

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5068 HSTA HB 142 - HB 150

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B

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 142
Publish Date: 2/19/87

REQUEST

Revision Date: _____ Agency Affected: Administration
Title: An Act relating to wages and BRU: Finance
benefits for certain legislative employees...
Sponsor: Rules Components: _____
Requestor: Rules

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

Prepared By: ^{KB} Kenneth Bischoff
Division: Finance

Phone: 465-2240
Date: 2/20/87

Approved by Commissioner: Garrey Peska
Agency: Department of Administration

Date: 2/23/87

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

C

REQUEST: _____

Bill Version : SB 139
Publish Date : _____

Revision Date: _____
Title: Act relating to wages and
benefits for certain legislative employees
Sponsor: Senate Rules Committee
Requestor: Senate Finance

Agency Affected: Legislative Affairs
BRU: Legislative Council
Components: Administrative Services
Legal Services, Session Expenses

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Funding for SB 139 will be absorbed by the legislative budget.

Prepared by: _____ Phone: 165-4985
Division: Senator John Binkley, Co-chairman Date: 2/24/87
Senate Finance Committee
Approved by Commissioner: [Signature] Date: _____
Agency: _____

Distribution (by preparer) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

D

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____ Bill Version: HB 142
 _____ Publish Date: _____

Revision Date: _____ Agency Affected: Legislative Affairs Agency
 Title: An Act relating to wages and benefits for
certain legislative employees: J. BRU: Legislative Council
 Sponsor: House Rules Committee Components: Administrative Services
 Requestor: House Rules Committee Legal Services
Session Expenses

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		78.8	78.8	78.8	78.8	78.8
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		78.8	78.8	78.8	78.8	78.8
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		78.8	78.8	78.8	78.8	78.8
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

It is assumed that the current budget levels will not be exceeded. For example, ranges allocated to various position titles and longevity criteria for monthly employees will remain in effect. If the longevity criteria is changed, the fiscal impact of this bill could be substantially higher.

(Continued on Page 2)

Prepared by: Pamela A. Stoods, Manager Phone: 465-3850
 Division: Administrative Services Date: 2/25/87

Approved by: Warren W. Endicott, Executive Director Date: 2/25/87
 Agency: Legislative Affairs Agency

Distribution (by preparer):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)
 Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 142

Daily paid employees longevity was budgeted at an average of 5 legislative sessions. Monthly paid employees longevity is budgeted at a "Step C" for an average. Step C's criteria is three legislative sessions or two full years with the legislature at a comparable level.

Administrative Services

14 daily paid positions converting to monthly paid with leave benefits

Annual cost monthly paid with leave	\$ 226,001
Annual cost daily paid with no leave	\$ 222,738
	<hr/>
Additional cost of bill	\$ 3,253

Legal Services

3 daily paid positions converting to monthly paid with leave benefits

Annual cost monthly paid with leave	\$ 187,474
Annual cost daily paid with no leave	\$ 183,553
	<hr/>
Additional cost of bill	\$ 3,316

Session Expenses

153 daily paid positions converting to monthly paid with leave benefits

Annual cost monthly paid with leave	\$ 2,618,489
Annual cost daily paid with no leave	\$ 2,546,397
	<hr/>
Additional cost of bill	\$ 71,592
	<hr/>
GRAND TOTAL	\$ 73,771

The following is a breakdown of the fiscal note completed for HB 142 relating to wages and benefits for certain legislative employees:

Total Cost by Component:

Administrative Services	\$	3,263	
Legal Services		3,916	
Session Expenses		<u>71,592</u>	
			\$ <u>78,771</u>

Cost of Leave by Component:

Administrative Services	\$	3,139	
Legal Services		2,648	
Session Expenses		<u>36,641</u>	
Total Cost of Leave	\$		42,428

Cost of converting daily paid session employees to monthly paid on the current salary schedule including budgeting for benefits other than leave		<u>36,343</u>	
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\$ 78,771

HB

150

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/27/87

FURTHER REFERRALS: Finance

DATE: ~~4-8~~ 4-13-87

The State Affairs Committee has considered HB 150

"An Act relating to certain contributions from permanent fund dividends; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

[Handwritten signatures]

SIGNING OTHER RECOMMENDATIONS:

[Handwritten signature]
Chairman's signature



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

STATE AFFAIRS COMMITTEE

HOUSE BILL 150

FILE CONTENTS

1. AN ACT RELATING TO CERTAIN CONTRIBUTIONS FROM PERMANENT FUND DIVIDENDS; AND PROVIDING FOR AN EFFECTIVE DATE.
2. RESOLUTION FROM FAIRBANKS NORTH STAR BOROUGH ARTS COMMITTEE
3. MEMORANDUM AND SUPPORTING DOCUMENTATION FROM REPRESENTATIVE TAYLOR, DATED FEBRUARY 26, 1987

FISCAL NOTES

- A. DEPARTMENT OF REVENUE, PUBLIC SERVICES, PERMANENT FUND DIVIDEND: -0-
- B. DEPARTMENT OF REVENUE, ADMINISTRATIVE SERVICES: \$44,200

★ Fairbanks North Star Borough



809 Pioneer Road

P.O. Box 1267

Fairbanks, Alaska 99707

907.452-4761

Whereas; the Fairbanks North Star Borough Arts Committee supports adequate State funding to the Alaska State Council on the Arts; and

Whereas; the Fairbanks North Star Borough Arts Committee supports a State appropriation to the Alaska State Council on the Arts of 2.8 million dollars; and

Whereas; the total amount generated from a Permanent Fund "check off" would not provide the State Arts Council with adequate funding; and

Whereas; Some legislators may wish to use Permanent Fund "check offs" as substitutes for State funding; and

Whereas; A "check off" for an arts endowment would serve to supplement, and not substitute, State funding to the arts; and

Whereas; A "check off" for an arts endowment may eventually grow to become large enough to adequately fund the Alaska State Council on the Arts;

Therefore, be it resolved:

The Fairbanks North Star Borough Arts Committee supports a Permanent Fund "check off" for an arts endowment, that would serve as a supplement, and not as a substitute, to State Arts funding.

Passed 3/18/87

Valerie Therrien, chair

Fairbanks North Star Borough Arts Committee

A

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 150

Publish Date: _____

REQUEST

Revision Date: _____

Agency Affected: Department of Revenue

Title: Relating to certain contributions from Permanent Fund Dividends

BRU: Public Services - Permanent Fund Dividend

Sponsor: Taylor, Boyer, and Brown

Components: _____

Requestor: State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

<u>OPERATING</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS/CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

<u>CAPITAL</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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<u>REVENUE</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

Prepared by: Sally Smith
Division: Public Services

Phone: 465-2392

Date: March 3, 1987

Approved by: [Signature]
Commissioner: _____
Agency: Revenue

Date: 3/3/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management & Budget
- Impacted Agency(ies)
- Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

B

REQUEST _____

Bill Version: HB 150
Publish Date: _____

Revision Date: _____
Title: "An act relating to certain contributions from PFD's"
Sponsor: Taylor, Boyer, Brown
Requestor: State Affairs, Finance

Agency Affected: Revenue
BRU: Administrative Services
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	33.0	16.1	16.1	16.1	16.1
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPEATING	-	44.2	27.3	27.3	27.3	27.3
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	44.2	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Pub Brd.&Arts Acct)	-	-	27.3	27.3	27.3	27.3
TOTAL	-	44.2	27.3	27.3	27.3	27.3

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	3	2	2	2	2
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 2/25/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/26/87

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
HB 150
3/25/87

Assumptions:

1. The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.
2. There are nine other bills which if signed into law, would result in some form of "check-off" on the 1988 dividend application. The Department of Revenue has no insight as to which, and how many, of these bills will become law. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas (\$5, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.
- 3) All FY88 costs of administering this law will be borne by the general fund, of which the public broadcasting account and the arts account are accounts. All costs for FY89 and beyond will be borne by the accounts, as appropriated by the legislature.
- 4) The incremental cost of computer resources will result in a chargeback by the Department of Administration.
- 5) Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.
- 6) Contributions will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions will then be honored in the order listed on the form schedule, which will be in the order they become law. It would be preferable for the legislature to resolve the question of priority of the check-off's, vis-a-vis other check-off's, and other assignments.

Program Summary:

The provision of two new contribution decisions on the dividend application will cause additional administrative cost in several areas:

- a) An additional page added to each application, a schedule of contribution decisions.
- b) The computer system will need to be changed to account for the changes in the program, to establish new accounting controls and to provide for the transfer of funds to the public broadcasting account and the arts account.
- c) Each of approximately 540,000 PFD applications will need to be visually reviewed and coded as to decision on the contribution decisions. Each application will be data captured with additional attention and keystrokes expended on each positive decision.

1. Positions

1 PPT Analyst/Programmer V, R21
@ \$5,638.47/Mo including salary
and benefits for 3 months = \$16.9

PCN 04-1125 would be funded for an
additional three months. Ongoing
maintenance of new programs would be
accomplished by existing staff.

1 PPT Document Processor I, R7
@ \$2,117.76/Mo, including salary and
benefits for 4-1/2 months = 9.5

This position would assist in the manual
review and coding of 540,000 applications
for the new contribution decisions. This
position represents the equivalent of the
additional time and effort.

1 PPT Data Processing Clerk I, R8,
@ \$2,221.64/Mo, including salary and
benefits for 3 months = 6.6

This position would assist in the data
capture of the additional contribution
decisions. The position represents the
equivalent value of the additional time
and effort.

TOTAL Personal Services \$33.0

2. Other Expenditures:

a) Travel: None.

b) Contractual:

Data Processing Chargeback \$5.0

Add additional page to PFD
booklet 6.0

TOTAL Contractual \$11.0

c) Supplies: \$0.2

d) Equipment: Use existing equipment \$0.0

TOTAL COST \$44.2

3. Funding: General Fund.

4. Section Cost Analysis: N/A.

Computations: N/A.

Economic Impact: N/A.

Impact on Local Government: N/A.

Suggested Amendments: None.

Attachments: None.

Alaska State Legislature



P. O. BOX 1441
WRANGELL, ALASKA 99929
(907) 874-2316

While in Juneau
P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4905

COMMITTEES:
MEMBER
JUDICIARY
FINANCE SUB-COMMITTEE
ON EDUCATION
JOINT COMMITTEE ON
ETHICS
AND
WESTERN STATES LEGISLATIVE
FORESTRY TASK FORCE

House of Representatives

ROBIN L. TAYLOR

MEMORANDUM

TO: All Legislators
FROM: Representative Robin Taylor
DATE: 26 February 1987
RE: Contributions from the Permanent Fund

I am introducing the attached legislation designed to encourage voluntary designations of \$5.00 from the permanent fund dividend check.

The program would work as follows:

The Department of Revenue will prepare the permanent dividend application to allow applicants to designate that \$5 of the dividend be subtracted from the check and contributed to public broadcasting and or to Alaska State Council on the Arts. The people will have the option to contribute to either one of the programs or both or none.

Both of these entities are in dire need of money and although they do an excellent job of raising private funds, it is not enough and with cut backs or elimination of state support, it is crucial that we do whatever we can to help. This legislation is our way of supporting that effort. Please contact me or my staff if you have questions or comments, or would like to co-sponsor the bill.



ANCHORAGE OPERA . . .

- is Alaska's **only professional opera company.**
- our fall production of LA TRAVIATA received rave reviews and sold out the second half of the run.
- has **lowered administrative and personnel costs** significantly.
- **earned more than \$60,000 during the summer of 1986**--all from private sources.
- spends most of its budget in Alaska--for labor, material and services.
- draws acclaimed singers, directors and conductors from throughout the United States.
- is recognized by the National Endowment for the Arts as one of America's **most promising opera companies.**
- presented in-school previews at four area high schools in September, 1986
- has developed--and uses--a comprehensive long-range plan.

James W. Wright, General Manager
1507 Spar Avenue • Anchorage, Alaska 99501
(907) 279-2557

alaska arts alliance

a federation of arts organizations from all over alaska

PART I: HISTORY OF STATE FUNDING FOR THE ARTS

	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>
Alaska State Council on the Arts	\$5,824,100	\$5,137,000	\$5,322,000*	\$4,449,400	\$2,224,195**
% Change		-12%	+4%	-16.5%	-50%
Line-items to individual organizations (operating)	\$386,700 (Rep)	800,000 (Rep)	400,000 (Rep) 70,000 (Yupik Antigone)	401,600 (Rep)	100,000 (PerseveranceTh 350,000 (Anchorage bloc grant) 5,000 (Arctic Chamer Orchestra) 16,000 (IANA) 531,400 (Rep) 167,400 (Sealaska Herit. Foundation) Total: 994,330**
TOTAL FUNDS	\$6,210,800	\$5,937,000	\$5,792,000	\$4,851,000	\$3,218,525**
% change		-4%	-2%	-4%	-33%

* includes one-time appropriation of \$180,000 for forward funding for summer arts camps

** After 15% freeze imposed by Governor Sheffield

alaska arts alliance

a federatio.. of arts organizations from all over alaska

PART II

ECONOMIC IMPACT ON MEMBER ARTS ORGANIZATIONS

FAIRBANKS

FAIRBANKS ART ASSOCIATION

<u>Revenue sources</u>	<u>FY 86</u>	<u>FY 87</u>	<u>% change</u>
State of Alaska	\$150,580	\$89,406	41%
Municipal funds	55,000	35,000	37%
Federal	7,083	0	100%
Private Sector	27,460	30,000	9%
Earned income	126,116	106,835	15%

Impact of FY 87 cuts: Loss of two Older Alaskan positions. Major restructuring of programs with attrition of audience and loss of exposure to a wide variety of artists and art forms.

INSTITUTE OF ALASKA NATIVE ARTS

<u>Revenue sources</u>	<u>FY 86</u>	<u>FY 87</u>	<u>% change</u>
State of Alaska	\$246,737	\$169,186	31%
Municipal funds	14,672	14,500	1%
Federal funds	59,574	56,868	5%
Private sector	13,630	25,000	83%
Earned income	29,353	35,000	19%

Impact of FY 87 cuts: Loss of one full-time position; Hours of operation reduced by 12.5%; cancellation of major statewide symposium and gathering of Native Alaskan artists; 50% reduction in mailing services. As a result, IANA is noticeably less accessible to rural artists.

alaska arts alliance

a federation of arts organizations from all over alaska

PART II ECONOMIC IMPACT ON MEMBER ARTS ORGANIZATIONS

ANCHORAGE

ALASKA REPERTORY THEATRE

<u>Revenue sources</u>	<u>FY 86</u>	<u>FY 87</u>	<u>% change</u>
State of Alaska	\$1,157,225	\$696,661	40%
Municipal funds	123,500	126,500	2%
Federal funds	55,000	50,000	9%
Private sector	176,097	225,747	28%
Earned income	1,054,074	558,224	47%

Impact of FY 87 cuts: Loss of 10 full-time positions; and loss of 3 programs reaching 40,000 people.

