

EDUCATIONAL TELEVISION COMMISSION

Enabling Laws

Act 139 of 2016
Act 100 of 2016
A.C.A. §6-3-101 et seq.

History and Organization

ENABLING LAWS: The Arkansas Educational Television Commission was established by Act 198 of 1961, as amended in the Arkansas Code 6-3-101 to 6-3-113. Arkansas Code 6-3-105 (a) states that AETN was organized “for the purpose of making the benefits of educational television available to and promoting its use by inhabitants of Arkansas.” AETN's Commission has eight members appointed by the governor and is charged with providing educational telecommunications services to the people of Arkansas. AETN is an affiliate of the Public Broadcasting Service (PBS) and functions statewide as a public media service with headquarters in Conway. AETN's services include distributing programs through digital technologies statewide via over-the-air broadcast, satellite and cable; compressed interactive video; web-based video streaming of local productions plus ADE approved curriculum materials for Arkansas' schools; educational workshops; and professional development training for teachers available 24/7 via the IDEAS portal in partnership with the Arkansas Department of Education. AETN’s most current operations funding is appropriated by Act 139 of 2016.

HISTORY AND ORGANIZATION: The Commission began broadcasting in December of 1966 using a studio in Conway and its first transmitter (KETS) located at Redfield and licensed to Little Rock for service to Central Arkansas. Transmitters licensed to Arkadelphia/KETG and Fayetteville/KAFT were activated in 1976. Jonesboro/KTEJ was activated in 1977. A fifth transmitter at Mountain View/KEMV began broadcasting in 1980. In June 2004 AETN added digital transmitters and microwaves at each site statewide to fulfill a mandate of the Federal Communications Commission (FCC). In May 2006 AETN finished construction on a sixth new digital transmitter at El Dorado/KETZ to serve southern Arkansas. Today AETN's infrastructure includes 6 transmitters and 13 microwave relays broadcasting statewide.

AETN is the state's only public media educational television service and the only media service in Arkansas with statewide, over-the-air broadcast capability. Through a network of 13 microwave relay stations sending signals to 6 transmitters around the state, AETN covers Arkansas and provides more than 29,000 hours of non-commercial, educational programming, communications, and training services each year, in addition to online services and hundreds of additional programs made available to Arkansas viewers. As a PBS affiliate, AETN broadcasts national programming while also producing local, award-winning programs for and about Arkansas. AETN has one of the best and most reliable distribution systems in the state for delivering training and information statewide through multi-media platforms. In addition,

AETN has the unique capability to begin to expand federal and state emergency alert networks with our six transmitter network covering the state.

AETN'S MISSION STATEMENT:

PURPOSE (Mission): The purpose of the Arkansas Educational Television Network (AETN) is to enhance and empower the lives of all Arkansans by offering lifelong learning opportunities through high-quality educational television programs and services.

PROMISE (Core statement): The Arkansas Educational Television Network (AETN) fulfills its purpose by providing: educational resources to schools and all educators; innovative and high-quality public media television programs and services that illuminate the culture and heritage of Arkansas and the world; and opportunities to engage and explore new ideas. This relevant AETN content will expand the minds of children, inform Arkansans about public affairs and current events in our state, highlight arts and culture, and invite Arkansans to explore the outdoors and the world around them.

SHARED VISION: Know more, do more, and be more with AETN

AGENCY GOALS:

- **Agency Goal #1:** AETN partners with educational entities to provide lifelong learning opportunities for all Arkansans, with special emphasis on teacher professional development and classroom resources. (Education)
- **Agency Goal #2:** AETN creates and acquires relevant programming and services designed to educate, enlighten and inspire a diverse, statewide audience. (Programs/Services)
- **Agency Goal #3:** AETN promotes its programs and services to the community of Arkansas through various activities as a recognized source of statewide educational opportunities. (Outreach)
- **Agency Goal #4:** AETN provides broad reliable distribution of programming and services to Arkansans through the innovative use of technology. (Access)
- **Agency Goal #5:** AETN uses a wide variety of resources to consistently support performance-based, fiscally-sound and mission-focused organizational decisions. (Support)

COST-EFFECTIVE SERVICE:

One of the biggest misunderstandings about AETN is that the statewide network is just a TV station. AETN's innovative, free and mission-based programming and educational services are increasingly not found on any commercial broadcast station or cable channel. The network serves Arkansans for a very modest cost, including - in partnership with the Arkansas Department of Education - one of the nation's largest professional development portals for Arkansas educators to use free.

AETN crucially receives about 40% of its current funding (\$5.33M) from state general revenue. AETN's operational budget sees revenue from various funding resources, including state and federal grants; partnerships with government, non-profits, and businesses; and individual donors who want to help provide quality, educational programs to Arkansans by donating to the affiliated, private, non-profit AETN Foundation.

