

EDUCATIONAL TELEVISION DIVISION

Enabling Laws

Act 2167 of 2005
A.C.A. §6-3-101 to 6-3-113

History and Organization

A. Mission Statement

In 1989 the Arkansas ETV Commission adopted a formal mission statement that remains the focus of AETN's statewide efforts.

The mission of the Arkansas Educational Television Network (AETN) is to offer lifelong learning opportunities to all Arkansans; to supply instructional programs to Arkansas' schools; to provide programming and services to improve and enhance the lives of Arkansas' citizens; and to illuminate the culture and heritage of Arkansas and the world.

To accomplish this mission, AETN, through the creative use of telecommunications, will present a high quality public television service designed to inform, educate, motivate, entertain, enlighten and inspire.

B. Legislation Creating the Agency

ENABLING LAWS: The Arkansas Educational Television Commission was established under Act 198 of 1961, as amended in the Arkansas Code 6-3-101 to 6-3-113. Arkansas Code 6-3-105 (a) states that AETN was organized "for the purpose of making the benefits of educational television available to and promoting its use by inhabitants of Arkansas." The Commission is composed of eight members appointed by the governor, and is charged with providing educational telecommunications services to the people of Arkansas. Today AETN functions as a public service media providing services that include broadcasting in both analog and digital technologies, satellite narrowcasting, compressed video, web-based video streaming of ADE approved curriculum based materials for schools statewide, educational workshops, and professional development training for teachers. AETN's most current operations funding is appropriated by Act 2167 of 2005.

HISTORY AND ORGANIZATION: The Commission began broadcasting in December of 1966, using a studio in Conway and its first transmitter located in Little Rock/Redfield (KETS) serving Central Arkansas. Transmitters at Arkadelphia/KETG, Jonesboro/KTEJ and Fayetteville/KAFT all went on the air in 1976. A fifth transmitter at Mountain View/KEMV began broadcasting in 1980. In June 2004, AETN added digital transmitters and microwaves at each site statewide to fulfill a mandate of the Federal Communications Commission (FCC). The digital additions brought the total number of transmitters to 10 and total microwaves to 18 at locations all over the State. At that time AETN's analog and digital broadcast services reached more than 90% of the State's population directly and through cable systems.

In 2003 the FCC approved AETN's license application for a new sixth DTV transmitter in Southeast Arkansas, and approved a channel change in late 2004. The FCC granted a 3-year construction permit from June 2003. AETN completed construction and activated the new digital transmitter at El Dorado/KETZ, plus three new microwaves, in May 2006 to serve the Delta region of the state. These additions to AETN's infrastructure made a total of 11 transmitters and 21 microwaves broadcasting to almost 100% of the State.

In December 2005, Congress officially set the date of February 17, 2009 for analog airwaves to be returned to the federal government for auction and other purposes. Thereafter digital will be the exclusive broadcast technology used. Until then AETN must maintain both its analog and digital transmissions. Federal lawmakers will use some of the analog airwaves to improve public safety radio communications and auction off the excess spectrum to wireless high speed internet services.

C. Agency Objectives

In 2001 AETN formulated a long range strategic plan with the following agency goals:

Agency Goal #1: AETN will partner with educational entities to provide lifelong learning opportunities for all Arkansans. (Education)

Agency Goal #2: AETN will create and acquire relevant programming and services designed to educate, enlighten and inspire a diverse audience. (Programs/Services)

Agency Goal #3: AETN will provide broad reliable distribution of programming and services to Arkansans through the innovative use of technology. (Access)

Agency Goal #4: AETN will promote its programs and services to the community of Arkansas through various activities as a recognized source of educational opportunities. (Outreach)

Agency Goal #5: AETN will use a wide variety of resources to consistently support performance-based, fiscally-sound and mission-focused organizational decisions. (Support)

D. Major Service Groups

AETN accomplishes its mission through ten divisions: Administration, Education, Programming, Production, Operations, Engineering, Communications, Information Technology, Development, and Research/Special Projects.

The **Administration Division** plans, develops and implements Commission policy, and provides for the overall management of AETN's human and financial resources. This division's goals/objectives fit primarily within agency goal #5 - Support.