ANCHORAGE ARTS COUNCIL

<u>Revenue sources</u>	<u>FY 86</u>	<u>FY 87</u>	<u>% change</u>
State of Alaska	\$156,000	\$93,400	40%
Municipal funds	29,000	25,000	14%
Federal funds	0	0	
Private Sector	59,400	82,300	39%
Earned income	248,200	374,100	51%

Impact of FY 87 cuts: Loss of one full-time position; across the board salary cuts; loss of 4 service programs

ANCHORAGE OPERA

<u>Revenue source</u>	<u>FY 86</u>	<u>FY 87</u>	<u>% change</u>
State of Alaska	\$234,000	\$112,500	52%
Municipal funds	45,000	25,000	44%
Federal funds	14,700	10,000	32%
Private sector	143,000	132,000	8%
Earned income	223,000	190,000	15%

Impact of FY 87 cuts: Loss of 4 full-time positions; one-third of mainstage productions cut; loss of one educational program and one performance program, affecting 2,400 people

IMPACT ON ANCHORAGE
continued

ANCHORAGE SYMPHONY

<u>Revenue sources</u>	<u>FY 86</u>	<u>FY 87</u>	<u>% change</u>
State of Alaska	\$78,000	\$64,433	17%
Municipal funds	43,515	45,000	3%
Federal funds	0	0	
Private sector	175,311	172,000	2%
Earned income	131,921	151,000	14%

Impact of FY 87 cuts: Loss of one full-time position

ARTS ALASKA

<u>Revenue sources</u>	<u>FY 86</u>	<u>FY 87</u>	<u>% change</u>
State of Alaska	\$253,500	95,931	62%
Municipal funds	1,935	0	100%
Federal funds	26,100	21,409	18%
Private Sector	53,524	29,400	45%
Earned income	125,330	84,500	29%

Impact of FY 87 cuts: Loss of 2 full-time positions. At end of FY 87, all remaining employees (3 full-time) will be laid off. Organization will be put "on hold" for a year; All tours and residencies, reaching 22 rural communities and a total of 30,000 people, will be cut.

alaska arts alliance

a federation of arts organizations from all over alaska

PART II

ECONOMIC IMPACT ON MEMBER ARTS ORGANIZATIONS

SOUTHEAST

JUNEAU ARTS AND HUMANITIES COUNCIL

<u>Revenue source</u>	<u>FY 86</u>	<u>FY 87</u>	<u>% change</u>
State of Alaska	\$91,162	\$63,791	30%
City & Borough of Juneau	65,000	55,200	15%
Federal government	0	2,500	
Private sector	10,533	12,500	19%
Earned income	64,828	68,932	6%

Impact of FY 87 cuts: Loss of one full-time position and five programs

PERSEVERANCE THEATRE

<u>Revenue source</u>	<u>FY 86</u>	<u>FY 87</u>	<u>% change</u>
State of Alaska	\$239,807	\$182,638	23%
City & Borough of Juneau	45,000	23,750	47%
Federal government	5,700	10,000	75%
Private sector	88,069	59,500	32%
Earned income	188,508	257,825	37%

Impact of FY 87 cuts: Loss of one half-time position and of one Older Alaskan position
Across the board salary cuts

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 150

REQUEST

Publish Date: _____

Revision Date: _____
Title: Relating to certain contributions
from Permanent Fund Dividends
Sponsor: Taylor, Boyer, and Brown
Requestor: State Affairs

Agency Affected: Department of Revenue
BRU: Public Services - Permanent Fund
Dividend
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS/CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: *Attach a separate page if necessary

Prepared by: Sally Smith
Division: Public Services

Phone: 465-2392
Date: March 3, 1987

Approved by: [Signature]
Commissioner:
Agency: Revenue

Date: 3/3/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management & Budget
- Impacted Agency(ies)
- Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 150

REQUEST _____

Publish Date: _____

Revision Date: _____

Agency Affected: Revenue

Title: "An act relating to certain contributions from PFD's"

BRU: Administrative Services

Sponsor: Taylor, Boyer, Brown

Components: _____

Requestor: State Affairs, Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	33.0	16.1	16.1	16.1	16.1
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	44.2	27.3	27.3	27.3	27.3
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	44.2	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Pub Brd. & Arts Acct)	-	-	27.3	27.3	27.3	27.3
TOTAL	-	44.2	27.3	27.3	27.3	27.3

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	3	2	2	2	2
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 2/25/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/26/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

page _____ of _____

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
HB 150
3/25/87

Assumptions:

1. The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.
2. There are nine other bills which if signed into law, would result in some form of "check-off" on the 1988 dividend application. The Department of Revenue has no insight as to which, and how many, of these bills will become law. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas (\$5, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.
- 3) All FY88 costs of administering this law will be borne by the general fund, of which the public broadcasting account and the arts account are accounts. All costs for FY89 and beyond will be borne by the accounts, as appropriated by the legislature.
- 4) The incremental cost of computer resources will result in a chargeback by the Department of Administration.
- 5) Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.
- 6) Contributions will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions will then be honored in the order listed on the form schedule, which will be in the order they become law. It would be preferable for the legislature to resolve the question of priority of the check-off's, vis-a-vis other check-off's, and other assignments.

Program Summary:

The provision of two new contribution decisions on the dividend application will cause additional administrative cost in several areas:

- a) An additional page added to each application, a schedule of contribution decisions.
- b) The computer system will need to be changed to account for the changes in the program, to establish new accounting controls and to provide for the transfer of funds to the public broadcasting account and the arts account.
- c) Each of approximately 540,000 PFD applications will need to be visually reviewed and coded as to decision on the contribution decisions. Each application will be data captured with additional attention and keystrokes expended on each positive decision.

1. Positions

1 PPT Analyst/Programmer V, R21
@ \$5,638.47/Mo including salary
and benefits for 3 months = \$16.9

PCN 04-1125 would be funded for an
additional three months. Ongoing
maintenance of new programs would be
accomplished by existing staff.

1 PPT Document Processor I, R7
@ \$2,117.76/Mo, including salary and
benefits for 4-1/2 months = 9.5

This position would assist in the manual
review and coding of 540,000 applications
for the new contribution decisions. This
position represents the equivalent of the
additional time and effort.

1 PPT Data Processing Clerk I, R8,
@ \$2,221.64/Mo, including salary and
benefits for 3 months = 6.6

This position would assist in the data
capture of the additional contribution
decisions. The position represents the
equivalent value of the additional time
and effort.

TOTAL Personal Services \$33.0

2. Other Expenditures:

a) Travel: None.

b) Contractual:

Data Processing Chargeback \$5.0

Add additional page to PFD
booklet 6.0

TOTAL Contractual \$11.0

c) Supplies: \$0.2

d) Equipment: Use existing equipment \$0.0

TOTAL COST \$44.2

3. Funding: General Fund.

4. Section Cost Analysis: N/A.

Computations: N/A.

Economic Impact: N.

Impact on Local Government: N/A.

Suggested Amendments: None.

Attachments: None.

THE VALUE AND NEED FOR STATE FUNDING
FOR ALASKAN PUBLIC BROADCASTING STATIONS

A PERSPECTIVE FROM KTOO-FM & TV

by
Don Rinker
President & General Manager
Capital Community Broadcasting, Inc.
KTOO-FM & KTOO-TV
March 23, 1987

KTOO-FM & TV, Public Radio for Juneau and Public Television for all of Southeast Alaska is one of the local, community owned and operated stations that make up the system that is respected nationally for its leadership, innovation, and for the program services provided to all Alaskans.

Since 1974, KTOO has had a significant impact on the local audiences we are primarily charged to serve in addition to the statewide audiences who benefit from our programming. The State of Alaska has played the key role in the growth of those services from KTOO, as it has for all other Alaskan public broadcasting facilities since it began funding public broadcasting in 1962.

I would like to provide the State's decision makers with this station's perspective on the importance of State support. This may prove instructive when consideration is given to KTOO-FM & TV's various activities and their impact on the people and communities which must rely on quality public broadcasting from one of this State's local television and radio stations.

For this overview, I would like to focus on three areas of our activities that State funds support and which are high priorities of this local public radio and television station: local program production, the universal national program service, and professional training and development.

Over the past six fiscal years, KTOO-FM & TV has received some \$118,000.00 in capital grants and more than \$6.7 million in operational support from the State of Alaska. These funds have allowed KTOO-FM & TV to meet the needs of an increasingly discerning listening and viewing audience. They have supported KTOO-FM & TV in its role as a producer of local, regional, statewide and national programs, specials and series, and they have facilitated the development of KTOO-FM & TV's, and Alaska's, most valuable resource --- its people.

Capital Community Broadcasting, Inc. received its first State grant in 1974. That grant, and the subsequent grants to KTOO-FM & TV have allowed the stations to expand their program services to include week-end service and an active local, regional, and statewide production schedule. As a result, KTOO-FM & TV has a first-hand view of the importance of State support to the local, regional, and statewide program schedules both as a member of two statewide production consortia, The Public Television Network of Alaska and the Alaska Public Radio Network, and as a producer of local series and specials.

All of us have seen how State support has made a dramatic difference in the quality and quantity of our public affairs programming. The four Alaskan public television stations produce over 600 hours of locally produced programming annually and the public radio stations provide innumerable hours of locally produced programming that are mainstays of their individual communities. As active producing members of the Public Radio Network of Alaska and the Public Television Network of Alaska, KTOO-FM & TV has participated in the development and production of programming designed to focus attention on current statewide problems. With State support, KTOO-FM & TV has had the ability to make a difference in the lives of all Alaskans.

Never has it been more important for Alaskans to follow national and international news events and public affairs issues than now. As we Alaskans move into a more global economy, we are definitely impacted by what other governments do. For example, we are certainly impacted by what OPEC does, and we are, by de-facto, governed by the level of confidence in, or lack thereof, that people have in Wall Street, in light of the recent scandals. We, the citizens of Alaska, have to monitor very closely the events surrounding the White House leadership crisis and, of course, the events within our own State.

Only Alaskan public broadcasting fills those needs. Remember, it was public broadcasting that brought the first regularly scheduled, live, daily, national news programming to Alaska.

State funding has allowed KTOO-FM & TV to tackle difficult projects and to do them well. It has also played a critical role in meeting the needs of younger viewers, an audience that seems to be outside the interests of commercial broadcasters. Sesame Street, 3-2-1 Contact, Mr. Rogers; without State support our children would not have the unique and necessary benefit of these programs. School-age children must have the extra advantages that our children's programming provides. Children's programming on KTOO-TV provides our kids with a way to be comfortable, self-confident, and competitive with children from any of the 50 states or anywhere in the world.

The Governor proposed the elimination of State support to public broadcasting. Since then, several proposals have been put forward to insure that Alaska's public broadcasters remain a vital force in the lives of our citizens. In addition, the Governor has returned \$1.3 million to his budget for four rural stations. I would like to address the impact of those proposals on KTOO-FM & TV.

THE ELIMINATION OF STATE SUPPORT TO PUBLIC BROADCASTING:

First of all, the elimination of State support to KTOO-FM and KTOO-TV will mean that this station will be unable to continue broadcasting. We will not be able to meet minimum requirements for federal funding and at the end of this current federal fiscal year, we will cease to receive any federal dollars whatsoever.

Our Corporation will be forced to file bankruptcy to try and preserve the assets of the Corporation. The federal government will repossess the equipment they have funded and retain ownership. That includes the satellite earth terminal, the tower, antenna, transmitters, translators in Hoonah, Gustavus, Excursion Inlet, North Douglas, and on the Mendenhall Ridge, and a substantial amount of the recording and distribution equipment. That equipment has a one third match of State dollars invested in the purchase price, the federal share being two thirds.

The communities of Southeast Alaska will lose their primary source of news, public affairs, educational, children's, science, Alaskan produced documentaries and special events programming.

Juneau, Douglas, and Auke Bay will lose their only source of truly live local news and public affairs programming, the coverage of the Borough Assembly meetings, live coverage of special events, performance programs, arts and entertainment programming, Native news and public affairs, specialized audience programming, and more.

Hoonah, Gustavus, and Excursion Inlet will lose their only radio programming, period.

Either KTOO radio or television, or both, now serve virtually every Southeast community except Haines and Skagway. In many cases, KTOO provides the only significant local or regional service to these communities.

KTOO tackles the serious problems facing our communities. Recent local specials have dealt with drugs in the schools, the AIDS epidemic, the State's economic crisis and problems of child abuse. In the past two years, KTOO-FM has created regular weekly programs for children, Alaska Natives and on human rights. KTOO-TV has produced national, award winning, local public affairs programming and regularly scheduled regional and statewide call in programs.

Because of these program efforts, KTOO has helped to overcome regional and statewide differences. Both KTOO-FM and KTOO-TV have been prodigious contributors to statewide programming networks which they helped found.

Without State support to KTOO-FM and KTOO-TV the economy of Juneau will suffer the direct loss of over two million dollars in local spending. Twenty eight more local families will lose their jobs. Statewide, the total loss to the economy in direct expenditures by Alaska's public broadcasters exceeds eleven million dollars. These figures do not include the standard economic multipliers.

And then there is the Administration's latest proposal. Simply put, their proposal puts all other Alaskan stations off the air. The proposal is ill conceived and simply ignorant of the facts.

There is considerable support for public broadcasting in both the House and the Senate. Two proposals have been made to restore public broadcasting's funding. The proposals differ in their approach to public broadcasting yet have one common theme, public broadcasting is not a frill, it is, indeed, a necessity in Alaska. I would first address Professor Pearson's preliminary recommendations to the House Special Committee on Telecommunications. My comments here are to amplify some points and add points I feel are missing. I'll use Larry's format for my comments.

PUBLIC TELEVISION--OVERVIEW:

The four public television stations have combined to form the Public Television Network of Alaska, PTVNA. Annually, the PTVNA produces over 600 hours of locally produced programming.

Professor Pearson, no doubt due to lack of space, neglected to mention that KTOO-TV has provided the majority of the leadership and program production for virtually every public television produced public affairs program targeted for statewide broadcast. Including Alaska On Line, The Impeachment Hearings of Governor Sheffield, (for which KTOO-TV on behalf of the PTVNA won a Corporation for Public Broadcasting special local program award, one of only two given nationally), Coverage of every special event originated from Juneau, from where most of them do originate, and the Governor's Press Conferences for the past three years, with very few exceptions, were produced, and funded by KTOO-TV. KTOO-TV has also had Alaskan documentary programming broadcast over the national service of PBS. In addition, KTOO-TV, KAKM, KUAC, and KYUK-TV have all produced segments for broadcast on MacNeil/Lehrer, The Nightly Business Report, and other public television programs throughout the country.

KYUK-TV in Bethel has had many of their documentary productions broadcast by other television stations in the country, their programs have been displayed by organizations such as the National Congress of American Indians, the Native American Film Festival, and their programs are used in schools throughout the 55 school districts in Alaska. KYUK-TV produces live statewide specials including the Kuskowim 300 Sled Dog Race and regularly produces segments and programs for statewide public affairs programs.

KTOO-TV, weekly, produces programming designed for the Southeastern region of our State, such as call in programs that allow our viewers to participate directly in current events that effect them, and a weekly magazine program about Southeast that brings each of us closer together by letting us learn more about one another.

Production and broadcast of SEALASKA Heritage Foundation "Celebration" series allows KTOO-TV to showcase, for the rest of Alaska, the beauty, history, and leadership of the Native peoples of Southeast. These are more of the benefits of public television. But, from our localized perspective, I feel they need to be highlighted.

THE ECONOMICS OF PUBLIC TELEVISION:

In addition to the points that Professor Pearson makes so well, let me add that the State has significant capital and operating monies invested in the existing system. Should these stations cease to operate those funds would be lost.

First, the State has provided significant operational dollars to the stations. As I mentioned, in KTOO's case, over \$6.7 million in operations over the past 6 fiscal years. Not only that, the State has provided capital expenditures that would also be lost. The State has matched the federal monies from the Public Telecommunication Facilities Program, PTFP, on a 1/3 State - 2/3 federal share. The federal lien has priority on the equipment. The mandate PTFP has, is to provide public telecommunications and they will insure the equipment goes to facilities who can continue to do just that.

The State will NEVER have the money to replace this system should it defund it. Once these stations go dark, leave the air, they will not have sufficient resources to replace the facilities they lose. In KTOO's case, the federal money is in every facet of the operations: transmission facilities, distribution, production, and routine operations.

Regarding funding for KTOO-TV, during the past several years, KTOO-TV's revenue stream has increased, due to increased member contributions, increased contributions from business and industry, and from other related business activities. Our reliance on State funding has decreased from 60% just three years ago, to 44½ the current year. The revenue from the federal government has increased as a result of our raising significant dollars from other sources.

The viewers of KTOO-TV, who contribute to the station, give an average of \$86.00 against the national average of \$50.00. Our viewing universe is not large enough for the viewer to bear the cost of the service, though they are trying very hard to do so and we are trying very hard to reduce our dependence on State monies.

