

APPENDIX

Testimony on Labor Relations and Work Force Issues at the New Jersey Public Broadcast Authority

By

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September 16, 2010

Today I would like give you a brief overview of labor relations at the New Jersey Public Broadcast Authority (NJPBA), touch on union representation in the broadcast industry, describe some relevant portions of previous privatization proposals at the NJPBA and elsewhere, and discuss in some detail the job security and privatization provisions of the CWA/State of New Jersey contract.

Unions and Labor Relations at NJPBA

Currently, CWA Local 1032 represents about 95 employees of the NJPBA. We also believe that a statute enacted earlier this year gives us the right and responsibility to represent another five employees. Certainly those five employees are anxious to become CWA represented.

There are a total of 129 employees of the NJPBA and we believe another 19 employees of the Foundation for New Jersey Public Broadcasting (Foundation). The International Federation of Professional & Technical Engineers (IFPTE) Local 195 represents another 15 NJPBA employees; so the big majority of NJN employees are union represented.

The statues establishing NJN makes all employees, except for a few clerical employees, unclassified employees. While unclassified employees are covered by a few aspects of Civil Service regulations such as classification procedures, most NJPBA employees are not covered by Civil Service testing, disciplinary, appointment and layoff procedures.

In the case of discipline and layoff the union has negotiated contractually binding procedures with the state for all unclassified employees including those employed by the NJPBA.

We represent a broad group of NJPBA employees including editors, master control personnel, camerapeople, information technology workers, equipment repairers,

writers, producers, clerical employees, directors and on-air employees working in the radio, tv, and new media aspects of NJN. Attached is a list of the CWA represented titles in use at NJPA; I must tell you that the job specifications for these titles are at least 30 years old which makes them ancient in a dynamic industry like broadcast/media. The names of the titles don't reflect very well the technology used or the duties done by our members today.

CWA represented staff are distributed through the four major bargaining units that CWA has in the executive branch - administrative/clerical, professional, primary supervisors, and higher level supervisors. Our members are concentrated in the administrative/clerical and professional units. NJPBA is a comparatively "flat" organization with few actual supervisors. Indeed, several titles assigned to our supervisory units are not supervisory in the sense of being supervisors on a on-going basis but rather they assign work relating to particular projects. There are few "middle management" positions to eliminate. There remain a number of unrepresented managers, particularly in the Foundation, which historically has been a haven for highly paid managers.

At the level of day to day operations at NJPBA, labor relations are good. Most disagreements concerning working conditions are resolved through discussion. Formal, written grievances are rare; no dispute from the NJPBA has ever been appealed to arbitration.

Disciplinary action is also rare at NJPBA with two such actions, one of which was a written reprimand, in the last 15 years.

The good labor relations climate at NJPBA is due to two factors: a management that is open to resolution of disputes and a workforce that is incredibly conscientious and flexible. The first priority of staff at NJN is to get the job done. They work rolling or flexible schedules that are characteristic of the broadcast industry and are not similar to other state employees. Most staff have years of service at NJN and have learned many new skills during their tenure to adapt to changing technology and organization of work. With the continuous reduction of staff for many years, many staff members perform two or three distinct functions. Additionally, many work part-time in the commercial broadcast and production industries where they have gained additional advanced skills.

Unions in the Broadcast Industry and Public Broadcasting

Broadcasting, particularly in the New York and Philadelphia markets, is a highly unionized industry. Employees at most local stations and national networks in this area are represented by unions. Major unions included CWA/NABET (National Association of Broadcast Employees and Technicians), IBEW (International Brotherhood of Electrical Workers), and AFTRA (American Federation of Television and Radio Artists) represent broadcast employees in our region.

In particular CWA/NABET represents network employees at ABC, NBC, ESPN, Fox, and CNN. CWA/NABET frequently bargains for its members concerning the introduction of technology and also provides training for its members in new technology.

CWA/NABET and other CWA affiliates represent workers at a range of public broadcasters including PBS, NPR, WGBH (a major "producer" station), KQED (producer station) and local public broadcasters throughout the country.

Regional public broadcasters WNET, WNYC, and WHYY have employees represented by IBEW and AFTRA.

CWA Local 1032 is thoroughly prepared to bargain for our members with a more independent NJN. We have considerable organizational resources to bargain a broadcasting/media industry collective bargaining agreement.

