APPENDIX
Kent Manahan, Chair, NJPBA

TESTIMONY FOR LEGISLATIVE TASK FORCE ON PUBLIC BROADCASTING
September 14, 2010

On behalf of the New Jersey Public Broadcasting Authority, I want to thank the Task Force members for taking time to carefully and thoughtfully consider the future of Public Broadcasting in New Jersey.

We recognize that you have taken on this assignment because you understand and appreciate NJN’s critical role in informing, educating and entertaining the people of New Jersey in a media market which otherwise fractures New Jersey between media outlets in New York and Philadelphia.

We also want to thank the Governor and his Administration for their commitment to build a strong and independent NJN.

I would like to acknowledge my New Jersey Public Broadcasting Authority Board members who volunteer their time and professional expertise in leading NJN, serving on the Authority and various committees of the Board. I would like to acknowledge my friend and colleague, Doug Eakeley, Chairman of the NJN Foundation Board. Doug’s leadership and the dedication of the Foundation Board of Trustees have helped sustain NJN over the years, and I want to acknowledge NJN’s hard working staff, the Network’s most valuable asset.

The NJPBA is prepared to work cooperatively with the Legislature, the Administration, the Network’s funders and financial supporters, the NJPBA employees and their union representatives, our viewers and listeners, and members of the public, as we move forward together in this important effort.

If I were still reporting the news, my lead would be that a 40-year-old State Authority facing abolition is not fighting to preserve the power and prestige of its board members. Instead, that the Authority recognizes that difficult financial conditions, changing technology and dramatic shifts in the way we all seek and receive information have left us no choice but to examine how NJN can chart a course and thrive into the future.

For my former print colleagues, the newspaper headline is “We get it.”

Earlier this year, the NJPBA Board adopted a Statement of Fundamental Principles and Recommendations for the transformation of NJN.

The Preamble states:
At this time the Executive and Legislative Branches of New Jersey State government are contemplating potential transfer of the NJN broadcast licenses from the NJPBA to a "New Entity" described as an independent not for profit corporation.

The NJPBA has operated those licenses for more than forty years. NJN has served the public interest (as envisioned by its enabling legislation) by informing, educating and entertaining the people of New Jersey in a media market which otherwise fractures New Jersey between media outlets in New York and Philadelphia.

The NJPBA urges that any transfer specifically impose upon the New Entity these fundamental Recommendations which are necessary to satisfy and perpetuate the high principles and objectives that caused the creation on NJN in 1968.

These Recommendations, should guide and assist the Executive and Legislative Branches in the critically important work ahead.

We request that these Recommendations be substantially incorporated into Executive Orders, Legislation and the other documents created to control and guide the New Entity that is privileged to operate NJN, or its successor, in the future for the benefit of the people of the State of New Jersey.

There are nine recommendations that are significant and represent the position of the NJPBA, if there is to be a transition and transfer of the license. They are listed in my official statement. I will comment on some of them with particular emphasis on the Fourth Principle.

First: There should be a transparent process for the selection of a New Entity among qualified applicants – with a reasonable and sufficient time period for the responsible and necessary planning for, and execution of, the transfer of NJN assets to the New Entity.

Second: A New Entity should satisfactorily demonstrate its financial capacity to acquire and maintain NJN assets, and operate non-commercial media outlets and provide for the production and dissemination of news, public and community affairs, educational, cultural and instructional information to the public at large within the State.

Third: The Board of Directors of the New Entity should be comprised of ethnically, geographically and professionally diverse qualified residents of New Jersey. A New Entity must be a New Jersey entity controlled by New Jersey residents focused on New Jersey programming.

Fourth: To the extent permitted by law, the New Entity should be obligated to broadcast news and public affairs programming, New Jersey centric programming and emergency preparedness information as needed in substantial quality and quantity as NJN’s current broadcasts.

Fifth: The current NJN staff of experienced and knowledgeable individuals constitutes NJN’s greatest asset. These individuals should be treated equitably by the State in any transition.
Sixth: Prior to the transfer of NJN assets, including equipment, plant, transmitter and broadcast licenses, a fair value appraisal should be made. Transfer of such assets should be subject to and compliant with the laws of New Jersey regarding the disposition of public property.

Seventh: Prior to any transfer of NJN assets, a New Entity should submit for State approval a capital budget for new technology and infrastructure with high definition studios, field production and edit operations.

Eighth: During the time a New Entity operates NJN’s licenses, the New Entity should be encouraged that is output be designated a “must carry” for cable and satellite carriers, if the law permits. The New Entity and the State should use their best efforts to achieve the goal that all New Jersey households can access the New Entity’s broadcasts in accordance with Federal law.

And finally: The New Entity should use its best efforts to fulfill the spirit of the legislative mandates of the New Jersey Public Broadcasting Authority Act of 1968; and any NJN transfer implementing legislation should consider the inclusion of a monitor to enforce any contractual agreements of the New Entity.

These Nine Principles are, in our opinion fundamental to insure that the State’s interests are served by a transfer of NJN’s licenses. In my remarks I will specifically address several of the Principles, and in particular our recommendation that any New Entity produce and broadcast New Jersey centric programming that is substantially equivalent in quality and quantity to NJN’s current work.

New Jersey’s need for news and public affairs is something I know about. I reported the news for 30 years. I realize that the process for translating principles and recommendations into a proposal that can be approved by the Legislature and signed by the Governor is neither easy nor straightforward.

We recognize that final decisions about the future of public broadcasting will appropriately be made by the people’s elected representatives in the Legislative and Executive Branches of government. The NJPBA has outlined what we consider the fundamental principles that should be considered. We will not take a position on any specific proposal except to respectfully request that our Nine Principles be incorporated into any transfer. The ultimate decision for NJN’s future is in your hands working with the Executive Branch.

As this critical process moves forward, the New Jersey Public Broadcasting Authority Board is committed to provide whatever support and assistance we can to encourage a solution that will be of lasting value to the people of the State of New Jersey.

This includes the NJPBA’s willingness to continue its work past January 1 if you wish.

There are at least three possible outcomes in your deliberations:
The Governor’s proposal as outlined in his draft legislation for a transfer of NJN to a New Entity and the dissolution of the NJPBA and Foundation is approved.

The pending legislation for a new Public Media Corporation is adopted.

A recommitment of State support for the NJPBA to operate NJN and the NJN Foundation to aid with fund raising.

As Chair of the PBA, I and my fellow Board members understand that the Executive and Legislative Branches will ultimately make the decision on NJN’s future.

I am here today to offer my perspective on NJN, the Network’s history and important mission and to comment on the fundamental nature of our Statement of Principles and Recommendations.

Let me make an upfront confession:
   I am a NJ chauvinist.
   I have lived here all of my life.
   My husband and I have raised our six children here.

I arrived at NJN over 30 years ago, and in those three decades I have interviewed leaders and citizens of our state, chaired events, participated in professional organizations, appeared as a panelist in countless forums, given keynote speeches, commencement addresses. I sit on university, community and professional boards. I have had the opportunity to meet so many of my fellow New Jerseyans and they tell me they watch and how important NJN is to them.

NJN has performed at a level of excellence for 40 years, winning some of the most coveted awards in broadcast journalism. That’s a proud record to stand on, arts and cultural programming, documentaries, many that go national on PBS, special productions on education, health, law, business, seniors and the environment.

While I am aware that circumstances can change in 40 years and they certainly do, our geography has not. New Jersey is a relatively small land area with a large population, divided in the middle in media terms between New York and Philadelphia. But the legislature saw the need in 1968 and acted, passing legislation which was signed by Governor Richard Hughes creating the New Jersey Public Broadcasting Authority. Since then, NJN’s unique mission has provided New Jersey with information, more than warehouse fires and court house “perp” walks. NJN was founded as a single entity to fill the gap of information that existed pre 1968. Before that, you would never know there was a New Jersey except for flames, disasters or high crimes and misdemeanors. New Jersey is so much more. Our citizens have the right to be informed about so much more, the signing of new Legislation, hearings on tax reform, and casino gaming, NJN’s future as viewers on air or on line are seeing today, legal, environmental, health, history, educational and cultural issues. Issues that impact our lives and our communities.
How many candidate debates have been done in New Jersey? I can tell you it wasn’t always easy as the moderator keeping candidates on topic under time restraints.

Primary and Election night coverage, you know we have had our share of elections in New Jersey that were not over until the early morning hours and even one that took six weeks to be made official, the Gubernatorial election in 1981.

NJN has been there for Inaugurations, National Conventions, the signing of historic legislation, Budget Addresses, State of the State and the bi-partisan legislative responses, special legislative sessions, just about all legislative sessions, the budget impasse, the shutdown of State government, even a couple of high pitched disagreements among legislators in the well of the chamber.

These are not events you just show up and start talking about with a microphone and camera. These require a Ph.D. in preparation, experience and knowledge.

Can you imagine the hard work of NJN professionals that went into the making of all of this? Can you imagine any other broadcast entity doing this for New Jersey or anyone other than NJN, in the future?

This brings me back to the fourth standard as listed in the Statement of Principles and Recommendations. Consider all that NJN does, did and could do in the future. At the very heart of the NJPBA’s Principles is the Fourth Recommendation that states that any entity privileged to take the NJN broadcast licenses should be obligated to continue presentation of New Jersey centric programming in “substantial quality and quantity as NJN currently broadcasts”.

If I have learned anything in my long career at NJN, it is this truth. Commercial television from Philadelphia and New York cannot and will not cover New Jersey as NJN does, only NJN has the professionals, licenses and equipment to deliver this fundamental service to the people of New Jersey. And if there is going to be a New Entity, we recommend and urge you to mandate coverage substantial and equivalent to NJN’s standards. If any New Entity tells you they will not accept such a mandate, that’s a problem for New Jersey. That threatens all the progress made by the NJPBA and NJN.

Before I conclude my remarks I must salute all my former colleagues with whom I labored and strained for all those years producing the best television programming in New Jersey, even if I say so myself! That brings me to the Fifth Principle. To paraphrase, NJN’s employees are its most valued asset, more important than equipment and cameras. Their creative talents have earned us hundreds and hundreds of Emmys and accolades in the region and across the country. If they are willing, these talented people should continue with any New Entity, or, if not, the State should treat them equitably under all the circumstances.

We don’t want to lose what New Jersey needs, the public’s right to know, the ability to control the operating entity to meet the public standard. That is why the NJPBA adopted the Statement of Principles and Recommendations on June 1 of this year. As stated in the PBA’s
Preamble, I will fight for the Principles to be incorporated in all Executive Orders, Legislation, and other documents created to control and guide any New Entity that would be given the privilege to operate NJN or its successor in the future for the benefit of the people of the State of New Jersey. As you consider this important decision on NJN’s future, please know that if you decide, the NJPBA is willing to continue its work after January 1. We are ready to offer any support or assistance that we can.

For 40 years, NJN has been the only “unifying” multi media service in New Jersey!!!!

Thank you for this opportunity to appear before you today and for your interest in our views on this critically important public policy issue—the fate of NJN.
NEW JERSEY PUBLIC BROADCASTING AUTHORITY'S
STATEMENT OF FUNDAMENTAL PRINCIPLES AND RECOMMENDATIONS
FOR
PROPOSED NJN TRANSFER

PREAMBLE

At this time the Executive and Legislative Branches of New Jersey State government are contemplating potential transfer of the NJN broadcast licenses from the NJPBA to a "New Entity" described as an independent not for profit corporation. The NJPBA has operated those licenses for more than forty years. NJN has served the public interest (as envisioned by its enabling legislation) by informing, educating and entertaining the people of New Jersey in a media market which otherwise fractures New Jersey between media outlets in New York and Philadelphia. The NJPBA urges that any transfer specifically impose upon the New Entity these fundamental Recommendations which are necessary to satisfy and perpetuate the high principles and objectives that caused the creation of NJN in 1968. These Recommendations, should guide and assist the Executive and Legislative Branches in the critically important work ahead. We request that these Recommendations be substantially incorporated into Executive Orders, Legislation and the other documents created to control and guide the New Entity that is privileged to operate NJN, or its successor, in the future for the benefit of the people of the State of New Jersey.
FIRST RECOMMENDATION

There should be a transparent process for the selection of a New Entity among qualified applicants. The selection board should be created and its responsibilities defined by enabling legislation. The NJPBA should assist the selection board. The State should allow a reasonable and sufficient time period for the responsible and necessary planning for, and execution of, a transfer of NJN assets to the New Entity.

SECOND RECOMMENDATION

A New Entity should satisfactorily demonstrate its financial capacity to acquire and maintain NJN assets, and operate non-commercial media outlets and provide for the production and dissemination of public and community affairs, educational, cultural and instructional information to the public at large within the State. A five (5) year business plan must be approved by the State before effective transfer.

THIRD RECOMMENDATION

The Board of Directors of the New Entity shall be comprised of ethnically, geographically and professionally diverse qualified residents of New Jersey. A New Entity must be a New Jersey entity controlled by New Jersey residents focused on New Jersey programming.

FOURTH RECOMMENDATION

To the extent permitted by law, the New Entity should be obligated to broadcast news and public affairs programming, New Jersey centric programming and emergency preparedness information as needed in substantial quality and quantity as NJN’s current broadcasts.
FIFTH RECOMMENDATION

The current NJN staff of experienced and knowledgeable individuals constitutes NJN’s greatest asset. These individuals shall be retained by the New Entity and treated equitably by the State in any transition.

SIXTH RECOMMENDATION

Prior to the transfer of NJN assets, including equipment, plant, transmitter and broadcast licenses, a fair value appraisal shall be made. Transfer of such assets shall be subject to and compliant with the laws of New Jersey regarding the disposition of public property.

SEVENTH RECOMMENDATION

Prior to any transfer of NJN assets, a New Entity shall submit and the State shall approve a capital budget for new technology and infrastructure with high definition studios, field production and edit operations.

EIGHTH RECOMMENDATION

During the time a New Entity operates NJN’s licenses, the New Entity should be encouraged that its output be designated a “must carry” for cable and satellite carriers, if the law permits. The New Entity and the State shall use their best efforts to achieve the goal that all New Jersey households can access the New Entity’s broadcasts in accordance with Federal law.

NINTH RECOMMENDATION

The New Entity should use its best efforts to fulfill the spirit of the legislative mandates of the New Jersey Public Broadcasting Authority Act of 1968; and any NJN transfer implementing legislation should consider the inclusion of a monitor to enforce any contractual agreements of the New Entity.
Statement of Ellen P. Goodman, Professor of Law, Rutgers University – Camden
Before the Legislative Task Force on Public Broadcasting
New Jersey State Legislature
September 14, 2010

Thank you Senators and Members of the Assembly for inviting me to participate in this first public meeting of the Legislative Task Force on Public Broadcasting.