Representative Mike Davis has proposed the combination of Public Television and The Rural Alaska Television Network to provide one statewide television network for all Alaskans.

The proposal has a great deal of merit and also some limitations that must be addressed.

First, the proposal asks that considerably more be done with a 15% reduction in support for public television. There is no doubt, in my mind, that the public television stations, working together as the PTVNA, could provide the service. However, the operational costs to each station would not be accounted for with a reduction from current levels of funding.

If the one "system" concept comes to pass and public television is combined with RATNET then the system must be co-managed by the stations. The public broadcasters have the ability to make a combined system work for all Alaskans. Each public television station can provide a major spoke in the wheel. For example, KTOO-TV in Juneau can provide, in cooperation with the Department of Education, programming for the K-12 and life long learning programs; KUAC-TV in Fairbanks can provide the post secondary course offerings; KYUK in Bethel can provide programming from the rural perspective; while KAKM in Anchorage can provide the core public television schedule. While this example is a broad brush, it is an example of just how creative this system can be.

KTOO-TV, for example, can purchase syndicated and off-network programming for transmission on the statewide service because we do not serve a rated, or measured market. That means we can acquire commercial type programming, at low cost, to replace lost network programming to the bush. Granted, we could not provide all the network programming currently seen. That approach would not just replace the "A-Team" with "Great Performances". The transition would be less dramatic, or traumatic for the bush viewer. It would not just be an "educational/public" versus the strictly commercial schedule, it would be the blending of the two services. It is possible that some network programming could be provided via KYUK through their program carriage waiver from the FCC. That will require some research but it has possibilities that should be pursued.

It is important to remember that each public television station is individually licensed to its community and each bears the responsibility of that license to respond to the needs, and interests of their communities. It is not possible to meet the terms of the license without local programming and attention to those local needs.

In KTOO-TV's case, not only are we the local station for Juneau, when the commercial station here has come and gone and come again, we also are the local television station for Ketchikan, Sitka, Wrangell, Petersburg, Kake, Angoon, and Metlakatla. We serve their local needs on a daily basis via a State supported microwave transmission system. That precious electronic umbilical cord must remain attached for Southeast Alaskans to continue to receive the local programming they want and need. It ties us together as a region, just as the air signal does that reaches the cities and villages of the Interior, South Central, and the Kuskowim. The difference is that our geography insists we use microwave since our air signal will not make the turn, up the channel.

Representative Davis' proposal makes a good deal of sense and it will work with a solid financial foundation.

The four public television managers met in Anchorage a month ago and examined a number of possible scenarios including a permutation of Representative Davis' proposal, use of imported signals, across the board percentage reductions, defunding all local production, (that would lead to the disqualification for federal funds since local production is required), and the single statewide network approach.

Our summary results:

USE OF IMPORTED DISTANT SIGNALS:

Public tv, via imported distant signals, is not currently available in Anchorage, Fairbanks, Juneau and Bethel. Those cities represent 95% of Alaskans, therefore, CANCOM is only available to 5% of the Alaskan viewers and then only those connected to cable and who pay the monthly cable fees. The average cost of monthly cable in Alaska is about \$50 per month or \$600 per year. This is in direct conflict with the congressional mandate that public broadcasting be broadly available to the American public.

The State can not mandate that the cable systems carry any specific channel.

Alaska broadcasters, through their AABA, have gone on record in opposition to CANCOM, and cable systems do not plan to import distant network and PBS signals into these markets.

CANCOM is unreliable because the Canadian government may remove the authorization to broadcast on the ANIK satellite.

Illegal copyright from PBS, infringement on other program suppliers, and lawsuits may soon be filed by the networks.

Congress is currently investigating ways that federal legislation might restrict CANCOM carriage of our station's signals.

To serve Alaskan viewers at the same level currently provided by the four PTV stations, at a cost to the State of 2,770,000.00, the costs to the Alaskan public would be \$114,000,000.00, based on 95% of the Alaskan television households being served by cable or 190,000 households, paying an average of \$50 per month or \$600 per year.

Most all cable ownership in Alaska is by an outside owner and the majority of the dollars to cable will leave Alaska.

1. Only 5% of Alaskans get imported public broadcasting via cable.
2. If public broadcasting were available via cable to all Alaskans, the annual cost would be \$114,000,000.00 based on 190,000 television households with 2.5 persons per household with a monthly fee of \$50. or annualized at \$600. Currently, that service is provided to Alaskans by the four public television stations at a cost of \$2,770,000.00.
3. Loss of federal dollars will be \$1,600,000.00.
4. Under PBS's unserved area policy: If a viable Alaskan station is prepared to offer PBS programming to the State, PBS would not allow their signal to be used in Alaska if imported from any other source.

DEFUND ALL LOCAL PRODUCTION FACILITIES AND OPERATIONS:

ASSUMPTIONS:

1. Each station will lose all federal funds. CPB requires that every station eligible to receive federal monies "has studio and production facilities and regularly produces and broadcasts locally originated programming."
2. No production facilities will negatively impact the station's ability to raise local funds since no local capability will exist to mount on-air fundraising events.
3. No local production facilities will substantially reduce or eliminate local underwriting and auctions since stations will not have the capability to support the on-air needs of local clients.
4. No local production facilities will result in the loss of income that public stations derive from production efforts that help offset other program production costs.

DEFUND PRODUCTION CONTD:

FINANCIAL RAMIFICATIONS:

1. Loss of federal funds to all four stations	\$1,561,000.
2. Loss of local funds raised by on-air drives	\$ 278,000.
3. Loss of underwriting and auction monies	\$ 273,000.
4. Loss of production revenues	\$ 135,000.
	<hr/>
	\$2,247,000.

COST SAVINGS IF STATE REDUCED EACH STATION'S GRANT TO
ELIMINATE ALL LOCAL PRODUCTION CAPABILITIES:

KAKM	\$ 370,000.
KTOO	\$ 275,000.
KYUK	\$ 252,000.
KUAC	\$ 100,000.

SAVINGS TO STATE IF PRODUCTION DEFUNDED \$ 997,000.

FULL TIME JOB LOSS AT EACH STATION:

KAKM	8 staff lost
KTOO	7 staff lost
KYUK	5 staff lost
KUAC	2 staff lost
Public television jobs lost	<hr/> 22
Private sector jobs lost	28.6
TOTAL JOBS LOST	50.6
Loss to stations	\$2,211,000.00
Savings to State	<u>\$ 997,000.00</u>

ACROSS THE BOARD REDUCTION OF 15%:

WHAT GOES?

STATION	15% REDUCTION	NEW GRANT TOTAL
KAKM, ANCHORAGE	\$112,920	\$639,880
KUAC, FAIRBANKS*	\$ 94,520	\$535,500
KTOO, JUNEAU	\$106,455	\$603,245
KYUK, BETHEL	\$102,225	\$579,275

*KUAC funding currently in UAF budget not APBC.

The stations have indicated that if a 15% cut were made to their budgets the likely outcome would include, but not be limited to:

1. KYUK - 2.5 people - 21 hours of morning programming per week eliminated from the schedule, reduction in program acquisition, one local production project per year, local training eliminated completely, and a 15% reduction across all other areas.
2. KAKM - Cut all non-network programming, all local programming except weather and fundraising, move the offices into existing studio space, thereby reducing the size of the studio by half, lose three full time positions, one program manager, one production, one engineering, reduce the maintenance budget.
3. KTOO - Reduce selected network acquisitions, MacNeil/Lehrer, Frontline, American Playhouse, cut local production staff by two positions, eliminate Rain Country, all local production would become studio based, consolidate FM/TV administrative services, reduce all personnel services by 15%, eliminate retirement, health, and lower vacation/holiday benefits.
4. KUAC - Drop non-FBS kid shows, drop non-network programming, reduce local production by 1/3, reduce public information services by 1/2, eliminate two full time positions, eliminate two Alaskan documentaries.

15% ASSUMPTIONS

The following objectives were agreed upon as station goals if a 15% reduction were imposed:

1. Preserve as much of our entire service as possible.
2. Retain as much of our local production capability and programming as possible.
3. Preserve as much of our local staff as possible since a well trained staff will be able to take advantage of the opportunities that will no doubt present themselves during the year.
4. Maintain the statewide presence that the four public television stations have through the continued cooperative production of programs of significant interest to Alaskan viewers.
5. Stations must avoid any irreversible structural changes to the Corporations.

CREATION OF A SINGLE LICENSEE, STATE WIDE NETWORK:

The following assumptions were developed by the four public television managers regarding the single licensee statewide network concept.

1. The individual stations would be required to give up their television licenses in favor of a single licensee. Local boards of directors would have to make that decision on behalf of their communities and it is unlikely that the boards would want to relinquish such a license. In the event that they would do so, it can be assumed that local groups would challenge such a decision at the Federal Communications Commission.
2. No statewide program schedule will meet the local needs and interests of the current licensees.
3. No local production would be available in three of the major urban centers.
4. No programming to meet local or statewide specialized needs would be produced.
5. About \$1.2 million federal dollars would be lost immediately.
6. 33 jobs would be lost at the stations, effective immediately.
7. At least 43 private sector jobs would be lost.

Comparing the current State expense for all four public television stations, with the projected cost of providing a statewide network, the state would spend at least \$75,000.00 more per year.

This scenario assumes that the only licensee would be KAKM in Anchorage. Their current budget would remain in tact. Juneau, Fairbanks and Bethel would receive programming directly from PBS over their existing satellite reception facilities and local transmitter and translator operations would be maintained. It takes the total monies, currently provided by the State to public television, including KUAC in Fairbanks, \$2.77 million, reduces that amount by \$2,020. million leaving only \$750,000. the current KAKM grant, assuming that KAKM would retain that money, and then details the cost of maintaining the minimum facilities in Juneau, Fairbanks, and Bethel.

STATEWIDE NETWORK ESTIMATE:

Current State support of Public Television	\$2,770,000.
Less KAKM's current grant	750,000.
Net savings to the State	\$2,020,000.

=====	
Alascom Charges	\$1,000,000.
Tech. Staff Juneau, Bethel, Fairbanks	305,000.
Transmitter/Power/Maint.	75,000.
Building/Grounds	10,000.
Insurance (facilities)	180,000.
Broadcast Liability Insurance	10,000.
Legal & Audit	25,000.
PBS Program Rights	200,000.
Program Guide, most minimal information	25,000.
Advertising	45,000.
Travel	15,000.
Telephone	10,000.
PBS Dues	80,000.
PBS Interconnect	40,000.
Gen. Admin. Expense	75,000.

=====	
Additional cost for single network	\$2,095,000.
KAKM grant	750,000.
Total cost of Single Licensee	\$2,845,000.
Current State support to all PTV stations	2,770,000.
Additional cost to state vs current PTV funding	+ 75,000.

SUMMARY:

Obviously, funding near or at current levels would be preferable. It is possible that KTOO could maintain close to minimum qualifications for federal monies with as much as a 10% reduction in state support.

The fifteen percent across the board cut would badly cripple KTOO. We would, I believe, fall below the threshold for federal monies.

Defunding local production monies would disqualify us for federal monies and would also put our licenses in jeopardy since we would not be able to meet our mandate to serve the local need and interest.

The importation of distant signals to provide service to Alaskans is totally unacceptable since the city of origination has no desire to serve Alaska and the viability of the service is questionable.

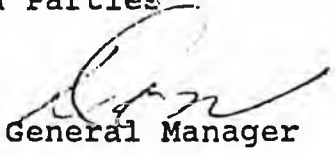
Combining RATNET and public television is viable if the stations have proper financial foundations to take on the additional operational requirements and still meet the local mandate for service.

We are grateful to Representative Davis, to the Special Committee on Telecommunications, and public broadcasting's friends throughout the Senate and the House for their thoughtful and detailed analysis of the options. KTOO-FM & TV stands ready to provide Alaska with the best possible solution to this problem.

Capital Community Broadcasting, Inc.

MEMORANDUM

TO: All Interested Parties

FROM: Don Rinker
President and General Manager 

SUBJECT: Final Recommendations of the Future of State
Supported Broadcasting in Alaska

DATE: March 31, 1987

After reviewing Professor Larry Pearson's above named report I find that I am in agreement with a majority of his findings. I commend and thank the House Special Committee on Telecommunications for their tireless work and their desire to fully review the current state of Alaskan telecommunications. A professional examination of the options and their impact on Alaska was long overdue.

I believe that some amplification, in certain areas, of Professor Pearson's well written and timely report is necessary.

Section II Public Television:

A. Maintain Funding at its current level.

KUAC is a joint licensee and of the funding provided for KUAC through the University of Alaska, \$600,000. is allocated for television, the remainder to radio.

B. Continue funding at a reduced level:

Professor Pearson states: "Costs may vary greatly depending on the costs and condition of its physical plant and equipment. Local variations in salaries may be expected. (The number of full time employees ranges from 21 at KUAC to 28 at KTOO; the number of volunteers from 32 at KYUK to 200 at KAKM>)

* One missing element from Professor Pearson's statement is that KTOO is a joint licensee, operating both a television and radio station. His full-time staff figure of 28 for KTOO includes eight full-time radio employees. The impression left is that KTOO-TV has 28 full-time employees. That is incorrect.

c. Continue funding, but only for a single, statewide system.

Professor Pearson states that "The Alaska Public Broadcasting Commission estimates that the savings to the state would be only \$75,000. a year if it chose to support only one public TV station." The Commission's figures actually show that the state would pay an additional \$75,000. per year, at a minimum, to use this approach. There would be no savings, only additional expense with the loss of significant federal dollars, at least \$1.6 million because one station would qualify for federal money not four as is now the case.

D. Eliminate Funding:

The survival of the Juneau and Fairbanks television stations are not in question under this proposal. They would not survive.

It is impossible for KTOO-TV or KUAC-TV to qualify for federal funds without state funds at or near current levels. The requirements for federal funding includes a minimum of ten full time staff, 3000 hours of programming, plus the production and broadcast of LOCALLY originated programming. The loss of state funds to KTOO-TV would mean the loss of another \$369,000 from the federal government. KTOO-TV's operating budget would be less than \$380,000.

How State-Supported Broadcasting Serves Alaska:

One additional point should be made here. In cooperation with the University of Alaska, Southeastern, KTOO-TV using the microwave system that interconnects KTOO-TV with Juneau and seven other communities, is working to provide distance learning to those communities from the Juneau Campus. In addition, the University's Education department and KTOO-TV have established a hands on lab, at KTOO-TV, for the Educational Technologies curriculum.

RATNET Overview:

Of the 248 RATNET transmitters, a substantial portion of them are licensed, not as transmitters but as translators of signals originated by the public and commercial stations in Alaska. RATNET is not, legally allowed to originate programming, only translate other other Alaskan originated broadcast signals.

How Public Television Operates:

It is useful to note here that in an audience survey by Dittman Research, completed in March 1987 for KTOO-TV, 75% of the TV audience watch KTOO-TV at least once per week. An even more staggering figure is that 28% of the audience watches KTOO-TV at least five times or more per week. Without a doubt, the Alaskan audience wants, needs, and uses very heavily public television.

The Future of Public Television:

A correction of a mis-perception on the part of Professor Pearson regarding FCC requirements is necessary.

As a result of the federal effort to deregulate agencies, the FCC no longer requires commercial or non-commercial licensees to provide information about the number of broadcast hours and the percentage of total broadcast time that are devoted to specific types of programming.

The FCC requires both commercial and non-commercial licensees to report the programming the stations broadcast to meet the local needs and interests of their viewers. Quarterly programming reports that each station places in their public inspection file are the end product of that requirement.

The Alaska Public Broadcasting Commission, however, still requires each station's grant application to list the program type and the number of hours of programming proposed by the station. In fact, the APBC uses the exact form the FCC used to require of stations and retains the definitions used by the FCC prior to deregulation. Without this explicit program detail no station would receive a grant from the APBC.

Table III Public Radio Stations that Provide Sole Radio Service:

KTOO-FM provides sole radio service for the communities of Hoonah, Gustavus, Excursion Inlet and for Icy Strait. The population of these areas served by KTOO-FM is approximately 1,050 persons.