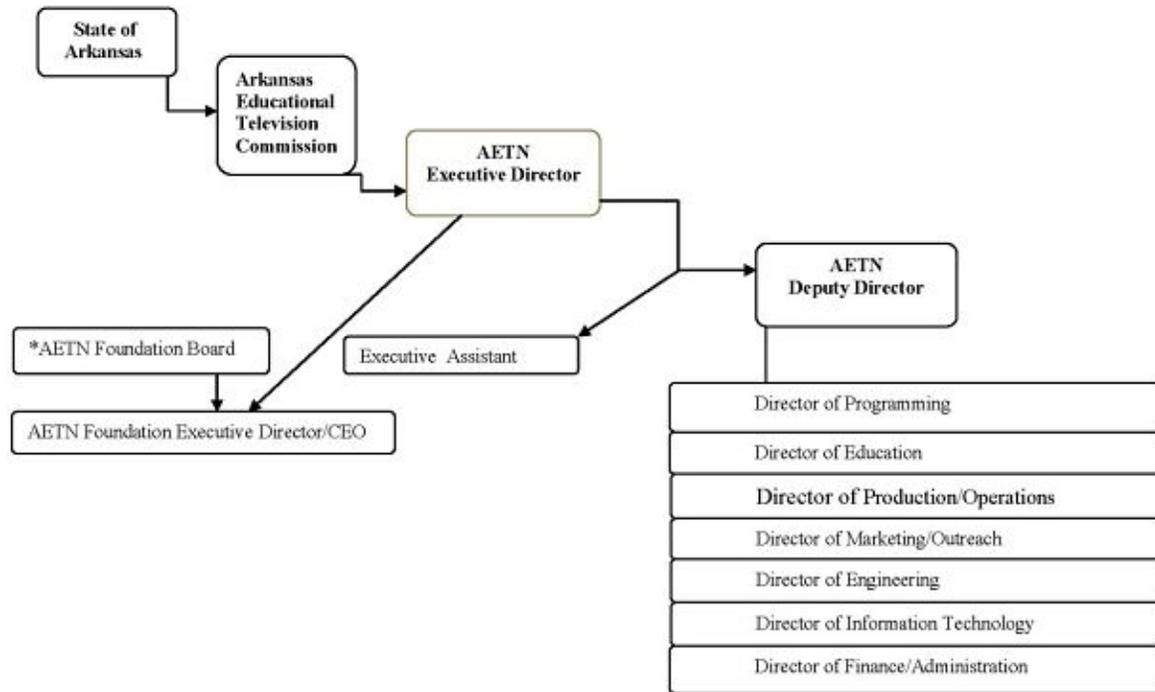
The AETN Foundation exists for one primary reason - to raise funds for general audience programming. State EMA appropriation is not used to purchase programs.

PUBLIC SUPPORT:

AETN is a PBS member station. For the thirteenth consecutive year, national research confirmed that PBS is the most trusted institution in the United States and is considered an "excellent" use of tax dollars. Only military defense outranks PBS as the best value for the American tax dollar. PBS also was considered the most balanced network for news and public affairs. (The research was conducted in January 2016 by the independent, non-partisan research company SSI-CATI.) In the same poll, Americans enthusiastically endorsed public broadcasting as the best place for educational programming. PBS KIDS was named the most educational TV/media brand, the safest destination for children to watch television or visit online and the top provider of content that helps children build reading and math skills.

AETN has enjoyed enthusiastic support for AETN in Arkansas for 50 years! AETN continues to draw numerous volunteers and various partners from every corner of the state to help bring excellent, diverse programs and services to all Arkansans. AETN annually produces more than 160 hours of original, award-winning programs, featuring the people, places and issues of Arkansas.

The network also has an extensive childhood outreach service, as well as STEM and computer science outreach, through AETN's ArkansasIDEAS and numerous community/state outreach projects held throughout the state with many partners.



** NOTE: Private 501-C-3 non-profit. The AETN Executive Director is the only common "employee" who serves on the AETN Foundation Board without pay.*

Agency Commentary

AETN'S GENERAL REVENUE REQUEST:

AETN is requesting operating funds of \$1,395,000 FY 2018 and \$1,305,000 FY2019 for increased costs to maintain the current statewide infrastructure and services and to be able to maintain our emergency alert backbone. While maintenance & operations is the overwhelming need for AETN, there are a few other priority projects the network proposes. Since 2004, non-personnel related general revenue funding to AETN has declined \$517,000 while costs of maintenance, technology and other services have consistently increased. With spectrum issues and

Even with the proposed increase, the per annum cost for Arkansas is still less than \$2.35 per person - a tremendous value for an agency continuing to fulfill a unique mission and service.

