

# EDUCATIONAL TELEVISION COMMISSION

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	37	28	65	82 %
Black Employees	6	6	12	15 %
Other Racial Minorities	1	1	2	3 %
Total Minorities			14	18 %
Total Employees			79	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

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
127 AETN-Treasury Paying	5,948,888	26	8,479,420	32	8,228,476	31	8,437,535	32	8,437,535	32	8,441,045	32	8,441,045	32
199 AETN-State Operations	5,014,754	69	5,453,441	70	5,579,780	73	5,730,578	70	5,730,578	70	5,741,984	70	5,741,984	70
<b>NOT REQUESTED FOR THE BIENNIUM</b>														
2YX Arkansas Veterans' Initiative	0	0	0	0	115,000	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>10,963,642</b>	<b>95</b>	<b>13,932,861</b>	<b>102</b>	<b>13,923,256</b>	<b>104</b>	<b>14,168,113</b>	<b>102</b>	<b>14,168,113</b>	<b>102</b>	<b>14,183,029</b>	<b>102</b>	<b>14,183,029</b>	<b>102</b>

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	2,394,310	17.5	2,703,858	17.3	1,715,256	11.5	1,715,256	11.5	1,013,790	7.1	1,013,790	7.1
General Revenue	4000010	5,005,996	36.6	5,278,441	33.7	5,465,076	36.6	5,465,076	36.6	5,476,514	38.5	5,476,514	38.5
Cash Fund	4000045	6,258,436	45.8	7,490,818	47.9	7,736,069	51.9	7,736,069	51.9	7,739,579	54.4	7,739,579	54.4
Performance Fund	4000055	0	0.0	175,000	1.1	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	8,758	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>		<b>13,667,500</b>	<b>100.0</b>	<b>15,648,117</b>	<b>100.0</b>	<b>14,916,401</b>	<b>100.0</b>	<b>14,916,401</b>	<b>100.0</b>	<b>14,229,883</b>	<b>100.0</b>	<b>14,229,883</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(2,703,858)		(1,715,256)		(748,288)		(748,288)		(46,854)		(46,854)	
<b>Grand Total</b>		<b>10,963,642</b>		<b>13,932,861</b>		<b>14,168,113</b>		<b>14,168,113</b>		<b>14,183,029</b>		<b>14,183,029</b>	

FY19 Budget amount in AETN-Treasury Paying (127) exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.  
 Budget Number of Positions may exceed the Authorized Number due to single salary section in appropriation act.  
 Variance in Fund Balance is due to unfunded appropriation.

## **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.

The Agency is requesting appropriation of \$8,437,535 in FY20 and \$8,441,045 in FY21.

The Agency Request includes the following changes for both years:

- \$5,000 in Resale (COGS) to allow the agency to fulfill requests to purchase copies of programs and other items that promote various shows and initiatives.
- Restoration of \$350,000 in Capital Outlay for replacement of essential network broadcast equipment, updates to program production equipment and maintenance of professional development services offered to teachers statewide through partnership with the Department of Education.

The Agency's request to maintain appropriation above 10% of their FY18 Actual Expenditures includes the following justifications:

- Due to AETN's status as an FCC licensed broadcaster and the provider of free professional development online for educators statewide, having the ability to move quickly if catastrophic events arise is paramount; the ability to move quickly to cure any outage situation in broadcast operations or in the IDEAS portal is only possible if the agency has sufficient appropriation to respond at that time. The time needed to attempt to secure additional appropriation in the interim would further increase the time AETN is not able to provide the services that the citizens and educators of Arkansas expect and deserve. Additionally, AETN is charging ahead with an increased emphasis on more digital platform program presentation and production. This increased emphasis will require the ability to use contracted producers and other content creators to develop and produce more compelling content for the modern era of public media and media in general.
- Operating Expenses - AETN's appropriation level must be maintained to allow quick action in the event of catastrophic failures to the broadcast backbone or to the IDEAS professional development portal. As a television broadcaster, being off the air is not acceptable to the viewing public, and AETN must be able to move quickly to repair or replace components of the broadcast system. Also, having the IDEAS portal go off-line for extended periods is not acceptable to the educators statewide that rely on the professional development provided by the portal. The time required to request additional appropriation, even though the funding is in place, would leave the Agency off-air or off-line much longer. AETN works hard to maintain adequate cash balances in the event of these catastrophic failures and have no intention of utilizing excess appropriation unless required by circumstances.
- Conference and Travel Expenses - As AETN moves toward more digital platform content development and delivery, AETN expects additional training for existing employees will be required. This will be a good investment in the future of AETN and helping to reach more viewers and educational media users in the modern realm of public media.

- Professional Fees - As in the Operating Expenses item, AETN needs to maintain appropriation to quickly respond to failures in the broadcast system, especially in the event of a tower failure. Engineers are required to assist with much of the work that must be done with AETN's broadcast towers and antennas. The time delay in requesting additional appropriation for this purpose would lead to longer time spent off the air. Additionally, for AETN to move toward more digital content creation and delivery, the use of contract producers and other content creators will be required.
- Promotional Items - With AETN's emphasis on digital content, additional outreach and marketing events are planned to publicize and preview this new content. Promotional items are a major way of getting the Agency's message out to the content users with AETN logo items.
- Grants & Aid - This appropriation was established in the previous biennium to allow AETN to utilize sub-awards that are mandated and authorized by various non-federal grants. The Agency plans to be very aggressive in applying for these grants in this biennium and will need the full \$40,000 appropriation level to fulfill grant requirements.
- Capital Outlay - AETN requests the appropriation for replacement of essential network broadcast equipment, updates to program production equipment, and maintenance of professional development services offered to teachers statewide through partnership with the Department of Education.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 127 - AETN-Treasury Paying

**Funding Sources:** NET - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	789,005	1,374,855	1,213,131	1,374,835	1,374,835	1,374,892	1,374,892	
<b>#Positions</b>		<b>26</b>	<b>32</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	
Extra Help	5010001	294,340	366,930	366,930	366,930	366,930	366,930	366,930	
<b>#Extra Help</b>		<b>20</b>	<b>46</b>	<b>46</b>	<b>46</b>	<b>46</b>	<b>46</b>	<b>46</b>	
Personal Services Matching	5010003	376,182	537,119	447,899	490,254	490,254	493,707	493,707	
Operating Expenses	5020002	4,025,998	5,319,973	5,343,973	5,343,973	5,343,973	5,343,973	5,343,973	
Conference & Travel Expenses	5050009	48,772	80,450	56,450	56,450	56,450	56,450	56,450	
Professional Fees	5060010	124,720	350,093	350,093	350,093	350,093	350,093	350,093	
Data Processing	5090012	0	0	0	0	0	0	0	
Resale (COGS)	5090017	0	0	0	5,000	5,000	5,000	5,000	
Promotional Items	5090028	37,231	60,000	60,000	60,000	60,000	60,000	60,000	
Grants and Aid	5100004	9,040	40,000	40,000	40,000	40,000	40,000	40,000	
Capital Outlay	5120011	243,600	350,000	350,000	350,000	350,000	350,000	350,000	
<b>Total</b>		<b>5,948,888</b>	<b>8,479,420</b>	<b>8,228,476</b>	<b>8,437,535</b>	<b>8,437,535</b>	<b>8,441,045</b>	<b>8,441,045</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	2,394,310	2,703,858		1,715,256	1,715,256	1,013,790	1,013,790	
Cash Fund	4000045	6,258,436	7,490,818		7,736,069	7,736,069	7,739,579	7,739,579	
<b>Total Funding</b>		<b>8,652,746</b>	<b>10,194,676</b>		<b>9,451,325</b>	<b>9,451,325</b>	<b>8,753,369</b>	<b>8,753,369</b>	
<b>Excess Appropriation/(Funding)</b>		<b>(2,703,858)</b>	<b>(1,715,256)</b>		<b>(1,013,790)</b>	<b>(1,013,790)</b>	<b>(312,324)</b>	<b>(312,324)</b>	
<b>Grand Total</b>		<b>5,948,888</b>	<b>8,479,420</b>		<b>8,437,535</b>	<b>8,437,535</b>	<b>8,441,045</b>	<b>8,441,045</b>	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