I believe that this report and recommendation from the House Special Committee on Telecommunications will be a major resource document for Alaska in the years to come. My purpose in bringing the above to the attention of the Committee was not to criticize the report but to assist the Committee in placing the facts on the record.

Professor Pearson has done an outstanding job. Given the time frame and the complex nature of the systems he studied, his report deserves the highest praise.

The Future of
State-Supported
Broadcasting
in Alaska

Final
recommendations

to the
House Special Committee
on Telecommunications

by
Larry L. Pearson

Assistant Professor
Department of Journalism and Public Communications
University of Alaska Anchorage

Committee Members

Rep. H.A. "Red" Boucher,
Chairman,

Rep. Bill Hudson,
Vice Chairman,

Rep. Fran Ulmer

Rep. Fritz Pettyjohn

Rep. Virginia M. Collins

Executive Summary

This report is intended to provide the House Special Committee on Telecommunications with information so that it can help decide in the next few days the future of broadcast telecommunication in Alaska.

This report makes no recommendations about a level of support for broadcast telecommunication -- although it comes close to that. It does identify the main options and the central arguments relating to each of them. It also identifies what the author believes to be the two central -- and distinct -- policy questions that must be addressed in this debate:

1. Should the state maintain its commitment to assuring that all Alaskans have broadcast (as opposed to taped) radio and television service?
2. Should the state maintain its support of types of broadcast content that are not provided by the private sector?

The answers to these questions are political ones and therefore outside the scope of this report. It is the intent of this report to provide information that will promote better understanding of just what is at issue.

This report addresses one other issue: the policy-making process as it relates to telecommunication today. The state today has no telecommunication policy structure. The absence of such a structure made it difficult - - even impossible -- to collect information that was vital to this report. *The absence of such a structure made this report necessary.*

This report does make one recommendation:

That the State of Alaska establish an independent entity responsible for management and planning for all its telecommunication resources.

This recommendation is consistent with the committee's Information Resource Management Report and with HB 40, now before the committee.

This report is organized in three sections which are followed by several tables and, finally, an appendix that summarizes a private proposal for an alternative to state-supported broadcasting. The first section of the report addresses the issue of broadcast telecommunication management, the second looks from an economic perspective at the telecommunication options available to the state, and the third looks at telecommunication content and the ways it serves the state.

"You've got to have a system of communication if you're going to have a modern state."

-- Dr. William R. Wood, former president,
University of Alaska; former mayor,
Fairbanks

Management of Alaska's Broadcast System

The state of Alaska has spent tens of millions of dollars in the last 20 years to help develop and maintain a complex broadcast system. Its investment in the Rural Alaska Television Network channel alone is estimated at more than \$60 million.

Yet, today, when the value of the system is being challenged, there is no one within state government who can speak for that system. There are only two places within state government where the broadcast system is treated as a whole. One place is the House Special Committee on Telecommunications. The other is the office of the Governor.

It appears to this observer that both are operating with inadequate information, and that this is a weakness of the system. No matter how well intentioned the people within it may be, the system as it exists today is incapable of supporting well-informed decision making about broadcasting in Alaska. It is fragmented and suffers from a lack of direction.

There is a real danger that this lack of direction will prove costly to the long-term interests of the state in the coming weeks.

The state government entities with responsibilities for broadcast telecommunication are:

- the Alaska Public Broadcasting Commission,
- the Division of Telecommunications, Department of Administration, (formerly the Division of Telecommunications Services and the Division of Telecommunications Operations),
- the RATNET board of directors,
- the Office of Instructional Services, Department of Education,
- Instructional Telecommunications Services, University of Alaska.

The RATNET and APBC budgets are channeled through the Department of Administration. The Division of Telecommunications maintains state-owned equipment used by RATNET. In other respects, RATNET and the APBC are independent of DOA.

One of the ironies of the current debate over telecommunication is that the Department of Administration -- which controls the budget and maintains much of the equipment for state-supported broadcasting -- is advocating elimination of that funding. The Division of Telecommunications originally recommended elimination of the RATNET budget in an exercise conducted for then-Governor Bill Sheffield. The costs of RATNET are relatively fixed. To preserve its budget within a small division facing a 15 percent budget cut, the rest of the division's budget would have had to have been cut 40 percent.

DOA Deputy Commissioner John Andrews indicated in testimony before the DOA Budget Subcommittee in February and in a later interview that

Special Committee on Telecommunications, but there has been no organized defense of the RATNET mission. RATNET members see their duty as making program decisions about RATNET content. They take this duty very seriously; the minutes of their quarterly meetings are largely a record of lengthy discussions of whether particular programs are what RATNET viewers want. The RATNET board does not seem to have taken a larger view of the role of RATNET in Alaska, and there is no one to articulate such a view and present it on the board's behalf.

Similarly, the Department of Education and the University of Alaska have taken on responsibilities for instructional broadcasting throughout the state.

These responsibilities are part of the larger mission of both organizations. The efforts of both organizations to protect Learn Alaska when it was threatened in 1986 were weak and tardy, with the result that the only channel dedicated to the broadcast of instructional television was lost. The arguments that could have been presented in defense of instructional programming appear even now to be poorly understood by surviving members of the telecommunication community.

What is missing from the telecommunication infrastructure today -- and what is sorely needed -- is a place where telecommunication is treated as a whole. In the absence of such a place, what we have is a conglomeration of special interests that are by their actions weakening the structure they are a part of. Not all of them are unaware that this is happening. But they are powerless to do more than they are doing already. They are prisoners of a system which lacks a larger view.

"The state doesn't have any telecommunications policy."

-- Bill McCaughan, Anchorage
Community College, former director
of the Learn Alaska Network

Options for Alaskan Broadcasting

What follows is a brief discussion of the options available to the state as it considers whether to continue to fund broadcasting and, if so, at what level. This discussion addresses mainly the economic questions. More detailed discussion of the social issues is contained in the later descriptions of the services provided by the various media.

The complexity of the problem is well illustrated by the number of options presented here. Almost all of them have been proposed at some time during the current debate. And, of course, if the state decides to fund broadcasting at some reduced level, there are a number of possible permutations of these options.

I. A statewide TV channel

A. Keep RATNET in its present form at current funding level.

This would cost the state \$2.8 million a year.

B. Keep RATNET in its present form with reduced funding.

RATNET gets its programming free from commercial television and public television stations. There is no savings to be realized there. About 90 percent of the RATNET budget goes to ALASCOM to pay for transmission of the programming. There's some reason to believe a new contract at a somewhat reduced rate might be negotiated. The state now pays about \$900,000 for use of an Alascom transponder. Transponder space on other companies' satellites is now being sold for about \$600,000.

C. Substitute public broadcast content for RATNET content with reduced funding.

The FCC allows carriers to transmit public broadcasting at lower than commercial rates. Public broadcasting in Alaska is willing to provide content for a statewide TV channel. The thought is that Alascom might be persuaded to provide public broadcasting content on a statewide channel for the same amount of money -- \$1 million -- that it would get as a termination payment if the channel were shut down.

The projected saving is \$1.8 million. There is some question that it could be that large. In actuality it would be someplace between that figure and \$380,000.

estimated at \$30,000. The cost of extending such service to another 148 villages is not known. There would also, of course, be maintenance costs. Other solutions might prove more economical than restoration of single-sideband service.

There would be some economic impact on the commercial television stations that provide programming for it. These stations provide programming on condition that advertisements be retained. This allows the stations to charge advertisers more for those ads that will be shown on RATNET as well as on the originating station. The general manager of the Anchorage TV station which covers the Iditarod said coverage would be sharply reduced if it could no longer be shown on a statewide channel. He said the Anchorage market is too small to meet the costs of the extensive coverage his station now provides.

Thus, the shutdown of RATNET would necessitate one-time and continuing costs. It was not possible for this investigator to determine in the time available how close these costs might come to the \$2.8 million budget for a fully funded RATNET channel.

There are no other short-term options. Private industry could not provide statewide television service by the start of the next fiscal year. Even in the long run, private industry could not provide statewide service without state assistance. It appears that the cost to Alaska of a privately operated statewide service would be much greater than the cost of the present RATNET service (see Appendix A, "The North Star Concept").

There has been some discussion of turning over state-owned facilities to villages so that they could provide community access programming. This would not be a viable substitute for a statewide channel, and would involve substantial costs for transfer of FCC licenses, purchase and maintenance of equipment, and training of users. Community-access programming could eventually become an important component of a statewide channel, however.

II. Public television

A. Maintain funding at its current level.

The cost to the state would be \$2.1 million for the three stations that receive state money through the Alaska Public Broadcasting Commission. An additional \$900,000 goes to the University of Alaska for KUAC-TV in Fairbanks. The KUAC-TV funding is not dependent on whether the APBC budget is approved.

B. Continue funding, but at a reduced level.

The key question here is: How much does it cost to operate a public

accepted by, first, the public television audience and, second, by rural Alaskans who would receive it instead of RATNET.

D. Eliminate funding.

The Anchorage station should survive. The Bethel station would not. Survival of the Juneau and Fairbanks stations is questionable. Hours of operation of surviving stations and the amount of locally-originated programming would be significantly reduced.

KYUK-TV in Bethel depends on state funding. It needs an income of \$300,000 to qualify for federal funding. It gets only \$80,000 from private sources. Without state support, it would have to try to operate on \$80,000 a year -- a clear impossibility.

KTOO-TV in Juneau and KAKM-TV in Anchorage get enough money from other sources to qualify for federal funding even without state assistance. KAKM's operating income without state funding (\$1.7 million before adjustment for reduced federal funding) might still be larger than is KYUK's today. KTOO's operating budget would drop to less than \$750,000; and it is unclear whether it could survive with a budget at that level.

There would be some costs for the state in finding other ways to distribute educational programming now carried by these stations. (The state film library, which could have responded to schools' requests for videotapes, has also been a victim of budget cuts.) The state might also want to increase its tourism promotion budget to counter any effects on tourism of the loss of Alaskan programming carried on the national PBS system. (No information is available on the contribution such programming has made to tourism in the state.) If it eliminated funding for public television but kept the RATNET channel, it might have to provide RATNET with funds to purchase PBC programs such as Sesame Street, NOVA and the National Geographic Specials.

III. Public Radio

A. Continue funding at the current level.

The state now spends \$4 million annually to fund 15 full-service and five repeater public radio stations (repeater stations basically relay programming that originates elsewhere; they are capable, however, of originating some local programming). Two additional repeater stations are scheduled to go into service soon.

B. Continue funding, but at a reduced level.

To qualify for federal funding, public radio stations must receive

The greatest difficulties with this proposal, however, are non-economic ones. Radio is a local medium. The muskeg message service, for example, wouldn't be possible on a single statewide channel, nor would coverage of village council meetings. This proposal would turn Alaska public radio into something far different from what it is today.

E. Eliminate funding.

KSKA radio in Anchorage would survive. KSKA's manager said in an interview that he believes his station is the only one that could survive and that even its programming would be dramatically altered by the loss of state funding. Several public radio station managers have testified that they could not survive without state funding.

There would be a cost for the state. Several of the public radio stations provide the only means of broadcasting emergency warnings in the areas they serve. The director of the Division of Telecommunications has said that the cost of providing this service in other ways would not be trivial. It might be necessary to provide ways of transmitting other types of messages such as weather information and fisheries information now carried by public radio.

Conclusion

Only two of the combinations of options listed above provide any likelihood of preserving a statewide telecommunication system resembling the one the state now has. Other options significantly reduce broadcast coverage areas as well as types of content offered -- and some of them offer no assurance of significant sayings for the state.

The most cautious course of action -- if preservation of the system is the goal -- is to continue to fund broadcasting at the present level: \$10 million.

The second course would be to reduce funding for telecommunications by up to 15 percent -- on the assumption that all of the telecommunications services, including RATNET, could survive at that level. Even this course of action would likely have some negative effects on content, but it might make survival of the telecommunications infrastructure possible.

Any course of action requiring sharper reductions in funding will necessitate a weighing of the value of broadcasting against that of other services provided by the state. There will be real social costs in such cuts, and these non-economic costs are outlined in some detail in the following section.

"It doesn't sound complicated when you first start to talk about it -- but it is."

Mel Hoversten, director, DOA
Division of Telecommunications

How State-Supported Broadcasting Serves Alaska

Alaska's broadcast system is complex and the media within it are interconnected. The nature of these interconnections is far from obvious at a casual glance. For many Alaskans, because of geographical isolation or physical handicaps, radio and television are the only window opening onto a larger world. In many communities newspapers, if they arrive at all, arrive days late. But the broadcast media in Alaska are more than simply a window on the world.

The different media within this system serve different functions and are only imperfectly substitutable for each other. Radio is a more local medium than television; television can show types of cultural and educational programming such as Native dances that radio cannot. A survey for this committee conducted last fall found that television was preferred by a 4-to-1 ratio as the source of some kinds of information. This is consistent with equally recent national findings that, if people were limited to just one medium, they'd pick television.

Within the media, the commercial, public supported and state operated sectors serve separate functions and, again, one sector is unlikely to fill gaps created by the loss of another. The loss of Learn Alaska, for example, led to no shifts in the types of programming offered by either public-supported or commercial TV. Managers of Anchorage commercial TV and radio stations said in recent interviews that they would not adjust their programming if public broadcasting were to disappear.

Within sectors of the media such as public broadcasting, the urban and rural components are interconnected. Rural audiences of public radio, for example, depend for their reports of governmental and other activities in Juneau, Anchorage and Fairbanks on the public radio stations in those cities. Similarly, the urban stations depend on the rural public radio stations to provide their listeners accounts of life in the Bush.

The following pages provide a sketch of how RATNET, public television and public radio serve the interests of the State of Alaska.

The RATNET television channel serves many communities that would otherwise have no television. Similarly, public radio reaches many communities that would otherwise not have radio service.

Communities reached by public television have alternative television channels available. However, these alternative channels do not -- and are unlikely to -- provide the type of programming carried on public television. Some of RATNET's content is there only because it was made available at no cost by public television.

RATNET -- An Overview

The statewide RATNET channel of the Satellite Television Project is made possible by funding from the state and free programming from commercial and public television. Special consent from the three national networks and the Federal Communications Commission was required before the system could begin broadcasting in January 1977. Content selections are made by a 17-member board of directors who meet four to six times a year and make recommendations based on their understanding of viewer desires.

RATNET is of value to the state because:

- *It is Alaska's only statewide television channel,
- *It reaches thousands of Alaskans who receive no other channel,
- *Even for Alaskans who receive other channels, it may provide programming not otherwise available,
- *In areas where cable television is the only alternative, it provides programming for those who cannot afford cable,
- *The channel can be used as a carrier for other types of information such as radio signals and teletext.

RATNET is primarily an entertainment channel -- its entertainment offerings include national network programming as well as programs about Alaska as they become available -- but it also provides a variety of information services. These include:

- *Alaskan and national news
- *Alaska weather
- *state legislative news
- *congressional delegation report
- *instructional programming for downloading to schools during the early morning hours
- *emergency tone. It is scheduled to become the connection for the 15 regional radio stations in the emergency broadcasting system.
- *textual information and graphics. The system is being used by the University of Alaska, Fairbanks, library for transmission of data in its Gnosis project.

In addition, RATNET subchannels are being used to carry the audio signal for KSKA public radio to Valdez, Galena and Seward. The KSKA signal, the emergency tone and the textual information now can be carried at virtually no extra cost to the state. These services would be eliminated if RATNET was shut down. The textual information can be transmitted over phone lines but graphics could not be transmitted in this way. In addition, villages

said more than half of that money would go to cable companies in the Lower 48.

Alascom owns most of the RATNET resources. Its property includes:

- *The TV Operations Center
- *Uplinks
 - Anchorage Tape Delay Center
 - Juneau
 - Kotzebue (NW Arctic ITV production facility)
- *Space satellite transponder
- *149 downlinks (earth station satellite dishes)

State equipment includes:

- *More than 90 TV receive-only satellite dishes that have been used in areas where the Alascom dishes were not available
- *248 RATNET transmitters

The transmitters are licensed by the FCC as low power television stations.