I am a professor of law at Rutgers-Camden and have spent many years working on public broadcasting policy, as well as studying emerging public service media institutions. I’d like to share with you a few observations that may be helpful in your deliberations about the New Jersey Network and the possibilities for new kinds of public service networks and services in the State.

New Jersey has before it an important decision about what to do with state-owned NJN assets. In addition, the State has the opportunity and the responsibility to set forth a vision for how the people of New Jersey ought to be served by their public service media. I use this term -- public service media -- rather than public broadcasting, because it better reflects the kinds of services Americans in other states already enjoy and that is in the offing for New Jersey, if only the opportunity can be seized.

Here I will make four observations based on national trends and an emerging consensus about the future of public service media.

1. **Need for Public Affairs Reporting.** There’s been a deep and precipitous decline in public affairs reporting across the nation. In the last half-decade, the financial resources devoted to reporting on state government have fallen by 30%. This is true in New Jersey, where, according to a 2009 survey of the American Journalism Review, 7 of 9 newspapers cut back on statehouse coverage; the number of statehouse reporters was halved between 2003 and 2009 (down to 15). Of course, as a nation, we are down tens of thousands of investigative and beat reporters and hundreds of millions of dollars of investment in accountability reporting. This reduced scrutiny may come as a relief to some in Trenton and in Washington, but not to the public.

We all understand the reasons for what some have called a “crisis in journalism” – the failing economics of newspaper and broadcast news. The growth of blogs and other Internet resources are terrific sources of commentary and entertainment, but these media typically do not make the same kinds of investments in accountability reporting that old media did. Some believe that the market will find new models to support accountability journalism: new subscription and advertising plays. Others doubt that there is a viable commercial model to support the day-in-day out slog at the statehouses and city halls. The most
promising path to commercial success in journalism is to polarize the public around well-defined fissures, rather than to offer reasoned discussion and analysis, much less expensive fact-finding.

It may be that for the foreseeable future, investment in this kind of reporting will be the responsibility of noncommercial media. We are seeing new non-profits arise to fill the commercial gaps in journalism. NJSpotlight is one such non-profit, and it's an important part of the public service media solution to market failures. Questions remain, however, about whether foundation-supported journalism will be sustainable in the absence of workable models for membership and revenue. These are the very models that the best public broadcasting stations have developed over the years.

2. Other Kinds of Information Deficits. It's not just news and accountability journalism that noncommercial media institutions have a special responsibility to deliver. Other kinds of information and services are subject to market neglect. An important example is educational content. Teachers at every level are hungry for the kinds of media content -- whether it's video, audio, text, or games -- that will enrich their instruction, engage their students, and that are useable without undue disruption or training. Parents and lifelong learners are in the same position.

Public broadcasting at the national level has made great contributions to the nation's classrooms, and its living rooms, by providing gripping educational materials. PBS a top provider of educational materials to the PreK-12 classroom and has developed a trusted brand among educators both for classroom materials and professional training.

Digital networks open new possibilities at the national and local levels for the development of materials produced to scale, but also to be tailored for local and state needs. Some public broadcasting stations, like KET, Kentucky and WNET, New York, are required by their charters to provide service to PreK-12 educational institutions. Others, like KQED, San Francisco, have simply chosen to place education at the core of what they do.

With greater coordination and leadership, public service media could dramatically expand the portfolio of effective learning materials. Imagine what would happen if those who knew how to make finished media products collaborated with those who have endless stores of raw media to distribute. Collaborative efforts are now underway to help the Smithsonian, NASA, and the National Science Foundation, among other public and quasi-public institutions, to make their vast archives available in short digital pieces that are interactive and searchable across multiple platforms. Statewide public broadcasting networks are in particularly good
positions to work with state school officers to introduce media purpose built for student and teacher needs.

These efforts are advancing in states such as Ohio and Louisiana. In Ohio, a consortium of public broadcasters in northeastern Ohio created a non-profit called Ideastream to produce news, kids programming, and educational materials to distribute throughout the state. Louisiana Public Broadcasting has collaborated with public institutions on many occasions. It is currently working with local parish libraries throughout the state to establish PBS Kids Raising Readers corners in the libraries, and with magnet schools to create News Hour student journalism labs.

3. *Changing Nature of Public Service Media Functions.* So what should we want out of public broadcasting, whether we’re focused on educational content or public affairs reporting or any other output?

National public broadcasting leaders and critics are emphasizing the “public,” or “public service” aspect, not the broadcasting aspect, of the phrase. When NJN and other local stations began, their function was to carry national programming via the only viable distribution mechanism there was: broadcasting. Putting on a local nightly news report was the most that could be expected. Moreover, there was a good chance that this broadcast would amass a sizeable audience, since there were only three commercial channels competing for audience share.

Of course, all that has changed today. Audio and video flow abundantly over many alternative distribution channels. The audience is fractured into a thousand pieces. People consume media according to their own schedules on subjects of their own choosing. To be effective, public service media must serve up content all the time, on all distribution platforms, and in the forms that are most useful to people, whether that means as a mobile app, as a website, as in-school content, as a community event, a game, or a constantly updating news service.

You can think of the public service that’s needed in three categories: (1) creating media content, especially local content, in many forms; (2) curating content – that is serving up content that’s been produced by other individuals and institutions; and (3) connecting people with media content and information services, either electronically or out in the community.

1. *Create.* We’re seeing public broadcasters around the country putting more resources into local production. In Minneapolis and San Francisco, Los Angeles, Detroit, Philadelphia and
New York, public radio in particular is investing more in local news. This is news that’s available and refreshed all the time through Twitter feeds, social networks, websites, and broadcasting. Public broadcasters now reach millions through non-broadcast means (NPR has 1.8 million Twitter followers; and NPR’s ipad application has been downloaded onto one out of every five iPads).

(2) **Curate.** Often, it’s not the broadcasting station itself that’s doing the production or the reporting. Rather, the station is working with journalism schools, new nonprofit reporting outfits at the local or national levels, and local bloggers to present material across all platforms. What this means is that whoever is best at producing news or educational material or other content does it. It doesn’t have to be the public broadcaster.

What the public broadcaster does is to boost and network these contributions in many ways. Maybe it’s by providing office space and physical plant, as has been done in St. Louis when a local paper went out of business. Maybe it’s by providing distribution, as KQED has done in San Francisco by making climate science and its implications for that coastal community understandable and real. Maybe it’s by providing expertise or a trusted brand or administrative help. The point is that public broadcast stations contribute most when they serve as media and information hubs, not only as producers, for their communities.

(3) **Connect.** Too often, in New Jersey and elsewhere, public broadcasting produces content that relatively few consume. Moreover, the audience too seldom reflects the demographics of the region. We have to ask why, in these cases, the public broadcaster has not found a way to speak to, or heed, the communities it is supposed to serve. Is it because it’s dealing with the wrong issues? Or is it failing to deliver content in a way that makes the information useful and engaging? Are traditional formulas insufficiently agile to make the most of the Internet, or even broadcasting? Is there insufficient effort to engage in community outreach, or simply to be more hip, more youthful, and more relevant without sacrificing seriousness or mission?

Many public broadcasters are dealing with these questions and attempting to reach out more energetically to their communities. The idea is to grow the audience by providing more compelling service.

- Oregon Public Broadcasting is this month running a public media camp and inviting the community to come in for a brainstorming session over dinner about what kind of public service media they want.
In San Diego, the local station thought it knew what its community would respond to and it recruited the Chargers to work on kids’ literacy and fitness.

Wisconsin Public Television recently launched a phenomenally successful series on War Stories from the State’s Vietnam veterans. It provided tools for local screenings and then invited vets and their families to a special Welcome Home Celebration at Lambeau Field in Green Bay. The event included several days of concerts and reunions, and was attended by more than 70,000 people. Coverage has since focused on veterans returning from Iraq and Afghanistan. Stations in Oklahoma, Texas and several other states are now following suit. What they find so attractive is the production of media content that catalyzes community engagement about an important matter. The hoped-for result is that the community finds value in future public media services and that these services, in turn, respond to and anticipate community needs.

4. The Broadcast Spectrum. The New Jersey Public Broadcasting Authority has 4 television licenses and 8 radio station licenses. I want to focus on the TV licenses only, since they are the most valuable and will be most affected by changes in federal spectrum policy. The first thing to say about the TV licenses is that they are far less important to carrying out the mission of public service media than they used to be. As others have noted, the vast majority of NJN’s audience receives NJN’s service through cable or the Interne, and not off air. In general, the TV broadcast delivery mechanism is dwindling in importance. By contrast, radio, where NJN is weak, is the more robust of the broadcast platforms and will remain so well into the future.

The value of the TV licenses as an asset to be sold or leased is uncertain, but is probably substantial and will grow over time. There is great demand for the TV spectrum, particularly in the Northeast corridor, if it could be used for non-broadcast purposes, say for next generation mobile broadband for example. But that won’t happen until or unless there is a federal reallocation of the spectrum and the possibility of a nationwide, or at least regional, clearance of the spectrum for new uses. As of today, the TV licenses can only be used for noncommercial broadcasting and for that, there is probably limited demand. This is all to say that the State should consider the TV licenses as a valuable asset, but one whose value depends on policy, market, and technical developments beyond NJN’s or the State’s control.

What is in the control of NJN or a reconfigured public service network is the value that is provided today. The broadcast medium should be squeezed for maximal service for the most people. This will mean using broadcasting as just one mechanism, and probably not the principal one, for transmitting newly produced and curated content. What it probably also
means is leasing or selling some broadcast capacity, and downsizing broadcasting expenses, in order to fund content production and other services. The question that reformers ask should not be how to improve the broadcast per se, but how to use the broadcast to improve the service. Improved service will entail the creation and curation of more content transmitted over more platforms and with more attention to community connections. The broadcasting platform is simply a means to do this.

The State’s exit from public broadcasting in New Jersey could usher in a wonderful period of experimentation in public service media. For this to happen, those who take ownership of the existing public broadcasting assets will have to be open to new partnerships, cost structures, and business models because the old ones were built for a different time.

Many thanks for your attention.
TESTIMONY

Douglas S. Eakeley, Chair, NJN Foundation

Legislative Task Force on Public Broadcasting
Tuesday, September 14, 2010

Thank you, Chairman Gill and members of the Task Force for inviting me to submit testimony.

My name is Doug Eakeley, and I am completing my third year as Chair of the NJN Foundation.

I’ve had the privilege of volunteering as a Board member of the NJN Foundation since 1993, and care deeply about NJN and its public service mission to give voice to the people of New Jersey, to connect our diverse communities, and to promote an informed and engaged citizenry.

And it’s been an honor to work with a distinguished group of community volunteers who share my commitment to the core values of public television and radio…..individuals representing PSE&G; Becton Dickinson; New Jersey Resources; Prudential Foundation; Rutgers University; Bank of America, Wachovia, and New Jersey-owned banks; McCarter & English; New Jersey Manufacturers Insurance Group; Deloitte; and many more.

In support of NJN, these individuals have given of their own personal resources, have arranged for their corporations to make gifts to NJN totaling hundreds of thousands of dollars, and have generously shared their time, talent and expertise to develop a strong public/private partnership. The only benefit they have received is the personal gratification of public service.

Throughout my tenure on the Foundation Board, I also have enjoyed a close and amicable working relationship with Commissioners who serve on the New Jersey Public Broadcasting Authority. For many years, the PBA Chair actually served as a Trustee of the NJN Foundation, and the seamless partnership between the NJN Foundation and the New Jersey Public Broadcasting Authority has set a standard for the industry.

My testimony today will focus on three key areas:

I. The history and purpose of the NJN Foundation
II. The Foundation’s Response to the Administration’s Proposal, and
III. A Vision for Public Media in New Jersey and NJN’s Role

I. History and Purpose of the NJN Foundation

In 1972, one year after NJN’s broadcast signal first went on the air, the Friends of New Jersey Public Television was established to help raise funds for the Network. It was clear from the start, that while NJN was owned and operated by the State, the private sector - - that is, individuals, corporations and foundations - - would need to step up and provide financial support for public broadcasting in New Jersey.

The creation of a more formal fund-raising operation nearly 20 years later signaled a greater need for increased private sector support. Since 1990, direct appropriations from the State have decreased overall, while expenses have continued to increase, creating a continuing structural deficit.
In 1990, NJN received $8.9 million in a direct State appropriation. Non-state revenue totaled $5.7 million.

Ten years later, in 2000, NJN received $4.9 million in direct State support. Non-state revenue equaled $10 million.

In 2010, NJN received $4 million in direct State support. Non-state revenue equaled $14.4 million.

As State funding for NJN began a steady decline in the early 1990’s, several alternatives were explored. There was a discussion about phasing out State funding altogether, or selling the Network to WNET in New York.

But instead of shutting down NJN, or selling it off, NJN was given the chance to diversify its revenue streams and tap into a groundswell of community support.

The Foundation for New Jersey Public Broadcasting, Inc., was incorporated as a New Jersey, not-for-profit corporation on January 11, 1991. It is tax exempt under the IRS as a 501(c)(3) organization, and its purpose as stated in its incorporations papers is:

“To sponsor activities and raise funds for the support and promotion of the New Jersey Public Broadcasting Authority and its several purposes.”

One of the early activities it sponsored was to develop a comprehensive and highly effective strategic planning process intended to make the case for State support and at the same time build a strong public/private partnership.

Since 1993, the NJN Foundation has raised over $100 million to fund the New Jersey Public Broadcasting Authority and to cover its own operational expenses. This revenue has been raised through individual membership, corporate underwriting, major gifts and bequests from individuals, grants, project underwriting, and earned revenue from special events including an annual Benefit.

Each year, approximately 70 percent of the Foundation’s total revenue directly benefits the Authority, through direct cash support and the provision of certain operations that would otherwise have been significant expense items for the Authority, such as membership solicitation, marketing, and educational initiatives, as well as public affairs activities that helped secure significant State and federal grants for NJN.

It is important to note that as the Foundation successfully increased its revenue to support the Network, at no time did the NJN Foundation Board or staff encourage the State to decrease State funding support for NJN. On the contrary, for many years, the NJN Foundation, as an independent, non-profit organization, has advocated for increased State support for NJN.

II. The NJN Foundation’s Response to the Administration’s Proposal

Before I address the Foundation’s response to the current proposal to convert NJN into an independent, charitable non-profit organization, I’d like to take a moment to discuss past efforts to consider alternative organizational models for NJN.
As far back as 1997, the NJN Foundation Board worked together with the Authority’s Commissioners to explore other, self-sustaining business models for NJN that would not leave the Network vulnerable to the vagaries of annual State appropriations.