History of Privatization Proposals at NJN and Elsewhere with Emphasis on Workforce Issues

Prior to Governor Christie's proposal to privatize NJN and end state funding on 1/1/11, there were three other proposals to change NJN to a community licensee – in 1992, 1998, and 2008.

This is a record of privatization attempts has not been approached by any other state and has had a long term negative impact on NJN operations and fundraising. It appears that the Foundation's fund raising ability has deteriorated from total revenue of around \$9 million a year to what Doug Eakeley testified on Tuesday is only slightly more than \$6 million in the most recent year. The failure of the Foundation to launch effective major gift and capital campaigns, the statements of some Foundation board members that they could not in good conscientious ask for donations to NJN prior to privatization, and the consideration of the Foundation Board of putting funds into "escrow" for a new non-profit operator of NJN rather than transferring funds to NJPBA indicates a pattern of the Foundation scaling down operations prior to privatization. (The state Treasurer correctly blocked the Foundation from retaining funds.)

In 1992, a proposal was made to have WNET takeover NJN. That proposal was rejected for the reason that many of you articulated on Tuesday -- that ultimately it would mean the end of New Jersey centric programming.

In 1998, a proposal was made by the Whitman administration to convert NJPBA to a non-profit community licensee. That proposal included provisions for a phase out of operations and phase out of contributions for and by staff into the state pension fund, and certain retirement incentives (20 years or less requirement for retirement health benefits.) CWA Local 1032 engaged in negotiations for a potential successor agreement with an unknown non-profit (Newco). Our membership was highly skeptical of this proposal doubting both the ability of the new non-profit, which they assumed would be a

reconstructed version of the current Foundation, to provide adequate health and retirement benefits due to the greatly increased cost of these items for a smaller non-profit and the financial, management, and fund raising ability of the Foundation to successfully operate NJN. In particular, our members saw no managers at that time on the state or Foundation side that they believed understood the broadcasting industry.

The 1998 proposal ultimately did not move forward, primarily due to the belief that it would not have legislative support.

In 2008, another proposal to privatize NJN was launched by the Foundation. Ultimately the Corzine administration did not support the concept. In response to some of current problems with state operations identified at that time, CWA members began to develop our proposal for a New Jersey Public Media Corporation.

There have been two relevant conversions elsewhere from state operations to non-profit networks – Hawaii in 2000 and Oregon from 1993 to 2003. In the case of Hawaii the conversion was sudden, precipitous and disastrous for employees with two-thirds of staff cut. In the case of Oregon Public Broadcasting there was a ten year phaseout of funding and membership in the state pension fund. Most state employees working at OPB continued employment at the non-profit OPB.

The conversion of employees of Vermont and New Hampshire Public Television from state university employment to non-profit employment did not present the same issues as funding cuts were not involved and employees were able to retain membership in the same pension system (TIAA-CREF). In both of these situations, practically all the university employees involved in public television transferred to the new non-profits.

Job Security Provisions of the CWA/State of NJ Executive Branch Contract.

The CWA/State of New Jersey Executive Branch contracts contains a Job Security Side Letter that provides for certain procedures to be followed in the case of the privatization of a state operation. We believe that the Job Security language of the collective bargaining agreement are applicable to any effort to privatize the NJPBA.

The Job Security language provides that:

- No less than 120 days advance notice prior to serious consideration of privatization.
- A detailed accounting of all costs under the privatization and a comprehensive cost analysis to be provided to the union by the state accompanying the notice of privatization
- The union shall have the opportunity to demonstrate that unit employees will do the same work more efficiently than a private contractor. The state shall provide

to the union relevant cost information necessary to enable the Union to develop its economic position

- The State and Union shall utilize the State Auditor to determine whether substantial cost savings will occur if the privatization occurs. Where the State Auditor determines there is no substantial cost savings, the State will undertake best efforts to ensure there shall be no layoff or adverse economic impact on State employees.

This means that prior to any privatization of NJPBA, the state must give CWA the union the opportunity to demonstrate that the current state employees of NJPBA can provide broadcast services more efficiently than employees of a future non-profit. This can include union proposals to change work organization.

The State Auditor shall determine if privatization of NJPBA will lead to substantial cost savings.

To date we have NOT received any cost information or detailed accounting from the state.

shall have the ability to request additional reports mutually agreed upon by management and the union.

2. The Committee shall have the ability to request regular reports on cost control programs mutually agreed upon by management and the union. Such reports shall address costs of operating the program, activities, savings (including assumptions) and future plans/recommendations.