A total of \$60.6 million has been spent by the state on the RATNET program since it began. This includes \$1.5 million in capital expenditures, \$41.7 million in operating expenditures and \$17.4 million in unidentified capital and operating expenditures.

RATNET's future

Despite its strengths, RATNET is vulnerable.

Before Learn Alaska went on the air in the early 1980s, RATNET's content was somewhat different than it is today. The entertainment programming was shown between 5 p.m. and 1 a.m., with a number of daytime hours being set aside for instructional programming. The RATNET directors were asked to return to that format after Learn Alaska was shut down in the summer of 1986. They refused. Since then they have considered instructional programs during the day on a case by case basis and have expressed unwillingness to make a regular day-time slot available for instructional programs.

The loss of instructional programming has increased the resemblance between RATNET's content and that offered by public and commercial stations.

Unlike most of the cable systems that have appeared in Alaska today, RATNET has been able to offer network programming. But it would appear to be a direct competitor -- and therefore an inhibitor -- of services such as the North Star Concept which would provide network programs. Thus, unless it offers programming different from commercial services, it could be seen as slowing the spread of commercial television to villages. (The author believes that, even without RATNET, the spread would not be very rapid in the short run. Commercial broadcasters have indicated that the smaller villages are not a very attractive market.)

on public rather than commercial channels in cities other than Juneau.
*Instructional programming. KAKM, for example, provides air time for Anchorage Community College, the Mat-Su Community College, Kenai Community College, the University of Alaska and the Anchorage, Kenai and Mat-Su school districts.

*Information about Native cultures. A teleconference witness, for example, credited KYUK-TV in Bethel with helping the Yupik culture to survive. Another witness said KYUK radio and TV were the only bilingual media available in the Bethel area.

*Health information. The same witness credited the public stations in Bethel with broadcasting programs that helped that region to deal with its infant mortality rate, which had been the highest in the nation. (Nine public information messages and 10 radio messages on perinatal health care were produced by Instructional Media Production Services; the people who made them lost their jobs when Learn Alaska was shut down.)

How public television operates

Public television in Alaska enjoys strong public support. It has loyal viewers whose contributions per capita are among the highest in the country. A total of 569 volunteers help the four stations with fund-raising and production. That support has put public TV in a strong position *vis a vis* commercial television. Public television is unusually strong relative to commercial television in Alaska because of the state's small and scattered population.

However, public TV does not compete with commercial TV except for audience share. Even there it is not a real competitor as a look at last November's Nielsen ratings for the prime-time, 8-10 p.m. slot makes clear. The public channel in Anchorage, KAKM, ranked fifth of the five stations with a 5 percent share of the audience, compared with 32 percent, 30 percent, 25 percent and 6 percent for the commercial stations.

What public TV offers is an alternative type of programming; programming that has social value but is too expensive for commercial stations to provide. With this programming, it does not try to attract large, homogeneous audiences but to provide a variety of programming that will include material of interest to a wide variety of viewers over the course of a typical week. (KAKM's general manager testified that more than 50 percent of the Southcentral residents watch that channel every week.) Commercial TV cannot afford to operate in this way.

This is the rationale for state support of public TV programming in Alaska. Three of the four public TV stations in the state are in urban areas. They do not reach audiences that have no other source of television. They do address audience needs, however, that would otherwise go unmet.

The state lacks the economic base to support commercial operations large enough to generate a large amount of state-oriented programming. Only public television is strong enough today to be able to provide this type of programming. A decline in state support of public TV would quickly lead to a decline in this type of programming; severance of state support could mean the loss of most or all of it.

fully in the political and economic life of their state. It appears that this programming can be produced at least cost to the state by public television (the most expensive way of producing it is through the letting of contracts by agencies such as the Division of Tourism; that does not assure that the programming thus produced will be televised, unless the state also buys television time).

Public Radio -- Overview

There are nine FM and six AM public radio stations in Alaska. Six of the stations are in Southeast Alaska, one is on the North Slope (Barrow), two are in the Interior, three are on the west coast, three are in Southcentral Alaska. In addition there are repeater stations at Sand Point, St. Paul Island, Galena, Unalaska and Valdez. Repeater stations are nearly ready at Unalakleet and Chevak.

The benefits of public radio are:

- *It reaches some Alaskans reached by no other radio station. The residents of St. Paul Island, for example, could receive only Radio Moscow until a public radio repeater station was installed there. (See Tables II and III at end of report.)
- *Many of the public radio stations are part of Alaska's emergency broadcasting system. A witness from Kotzebue testified: "Radio is part of our survival gear when we travel."
- *It provides message services for Alaskans not easily reached by other media including newspapers and mail. A Barrow attorney testified: "When I go on a village trip I can put a message on radio . . . so people are ready to see us."
- *It is a local medium. It provides coverage of local events in depth not rivalled by commercial stations.
- *It provides types of specialized programming -- such as Spanish-language, Native and black programming -- that would not otherwise be available in even the most populated parts of the state.
- *It provides public service programming. "Staying Alive, 60 Seconds That Could Save Your Life," was broadcast in Yupik and English by the Barrow radio station, for example.

Supporters of public radio say that elimination of state funding will mean the elimination of public radio. The manager of KSKA says that station could stay on the air but that it would have to adopt a format much like that of commercial stations that provide little local programming and no specialized programming. If most public radio stations disappeared, so would the Alaska Public Radio Network (APRN) which depends not on state government funding but on dues from member radio stations.

Public radio content

The public radio stations provide local programming and, through APRN, they exchange programming so that public radio listeners are kept aware of

Table I
Communities Receiving Television
Only From RATNET

Community	Households	Population	Community	Households	Population
Akhiok	27	107	Kaltag	58	262
Akutan	17	185	Karluk	21	90
Aleknagik	38	201	Kasaan	9	70
Allakaket	46	175	King Cove	114	521
Ambler	48	262	Kivalina	37	294
Arctic Village	35	109	Klukwan	40	239
Atka	22	80	Kobuk	16	97
Beaver	23	65	Kokhanok	20	80
Bettles	20	60	Koliganek	24	112
Birch Creek	13	31	Koyuk	48	211
Cantwell	29	87	Koyukuk	26	98
Cape Pole	4	30	Labouchre Bay	75	300
Central	19	35	Larsen Bay	41	214
Chalkytsik	29	98	Lime Village	13	33
Chignik Bay	38	141	McGrath	129	499
Chignik Lagoon	14	46	Mekoryuk	44	182
Chistochina	15	43	Mentasta Lake	12	72
Chitina	19	33	Meshik (Pt. Heiden)	29	87
Circle	18	101	Meyers Chuck	21	52
Circle Hot Springs	12	36	Minchumina	7	20
Clark's Point	22	75	Mosquito Lake		
Coffman Cove	62	199	Naukati Bay	42	140
Cold Bay	49	246	Nelson Lagoon	18	64
Cooper Landing	49	346	New Stuyahok	65	246
Council	8	23	Newhalen	18	157
Crooked Creek	25	75	Nightmute	24	134
Diomedea	30	153	Nikolai*	22	109
Eagle	48	171	Nikolaief	23	100
Eagle Village	20	56	Noatak	59	355
Egegik	32	72	Nondalton	42	231
Eight Fathom Bight			Noorvik	91	517
Ekuk	2	7	Northway	30	116
Ekwok	20	80	Nulato	71	388
English Bay	28	172	Old Harbor	88	405
False Pass	21	76	Ouzinkie	57	240
Freshwater Bay	13	50	Pedro Bay	11	32
Golovin	31	122	Pelican	64	206
Goodnews Bay	42	230	Perryville	31	107
Grayling	52	220	Pilot Point	16	63
Gustavus	44	218	Point Baker	45	93
Halibut Cove	23	52	Port Alice	34	135
Holy Cross	63	191	Port Alsworth	19	75
Hughes	22	97	Port Graham	53	174
Huslia	59	283	Port Moller	9	37
Hyder	29	79	Portage Creek	13	46
Iliamna	22	90	Rampart	14	49
Ivanof Bay	9	38			

*Community television service is planned

Table II
Communities Receiving Radio
Only From Public Radio

Community Population	Community Population	Community Population			
Akhiok	107	Kongiganak	166	Selawik	635
Aleknagik	201	Kotzebue	2,345	Shishmaref	493
Anaktuvuk Pass	233	Koyukuk	98	Shungnak	238
Angoon	470	Kwigillingok	246	Skagway	761
Aniak	476	Levelock	76	South Naknek	185
Atkasook	214	Lower Kalskag	270	Talkotna	47
Barrow	2,943	Manokotak	302	Togiak	554
Buckland	249	Marshall	281	Toksook Bay	365
Cheformak	268	McGrath	499	Tuntutuliak	203
Chuathbaluk	98	Medfra		Tununak	333
Circle	101	Meshik	87	Twin Hills	67
Clark's Point	75	Meyers Chuck	52	Unalaska	1,630
Cold Bay	246	Mosquito Lake		Wainwright	507
Craig	881	Naknek	405		
Deadhorse	63	Nelson Lagoon	64	Total Pop.	32,321+
Deering	150	New Stuyahok	246		
Dillingham	2,004	Newhalen	157		(population figures unavailable for four communities)
Dutch Harbor		Newtok	187		
Eek	259	Nightmute	134		
Egegik	72	Nikolai	109		
Ekuk	7	Nikolaief	100		
Ekwok	80	Noatak	355		
Elim	248	Nondalton	231		
Goodnews Bay	230	Noorvik	517		
Haines	1,154	Nuiqsut	305		
Hollis		Nulato	388		
Huslia	283	Nunapituk	357		
Hydaburg	371	Pelican	206		
Igiugig	32	Perryville	107		
Iliamna	90	Pilot Point	63		
Ivanof Bay	38	Pilot Station	372		
Kaktovik	207	Pitkas Point	67		
Kalskag	145	Platinum	64		
Kaltag	262	Point Hope	582		
Karluk	90	Point Lay	67		
Kasigluk	355	Port Heiden	87		
Kiana	402	Port Moller	37		
King Cove	521	Portage Creek	46		
Kipnuk	350	Quinhagak	424		
Kivalina	294	Ruby	283		
Klawock	508	Russian Mission	195		
Klukwan	239	Saint George	172		
Kokhanok	80	Saint Mary's	566		
Koliganek	112	Saint Paul	541		

This table is based on a reanalysis by Herb Holeman, APBC engineer, of the "Inventory of Communications Facilities Serving Alaska Communities -- 1987," Department of Administration, Division of Telecommunications.

The DOA inventory, based on station reports, indicated 73 communities with a total population of 20,183+ receive only public radio. Holeman's analysis, based on FCC standard for determining service areas, indicates 101 communities get their only clear radio signal from a public radio station.

It appears that some people in communities excluded from the DOA list receive commercial radio when the atmospheric conditions are right or with special equipment.

Table III

**Public Radio Stations That Provide
Sole Radio Service for Communities**

Station	# Communities	Population
KDLG, Dillingham	33	7,193
KYUK, Bethel	24	6,411
KOTZ, Kotzebue	11	6,260
KBRW, Barrow	9	5,721
KHNS, Haines	4	2,154+
KRBD, Ketchikan	4	1,760+
KIAL, Unalaska	2	1,630
KSKO, McGrath	5	938+
KUHB, Saint Paul	2	713
KCAW, Sitka	2	676
KSDP, Sand Point	1	521
KMXT, Kodiak	2	197
KUAC, Fairbanks	1	101
KBBI, Homer	1	100
KSTK, Wrangell	1	52
?	5	1,279

Notes: Total of communities exceeds 101 because six communities receive two radio stations (four of the six receive both KYUK and KDLG). Stations that do not appear on this list are: KSKA, Anchorage; KTOO, Juneau; and KFSK, Petersburg. Four of the five communities listed under "?" are in the interior and it appears they would receive their signal from McGrath or the Galena repeater. Galena is a part-time translator for KSKA. The fifth community is on Norton Sound.

This table is based on information from the same sources as Table II.

Table IV
**Communities That Do Not Receive
 Any Radio Stations**

Community	Population	Community	Population
Akutan	185	Kobuk	97
Allakaket	175	Lime Village	33
Ambler	262	Long Island	
Anvik	82	Mentasta Lake	72
Arctic Village	109	Minchumina	20
Atka	80	Nikolski	54
Bettles	60	Northway	116
Cape Pole	30	Port Alexander	162
Chalkytsik	98	Port Alice	135
Chignik Bay	141	Port Alsworth	75
Chignik Lagoon	46	Red Devil	27
Chignik Lake	153	Shageluk	148
Crooked Creek	75	Sleetmute	74
Dot Lake	69	Sparrevohn	28
Eagle	171	Stoney River	43
Eagle Village	56	Tanacross	148
False Pass	76	Tanana	444
Freshwater Bay	50	Telida	32
Grayling	220	Tetlin	110
Holy Cross	191	Venetie	129
Hyder	79		
		Total population	4,355+

People in some of the 41 communities on the above list may receive radio transmissions if the atmospheric conditions are right or if they have equipment capable of picking up weak signals.

This table is based on a re-analysis by Herb Holeman, APBC engineer, of the "Inventory of Communications Facilities Serving Alaska Communities -- 1987," Department of Administration, Division of Telecommunications. The DOA inventory is based on station reports. Holeman's analysis is based on FCC standards for determining service areas in Alaska.

Appendix A

In response to a request, two members of the Alaska Cable Association recently prepared a plan for a commercial television network for Alaska. The plan, which they called the North Star Concept, was intended to show how commercial broadcasters could fill the gap left by the loss of RATNET and other state-supported broadcast services.

The plan was prepared on the assumption that there would be no state funding in the next fiscal year for RATNET or public broadcasting.

The North Star Concept would provide television service to 61 of the 121 communities that now get television only from RATNET. Thirty of these communities would receive six television channels, including the network channels, a PBS channel, an independent station, and an Alaska channel. The other thirty-one communities would receive only a single channel: the Alaska channel. A number of communities that have other television services would also receive the North Star programming. The North Star Concept also calls for transmission of one FM public radio station's programming.

This would not be a cable service. Local transmitters would be used to rebroadcast satellite signals in the way they are now used to broadcast RATNET programming. The capacity of the system would be seven channels. It would take assistance from the state to get the North Star system into operation in a short time. Even with state assistance, the plan's authors estimated it would take six months to a year to get the necessary FCC licenses. This means that a number of villages would have no broadcast services for several months, at a minimum.

Although this would be a commercial service, it would require a state subsidy. The cost of the North Star service is estimated at \$5.2 million a year for five years. The state would be expected to guarantee that amount. It was suggested the state could recover some of these costs by billing the villages.

The 60 communities that would lose television service under this plan are those with fewer than 50 households. It was judged uneconomic to provide service to these communities. If service was provided to these communities, the cost to the state of the plan would jump to \$10.4 million annually for the five years.

This proposal -- by its limitations -- strongly indicates that the private sector can not provide at a reasonable cost services comparable to those now supported by the state. Even with a subsidy equal to half of what the state now spends on broadcasting, the North Star Concept offers sharply reduced services to Alaskans.

This proposal serves to underline a comment about RATNET made in a recent interview by Augie Hiebert, owner of Channel 11 in Anchorage: "They'll never have a more efficient means of bringing the outside world to the villages."

Appendix B

Sources

This report is based on a number of interviews conducted in February and March 1987 and on a number of documents. Professor Sylvia Broady, chair of the Department of Journalism and Public Communications, University of Alaska Anchorage, and Assistant Professor Doug Barry, also of the department, reviewed and provided comments on some parts of the report.

