

Idaho Public Television Governor's Recommendation FY 2011



Photo: Chris McNaught

February 11, 2010



**IDAHO PUBLIC
TELEVISION**
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February 11, 2010

Jason Kreizenbeck
Chief of Staff
Office of the Governor
PO Box 83720
Boise, ID 83720-0034

Dear Mr. Kreizenbeck:

On Friday, January 22, I was directed by the Office of the State Board of Education (OSBE) to prepare a business plan aligned with the goals of the governor's FY 2011 budget recommendation for Idaho Public Television. The plan includes a four-year ramp down to zero in General Fund support. Since that time, a team of senior management staff has been working diligently to fulfill this request. We have received input and guidance concerning the desired format and substance of these materials from OSBE. This includes a recent request to provide three different options, offering various scenarios for how the governor's recommendation could be implemented.

This plan, as requested, is attached and includes materials that explore possible opportunities for new or increased sources of revenue and expense reduction. Due to time constraints as well as policy and potential legal considerations, many of the ideas introduced in this document are conceptual in nature and have not been vetted beyond our on-going discussions with OSBE. In addition, some of these ideas, if enacted, might require actions by our governing board, the State Board of Education and/or the state.

Please let me know if there is anything else that I can provide to you that might be helpful in your consideration of this document.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter W. Morrill".

Peter W. Morrill
General Manager

attachment

cc: Roger Brown, Office of the Governor



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Executive Summary

Idaho Public Television (IdahoPTV) operates with a business model that provides service to every resident in Idaho via television signals broadcast over a statewide infrastructure, as well as content feeds to cable and satellite TV providers. To further enhance the coverage to all Idahoans, IdahoPTV maintains a Web site with substantial and timely content and resources. This operating model provides both civic engagement content (government services), as well as educational and value-added services (public services) to residents, including local productions and national PBS programming.

Idaho presents geographical challenges in delivering digital signals over mountains and into valleys throughout the state, which increases the equipment and operating costs of providing service to all residents. Further, the population of Idaho is dispersed in numerous small, rural areas that generally would not have the resources to support IdahoPTV's services to those areas.

IdahoPTV has been able to provide service to 97% of state residents, and nearly 100% if cable and satellite subscription services are added. This has been made possible with State funding for administrative, operating, and replacement capital investments that subsidize the cost to provide such a service to Idaho's rural areas.

Governor C.L. "Butch" Otter recommended the state eliminate funding of IdahoPTV over a four-year period in the budget details released at the State of the State and Budget Address on January 11, 2010. This recommendation is for Idaho Public Television to remain a state agency, but with no state funding.

Without the financial subsidy from the state for maintenance and administration of the statewide system, the current operating model is not sustainable.

Therefore, IdahoPTV organized a "due diligence" team to analyze and evaluate options to meet the Governor's recommendation without significantly impacting services. This team completed an Agency Overview and Operating Environment review, Revenue Replacement Analysis, Expenditure Reduction Analysis, and a Current Financial Situation Analysis. That information is the basis for three attached operating scenarios. The analysis documents are provided as supplements to this Executive Summary.

IdahoPTV is heavily regulated by the Federal Communications Commission (FCC) and other relevant Federal agencies as a provider of public, non-commercial televised content. The infrastructure and assets of IdahoPTV were purchased with state and federal funds. IdahoPTV is precluded from engaging in most commercial revenue-generating activities.

Additional factors that impact IdahoPTV's ability to replace state funding:

- IdahoPTV outperforms its peers in fundraising efforts and efficiency (Figure 1).
- IdahoPTV receives less state funding than any of its peers, while also providing award-winning content and service that improves fundraising efforts (Figure 2).
- The current economic condition shows declining trends in private fundraising (see "Fundraising - Private Donations").
- IdahoPTV provides civic engagement (government) services that private parties generally do not want to fund.

IdahoPTV Individual Donor Data Compared to Peer Group

	Peer Group	IdahoPTV
# of TV households for February	908,922	838,430
# of viewing households for February	262,085	202,000
Average quarter hour viewing households for prime time ('000s)	8	11
Average quarter hour viewing households for week ('000s)	4	6
Donors as a % of TV market households	2%	2.8%
Donors as a % of viewing households	8%	11.4%
Average cumulative gift per viewer	\$8.70	\$10.94
Revenue Per Total Market Households	\$23,099	\$26,359

Peer Group: Arkansas PBS, Nebraska PBS/NPR, South Carolina PBS/NPR, West Virginia PBS/NPR
Source: DonorCentrics Target Analytics 2008-2009

Figure 1

Comparison of Statewide State-Licensed Public Television Appropriations

Station	* FY 2010 State		FY 2010 Total	FTE	Channels	Transmitters	Translators	Population
	Appropriation	Operating Budget						
North Carolina PBS	12,642,805	27,751,000	174	4	11	23	9,222,414	
Kentucky PBS	12,141,000	24,877,500	175	4	16	3	4,269,245	
South Carolina PBS	11,878,522	19,580,526	187	4	11		4,479,800	
Nebraska PBS/NPR	10,223,556	22,000,000	175	3	9	14	1,783,432	
Maryland PBS	9,741,603	29,900,000	173	3	6		5,633,597	
Louisiana PBS/NPR	9,269,062	13,020,998	83	3	6		4,410,796	
Iowa PBS	9,180,000	17,100,000	114	3	9	8	3,002,555	
Mississippi PBS/NPR	8,260,000	11,900,208	131	3	8	2	2,938,618	
Alabama PTV	7,458,331	18,279,802	88	3	9		4,661,900	
West Virginia PBS/NPR	6,936,000	13,600,000	90	3	3	15	1,814,468	
Arkansas PBS	5,175,000	14,250,000	116	3	6		2,855,390	
South Dakota PBS/NPR	4,400,000	9,800,000	68	3	9	9	804,194	
New Jersey PBS	4,023,000	18,438,000	132	3	4	4	8,682,661	
New Hampshire PBS	2,714,000	8,451,600	50	3	3	20	1,315,809	
KUED Utah PBS	2,543,441	8,240,000	72	3	3	88	2,736,424	
N Dakota/E Minn PBS/NPR*	2,379,643	8,784,857	83	3	9	1	641,481	
Maine PBS/NPR	1,954,000	10,483,000	83	2	5	3	1,316,456	
Idaho PTV	1,518,800	7,073,700	54	7	5	42	1,523,816	
Average	6,802,154	15,751,733	114	3	7	18	3,449,614	

* Prairie Public Broadcasting (all of North Dakota and portions of Eastern Minnesota) includes \$800,000 for approximate state gaming revenue.

Figure 2

IdahoPTV is highly efficient with operating expenditures as it relates to providing valuable educational and informational content and meeting fundraising goals. Generally, any cut in operating expenditures has a direct impact on the ability to raise private donations. While IdahoPTV has reduced personnel and operating expenditures, including layoffs and furloughed pay, these cuts are not sustainable.

To achieve the Governor's recommendation of zero funding, IdahoPTV proposes the following potential for revenue replacements and expenditure reductions:

- Continue fundraising efforts statewide as resources allow.
- Increase on-air fundraising time.
- Charge other state agencies that currently receive free services from IdahoPTV for a combined total of \$1,540,000 (initial estimate).
- Tax counties for a proportionate translator/transmitter use fee based on population.
- Add an option on state income tax forms to donate to Idaho Public Television from refunds.
- Work with Idaho State Board of Education to identify additional sources of private funds.
- Merge with Public Radio to eliminate duplicate services.
- Market local productions (Outdoor Idaho) to Dept of Commerce and local city Chambers to attract incoming businesses to the area.
- Continue pursuit of all federal and private grant opportunities.

The State of Idaho has a valuable investment in the infrastructure of Idaho Public Television. In order to protect and maintain these assets for the benefit of all state taxpayers, funds must be identified for timely replacement and upgrades as they become necessary.

- Work with Division of Financial Management to identify non-general funds to provide a minimum of \$600,000 annually for ongoing maintenance of the statewide infrastructure and replacement capital.

These proposed opportunities could enable IdahoPTV to continue providing efficient, award-winning local content and educational programming to the vast majority of Idaho residents, as well as continue their efficient fundraising efforts without state general funding.

Scenario Reports:

Scenario 1 - Market-Based Model
Scenario 2 - Revenue Replacement
Scenario 3 - Expenditure Reduction

Analysis Reports (Due Diligence):

Agency Overview and Operating Environment
Revenue Replacement Analysis
Expenditure Reduction Analysis
Current Financial Situation Analysis

Scenario 1 Market-Based Model



Scenario 1 - Market-Based Model

Overview

Under this scenario all state funding is eliminated as recommended by the Governor in his FY 2011 budget and Idaho Public Television moves to a market-based public television service. Although the Governor's recommendation to eliminate state funding is over a four-year period, IdahoPTV must begin the transition process immediately to ensure that the agency is financially sustainable at the end of this time period and most of the described actions would take place in the first 18 months of the transition.

