 360 North. KTOO is working with PBS to see if the Anchorage station can replace the local PBS service in Southeast, but KTOO will no longer be able to take part in PBS's varied educational, cultural and public affairs initiatives. KTOO's state grant funding for Gavel to Gavel Alaska coverage of the Legislature is being reduced at a time when coverage of the Legislature's activities is more important than ever.
- 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: an additional 6% of every dollar for radio and 14% of every dollar for television will be forfeited. Additional federal matching funds will be lost. The bigger threat is future CPB eligibility status. As non-federal funds decline, up to ten 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 has been on a shoestring budget since 2001. The APBC cannot effectively administer and monitor the APBC's obligations resulting in reduced 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
<p><b>Contact:</b> Jamie Waste, Executive Director, Public Broadcasting Commission <b>Phone:</b> (907) 277-6300 <b>Fax:</b> (907) 586-5692 <b>E-mail:</b> jamie@akpb.org</p>

**Component Detail All Funds**  
**Department of Administration**

**Component:** Public Broadcasting Commission (77)  
**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	5.0	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	48.3	46.7	46.7	46.7	44.4	-2.3 -4.9%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
<b>Totals</b>	<b>53.3</b>	<b>46.7</b>	<b>46.7</b>	<b>46.7</b>	<b>44.4</b>	<b>-2.3 -4.9%</b>
<b>Fund Sources:</b>						
1004Gen Fund (UGF)	53.3	46.7	46.7	46.7	44.4	-2.3 -4.9%
<b>Unrestricted General (UGF)</b>	<b>53.3</b>	<b>46.7</b>	<b>46.7</b>	<b>46.7</b>	<b>44.4</b>	<b>-2.3 -4.9%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0 0.0%</b>
<b>Other Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0 0.0%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0 0.0%</b>
<b>Positions:</b>						
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 Commission (77)  
**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 *****												
<b>FY2016 Conference Committee</b>												
1004 Gen Fund	ConfCom	46.7	0.0	0.0	0.0	0.0	0.0	46.7	0.0	0	0	0
<b>Subtotal</b>		<b>46.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>46.7</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2016 Management Plan To FY2017 Governor *****												
<b>Reduce Grant Funding for Oversight of Public Radio and Television</b>												
1004 Gen Fund	Dec	-2.3	0.0	0.0	0.0	0.0	0.0	-2.3	0.0	0	0	0
<b>Totals</b>		<b>44.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>44.4</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

A reduction in the unrestricted general funds for Public Broadcasting Commission will result in less support to the public radio and television grantees and potentially the support in monitoring of these services and of the State of Alaska ARCS services. If this results in fewer staff, it is possible that cost saving ideas for these services will be delayed or not sought.

**Line Item Detail**  
**Department of Administration**  
**Services**

**Component:** Public Broadcasting Commission (77)  
**RDU:** Public Communications Services (30)

Line Number	Line Name	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000	Services	5.0	0.0	0.0

Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
<b>73000 Services Detail Totals</b>			<b>5.0</b>	<b>0.0</b>	<b>0.0</b>
73979		Mgmt/Consulting (IA Svcs)	5.0	0.0	0.0

**Line Item Detail**  
**Department of Administration**  
**Grants, Benefits**

**Component:** Public Broadcasting Commission (77)  
**RDU:** Public Communications Services (30)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2015 Actuals</b>	<b>FY2016 Management Plan</b>	<b>FY2017 Governor</b>
77000	Grants, Benefits		48.3	46.7	44.4
<b>Expenditure Account</b>			<b>FY2015 Actuals</b>	<b>FY2016 Management Plan</b>	<b>FY2017 Governor</b>
	<b>Servicing Agency</b>	<b>Explanation</b>			
			<b>77000 Grants, Benefits Detail Totals</b>	<b>48.3</b>	<b>46.7</b>
77110	Grants		0.0	46.7	44.4
77437	General Government		48.3	0.0	0.0

**Interagency Services**  
**Department of Administration**

**Component:** Public Broadcasting Commission (77)  
**RDU:** Public Communications Services (30)

<u>Expenditure Account</u>	<u>Service Description</u>	<u>Service Type</u>	<u>Servicing Agency</u>	<u>FY2015 Actuals</u>	<u>FY2016 Management Plan</u>	<u>FY2017 Governor</u>
73979	Mgmt/Consulting (IA Svcs)	Inter-dept		5.0	0.0	0.0
		<b>73979 Mgmt/Consulting (IA Svcs) subtotal:</b>		<b>5.0</b>	<b>0.0</b>	<b>0.0</b>
		<b>Public Broadcasting Commission total:</b>		<b>5.0</b>	<b>0.0</b>	<b>0.0</b>
		<b>Grand Total:</b>		<b>5.0</b>	<b>0.0</b>	<b>0.0</b>