Interviews

Bob Allison, Alaska Cable Association
John Andrews, deputy commissioner, Department of Administration
Dr. William Bramble, Department of Education
Clyde Bloker, Alaska Division of Emergency Services
Al Bramstedt Jr., general manager, KTUU-TV, Anchorage
Richard Fineberg, Office of Management and Budget
Augie Hiebert, owner, KTVA-TV, Anchorage
Mel Hoversten, director, Division of Telecommunications, Department of Administration
Henry Ivanoff, chairman, RATNET directors
Diane Kaplan, Alaska Public Radio Network
Ted Lehne, executive director, Alaska Telephone Association
Edie Lynch, deputy vice chancellor for instructional telecommunication, Anchorage Community College
William McCaughan, Anchorage Community College, former director, Learn Alaska
Arnold Melsheimer, RATNET board member
Charles Northrip, director, Alaska Public Broadcasting Commission
Michael Roberg, general manager, Cablevision, and president of Alaska Cable Association
Roy Robinson, general manager, KFQD-AM and KWHL-FM, Anchorage, and president of Alaska Broadcasters Association
Brian Rogers, University of Alaska, Fairbanks, chairman of budget transition team
Elmo Sackett, general manager, KAKM public TV, Anchorage
Bruce Smith, general manager, KSKA public radio, Anchorage
Ted Sokoloff, chief engineer, Alaska Public Utilities Commission

Documents

"FY '88 Capital Budget Request, Brief Description of Capital Projects." Alaska Public Broadcasting Commission,

Cable Television Primer, prepared by the engineering staff of Rock Associates, March 1987.



Alaska State Legislature

Representative Mike Davis

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MEMORANDUM

To: Rep. Al Adams, Chairman
House Finance Committee

From: Rep. Mike Davis, Chairman
House DOA Budget Subcommittee

Date: March 13, 1987

Re: Public Broadcasting/RATNET

As a member of the House Finance Committee, I am well aware of the state's present fiscal situation. I am also aware of the serious level of need for many programs throughout Alaska, and of the critical importance of retaining essential services. I would ask, however, that you take the following request into consideration when outlining budget priorities for the next fiscal year.

I am writing in regard to the budget situation facing radio and television broadcasting in Alaska, and to note the detrimental effect that elimination of these services would have upon Alaska residents throughout the state. I am also writing to propose alternatives by which Alaskans could continue to receive public broadcasting and related telecommunications services, though at a far lower cost than that authorized in the FY 87 revised budget.

Governor Cowper's budget proposal would eliminate all funding for the Alaska Public Broadcasting Commission (APBC) and the Rural Alaska Television Network (RATNET). The elimination of APBC and RATNET would result in the attendant loss of an in-place communications network that provides vital information to rural and urban Alaskans alike. This information includes emergency messages, weather, news, fish openings, local messages, municipal government meetings, legislative coverage, and other public services.

It is important to note that only public radio and television provide the capability for generating and broadcasting Alaska-based information to residents of the state, as well as to persons outside of Alaska. National broadcasts of shows that originated in Alaska have also assisted in promoting Alaskan products and tourism.

Another consequence of eliminating funding for public radio and television is not only the anticipated closing of the stations, but also the loss of equipment and FCC licenses. FCC licenses are difficult to obtain, and they may each take several thousand dollars and up to 18 - 24 months to regain. The state would also likely have to relinquish equipment to the federal government that was purchased in part with federal funds.

The elimination of APBC and RATNET would result in a media blackout in which 150 communities would no longer have television and 63 communities would have neither television nor radio. Even those communities with commercial or cable broadcasting would be denied many of the services mentioned above.

Public radio is received by 99 communities throughout the state that do not have access to commercial radio. These communities, which have a collective population of about 31,800 people, also include regional centers such as Barrow and Dillingham. The loss of public radio will result in the direct and total loss of this communications link for these residents.

A related concern is that if the public radio network is not funded, 7 of Alaska's 19 emergency broadcast system operational areas will be lost. These operational areas include Barrow, Bethel (operational but severely restricted), Dillingham, Galena, Kotzebue, McGrath, and Wrangell.

Outlined below is a proposal that would allow all of these communities to continue to receive radio and television coverage, though at a cost that is only 65% of the FY 87 level. This proposal, which is based on the continuation of public broadcasting and the elimination of state-funded commercial television, would also provide for the broadcasting of limited instructional television without additional expense. Alternative for commercial television are noted at the end of the proposal.

BACKGROUND

Funding for RATNET consists largely of leasing costs paid to Alascom for broadcasting commercial network signals over a satellite transponder, and for costs associated with leasing Alascom-owned earth stations. In FY 86, the state paid

Alascom about \$2.5 million for RATNET's leasing costs. Elimination of RATNET will result in the FY 87 termination liability cost to Alascom of \$980,000. A related cost is the \$330,000 annual payment for the tape delay center. A major change that occurred to RATNET was the elimination of Learn/Alaska ITV in 1986.

miss leader

Alaska public broadcasting receives 43% of its budget from the state and 57% through federal receipts, underwriting, memberships, in-kind contributions, and other sources. The FY 87 revised budget for APBC was about \$6.6 million, of which \$3.9 million was for public radio, \$2.1 million was for public television, and \$600,000 was for the commission. The FY 87 termination liability cost for the Southeast microwave system is \$154,000. In terms of local programming and statewide networking, no alternative exists to the public radio network that is now in operation.

PROPOSAL

The high cost of transmitting commercial television over RATNET is due to the tariff rate that Alascom must apply to commercial transmissions. However, the FCC provides an exemption from the tariff rate for non-commercial broadcasts. By broadcasting public television rather than commercial television over the RATNET transponders, all communities presently receiving RATNET would still continue to receive television. However, the state would have the opportunity to negotiate with Alascom for reduced transmission costs. A possible bargaining point with Alascom may be the state's partial ownership in 100 earth stations that were purchased by the state in the mid-1970s.

Rather than simply lose the \$980,000 termination costs paid to Alascom for terminating RATNET, it would be possible to instead broadcast public television programs over the air. A negotiating position with Alascom would be to seek their agreement on an annual payment of perhaps \$1 million for broadcasting public television programs. This figure would be \$1 million more to Alascom than if the state were to eliminate all broadcasting, and \$1.5 million less to the state than is presently being paid to broadcast commercial programs through RATNET.

By broadcasting public television rather than commercial television over the RATNET system, the \$330,000 annual tape delay center expense could also be avoided. Another savings is that about 20 translators could be used directly by public broadcasting stations to bring programs to rural communities, rather than having to send the programs via Alascom's Aurura 2 satellite. Removing these translators from Alascom leasing costs would save an additional \$100,000 per year, at current leasing rates.

PROGRAMMING OPTIONS

1. The state has clear ownership of 91 earth stations. These earth stations, which carry only television signals, could remain in state ownership and continue to be directed at Alascom's satellite. In this manner, the communities would receive public television signals broadcast over the satellite transponder presently used for RATNET.

2. The 91 earth stations could be sold or given to the communities in which they are housed. The communities would then have the option of either directing the earth stations at Aurora 2 in order to receive public television, or they could be directed at another satellite in order to receive different programming. Each community would be responsible for deciding which type of programming to receive, while also being responsible for the cost of receiving commercial broadcasts. One problem associated with this approach, however, would be the cost in money and time for each community to apply for an FCC license.

3. Most of the rural earth stations have two transmitters, each of which has its own FCC license. One of the transmitters is presently being used for RATNET, whereas the other had previously been used for Learn Alaska. The state could retain one transmitter and FCC license for receiving the public television signal, and the other transmitter and FCC license could be transferred to the community. This plan would require the community to purchase a small satellite dish for about \$5,000, and the community would have full control over the type of programming it wishes to receive.

4. Alascom has whole or partial ownership of 157 earth stations. These earth stations must be aimed at Aurora 2, since the earth stations also receive non-television data, such as telephone calls. Local programming options are therefore more limited in these communities.

5. In order to ensure rural communities of having control over public television programming in their communities, a rural programming advisory board could be established. In this manner, rural communities would be given a voice in determining what programs would be broadcast over the network.

6. To some extent, commercial programs could be broadcast over a public television network. Commercial network news, for example, could be broadcast over public television if all commercials are removed. This would allow rural residents to receive these news shows without jeopardizing public broadcasting's tariff exemption. In a similar manner, public broadcasting could enter a syndicated market in order to run particular programs, less commercials, on a

sustaining basis. If the system is dualized too often, however, public broadcasting will incur additional operating and programming costs. Another concern is that the public television system will begin to lose its identity if the system airs too much commercial television.

7. The lack of commercial broadcasting in these communities creates a void that may be filled by the private sector, and certain companies are already investigating this business possibility. Many rural communities presently served by RATNET also have one or two low-power television transmitters. Use of these transmitters could allow rural residents to receive commercial broadcasts at a far lower cost than would be required for a cable system.

8. Some degree of instructional television programming could also be broadcast by the public stations during the daytime, with the University of Alaska and the Department of Education coordinating program selection and scheduling with the APBC. Limited instructional television could return to the air in this manner, without additional expense.

PROPOSAL COSTS

Comparative costs between the FY 87 revised RATNET and APBC budgets and the budget for the proposed scenario are described below. It should be noted that the public broadcasting budget proposal would result in the loss of federal revenues, as well as a significant reduction in programming. I also believe that if funding is to be reinstated for public radio and/or television through the public broadcasting commission, that a similar level of funding should be provided for KUAC in Fairbanks. KUAC is the only public broadcasting station in Alaska that is not under the directorship of the commission.

FY 87 Rev
RATNET

2,500.0	operating/leasing
<u>980.0</u>	Alascom termination costs *
3,400.0	

* The state is liable for this expense whether or not any transmissions are made via Alascom's satellite.

FY 87 Rev
APBC

3,900.0	public radio
2,100.0	public television
<u>600.0</u>	commission
6,600.0	

FY 87 Rev
Total

3,400.0	RATNET
<u>6,600.0</u>	APBC
10,000.0	

FY 88
Proposal

3,315.0	public radio at 85% funding
1,785.0	public television at 85% funding
450.0	commission at 75% funding
<u>1,000.0</u>	Alascom leasing for public television
6,550.0	

I hope you find this information useful in considering the FY 88 budget priorities. Please let me know if you have further questions on this issue.

attachments

CHRONOLOGY OF FULL-SERVICE PUBLIC STATION DEVELOPMENT

<u>STATION</u>	<u>LOCATION</u>	<u>ON AIR</u>	<u>1ST STATE GRANT</u>
KUAC-FM	FAIRBANKS	09-29-62	FY 1963
KYUK-AM	BETHEL	05-13-71	FY 1970
KUAC-TV	FAIRBANKS	12-22-71	FY 1970
KYUK-TV	BETHEL	09-02-72	FY 1972
KOTZ-AM	KOTZEBUE	03-15-73	FY 1972
KTCO-FM	JUNEAU	01-27-74	FY 1973
KAKM-TV	ANCHORAGE	05-07-75	FY 1974
KDLG-AM	DILLINGHAM	05-22-75	FY 1974
KBRW-AM	BARROW	01-22-75	FY 1976
KMXT-FM	KODIAK	05-01-76	FY 1976
KRBD-FM	KETCHIKAN	05-22-76	FY 1975
KSTK-FM	WRANCELL	07-02-77	FY 1977
KFSK-FM	PETERSBURG	09-15-77	FY 1976
KSKA-FM	ANCHORAGE	08-15-78	FY 1977
KTOO-TV	JUNEAU	10-01-78	FY 1978
KBBI-AM	HOMER	08-15-79	FY 1978
KHNS-FM	HAINES	10-04-80	FY 1980
KSKO-AM	MCGRATH	07-01-81	FY 1979
KCAW-FM	SITKA	02-15-82	FY 1980
KCHU-AM	VALDEZ	03-02-86	FY 1981

IMPORTANT NOTES:

1. MOST OF STATION ACTIVATIONS OCCURRED PRIOR TO MAJOR INFUSIONS OF OIL REVENUE INTO THE STATE'S BUDGET.
2. GROWTH OF NEW PUBLIC STATIONS HAS ACTUALLY SLOWED DRAMATICALLY IN THE LAST SIX YEARS.

EMPLOYMENT/VOLUNTEER INFORMATION
FROM PUBLIC BROADCAST STATIONS
IN ALASKA

CALL LETTERS	COMMUNITY	FULL-TIME EMPLOYEES	PART-TIME	VOLUNTEERS	VOLUNTEER TRAINING
<u>Publicly Funded Stations</u>					
ADN-TV	Anchorage	23	10	200	Fund-raising, production
ADN-TV	Anchorage	7	2	260	Basic through advanced, college credit
ADN-TV	Barrow	7	10	11	Production for news and music
ADN-TV-12	Berthel	25	4	32	Comm. college, youth training
ADN-TV	Dillingham	6	5	5	High School Class
ADN-TV	Galena	1	1	7	Basic production
ADN-TV	Haines	8	1	51	Basic and advanced
ADN-TV	Homer	8	2	61	Basic, advanced thru comm. schools
ADN-TV-12	Juneau	28	4	76	Basic and advanced
ADN-TV	Ketchikan	3	2	70	Production, remotes, reporting
ADN-TV	Kodiak	7	3	45	basic, village news reporters
ADN-TV	Kotzebue	8	3	19	Production, sports
ADN-TV	K McGrath	6	4	20	Basic, voc-ed tech.
ADN-TV	Petersburg	5	2	30	Production techniques
ADN-TV	Sand Point	1	1	5	Basic
ADN-TV	Sitka	7	2	67	basic and advanced
ADN-TV	Talkeetna	2	0	30	Production, Community College credit
ADN-TV	Wrangell	7	1	25	Production, drama, news, youth
ADN-TV	Anchorage	10	3	2	Technical and administrative
		<u>174</u>	<u>60</u>	<u>1,016</u>	
<u>Non-publicly Funded operations</u>					
ADN-TV	Fairbanks	21	27	261	College credit, internships, and basic
		<u>195</u>	<u>87</u>	<u>1,277</u>	

* ADN-TV and KOD-TV Network--funded by station contributions.

COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

December, 1985
261,955

55 -

33

29

sale service

COMMUNITY	POPULATION	RAT- NET	APBC TV	OTHER TV	APBC RADIO	OTHER RADIO	TELE- CONF.	CABLE TV	5
ADAK	3,169	1				1	1	1	
AKHIOK	107	1			1	X	1	1	
AKIACHAK	378		1		1	1	1	1	
AKIAK	277	1	1		1	1	1	1	
AKUTAN	165	1			1	1	1	1	
ALAKANUK	461	1			X	1	1	1	
ALEKNAGIK	201	1			1	X	1	1	
ALLAKAKET	175	1				X	1	1	
AMBLER	262	1				X	1	1	
ANAKTUVUK PASS	233	1			1	X	1	1	
ANCHOR POINT	317	1	1	1	1	1	1	1	
ANCHORAGE	243,829		1	1	1	1	1	1	
ANDERSON	468	1	1	1	1	1	1	1	
ANGON	470	1	1		1	X	1	1	
ANIAK	476	1	1		1		1	1	
ANNETTE	143	1	1		1	1	1	1	
ANVIK	82	1	1		1	X	1	1	
ARCTIC VILLAGE	109	1				X	1	1	
ATKA	80	1					1	1	
ATKASOOK	214	1			1		1	1	
ATMAUTLUAK	261	1	1		1	1	1	1	
BARROW	2,943	1			1		1	1	
BEAVER	65	1				1	1	1	
BETHEL	3,681	1	1		1	1	1	1	
BETLES <i>BETLES</i>	60	1				X	1	1	
BIG DELTA	294		1	1	1	1	1	1	
BIG LAKE <i>Big Lake</i>	664	1	1	1	1	1	1	1	
BIRCH CREEK	31	1			1	1	1	1	
BREVIK MISSION	151	1				1	1	1	
BUCKLAND	249	1			1		1	1	
BUTTE	448		1	1	1	1	1	1	
CANTWELL	87	1				1	1	1	
CAPE POLE	30	1				1	1	1	
CENTRAL	35	1			1	1	1	1	
CHALKYTSIK	98	1				1	1	1	
CHEFORNAK	268	1	1		1	X	1	1	
CHENEGA BAY					1	1	1	1	
CHEVAK	532	1	1		1	1	1	1	
CHIGNIK BAY	141	1			1	1	1	1	
CHIGNIK LAGOON	46	1			1	1	1	1	
CHIGNIK LAKE	153	1		-1	1	1	1	1	
CHRISTOCHINA	43	1				1	1	1	
CHITINA	33	1				1	1	1	
CHUATHBALUK	98	1	1		1		1	1	
CHUGIAK <i>Chugiak</i>	5224		1	1	1	1	1	1	
CIRCLE	101	1			1	1	1	1	
CIRCLE HOT SPRINGS	36	1			1	1	1	1	
CLAM GULCH	141				1	1	1	1	
CLARK'S POINT	75	1			1		1	1	
CLEAR	488	1	1	1	1	1	1	1	
CLEARY SUMMIT <i>Cleary Summit</i>			1	1	1	1	1	1	
COFFMAN COVE	199	1				1	1	1	
COHOE <i>Coho</i>	500		1	1	1	1	1	1	

62,000

40

COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

December, 1996

COMMUNITY	POPULATION	RAT-NET	APRC-TV	OTHER-TV	ASPC-RADIO	OTHER-RADIO	TELECONF.	CABLE-TV
COLD BAY	246	1						
COPPER LANDING	346	1				X		
COPPER CENTER	219	1						
CORODOVA	2,108	1			X			
CORNER BAY	33	1						
COUNCIL	881	1				X		
CRAIG	75	1				X		
CROOKED CREEK	63	1						
DEADHORSE	150	1						
DEERING	1,163	1	1		1			
DELTA JUNCTION	2,004	1						
DALLINGHAM	152	1						
DOMEDE	69	1	X		X			
DOT LAKE	171	1						
DUTCH HARBOR (unofficial)	5817	1						
EAGLE RIVER	25	1						
EAGLE VILLAGE	239	1			1			
EAK	72	1					X	
EEBETK	7837	1			1			
EISEN AFB	7	1						
EIGHT FATHOM BIGHT	80	1						
EKLK	248	1						
ELIM	5020	1			1			
ELMENDORF AFB	559	1	1					
EMMONAK	172	1						
ENGLISH BAY	27103	1			1			
ERNESTINE	76	1						
FAIRBANKS	1832	1			1			
FALSE PASS	8960	1			1			
FT. GREELY	9097	1			1			
FT. RICHARDSON	665	1						
FT. WAINWRIGHT <i>2nd</i>	50	1						
FRESHWATER BAY	70	1						
GAKONA	994	1						
GALENA	420	1						
GAMBELL	150	1						
GIRDWOOD	477	1						
GLENALLEEN	122	1			1			
GOLDOVIN	230	1						
GOODNEWS BAY	220	1						
GRAYLING	82	1			1			
GULKANA	219	1						
GUSTAVUS	1,154	1						
HAINES	327	1						
HALIBUT COVE	191	1						
HEBL	3,373	1						
HODART BAY		1						
HOLLIS		1						
HOLY CROSS		1						
LOWER		1						

36

21

4000 Radio

125

57,989

COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

December, 1982
49,882

COMMUNITY	POPULATION	RADIO NET	APBC TV	OTHER TV	46		21		CABLE TV
					APBC RADIO	OTHER RADIO	TELECONF.		
HOGNAH	503	1			1				1
HOOVER BAY	578	1	1		1				1
HOPE	195	1	1	1	1				
HOUSTON	568		1	1	1				
- HUGHES	97	1							
- HUSLIA	253	1			1				
- HYDABURG	371	1			1				
- HYDER	79	1					X		1
- IGIUGIG	32	1					X		1
ILIAMNA	90	1			1				
IVANOF BAY	38	1			1				
JUNEAU	23723		1	1	1				
KACHEMAK	320				1				
KAKE	574	1	1		1				
KAKTOVIK	207	1			1				
KALSKAG	145	1	1		1				
- KALTAG	262	1			1				
- KARLUK	50	1			1		X		
KASAM	70	1			1		X		
KASIGLUK	355	1	1		1				
KASILOF	567	1	1	1	1				
KENAI	6,072	1	1	1	1				
KENNY LAKE	143	1			1				
KETCHIKAN	7,633	1	1		1				
KIANA	402	1			1				
- KING COVE	521	1			1		X		
KING SALMON	434	1			1				
KIPNUK	350	1			1				
KIVALINA	294	1			1				
- KLANOOCK	508	1			1		X		
KLUKWAN	239	1			1				
- KODUK	97	1			X				
KODIAK	6,069	1			1				
KOKHANOK	80	1			1				
KOLISANEK	112	1			1				
KONGISANAK	156	1	1		1				
- KOTLIK	412	1			1		X		
- KUTZEBUS	2,345	1			1		X		
KOYLK	211	1			1				
- KOYUKUK	98	1			1		X		
- KWETHLUK	509	1	1		1				
KWIGILLINGOK	246	1	1		1				
- LABOUCHE BAY	300	1			1				
LARSEN BAY	214	1			1				
- LEVELOCK	76	1			1				
- LIME VILLAGE	33	1			X		X		
LONG ISLAND <i>Whitcomb</i>		1			1				
LOWER KALSKAG	270	1			1				
MANLEY HOT SPRINGS	99	1			1				
- MANDOKOTAK	302	1			1				
- MARSHALL	381	1			1		X		
- MCGRATH	499	1			1				
- MEKORYUK	182	1			1				
- ?	?	1			1				

23,675

16969

COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

December, 1986

COMMUNITY	POPULATION	RAT- NET	APBC TV	OTHER TV	APBC RADIO	OTHER RADIO	TELE- CONF.	CABLE TV
- MENTASTA LAKE	72	1					1	
MESHIK	87	1			1			
METLAKATLA	1,089	1	1		1	1	1	1
- MEYERS CHUCK	52	1			1	1		
MINCHUMINA	20	1			1			
MINTO	153	1	1		1		1	
MOOSE PASS	143	1	1	1			1	
- MOSQUITO LAKE		1			1		1	
MOUNTAIN VILLAGE	610	1	1		1	1	1	1
MT. EDGEDUMBE (SITKA)	835		1	1	1	1		
- NAKNEK	405	1			1	1	1	1
- NAKAKIAK	319	1	1		1	1	1	1
- NAFASKIAK	289	1	1		1	1	1	
NAUKATI BAY	140	1						
NELSON LAGOON	64	1					1	
NENANA	544	1	1	1	1		1	
NEW STUYAHOK	246	1			1	1	1	
NEWHALEN	157	1			1		1	
NEWTOK	187	1	1		1		1	
NIGHTMUTE	134	1			1		1	
- NIKOLAEVSK (NIKOLAISE)	100				1	1	1	
- NIKOLAI	100	1			1	1	1	1
- NIKOLSKI	54	1			1	1	1	
NINILCHIK	427	1	1	1	1	1	1	
NOATAK	355	1			1		1	
- NOME	3,184	1			1		1	1
NONDALTON	231	1			1		1	
NOORVIK	517	1			1		1	
NORTH KENAI	3489		1	1	1	1	1	
NORTH POLE	1005		1	1	1	1	1	1
- NORTHWAY	116	1				1	1	
NUIGSUT	305	1			1		1	1
- NULATO	388	1			1	1	1	
NUNAPITCHUK	357		1		1		1	1
OLD HARBOR	405	1			1	1	1	
- OSCARVILLE	39	1	1		1	1	1	
OUZINKIE	240	1			1		1	
PALMER	2772		1	1	1	1	1	
- PAXSON	24	1			1		1	
PEDRO BAY	32	1					1	
- PELICAN	206	1					1	
PERRYVILLE	107	1					1	
PETERSBURG	3,137	1	1		1	1	1	
- PILOT POINT	63	1			1	1	1	
- PILOT STATION	372	1			1	1	1	1
- PITKAS POINT	67	1	1			1	1	
PLATINUM	64				1		1	
- POINT BAKER	93	1			1	1	1	
POINT HOPE	582	1					1	1
POINT LAY	67	1					1	1
PORT ALEXANDER	162				1	1	1	
PORT ALICE	135	1					1	
PORT ALSWORTH	75	1					1	

COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

20713 526

December, 1985

34 29

COMMUNITY	POPULATION	RAT-NET	APBC-TV	OTHER-TV	APBC-RADIO	OTHER-RADIO	TELECONF.	CABLE-TV
PORT GRAHAM	174	1						
PORT HEIDEN	87	1						
PORT LIONS	301	1						
PORT MOLLER	37	1						
PORT PROTECTION								
PORTAGE CREEK	46	1						
PRUDHOE BAY	49	1						
QUINHAGAK	424	1	1					
RAMPART	49	1						
RED DEVIL	27	1						
ROWAN BAY	50	1						
RUBY	293	1						
RUSSIAN MISSION	195	1	1					
SAINT GEORGE	172	1	1					
SAINT MARY'S	566	1	1					
SAINT MICHAEL	279	1						
SAINT PAUL	541	1						
SAND POINT	970	1						
SAVCONGA	470	1						
SCAMMON BAY	296	1	1					
SELAWIK	635	1	1					
SELDOVIA	435	1						
SEWARD	2,038	1						
SHABELUK	148	1						
SHAKTOOLIK	186	1						
SHELDON POINT	135	1						
SHISHMARF	493	1						
SHUNGNAR	238	1						
SITKA	7,611	1	1					
SKAGWAY	751	1	1					
SLANA	39	1						
SLEETMUTE	74	1						
SOLDOTNA	3,538	1	1					
SOUTH NARINEK	195	1						
SPARREVOHM	38	1						
STEBBINS	327	1						
STERLING	1,530	1	1					
STEVENS VILLAGE	94	1						
STONEY RIVER	43	1						
SUTTON	304	1	1					
TAKOTNA	47	1						
TALKEETNA	441	1	1					
TANACROSS	149	1						
TANANA	444	1						
TATITILEK	54	1						
TELIDA	32	1						
TELLER	257	1						
TENAKES SPRINGS	156	1						
TETLIN	110	1						
THORNE BAY	392	1						
TIN CITY		1						
TOGIK	554	1						
TOK	608	1						

Yukon

34

COMMUNITIES WITH RADIO, TV, OR TELECONFERENCING

December, 1987
310

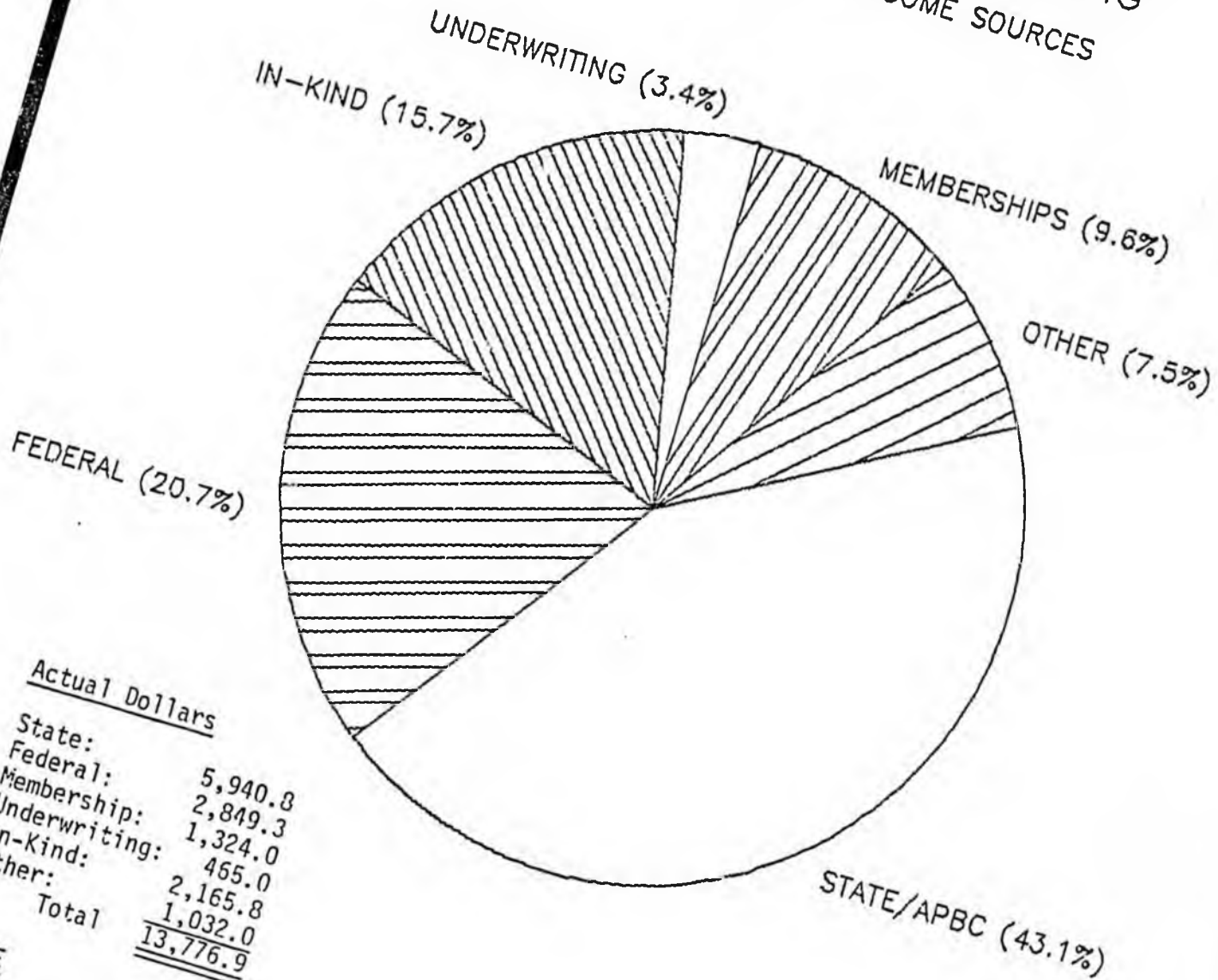
COMMUNITY	POPULATION	RAT- NET	APBC TV	OTHER TV	20		TELE- CONF.	CABLE TV
					APBC RADIO	OTHER RADIO		
- TOKSOOK BAY	365	1	1		1	1	1	1
- TOLSONA (Glenallen)		1			1	1	1	1
- TRAPPERS CREEK	350	1			1	1	1	1
- TULUKSAK	272	1	1		1	1	1	1
TUNTUTULIAK	203	1	1		1	1	1	1
- TUNUNAK	333	1			1	1	1	1
TWIN HILLS	67	1			1	1	1	1
TYONEK	302	1	1	1	1	1	1	1
- UNALAKLEET	784	1			1	1	1	1
- UNALASKA	1,630	1	1	1	1	1	1	1
- VALDEZ	3,687	1			1	1	1	1
- VENETIE	129	1				1	1	1
WAINWRIGHT	507	1			1	1	1	1
- WALES	136	1			1	1	1	1
WASILLA	3459		1	1	1	1	1	1
WHALE PASS	93	1			1	1	1	1
- WHITE MOUNTAIN	150	1			1	1	1	1
WHITTIER	268	1			1	1	1	1
WILLOW	232	1	1	1	1	1	1	1
WOMANS BAY (Kodiak)		1			1	1	1	1
WOODY ISLAND	5				1	1	1	1
WRANGELL	2,376	1	1		1	1	1	1
YAKUTAT	453	1				1	1	1
<hr/>								
(288 communities)	479,918	248	85	53	404 214	433 147	222	91

Data extracted from: "Inventory of Communications Facilities
Serving Alaska Communities -- 1987 Edition"

Public Radio communities — 214 pop. 466,413
 Communities with other radio service — 147 pop. 441,749
 Number of communities where public radio is the only
 radio service — 99 pop. 31,844

ALASKA PUBLIC BROADCASTING

FULL-SERVICE STATION INCOME SOURCES



Actual Dollars

State:	5,940.3
Federal:	2,849.3
Membership:	1,324.0
Underwriting:	465.0
In-Kind:	2,165.8
Other:	1,032.0
Total	<u>13,776.9</u>

NOTE

State share is necessary in order for stations to receive Federal share. Without State or Federal share, no station would be able to survive. In fact, any reduction in State share beyond 5% puts majority of Federal share at risk.