The **Education Division** provides instructional telecommunications materials and services to Arkansas' educational communities by acquiring and producing daily programs for the Pre-K-12 classrooms and at-home learners, providing overnight feeds of program series for

school media resources, providing video streaming of ADE approved curriculum based course materials and teacher training, coordinating college credit telecourses through universities statewide, and broadcasting adult education classes. This division offers professional training workshops through various technologies for the State's 34,000 teachers to help them complete the 60 hours/year mandated professional development training within their busy schedules. Other workshops on telecommunications tools and workforce training are also delivered by various means. This division's goals/objectives fit primarily within agency goal #1 - Education.

The **Programming Division** acquires and schedules general audience programming, evaluates the programming needs of Arkansans from pre-school through old age, and negotiates for the best programs appropriate to those needs from the Public Broadcasting Service and other regional and national distributors. This division's goals/objectives fit primarily within agency goal #2 - Programs/Services.

The **Production Division** researches and creates local program productions for AETN's general audience broadcast schedule, using educational components for schools statewide. AETN's local productions have won many regional and national awards for excellence, and have provided information pertinent to seven major areas concerning Arkansans: economy, education, environment, health, heritage, public affairs and public safety. This division's goals/objectives fit primarily within agency goal #2 - Programs/Services.

The **Engineering Division** designs, installs, maintains and operates AETN's production and broadcasting equipment: five television transmitters broadcasting in analog and six in digital, twenty one microwave relay stations, AETN's production center and the network's master control center. This division also provides evaluation and feasibility studies of new technologies and equipment to guide AETN in supporting the telecommunications needs of Arkansas. This division led AETN's FCC-mandated conversion to digital technology completed in June 2004. This division also installed an eleventh new transmitter (digital) near El Dorado, plus three new microwaves, by May 2006 to serve southeast Arkansas. This division's goals/objectives fit primarily within agency goal #3 - Access.

The **Communications Division** develops and distributes information to Arkansans about the AETN programs and services available to them; coordinates advertising campaigns and public events; produces graphics and still photography for the network's broadcast and print needs; designs and constructs studio sets, and provides creative content of AETN's award-winning website. This division's goals/objectives fit primarily within agency goal #4 - Outreach.

The **Operations Division** coordinates and schedules all technical facilities, equipment and staff for AETN's instructional and general audience productions and for AETN's satellite distance learning services. This division's goals/objectives fit primarily within agency goal #3 - Access.

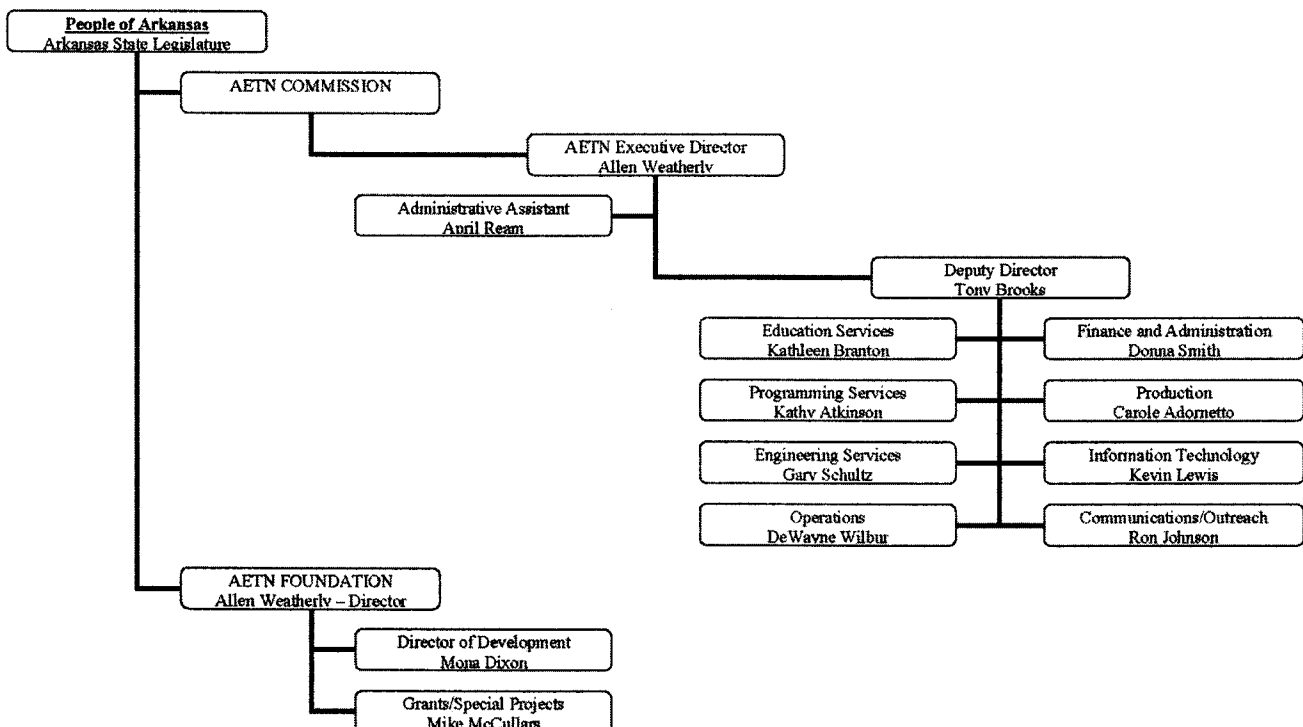
The **Information Technology Division** maintains all network computer systems, oversees all computer technology - including instructional web site and technical assistance - and provides technology training both in-house and to state educators, agencies and businesses. This division also works closely with Engineering to ensure a successful transition from analog