3. The Committee may also recommend additional measures or alternatives, consistent with the goals set forth above, and the report prepared by the CWA entitled "Good Medicine".

SIDE LETTER OF AGREEMENT #13

Job Security

A. This side letter will confirm the understanding between the parties regarding some of the efforts the State of New Jersey (State) will undertake to lessen the impact of future privatization initiatives or the closing of State facilities that occur during the period from ratification of this contract through June 30, 2011, and which impact on employees in CWA negotiation units. This letter refers to negotiation unit employees who are ultimately laid off at the conclusion of the State's layoff procedures, but the layoff would have to be the result of the State's decision to privatize a function or to close a facility.

B. In the event the State seriously considers privatization or closure of a facility or function that could result in the layoff or displacement of negotiation unit employees, the State agrees to give the Union reasonable advance notice, but no less than 120 days prior to awarding a privatization contract to perform the work or closure of a facility. Accompanying the notice will be a detailed accounting of all costs under the privatization and a comprehensive cost analysis.

C. The Union shall be given the opportunity to demonstrate that unit employees will do the same work more efficiently than a private contractor. The State agrees to provide the Union with relevant cost information necessary to enable the Union to develop its economic position, including public documents involving the RFP, once issued and shall meet with the Union within thirty (30) days of the issuance of the RFP. It is understood that in any event, the decision to privatize is a managerial prerogative that may not be subject to the negotiation process.

D. The parties shall utilize the State auditor to determine whether substantial cost savings will occur if the privatization occurs. Where the State auditor determines there is no substantial cost savings, the State will undertake best efforts to ensure there shall be no layoff or adverse economic impact on State employees.

E. If there is a pending or proposed general layoff, the State shall review existing private contracts for work similar to that of the employees considered for layoff or dislocation. Unless a cost analysis shows substantial cost savings for those existing private contracts, the State will use its best efforts to bring the work performed under private contract (s) back in house and the State shall use the displaced workers pool to keep workers employed while the State determines whether to bring such work back in house.

F. Effective July 1, 2003, when privatization is undertaken as a substantial cost savings, the State Auditor will conduct periodic post audit cost analysis to determine whether or not there continues to be substantial cost savings. Where there is not substantial cost savings, the State shall make its best efforts to bring the work back in house.

G. The State agrees to make good faith efforts that shall include compliance with all DOP regulations to lessen the possibility of the layoff or demotion-in-lieu-of layoff of employees in the negotiation unit. Where practicable, these efforts will be made whenever workers are placed at risk through privatization, or program reductions or eliminations for reasons of economy, efficiency, or other reason.

Consistent with DOP regulations, The State will consider the following pre-layoff actions prior to any permanent employees being laid off or demoted:

1. Hiring and promotion freezes;
 2. Separation of non-permanent employees;
 3. Returning provisional employees to their permanent titles;
 4. Securing of transfers and reassignment to other employment;
 5. Filling of existing vacancies; and
 6. Voluntary reduced work time and voluntary layoff or demotion.
- H. The efforts the State will undertake to alleviate the impact on employees laid off as a result of such actions shall include one or more of the following as appropriate under the existing circumstances and shall be subject to discussions between the State and the Union:
1. Establishing preferential hiring lists with the private employer;
 2. Establishing hiring freezes for positions determined by the Department of Personnel to have the same or similar duties and responsibilities at other State locations within the department affected to create openings which will be filled by qualified laid off employees and, if practicable, by employees targeted for layoff, all in accordance with DOP and SAC rules and regulations;
 3. Continuing health coverage under COBRA which the State will pay for a certain limited transition period but not less than three months in duration;
 4. Providing training for qualified employees to the extent there are openings and laid off employees require training to fill them; and
 5. Where there is substantial cost savings, and the State chooses to privatize, the State agrees to use the displaced worker pool in order to lessen the impact of such layoff.
 6. Good faith attempts will be made to fill positions determined by the Department of Personnel to have substantially the same or similar duties and responsibilities at other State locations by qualified laid off or demoted employees and, if practicable, by employees targeted for layoff. As practicable, the State shall train "at risk" employees to allow movement from the "at risk" location to work locations within or outside the appointing authority where positions are available. It is understood that all such actions must be consistent with operative law and DOP regulations.