APBC 2/17/87

CHRONOLOGY OF FULL-SERVICE PUBLIC STATION DEVELOPMENT

<u>STATION</u>	<u>LOCATION</u>	<u>ON AIR</u>	<u>1ST STATE GRANT</u>
KUAC-FM	FAIRBANKS	09-29-62	FY 1963
KYUK-AM	BETHEL	05-13-71	FY 1970
KUAC-TV	FAIRBANKS	12-22-71	FY 1970
KYUK-TV	BETHEL	09-02-72	FY 1972
KOTZ-AM	KOTZEBUE	03-15-73	FY 1972
KTOO-FM	JUNEAU	01-27-74	FY 1973
KAKM-TV	ANCHORAGE	05-07-75	FY 1974
KDLG-AM	DILLINGHAM	05-22-75	FY 1974
KBRW-AM	BARROW	01-22-75	FY 1976
KMXT-FM	KODIAK	06-01-76	FY 1976
KRBD-FM	KETCHIKAN	05-22-76	FY 1975
KSTK-FM	WRANCELL	07-02-77	FY 1977
KFSK-FM	PETERSBURG	09-15-77	FY 1976
KSKA-FM	ANCHORAGE	08-15-78	FY 1977
KTOO-TV	JUNEAU	10-01-78	FY 1978
KBBI-AM	HOMER	08-15-79	FY 1978
KHNS-FM	HAINES	10-04-80	FY 1980
KSKO-AM	MCGRATH	07-01-81	FY 1979
KCAW-FM	SITKA	02-15-82	FY 1980
KCHU-AM	VALDEZ	03-02-86	FY 1981

IMPORTANT NOTES:

1. 80% OF STATION ACTIVATIONS OCCURRED PRIOR TO MAJOR INFUSIONS OF OIL REVENUE INTO THE STATE'S BUDGET.
2. GROWTH OF NEW PUBLIC STATIONS HAS ACTUALLY SLOWED DRAMATICALLY IN THE LAST SIX YEARS.

EMPLOYMENT/VOLUNTEER INFORMATION
FROM PUBLIC BROADCAST STATIONS
III ALASKA

STATION	COMMUNITY	FULL-TIME EMPLOYEES	PART-TIME	VOLUNTEERS	VOLUNTEER TRAINING
<u>APBC Funded Stations</u>					
KALM-TV	Anchorage	23	10	200	Fund-raising, production
KSLA-FM	Anchorage	7	2	260	Basic through advanced, college credit
KBRW-AM	Barrow	7	10	11	Production for news and music
KYUK-AM-TV	Bethel	25	4	32	Comm. college, youth training
KDLG-AM	Dillingham	6	5	5	High School Class
KLYU-AM	Galena	1	1	7	Basic production
KHLS-FM	Haines	8	1	51	Basic and advanced
KBBI-AM	Homer	8	2	61	Basic, advanced thru comm. schools
KTOU-FM-TV	Juneau	28	4	76	Basic and advanced
KRBD-FM	Ketchikan	8	2	70	Production, remotes, reporting
KHXT-FM	Kodiak	7	3	45	basic, village news reporters
KUTZ-AM	Kotzebue	8	3	19	Production, sports
KSRD-AM	McGrath	6	4	20	Basic, voc-ed tech.
KFSK-FM	Petersburg	5	2	30	Production techniques
KSDP-AM	Sand Point	1	1	5	Basic
KCAW-FM	Sitka	7	2	67	Basic and advanced
KCHU-AM	Valdez	2	0	30	Production, Community College credit
KSTK-FM	Wrangell	7	1	25	Production, drama, news, youth
APRA*	Anchorage	10	3	2	Technical and administrative
Sub-totals		174	60	1,016	
<u>Non-APBC funded operations</u>					
KDAG-FM-TV	Fairbanks	21	27	261	College credit, internships, and basic
Totals		195	87	1,277	

* Alaska Public Radio Network--funded by station contributions

SUMMARY OF PROJECTED OPERATING INCOME FOR FULL-SERVICE APBC GRANTEES - FY '88

(From Form 4, Part 1)

GRANTEE	APBC	%	CPB Fed	%	MEMBERSHIP & CONTRI- BUTION	%	BUS. CONTRI- BUTION UNDER- WRITING	%	INTEREST	%	OTHER CASH	%	IN-KIND INDIRECT	%	TOTAL
KSKA FM, Anchorage Req. '88	237.8	24	180.0	18	250.0	25	65.0	6	15.0	2	94.5	9	159.6	16	1001.9
Actual '87	237.8	23	178.0	17	275.0	26	75.0	7	14.0	1	117.0	11	152.0	15	1048.8
KBRW AM, Barrow Req. '88	319.7	41	135.7	17	8.5	1	16.5	1	7.0	1	236.1*	30	57.7	8	781.2
Actual '87	274.6	32	203.5	23	6.8	1	11.0	1	8.0	1	273.2*	32	84.5	10	861.6
KYUK AM, Bethel Req. '88	280.0	72	65.1	17	12.0	3	2.0	1	12.0	3	.9	0	17.3	4	389.3
Actual '87	280.0	72	65.1	17	12.0	3	2.0	1	12.0	3	.9	0	17.3	4	389.3
KDLC AM, Dillingham Req. '88	244.8	39	129.6	21	0.0	0	36.0	6	15.7	2	0.0	0	201.9	32	628.0
Actual '87	244.8	39	135.9	21	0.0	0	36.0	6	15.7	2	0.0	0	201.9	32	634.3
KHNS FM, Haines Req. '88	236.1	47	96.9	19	13.0	2	12.0	2	5.0	1	38.6	8	97.8	20	499.4
Actual '87	236.1	47	96.9	19	13.0	2	12.0	2	5.0	1	38.6	8	97.8	20	499.4
KDUI AM, Homer Req. '88	302.1	49	128.8	21	30.0	5	8.0	1	6.8	1	3.3	1	136.4	22	615.4
Actual '87	237.1	42	113.8	20	28.5	5	5.0	1	6.5	1	3.3	1	172.6	30	566.8
KTOO FM, Juneau Req. '88	322.6	44	105.7	15	80.0	11	20.0	3	10.0	1	44.7*	6	144.3	20	727.3
Actual '87	322.6	45	105.9	15	80.0	11	20.0	3	10.0	1	44.7*	6	132.3	19	715.5
KRBD FM, Ketchikan Req. '88	309.9	43	152.2	21	32.0	5	20.0	3	9.5	1	10.0	1	191.4	26	725.0
Actual '87	309.9	44	148.9	22	28.6	4	15.0	2	7.7	1	5.5	1	183.9	26	699.5
KHXT FM, Kodiak Req. '88	258.5	42	113.8	19	10.5	2	13.0	2	3.5	1	87.9	14	124.3	20	611.5
Actual '87	258.5	42	113.8	19	10.5	2	13.0	2	3.5	1	87.9	14	121.0	20	608.2
KOIZ AM, Kotzebue Req. '88	317.0	55	106.5	18	6.0	1	12.5	2	10.0	2	80.2	14	48.1	8	580.3
Actual '87	317.0	55	106.5	18	6.0	1	12.5	2	10.0	2	80.2	14	48.1	8	580.3
KSKO AM, McGrath Req. '88	339.5	65	126.7	24	2.2	1	8.5	2	6.0	1	12.3	2	26.4	5	521.6
Actual '87	339.5	65	126.7	24	2.1	1	7.5	2	6.0	1	11.0	2	26.4	5	519.2
KFSK FM, Petersburg Req. '88	247.5	51	106.0	22	11.0	2	4.0	1	6.0	1	9.8	2	100.3	21	484.6
Actual '87	232.5	50	106.0	23	11.0	2	4.0	1	6.0	1	6.1	1	100.3	22	465.9
KCAW FM, Sitka Req. '88	296.7	42	116.0	16	28.0	4	16.0	2	9.7	2	23.7	3	219.5	31	709.6
Actual '87	269.1	40	115.6	17	26.0	4	10.0	2	6.4	1	19.2	3	218.5	33	664.8
KSTK FM, Wrangell Req. '88	237.4	48	109.0	22	8.0	2	3.0	1	7.0	1	0.0	0	128.6	26	493.0
Actual '87	237.4	49	100.4	21	8.0	2	3.0	1	7.0	1	0.0	0	128.6	26	484.4
FAKM - TV Anchorage Req. '88	752.8	31	415.8	17	656.5	27	162.0	6	19.0	1	60.0	2	395.0	16	2461.1
Actual '87	752.8	31	415.8	17	656.5	27	162.0	6	19.0	1	60.0	2	395.0	16	2461.1
KYUK - TV Bethel Req. '88	681.5	62	330.9	30	20.0	2	7.0	1	15.0	1	21.4	2	17.3	2	1093.1
Actual '87	681.5	62	330.9	30	20.0	2	7.0	1	15.0	1	21.4	2	17.3	2	1093.1
KTOO - TV Juneau Req. '88	709.6	47	385.6	26	147.0	10	70.0	5	20.0	1	91.2	6	71.7	5	1495.1
Actual '87	709.6	48	385.6	26	140.0	9	70.0	5	20.0	1	91.2	6	68.3	5	1484.7
TOTALS	Req. '88 Actual '87		2804.3 2849.3		1314.7 1324.0		475.5 465.0		177.2 171.8		814.6 860.2		2137.6 2165.8		13,817.4 13,776.9

* Includes CLTA

FUNCTIONS PERFORMED BY THE ALASKA PUBLIC BROADCASTING COMMISSION

AS 44.21.264 states that the Alaska Public Broadcasting Commission is "created to encourage and to supervise the development of an integrated public broadcasting system for the state and for the coordination of all public broadcasting stations. The primary purpose of the Commission is the encouragement and support of non-commercial public broadcasting in the state through the provision of operating and capital grants in support of the delivery of non-commercial programs intended for a general audience by locally controlled non-profit broadcast stations or telecommunications entities."

While providing grants to public broadcasting is, therefore, the primary purpose of the Commission (and mandated by statute), the APBC carries out several other functions.

- I. Fund and Oversee Engineering Research. Such research has:
 - A. Resulted in the Barrow, Kotzebue, McGrath, Dillingham and Homer public stations being able to increase their nighttime power.
 - B. Led to new ground conductivity studies in the state which will allow even more gains in terms of power increases and coverage for both public and commercial radio.
- II. Participates In or Initiates FCC Actions. Here are a couple of examples in which the APBC played a major role:
 - A. A recent decision by the FCC to provide much higher frequency interference protection for Alaska AM stations than was heretofore possible, allowing rural residents to hear Alaska stations without potential interference from Canadian or lower '48 stations.
 - B. The opening of the lower end of the FM radio band for use in Alaska and a similar availability for TV channels 5 and 6. Both portions of the spectrum had previously been reserved for military use, and were only available through a long and costly petition process.
- III. Provide Accounting Services for All Grantee Stations.
 - A. This service assists stations by providing free accounting services to each one, and
 - B. Provides the Commission with a standardized grant monitoring device (more on this below).
- IV. Training At Stations.
 - A. On a contractual basis, the Commission provides in-service training for staff at stations. Training has been provided in engineering, programming, reporting, financial management, development, and others.

IV. Training At Stations. (cont.)

B. The Commission also provides training for local station Boards of Directors. This training is conducted directly by the APBC Director and Assistant. This work is viewed by the Commission as particularly important since local Boards hire the station chief executive and are responsible for overseeing all station operations.

V. Provides Advice and Serves As An Information Clearinghouse for Stations.

A. EEO policies.

B. Personnel policies.

C. Local fundraising.

D. Model job descriptions.

E. Engineering help and advice (FCC proofs of performance, form completion and loan of expensive items of test equipment).

F. Assistance in recruiting station personnel (for instance, the APBC Executive Director assisted KBRW in Barrow in securing a temporary manager after the sudden departure of the station manager in December, 1983. The temporary manager served for five months while recruitment, with the assistance of the APBC, went forward for a permanent manager. The APBC Director's knowledge of the statewide system and of the availability of individuals who could serve as a temporary manager was key to the station's being able to stay on the air).

VI. Direct Grant Related Activities.

A. APBC staff prepares application forms for both capital and operating grants to be distributed to stations on an annual basis.

B. The staff evaluates station requests for capital and operating grants and makes recommendations for Commission action on each application.

C. The grants must actually be awarded by the Commission.

D. The staff monitors expenditures of all grantees to assure that funds are used as agreed upon by the Commission. The statewide accounting system, paid for by the APBC, is of great assistance at this point, since it requires that all grantees use identical account codes and accounting standards. The Commission, therefore, is able to make direct comparisons from station to station with regard to revenues and expenditures.

VI. Direct Grant Related Activities. (cont.)

- E. Other station activities are monitored to assure compliance with APBC regulations.
1. That membership on local Boards of Directors is broadly representative of the community and area served by the broadcast facility.
 2. That candidates for the position of chief executive at each grantee are reviewed by the Executive Director and his/her comments are forwarded to the Board prior to the hire of a Chief Executive.
 3. That copies of all FCC reports filed by each grantee are also filed with the Commission.
 4. That copies of an annual independent audit required by the Corporation for Public Broadcasting are filed with the Commission.
 5. To assure that no outside or improper influence is exerted on station programming decisions.

The Commission also receives inquiries from the public about public broadcasting in Alaska and serves as a resource for communities in Alaska who are interested in beginning public radio or television service. The staff also serves as consultants to existing staffs at grantee stations.

When all direct services to stations are considered, the APBC performs its administrative functions with less than 4% of its annual appropriation. Over 93% of the annual appropriation is provided directly to stations in the form of grants. The cost of the statewide accounting system, engineering assistance, legal assistance, and other direct services make up another 3% or more. It is doubtful that many other state grant programs operate with such a low percentage of administrative overhead.

April 24, 1985
Charles M. Northrip

STATE INCOME ANALYSIS FOR PUBLIC
BROADCASTING LICENSEES BY STATE

The following tables provide data reported by licensees on state income in the most recent annual information survey.

<u>STATE</u>	STATE GOVT <u>INCOME</u> ¹	RANKED BY STATE <u>INCOME</u>
New York	\$16,419,049	01
Florida	15,194,103	02
S. Carolina	12,658,063	03
Maryland	8,989,117	04
Pennsylvania	8,258,626	05
Ohio	8,011,325	06
Kentucky	7,451,758	07
New Jersey	7,298,708	08
Iowa	6,557,641	09
* Alaska	6,165,666	10
Georgia	5,970,269	11
Mississippi	5,307,870	12
Louisiana	5,554,236	13
Wisconsin	4,375,459	14
Virginia	4,868,612	15
Nebraska	4,687,468	16
Alabama	3,754,366	17
California	3,133,206	18
Puerto Rico	3,024,247	19
West Virginia	2,727,256	20
Hawaii	2,687,108	21
Tennessee	2,620,260	22
Oregon	2,203,507	23
South Dakota	2,122,417	24
Arkansas	1,820,890	25
New Mexico	1,743,216	26
Utah	1,635,376	27
Maine	1,422,876	28
New Hampshire	1,397,584	29
Vermont	1,351,970	30
Indiana	1,178,198	31
Amer. Samoa	1,142,033	32
Connecticut	1,125,134	33
Rhode Island	1,036,302	34
Minnesota	1,013,567	35
Idaho	825,776	36
Massachusetts	616,525	37
Kansas	549,286	38
Oklahoma	407,348	39
Colorado	350,411	40
Illinois	315,393	41
North Dakota	309,393 (2)	42
N. Carolina	288,421	43
Missouri	239,738	44
Washington	132,293	45

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¹Does not include support from Universities. Over 25% of public TV and over 60% of public radio stations are licensed to and supported by State Universities.

²Low State support due to State law that permits public TV to receive net profits from casino gambling!

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