to digital technology. This division's goals/objectives fit primarily within agency goal #3 - Access.

The **Development Division** (AETN Foundation) creates and directs special events to enhance public awareness of AETN; recruits and coordinates volunteers; seeks corporate underwriters; and produces on-air and direct mail fundraising appeals. This division is fully funded by the AETN Foundation, and provides significant supplemental funding for AETN programming and operations. The Development Division Goals fit mostly within the Agency Goal #5 - Support.

The **Research and Special Projects Division** (AETN Foundation) assists the network with cable and government relations; coordinates the AETN Speakers and building tours; assists with research relating to audience demographics and viewing trends, broadcasting industry trends and legal issues concerning the FCC, trademarks and copyrights; coordinates government grants and reports; and assists all departments as interdepartmental work team facilitator. This division is fully funded by the AETN Foundation. This Division's Goals fit mostly within the Agency Goal #5 - Support.

AETN is a statewide organization with network headquarters located in Conway, Arkansas. AETN personnel are stationed to serve every corner of the State. AETN's over-the-air broadcasts currently are carried through an infrastructure of 11 transmitters and 21 microwaves that service approximately 100% of Arkansas. Field engineering personnel are assigned supervision of each transmitter and roving engineers maintain the microwaves. Some education field personnel stationed at Jonesboro travel to conduct workshops all over the State. Part-time producers are stationed in the northwest, central and southern regions of Arkansas to help AETN create local programming for and about Arkansas. Each field staff member is specialized and answers to a division director in that specialty area. See divisions described above in Part D, Major Service Groups.



Agency Commentary

AETN is the State's only public educational television service and the only television service in Arkansas with statewide over-the-air broadcast capability. Approximately 100% of the state currently can access AETN's services via broadcast, cable, satellite, and computer technologies. Today AETN broadcasts 24-hours a day and provides over 8,700 hours of cost-effective educational programming, communications, and training per year.

A Roper Public Opinion Poll in 2005 found that citizens ranked Public Broadcasting #2 as the best value for use of American tax dollars. This was second only to the United States Military defense. In the same poll, public television also was ranked #1 as the most trusted source for news and public affairs for the third year in a row. In the Grunwald National Survey of Educators conducted in 2005, PBS programming was the #1 choice for teachers for the 3rd consecutive year, and used most as a resource for video support in the classroom. In a 2005 Erdos & Morgan Opinion Leaders Study, approximately half the opinion leaders in the Federal Government (47%), Congressional Branch (58.9%) and State & Local Government (52.9%) turn to The Newshour with Jim Lehrer, aired nightly on PBS affiliates like AETN. In yet another survey conducted in late 2004 by PKS Research, PBS was voted a safe place for children to watch TV (84%) and a valuable cultural resource (83%). Results of a NHK Broadcasting Culture & Research Survey in 2001 indicated that U.S. respondents in every age bracket were more satisfied with PBS than with commercial TV, and that PBS was "treasured for the special nature of its service."