AETN requests additional general revenue operating funds for the following priorities:

1. MAINTENANCE & OPERATIONS & HOMELAND SECURITY EMERGENCY MANAGEMENT (199) (Change in Program)

FY2018 - \$800,000 FY2019 - \$800,000

2. PUBLIC MEDIA MANAGEMENT SYSTEM (JOINT MASTER CONTROL PROJECT) (199) (New Program)

FY2018 - \$230,000 FY2019 - \$190,000

3. EARLY CHILDHOOD & ADULT EDUCATION "FAST FORWARD" (199) (Change in Program)

FY2018 - \$250,000 FY2019 - \$200,000

4. VETERANS: ARKANSAS STORIES OF SERVICE & VETERANS COMING HOME INITIATIVE (2YX) (Change in Program)

FY2018 - \$115,000 FY2019 - \$115,000

5. MAINTENANCE & OPERATIONS & EMERGENCY MANAGEMENT (199) (Change in Program)

FY2018 - \$800,000 FY2019 - \$800,000

General revenue provides the support and infrastructure for all AETN operations - distribution, engineering both at AETN and through six transmitters and thirteen microwave relay sites, IT and production of Arkansas-related services., including the infrastructure necessary to support AETN's partnership with ADE for free educational professional development through ArkansasIDEAS.

In a unique partnership that is a model for the entire nation, AETN partners with the Arkansas Department of Education (ADE) to provide free professional development training for Arkansas' 53,199 licensed teachers through ArkansasIDEAS. **ArkansasIDEAS has delivered over 2,100,000 credit hours to Arkansas-licensed teachers and administrators - free for their use. ArkansasIDEAS currently has 29,000 registered users from all seventy-five counties in Arkansas as well as a large number of Arkansas-licensed users who live outside of the state.**

AETN provides four full-time digital sub-channels serving Arkansas' students, teachers, parents, citizens and the visually impaired through AETN, AETN Create, AETN Plus and the Radio Reading Service for the Visually Impaired. AETN's statewide digital infrastructure is a multi-million dollar investment for the state to use and maintain. AETN is working to develop a 24/7 Kids channel with vetted, educational (and entertaining) programming demanded by families and parents.

General revenue provides the support and infrastructure for AETN's partnerships with other state agencies, grantors, and foundations that in turn help keep operational costs lower. AETN continues to seek collaborations with state agencies and potential partners. Cash fund appropriation dollars are only expended when corresponding revenues cover the costs.

Digital equipment of the nature AETN has must be maintained and upgraded on a regular basis and we have only been able to do this on a very limited basis over the past several years. Additionally, FCC mandates like closed captioning and new technologies are adding to ongoing costs.

Our digital capabilities and statewide reach is a primary reason AETN has met with partners in our state (State Police, National Guard, ADEM, etc.) to implement an expansive statewide and nationwide public safety communications network that, unlike other potential national services, is cost-effective and can be implemented in a much, much shorter time period than the 10 years projected in some of the proposed developing programs.

Department of Homeland Security is showing interest in evaluating how datacasting - which AETN can provide - allows data delivery to first responders now. Such projects are in-place now with various public media organizations (Las Vegas, Houston, etc.). Additionally, unlike some other potential services nationally who are backedpedaling on rural coverage, AETN's state network could use our assets (six transmitters covering the state) to provide services now! Again for a cost that is several orders of magnitude less.

There is developed datacasting software and end-to-end solutions to enable a public safety entity (police, fire, DHS, FEMA, etc.) dispatcher to send encrypted, targeted audio, video and text content to multiple recipients in the field. This solution utilizes digital television (AETN's statewide coverage) as the transport layer requiring only a small portion of the unused channel capacity of AETN's network bandwidth for this application. It is important to note that this approach provides a number of benefits to the public safety community, including the ability to simultaneously send large files and video to multiple recipients (as we do with broadcast programming), but also target specific receivers. Their existing radios do not easily handle these requirements, forcing them to utilize third party solutions that public television is better positioned to provide.

Once the system is in place, AETN's primary involvement will be to be the distribution backbone. **This requires the ongoing ability to maintain the crucial transmission system - transmitters, antennas, towers, etc.**

Please note that programming from PBS is generally paid for by individual contributions to the AETN Foundation and our annual grant through the Corporation for Public Broadcasting and, while supported through the network's infrastructure and distributed statewide via AETN's transmitters, is not purchased with state funds.

2. PUBLIC MEDIA MANAGEMENT SYSTEM (JOINT MASTER CONTROL PROJECT) (199) (New Program)

FY2018 - \$230,000

FY2019 - \$190,000

AETN is requesting funding of \$230,000-FY2018 and \$190,000-FY2019 to transition to a state-of-the-art facility operated by an off-site entity (WGBH/Boston is one example for public media) to take care of content acquisition, transcoding, quality assurance, delivery of national, regional and state content and complete monitoring of the software and hardware located at AETN and the monitoring of all streams of delivery. The NOC (Network Operations Center) is staffed by expert personnel and equipped with high levels of redundancy to ensure no single point of failure.

While the technology of a national operations center is state-of-the-art and the operational benefits are extensive, the financial side is equally profound. In fact, this system boosts efficiency in three compelling ways: reducing costs, improving resource utilization and preparing AETN for the future. The system eliminates the need for master control capital refreshes at AETN, which represents at least a seven-figure capital expense. The system features an affordable monthly fee that will not escalate for the life of the contract keeping costs down while allowing AETN to plan for the long-term. The monthly fee includes service agreements for software and hardware systems, all required parts and labor, even updates and patches. With content stored in the NOC cloud, AETN's need for local storage is greatly reduced and costly fiber equipment would not be required for master control delivery.