With growing concern for NJN’s future, long-term sustainability, both the NJN Foundation and New Jersey Public Broadcasting Authority Chairs launched the bi-partisan 21st Century Task Force in 2005 to address NJN’s financial, organizational and operational challenges, and to make short-term and long-term recommendations that would allow NJN not only to survive but to prosper in the 21st century and develop a plan for NJN to maximize its expanded digital capacity.

Former Governors Brendan Byrne and Thomas Kean served as Honorary Co-Chairs of the Task Force, and members included a broad cross-section of New Jersey leaders including Kurt Borowsky; Cephas Bowles; Ruthi Byrne; Andrew Chiang; Dr. Susan Cole; Anthony Costic; Debra DiLorenzo; Angelo Genova, Rev. Reginald Jackson; Daniel Jara; Scott Kobler; Virginia Littell; Kent Manahan; Gabriella Morris; Isabel Nazario; Clement Price; and many more.

The Task Force researched comparable public television stations across the country, and concluded that NJN needed greater organizational flexibility in three priority areas to ensure NJN’s future as a valued resource for New Jersey, most especially in its service as the State’s resource for emergency communications. NJN required:

- Expedited procurement process for purchases of capital equipment to replace aging infrastructure to ensure 24/7 on-air broadcasts and emergency alert communications services.

- Flexibility to recruit, retain and reward highly talented skilled professionals in a competitive market.

- Continuity to promote the complex transition to digital broadcast and the development and application of new technologies for homeland security and educational initiatives.

The Task Force recommended that NJN remain a State agency but be granted greater autonomy in the areas outlined above. Legislation was drafted to preserve and enhance NJN’s public service mission to the State and its strong public/private partnership.

Since the submission of the Task Force report in 2006, the State’s fiscal situation has become more dire, and future State support for NJN, more uncertain. To help fill NJN’s ongoing operating deficits, the NJN Foundation provided supplemental grants to the Authority totaling $800,000 in FY 08 and $1.5 million in FY 09, in addition to the Foundation’s annual grants and in-kind support. We did so by drawing down on the $4.2 million reserve we had diligently accumulated for the purpose of having a “rainy day” fund. In fact, in FY 09, the supplemental grant of $800,000 from the Foundation represented one source of funding that helped fill the Authority’s $1.6 million structural deficit and avoid the need to lay off Authority employees. Consequently, after the supplemental grants and the Foundation’s own operating losses in FY 08 and FY 09 due to the economic downturn, only $610,000 remains in the NJN Foundation’s fund reserve.

In 2007, NJN Foundation and PBA Board leadership and management jointly began looking at another pathway for NJN. Given the financial problems facing NJN; State constraints on NJN concerning procurement and personnel matters and new business and fund-raising opportunities; and the lack of agility to succeed in an increasingly fast-paced and competitive marketplace, how
could NJN flourish in the 21st Century and provide extraordinary public media benefits to the people of New Jersey?

We drew from the recommendations of the 21st Century Task Force, and with additional research, proposed an alternative that was modeled after most other public television stations across the country. We recommended converting NJN from a State licensee to a community licensee operated by a community-based, not-for-profit organization.

This organizational model is the norm. Most public television stations in this country are community licensees; 90 of the 174 public television licensees in America are owned and operated by independent, non-profit charitable organizations. In addition, universities and schools boards also hold public television licenses. The Boards of these non-profits are comprised of volunteers who represent the community, who help raise funds for the public media organizations, and who provide strategic planning and counseling for its operations. Today, only 20 public television licenses remain State-owned.

Now to the current issue at hand.

In his March 2010 Budget Address, Governor Christie proposed that NJN become an independent, nonprofit organization. The proposed FY 2011 State Budget Report called for a reduction in NJN’s State appropriation by 50%, from about $4.0 million to $2.0 million, based on the premise that the State would terminate support for NJN as of December 31, 2010.

Rather than remain passive and watch NJN’s future unfold in an uncertain and potentially unsuccessful manner, members of the PBA Board, NJN Foundation Board members, and NJN management together took proactive measures to plan for NJN’s own future, and drafted a Business Plan that built on the NJN Operating and Project Plans.

We calculated the amount of money that would be available to NJN without State funding, and built a three-year operating budget and three-year cash flows on the basis of that funding, producing spreadsheets and commentary that outline a possible future for NJN as an independent, non-profit entity, NJN Public Media, Inc. The plan anticipates that NJN’s capital assets would be held in trust, to be used only for its current purposes.

The plan begins with an explanation of NJN’s planning process to date, describing an analysis of NJN’s FY 10 operation; a marketplace analysis that includes information about NJN’s distribution; and an operating plan intended to allow for a greater amount of original New Jersey-centric programming and production. The plan also addresses the importance of fund-raising and the need for an annual capital fund and an annual reserve fund.

The plan examines the many external factors whose impact upon NJN’s future must be considered. These include an examination of the impact of digital television, with many more public television channels now available than ever before; the impact of broadband -- for the first time in history, it is possible for anyone to distribute a video signal throughout the world, instantly and with no associated expense; changes in production and distribution technologies; changes in news consumption; and a recognition of the powerful impact of diversity in our media.

Much of the plan is devoted to preliminary budgets based upon assumptions that still need to be resolved. The first year budget is just over $15 million. By rule of thumb, 50% of the budget would be allocated for personnel expenses, which would allow for about 80 FTEs. Clearly this means a more streamlined operation. We are fully aware that this change will disrupt the lives of
many dedicated, professional, hard-working State employees at NJN, and I want to state here for 
the record that at every step of the way, NJN Board members and management have advocated to 
secure a "soft landing" for State employees, many of whom have worked with NJN for 20 plus 
years.

The business plan describes various potential benefits associated with a nonprofit operation, 
including, for example, modernization of processes, tools, and workflows; more and better news 
and public affairs programs and projects; and more New Jersey-centric productions. And it 
identifies the potential benefits associated with the NJN Foundation - - the second largest funder 
of NJN - - as the operator of the new nonprofit organization. The plan also emphasizes various 
opportunities associated with tourism and economic development. And it strongly recommends 
building on existing partnerships with many New Jersey institutions, and forging new ones.

As with any such plan, various potential risks and benefits are presented for discussion purposes. 
But the Business Plan provides a pathway for NJN Public Media, Inc. to:

- Achieve a very high level of efficiency and productivity with the best possible use of people 
  and resources;
- Produce more original news and local programs and projects for and about New Jersey;
- Provide anytime/anywhere access to NJN's programs on television, radio, computers, cell 
  phones, PDAs, iPods and other mobile devices; and
- Operate with an economic model that is sustainable, year after year.

The Business Plan has always been intended to serve as a springboard for discussion, and has 
been shared with a wide range of stakeholders to engage them in the planning process. It holds as 
its core premise that the public service currently provided by the State would remain intact and be 
provided by an independent, nonprofit organization, a charitable organization serving the public 
good. Moreover, it assumes that the assets would be transferred to the new nonprofit 
organization, with guarantees that these assets remain in New Jersey to provide noncommercial 
public broadcasting services to New Yorkers, consistent with the present purposes. NJN's 
public service mission will remain as it has always been: to produce non-commercial programs 
and services that educate, inform, entertain and make New York a better place.

III. A Vision for Public Media in New Jersey and NJN's Role

A discussion about NJN's future is timely, because a lively debate on the future of public media 
is underway in Washington and locally in other states across the country.

The FCC, PBS, CPB, the Obama Administration and a wide range of public interest groups are 
attempting to define public media for an era when new technologies are rapidly eclipsing 
traditional television. In December, the FCC will issue a report entitled The Future of Public 
Media, and earlier this year, the Knight Commission issued its report on "Information Needs of 
Communities in a Democracy." More reports and more debate are likely to follow.

How does NJN evolve into a 21st century public media enterprise that advances NJN's role as a 
digital resource for New Jersey teachers and students; increases public access to the arts and 
culture; engages citizens in a public debate about the issues of the day; provides essential 
emergency communications; and strengthens our communities?
To realize its full potential, NJN needs to produce more New Jersey-centric programming by changing its processes, its tools, and its creative approach. NJN needs to think beyond “radio” or “television” and consider the potential of “anytime/anywhere” consumer use. As we develop the next phase of NJN’s future, we need to be thinking in terms of “transmedia” projects and programs that can be seen, heard and experienced in different ways depending upon available device. A “radio interview show” will also be a television show, a web experience, mobile downloads and an interactive forum. This is not the stuff of the future. This is what other public media organizations are already doing today, and how NJN needs to proceed.

At the same time, we must continue to uphold the core principles that appear in the original language of the national Public Broadcasting Act of 1967: freedom and imagination; initiative and creativity; diversity and excellence; service to the under-served, especially children and minorities; innovation and risk-taking; and an active role in solving local problems. These principles are at the heart of NJN.

We believe it’s time for NJN to operate as more than half of the other public television stations across the country do: as a nonprofit organization committed to the public good and accountable to the public we serve. With the freedom associated with an appropriate and independent nonprofit structure, NJN can reactivate that groundswell of support for New Jersey’s own public media enterprise; engage the people of New Jersey in an interactive exchange of ideas, concerns, and solutions; and generate renewed pride in their public media entity and in New Jersey. We can invest in the right technologies; produce the right programs (for the right price); and serve New Jersey with an up-to-date, cost-effective news presence on all media. By working together, we can clearly demonstrate what one of the nation’s wealthiest, most tech-savvy, and best educated states can do.

Ultimately, whether the NJN Foundation becomes the new operator of NJN, a new non-profit organization is established, or NJN remains part of the State, I believe what unites us all here today is a common purpose - - to preserve and protect this great treasure; to uphold NJN’s core mission of news and public affairs; to provide even more New Jersey-centric programs and educational services; and to grow NJN as a vibrant public media service.

Those of us who care so deeply about NJN appreciate the renewed bi-partisan interest in NJN’s future and the future of public media in New Jersey. We sincerely hope that one year from today, NJN will have made the bold transformation to an industry-leading, technology enabled, and financially sustainable exemplar of community engagement built upon a foundation of creativity, innovation, and dedicated public service. With creativity and innovation, a passion for community service, and freedom over its own operations, NJN can and should become the finest public media organization in the nation.
NJN FOUNDATION

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Testimony before the New Jersey Legislative Task Force on Public Broadcasting
Paul Starr
September 14, 2010

Thank you for the opportunity to testify.

New Jersey faces not only a budget deficit, but also a second deficit—a news deficit. Geography has been the source of a chronic undersupply of news: for decades people here have watched, listened to, and read media from New York and Philadelphia that pay little attention to New Jersey affairs. And now that the state’s newspapers have retrenched and cut back their newsrooms in response to declining circulation and collapsing advertising revenue, New Jersey’s chronic news deficit has become an acute problem. 2

Nationally, newsrooms have declined from a peak of 56,000 to about 40,000 reporters and editors; statehouse reporting has dropped by about one-third. For New Jersey, the trend is particularly dangerous because the state has been especially reliant on newspapers for news coverage and because we have a multitude of local governments, many of them now operating essentially without any of the checks and balances that independent news media provide.

Social-science research suggests that the less independent news media a country or a state has, the more likely its government will be riddled with corruption. Independent news media are our civic alarm systems. And when alarm systems get turned off, it’s time to be alarmed.

In many parts of the United States, public radio and television make a tremendous contribution to informing and educating the public. And because they’re now also available on the Web, mobile phones, and other platforms, public broadcasting is now best thought of as public media.

Public media could be an important part of the answer to New Jersey’s need for independent news about public affairs. But achieving that goal requires a fundamental rethinking of the state’s policies under the most difficult circumstances.

When the state established the forerunner of NJN in the 1970s, television dominated the electronic landscape, and New Jersey’s leaders understandably sought to redress the failure of commercial TV to cover the state’s news.

But in recent decades, the media realities in America have changed. Public television has seen its audience shrink as cable TV has developed. But public radio has gained listeners and become a major source of independent journalism as commercial radio stations have abandoned news. Nonetheless, NJN has repeatedly failed to take advantage of opportunities to develop a statewide public radio network. Similarly, as the Internet has developed, NJN has also failed to adjust to the new online environment, continuing instead to invest its resources in an evening TV newscast with a tiny share of the state’s viewers.

Furthermore, while other news media have played a critical role in exposing corruption in New Jersey, NJN has been too dependent on political sources of funding to bite the hands that feed it. Jim Willse, the former managing editor of the Star-Ledger, says that when he arrived in New Jersey in the 1990s, he felt like a hunter coming to a game preserve. 3 Yet despite being in a target-rich environment, NJN has not done a lot of hunting.

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1 Woodrow Wilson School, Princeton University (affiliation for identification purposes only).
Still, if the state merely cuts back NJN, those cuts will just compound the losses in news coverage by the state’s newspapers. But the crisis could also become a moment of opportunity—if the state’s policymakers, working with other groups, have a broad enough vision of what needs to be done and allow NJN’s assets to be deployed in new ways to accomplish the original objective of providing independent journalism about the state’s affairs.

The report I’ve written with two of my students, “A Future for Public Media in New Jersey,” reviews the options for achieving that objective. We believe that the people of this state would be better served if NJN were converted into a private community nonprofit, independent of the state government and dedicated to producing nonpartisan journalism and programming about and for New Jersey to be distributed through both traditional media outlets and new media. That should be the objective.

But we also doubt that this can be accomplished responsibly by January 1 of next year. So we recommend that for a transitional period to last no more than two years, NJN be converted to a public corporation, with a single, merged board from the NJN Foundation and New Jersey Public Broadcasting Authority. To facilitate the transition to community ownership and to treat NJN’s employees fairly, the report recommends that the state transfer NJN’s broadcast licenses to the temporary public corporation and allow it to sell either the radio licenses or one of the four television licenses to create a “transition fund” of at least $5 million for employee severance, early retirement, and retraining.

Ultimately, broadcast licenses will be unnecessary for public television distribution. Most TV viewers today do not receive the over-the-air signal at all; 90 percent watch television via cable or satellite. Many also watch TV via the Internet or cable whenever they want, rather than being constrained by a TV schedule. Universal, high-speed broadband will make over-the-air TV broadcasting entirely obsolete and allow more viewing on demand rather than by appointment.

As a result, much of the value of NJN’s TV licenses may lie in their eventual use not for broadcast television but for broadband. In the long run, instead of remaining in the TV distribution business—mostly retransmitting PBS programs and producing only a little of its own—NJN should convert its licenses into an endowment, restructure itself into a production organization focused on New Jersey news, public affairs, and cultural life, and distribute its work in multiple formats via the Web, cable, mobile platforms, and other media.