Operational Impact

IdahoPTV will begin transitioning to a market-based operating model to ensure sustainability by FY 2014 with no state funding. Given the correlation between the quality and breadth of services provided with the potential for private fundraising revenue, a risk exists that reduced services will lead to reduced donations. IdahoPTV would immediately take the following actions to transition to a market-based public television service model - that is, offer only services that are financially supportable:

- Close regional studios located in Moscow and Pocatello
- Close the studio and technical center at the JR Williams Building in Boise, which provides support for Idaho Legislature Live
- Eliminate cooperative professional training programs with the University of Idaho and Idaho State University
- Cease maintenance translators and translator relays, which provide broadcast signals to rural Idaho communities; Lewiston translator service will be maintained due to its large population base (the 5th largest in the state)
- Eliminate programming services including the Learn/Create Channel, the World Channel, and the IdahoPTV Kids Channel (a cable service)
- Eliminate locally produced programming such as Idaho Legislature Live and the Idaho Debates series
- Reduce locally produced programming such as Idaho Reports, Outdoor Idaho, D4K (a children's science program), and Dialogue by 50%
- Eliminate purchase of many programs such as dramas, Lawrence Welk, and British comedies that fall outside the core PBS programming package
- Refuse and/or return federal grants totaling \$1,204,212 that were recently awarded, including adding 6 fill-in translators for areas that lost their reception with the mandated conversion to digital broadcasting
- Cancel/renege purchase orders and other financial obligations totaling approximately \$590,000 related to the returned federal grants
- Repay the federal interest in equipment purchased using federal funds for any equipment that is no longer serviced and ceases functioning (during the past 10 years IdahoPTV has received federal equipment grants totaling \$4.1 million)
- Provide due diligence and repay private funding earmarked for eliminated or reduced programs

Additional information:

- Currently 82% of IdahoPTV's \$2.9 million in annual individual donations and corporate contributions come from the Treasure Valley; a market-based focus will concentrate efforts in this area to ensure financial stability

- Due to lost services and programming, IdahoPTV can expect an overall decline in private revenue throughout the state
- Since the Community Service Grant from the Corporation for Public Broadcasting (CPB) is based on the amount of state and private donations received, the CPB grant will decline proportionately over the four-year period (current appropriation is approximately \$972,600)
- As rural service is reduced and/or eliminated, annual Distance Service Grant funding from the CPB will also decline substantially (from an estimated \$184,800 in FY 2010 to \$46,200 in FY 2013)
- A market based focus will require equipment purchases totaling \$145,000 to maintain basic service to major population centers outside of SW Idaho
- In the spring of 2010, IdahoPTV anticipates that the federal government will institute new requirements relating to the Emergency Alert System, program guide software, and a "loudness" initiative; these mandates will require investment of approximately \$185,000
- IdahoPTV will require additional funding to continue decommissioning analog equipment eliminated during the mandated conversion to digital broadcasting
- IdahoPTV will be required to relinquish broadcast licenses to the FCC for any translators or transmitters that cease operation
- IdahoPTV will require ongoing funding for replacement equipment and facilities; these costs may increase due to reduced maintenance and support services

Fiscal Impact

IdahoPTV will experience a significant financial impact with the reduction of state funding to zero over four years. Secondary effects from the loss of state funding will require immediate action to ensure ongoing sustainability.

We estimate an immediate requirement of approximately \$1.2 million in funds to begin to:

- Pay back federal grants that have not met the 10-year obligations
- Buyout/settle existing contractual obligations for leased space and equipment no longer utilized
- Lower private donations from reduced local programming and broadcast coverage
- Less non-Federal funds for use in matching Federal grant requests

See "Pro-Forma Statement of Activity" below.

Personnel Impact

Reduced FTP and IH persons by Dept

- Eliminate approximately 19 full-time positions and approximately 37 part-time positions across all fund categories, beginning Spring 2010 for a savings of approximately \$1.2 million annually.
- Do not refill 3 previously vacated full-time positions

Conclusion

This model will eliminate service to certain rural areas of the state and provide reduced service to the larger population areas that have the potential to generate sufficient voluntary contributions to sustain reduced IdahoPTV services.

Pro Forma Statement of Activity

	FY 2010 Budget			Zero State Funds	
Revenue					
Development - All Areas	3,275,100	48.1%	(1)	3,103,400	65.0%
Other Sources	145,900	2.1%	(2)	250,000	5.2%
CSG and DDF Grants	1,159,400	17.0%	(3)	1,021,700	21.4%
Federal Grants	694,000	10.2%	(4)	400,000	8.4%
State Appropriation	1,535,300	22.5%	(5)	0	0.0%
Total Revenue	6,809,700	100.0%		4,775,100	100.0%
Personnel Costs					
Permanent	3,190,623	46.9%		2,323,900	48.7%
Temporary - IH	468,004	6.9%		156,700	3.3%
Total Personnel	3,658,627	53.7%	(6)	2,480,600	51.9%
Operating Expenditures					
Administration	615,280	9.0%	(7)	592,100	12.4%
Engineering	310,390	4.6%	(8)	180,400	3.8%
Programming	1,092,100	16.0%	(9)	1,008,100	21.1%
Production	237,573	3.5%	(10)	42,300	0.9%
Communications	222,989	3.3%	(11)	143,000	3.0%
Development	369,421	5.4%	(12)	333,400	7.0%
Total Expenditures	2,847,753	41.8%		2,299,300	48.2%
Capital Expenditures					
Capital Expenditures	567,320	8.3%	(13)	350,000	7.3%
Other	0	0.0%		0	0.0%
Total Capital	567,320	8.3%		350,000	7.3%
Total Expenditures	7,073,700	103.9%		5,129,900	107.4%
Net Increase/(Decrease)	(264,000)	(3.9%)		(354,800)	(7.4%)

(1) Reduced to 95% of FY 2010, plus \$50K sponsorship increase.

(2) Slight increase in Endowment payout over next 4 years.

(3) Assumed loss of \$1.6M plus translator shutoffs.

(4) FY 2010 was not a typical year.

(5) Zero state funding after four-year phase-out per Governor's Recommendation.

(6) Approximately \$1.2M in personnel cost savings.

(7) Close KISU & KUID.

(8) Removal of translator operating costs.

(9) Includes removal of Learn/Create Channels.

(10) \$71.3K Leg Live, \$4.6K Debates, \$42K = 50% cut local prod and \$77.4K spec prgrms.

(11) Cut Channels \$80K

(12) Cut \$36K ancillary sales.

(13) Replacement capital and equipment.

Scenario 2 Revenue Replacement



Scenario 2 - Revenue Replacement

Overview

In this scenario, IdahoPTV will continue to provide service to 97% or more of Idaho residents, assuming replacement revenue sources are obtained for operations. The funding would primarily come from other state agencies that would begin paying for service they currently receive at no cost from IdahoPTV.

This scenario is a conceptual plan only.

Operational Impact

IdahoPTV would continue its mission of providing valuable educational and informational programming to all residents in the state of Idaho.

Fiscal Impact

IdahoPTV and the State of Idaho would incur accounting, legal and other administrative costs to implement this plan.

If other sources provide approximately \$2 million in annual funding to IdahoPTV, there will be no significant net fiscal impact. However, no source of funds has yet been identified for capital replacement and vehicles, which is estimated at a minimum of \$350,000 annually.

The following list contains services provided by IdahoPTV to individual agencies and an estimated annual value for those related services.

NOTE: NO AGENCY OR ENTITY HAS BEEN CONTACTED REGARDING THESE ALTERNATIVES.

ENTITY	IDAHO PTV SERVICES PROVIDED	AMOUNT
Boise State University	Continuing Education Tele-courses, Early Childhood Education	\$101,500
University of Idaho	Professional Studio Training, Early Childhood Education	\$184,000
Idaho State University	Professional Studio Training, Early Child Education, Science Trek	\$193,000
Department of Education	Teacher Continuing Ed, Overnight Learning Block, D4K, Children's Afterschool Programming	\$111,500
Idaho Educational Network	Teacher Continuing Ed, D4K, Archive of IdahoPTV Content	\$77,000
Idaho State Library Commission	PBS Digital Learning Library Service (One-Time)	\$100,000
Department of Commerce	Economic Development Benefits (Local Programming such as Outdoor Idaho)	\$100,000
Department of Tourism	Economic Development Benefits (Local Programming such as Outdoor Idaho)	\$100,000
Legislative Services Office	Legislature Live, State of State	\$164,000
Office of the Governor	Legislature Live, State of State	\$41,000
Department of Health and Welfare	Kids Channel (Parenting/Ed)	\$10,000
Department of Fish and Game	Outdoor Idaho, Dialogue for Kids (D4K)	\$15,000

Department of Parks and Recreation	Outdoor Idaho, PBS programming (National Parks, State Parks)	\$10,000
State Division of Homeland Security	Emergency Alert Services (EAS) - Maintain Translators	\$331,350
Subtotal From Other State Agencies		\$1,538,350
City of Moscow	Educational Access Channel 8	\$50,000
County Government <i>(Option that replicates funding from Division of Homeland Security)</i>	Maintain IdahoPTV Broadcast Services by Paying for Translator Maintenance	\$331,350