The service streamlines the network's promotion processes, makes content from anywhere easily available, and provides a robust branding package we are limited in our ability to maximize now because of cost. The system also allows AETN to grow as a streamlined cloud-based technology and to fully integrate our multi-media, multi-platform capabilities, including a built-in media component.

Consider these advantages: central master control would use one-seventh of the physical space in AETN's technical building core currently dedicated to existing master control technology. The centralized project will use perhaps one video tape recorder (VTR) occasionally as opposed to ten plus VTRs currently dedicated full-time to master control. In addition, seven days of programming will be stored in advance on the master control server (cloud-based), allowing the luxury of efficiency and reliability regardless of outages or other technical problems at AETN.

The dramatic savings over time with master control and distribution needs for capital equipment reduced would allow the network to focus on capital needs for production operations and especially for tower, transmitter and antenna capital upgrades and needs. AETN is currently operating with towers and transmitters that are decades old and nearing the end of their optimal life. With capital needs still remaining and new technological advances and changes coming for the FCC it is prudent to find efficient and effective ways to reduce some significant costs. A monthly fee is far preferable over time than costly equipment upgrades.

AETN currently utilizes five full-time personnel in master control operations. This system would in time allow the network to - through attrition - downsize this department to two or possibly three, or to transition/re-purpose one additional employee to IT work, a fast-growing and increasingly large part of any network's operation. The system provides extensive on-boarding and training to ensure a smooth transition

and allows staff and AETN to fully maximize this exciting new solution.

Our request is for funds to transition into this new system. While we are not asking for a base increase it is fair to note that AETN will need to re-authorize this service on a regular basis.

3. EARLY CHILDHOOD & ADULT EDUCATION "FAST FORWARD" (199) (Change in Program)

FY2018 - \$250,000 FY2019 - \$200,000

AETN is requesting funding of *\$250,000-FY2018 and \$200,000 FY2019* to enhance the network's **EARLY CHILDHOOD & ADULT EDUCATION "FAST FORWARD" (Existing Projects)**. AETN is enhancing our already rich content, outreach, education through on-air, web-based & in-service professional caregiver/educator training. This priority will enable AETN to partner with child care and education entities throughout the state, providing training assistance and maximizing the use of AETN & PBS programming - such as SESAME STREET, CURIOUS GEORGE, WORDGIRL, PEG + CAT, WILD KRATTS, DANIEL TIGER'S NEIGHBORHOOD, DINOSAUR TRAIN, SUPER WHY!, THE CAT IN THE HAT KNOWS A LOT ABOUT THAT, ARTHUR, CLIFFORD THE BIG RED DOG and much more. All these programs have education at the heart of what they do and all have extensive outreach materials and opportunities. AETN's outreach and education effort will focus on **Parents/Caregivers Training Field Services, and expansion of AETN's Ready To Learn services.** This proposal will be to target high need areas to deliver additional and specialized training for early childhood development.

AETN is also enhancing our **Adult Education services with the "Fast Forward" Pilot Project.** Roughly 39,000,000 Americans - and many Arkansans - don't have enough education to go to college-or even enough to fill the jobs needed in the American workplace. They're struggling, and our communities are feeling the economic impact. The problem is too big for anyone to solve alone, but together, we can help open pathways to a brighter future. For people who didn't finish high school, educational options can be confusing and scary. The GED® test is no longer the only measure of high school equivalency. ETS has the HiSET (High School Equivalency Test) and McGraw Hill has the TASC (Test Assessing Secondary Completion).

AETN plans to pilot Fast Forward online courses for learners (with a course management system for teachers). Working with acclaimed developers from Kentucky Educational Television, the system can enable online diploma progress, enroll learners in re-usable seats, track seat time, keep up with students' progress, and generate reports. We will partner with like-minded Arkansas state agencies to maximize use of this tool.

Fast Forward courses include a Teacher Toolkit offering classroom extension activities, additional instructional video segments, and correlations to GED® Assessment Targets and more. The Fast Forward courses will help learners prepare for GED® tests, and plans call for HiSET and TASC resources to follow quickly.

4. VETERANS: ARKANSAS STORIES OF SERVICE INITIATIVE (2YX) (Change in Program)

FY2018 - \$115,000

FY2019 - \$115,000

AETN is requesting funding of \$115,000- FY2018 and \$115,000- FY2019 to continue and enrich our **VETERANS: ARKANSAS STORIES OF SERVICE INITIATIVE**. AETN has a long history of projects related to Arkansas veterans and is working to launch a new veterans' initiative that expands the network's "In Their Words" project - that resulted in 600 archived oral histories of Arkansas World War II veterans - featuring local on-air production and online web services combined with national content rolling out over several years, and statewide community engagement efforts to increase dialogue and solutions as our nation's veterans transition to civilian life, in addition to stories of their service. The initiative coincides with national, multi-platform content from PBS under the banner of **Stories of Service**, and a community engagement campaign backed by the Corporation for Public Broadcasting (CPB) called **Veterans Coming Home** that AETN plans to implement in our state.