Because of the budgetary crisis, the interest in zeroing out expenditures on NJN has dominated the discussion about its future. But it would be folly to let those short-term considerations overshadow the larger, long-run stakes. At a time when newspapers and other commercial news media are shrinking, adopting a plan that would necessitate a further shrinkage of news coverage in the state would do more damage to the voters’ ability to keep an eye on government. It’s crucial to keep in mind the purpose for which NJN was established, and for which it received its broadcast licenses—to inform and educate the people of New Jersey. That still must be the governing criterion in deciding what to do with NJN as an organization and with its licenses. It would be particularly unwise for the state to sell off all of NJN’s licenses in what would be a distress sale when the value of those licenses could rise considerably in the future. The hour is late to save NJN. But New Jersey still has the opportunity to turn it from an outdated television network into a model for multiplatform public media that fits the conditions of the twenty-first century.

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TESTIMONY

Janice Selinger, Acting Executive Director
New Jersey Public Broadcasting Authority

Legislative Task Force on Public Broadcasting
Tuesday, September 14, 2010

NJN’s HISTORY, MISSION AND ACCOMPLISHMENTS

"And away we go. This is WNJT-TV, the New Jersey Public Broadcasting Authority, Channel 52, Trenton." Created by an Act of the New Jersey Legislature in 1968 and signed into law in January 1969, those words launched New Jersey's first and only statewide public television station on April 5, 1971. Its mission – to provide news and public affairs programming for and about New Jersey not available on commercial stations in New York and Philadelphia.

Over the years, NJN Public Television and Radio (NJN) has fulfilled its mission to the people of New Jersey and much more. NJN serves the residents of New Jersey through news, information about the state, entertainment and educational initiatives. It is a catalyst for dialogue and a community center. Most importantly, NJN is dedicated to the Garden State. It is YOUR public television station because it belongs to YOU – the people of New Jersey.

NJN News is NJN’s flagship production that offers a unique brand of journalism that recognizes the rich diversity of the Garden State and the common interests that connect us as one, statewide community. NJN News devotes its entire week-night programs to in-depth news for and about the people of New Jersey and has earned great regard over the years as a trusted and valued community resource. As the New York Times and Philadelphia Inquirer reduce coverage of New Jersey, and more local, home-grown newspapers face major financial problems that challenge their very existence, NJN’s role and mission to provide information relevant to the lives of New Jerseyans is more important than ever before.

Over the last four decades, thanks in large part to corporations, foundations and the generosity of individuals, NJN has produced home-grown series and documentaries that focus on the arts, the environment, history, and our cultural diversity that captures the essence of the Garden State. NJN is proud of our excellent track record of bringing many of these award-winning Uniquely New Jersey stories to a nationwide PBS audience and viewers around the world including most recently Words and Music by Jerry Herman, Ten Crucial Days, Green Builders, Our Vanishing Past, Su Salud Primero/Your Health First and Morristown: Where America Survived. NJN has been recognized with numerous awards including 369 Regional Emmy nominations and 76 Regional Emmy Awards and we are proud that many of our productions also tell New Jersey’s story to a national and international audience – intelligent, informative programming that counters the New Jersey image created by commercial programs such as Jersey Shore and The Real Housewives of New Jersey.
While awards are rewarding, the most important aspect of NJN programming is the impact it has on our viewers. In 1985, NJN produced *Battered Wives: Shattered Lives* about domestic violence that aired nationally with a call-in program hosted by Kent Manahan that immediately aired following the documentary, which generated thousands of phone calls answered by counselors on hand to give assistance. In one instance the call stopped abuse that was actually in progress. Recently, *Another View* produced a panel discussion and call-in show on the impact of the mortgage crisis on families throughout the state, providing information about services aimed at trying to find solutions to the economic crisis many families are experiencing.

Last year, NJN’s Willie Sanchez produced *Su Salud Primero/Your Health First* hosted by ABC’s John Quinones. It won a Mid-Atlantic Emmy award for Outstanding Community Service. The award was not just for what NJN did on the television screen but for our bi-lingual Website and for the outreach that Willie Sanchez conducted with contestants from his long-running *Hispanic Youth Showcase* to get the word out about the importance of putting your health first and informing the Latino community and others about the airdate for the documentary and how to access the Website. This effort has led to a new healthcare special entitled, *Salud Sin Barreras/Health Without Barriers*. Once again the *Hispanic Youth Showcase* participants are promoting this important program at Latino festivals and parades throughout the summer and special outreach is planned for this program scheduled for a November broadcast.

NJN’s latest documentary special, *Decoding Autism*, will air on September 27th at 9 pm. It is a comprehensive look at the topic by NJN’s Health and Medical Correspondent Sara Lee Kessler. The program examines possible causes and cutting edge research that is bringing hope to many families with children on the spectrum. There is an extensive Website for people to access with additional information and material about autism created just for the Web.

NJN has developed curriculum guides for many of its documentaries and series including *New Jersey Legacy* – a 10-part history series. These are made available to New Jersey teachers and students through the NJN Website and the NJN Digital Classroom that is installed in over 130 schools statewide. NJN programming with its companion Websites and educational outreach clearly demonstrates how NJN connects with its viewers and diverse communities. However, due to the decline in State support over the last decade, NJN would not have been able to produce many of these programs without the generous support of the private sector that awarded grants to the NJN Foundation for specific programming and educational initiatives.

NJN also has created a unique archive for future generations of New Jerseyans to access. In fact, NJN is the only archivist and single entity to have videotaped and captured for posterity the story of New Jersey for more than thirty-nine years through *NJN News* and its *Jersey-centric* programming. NJN’s video archives include the culture, history and natural environment of the state – with images, interviews, historic documents and records. Where else will you find such a treasure trove of the past? Where else can one obtain a visual history of the state but from NJN? If NJN fades to black, this video archive would be lost.

Much of our talented NJN staff has a long employment history with us and has built up knowledge and experience of New Jersey and the running of NJN that is invaluable and in
some respects irreplaceable. Michael Aron, who wears two hats at NJN – Acting News Director and Senior Political Correspondent, is arguably the state’s most respected and knowledgeable political analyst. NJN’s news team, led by Anchor Jim Hooker, is accomplished and reports the news every weeknight with substance and balance.

Aside from covering daily news reports for NJN News, NJN’s camera crews and reporters are at the Statehouse around the clock when lengthy budget deliberations are taking place. We bring you gavel to gavel coverage of important legislative hearings and are the pool feed for the Governor’s State of the State and Budget Message. Our Election Night coverage is “must see” TV and NJN News reporters break important statewide news stories covering a wide variety of issues that impact New Jersey from what is happening in state government to stories on the environment, healthcare, culture, and breaking news.

Studio production is an important part of NJN’s local programming. Our studio crews, technicians, producers, directors and editors have worked together for many years covering NJN’s regularly scheduled series such as On the Record, Reporters Roundtable, Classroom Closeup New Jersey, Images/Imágenes, Another View, Due Process and State of the Arts – informative and important award-winning programming that New Jerseyans may not be able to find elsewhere. Studio specials like the gubernatorial debate held last year that was broadcast live in front of a studio audience from NJN’s Trenton studio are handled professionally by our team. That night the studio crew made a seamless transition immediately following the debate to a live analysis program hosted by Michael Aron on the same set. The experience our production and support staff brings to NJN is an invaluable asset that should be taken into consideration when considering the value of NJN. If the NJN staff were let go on January 1, 2011, the State of New Jersey would lose the history of NJN forever. But if the State helps us to rebuild NJN, then these professionals can train a new generation of media experts who will keep NJN’s mission alive for the next forty years.

In addition to NJN Public Television and Radio and the NJN Website, we also need to address the value of “The Invisible NJN” – the work we do in education, emergency communications and community outreach. Projects include Ready to Lead in Literacy designed to help parents and caregivers teach pre-schoolers to read. NJN provides workforce development services on air, on the NJN Workforce Learning Link Website and in 48 Workforce Learning sites throughout the state. NJN also conducts teacher training workshops to help teachers incorporate video and 21st century learning skills into their lesson plans to create a stimulating learning environment in the classroom that today’s students can relate to.

NJN partners with other State agencies and these relationships play an important role not only with the agencies, but also for the citizens of New Jersey. These partnerships include:

**New Jersey State Police**

As the State of New Jersey’s emergency communications system, NJN works in partnership with the NJ State Police to provide New Jerseyans with a redundant, reliable, secure communications solution that immediately informs them of a national, state or local emergency, whether a natural disaster or manmade. It is essential that NJN continues to provide this emergency communications service for the state – a very important value that should not be overlooked.
New Jersey Department of Labor & Workforce Development
Since 2001, NJN has worked in partnership with the New Jersey Department of Labor & Workforce Development on Workforce Learning Link (WLL) to provide job seekers with instruction in reading, writing and math, communication, financial literacy, job search, employability and life-skills. Using state-of-the-art digital television technology, computer software, the Internet, and print materials, the WLL program provides interactive training services that allow participants to address individual employment-related issues at their own pace and access information that can enhance their chances of success in the workplace.

New Jersey Historical Commission
NJN has partnered with the NJHC for years to produce programs like the 10-part history series New Jersey Legacy and Our Vanishing Past that focused on the importance of preserving historical buildings and sites in New Jersey and the nation. Most recently, NJN received a mini-grant for Seven Steps to Freedom, a new, interpretive program using cell-phone technology and the internet to explore and experience African-American history and the Underground Railroad in Salem County, New Jersey. The project will consist of three components:

- Seven Steps to Freedom audio tour, a series of seven recorded, site-specific stories, each illustrating a specific aspect of the history of the Underground Railroad in Salem County, to be accessed by cell phone; a descriptive brochure which will serve as a guide to all sites, providing directions, background information and promotion for the project; and a website to enhance the on-site experience and provide world-wide access to the informational materials that are developed, with podcasts, curriculum resources for classroom use and interactive features that will also collect evaluative feedback.

New Jersey State Council on the Arts
Co-sponsored by the NJ State Council on the Arts (NJSCA) since 1985, State of the Arts is a half-hour, magazine-style arts series that is videotaped on location with creative personalities and productions. Check www.njn.net/arts for webcasts, podcasts and more. Until recent budget cuts over the past two years, the NJSCA also provided funding for an arts program for the African-American series, Another View and two arts programs for our Latino series, Images/Imagenes and a portion of the Hispanic Youth Showcase.

New Jersey State Library
The NJ State Library received a $5 million grant from the federal Broadband Technology Opportunity Program and funding from the Bill and Melinda Gates Foundation to enhance broadband capability in libraries across NJ and provide job search assistance and support. NJN will partner with the NJ State Library to provide hundreds of hours of workforce development video content, technology support and training to librarians across the state to support a new NJ State Library initiative and will receive a small stipend for its participation.

New Jersey State Museum and New Jersey State Library
National Public Radio (NPR) StoryCorps’ Mobile Audio Booth will be parked in front of the NJ State Museum and NJ State Library in downtown Trenton throughout the month of September and more than 150 New Jerseyans from all walks of life will record their life stories for posterity. Some of these taped interviews will air nationally on StoryCorps, during NPR’s
Morning Edition, so tune in to NJN Public Radio to hear members of our community recount sometimes funny, sometimes poignant moments in their lives. And visit njn.net StoryCorps Webpage to learn more about StoryCorps, one of the largest oral history projects ever conducted, and hear more New Jersey stories. All of the stories recorded by NPR’s StoryCorps nationwide eventually will be housed in the US Library of Congress.

New Jersey Department of Education
NJN works with the New Jersey Department of Education (NJDOE) to support its core curriculum standards for all of our educational initiatives including:

- NJN is developing an early math Website – the second phase of NJN’s Big Math for Little Kids program – to empower parents across New Jersey to support the development of their children’s understanding of big math concepts that align with early childhood math curriculum. For access to the Website, please visit http://www.njn.net/education/teachers/bigmathforlittlekids/.

- NJN provides technical services to more than 130 schools across the state that use the NJN Digital Classroom broadband application. This enables teachers and students to access video and curriculum guides “on demand” to enhance lesson plans using 21st century tools and technology.

- NJN also is working with the NJDOE as a “State of the Arts” partner for a pilot Classroom project for arts education. Currently, the State of the Arts staff is seeking funding for this pilot Classroom project that will take video segments of the series on a variety of arts topics and tie them to curriculum guides so that arts teachers can access and incorporate them in their lesson plans. The goal is to provide a database of arts videos for use in the K-12 classroom. Stories will be available to view through the soon to be launched PBS Direct Learning Library (PBS DLL), which will provide a search feature to find videos based on content standards and grade levels. The State of the Arts: Classroom video stories and curriculum guides also will be linked through the NJDOE's Website, as well as accessed on NJN's Website.

NJN is a key component in these important partnerships. Without NJN, these services that touch the lives of so many of the people of New Jersey might not be available.

REASONS NJN IS FACING THIS FINANCIAL AND OPERATIONAL CRISIS

Over the past decade, state support has declined dramatically. Even though the NJN Foundation, since its inception in 1991, has raised over $100 million from the private sector through general underwriting and from state, corporate and family foundation grants, we have not been able to offset all of this loss. It should be noted that not all of the $100 million passed through to NJN. A percentage of it covered the Foundation’s operating expenses and its own projects such as The Broadband Summit, The Digital Classroom and The Campus Channel.

In recent years, NJN leadership chose to curtail some of NJN’s local productions, specifically lowering the number of series episodes produced each year, unless other sources of revenue were raised to fully fund productions in an effort to balance the budget. Another way NJN’s
leadership chose to balance the budget was by working with an aging infrastructure as we could not afford to replace obsolete equipment unless we found outside grants to cover the cost. We also cut expenditures for both the NJPBA and the NJN Foundation through staff attrition, which includes the loss of key management position in Finance, Engineering and Personnel as well as key Foundation Development positions that to date have not been filled.

At the same time, due to state budget constraints brought on by the recession, state capital funding was zeroed out in 2008 following a million dollar grant in 2007 that enabled us to complete most of NJN’s digital conversion. Since that time, foundations and federal grants have helped us continue to upgrade equipment as best we can, but it is imperative that we upgrade/replace old equipment that is no longer compatible with our digital signal. Through these grants, we have a new master control and high definition (HD) field cameras. Since 1999, NJN has spent close to $20 million upgrading television facilities to meet the FCC mandated conversion to digital broadcasting. Since 2008, NJN has declined $1.8 million dollars in federal funds awarded to the network due to lack of matching funds which were often only 25 per cent of the total project cost.