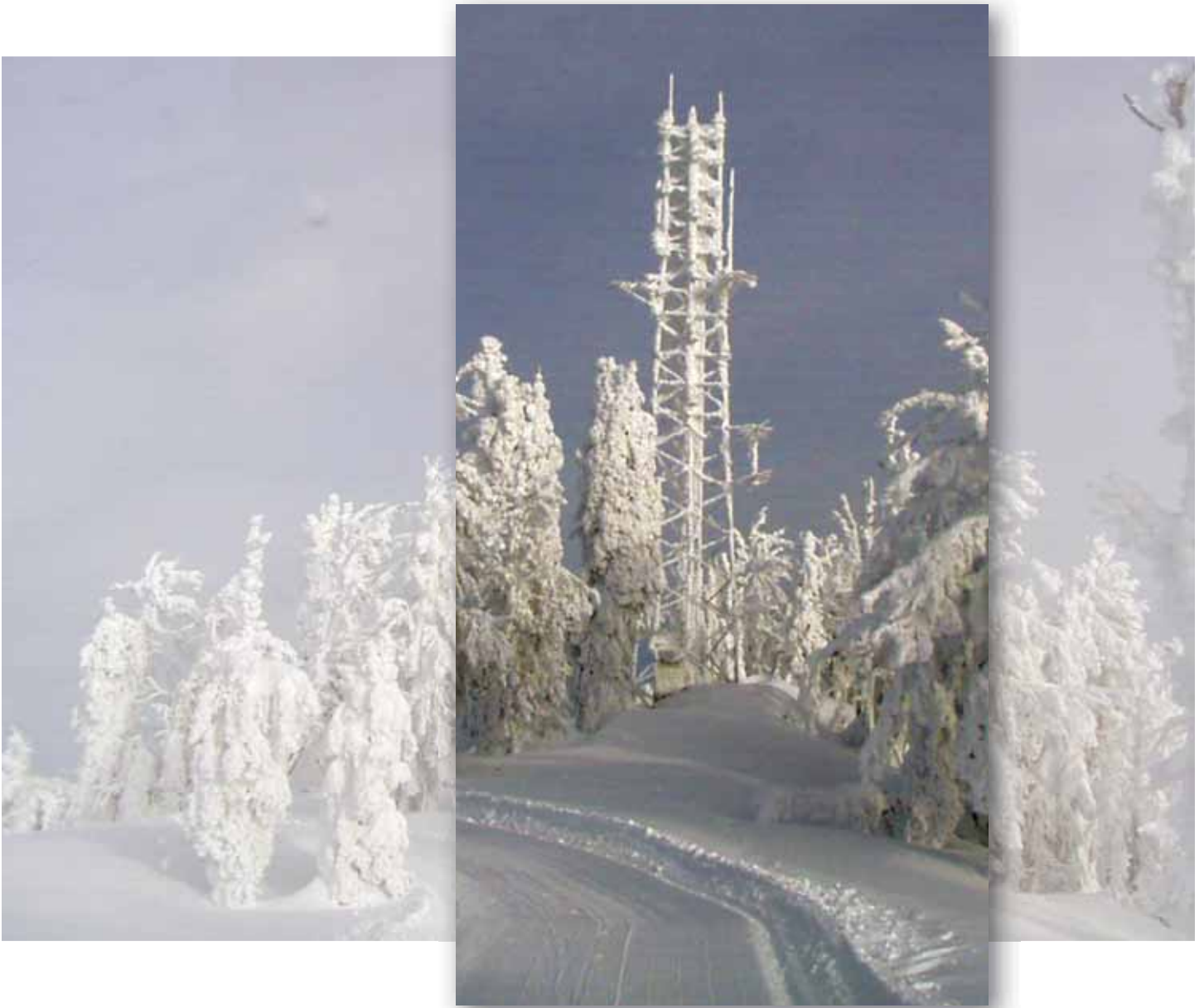
Personnel Impact

No net impact to personnel beyond the current obligation of furlough measures and staff reductions.

Conclusion

Idaho Public Television's current level of service is sustained under this scenario with the exception of unidentified annual equipment replacement capital funds totaling approximately \$350,000.

Scenario 3 Expenditure Reduction



Scenario 3 - Expenditure Reduction

Overview

This scenario evaluates ways to reduce expenditures in an effort to continue the current level of operations of IdahoPTV. Idaho Public Television and the Office of the State Board of Education considered numerous merger opportunities with a wide variety of agencies and other entities. The conclusion was that none of these options resulted in significant long-term cost savings. We also considered facility alternatives; again there were no savings found.

Note: This plan is conceptual only, and we have not discussed these options with any other entities.

Operational Impact

The following merger opportunities were considered:

- Higher Education
 - Transfer operational oversight and financial obligations to an oversight counsel; financial, business, administrative, HR and educational components would be distributed among various institutions.
- Idaho Education Network
 - Transfer operational oversight and financial obligations including financial, business, administrative, HR and educational components (license and asset transfers could pose legal issues).
- Public Radio
 - Share administration, management, engineering, and some operating resources.
- Office of State Board of Education
 - Share administrative, receptionist, legal, accounting, HR, public information services.

Facility and lease Options:

- Network Operations Center (Boise)
 - State of Idaho purchase or remodel a building for IdahoPTV's use - would incur extensive relocation costs.

Fiscal Impact

Estimated savings are minimal. Implementation costs may be substantial.

Personnel Impact

Anticipated savings in personnel are minimal.

Conclusion

The evaluation suggests that none of these options will result in significant long-term cost savings.

Agency Overview & Operating Environment



Agency Overview

Idaho Public Television is an entity of the State Board of Education, State of Idaho. IdahoPTV was originally launched in 1965 with the first broadcasts from KUID in Moscow, Idaho. Stations at Boise State University and Idaho State University were inaugurated in 1971.

Our current facilities include four broadcast studios (KISU in southeastern Idaho, KAID in southwestern Idaho, KUID in northern Idaho, and the Idaho Capitol studio); a Network Operations Center located in Boise, Idaho; 5 digital transmitters; and 42 translators/repeaters which reach some 97% of Idaho's households. IdahoPTV currently employs 54 full-time and 57 part-time staff.

Throughout its 45 year history, IdahoPTV has received state general fund support and replacement capital with the exception of 1981. In that year the state removed all general fund support, but the stations continued to receive support from the three university institutions of which they were a part. Due to these cuts, staff levels at Moscow and Pocatello were reduced by approximately 80%. General fund support was restored the following year, but at a reduced level. Funding was approximately \$1.5 million in 1980 compared to \$800,000 in 1982 - equivalent to a cut from approximately \$3.87 million to \$1.76 million in today's dollars. At that time the legislature specified that the three Idaho stations would now be operated as a statewide network whose single manager would report directly to the Idaho State Board of Education.

IdahoPTV also faced another severe financial challenge in 1996 when our annual Community Service Grants (CSG) from the Corporation for Public Broadcasting (CPB) was reduced from \$1.4 million to \$800,000. Fourteen staff members were laid off, the station's services were scaled back and local productions suffered to adjust to the cuts.

The funds IdahoPTV receives from the state are used to ensure the basic maintenance and administration of the statewide delivery system. State General Funds are not utilized for programming, production, fund-raising, or promotion.

General Fund Appropriations

FY 2010	\$ 1,659,800	(Before holdbacks)
FY 2009	1,815,400	
FY 2008	1,755,900	
FY 2007	1,658,600	
FY 2006	1,586,800	

Replacement Capital Appropriations

FY 2010	\$	0	
FY 2009	1,696,600	(Before holdbacks)	
FY 2008	1,524,000		
FY 2007	1,590,000		
FY 2006	557,000		

In FY 2009, IdahoPTV raised \$2,975,000 from individual and corporate sponsorship donations. 82%, or \$2.37 million, was derived from southwest Idaho. \$319,000 was donated from southeast Idaho, and \$188,000 from north Idaho.

Operating Environment

Federal and State Regulations

Under federal and state requirements, IdahoPTV is required to comply with numerous federal and state regulations and policies including:

- FCC rules and regulations
- Home Satellite Viewers Act
- Cable Television Carriage Act
- FAA regulations
- IRS rules
- GASB
- OSHA
- Corporation for Public Broadcasting policies as directed by Congress
- PBS Programming and Underwriting Guidelines
- Articles of Editorial Integrity

Minimal Performance Standards

As the only public television broadcaster for Idaho, and in order to meet viewers' basic expectations, IdahoPTV will:

- Purchase and provide PBS National Program Service;
- Purchase and provide additional national programming as non-state funding sources allow; and
- Produce and provide local programming and web-based content as non-state funding sources allow.

Financial Environment

- Of the 18 self-reporting state-licensed statewide public television/radio organizations, IdahoPTV receives the second least amount of direct state funding. If state gaming proceeds are included in revenues, Idaho receive the least. (Executive Summary, Figure 2)
- For PBS stations evaluated as part of our peer group, IdahoPTV performed above average in fundraising performance. (Executive Summary, Figure 1)

Fundraising Trends

Nationally, current economic models indicate a continuing decline in overall private giving from foundations, corporations and individuals for 2010 and beyond.

- The Foundation Center estimates that the decline in foundation giving in 2009 was more than 10% and predicts that foundation giving will decline further in 2010.
- The Chronicle of Philanthropy's annual ranking of the 400 charities that raise the most money found that, by the end of 2010, the nation's top organizations expect a median decline of 9% in donations, meaning half will see giving drop even more starkly.
- Locally, our largest private foundation donor recently notified us that our FY 2011 annual grant will be 50% to 67% less than our normal amount due to the economic downturn.

Local Production Awards

IdahoPTV has received over 140 national and regional awards in the past three years for local productions. The quality in their work allows IdahoPTV to raise proportionately larger donations than their peers.