SIDE LETTER OF AGREEMENT #14

Labor/Management Health Care Advisory Committee

1. There shall be established a Labor/Management Health Care Advisory Committee to expedite, on a voluntary basis, the transition of negotiations unit employees from the Traditional Plan and Health Maintenance Organizations to New Jersey Plus from July 1, 1999 through December 31, 2000. The Committee shall consist of four designees of the Division of Pensions and Benefits and four designees to be selected by the CWA. The Committee shall decide on what advice and recommendations will be made in determining the following issues:
 - a. County-by-County problem solving In-Network establishment with a standard of two doctors within a five mile radius of the covered employee where sufficient providers exist; and at least 75% of the hospitals in New Jersey under contract.
 - b. For current employees in rural areas where access is less than two primary care physicians within 20 miles, the minimum solution shall be the design of the Traditional Plan.
 - c. All problems concerning transition cases and pre-existing conditions shall be resolved by having as the minimum solution the design of the Traditional Plan.
2. The Committee decisions shall be by majority vote. Ties shall be broken by the State Health Benefits Commission. The Committee shall endeavor to make the benefits of NJ Plus available to a maximum number of employees in the negotiating units, discuss problems of substance abuse, and shall create conditions to facilitate the movement of State employees and their dependents from the Traditional Plan and Health Maintenance Organizations to New Jersey Plus.

NJN TITLES

| TitleDesc | Last Name | First Name |
|----------------------------------|-------------|-------------|
| ADMSTV ANLT 2 | Datkowitz | Steve |
| ADMSTV ANLT 2 | Matalanis | Alan |
| Accountant 3 | Coleman | Tracye |
| Administrative Analyst 2 | Pennell | Lynn |
| Administrative Assistant II | Scannella | Janet |
| Administrative Assistant III | Brodowski | Arlene |
| Assignment Editor PBA | Peterson | Malik |
| Asst. Producer/Director PBA | Basalik | Michell |
| Asst. Producer/Director PBA | Benincasa | Christophe |
| Asst. Producer/Director PBA | Kotzker | Dari |
| Asst. Producer/Director PBA | Lockshine | Karyn |
| Asst. Producer/Director PBA | Mondelli | Patricia |
| Asst. Producer/Director PBA | Parker | Henrietta |
| Asst. Producer/Director PBA | Silverthorn | Paul |
| BLDG MGMT SVCS SPCLST 2 | Lester | James |
| BLDG MGMT SVCS SPCLST 4 | Kolaski | John |
| DP PGMR 2 | Rojas | Juan Carlos |
| Data Processing Analyst 2 | Tadzynski | Steven |
| EXECTV ASST 4 | Butterfield | Roseann |
| EXECTV ASST 4 | Goetz | Judith |
| Eng/Film Editor PBA | Gee | Nichol |
| GRPHC ARTST 1 PBA | Cermele | Joel |
| GRPHC ARTST 1 PBA | Ehmann | Fred |
| GRPHC ARTST 1 PBA | Oleszek | Steven |
| GRPHC ARTST 1 PBA | Starkey | Charles |
| Inst. TV Utilization Specalist P | Hamer | Jeffrey |
| Inst. TV Utilization Specalist P | Rodgers | Edward |
| Inst. TV Utilization Specalist P | Zombeck | James |
| Manager Film Services PBA | Wynn | John |
| NTWRK ADMINR 1 | Wolf | Sharon |
| News Writer PBA | Gallagher | Eileen |
| OFFC UMTN SPCLST 2 | Long | Linda |