NJN’s reliable and recurring revenues have been out of balance with increasing expenses for several years. In 2007, NJN used revenue from a business agreement to cover operational rather than capital expenses and the NJN Foundation awarded the Authority an additional grant of $500,000 to balance the budget. In 2008, despite the fact that NJN’s State appropriation was stable, NJN had a $1.6 million funding gap. The Authority reduced its expenses by $500,000 without layoffs and the NJN Foundation voted to contribute a supplemental grant. In 2009, there was a $1.1 million structural deficit but increases in expenses and anticipated revenue loss widened the gap. There was a supplemental grant of $1.5 million from the Foundation and additional cuts were made on the Foundation and the Authority side to balance the budget without staff layoffs. In 2010, the Authority relied on $3 million in revenue from the lease of EBS channel capacity to balance the budget.

**NJN’s CURRENT FINANCIAL AND OPERATING CRISIS**

The approved six month budget for the NJPBA shows $6.84 million in Revenues and $9.67 million in Expenses. This means a projected shortfall of approximately $2.82 million. We anticipate that Treasury will assist NJN in covering that shortfall through December 31, 2010. Treasury has also discussed providing seed money to keep NJN operational in some shape or form in the early part of 2011. The specifics of this have not yet been addressed but we look forward to continuing our service to New Jerseyans long beyond that date.

A projected twelve month budget for the NJPBA – extending to June 30, 2011 shows $12.2 million in Revenues and $17.8 million in Expenses. This would mean a projected shortfall of approximately $5.6 million for the full fiscal year. This projected number is somewhat “soft” in that it includes additional revenues from the NJN Foundation in the second half of the fiscal year which may be uncertain. Fundraising is very challenging at present, and the situation is exacerbated by the uncertainty surrounding the future of NJN. In addition, all employees covered by collective bargaining units are scheduled to receive a second 3.5% increase as of January 1, 2011 per the Corzine Administration agreement.
The only option remaining for NJN would be to reduce staff size, which would have a significant impact on future operations. Past attrition has already made it necessary to use freelance technicians to cover time-sensitive productions. This is not a cost-effective solution. Virtually all other discretionary spending has been eliminated in the prior fiscal years.

In the current business model, an estimated NJPBA budget for FY 12 would require $8 to $10 million in direct State support. The projected shortfall in FY 12 would be at least that amount, and would be increased by staff increments, filling vacant positions, program price increases, etc. adding at least $1 million. We can also expect PBS fees to increase, and the CPB grant to decrease. This estimate does not include the in-kind support NJN receives from the state for most employee benefit costs and building occupancy and maintenance expenses.

These figures would also be impacted by declining Federal support, the relative success of raising project funding, and the general climate for fundraising for operations.

CHANGING TIMES – A VISION FOR NJN’S FUTURE AS A PUBLIC MEDIA SERVICE

Today NJN is not just television. It’s developing into a public multi-media service that covers the Garden State on-air, online and in the community. NJN’s Website at www.njn.net provides additional information about all of our local productions, including NJN News and NJN series, documentaries and specials. For example, the State of the Arts staff has created a rich NJN Website component for the series as well as regular podcasts. NJN is strengthening its news presence on the Web. We are conducting an experiment to do some local radio shows and we are piloting at least two new series – NJ Fresh that focuses on local foods and explores farms and farm markets, and NJ Eats that covers the diversity of New Jersey’s restaurants. Each will have a rich Website and tremendous outreach potential throughout the state.

We have made great strides in complementing our NJN productions and educational initiatives with additional information and access on the Web, new media and on the radio. We look forward to having the opportunity to explore mobile applications building on what we are now doing with Facebook, You Tube and Twitter.

Currently, the website is in the midst of a major transition, largely driven by the needs of the NJN News audience. Users are now able to follow front-burner stories as they unfold and refer to related stories that are grouped together. Reporters are posting blogs. Additional footage and web exclusive videos are online. In the coming days, we’ll be rolling out a new online platform that will update the day’s top stories as they develop. Every NJN News story will be segmented, archived, and searchable. Social media features will be added and enhanced.

News is also posting outtakes from press events, providing text and video updates during the day on that evening’s top stories, and offering a more complete archive of past news reports organized by subject. We are also planning an on-the-hour preview of that evening’s newscast on television and the web, starting at perhaps 2:00 pm. Our wish list includes a new set for the newscast and an online news managing editor. News is also exploring a reporting partnership with NJspotlight.com and, potentially, with Newjerseynewsroom.com.
Our staff has been investigating other stations’ equipment and with additional funding we can update our physical plant to be truly a state-of-the-art facility. Our engineering staff estimates that it will cost about a million dollars for capital upgrades for news production. Upgrades to our physical plant will generate revenue through our Media Productions Department—a full-service production team that works with outside clients to produce videos using NJN staff, as well as rent NJN’s facilities for teleconferences and other meetings.

**How can NJN move forward with enthusiasm and creativity?**

- Through strong leadership, build a team dedicated to creating a Public Media Service that continues to fulfill its mission to the people of New Jersey on multi-platforms
- Find additional ways to partner
- Continue our use of social media rather than relying on paid media to get the word out
- Identify a foundation or wealthy individuals who are interested in supporting upgrades to *NJN News*—a $1 million dollar investment
- Identify $5 to $7 million infusion of capital funding to modernize additional technical capabilities
- An extensive training program for staff along with the flexibility to hire new staff where needed and reassign staff as appropriate to meet the needs of the organization
- More flexible work rules that align with current technologies
- In the past, State requirements for procurement issues typically took 12 months to process. Recently, NJN has been able to get procurement issues processed at a quicker pace. Flexibility with procurement for future needs is necessary.
- New revenue streams (many of which require that the organization achieve “stability”) because donors are not motivated to give to an organization that is uncertain of its future
  - In the past, NJN certainly knew how to cultivate potential donors. In better times, “the ask” would have been easier to make. However, once NJN’s future direction is decided, a strong case can be made to support NJN
  - NJN provides a valuable service that would be difficult to duplicate
  - Stations like Detroit Public Television (DPT) have conducted successful capital campaigns during these tough economic times. In the depressed city of Detroit, DPT successfully raised $22 million. WITF in another capital city, Harrisburg, had a campaign goal of $19 million and raised $20 million. Vegas PBS had a goal of $64,700,000 and raised all but $3.5 million of its campaign goal.
  - Neighboring WHYY launched a Planned Giving Campaign about five years ago with a $5 million dollar goal and has surpassed its goal by raising over $7 million dollars to date. Norm Silverstein, General Manager of WXXI, the Public Television station in Rochester, N.Y., pointed out that given the wealth in New Jersey, NJN should be able to have a very robust planned giving initiative.
  - According to a survey in the Huffington Post which lists the 15 wealthiest counties, Hunterdon County has the fourth highest median, Somerset County is number 7 and Morris County is number 8. With this kind of wealth in the state, New Jersey is primed for planned giving and major gifts.
  - If NJN were allowed to have naming rights for its building and studios this might offer an interesting opportunity for potential donors.
NJN could get a big-name New Jersey celebrity to do a benefit concert for NJN or for NJN and another worthy organization. Funds could be split if there were two non-profits involved.

NJN has nine Radio Stations that are licensed to: Trenton, Berlin, Cape May Courthouse, Atlantic City, Sussex, Netcong, Toms River, Bridgeton, and Manahawkin. We have another station that is under construction and licensed to Bernardsville. NJN has 31 Radio Translator Applications with the FCC that are primarily Northeast, Jersey Shore, and Southwest areas of New Jersey.

Radio has not been able to expand reach and service due to the following circumstances:

- Lack of capital funding to invest in infrastructure and use as “matching dollars” for available Federal equipment grants that were granted but had to be returned
- Lack of staff – unfilled vacancies, reliance on hourly contractors
- Budget cuts which impacted acquired programming

NJN is working on two new half-hour radio programs each week. One program will have Jim Hooker and Michael Aron alternate each week with an original radio interview program. Michael Aron plans a radio half-hour with a focus on books, movies, and sports with a single guest. **NJN News** Health and Medical Correspondent, Sara Lee Kessler, plans to host a radio program on Autism the week of September 21st to promote the premiere broadcast of NJN’s latest documentary, *Decoding Autism*.

**CONCLUSION**

NJN needs to not just survive but thrive, as surely we do not want to go back to a time when our state had a media void, lacking coverage except for breaking news scandals on Philadelphia or New York local television. There are online options for news; however, who else but NJN will provide a sense of state awareness through news, public affairs, history, arts and culture? NJN is a public media service that provides quality *Jersey-centric* programming and educational initiatives for all the citizens of New Jersey – **truly a valuable asset of the state now and for future generations.**
NJN PUBLIC TELEVISION AND RADIO (NJN)
FIVE-YEAR STABILIZATION PLAN

Presented by Jill A. Hargrave, Director of Grants Development, NJN Foundation in my role as a private citizen of New Jersey. The plan outlined in this document is my personal statement and NOT the views of the NJN Foundation Staff or Board Members.

NJN Staff members also provided input for this stabilization plan for the Legislative Task Force to consider as one of the ways to create a viable Public Media Service for New Jersey.

This is presented as an as an alternative plan to the “privatization” concept proposed by former Interim Executive Director, Howard J. Blumenthal, and the Foundation for NJ Public Broadcasting, Inc.
NJN'S CURRENT FINANCIAL INSTABILITY

When the concept of the "public/private partnership" was ushered in with the creation of the NJN Foundation in 1991, the idea was that the State and the private funding community TOGETHER would build up NJN and make it sustainable over the years. Over the past decade, the State began to "wean" NJN from its dependence on taxpayer dollars, but without a strong public/private partnership, NJN was vulnerable to these annual budget cuts.

During this period of time, knowing about the reduction in State funding and the fact that the broadcast industry was federally-mandated to move from analog to digital technology and give back its analog system in June, 2009, the NJN Foundation leadership chose NOT to launch a Capital or significant Major Gift Campaign. Former NJN Executive and NJN Foundation President, Elizabeth Christopherson, decided that the way to cover the lost State revenue was to eliminate production of local programming unless it was fully funded by outside sources. This made it difficult to cover timely issues, except through NJN News and some NJN Public Affairs programming. Another way Christopherson chose to balance the budget was by curtailing the purchase of new equipment unless it was funded by State and Federal grants or private donations because the State had reduced our capital budget to zero in 2008 following a State appropriation of $1 million in 2007 to help NJN with the digital transition.

By 2007, while NJN was struggling to survive with very little funding available for equipment or program development, which made it extremely difficult to fulfill our mission to the people of New Jersey, the NJN Foundation appeared to be building up its own organization’s reserve fund. Then in early 2008, Ms. Christopherson and the NJN Foundation launched the idea of the State relinquishing its license over to the NJN Foundation. The reason – the Foundation had decided that while the State held the FCC license, it would not be able to raise enough private funds from corporations, foundations and individuals, citing a feasibility study that said potential prospects thought the State should cover all of NJN’s expenses and they did not want to “fix the leaky roof.” The State at that time declined to hand over NJN’s assets to the NJN Foundation and Ms. Christopherson resigned in November 2008.

Since that time, NJN has had four Acting, Temporary Acting, Interim and once again Acting Executive Directors who also serve as the President of the NJN Foundation. Howard J. Blumenthal was the Interim Executive Director and Interim President until August 30th when he resigned. Currently, Janice Selinger has been named Acting Executive Director and Acting President. When Blumenthal took over in September 2009, he picked up the "privatization" concept as the only way to save NJN, but many NJN employees disagreed with him about "privatization" being the only way. NJN staff believes that with stable management (preferably an experienced broadcast executive to run NJN and a seasoned fundraiser to serve as President of the Foundation); we can bring NJN and the NJN Foundation TOGETHER to work to rebuild NJN as a cutting-edge, multi-media public broadcasting service. To accomplish this, we need inspired leadership that we can put our trust in to help us mend the divides that exist between the NJN staff and the NJN Foundation so that over time NJN will become a sustainable public/private organization that serves the people of New Jersey for generations to come.
THE NJN FIVE-YEAR STABILIZATION PLAN TO INCREASE REVENUE

If the Legislature decides to keep NJN as a State entity and does not cut its appropriation, then the revenue NJN can rely on (based on FY 10 revenues) consists of:

1. State Appropriation $ 4.00 million
2. CPB $ 2.70 million
3. Tower and Transmission Rentals $ 1.30 million
4. State Lottery $ 1.07 million
5. EBS – Clearwire $ 1.00 million

Subtotal $10.77 million

The following revenue is an assumption based on FY 10 Forecasts:
6. Underwriting $ 1.75 million
7. Membership $ 2.20 million
8. Events and Major Gifts $ 1.05 million
9. Media Productions Service $ 0.60 million
10. Program and Project Grants $ 0.90 million (restricted)
11. Other $ 0.30 million

Subtotal $ 6.80 million (Assumption not a guarantee)

TOTAL $17.57 million

This projected revenue is based on the assumption that NJN Foundation Development staff and NJN staff are still in place to continue to raise funds for Membership, Events, Major Gifts, Underwriting, Program and Project Grants, and rentals and services through Media Productions for outside clients.

THE PROBLEM – NJN’s operating expenses (including personnel) exceed the projected revenue by approximately $3.3 million based on the shortfall projected by former Interim Executive Director Howard J. Blumenthal for the first half of FY 11 (July 1st to December 31st). At the same time, the NJN Foundation is projecting that during the first half of FY 11, it will only raise enough revenue to cover its own operating expenses; therefore, it will not have excess funds to pass through to NJN to cover this shortfall.

HOW WILL WE OVERCOME THIS DEFICIT?

The NJN staff needs the financial and leadership support of the Governor and the State Legislature over the next five years to buy us some precious time to develop a plan that focuses on raising revenue, totaling $25 million each year, from a vibrant public/private partnership. This will prove to the taxpayers we serve that NJN Public Television and Radio can become a sustainable State entity – not a drain on State resources.

VISION FOR A SUCCESSFUL PUBLIC/PRIVATE PARTNERSHIP

Through the support of the Governor, State Legislators, the appointed NJPBA commissioners, new leadership at NJN, and the NJN Foundation Board of Trustees, NJN can increase its income
through several revenue-generating ideas:

1. NJN’s Media Productions Department has always been self-sustaining, raising over $20 million in the past ten years, which has covered the salaries of everyone in the Media Production Department in addition to several other NJN employees. Amazingly, this has been accomplished without any marketing budget. Going forward, Media Productions should be able to promote this department and with the help of the State to gain more business revenue by requiring that other State entities include NJN when they are putting video projects out to bid. NJN knows it can be very competitive and will provide a broadcast-quality, finished product that will bring customers back to NJN to fulfill their future video requirements.