2009

- OI **Emmy Winner** - "25th Anniversary Show," Informational/Instructional
- OI **First Place** - "Wild Fire," Best Investigative Report, Idaho State Broadcasters Association
- OI **First Place** - "Xtreme Sports," Best Sports Program, Idaho State Broadcasters Association
- OI **First Place** - "Family Ranch Heritage," Best Agriculture Program, Idaho State Broadcasters Association
- OI **First Place** - "Mining Idaho," Best Public Affairs Program, Idaho State Broadcasters Association
- OI **First Place** - "Wild Fire," Investigative, Society of Professional Journalists
- OI **First Place** - "Xtreme Sports," Sports, Society of Professional Journalists
- OI **"Sustained Achievement" Award** - Take Pride in Idaho, Idaho Conference on Recreation and Tourism
- OI **Award of Excellence** - "Flying High," from "Xtreme Sports," Jay Krajic, Creativity, Videographer Awards
- OI **Award of Distinction** - "Cyclorama," from "Xtreme Sports," Chuck Cathcart & Jay Krajic, Editing, Videographer Awards
- OI **Award of Distinction** - "Winter Wonderland," Chuck Cathcart, Videoproductions: Travel, Videographer Awards
- OI **First Place** - "Wild Fire," Public Affairs Program, Idaho Press Club
- OI **First Place** - "Mining Idaho," Documentary, Idaho Press Club
- OI **First Place** - "Birders, Banders, Binoculars," Outdoor/Environmental Report, Idaho Press Club
- OI **First Place** - "Hang Gliding," Videography, Idaho Press Club
- OI **Second Place** - "Powered by Nature," Outdoor/Environmental Report, Idaho Press Club
- OI **Second Place** - "Wild Fire," Media Campaign, Idaho Press Club
- OI **Third Place** - "25th Anniversary," Documentary, Idaho Press Club
- OI **Special Jury Prize** - "25th Anniversary," Travel/Tourism, Worldfest, Houston International Film Festival
- OI **Platinum Award** - "Family Ranch Heritage," Agriculture, Worldfest, Houston International Film Festival
- OI **Gold** - "Powered by Nature," Ecology/Environment, Worldfest, Houston International Film Festival
- OI **Bronze** - "Mining Idaho," Informational/Cultural/Historical, Worldfest, Houston International Film Festival
- OI **First Place - Telly Award** "Wild Fire," Nature & Wildlife
- OI **First Place - Telly Award** "Birders, Banders, & Binoculars," Nature & Wildlife
- OI **First Place - Telly Award** "Family Ranch Heritage," Miscellaneous
- OI **First Place - Telly Award** "25th Anniversary Show," Travel/Tourism
- OI **Bronze - Telly Award** "Xtreme Sports," Sports
- OI **Golden Eagle** - "25th Anniversary Show," Council on International Nontheatrical Events (CINE)
- OI **Golden Eagle** - "Wild Fire," Council on International Nontheatrical Events (CINE)
- D4K **First Place** - Special Purpose, Idaho Press Club
- D4K **Second Place** - Best On-line Only Program, Idaho Press Club
- D4K **Platinum** - Interactive-Educational-Children, Worldfest, Houston International Film Festival
- D4K **Bronze - Telly Award** On line Video/Education
- D4K **First Place** - Public Affairs, Studio, Idaho Press Club
- D4K **Bronze** - Education, Worldfest, Houston International Film Festival
- DLG **First Place** - "Eastern Snake Plain Aquifer," In-depth Reporting, Capitolbeat, Association of Capitol Reporters & Editors
- DLG **First Place** - Columns, Commentary & News Analysis, Capitolbeat, Association of Capitol Reporters & Editors
- DLG **Second Place** - "Wall Street Woes," Public Affairs, Studio, Idaho Press Club
- IR **First Place** - Beat Reporting, Capitolbeat, Association of Capitol Reporters & Editors
- IR **First Place** - "Veto Mania," Single Report, Capitolbeat, Association of Capitol Reporters & Editors
- Spcl **Barbara Morgan: No Limits - First Place** - Edward R. Murrow Awards, News Documentary, Region 1, RTNDA
- Spcl **Barbara Morgan: No Limits - Platinum** - Flight/Space Travel, Worldfest, Houston International Film Festival
- Spcl **Barbara Morgan: No Limits - First Place - Telly Award** Education
- Spcl **Barbara Morgan: No Limits - Golden Eagle** - Council on International Nontheatrical Events (CINE)
- Spcl **Barbara Morgan: No Limits - First Place** - Biography, NETA (National Educational Telecommunications Association)
- Spcl **Hymns of Thanksgiving - Bronze - Telly Award** Cultural
- Spcl **DTV Answers - Third Place** - Public Affairs, Studio, Idaho Press Club
- Admn **IPTV Annual Report - Second Place** - Annual Report, Idaho Press Club
- Admn **Shop Idahoptv - First Place** - Best TV Graphics, Idaho Press Club
- Admn **Idaho Public Television - Community Impact Award for Engagement** - My Source, CPB

Total = 50 Awards

2008

- OI **Emmy Nomination** - "A Middle Fork Journey," Informational
- OI **Emmy Nomination** - "Motorized Idaho," Sports
- OI **Third Place** - "A Middle Fork Journey," Public Affairs-Field, Idaho Press Club
- OI **Honorable Mention** - "Desert Hideaways," Outdoor/Environment Report, Idaho Press Club
- OI **Special Jury Prize** - "A Middle Fork Journey," Sailing/Water Sports, Worldfest, Houston International Film Festival
- OI **Bronze Award** - "Idaho Getaways," Travel/Tourism, Worldfest, Houston International Film Festival
- OI **First Place - Telly Award** "Idaho Getaways," Travel & Tourism
- OI **Bronze - Telly Award** "A Middle Fork Journey," Nature & Wildlife
- OI **First Place** - "Idaho Getaways," Information, NETA (National Educational Telecommunications Association)
- OI **First Place** - "A Palouse Paradise," Science & Nature, NETA (National Educational Telecommunications Association)
- OI **First Place** - Television Series, NETA (National Educational Telecommunications Association)
- DLG **Bronze Medal** - "A Look Back at the Sunshine Mine Disaster," Best Public Affairs Program, New York Festivals
- DLG **First Place** - "West Nile Virus," Best Agriculture show, Idaho State Broadcasters Association
- DLG **Emmy Nomination** - "Barbara Morgan," Interview/Discussion
- DLG **Emmy Nomination** - "Open Idaho," Politics/Government
- DLG **Emmy Nomination** - "Barbara Morgan," Human Interest, News Series
- DLG **First Place** - "A Look Back at the Sunshine Mine Disaster," Public Affairs-Studio, Idaho Press Club
- DLG **Third Place** - "Astronaut in Waiting," Public Affairs-Studio, Idaho Press Club
- DLG **Platinum Award** - "Barbara Morgan," Flight/Space Travel, Worldfest, Houston International Film Festival
- DLG **Bronze - Telly Award** "Barbara Morgan," Education
- D4K **Emmy Winner** - Program, Children/Youth
- D4K **Emmy Nomination** - Advanced Media D4K web site, Children/Youth/Teens
- D4K **Emmy Nomination** - Children/Youth
- D4K **Second Place** - Public Affairs-Studio, Idaho Press Club
- D4K **Third Place** - Website, Special Purpose, Idaho Press Club
- D4K **Gold Medal** - Web Extra, Interactive-Educational-Children, Worldfest, Houston International Film Festival
- D4K **First Place** - ITV Series, Instructional Media, NETA (National Educational Telecommunications Association)
- Spcl **Idaho Homefront: Of Camps & Combat - Emmy Nomination** - Historic/Cultural program
- Spcl **Idaho Homefront: Of Camps & Combat - First Place** - Documentary, Idaho Press Club
- Spcl **Idaho Homefront: Of Camps & Combat - Platinum Award** - Educational/Instructional Adult, Worldfest, Houston Intn'l
- Spcl **Idaho Homefront: Of Camps & Combat - Bronze - Telly Award** Documentary
- Spcl **Assassination: Idaho's Trial of the Century - Special Jury Prize** - History/Archaeology, Worldfest, Houston Intn'l
- Spcl **Assassination: Idaho's Trial of the Century - Second Place** - Website - Special Purpose, Idaho Press Club
- Spcl **Assassination: Idaho's Trial of the Century - Honorable Mention** - Documentary, Idaho Press Club
- Spcl **Assassination: Idaho's Trial of the Century - First Place - Telly Award** "The Making of," Miscellaneous
- Spcl **Assassination: Idaho's Trial of the Century - Bronze - Telly Award** Documentary
- Spcl **Assassination: Idaho's Trial of the Century - Finalist Award** - "The Making of," Arts & Humanities, New York Fstvl
- Spcl **Assassination: Idaho's Trial of the Century - Finalist Award** - History & Society, New York Festivals
- Spcl **Open Idaho - Gold Award** - Legal, Worldfest, Houston International Film Festival
- Spcl **Open Idaho - First Place** - First Amendment Award, Idaho Press Club