| TitleDesc | Last Name | First Name |
|--------------------------|----------------|------------|
| PGM DEV SPCLST 2 | Yang | Young Soo |
| PHYSCL ASSETS ENGR PBA | Budd | Kathleen |
| Princ. Postal Clerk | Graves | Wayne |
| Producer/Editor PBA | Barra | John |
| Producer/Editor PBA | Fink | Zachary |
| Producer/Editor PBA | Henry | Jerry |
| Producer/Editor PBA | Kosek - Brown | Lynn |
| Producer/Editor PBA | Mastrogiovanni | Eileen |
| Producer/Editor PBA | McGuire | Janet |
| Producer/Editor PBA | Micucci | Margaret |
| Producer/Editor PBA | Pina-Taylor | Desiree |
| Producer/Editor PBA | Renner | Richard |
| Producer/Editor PBA | Richards | Donna |
| Producer/Editor PBA | Sanchez | William |
| Producer/Editor PBA | Schultz | Eric |
| Producer/Editor PBA | Supino | Adrienne |
| Producer/Editor PBA | Szuter | Robert |
| SR PRODUCER/DIRECTOR PBS | Coles | Linda |
| SR PRODUCER/DIRECTOR PBS | Hoyer | Laurel |
| SR PRODUCER/DIRECTOR PBS | Wallner | Susan |
| STDO ASST TO DIR PBA | Andersen | Robert |
| Sr. Film Editor PBA | Carpenter | Cindy |
| Sr. Film Editor PBA | English | Richard |
| Sr. Film Editor PBA | Herman | Robert |
| Sr. Film Editor PBA | LiMato | Lawrence |
| Sr. Film Editor PBA | Martin | Joseph |
| Supr. of Mail | Reckett | Anthony |
| TELVSN BRDCST MNTENCE | Barnhart | Michael |
| TELVSN BRDCST MNTENCE | Campbell | Richard |
| TELVSN BRDCST MNTENCE | Chianese | Louis |
| TELVSN BRDCST MNTENCE | Hartman | Edward |
| TELVSN BRDCST MNTENCE | Holmes | Harry |
| TELVSN BRDCST MNTENCE | Obst | Mel |
| TELVSN BRDCST MNTENCE | Thomas | William |

| TitleDesc | Last Name | First Name |
|---------------------------------|------------|------------|
| TELVSN BRDCST MNTENCE | Wick | Robert |
| TV Cinnamatographer PBA | Budd | Michael |
| TV Cinnamatographer PBA | Dipietro | Mark |
| TV Cinnamatographer PBA | Foley | Frank |
| TV Cinnamatographer PBA | Hartman | Robert |
| TV Cinnamatographer PBA | Horvath | Paul |
| TV Cinnamatographer PBA | Kauffman | Aubrey |
| TV Cinnamatographer PBA | Neall | Scott |
| TV Cinnamatographer PBA | Reisly | J. Jeffrey |
| TV Cinnamatographer PBA | Sohr | Kirk |
| TV Cinnamatographer PBA | Stollery | Timothy |
| TV Cinnamatographer PBA | Wagner | Ronald |
| TV Cinnamatographer PBA | Williams | John |
| Tech Operations Coordinator PBA | Lucero | Nelson |
| Technical Assistant 1 PBA | Hall | Wesley |
| Technical Assistant 2 PBA | Constable | Sarah |
| Technical Assistant 2 PBA | Mastandrea | Michael |
| Technical Assistant 2 PBA | Nyorkor | Sia |
| Technical Assistant 2 PBA | Peterson | Marlene |
| Technical Assistant 2 PBA | Rooth | Peter |
| Technical Assistant 2 PBA | Scott | Brenda |
| Technical Coordinator PBA | Bethea | Grace |
| Technical Coordinator PBA | Chmel | Jason |
| Technical Coordinator PBA | Herbert | Glenn |
| Technical Coordinator PBA | Maloney | Mary |
| Technical Coordinator PBA | Parker | John |
| Technical Coordinator PBA | Scannella | Patricia |
| Technical Coordinator PBA | Stone | Steven |

Public Testimony by Bob Szuter / NJN Staff

**Legislative Task Force on Public Broadcasting
September 16, 2010**

NJN IS AN ANOMALY

If you believe you will see the same level of production – quality and quantity – on the other side of privatization, then you haven't grasped the fact that NJN is indeed an anomaly of a PBS station, in an anomaly market. It's the geography: never have so many citizens been so underserved by the media marketplace in which they live. One may not theoretically agree that a state government should have a connection to a media outlet, but the New Jersey State Legislature stepped in where the marketplace would not, and has not, and that's why NJN was created as a public institution. In a state that is often deeply divided by its regionalism, NJN is the only statewide network, and its dedication to bringing every part of New Jersey to every other part of New Jersey has been unmatched.

When I hear people say "Let the private sector do this..." my response to that is this: we have been waiting since the 1960's for the advertising-rich commercial stations with their footprint in New Jersey to come through with providing all of New Jersey with the same level of informative programming. We do not need a crystal ball: historically it hasn't happened, it isn't happening, and it's not going to happen. We have also waited and hoped for our neighboring public stations in Philadelphia and New York, also with their footprint in New Jersey, to provide New Jerseyans with programming for and about New Jersey, but it's not in their list of priorities. Our metropolitan PBS neighbors focus on national projects, and unfortunately that national exposure takes the biggest funders away from a locally-focused station like NJN.