In addition, AETN is and will be working with the Arkansas Department of Veteran Affairs and other organizations to expand our commitment to Arkansas veterans. In addition to **Arkansas Stories of Service** and other services telling compelling stories of those who have served and provide a deeper understanding of our nation's military history, AETN will spotlight resources for Arkansas veterans and their families. AETN will be sparking conversations and giving the public an opportunity to share their personal or family story of service through local events and programs and find ways to help bridge and military/civilian gaps so many of our veterans see daily.

Just two of the many activities AETN is partnering with interested groups include Wall of Faces, an effort to honor Arkansans who died in the Vietnam War and are documented by name on the Vietnam Memorial Wall but a photo is lacking to accompany the name. In Arkansas, 594 Arkansans lost their lives and the Vietnam Memorial Wall does not have photos of 246 of those who sacrificed their lives for their country. AETN has launched a program to partner with groups across the state to locate as many photos as possible - because these people deserve that honor! Twelve states have now found all the photos and we intend for Arkansas to join that honored list, while also helping to illuminate veterans at large.

AETN is also working on a special project to honor Vietnam era veterans with a *Welcome Home Ceremony*, similar to LZ Lambeau in Wisconsin (70,000 in attendance) and LZ Maryland (30,000). Our efforts will be in partnership with ADVA and other interested parties and will coincide with the premiere of Ken Burns' epic history of the Vietnam War, coming in the fall of 2017. It is our intention to use this series and other veteran-related programming to help illuminate ongoing veterans issues in our state.

Arkansans will connect to these powerful stories of courage, commitment and sacrifice and we hope to create more opportunities for understanding of the issues veterans face. Our program will help see the veterans as people who have so much to contribute as they return to civilian life. We hope to encourage efforts to respond through their local public media stations to work with local business and veterans organizations, faith based and community groups and will partner with PBS, America's public media stations, local veterans and business organizations, speaking about opportunities for our troops and their families in the Arkansas communities in which they live and continue to serve.

AETN is not and will not be the expert in these projects but, working with partner groups with specific knowledge, the statewide network has the unique ability to raise these stories and issues statewide without commercial concerns or limitations.

AETN'S CASH APPROPRIATION REQUEST (127):

FY2018 - \$617,000

FY2019 - \$617,000

AETN is requesting additional cash appropriation of \$617K for both years of the biennium to bring the budget to the same level as the FY17 annual budget of \$8.3M. This budget will provide continuing services to the state, including maintenance of **AETN's professional development services** now offered to teachers statewide through a partnership with the Arkansas Department of Education (ADE). During fiscal 2016 AETN's acclaimed professional development services featured compressed interactive training events with over a hundred hours of specialized training.

Since its inception in 2006 and as of summer 2016, ArkansasIDEAS has delivered over 2,100,000 hours of professional development to Arkansas-licensed teachers and administrators. ArkansasIDEAS currently has over 29,000 active educators from all seventy-five counties in Arkansas as well as a large number of Arkansas-licensed users who live outside of the state. ArkansasIDEAS is the most reliable source of state-mandated professional development training such as child maltreatment, parental involvement, teen suicide awareness, Arkansas history, dyslexia, student safety, and autism. AETN continues to seek similar collaborations with other state agencies and potential partners.

Appropriation is needed to meet ADE's requests to improve the functionality of the IDEAS portal. This includes equipment to film courses while teachers model the objectives being taught; equipment that allows ADE to capture and web-stream professional development being presented at one of the regional co-ops or any location equipped with broadband; course content that provides professional development needs in Special Education, English as a Second Language and Gifted Education; and software redevelopment to meet current database standards giving the portal greater ability to track professional development hours utilizing the newest production technology to offer more expansive avenues for Arkansas educators to acquire professional development. AETN now disseminates information on multiple delivery platforms such as: live Compressed Interactive Video (CIV) productions, "face-to-face" in-studio events, and live interactive online streaming (which can be viewed on all Windows, Android and iOS devices like iPhone and iPad).

While Arkansas IDEAS itself is a cash funded appropriation, general revenue supports the AETN infrastructure necessary to deliver such a service. Additionally, AETN partners with other state agencies, universities, foundations and corporations to originate programs and services for and about Arkansas.

Cash fund appropriation dollars are only expended when corresponding revenues cover the costs.

Please note that programming from PBS is paid from individual contributions to the AETN Foundation or the Community Service Grant from

*the Corporation for Public Broadcasting, **not** from state dollars.*

PERSONNEL - AETN staff pay will remain flat for Fiscal year 2017 and while we hope for increases for biennial years FY2018-2019, we are budgeting flat unless informed otherwise. AETN will request correction of misclassified status for some of our full-time employees. As of July 2016, a growing concern for AETN is the inability to receive permission to fill vacant and budgeted key personnel positions that directly relate to our ArkansasIDEAS work with and for ADE.