Total = 40 Awards

2007

- OI **Silver Medal** - "Idaho Getaways," Travel & Tourism, New York Film Festival
- OI **Emmy Winner** - "A Trip to the Moon," Writing Category
- OI **Emmy Winner** - "Cycling Idaho," Sports/Documentary Category
- OI **First Place** - "Idaho Getaways," Best Public Affairs, Idaho State Broadcasters Association
- OI **Gold Medal** - "Cycling Idaho," Sports & Recreation, NY Film Festival
- OI **Silver Medal** - "Idaho's Centennial Trail," Travel/Tourism, NY Film Festival
- OI **First Place** - "A Trip to the Moon," Documentary, Society of Professional Journalists, Inland NW Chapter
- OI **Second Place** - "Centennial Trail," Documentary, Society of Professional Journalists, Inland NW Chapter
- OI **First Place** - "A Palouse Paradise," Documentary, Idaho Press Club
- OI **Second Place** - "Idaho's Centennial Trail," Documentary, Idaho Press Club
- OI **Platinum Award** - "A Trip to the Moon," Environment/Ecology, Worldfest, Houston International Film Festival
- OI **Platinum Award** - "Cycling Idaho," Leisure/Recreation, Worldfest, Houston International Film Festival
- OI **Gold Award** - "Centennial Trail," Travel/Tourism, Worldfest, Houston International Film Festival
- OI **Silver Award** - "A Palouse Paradise," Educational/Instructional, Worldfest, Houston International Film Festival
- OI **Regional Emmy Nomination**, "Cycling Idaho," Sports Program
- OI **Regional Emmy Nomination**, "A Trip to the Moon," Information
- OI **Regional Emmy Nomination**, "A Trip to the Moon," Writing
- OI **Regional Emmy Nomination**, "A Palouse Paradise," Historic/Cultural
- OI **First Place** - "Silver Valley Rising," Program Production, in conjunction with "Dialogue," NETA
- OI **Telly Award First Place** - "Cycling Idaho," Health & Fitness
- OI **Telly Award First Place** - "A Trip to the Moon," Information
- OI **Telly Award Bronze** - "Bird Hunting in Idaho," Sports
- DLG **First Place** - Commentary & Analysis, Capitolbeat
- DLG **First Place** - "Marriage Amendment," Public Affairs, Society of Professional Journalists, Inland NW Chapter
- DLG **First Place** - "Marriage Amendment," Public Affairs-Studio, Idaho Press Club
- DLG **Second Place** - "DNA," Public Affairs-Studio, Idaho Press Club
- DLG **Finalist** - "Barbara Morgan," Talk/Interview, New York Film Festival
- DLG **First Place** - "Silver Valley Rising," Program Production, in conjunction with "Outdoor Idaho," NETA
- DLG **Telly Award Bronze** - Political Commentary
- D4K **Golden Eagle** - Children's Programming, Council on International Nontheatrical Events (CINE)
- D4K **Emmy Winner** - Children & Youth Category
- D4K **Emmy Winner** - Advanced Media Category
- D4K **First Place** - Website Special Purpose, Idaho Press Club
- D4K **Third Place** - Public Affairs-Studio, Idaho Press Club
- D4K **Finalist** - Educational/Instructional Elementary, New York Film Festival
- D4K **Regional Emmy Nomination** - Children/Youth program
- D4K **Regional Emmy Nomination** - Web Extra, Advanced Media: Children, Youth, Teens
- D4K **First Place** - Instructional Media, Monthly Series, NETA (National Educational Telecommunications Association)
- D4K **First Place** - Instructional Media, Associated Teacher Resources, NETA (Ntn'l Educational Telecommunications Assoc.)
- D4K **Telly Award First Place**, Educational
- IR **First Place** - Promotion, Web site, NETA (National Educational Telecommunications Association)
- Spcl **The Social Code - First Place** - Instructional Media, NETA (National Educational Telecommunications Association)
- Spcl **Rosalie Sorrels: Way Out in Idaho - Silver Award** - Bio/Autobiographical, Worldfest Houston International Film Festival
- Spcl **Rosalie Sorrels: Way Out in Idaho - Regional Emmy Nomination**, Special Event
- Spcl **Rosalie Sorrels: Way Out in Idaho - First Place** - Promotion, NETA (National Educational Telecommunications Assoc.)
- Spcl **Rosalie Sorrels: Way Out in Idaho - Telly Award Bronze** - Cultural
- Spcl **Idaho Homefront: World War Two - Finalist** - History & Society, New York Film Festival
- Spcl **Idaho Homefront: World War Two - Honorable Mention** - Television Writing, Idaho Press Club
- Spcl **Idaho Homefront: World War Two - Gold Award** - History/Archaeology, Worldfest Houston International Film Festival
- Spcl **Idaho Homefront: World War Two - Telly Award Bronze** - Documentary
- Spcl **Remembered Earth - Telly Award First Place** - Nature & Wildlife

Total = 51 Awards

Revenue Replacement Analysis



Revenue Replacement Analysis

Overview

To continue in a sustainable statewide service model, providing service to 97% of residents in Idaho, financial resources must be identified to replace the loss of State funding per the Governor's recommendation. The goal is to identify financial resources of approximately \$2 Million annually, which includes \$1,650,000 for personnel and operating expenditures, and \$350,000 for replacement capital and vehicles. Although the recommendation is to eliminate state funding over a four-year period, to be sustainable, IdahoPTV needs to have a plan to replace all of this funding. The following list of potential revenue sources look at all possible funding sources. Further research and discussion would be required before any could be acted upon.

NOTE: No agency or entity has been contacted regarding these alternatives.

- FY 2010 General Fund Appropriation was initially \$1,659,800 for Personnel and Operating Expenditures, which included a 5.0% holdback in personnel costs. After an additional 7.5% personnel holdback, and a recent holdback of approximately 1.0%, the current appropriation is \$1,518,800.
 - FY 2009 appropriation was \$1,815,400 for personnel and operating expenditures.
- FY 2010 General Fund Appropriations for replacement capital was \$0.
 - The sustainable replacement capital resources needed are estimated at a minimum of \$350,000 annually. These funds are used to replace capital equipment as well as match money for Federal and other replacement capital grants.

Current State Agencies Services (Approximately \$1.54 million)

These services are currently provided to other state agencies at no charge.

Boise State University - \$101,500

- BSU Continuing Education - Telecourses - BSU college credit courses broadcast on IdahoPTV (\$30,000 per year)
- BSU Early Childhood Education - Educational children's programming - 11 hours each weekday on the primary channel (total cost \$135,000 per year - \$34,000 for BSU portion) plus Kids Channel 24 hours a day available on CableOne (Total \$37,500 per year)

U of I - \$184,000

- Professional studio training for School of Journalism and Mass Media (JAMM) students (\$150,000); not including capital replacement.
- Early Childhood Education - Educational children's programming - 11 hours each weekday on the primary channel (\$34,000)

ISU - \$193,000

- Professional studio training for Department of Mass Communication students at the IdahoPTV KISU production studio and control room including technical assistance for student weekly campus show (\$150,000); not including capital replacement.
- Early Childhood Education - Educational children's programming - 11 hours each weekday on the primary channel (\$34,000)
- Science Trek overnight educational experience for 3rd to 5th graders co-offered with the Idaho Museum of Natural History at ISU (\$9,000)

Department of Education - \$111,500

- K-12 - teacher continuing education resources (\$30,000)
- Overnight learning block resources for classroom use (\$12,500)
- D4K program and website (\$52,000 total - \$35,000 DOE)
- Afterschool educational children's programming on our primary channel (\$34,000)

Idaho Educational Network - \$77,000

- K-12 - teacher continuing education resources (\$10,000)
- D4K program and website (\$17,000)
- Archiving and distributing current IdahoPTV library of content (\$50,000)

Idaho State Library Commission - \$100,000

- PBS Digital Learning Library service (\$100,000 one-time)

Department of Commerce - \$100,000

- Pay for economic development benefits of local production - Outdoor Idaho, etc. (\$221,000; total for Outdoor Idaho alone - \$100,00)
 - Local programming used in commerce to promote relocation of families and corporations.
- Intangible asset - State *has* a Public Television station (for family/corporate relocation benefit)

Department of Tourism - \$100,000

- Pay for economic benefits of local production - Outdoor Idaho (\$100,000)

Legislative Services Office (4/5) and Governor's Office (1/5) - \$205,000

- Pay for services of Legislature Live and other content for the benefit of providing civic engagement in government to 97% of state residents.
 - Currently receive approximately \$45,000 in underwriting revenue for the operational costs for Legislature Live. In addition, IdahoPTV contributes about \$105,000 toward Legislature Live. Plus, \$30,000 space rent.
 - Replacement capital for ongoing maintenance and equipment upgrades (\$20,000)
- Pay for content and services provided for annual State of the State Address (\$5,000)

Department of Health & Welfare - \$10,000

- Pay for services provided Kids Channel (parenting/education)

Department of Fish & Game - \$15,000

- Outdoor Idaho (\$10,000)
- Dialogue 4Kids (D4K) (\$5000)

Department of Parks & Recreation - \$10,000

- Outdoor Idaho and PBS programming (National Parks, parks in Idaho, etc.)

State Division of Homeland Security - \$331,350

- Funding for equipment/maintenance (Rural Translators/Transmitters) to ensure all rural areas have access to Emergency Alert Service (See Figure 1 below)
 - Issue of security clearance for property and network access. This largely prohibits use of contracted services.
 - This includes replacement and upgrade capital.

Translator Costs		
EXPENDITURES	AMOUNT	(1)
3 Field Engineers	\$ 195,810	(2)
Fuel for Transmission/Propane Tank Rental	2,000	
Repair and Maintenance Services	9,200	
Repair and Maintenance Supplies/Other Supplies	2,930	
Electrical Costs	6,500	
Phones/Communication	850	
Site Lease	11,500	
Vehicle Fuel	11,340	
Vehicle Repair and Maintenance	1,600	
Satellite Service to Translators	2,520	
Snowcat/Sled Rental	2,000	
In-State Travel	4,700	
Storage Rental (Snowmobiles and Equipment)	600	
Replacement Capital (42 @ \$1,900 per Year)	79,800	(3)
Total	\$ 331,350	
Number of Idaho Counties Served:	26	
Amount per County:	\$ 12,744	
<p>(1) Based on expenditures for FY 2008; does not include overhead/administrative costs. (2) Based on FY 2010 figures. (3) Replacement capital based on an average cost for a translator and antenna with an expected lifespan of 10 years.</p>		

Figure 1

Other Agencies and Organizations

City of Moscow - \$50,000

- Educational access Channel 8 - Cooperative project with University of Idaho and the City of Moscow.