2. With the help of the NJN Foundation Board of Trustees and NJN Development Staff, more can be done to tap into the wealth of New Jersey. For many years, the Foundation has missed opportunities to increase its Major Gift supporters – philanthropic individuals who believe in NJN’s mission.

We need to launch a Capital, Major Gifts or General Operating Fund Campaign to reach out to this untapped wealth. The State can help by providing us a matching challenge grant when we first launch the campaign. This shows that the State believes that NJN is an invaluable resource for the people of New Jersey and supports our mission by being a major sponsor of the campaign. A letter from the Governor and from State Legislators asking prospects to consider supporting NJN would be very helpful. The Governor and State Legislators could also help NJN by opening some doors to corporate executives who may wish to contribute to NJN as well as serve on the NJN Foundation board.

3. Following a successful Capital or Major Gifts Campaign that takes anywhere from two to six years to successfully reach its goal, the Foundation Development Staff can build on this donor base and through good stewardship continue to ask for support from these wealthy individuals for an on-going General Operating Fund that can be used to supplement employee salaries and benefits if needed, purchase equipment and provide seed money for developing programming and educational projects.

4. Continue to increase revenue through the Development Department for On-air Underwriting contracts, and through Project Underwriting for programming and educational projects that match the donor’s areas of interest. With increased local productions to support, the NJN Foundation can achieve this over time.

5. Planned Giving is an important element to help raise revenue. NJN needs to nurture this source of revenue that sometimes takes years to pay off. We have already started to research different ways for people to support NJN through Planned Giving. WHYY actively started promoting Planned Giving several years ago with a goal of $5 million in five years, and have exceeded that goal. But, NJN needs to market this idea. NJN should encourage supporters through the NJN Website, quarterly newsletters, personal letters and on-air promos to consider leaving a legacy of support for NJN through a bequest or Charitable Gift Annuity (CGA).
6. Once Planned Giving reaches a viable level and our immediate revenue needs have been met, NJN can create an endowment fund to help sustain NJN for future generations. Maryland Public Television has created several endowment funds that supporters can contribute to. If they give over $100,000, MPT will create a named endowment fund in their honor.

7. Increase our membership base by holding a significant Benefit concert for NJN. We have great New Jerseyans who are international celebrities that we should consider approaching and making this happen. However, it takes a lot of lead time to set this up because of the advance schedules these celebrities are committed to.

8. Look for ways to increase revenue through Broadband applications.

9. Ask the State for dispensation that that would allow NJN to name the headquarters on Stockton Street after a major supporter (over $1 million contribution). We also could name the NJN Studios in Newark and at Stockton College after major gift supporters as well as the studios inside the buildings.

10. Request that the State sets up a system that allows taxpayers to check of a $1 box on their State tax returns to help support NJN.

These are just a few revenue-generating ideas that have been talked about, researched, cultivated by consultants, but not always acted on in the past. The NJN Foundation is getting ready to launch a Planned Giving campaign, but it is still in the research stage and will take a few years to reap rewards. The NJN staff through the support of the State and new NJN leadership needs the opportunity and more importantly the time to show that we are capable of raising $25 million a year as a public/private partnership.

Based on past revenues, we can rely on receiving approximately $10 million annually (see page 3). This means we need to work on increasing revenue totaling $15 million through Media Productions, Underwriting, Project Underwriting (restricted dollars), Capital and/or Major Gifts Campaigns, Planned Giving, General Operating Fund, Membership, Broadband applications and an Endowment Fund. In terms of an operating budget for a television network, $25 million is a bargain. It will take time and effort to reach this goal, but the NJN Staff believes it can be achieved. We are definitely an invaluable asset to the State and the taxpayers of New Jersey.

Over the next five years as NJN moves towards financial stability, funds will be used to purchase new equipment that will meet the needs of the Public Media Service we have become since the advent of broadband and digital technology. We will open up NJN to interns and a younger workforce who can learn and be mentored by our seasoned NJN staff. If the majority of the NJN staff were let go on January 1, 2011, the State of New Jersey would lose the history of NJN forever. But if the State helps us to rebuild NJN, then these professionals can train a new generation of media experts who will keep NJN’s mission alive for the next forty years.

**TOGETHER we can achieve this goal!**
Report on Capital Campaigns Conducted by PBS Affiliates

Summary:

As requested, I contacted General Manager Rich Homberg of Detroit Public Television for additional details about his successful capital campaign. I also contacted President and CEO Pat Simon of WLVT and Kathleen Pavelko of WITF for details of their successful campaigns. Other PBS Affiliates I spoke to include General Manager Tom Axtell of Vegas PBS and Kay Tuttle, Managing Director – Leadership Giving of Maryland Public TV (an unsuccessful capital campaign). I also researched Capital Campaigns Success Stories on the CPB Website. The people I contacted were all very willing to share their experiences and suggestions with me. The following details the results of my research:

1. Detroit Public Television – General Manager Rich Homberg (248) 305-3900 x3700 Executive Assistant: Tina Woods e-mails: twoods@dptv.org and rhomberg@dptv.org.

I talked at length with Rich who grew up in Florence, NJ and remembers when NJN went on the air. Detroit’s campaign started in 2000 with a goal of $30 million dollars that would cover a new building in Wixom, a suburb of Detroit, digital conversion and new equipment and a state-of-the-art production truck to keep a presence in the city. The campaign initially moved in fits and starts. Major problems included:

a. Move to suburbs could be detrimental to core audience if it was not successful. DPTV would be known as the poorly-run station that made the mistake of leaving town and its supporters.

b. Lack of a GM for 6 months to spearhead the campaign stalled it.

c. Full-time, high-priced, on-site consultant not achieving goals.

d. Campaign ground to a halt and looked like it would fail.

e. Considered extending the campaign timeline because it was stalled.

Rich came on board just over three years ago and jumpstarted the campaign. His solutions included:

a. Downsizing campaign goal to $22 by downsizing the size of the production truck and receiving a $5 million donation from the builder that reduced the cost of the building.

b. Releasing the full-time consultant and bringing department heads together and making all of them responsible for completing the campaign.

c. As GM, he believed he must be completely committed to lead the campaign and required the staff to own the campaign as the only issue that mattered and assigned people to the campaign and nothing else. The broadcast was secondary to everyone being in campaign mode.
d. A successful campaign must have a deep relationship with the community.
e. Mission is opportunity to Fundraise. Make a strong Case Statement focused on your mission that provides an important community service as a media business. Then encapsulate this into a story for support that everyone on staff can share with prospects.
f. Rich used telemarketing firm for completion of campaign. Although the margin was not high (60 cents on the $), the benefit was that the gross counted towards fulfilling a challenge grant and the staff gets really good at telling their story for support because they had to train the telemarketers.
g. Applying for Kresge Challenge grant in the amount of $1.25 million. The Kresge Foundation advised them NOT to extend the timeline because the campaign would lose its urgency.
h. Had good answers to address any objections or obstacles about moving forward with the campaign.

As the new GM, Rich galvanized the staff and Board members to make everyone part of the campaign. Staff who didn’t agree that the campaign was their responsibility were let go, and one board member chose to resign. Rich is not a big fan of consultants unless you are working side by side with them. He thinks the GM should not delegate responsibility, “You have to do it yourself.”

Rich is willing to discuss the campaign further with Howard. He suggests:

a. NJN should find the theme that fits for its Case Statement.
b. Have great answers ready to go to counter negative publicity.
c. Tap into local family foundations for general operating support.
d. Find wealthy prospects who watch NewsHour and NJN News. Also, people who watch Sesame Street. In other words, Public TV constituents.
e. 50% of philanthropists are Everyman/Explorer type and 40% vote and read.
f. Prospects, especially moderate Republicans, want to see that you operate very efficiently and fiscally conservative.
g. Your database must be excellent to launch a campaign.

2. PBS39 – WLVT – President and CEO Pat Simon (610) 867-4677 x253
Executive Assistant: Andrea Rennig e-mail: pats@wlvt.org

Pat is happy to help, but requests we keep this information confidential within our work group. I have attached her campaign scorecard that she is willing to discuss with you. The campaign is extremely complex given the multitude of State and Federal funds and she suggests you review the scorecard, jot down questions and then call her as she thinks it is easier to walk you through it verbally.

Her campaign is divided into two major parts. The first and where their efforts have been focused to this point is capturing State, Federal and tax credit dollars. Pat says this is by far the bulk of our raised revenue and will by far surpass what they raise in a traditional manner. She adds that without the success in this area,
the campaign probably would have failed if they had relied upon a "traditional" campaign. She added that given the state of the economy, they felt that this community would be unable to financially support a $17 million capital campaign. She cites that three major non profits in her area launched traditional campaigns for the last couple of years and all are substantially behind in their goals.

3. WITF – President and CEO Kathleen Pavelko (717) 704-3000 (Main #) e-mail: kathleen_pavelko@witf.org

Kathleen responded to an e-mail I sent her with the following answers:

a. What was your timeline for the Capital Campaign? The board approved the campaign in May 2000; we concluded the campaign June 30, 2006. We had hoped to do it in 3-4 years, but the dot-com bust and 9-11 intervened. Grand opening of the PMC was April 2007.

b. What was your fundraising goal? $19 million fundraising goal. We raised $20 million. We also issued $19 million in tax exempt bonds that has been transformed into an ordinary bank qualified loan with a 25-year term, at a favorable interest rate.

c. What portion of the funds was used for bricks and mortar and how much went to purchasing new equipment? The building (land, site development, architects fees, construction) approximately $25.8 m, of which $5.2 million was technical equipment ($4.4m) and furnishings ($800k).

d. What obstacles have you run into over the course of the campaign? 9-11 and the Dot-com bust, plus a 22 month-delay in release of some of our state funds.

e. How did you overcome these obstacles? We extended the campaign, we waited.

f. How important is it to have challenge grants as part of the campaign? It wasn’t important for us; we didn’t have any.

b. Did the State of Pennsylvania help you by donating to this campaign through a grant? Of the $20 million raised, $7m came from PA in the form of 2 capital construction grants ($3m released by Republican governor Mark Schweiker and $4m released by Democratic governor Ed Rendell.)

h. NJN is a public entity with a State license. What recommendations would you make for us to launch a successful public/private partnership campaign? That’s a tough situation, as some donors would expect that the state should take care of your needs. Given the publicity that NJN’s funding has received lately, you should have an easier time explaining why private funds are needed. I could probably help more if I knew more about the purpose of your campaign.

Given the last sentence, I’m sure Kathleen is willing to discuss further with you when we decide to launch a campaign.
4. Vegas PBS – General Manager Tom Axtell (702) 799-1010 x5429 Executive Assistant: Bernie e-mails: taxtell@vegaspbs.org and bgoodemote@vegaspbs.org

Tom responded to an e-mail I sent him with some documents I have attached that provide campaign history and building information and the following answers:

a. What was your initial goal in 2000 and how did you use those funds? When did Vegas PBS expand the Capital Campaign to $64,700,000 and are you still working on this goal? The first two questions are summarized in the trustee memo from 2006. Original goal was DTV conversion equipment and rural translators, then we added a new TV facility, then we added emergency communications capacity, then due to our partner we added internet-based lifelong learning. This was the plan approved in 2004. By 2006, the architect had convinced us to add "green" construction and operations.

b. How much of the funds will be used for bricks and mortar and how much for DTV equipment? Our rounded totals are $3 million for land, $60,000,000 for building, and $9 million for equipment.

c. What is your timeline for the Capital Campaign? Due to recession pledge cancellations and municipal sewer, fire code, and landscaping requirements we are still $3.5 million short of closing the campaign. We have pledged spectrum fees to cover our bond obligation through 2014, but are seeking private gifts to pay it off early. (See attached Trustee history memo.)

d. What obstacles have you run into over the course of the campaign?
   i. Lots of politics on selection of partner / site. The school district, two community college campuses, the university, two industrial parks, and a performing arts center all "bid" on co-location.
   ii. Donor survey indicated lots of mission confusion with new media, e.g., If you are the TV I watch, why are you doing RAT outreach in inner city neighborhoods and proposing Internet viewing?
   iii. School partner faced budget cuts, unions opposed building saying it took resources from schools.
   iv. The recession caused some donors to cancel/delay capital pledges.

e. How did you overcome these obstacles?
   i. Developed a cost and business opportunity matrix and let the board choose a partner.
   ii. Re-branded company from KL V X to Vegas PBS; used print materials and interstitials to define non-broadcast services as part of broadcast outreach.
   iii. Worked directly with editorial boards and editors to kill misconceptions, worked with teachers and union leaders to explain revenue sources and scale of services delivered to classrooms.
   iv. Wrote off $2 million in bad pledges, still working on replacement funds.

f. What did you do to make this public/private partnership successful? Did any funder provide a challenge grant to jumpstart the campaign? Lots of discussion during the evaluation phase so everyone really bought in to the project. Defining building as a technology campus serving a multi-function mission TV/cable, virtual high school, virtual workforce training, emergency
communications center, and green facility created multiple reasons for donors to give to us.

g. Did you have a joint public/private Capital Campaign Committee and how well did this work? School district bought land, and paid $27 million for their half of building.

h. Did the State of Nevada help you by donating to this campaign through a grant? We lobbied for and received $1 million from Tobacco Settlement Fund in exchange for $3 million in on air anti-smoking PSAs.

i. NJN is a public entity with a State license. What recommendations would you make for us to launch a successful public/private partnership campaign? Position yourself as Cinderella, and entice every other public and private agency to want to take you to the ball.

Tom is sending a campaign brochure to me that I will pass on to you. I’m sure he would be willing to discuss the campaign in more detail with you.

5. WFYI – Donor Relations Director Teresa Petrault (317) 614-0439 e-mail: tpetrault@wfyi.org

I sent Teresa an e-mail. She will respond when she returns from vacation. WFYI have successfully completed Phase One of its Campaign for the Future – The Power of Possibilities. A $900,000 Kresge Challenge grant helped them meet their Phase One goal of $20.2 million.

6. MPT Foundation – Kay Tuttle, Managing Director – Leadership Giving (410) 581-4083 e-mail: ktuttle@mail.mpt.org

I spoke to Kay on the telephone. Maryland Public Television tried to launch a Capital Campaign about ten years ago prior to Kay working for the Foundation. She thinks it failed because although they had the right materials, a feasibility study, and volunteer leadership, they didn’t have the relationships and didn’t take the time to build the relationships before making the ask. Without strong internal leadership to direct the campaign and work with the volunteer leadership, the campaign faded to black.