SPECIAL LANGUAGE - AETN will request continuation of current special language only. No new requests will be submitted.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS EDUCATIONAL TELEVISION COMMISSION
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	44	36	80	86 %
Black Employees	6	5	11	12 %
Other Racial Minorities	1	1	2	2 %
Total Minorities			13	14 %
Total Employees			93	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
127 AETN-Treasury Paying	6,727,399	27	8,385,943	35	8,056,419	35	7,771,165	35	8,388,540	35	8,226,773	31	7,772,868	35	8,390,243	35	8,228,476	31
199 AETN-State Operations	5,479,873	76	5,334,751	74	5,352,733	74	5,321,282	74	6,601,282	74	5,278,441	73	5,322,621	74	6,512,621	74	5,279,780	73
2YX Arkansas Veterans' Initiative	0	0	0	0	181,000	0	0	0	115,000	0	115,000	0	0	0	115,000	0	115,000	0
Total	12,207,272	103	13,720,694	109	13,590,152	109	13,092,447	109	15,104,822	109	13,620,214	104	13,095,489	109	15,017,864	109	13,623,256	104

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,587,097	17.8	2,323,014	14.7	2,101,174	13.8	2,101,174	12.2	2,101,174	13.3	2,101,174	13.8	2,101,174	12.3	2,262,941	14.2	
General Revenue	4000010	5,293,237	36.4	5,293,237	33.5	5,321,282	35.0	6,716,282	39.0	5,278,441	33.5	5,322,621	35.0	6,627,621	38.7	5,279,780	33.1	
Cash Fund	4000045	6,437,213	44.3	8,164,103	51.6	7,771,165	51.1	8,388,540	48.8	8,388,540	53.2	7,772,868	51.1	8,390,243	49.0	8,390,243	52.7	
Merit Adjustment Fund	4000055	179,398	1.2	41,514	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
DFA Motor Vehicle Acquisition	4000184	26,103	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
M & R Sales	4000340	7,238	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		14,530,286	100.0	15,821,868	100.0	15,193,621	100.0	17,205,996	100.0	15,768,155	100.0	15,196,663	100.0	17,119,038	100.0	15,932,964	100.0	
Excess Appropriation/(Funding)		(2,323,014)		(2,101,174)		(2,101,174)		(2,101,174)		(2,147,941)		(2,101,174)		(2,101,174)		(2,309,708)		
Grand Total		12,207,272		13,720,694		13,092,447		15,104,822		13,620,214		13,095,489		15,017,864		13,623,256		

FY17 Budget exceeds authorized appropriation in AETN-Treasury Paying (127) due to a transfer from the Cash Fund Holding Account. Variance in fund balance is due to unfunded appropriation.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Filled	Unfilled			Total	Total	Filled	Unfilled	
109	100	9	109	0	8.26 %	109	96	13	109	0	11.93 %	109	96	13	109	0	11.93 %

Analysis of Budget Request

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Arkansas Educational Television receives funding from grants from private foundations, earnings for programs produced from the Agency's studios, and partnerships with various educational entities, state agencies, and private groups.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level Request is \$7,771,165 for FY18 and \$7,772,868 for FY19.

The Agency Request is a Change Level increase of \$617,375 for each year as follows:

- Extra Help and Personal Services Matching of \$267,375 to restore appropriation to the FY17 Budget level.
- Professional Fees decrease of \$40,000 through a reallocation of resources to Grants and Aid to meet grant requirements.
- Grants and Aid increase of \$40,000 through a reallocation of resources from Professional Fees to meet grant requirements.
- Capital Outlay of \$350,000, including \$100,000 in IT related software and portal course content licensing for the IDEAS portal and other station operations, under major applications on the IT plan; \$250,000 to maintain the current budget for the IDEAS portal, which provides free professional development training for Arkansas' licensed teachers; and for other projects and grants.

The Executive Recommendation provides for the Agency Request; and subsequent to the Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and staffing needs. The Executive Recommendation reflects four (4) position reductions based on the personnel evaluations.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	954,193	1,326,779	1,273,375	1,328,079	1,328,079	1,211,731	1,329,479	1,329,479	1,213,131
#Positions	27	35	35	35	35	31	35	35	31
Extra Help 5010001	140,630	366,930	118,693	118,693	366,930	366,930	118,693	366,930	366,930
#Extra Help	10	46	46	46	46	46	46	46	46
Personal Services Matching 5010003	383,625	491,718	463,835	473,877	493,015	447,596	474,180	493,318	447,899
Operating Expenses 5020002	4,817,095	5,343,973	5,343,973	5,343,973	5,343,973	5,343,973	5,343,973	5,343,973	5,343,973
Conference & Travel Expenses 5050009	28,520	56,450	56,450	56,450	56,450	56,450	56,450	56,450	56,450
Professional Fees 5060010	113,932	390,093	390,093	390,093	350,093	350,093	390,093	350,093	350,093
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Promotional Items 5090028	12,540	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Grants and Aid 5100004	0	0	0	0	40,000	40,000	0	40,000	40,000
Capital Outlay 5120011	276,864	350,000	350,000	0	350,000	350,000	0	350,000	350,000
Total	6,727,399	8,385,943	8,056,419	7,771,165	8,388,540	8,226,773	7,772,868	8,390,243	8,228,476
Funding Sources									
Fund Balance 4000005	2,587,097	2,323,014		2,101,174	2,101,174	2,101,174	2,101,174	2,101,174	2,262,941
Cash Fund 4000045	6,437,213	8,164,103		7,771,165	8,388,540	8,388,540	7,772,868	8,390,243	8,390,243
DFA Motor Vehicle Acquisition 4000184	26,103	0		0	0	0	0	0	0
Total Funding	9,050,413	10,487,117		9,872,339	10,489,714	10,489,714	9,874,042	10,491,417	10,653,184
Excess Appropriation/(Funding)	(2,323,014)	(2,101,174)		(2,101,174)	(2,101,174)	(2,262,941)	(2,101,174)	(2,101,174)	(2,424,708)
Grand Total	6,727,399	8,385,943		7,771,165	8,388,540	8,226,773	7,772,868	8,390,243	8,228,476