County Government - \$ 331,350 (Not to duplicate Homeland Security above)

- Seek funding from rural Idaho counties served by translators to cover the cost of maintenance and operation of this equipment.

Increase Fund Raising

Every effort will be made to increase private donations from all sources. However, the state's economic downturn is making that effort especially difficult at this time. In addition, reduced staffing will limit our ability to pursue private funding sources. Furthermore, budget cuts in the content area will reduce our ability to purchase and produce quality programming, which is the principal reason viewers are willing to support us with their voluntary contributions.

New Initiatives

- IdahoPTV raises approximately \$3 Million in private contributions through various efforts that include televised fundraising, corporate sponsorship, membership renewals, planned giving, online giving, and direct networking. We will increase the number of days of on-air fundraising to increase our total funding revenue.

- A targeted effort will be made to increase our funding for children's services by \$100,000 annually through increased grant requests to foundations and/or corporations to pay for children's services such as our 24 X 7 Kids Channel. Funding will be sought from the J.A. and Kathryn Albertson Foundation.
- We will endeavor to raise \$50,000 in additional sponsorship revenue from traditional sources for sponsorship of programming on our digital sub channels to help ensure their continuation.
- We will submit grant requests to provide funding for our Idaho Reports production to major foundations such as the Pew Charitable Trust, Ford Foundation and the Kresge Foundation that have a history of funding public affairs initiatives.
- We will seek funding from the Idaho State Broadcasters Association, the Idaho Allied Daily Newspapers and other media organizations to provide funding to continue the Idaho Debates productions.
- We will seek funding from the MJ Murdock Charitable Trust to provide matching funds for federal equipment grants already awarded.

Market Considerations - Private/Corporate Contributions

- We are competing in an environment with fewer dollars and more need by non-profit entities.
- IdahoPTV outperforms its peer group in fundraising per capita (Executive Summary - Figure 1).
- Reaching the current fundraising goal of \$3 million for FY 2010 is already challenging with the current budget reduction in personnel costs.
- Our largest single contributor has notified IdahoPTV that their FY 2011 contribution will be 50% to 67% less as their trust is economically constrained. This is a reduction of \$100,000 to \$150,000 from our fundraising efforts.
- The Foundation Center estimates that the decline in foundation giving in 2009 was more than 10% and predicts that foundation giving will decline further in 2010. (See "Fundraising - Private Donations" section below).
- The Chronicle of Philanthropy's annual ranking of the 400 charities that raise the most money found that, by the end of 2010, the nation's top organizations expect a median decline of 9% in donations, meaning half will see giving drop even more starkly. (See "Fundraising - Private Donations" section below).
- Increase televised fundraising efforts (more air time used for fundraising vs. programming)
 - Has effect of diminishing returns in fundraising efforts as viewers get frustrated with interruptions in programs.
- Summary - Idaho Public Television will continue its efforts to increase private contributions from all sources. However, it will be an ongoing challenge to raise our current \$3 million goal, and extremely difficult to raise appreciably more.

Market Expansion Opportunities

- Analyze cost effectiveness of fundraising efforts in expanded geographical areas.

Cash Assets

Largest Cash Asset is the Endowment Fund

- Friends of Idaho Public Television, Inc. has established an endowment, contributions of which were donated with the specific restriction that it be placed into the endowment fund in perpetuity.
 - IdahoPTV receives an annual distribution from gains in the endowment fund already included in our annual operating budget for local production.

Other Current Assets not included in operating budgets

- None

Grants (Federal/Private)

Federal Operating Grants

- We continue to apply for any and all federal grants. Typically, these are competitive grants for one-time, targeted purposes. Many of these grants require local matching funds.

Federal Earmark Grants

- We will continue to work with our federal delegation to identify any and all opportunities.

Federal Equipment/Replacement Grants

- Most grants require substantial, local matching funds, which have traditionally come from state resources, and thus IdahoPTV would need to find private matching dollars.

Private Grants

- Operational grants (See “Market Considerations - Private/Corporate Contributions” above.), which are typically for a specific production or project; generally such grants are under \$25K.

Corporation for Public Broadcasting (CPB) Grant Opportunities

- Community Service Grant (CSG) is largely based on Non-Federal Financial Sources (NFFS)
 - With a loss of State funding, and if not replaced, IdahoPTV will lose approximately \$137,700 annually. This loss of funding is compounded further if other NFFS funding is reduced (includes private/corporate fundraising and other non-federal grants).
- Distance Service Grant (DSG) is based on the number of transmitters
 - With a loss of State funding, and if not replaced with other funding, IdahoPTV will lose approximately \$116,600 as un-maintained equipment fails and goes offline.

New Service Revenue

Contract Video Production

- Most video production equipment was acquired with State and Federal dollars.

Sell more products? (Videos, PBS products)

- Already sell nationally online, via the national PBS network, and via direct sales at our facilities.

Channels Advertising Income

- Although a balance between program content and ad space (vs. cost for production), we can explore opportunities within the framework of a non-profit and U.S. Postal Service regulations.

Production Royalties

- Limited opportunity for expansion. Note that this type of revenue comes from local production, and thus if we reduce local production, this will decrease this line item.

State Government Services

- Work with agencies for opportunities to generate revenue by providing media services within boundaries of regulations for Commercials/Ads, TV Spots and statewide communication.

Sublease space, equipment or services

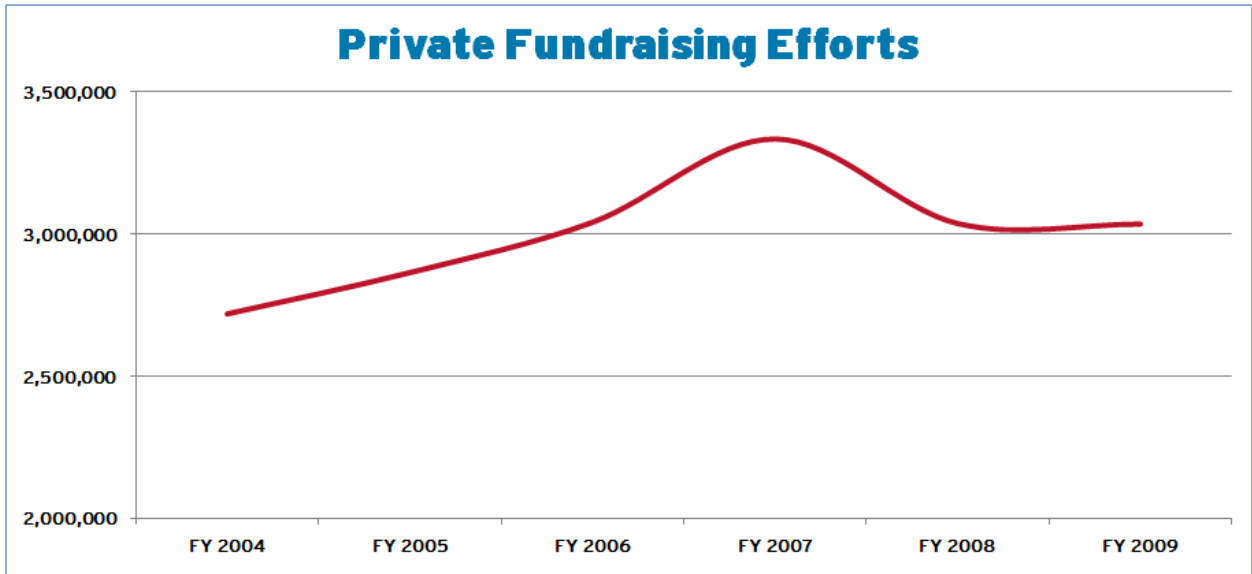
- Potentially increase lease rates at telecommunication sites throughout the state.

Summary

Many of the above revenue replacement opportunities need further discussion and development. Establishing partnerships with other government entities and identifying possible new revenue streams is critical to the success of IdahoPTV's business plan. As any or all of the proposals come to fruition, IdahoPTV may be able to migrate off state general funds.

Fundraising - Private Donations

Membership Revenue



Data includes contributions, underwriting and corporate match.
Source: Annual Development Effort reports.

Fundraising Trends in the News

Locally, IPTV's largest private foundation donor recently submitted notification that their FY 2011 annual grant contribution will be 50% to 67% less than their typical amount due to the economic downturn.

The Foundation Center estimates that the decline in foundation giving in 2009 was more than 10% and predicts that foundation giving will decline further in 2010.

The Chronicle of Philanthropy's annual ranking of the 400 charities that raise the most money found that, by the end of 2010, the nation's top organizations expect a median decline of 9 percent in donations, meaning half will see giving drop even more starkly.

Wall Street Journal - "*Funding Woes Push Nonprofits to Consider Mergers, Closing*" - 2/02/10

After more than doubling between 1987 and 2007, private giving declined by 6 percent in 2008, the largest drop since Giving USA began tracking the data more than fifty years ago. At the same time, state and local government funding, which in some cases can represent more than two-thirds of an organization's budget, has also been falling. States paid out 5 percent less in 2009 and 4 percent less in 2010 for education, health care, and human services, according to the Center on Budget and Policy Priorities.