On the plus side, Maryland Public Television has several Endowment Funds and a vibrant Planned Giving program. Membership also used the airwaves recently when the State of Maryland cut its budget for Public TV. They put on a “We Need You” pledge drive that received a great response and raised $300,000 that helped to close the deficit gap.

7. CPB Major Giving Initiative Website – Success Stories: Capital Campaigns.

Two of the success stories that interested me were WKSU Major Giving Campaign in partnership with Kent State University and WGBH Campaign.
Most radio stations consider $1,000 to be a Major Gift. The GM of WKSU created a new Director of Philanthropic Giving position and defines a Major Gift as $25,000 and over. The major giving principles that were key to the success of this campaign are:

- Clear statements of mission, vision and values that guide the station and communicate its value as more than just a place on the dial.
- A productive partnership with Kent State University (University License) in which both collaborate in identifying and cultivating prospects.
- A core of dedicated volunteers who not only help the station raise funds, but whose advice on management questions is solicited and respected.
- A major giving officer who is freed from the trap of day-to-day “fundraising” to focus on true development.
- A manager who understands development and surrounds himself with talented operational people who allow him to be active in the community.

In January 2003, WGBH launched its $40 million capital campaign to help support the building of its new headquarters. Funds from the sale of their old building enabled them to keep the bricks and mortar part of the campaign at a modest $18.5 million. A $10 million Endowment was established to ensure that increased costs of operating the new building would not burden the current operating budget by funding. An $11.5 million Strategic Operating Fund was created as a spend down fund to support the research and development of original, innovative, high-quality content and services that will further WGBH’s Public Broadcasting mission.

WGBH received significant funds from its Campaign Steering committee. They held cultivation events and premiere events of documentaries and invited new campaign prospects to these events. They completed the campaign ahead of schedule and surpassed their goal by $2 million. Based on this success, they decided to continue their fundraising efforts for the rest of the timeline as they saw the opportunity of raising additional money.
State Support for Public Broadcasting -- Is New Jersey Typical or Unique?

Testimony before the Joint Legislative Task Force on Public Broadcasting

by

Dudley Burdge

Communications Workers of America, Local 1032

Many New Jersey observers believe that state support for public broadcasting is unique to New Jersey. While that's not the case and in point of fact state operated broadcast networks are not unusual and state support for public television is nearly universal, there are aspects of New Jersey's public broadcasting that are unique.

There are also some methods of operations and structures in other states that we believe will be of interest to the task force.

Briefly stated, New Jersey is one among roughly half the states who have state operated or state university operated state-wide public broadcasting networks. The amount spent by state of New Jersey on public broadcasting is not comparatively large, particularly considering the New Jersey is one of the wealthiest states. New Jersey is unique in being one of only two states without any significant commercial television broadcaster. New Jersey Network is also unique in being one of two states whose public stations provide a nightly newscast with reporters and live coverage. Finally, the Foundation for New Jersey Public Broadcasting is unique in its level of staffing, reach into fields beyond fund raising and particularly in its advocacy for privatization which is simply unprecedented elsewhere.

Other state networks that are of particular interest are:

* Idaho Public Television where just this year the Governor made a proposal to privatize the state operate system and zero out state funding (over four years.) The legislature turned back the Governor's proposal though Idaho Public Television received a small cut in its state support. IdahoPTV is also of interest due to its high level of private support (63%) and ability of its employees who are state employees to generate private support (see attachment from IdahoPTV.)
* Maryland Public Television which enjoys considerable more autonomy as a state operated network than NJN particularly in the area of hiring.

* New Hampshire Public Television where the broadcast licenses are owned by the state university but a non-profit, which is wholly owned by the state university, operates the network.

* Hawaii Public Television where a 2003 change from a state operated system to a non-profit combined with a sudden and drastic cut in state funding lead to massive staff cuts and a severe reduction in local programming. Interesting the now non-profit Hawaii public television continues to receive a relatively high level of state support.

**Prevalence of State Operated Systems and State Support**

Eighteen states operate public broadcasting networks directly (see Table 1.) Comparatively few of them are on the coasts, indeed they tend to be in Southern and rural plains and western states. In short some of the most conservative states like South Carolina, Alabama, Oklahoma and Idaho have state operated networks. The decision of states to operate state networks is not ideological but rather a practical decision to ensure public broadcasting services to the entire state -- for most states due to the rural nature of the state; for New Jersey to ensure New Jersey coverage in the commercial television desert that is New Jersey.

Another four to six states have state wide networks or almost state-wide networks operated by state universities (Wyoming, Montana, Arizona, Michigan). Still other state’s public broadcasters are characterized by university stations that receive state support. Several other states such as Ohio, Florida, and New York provide network services and financial support to public broadcasters that are both non-profit and university based.

One state, New Hampshire has a hybrid system where the state university retains control of the broadcast assets including the FCC licenses and a wholly owned non-profit operates the network.

Finally there are six state broadcast networks run by non-profits - Hawaii, Oregon, Maine, North Dakota, Connecticut and Vermont.

State support for public broadcasting is typical. The Corporation for Public Broadcasting reports that 95% of public television stations receive some amount of state support. As table 2 and the chart on page five of the attached information from Idaho Public Television indicate, New Jersey is not a comparatively large spender for public broadcasting services.
Conversion from State Operated to Non-profit

This type of conversion has happened twice, with the last being in Hawaii in 2003, and the previous conversion being Oregon.

The conversion in Hawaii was paired with a large cut in state funding (similar to that proposed in New Jersey) which lead to the loss of two thirds of the staff and virtual end of local programming. The Oregon conversion was done over a period of years.

The conversion from a state university run system to a non-profit in Vermont and the conversion in New Hampshire to a state university owned non-profit were both done without layoffs or loss of university/state funds. Connecticut (one station), Maine and North Dakota have always operated as non-profits.

None of the non-profit run state networks share NJN’s mission of being the primary broadcast provider of state level news. All of the non-profit state networks are in states with robust commercial broadcast news coverage; their primary mission is to provide PBS/NPR programming to their state a considerably less expensive mission than being the primary broadcast provider of state news and public affairs like NJN.

Since the 2003 Hawaii conversion at least two state -- Maryland and Idaho -- have rejected the privatization option.

How New Jersey is Unique

The New Jersey media market is dominated by out of state players. New Jersey is one of only two state (Delaware is the other) that lack significant commercial television coverage of news, public affairs, and culture. Similarly, public television and radio in New Jersey was completely dominate by New York and Philadelphia until the establishment of NJN.

NJN nightly news is unique in being one of only two nightly news state-level programs provided by public television. (The other being Oklahoma.) NJN news is, of course, made necessary by the lack of commercial news in New Jersey and extremely unlikely possibility of such coverage emerging. Cable New Jersey news is not comparable in quality and coverage to NJN and is not available in much of the state. However, it is important to bear in mind that NJN News is labor intensive with the need for reporters, field camereapeople, and others which leads to considerable expense.

The fund raising Foundation for New Jersey Public Broadcasting, established by statute as the fund raising arm of NJN, is unique in the size of its staff, the level of educational outreach and TV production, and in particular the attempt by the Foundation to dominate and plan the future of NJN. Every state operated broadcast network appears to
have at least one 501(c)3 fund raising arm. However, most are slim and trim operations. In several states such as Idaho and West Virginia these fund raising non-profits employ no staff and actual fundraising is done by state employees. It's worth noting that Idaho has a particular high level of private funding (63%).

The Foundation for Maryland Public Television employees five or six who are strictly devoted to fund raising. Maryland Public Television is similar in size to NJN; however, the Foundation for New Jersey Public Broadcasting currently employees 19 many of whom are engaged in educational outreach and television production rather than fund raising work.

In no other state, is the associated 501(C)3 actively involved in providing research for and lobbying for the privatization of the state operated network. CWA believes that these activities by the Foundation for New Jersey Public Broadcasting are in violation of the statutory mission of the Foundation and the Foundation articles of incorporation.

Note on sources --- information on state operated networks in other states was provided by the Corporation for Public Broadcasting and the Organization of State Broadcast Executives. Interviews were conducted by Dudley Burdge of public broadcast executives in Idaho, Kentucky, North Carolina, Maryland, Oklahoma, West Virginia, Wisconsin, Iowa, South Dakota, Vermont and New Hampshire.
<table>
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<tr>
<th>ISIS ID/Station</th>
<th>City</th>
<th>State</th>
<th>Licensee Type</th>
<th>Operations Supported Type</th>
<th>Licensee Type Based on TOR</th>
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### Comparison of Statewide State-Licensed Public Television Appropriations

**September 2, 2010**

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<thead>
<tr>
<th>Licensee</th>
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<th>* FY 2010 State Appropriation</th>
<th>FY 2010 with Changes</th>
<th>Operating Budget</th>
<th>* FY 2011 State Appropriation</th>
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<th>Channels</th>
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* Prairie Public Broadcasting (all of North Dakota and portions of Western Minnesota) includes $800,000 for approximate state gaming revenue.

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**M/OSBE State Comparisons from OSBE 9/2/2010**
Idaho Public Television
Governor's Recommendation
FY 2011

February 11, 2010
February 11, 2010

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

Dear Mr. Kreizenbeck:

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

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

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

Sincerely,

[Signature]

Peter W. Morrill  
General Manager

attachment

c: Roger Brown, Office of the Governor
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Executive Summary

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

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>Peer Group</th>
<th>IdahoPTV</th>
</tr>
</thead>
<tbody>
<tr>
<td># of TV households for February</td>
<td>908,922</td>
<td>838,430</td>
</tr>
<tr>
<td># of viewing households for February</td>
<td>262,085</td>
<td>202,000</td>
</tr>
<tr>
<td>Average quarter hour viewing households for prime time ('000s)</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Average quarter hour viewing households for week ('000s)</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Donors as a % of TV market households</td>
<td>2%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Donors as a % of viewing households</td>
<td>8%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Average cumulative gift per viewer</td>
<td>$8,70</td>
<td>$10,94</td>
</tr>
<tr>
<td>Revenue Per Total Market Households</td>
<td>$23,099</td>
<td>$26,359</td>
</tr>
</tbody>
</table>

Peer Group: Arkansas PBS, Nebraska PBS/NPR, South Carolina PBS/NPR, West Virginia PBS/NPR

*Source: DonorCentrics Target Analytics 2008-2009*

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### Comparison of Statewide State-Licensed Public Television Appropriations

<table>
<thead>
<tr>
<th></th>
<th>FY 2010 State</th>
<th>FY 2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Appropriation</td>
<td>Operating Budget</td>
</tr>
<tr>
<td>North Carolina PBS</td>
<td>12,642,805</td>
<td>27,751,000</td>
</tr>
<tr>
<td>Kentucky PBS</td>
<td>12,141,000</td>
<td>24,877,500</td>
</tr>
<tr>
<td>South Carolina PBS</td>
<td>11,878,522</td>
<td>19,580,526</td>
</tr>
<tr>
<td>Nebraska PBS/NPR</td>
<td>10,223,556</td>
<td>22,000,000</td>
</tr>
<tr>
<td>Maryland PBS</td>
<td>9,741,603</td>
<td>19,900,000</td>
</tr>
<tr>
<td>Louisiana PBS/NPR</td>
<td>9,269,052</td>
<td>13,020,998</td>
</tr>
<tr>
<td>Iowa PBS</td>
<td>9,180,000</td>
<td>17,100,000</td>
</tr>
<tr>
<td>Mississippi PBS/NPR</td>
<td>8,260,000</td>
<td>11,900,208</td>
</tr>
<tr>
<td>Alabama PTV</td>
<td>7,458,331</td>
<td>16,279,802</td>
</tr>
<tr>
<td>West Virginia PBS/NPR</td>
<td>6,936,000</td>
<td>13,600,000</td>
</tr>
<tr>
<td>Arkansas PBS</td>
<td>5,175,000</td>
<td>14,250,000</td>
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<tr>
<td>South Dakota PBS/NPR</td>
<td>4,400,000</td>
<td>9,600,000</td>
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<tr>
<td>New Jersey PBS</td>
<td>4,023,000</td>
<td>18,438,100</td>
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<tr>
<td>New Hampshire PBS</td>
<td>2,714,000</td>
<td>8,451,600</td>
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<tr>
<td>KUED Utah PBS</td>
<td>2,543,441</td>
<td>8,240,000</td>
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<tr>
<td>NDakota/E Minn PBS/NPR*</td>
<td>2,379,643</td>
<td>8,784,857</td>
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<tr>
<td>Maine PBS/NPR</td>
<td>1,954,000</td>
<td>10,483,000</td>
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<tr>
<td>Idaho PTV</td>
<td>1,518,800</td>
<td>7,073,700</td>
</tr>
<tr>
<td>Average</td>
<td>6,802,154</td>
<td>15,751,733</td>
</tr>
</tbody>
</table>

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

*Figure 1*

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*Figure 2*
IdahoPTV is highly efficient with operating expenditures as it relates to providing valuable educational and informational content and meeting fundraising goals. Generally, any cut in operating expenditures has a direct impact on the ability to raise private donations. While IdahoPTV has reduced personnel and operating expenditures, including layoffs and furloughed pay, these cuts are not sustainable.

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

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

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

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

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

**Scenario Reports:**

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

**Analysis Reports (Due Diligence):**

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

It seems an odd time for NJ to abandon its 40 year investment in NJN during the explosion of technology that is the "Digital Age". It seems we are just now entering into a new phase where wireless capability for devices like I pads is about to explode. NJN now has the potential to reach every New Jerseyan and over 25 Million total with High Definition television and what could be 2 or 3 additional channels, vast amounts of data and delivery of "Mobile TV". Aside from our core broadcast mission of keeping citizens informed about our amazing yet complex state, this potential could have enormous impact on education, homeland security, programming for underserved communities and more that can only be imagined at the moment. Those considering ceding the licenses would be well advised to consider all potential uses of this emerging technology.

There are 2 main reasons advanced by those who would give NJN away. There is no doubt that these are unprecedented times and thousands of public workers are losing their jobs so running a TV station can appear frivolous. But savings may be far less than anticipated. NJN receives money from the state in 3 main categories, our annual appropriation which last year was under 4 million, benefits to employees and payments towards our main facility in Trenton which was championed by Governor Kean and opened in 1993.

It seems unlikely that costs for maintaining the building in Trenton will change much. Unless there is an unknown well financed entity waiting in the wings, it seems like the plan might be to turn the building over to a cash starved foundation or another PBS station which would be ill equipped to pay. Even if the building was put on the open market for office space, it seems unlikely that in this market there would be a great demand for a building in downtown Trenton that was specifically designed to be a production facility. It seems there would be minimal savings here.