NJN has always had the challenge of a truly unique mission: to provide New Jersey with both local content of the PBS ilk, as well as straight news and public affairs that is typically provided in other parts of the U.S. by a local commercial network affiliate. Most PBS local stations do very little state-focused original production, and only Oklahoma has a PBS local station that produces a daily news show like NJN. Our programs – from news and public affairs to documentaries and educational programs about arts, history and environment – are substantive pieces at PBS level quality, and they are based on going out and collecting footage with field crews and writers and reporters venturing out all over the entire state – not just a city and its suburbs. Whatever new gear or editing equipment or systemic production change is in NJN's future, the organization still requires a wide range of experienced and capable professionals to efficiently gather and produce quality information on topics statewide, for viewers statewide.

As the media landscape changes, multiple platforms of distribution need to be expanded on and developed at NJN. Multiple formats requires that original content be gathered in ways that lend themselves to multiple forms of expression and craft: everything gathered around New Jersey needs to be looked at as raw content to be then be used by writers, producers, and editors in the world of television, radio, short-form webisodes, web series, and educational interactive use. This widening of the creative delivery world will mean that more content will be made, and produced content in all its forms will be distributed on multiple platforms that reach divergent and wider audiences. But these forms of delivery require professionals on the creative side and technical side who share the mission of current NJN professionals but also have honed the skills particular to their own medium, whether that be radio, interactive web design, educational site design, social media promotion and content management, and the like. A new NJN that expands its reach and delivery systems would be best served by expanding its professional teams as well, with an eye toward teaming some current employees ready to shift gears with newly added professionals who bring their craft and technology skills into the NJN camp.

Created in the broadcast age, NJN was a noble experiment by the State to rectify the poor service of the media marketplace to the citizens of New Jersey, and answer the media void with a truly unique PBS station – one that put its local audience first. While the digital media marketplace unfolds with opportunity, New Jersey again finds its media choices slim, based on the whims of the marketplace. NJN has the trusted professionals and the production experience to renew this mission of service and make it expand exponentially on multiple formats and in new ways.

INTRODUCTION TO THE IDEA OF THE NEW JERSEY PUBLIC MEDIA CORP.

NJN could be a more effective media provider if it was transformed into a more autonomous public authority, which we are calling now the NJ Public Media Corporation. It is imperative that this connection to the State remain permanent, because this solidifies fundraising and mission campaigns that are built on the premise of a long and stable level of professional service to New Jersey's citizens. NJN itself should be revitalized and branded as a service-oriented public institution, like a utility, one that should be invested in and maintained for the broadest public good. This plan will require a continued investment on the part of the State in the short-term, but that investment is designed to stabilize NJN through a period of re-growth, one that will repair some of the organizational damage done by over fifteen years of poorly-managed resources. That initial investment will retool NJN's production efficiency, giving the organization the time and capital to upgrade equipment, increase production of local programs, and make NJN both sustainable as an operation and attractive to potential funders.

This would be the wrong time to end this noble experiment and give NJN away, or let it continue to starve. The need for NJN's service has not gone away; if anything, reliable and grounded information for New Jersey's citizens is more necessary than ever. State pride, state identity, and statewide unity are needed more than ever. A new NJN, re-tooled and powerful

in its reach, is on the eve of becoming a reality. A new statement of commitment and support will reinvigorate this mission, and once again turn NJN into a unique PBS station that puts its citizens first, and brings New Jersey's stories to everyone in the state.

A FEW HIGHLIGHTS OF MEDIA CORP

- Redesign the budgeting philosophy to encourage maximized use of in-house staff and equipment as opposed to discouraging increased production as "too expensive."
- Establish clear guidelines for the NJ Public Media Corporation's relationship to its separate "pass-through" organization, an NJN Foundation, emphasizing both a management firewall and an editorial firewall between the organizations. Establish clearly-defined lines of authority and recruit top-notch leadership who are tasked with leading the fundraising efforts knowing these clearly-defined ground rules exist. Re-focus a pared-down Foundation on a mission of aggressive private funding work, connected to overall NJN needs.
- Seek ways (through autonomous status) to encourage a more flexible, business-friendly model for the NJ Public Media Corporation, a model that loosens restrictions to garner more private dollars, allows media business growth that helps other New Jersey State agencies cut their media costs, and supports aggressive and innovative partnerships that bring increased revenue and public exposure.
- Embark on an aggressive campaign to increase quality and quantity of local production: improved and efficient technology systems for production and post-production.
- Assess values for existing transmission rental agreements and look to boost these, as well as explore still untapped rental agreements. Look for ways to increase revenue through Broadband applications. Wireless transmission of video and data are certainly going to require transmission assets. NJN's market position requires third-party investigations into possible monetary gains in the next 3-5 years pending FCC and governmental policy moves regarding broadband and its wireless transmission.