Grant Summary

Date	Grant Opportunity	Requested	Awarded	Comments
10/1/2008	Boise Cascade Festival Sponsorship	2,000	2,000	Approved
10/15/2008	Bank of the Cascades - Kevin Kirk	10,000	5,000	Approved
10/21/2008	FCC DTV Consumer Assistance	35,168	35,168	Approved
10/25/2008	CPB DDF12B	450,165	450,165	Approved
11/5/2008	State Capitol Building Documentary	70,000	70,000	Extra Ed Components
11/19/2008	Coeur d'Alene Tribe Children's Prog	50,000		
12/1/2008	WETA National Parks Outreach	10,000	7,500	Approved
12/2/2008	OSBE National Parks Events	2,000	2,000	Approved
12/17/2008	PTFP 2009 NOC Generator/UPS	225,000	225,000	Approved
12/17/2008	PTFP 2009 Master Control Dig Upgrade	250,000	250,000	Approved
2/18/2009	RUS - Rural Fill-In Translators	481,770	481,770	Approved
2/20/2009	American Experience Opportunity Fund	10,000		Denied
2/25/2009	CHC Foundation - KISU Lighting	30,570	14,000	Reimb up to \$14K
2/26/2009	Steele-Reese Foundation	24,600		No Response/Denied
5/16/2009	PTFP Digital Fill-In Translators	553,410	272,277	Approved
5/22/2009	Paul G Allen Financial Improvement	31,000		Denied - No PTV
5/28/2009	Righteous Persons LOI	35,000		Denied
5/28/2009	Idaho Humanities Hist Det/Nat Parks	4,000	4,000	Approved
6/4/2009	Union Pacific Legislature Live	10,000	10,000	Approved
6/5/2009	General Leg Live Packet	5,000	5,000	Idaho Counties
6/18/2009	Art: 21	4,000		Denied
6/25/2009	INWCF Wasmer Reading Rainbow	3,000		Denied
7/1/2009	ICF SW Region Curtis Stigers Concert	5,000	1,000	Approved
7/9/2009	DDF 14 HD Feeds	133,068		Denied
7/10/2009	NTIA LPTV Upgrade (Translator Reimb)	31,773	31,773	Approved
7/31/2009	Albertson Foundation Generator Match	75,000	25,000	\$25K for Operations
7/31/2009	Bank of America - Bet the Lions, Word W	5,000	5,000	Approved
8/3/2009	Intermountain Gas/MDU	5,000		Tentatively Appr \$4K
8/26/2009	Whittenberger - Human Rights	5,000	2,500	Approved - Partial
8/31/2009	Shelton - Challenge Grant	5,000	5,000	Approved - Matching
9/11/2009	IHC Am Experience XXII	18,534	12,300	Approved
9/18/2009	Human Rights - INL	20,000	20,000	Approved
9/24/2009	Human Rights - CPB	50,000		
9/30/2009	Kellogg Foundation Human Rights	60,000		
9/30/2009	St. Luke's Health Info Spots	20,000		Denied
10/14/2009	John F. Nagel Foundation	20,000		Denied
10/29/2009	Health & Welfare/CDC - Health Spots	30,000		Not a Formal Request
11/16/2009	ICF Langroise Fund - Children's Prog	50,000		
11/25/2009	Murdock - Digital Assets	312,500		
1/15/2010	IHC - Human Rights Doc	4,000		
1/15/2010	ICF - Northern Region Operations	5,000		
	Totals	\$3,151,558	\$1,936,453	

Expenditure Reduction Analysis



Expenditure Reduction Analysis

Overview

After analyzing the revenue opportunities of IdahoPTV, we further pursue an analysis of expenditures to find efficiencies and other savings to obtain the goal of no state funding per the Governor's recommendation. The goal is to continue providing quality local content and service to all residents in Idaho without sacrificing private/corporate contributions.

- Careful considerations exist with the understanding that IdahoPTV collects contributions from 11.4% of viewing households, compared to an 8% average of its peer group. IdahoPTV is able to do this via effective fundraising efforts and due to its award-winning local programming and service to at least 97% of Idaho residents. Without its high-quality programming and service, the revenue benefit IdahoPTV enjoys from higher contribution rates would diminish.
- IdahoPTV receives the least amount of state funding of any other public television station in its peer group. (see Executive Summary Figure 2)
- At the same time, IdahoPTV has been able to outperform its peers in local production awards and private contribution percentages. (see Executive Summary Figure 1)
- This implies that IdahoPTV is already highly efficient in its use of human assets.
- Staff has already been reduced by current budget reductions and holdbacks which is impacting operations via local production and private fundraising.
 - Additional impacts of sustained personnel cuts include reduced morale and the loss of knowledgeable and proficient employees.

Reduce Administrative Overhead - Human Assets

This section contains a summary of current functions by department to aid in analysis.

Administration

Per the FY 2008 CPB/SABS Survey, the latest report available, IdahoPTV uses 4.1 FTE's for Administrative Support, versus an average of 5.85 FTE's of all other stations.

- Management - Includes general manager, department directors and an assistant.
- Accounting - Includes staff for accounting/finance, purchasing, asset management, risk management, internal and external reporting, and a receptionist.
- Human Resources - Includes HR specialist and assistant.

Communications

- Promotion, Public Relations & Communication - Promotion and advertising of agency programs, products and services; develop and manage agency images, logos, print collateral, press releases, photo/image management, etc.; provides art direction and graphic design services;
 - Produce monthly "Channels" viewing guide. (Member benefit that aids in contributions).
 - Develop and execute advertising campaigns, product packaging, promotion materials such as posters and other special materials.
 - Provides editorial and graphic design and production services for the development of scheduled direct mail campaigns. (Membership support - helps fundraising).
- Web site, online media and social networking - Multiple Web sites supporting locally-produced programs, membership and fundraising, intranet, assist with Legislative coverage, etc. (Membership benefit - helps fundraising).

Engineering & Technology

- Engineering Team - Maintains the following systems related to the statewide communication network:
 - All Network Operations Center programming delivery systems, automation systems, information systems and related computer systems.
 - These to include all production related equipment such as video tape recorders, cameras, audio systems, studio equipment, editing systems and live program switching and routing systems at 4 studio locations across the state.
 - All high power television transmitting systems at five locations around the state including interconnecting microwave components.
 - All low power television translator systems at 42 locations around the state with supporting microwave components.
- Information Technology Team - I.T. support for staff, agency computing network, as well as support for engineering, production/programming computing infrastructure, etc.

Programming

- Traffic (Content Management) - Scheduling shows, on-air programming, tracking, ratings, etc.
- Program acquisitions - Purchase national and other programming.
- Viewer Services - Respond to inquiries from viewers about content and services.
- New Media - Create and curate both local and national content for on-line and other new media platforms.

Production

- Outdoor Idaho - Signature productions enjoyed by many Idahoans and used for economic development by attracting families and corporations alike, as well as tourism and quality of life selling points for Idaho at large.
- Dialogue
- Dialogue for Kids
- Legislature Live (Longest running legislative coverage)
- Idaho Reports
- Idaho Debates
- Special Productions - Includes productions such as *Capitol of Light*, *Hymns of Thanksgiving*, *INL Scholastic Tournament*, *Barbara Morgan: No Limits*, *Assassination: Idaho's Trial of the Century*, and other award-winning programs.

Development

- Fundraising Efforts:
 - Membership - Direct Mail, Web, On-air, Telemarketing and Corporate Match
 - Sponsorship, Planned Giving, Leadership Giving, Mid-Level Giving, and Operating Grants
- Ancillary Sales - Video and product revenue via direct sales at facilities, Web site and national PBS efforts.
- Marketing - Develop and implement strategic marketing and media plans

Reduced Overhead via Combining Agency Resources

Currently, IdahoPTV is an entity under the State Board of Education. Per the Governor's recommendation, IdahoPTV would receive no state general funds and employees would continue to be state employees. All licenses, equipment and facilities would remain under the SBOE.

- Note: We have not had the opportunity to explore these potential alternatives in detail or to discuss them with the effected organizations.

Combine with Higher Education

Transfer operational oversight and financial obligations of IdahoPTV to an oversight counsel comprised of the institutions of higher learning. Broadcast licenses and equipment ownership would remain under the SBOE. Financial, business, administrative, HR and educational components would be distributed among the various institutions. Many of IdahoPTV's strategic goals overlap with the universities' current missions relating to student training, continuing education, public radio, community outreach, lifelong learning and service to rural areas. Because of our technical infrastructure it might be cost prohibitive to merge facilities.

Combine with Public Radio

Merger with IdahoPTV could potentially save duplicated personnel costs in administration, management, engineering and some operating expenditures.

Combine with Office of SBOE

Share administrative, front desk, legal, accounting, HR and public information services. Broadcast licenses would remain under the SBOE. Because of our technical infrastructure it might be cost prohibitive to merge facilities.

Other State Entities

Examples - Department of Education, Department of Commerce, self-governing agency. This would require transfer of all equipment and licenses, with potential ramifications due to licensing and editorial standards. Because of our technical infrastructure it would be cost prohibitive to merge facilities.

Operational Unit Options

Network Operations Center (Boise)

- State of Idaho purchase or remodel a building (such as the Annex Building) for Idaho Public Television's use as a network operations center (studios and administrative offices).
 - Would incur extensive relocation costs

Other Alternatives

"Privatize" Idaho Public Television

IdahoPTV (programming, assets, equipment, and licenses) would be transferred to Friends of Idaho Public Television, Inc., a separate 501(c)(3) private, community-based entity with non-profit board of directors.

- Licenses and capital equipment (valued at approximately \$9.3 million) currently owned by the state would be transferred to this entity. Special arrangements would need to be made to continue use of shared facilities such as state microwave with Department of Homeland Security and universities. Employees would no longer be state employees and lose state benefits.