Budget Number of Positions may exceed the Authorized Number due to single salary section in appropriation act.

The increase in Personal Services Matching year over year is due to an anticipated increase in retirement rates.

Budget exceeds Authorized Appropriation in Conference and Travel Expenses by authority of a Budget Classification Transfer.

Expenditure of appropriation is contingent upon available funding.

## **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 those who are deaf or hearing impaired. This appropriation is used for the infrastructure and operational needs of AETN. Funding is provided by state general revenue.

The Agency is requesting appropriation of \$5,730,578 in FY20 and \$5,741,984 in FY21 and general revenue funding of \$5,465,076 in FY20 and \$5,476,514 in FY21.

The Agency Request includes the following changes:

- Appropriation reduction of (\$45,010) in Regular Salaries and (\$14,925) in FY20 and (\$45,010) in Regular Salaries and (\$15,037) in Personal Services Matching in FY21 for the surrender of one position, GS08 Procurement Manager.

The Agency's request to maintain appropriation above 10% of their FY18 Actual Expenditures includes the following justifications:

- Operating Expenses - AETN requests to maintain the appropriation level as the Agency is in the process of outsourcing master control and program acquisition functions as an efficiency and long-term cost savings measure and the additional appropriation is required once the effort is implemented.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 199 - AETN-State Operations

**Funding Sources:** EMA - ETV-State Operation

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	3,366,878	3,755,651	3,601,793	3,729,406	3,729,406	3,731,112	3,731,112
<b>#Positions</b>		<b>69</b>	<b>70</b>	<b>73</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>
Extra Help	5010001	23,651	8,800	8,800	8,800	8,800	8,800	8,800
<b>#Extra Help</b>		<b>2</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Personal Services Matching	5010003	1,105,246	1,167,492	1,150,208	1,173,393	1,173,393	1,183,093	1,183,093
Operating Expenses	5020002	518,979	521,498	818,979	818,979	818,979	818,979	818,979
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>5,014,754</b>	<b>5,453,441</b>	<b>5,579,780</b>	<b>5,730,578</b>	<b>5,730,578</b>	<b>5,741,984</b>	<b>5,741,984</b>

Funding Sources								
General Revenue	4000010	5,005,996	5,278,441		5,465,076	5,465,076	5,476,514	5,476,514
Performance Fund	4000055	0	175,000		0	0	0	0
M & R Sales	4000340	8,758	0		0	0	0	0
<b>Total Funding</b>		<b>5,014,754</b>	<b>5,453,441</b>		<b>5,465,076</b>	<b>5,465,076</b>	<b>5,476,514</b>	<b>5,476,514</b>
Excess Appropriation/(Funding)		0	0		265,502	265,502	265,470	265,470
<b>Grand Total</b>		<b>5,014,754</b>	<b>5,453,441</b>		<b>5,730,578</b>	<b>5,730,578</b>	<b>5,741,984</b>	<b>5,741,984</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

Regular Salaries appropriation includes board member stipend payments.

The increase in Personal Services Matching year over year is due to an anticipated increase in retirement rates.

## Appropriation Summary

**Appropriation:** 2YX - Arkansas Veterans' Initiative

**Funding Sources:**

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Arkansas Veterans' Initiative 5900046	0	0	115,000	0	0	0	0
Total	0	0	115,000	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2019-2021 BIENNIUM.