Budget exceeds Authorized Appropriation in Regular Salaries, Extra Help, and Personal Services Matching due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 127 - AETN-Treasury Paying
Funding Sources: NET - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	7,771,165	35	7,771,165	100.0	7,772,868	35	7,772,868	100.0
C01	Existing Program	517,375	0	8,288,540	106.7	517,375	0	8,290,243	106.7
C04	Reallocation	0	0	8,288,540	106.7	0	0	8,290,243	106.7
C08	Technology	100,000	0	8,388,540	107.9	100,000	0	8,390,243	107.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	7,771,165	35	7,771,165	100.0	7,772,868	35	7,772,868	100.0
C01	Existing Program	517,375	0	8,288,540	106.7	517,375	0	8,290,243	106.7
C04	Reallocation	0	0	8,288,540	106.7	0	0	8,290,243	106.7
C08	Technology	100,000	0	8,388,540	107.9	100,000	0	8,390,243	107.9
C13	Not Recommended	(45,419)	0	8,343,121	107.4	(45,419)	0	8,344,824	107.4
C19	Executive Changes	(116,348)	(4)	8,226,773	105.9	(116,348)	(4)	8,228,476	105.9

Justification

C01	AETN requests appropriation to maintain the current budget of our IDEAS portal that provides free professional development to all Arkansas teachers and for all our cash funded projects and grants.
C04	AETN requests a reallocation of resources of \$400,000 from Professional Fees to Grants and Aid to accommodate several grant requirements.
C08	AETN requests appropriation to maintain current budget levels for technology purchases including software and portal course content licensing for our IDEAS portal and other station operations.
C19	Subsequent to Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

Analysis of Budget Request

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Arkansas Educational Television Network (AETN) is Arkansas' statewide television network. AETN distributes a program of educational and general audience offerings broadcast for all citizens of Arkansas. The network's broadcast is carried from the R. Lee Reaves Center for Educational Telecommunications in Conway. AETN's Second Audio Program (SAP) channel delivers the Arkansas Information Reading Service (AIRS) for the Blind as well as Descriptive Video on selected programs for those who are blind or are visually-impaired. Virtually all programs broadcast on AETN are also closed captioned for the deaf or hearing impaired. This appropriation is used for the infrastructure and operational needs of AETN. Funding is provided by state general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015. The Base Level request for Regular Salaries includes board member stipend payments.

The Base Level Request is \$5,321,282 for FY18 and \$5,322,621 for FY19.

The Agency Request is for a Change Level increase of \$1,280,000 for FY18 and \$1,190,000 for FY19 as follows:

- Operating Expenses increase of \$1,230,000 for FY18 and \$1,190,000 for FY19; including maintenance of the agency's operations and distribution system of \$1,050,000 for FY18 and \$1,000,000 for FY19, focusing on an Emergency Management system and Early Childhood and Adult Education ("Fast Forward") programs and; \$230,000 for FY18 and \$190,000 for FY19 to transition to a joint master control operation service with other public media stations for long term cost savings in personnel and equipment maintenance of the agency's current master control operations.
- Capital Outlay increase of \$50,000 for FY18 for equipment maintenance and upgrades.

The Executive Recommendation provides for Base Level; and subsequent to the Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects one (1) position reduction based on the personnel evaluations.

Appropriation Summary

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,753,462	3,644,617	3,646,193	3,631,752	3,631,752	3,600,693	3,632,852	3,632,852	3,601,793
#Positions		76	74	74	74	74	73	74	74	73
Extra Help	5010001	6,379	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800
#Extra Help		1	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	1,197,994	1,162,355	1,178,761	1,161,751	1,161,751	1,149,969	1,161,990	1,161,990	1,150,208
Operating Expenses	5020002	520,247	518,979	518,979	518,979	1,748,979	518,979	518,979	1,708,979	518,979
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,791	0	0	0	50,000	0	0	0	0
Total		5,479,873	5,334,751	5,352,733	5,321,282	6,601,282	5,278,441	5,322,621	6,512,621	5,279,780

Funding Sources										
General Revenue	4000010	5,293,237	5,293,237		5,321,282	6,601,282	5,278,441	5,322,621	6,512,621	5,279,780
Merit Adjustment Fund	4000055	179,398	41,514		0	0	0	0	0	0
M & R Sales	4000340	7,238	0		0	0	0	0	0	0
Total Funding		5,479,873	5,334,751		5,321,282	6,601,282	5,278,441	5,322,621	6,512,621	5,279,780
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		5,479,873	5,334,751		5,321,282	6,601,282	5,278,441	5,322,621	6,512,621	5,279,780

FY16 Capital Outlay appropriation and expenditure authorized under ACA § 25-8-106 Marketing and Redistribution of State Personal Property.