My name is Donna Richards. I work in NJN's Membership department as the on-air fundraising manager, but my official title is producer/director so I have no real managerial authority.

In order to do my job effectively on-air fundraising must be an integral part of a much larger marketing and development strategic plan for it to meet its full potential. The process has needs that have to be met in order to do everything possible to maximize success regardless of the results. Leadership and management must take an active role in making decisions and making sure that any and all fundraising efforts have what they need to generate positive revenue results.

While I make every effort to continue to manage and produce on-air membership campaigns, the process has been left unto itself. NJN fundraising efforts have now turned away from supporting the use of the on-air as a viable revenue stream. NJN leadership seems to no longer include on-air fundraising as part of their overall development and revenue planning beyond speculating what it might bring in. At Tuesday's hearing it was noted that on-air fundraising brings in a net revenue of \$0. However, I believe if the process were measured solely against itself the numbers would show that on-air fundraising does in fact bring in revenue. Right now every possible expense has been thrown its way to show that perhaps it's not worth doing.

But also, creating or exploring ideas that could help supplement revenue to increase the net are usually handled like a hot potato...passed around with no one wanting to make the decision to deal with it and then it's dropped. One would think that in the current financial downturn NJN is experiencing, all ideas of revenue would be considered and perhaps tested, but instead, many ideas are being dismissed as not worth the effort.

It's very defeating to often receive negative reinforcement with phrases like:

We can't...

We're not doing that...

That shouldn't be for us to do...

We won't get approval

There was a time when on-air fundraising was viewed as the cash cow. Now it's just cash flow...it helps pay the bills. In recent years the process has been allowed to deteriorate under the pretense of cutting expenses. Investing in programming and the promotion of the network and its revenue generating resources has taken a back seat. Effective means of measuring success have been replaced with elaborate and seemingly less expensive software and data base systems that are incapable of providing much needed information or performing to help generate higher returns on investment.

Because the on-air fundraising process is driven by programming it is essential to be able to track how you acquire individual donors by the programs they watch or listen to. So you need to be able to generate reports that will give you information like:

At what times do they like a particular kind or genre of program
Which incentives...or "thank you gifts" were most popular

In order to plan future efforts you need to be able to look at past program performance

How much revenue did a particular program raise over a given time period

Which time slot worked best for this kind of program

Did the program meet or exceed expected revenue goals

How does program performance compare from year to year or drive to drive

At present, none of these resources are now available in an easily accessible form so that I can make informed decisions for subsequent on-air campaigns. Some of those needs include a tracking system. The system that houses past information that could still be useful was dismantled without my knowledge and now lives in the basement.

So if I'm expected to perform in this capacity why wouldn't I expect to receive the support necessary to carry it out successfully? I mentioned to one of my superiors a couple of weeks ago that I didn't understand how I have been deemed responsible for on-air revenue, I manage and produce the process almost single-handedly, and yet any discussions, issues, ideas or questions regarding this process never include me. How can that be?

On-air fundraising is an acquisition tool that PBS developed many years ago. The idea was to appeal to the viewers and listeners to encourage additional financial support in return for the quality programming and services that only public broadcasting provides....in essence a service worth paying for. The objective of the on-air appeal is to build... or acquire...a data base of donors that could then be cultivated into becoming annual renewing supporters, mid-level donors, business members and perhaps some could be found to be major donors.

My duties are limited to the on-air effort and not any follow-up cultivation.

National PBS documentation states that:

Pledge/on-air fundraising drives represent the largest source of **new** revenue for stations. According to the PBS Index of Fundraising Performance, pledge revenue represents approximately 35% of the median total station membership revenue. (It's likely higher than that for NJN)

Why Conduct On-Air Fundraising Drives?