The next major cost goes to benefits for NJN’s loyal employees. I doubt there is a more senior staff anywhere, so if our staff is to be discarded, many might opt to retire with the benefits earned from years of dedicated service. The legislative committee should examine this closely but it seems almost certain that these costs to the state would rise sharply especially in the short term.

As for the annual appropriation, NJ like most states supports public television regardless of who controls the licenses. It seems that NJ is in the middle of the pack in this regard behind many states that may surprise. This seems ironic because the same arguments that led to the creation of NJN are just as valid today as we continue to be caught in a media vacuum between NY and Philly. Years of bi-partisan support would be abandoned. Poorly funded suitors may promise a continuation of NJN News for example, but most PBS stations are unable to produce this level of local programming even though they still receive state support. Promises of continued local coverage could evaporate and prove worthless if the state abandons the assets and real control.
For those who are opposed for ideological reasons, this continuing and worsening vacuum should give pause. Giving NJN to a failing foundation in the midst of the worst financial crisis in generations would likely mean the end of quality local production. The state steers 44 million dollars to municipalities annually through the cable franchise Fee and mandates space for local stations. Doesn’t the statewide coverage rate some consideration? Even for those opposed to traditional broadcast, shouldn’t the potential for educational, security and other uses warrant a second look?

There is no doubt that NJN is in very difficult financial shape right now. NJN is a totally unique entity within state government and would benefit greatly from increased autonomy. Private and non-state funding does comprise over half of total funding yet the network has little control over staffing, procurement and potentially lucrative leasing arrangements. NJN’s foundation has depleted its resources to maintain state mandated staff levels even though state funding has declined sharply. Almost all senior management positions are vacant or interim. In truth, NJN has been in turmoil for years. The uncertainty in our status has hampered fundraising and management is more often in survival mode rather than free to use modern technology to become an even greater local NJ station.

We advocate for a more autonomous yet still public entity much like a state college that would allow greater flexibility in staffing, leasing arrangements and purchasing. The licenses should be maintained by the state so the enormous potential of the assets would not be lost irreversibly. A stable NJN not preoccupied with fighting for its existence would be able to use modern technology to greatly improve efficiency and turn out even more local production than now even if resources dictate a smaller staff. While NJN has a great foundation in equipment already in place with investments totaling almost 20 million in just the past 5 years on things like an all new Master Control and Transmission gear, relatively small capital investments will allow far greater efficiency. A more nimble structure would streamline this process.

Please think long and hard before abandoning this 40 year investment. Once gone, assets like licenses that give NJN the greatest reach of any local station in the country and transmitters up to 1000’ high on dozens of acres of state land will be lost forever. New entities may promise to serve the public but there will be no assurances and like most of the 12 stations licensed to NJ coverage and resources may gravitate towards the more profitable NY and Philly markets. It seems like any technical advance that can be imagined quickly becomes reality these days and a future more autonomous structure would give NJN the flexibility to both solve our current problems and use new advances to return even greater value. Future generations may deeply regret if all this was all given away for minimal short term savings.

During the budget address, Governor Christie said “NJN will succeed” as a private entity. Yet to some, what is proposed seems like a fire sale in the midst of a severe economic downturn. Please consider that the real savings may be much less than some would represent and the real costs of letting all of this go may be much higher and not fully appreciated for years.
DAMAGE DONE
I had a hand in writing the proposed NJN Staff Plan for a Public Media Corporation. A key part of understanding that plan is understanding that over fifteen years ago when the NJN Foundation came into existence and started to grow, NJN management assured legislators year after year that significant cuts in State funding would not harm the network. But it did harm NJN: during the ensuing years the amount of New Jersey television programming was constantly cut, significant staff were lost, reinvestment in technology was overlooked, and a true statewide radio network was never developed.

While the NJN Foundation was never able to raise enough funds to cover these reductions, fiscal resources were used instead to expand the Foundation’s own staff and spending. These spending decisions that weakened NJN were the policies of those who favored moving NJN to a private model and taking ownership from the State.

The two organizations – NJN, on the PBA side, and the NJN Foundation – now had the same administrator as the management leader; as Executive Director of NJN, and as President of the Foundation. That leader dictated management policies that were favorable to moving NJN over to the community licensee model, and yet were devastating to the NJN/PBA side, the production side of the organization that creates and delivers content. When people talk about NJN’s deteriorating infrastructure, or lagging behind in technology, these were the results of management decisions and policies. This lagging behind began at the same time this “public-private partnership” model was introduced. As staff members we look back at that change and recognize that those changes had a negative impact.

The staff recognizes the need for a strong fundraising foundation; we want to work with a strong foundation. We believe in the public-private partnership, but we strongly feel the private side of the operation should focus all its attention and energies strictly on fundraising and development. That foundation should not be in the business of managing the production, media creation, promotion and broadcast side of things.

Many of the rosy scenarios of wonderful private models for NJN have systems, approaches, and initiatives that could have easily been implemented at NJN fifteen years ago. There is no one on the staff at NJN who has ever been averse to change, new equipment, new ways of creating content, or expanding the quantity of content, or expanding our reach. Unfortunately,
NJN was subject to a new philosophy regarding production, for example; that business model told producers, “You cannot start a new project until you go out and find X number of dollars, to pay for your labor and garner the income we sorely need.” That mentality, applied to my own area of production – long-format documentaries – severely limited the quantity of production work I was able to do. It also negatively impacted the quality of television work because the project ideas that were given the green light were only the ones that followed the money – ideas from funders willing to support the production of a program that meshed with their interests or showcased a New Jersey story that they felt was important to tell. The funding wagged the dog, which paid the bills, but didn’t always guarantee the best creative use of NJN’s time, reputation, and air product.

The whole benefit of having in-house production professionals at the ready is to be able to churn out product, keep producers and technicians busy; a production house with in-house paid staff should be able to create more product and then use that wider array of products to attract viewers and garner private funding – but general private funding that is supplied to the station for everything it does, not just to pay great quantities of underwriting money to cover the costs of a single project. Keeping professionals on staff may seem costly, but if an institution is dedicated to filling as much of its menu of deliverables with original production, this is an efficient way to do it.

Currently NJN’s organizational woes are all perceived as the negative results of a “State-connected” network; all the negatives are associated to NJN’s connection to the State. That’s unfair, and an inaccurate assessment of why NJN lags behind other models being cited as more state-of-the-art. NJN was in fact a State-connected television network being managed by an entity that had other goals in mind.

Over fifteen years ago the NJN staff was told that the new model for NJN was a public-private partnership. It still should be the model, where both the public and private side of the equation are robust and complement each other. That is the primary goal of the NJ Public Media Plan: to give the public-private partnership model a real chance to work.

ACCOUNTABILITY to MISSION
NJN staff have seen the leadership policies and strategies of the NJN Foundation become overwhelming and even detrimental to the production organization. With that history in mind, we would hope that this Task Force doubles its efforts to examine any proposal that would transfer or sell NJN’s assets and licenses – irrevocable moves that would endanger a 40 year investment by New Jersey’s citizens.

At what point in this process do the citizens of New Jersey find out who the buyers are? Who are the individuals who will “receive” in a sale or transfer of license? Will these new license holders or purchasers only be revealed after the fact-finding phase is over? Will there be a comprehensive vetting of all organizations and individuals poised to buy or takeover the license?
It would be best for NJ citizens of all political stripes to know that any individuals or corporations poised to take over NJN had no conflicts of interest in gaining this asset, or ulterior motives for running NJN. It would be best to clear up any perceived conflicts of interest before signing off on even the idea of a sale or transfer of NJN’s licenses and operations.

Retaining the connection to the State is the only way to ensure that NJN will continue to survive as a New Jersey-centric public service media organization.

Issues regarding editorial control and answering to the interests of its “owners” have just as much serious import to them in a private model as they do in a state-owned model. While the public perception of the State’s stewardship of NJN can be framed to appear nefarious, it should be noted that NJN has answered to forty years’ worth of governance, with a variety of Governors and their administrations, and Legislatures representing every district in the state. NJN has been accountable to its citizens through these representatives.

A private board and management that answers only to a small group of wealthy funders cuts that cord to the State, and its citizens. The broadcast product and the mission could be altered or severely harmed, or certain special interests served, instead of the broader interest of every citizen in New Jersey. The privatization advocates have yet to detail how a future NJN would be held accountable to this difficult mission of service, and furthermore who would hold them accountable.

How will any new manager or license holder be held accountable to continuing the stated mission? No new owner of a license has any legal obligation to follow any well-meaning mission statements designed on the part of the current owners. The Legislature and/or the Governor may hope the new owners of NJN continue to produce the same quantity and quality of New Jersey-centric programs and media for New Jersey citizens. The new unnamed group may hope too to do this ... but even they cannot guarantee that they can fulfill this mission. If and when they don’t fulfill this mission that was once NJN’s mission, what happens then? They are not held accountable, nor are they restrained from taking the asset and re-selling it to another non-profit broadcaster, who might have no interest in New Jersey programming.

Public Testimony by Bob Szuter / NJN Staff
Legislative Task Force on Public Broadcasting
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Giving Up on the Idea of New Jersey?
A Legislative Task Force has begun to take a look at the plan to de-fund and then privatize the New Jersey Public Broadcasting Authority, aka NJN Public Television. This comes as no surprise, as the legacy of pecking away at the state funding of this public institution has been a budget-time tradition which started soon after the enthusiastic support of the Tom Kean years waned.

When the State of New Jersey created the entity that became NJN, it did so because New Jersey’s geographic position between two of the largest television markets in the nation left it devoid of any coverage. Political leaders bemoaned the fact that citizens were ill-informed, apathetic, and not united by any sense of New Jersey pride. Tom Kean was, in fact, one of the first New Jersey Governors to recognize how television could help bring both unity and dignity to a state that had historically been divided by parochialism and tarred by negative media images concocted by outsiders; his “New Jersey and You: Perfect Together” campaign is still legendary in its novelty and effectiveness in bringing the Garden State some identity and pride.

Television may be more diverse in its supply of useless info-tainment today, but New Jersey has yet to have a statewide commercial television broadcast station, or a major commercial television network on its soil that provides any informative New Jersey programming. Commercial media’s poor service to the New Jersey audience hasn’t changed much, and so the mission of NJN is as relevant as ever, perhaps even more so with the contraction of reporters at television outlets from Philadelphia and New York. So why did the reductions in state funding continue year after year, even before the current crisis?

Since the mid-1990’s, NJN’s government-appointed leadership chose to turn away from state funding in order to follow the “public-private partnership” model. That philosophy does have value, but only if both the public and the private funding efforts remain robust. NJN has allowed the public side of the partnership to lapse, much to the relief of a series of Governors and Legislatures who made it look like they were “getting tough” on spending. The cuts were always significantly harmful to NJN’s budget even though the savings to the overall State budget were minimal, but the political points were scored. These cuts were products of a long-term shift in people’s thinking about public funding and how it relates to public entities whose charge it is to step in where the marketplace does not.

In There’s More to New Jersey Than the Sopranos (2009), historian Marc Mappan wrote that New Jersey has actually evolved into one of the nation’s wealthiest states. “The latest federal statistics show that New Jersey has the highest per capita income of any state, and if we were peeled off from the United States and made a separate country, ... we would be the wealthiest nation in the world. The rest of the United States would come in second, followed in third place by Luxembourg.” A survey published last year on The Huffington Post ranked the top 15 wealthiest counties in the U.S., and it placed Hunterdon County as having the fourth highest median income in the country, followed by Somerset County (#7) and Morris County (#8). Despite this very respectable standing in the economic world, New Jersey’s citizens receive no
attention from the media marketplace when it comes to in-depth news coverage or programming that features the best of New Jersey, unless you count Jersey Shore or the occasional thirty second perp walk on commercial news. The marketplace is where New Jersey as a state always loses. Again, Marc Mappen: “Why this enduring condescending attitude toward our little state? … from the start New Jersey was different from other colonies … we did not have a major city such as Boston, New York, Philadelphia, or Charleston with their powerful religious, economic, and cultural elites that could boast of their importance in the solar system. … And split between the New York and Philadelphia regions, our identity has been shaped by outsiders. Ever since Babylon, urban elites have looked down their noses at the rural hinterland, and regarded the inhabitants of those hinterlands, at best, as their social inferiors or, at worst, hopeless rubes.”

By giving up on NJN and becoming one of the few states in the nation to not support a public television station, we would bring New Jersey back into the media void. The most densely-populated state in the nation, and one of the wealthiest, would have no statewide television to call its own. New Jerseyans will depend on the kindly and better people of New York and Philadelphia to provide both public television and “local” news, and get whatever those outlets can spare; the inevitable New Jersey putdown or scandal will do.

As public institutions and public funding steadily have become politically incorrect, so has the well-meaning “public-private partnership” lost its appeal; now “privatization” is being floated as the new solution. Yet private funders need numbers, eyeballs, and the best markets. Despite the fact that according to the Corporation for Public Broadcasting 95% of public television stations receive funding from state government, the State of New Jersey is now considering de-funding and letting NJN go to a private group, who will now have to contend with economic realities of the marketplace and the favor of private funders who may or may not be interested in “statewide” issues. Just this year legislators in Virginia rejected an effort to defund public television and legislators in Idaho said no to the privatization of Idaho Public Television.

For years New Jersey legislators and past governors could have been investing more, not less, in this public-minded institution. Since its establishment, NJN has focused on building some sense of a state awareness within New Jersey, providing news, public affairs, and cultural programming that informs and educates viewers. NJN has provided this service to citizens no matter where they live or what political party they belong to. No commercial network with mega-bucks can claim to reach all of New Jersey, nor have they ever come close to providing the wealth of substantive New Jersey coverage that NJN has. (See for yourself: check out the News and Program archives at njn.net.) In the past two decades, NJN has produced shows that have been seen nationally on PBS, providing a fairer, more reasonable depiction of New Jersey to the rest of the country.

NJN really isn’t in the television business; it is a public institution mandated to serve all of New Jersey citizens with public television, radio, and media for New Jersey, about New Jersey. It is an experiment in bringing this very divided state together. If the State of New Jersey can’t support that mission, who will? We should re-think ending this forty-year attempt at trying to change the second-rate status of New Jersey.

Bob Szuter is a Writer/Producer at NJN PUBLIC TELEVISION. Bob has been the producer/director of several acclaimed programs about New Jersey that have gone “national” including Green Builders and Morristown: Where America Survived. His views are not necessarily those of NJN.

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