Summary

IdahoPTV is limited in expenditure reductions given its mission to provide statewide service to all residents, as well as the relationship of content and service relative to fundraising efforts. That is, IdahoPTV would likely lose private donations if content or service is reduced.

Further consideration and discussion with other state agencies may lead to cost savings for IdahoPTV. These savings, coupled with the potential revenue replacement opportunities, could enable IdahoPTV to continue its current mission without state general funds.

Current Financial Situation Analysis



Activities by Area

	<u>Fiscal Year 2010 - Budget</u>		
<u>Revenue</u>			
Development - All Areas	4,434,500	65.1%	
Other Sources	145,900	2.1%	
Federal Grants	694,000	10.2%	
State Appropriation	1,535,300	22.5%	(1)
Total Revenue	6,809,700	100.0%	
<u>Expenditures</u>			
Administration			
Boise	1,189,926	17.5%	
Moscow	29,301	0.4%	
Pocatello	28,305	0.4%	
Friends Board	10,410	0.2%	
Engineering	1,718,352	25.2%	
Programming	1,416,411	20.8%	
Production			
General	76,487	1.1%	
Dialogue for Kids	67,749	1.0%	
Debates	29,297	0.4%	
Dialogue	194,688	2.9%	
Idaho Reports (Leg Live)	211,058	3.1%	
Outdoor Idaho	296,828	4.4%	
Special Programs	204,523	3.0%	
Communications			
General/Advertising	357,544	5.3%	
Web Site Development	241,656	3.5%	
Development			
Ancillary Sales	75,003	1.1%	
Membership	749,778	11.0%	
Underwriting	176,384	2.6%	
Total Expenditures	7,073,700	103.9%	(2)
Net Increase/(Decrease)	(264,000)	(3.9%)	(3)

(1) \$1,659,800 (includes 5% PC holdback; \$0 Capital Replacement); Less 7.5% holdback of \$124,500. FY 2009 Appropriation was \$1,716,900 (net of 6% holdback), plus \$1,527,938 for Capital Replacement. FY 2010 is currently \$181,600 less than ending FY 2009 PC and OE Appropriations only.

(2) Expenditures include short-term personnel reductions to meet holdback and budgeting requirements; Total savings from 2 positions laid off, 1 position frozen, and furlough pay reductions is \$200,308.

(3) Budgeted for a loss as General Fund Appropriations were temporarily reduced; striving for additional grants and donations; use cash balances as last resort until General Fund Appropriation restored.

Revenues by Area

	Fiscal Year 2010 - Budget		
Development			
Membership Donations/Match	2,091,450		
Underwriting (Sponsorship)	511,000		
Grants (U/W + Unrstrctd Endw)	430,000		
Total Development	3,032,450	44.5%	
Goods and Services			
Ancillary Sales - Less COGS	71,950		
Professional, Technical and Other	0		
Channels Ads and Royalties	3,000		
Total Goods and Services	74,950	1.1%	
Investments			
Rentals and Leases	41,500		
Endowment Distribution	140,900		
Dividends - Unrestricted	0		
Interest - Unrestricted	11,000		
Total Investments	193,400	2.8%	
Grants			
CSG Grants (CSG/Interconnect)	977,400		
Operating Grants (K.Alb, CHC, DTV)	115,200		
Other Revenue (CPB Distance)	182,000		
Total Grants	1,274,600	18.7%	
Other Sources			
Other Revenue (Spcl Events/Ins/Rfnds)	5,000		
Non-Cash Tradeouts	0		
Total Other Sources	5,000	0.1%	
Unpredictable Revenue			
Federal Grants	694,000		
Sale of Assets	0		
Total Other Sources	694,000	10.2%	
State Appropriation (General Fund)	1,535,300	22.5%	(1)
Total Anticipated Revenue			6,809,700

(1) \$1,659,800 (includes 5% PC holdback); Less 7.5% holdback of \$124,500

Expenditures by Area

Fiscal Year 2010 - Budget

Administration

Boise

Personnel Costs	608,234
Operating Expenditures	581,692
Capital Outlay	0

Total Boise 1,189,926 94.6%

Moscow

Personnel Costs	20,083
Operating Expenditures	9,218
Capital Outlay	0

Total Moscow 29,301 2.3%

Pocatello

Personnel Costs	14,345
Operating Expenditures	13,960
Capital Outlay	0

Total Pocatello 28,305 2.3%

IPTV Board (Friends)

Personnel Costs	0
Operating Expenditures	10,410
Capital Outlay	0

Total Board 10,410 0.8%

Total Administration 100.0% 1,257,942 17.8%

Engineering

Personnel Costs	857,243
Operating Expenditures	
General	176,390
Utilities	70,000
Lease/Rent	64,000

Total Operating 310,390

Capital Outlay	550,720
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Total Engineering 100.0% 1,718,353 24.3%

Programming

Personnel Costs	324,311
Operating Expenditures	
General	65,100
Program Acquisition	1,027,000

Total Operating 1,092,100

Capital Outlay	0
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Total Programming 100.0% 1,416,411 20.0%

Production

General

Personnel Costs	60,887	(2)
Operating Expenditures	0	(2)
Capital Outlay	15,600	

Total General 76,487 7.1%

Expenditures by Area

Fiscal Year 2010 - Budget			
Dialogue for Kids (D4K)			
Personnel Costs	55,461		
Operating Expenditures	6,010		
Dept Overhead	6,278		
Capital Outlay	0		
Total D4K	67,749	6.3%	
Debates			
Personnel Costs	24,686		
Operating Expenditures	2,255		
Dept Overhead	2,356		
Capital Outlay	0		
Total Debates	29,297	2.7%	
Dialogue			
Personnel Costs	181,725		
Operating Expenditures	6,340		
Dept Overhead	6,623		
Capital Outlay	0		
Total Dialogue	194,688	18.0%	
Idaho Reports/Leg Live			
Personnel Costs	139,702		
Operating Expenditures	34,900		
Dept Overhead	36,456		
Capital Outlay	0		
Total Idaho Reports	211,058	19.5%	
Outdoor Idaho			
Personnel Costs	237,944		
Operating Expenditures	28,800		
Dept Overhead	30,084		
Capital Outlay	0		
Total Outdoor Idaho	296,828	27.5%	
Special Programs			
Personnel Costs	127,051		
Operating Expenditures	74,768		
Dept Overhead	2,704		
Capital Outlay	0		
Total Specials	204,523	18.9%	(3)
Total Production		100.0%	1,080,629 15.3%
Communications			
General			
Personnel Costs	163,879		
Operating Expenditures			
General	90,365		
Advertising	102,300		
Total Operating	192,665		
Capital Outlay	1,000		
Total General	357,544	59.7%	

Expenditures by Area

		Fiscal Year 2010 - Budget			
Web Sites/Development					
Personnel Costs		211,332			
Operating Expenditures		30,324			
Capital Outlay		0			
	Total Web	241,656	40.3%		
Total Communications		100.0%	599,200	8.5%	
Development					
Ancillary Sales					
Personnel Costs		35,538			
Operating Expenditures		36,100			
Dept Overhead		3,365			
Capital Outlay		0			
	Total Ancillary	75,003	7.5%		
Membership					
Personnel Costs		431,039			
Operating Expenditures		287,211			
Dept Overhead		31,528			
Capital Outlay		0			
	Total Membership	749,778	74.9%		
Underwriting					
Personnel Costs		165,167			
Operating Expenditures		9,260			
Dept Overhead		1,957			
Capital Outlay		0			
	Total Underwriting	176,384	17.6%		
Total Development		100.0%	1,001,165	14.2%	
Total IPTV					
Personnel Costs		3,658,627			
Operating Expenditures		2,847,753			
Capital Outlay		567,320			
	Total IPTV		7,073,700	100%	

FY 2010 Budget includes 5% initial holdback; Personnel Holdback of 5% General Fund and 3% Dedicated Fund; and additional holdback of 7.5% in General Fund.

- (1) Forecasted to be significantly lower in 2010 via digital efficiencies. Savings have not materialized.
- (2) Allocated all expenses to individual areas.
- (3) Special programming assumes a certain level of private grants; if that funding does not materialize then the related show is scaled down or not produced.

Personnel

Management Team

Peter Morrill	General Manager
Ronald Pisaneschi	Director of Content
Richard Van Genderen	Director of Technology
Sandra Streiff	Director of Communications
Toni Ward	Director of Financial Affairs
Kimberly Philipps	Director of Development
Sandra Crane	Human Resource Specialist

FTP Count by Fund

General Fund State Appropriation	14	(3 Vacant)
Misc. Revenue Fund - 0349	19	
Non-Cognizable Fund - 0349	24	
Total	<u>57</u>	(54 Filled)

FTP Count by Department

10 - Programming	5	
20 - Engineering	14	(1 Vacant)
30 - Communications	6	
40 - Production	12	(1 Vacant)
50 - Administration	10	
60 - Development	10	(1 Vacant)
Total Permanent FTP's	<u>57</u>	(54 Filled)
Part-Time Positions (IH)	57	
Total Personnel	<u>114</u>	(111 Filled)

FY 2010 Personnel Cost Savings

2 - Layoff / 1 - Frozen	\$ 110,495	
Volunteer Time Off	31,259	
Salary Savings	5,000	
Furlough (Pay Cuts*)	53,554	(54 Permanent FTP's Only)
Total Savings	<u>\$ 200,308</u>	

* Average pay cut per Permanent FTP person is \$992.