1. Solicit financial support: Single largest source of NEW members for your station
2. Communicate directly with viewers & potential & existing members
3. Convey the mission & goals of your station
4. Build & reinforce relationships (to eventually make the ask for money)
5. People give because of programs

It's no secret that today's economic climate has put a substantial damper on charitable giving. I'm connected with colleagues and counterparts throughout the PBS system who are all suffering the effects of today's financial climate. We share with each other the endless struggle to come up with new ideas and strategies, what programs seem to work and which don't in order to ...at the very least...continue to bring people in the door, get their names in the data base and ready for cultivation.

Fundraising in and of itself is challenging enough, but when you have a valuable resource like the people of New Jersey that you are afforded the unique opportunity to connect with them in a really big way, but instead you prefer to dismiss them, so who are you really here to serve?

I've been at NJN for 29 years and early on in my journey NJN's mission became my mission...to look out for the needs of the people of New Jersey through what I've produced and programmed for the better part of those years. For me it's not about who has the biggest wallet to buy in...it's about serving the citizens of New Jersey.

A. Policies and procedures are set up but not followed through.

Example: NJN has a 24 hour phone service that is outsourced. To curb expenses of the service authorities decided to have the phones switched back to NJN during off-peak times to save on per call costs. The actual task of making the switch is handled by someone who doesn't report to me. However, when we entered a recent pledge drive and I was away, the switch back to the answering service wasn't done. Yet neither the person who instituted the policy nor the person who handles the task felt any responsibility for what happened. It was my fault because the phones getting answered are one of the results of putting pledge programs on the air. Money was left on the table.

B. Decisions are handled like hot potatoes.

Example: In October NJN radio has its on air membership campaign. Over the years a diminishing staff has made it difficult to man this effort throughout the pledge period. This year I offered the suggestion to forego a full drive just in October because it would be nearly impossible to pull off given the lack of manpower and expense it requires for a small amount of return. Also because of NJN's uncertain future on-air messages could be misleading. The first person I went to, to discuss the idea sent me to the next higher up. That person drafted an email to send it to the next higher ups. After a bit of time, I asked if the proposal came to any conclusion. I was told there was some discussion and concerns. Further discussions are necessary to examine some alternatives, but if, or when they will be held is unknown. In an instance like this I usually do one of two things....make the decision myself to move forward with at least those aspects I can manage and control or follow the norm and let it die.

C. Ideas not explored or left to die:

Example: A power supply company wanted to partner with us to offer our members the opportunity to switch to their service. We would track those who switched as a result of the offer from NJN. The company would then give back to NJN a portion of the proceeds from each transaction, and do so on an annual recurring basis for as long as the member kept the service. It would provide an ongoing source of income to the station for very little effort and next to no expense. Again the idea was tossed around the hierarchy, met with some opposition for conflicts of interest that didn't exist, and given back to me to decline the offer.

ON-AIR FUNDRAISING CHALLENGES

Initially viewed as a viable means of generating revenue

One of the top manpower efforts in place

Obstacles slowly filtered in:

- Board members and “friends” to pitch – no knowledge on how to make appeals
- Corporate sponsors to thank – creates mixed messaging – no desire to balance
- High department personnel turnover
- Software conversions – Team Approach totally inefficient for pledge activity
- Loss of member retention – transaction driven
- Reduced on-air production value – not enough manpower (drive scripting, year-round spots) – shifting of responsibilities
- Lack of promotion – stopped highlighting pledge programs in the NJN Guide
- Declining viewership
- Economy
- Diminishing returns – lower premium levels – costs continue to rise
- Inability to effectively track results to make informed decisions for subsequent drives – no viable tracking software currently in place
- Program purchase challenges
- Use of on-air to support other revenue streams! – Let’s just see if we can get a needle in the haystack to emerge.
- Lack of administrative input to properly position efforts to maximize revenue generating results – most stations across the system have a combination of at least 3 of the following involved in the decision making process for on-air pledge: the CEO, general manager, programming, marketing, development director, membership director

Negative reinforcement – very defeating...

Phrases like... We can’t...

We’re not doing that...

That shouldn’t be for us to do...

We won’t get approval

They won’t let us have...

We’re not going to get...

While membership does appear to be expensive, especially on-air pledge, as it sees a regular flow of paying expenses, many costs have been streamlined and reduced. Consequently other tools for managing the process have been introduced without fully realizing the overall expense it incurs. (Team Approach AND Kintera) While up front costs appear to be less, the longer term effects cost more in terms of diminished returns and the inability to track and monitor results. There’s been a huge reduction in ways to plan, strategize and then monitor results, thereby decreasing informed decisions and mechanisms for strategizing subsequent efforts.