Change Level by Appropriation

Appropriation: 199 - AETN-State Operations
Funding Sources: EMA - ETV-State Operation

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,321,282	74	5,321,282	100.0	5,322,621	74	5,322,621	100.0
C01	Existing Program	1,030,000	0	6,351,282	119.4	980,000	0	6,302,621	118.4
C02	New Program	230,000	0	6,581,282	123.7	190,000	0	6,492,621	122.0
C08	Technology	20,000	0	6,601,282	124.1	20,000	0	6,512,621	122.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,321,282	74	5,321,282	100.0	5,322,621	74	5,322,621	100.0
C01	Existing Program	0	0	5,321,282	100.0	0	0	5,322,621	100.0
C02	New Program	0	0	5,321,282	100.0	0	0	5,322,621	100.0
C08	Technology	0	0	5,321,282	100.0	0	0	5,322,621	100.0
C13	Not Recommended	(11,782)	0	5,309,500	99.8	(11,782)	0	5,310,839	99.8
C19	Executive Changes	(31,059)	(1)	5,278,441	99.2	(31,059)	(1)	5,279,780	99.2

Justification

C01	AETN requests appropriation to fund escalating costs in maintaining AETN's operations and distribution system. The request is focused on an Emergency Management system, Early Childhood and Adult Education programs and a Vietnam Veterans' initiative.
C02	AETN requests appropriation to transition to a joint master control operation service with other public media stations, saving the state the long term costs of personnel and equipment maintenance of our current master control operations.
C08	AETN requests appropriation to transition to a joint master control operation service with other public media stations, saving the state the long term costs of personnel and equipment maintenance of our current master control operations. This is located in our IT plan under connectivity.
C19	Subsequent to Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

Analysis of Budget Request

Appropriation: 2YX - Arkansas Veterans' Initiative

Funding Sources: EMA - ETV-State Operations

This general revenue funded appropriation is used by AETN to design documentaries honoring Arkansas' veterans. AETN is partnering with many organizations to expand their commitment to Arkansas veterans.

Special language in AETN's current appropriation act (Section 7 of Act 139 of 2016) requires the Agency to request the continuation and any increase of this appropriation as a change level request for the 2017-2019 Biennium.

The Agency Request is a Change Level increase of \$115,000 for each year as follows:

- Arkansas Veteran's Initiative increase of \$115,000 to launch a new initiative to expand on the archived oral histories of Arkansas's WWII veterans featuring local on-air production and web services combined with national content and state wide efforts to assist veterans' transition into civilian life. Additionally, AETN, in partnership with other groups, will honor Vietnam era veterans to coincide with Ken Burns' history of the Vietnam War in the fall of 2017 and; to locate as many photos as possible of the 594 Arkansans who lost their lives and are documented on the Vietnam Memorial Wall.

The Executive Recommendation provides for Agency Request, appropriation only.

Appropriation Summary

Appropriation: 2YX - Arkansas Veterans' Initiative

Funding Sources: EMA - ETV-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Arkansas Veterans' Initiative 5900046	0	0	181,000	0	115,000	115,000	0	115,000	115,000
Total	0	0	181,000	0	115,000	115,000	0	115,000	115,000
Funding Sources									
General Revenue 4000010	0	0		0	115,000	0	0	115,000	0
Total Funding	0	0		0	115,000	0	0	115,000	0
Excess Appropriation/(Funding)	0	0		0	0	115,000	0	0	115,000
Grand Total	0	0		0	115,000	115,000	0	115,000	115,000

Change Level by Appropriation

Appropriation: 2YX - Arkansas Veterans' Initiative
Funding Sources: EMA - ETV-State Operations

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C01	Existing Program	115,000	0	115,000	100.0	115,000	0	115,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C01	Existing Program	115,000	0	115,000	100.0	115,000	0	115,000	100.0

Justification

C01	AETN will launch a new initiative that expands on the archived oral histories of Arkansas World War II veterans featuring local on-air production and online web services combined with national content and state wide efforts to assist veterans' transition to civilian life, in addition to their stories of service. AETN will spotlight resources for Arkansas veterans and their families along with the Arkansas Department of Veteran Affairs and other organizations. AETN is partnering with groups to honor Vietnam era veterans to coincide with the premiere of Ken Burns' history of the Vietnam War in the fall of 2017 and; to locate as many photos as possible of the 594 Arkansans who lost their lives who are documented on the Vietnam Memorial Wall.								
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