AETN is public television in Arkansas, a PBS affiliate, and a public service media providing the whole state with national as well as local programming for and about Arkansas. As a non-commercial television entity AETN serves an educational mission rather than a commercially driven market orientation. AETN's funding comes from taxpayers through state and federal grants; from partnerships with government, non-profits, and businesses; and from individual donors who want to make a difference in what viewers access on television. On-air member drives are conducted three times a year.

The Arkansas Educational Television Network's mission is to present accessible lifelong learning opportunities for all Arkansans. During its 40 year history, AETN has progressed from a single channel transmitter serving central Arkansas to a network of eleven transmitters fed through a series of twenty one microwaves broadcasting in both analog and digital, and serving approximately 100% of the state via broadcast, cable, satellite, and computer technologies.

To meet an FCC mandate, AETN completed installation of basic digital equipment and began multi-casting with digital technology in June 2004. DTV effectively quadrupled AETN's broadcast channel capacity, using standard definition TV during the daytime hours, and allowing high definition TV during the evening. With this new capacity AETN can help education in Arkansas even more by putting to good use the State's investment in various digital technologies.

In 2006 AETN installed an eleventh new transmitter in Southeast Arkansas near El Dorado along with three new microwaves to feed the signal to the new location. The new digital transmitter began broadcasting in May 2006 to serve the Delta region of the State. With the additional coverage provided by this new transmitter, AETN programs and services now reach nearly 100% of the State.

Lifelong learning is a staple at AETN. AETN's program schedule is devoted to children and families and provides a daily safe haven for learning. AETN has partnered with five southern state networks to co-produce two new series, RIGHT FROM BIRTH and GOING TO SCHOOL, both designed to assist parents and caregivers in preparing our young people to excel. Instructional programs for kindergarten through twelfth grade students are broadcast daily in series block feeds on AETN and used by classrooms and at-home-learners. AETN distributes videotapes of programs through regional cooperative lending libraries and makes copies upon request for teachers and citizens. AETN provides continuing professional development workshops for teachers throughout the State, technology training for educational leaders, and Internet access to TEACHERLINE, a national curriculum based service for teachers. In 2004 AETN, in partnership with ADE, began a highly popular videostreaming service free and accessible to all public K12 schools in the State. Our most recent survey shows that 95% of all schools are using the video streaming. Teachers use it to enhance classroom presentation and meet the curriculum requirements of the State Board of Education. Students use it to research reports and enhance computer skills. Colleges and Universities use it to train the teachers of the future. College telecourses are broadcast by AETN to provide easy access to classes for non-traditional students. Student credit is coordinated statewide with participating institutions. Adult education programs are broadcast to help adult students earn GEDs, learn to read, and stay motivated to improve their lives. Prime time and weekend programs offer cultural classics, public affairs, how-tos and outstanding documentaries on current issues for lifelong learners. AETN partners with other state agencies like the Arkansas Game & Fish Commission to solicit feedback from the citizens through call-in programs and to produce outdoor programming. AETN's satellite technology has helped agencies such as the Department of Health and Human Services, Department of Emergency Management and Special Education to improve communications with citizens and train thousands of employees via distance learning. Citizens can stay updated on current issues and get immediate answers to their questions by watching and calling during locally produced programs like ARKANSANS ASK with the governor, legislators, and other public officials. AETN continues to produce a wide variety of award-winning programs for and about Arkansas.

Currently AETN provides a variety of educational services and public television programs for toddlers, school children, college students, adult learners, workforce trainees, and lifelong learners. AETN serves almost every Arkansan for a very modest cost to the State, and receives less than half its current funding (\$4.8M) from the State. With the increase in the State's public education budget enacted during the Second Extraordinary Session of 2003, AETN's portion of the education budget hardly registers. AETN is poised to help solve many of the State's educational problems through regular, accessible and cost effective professional development for all of Arkansas' 34,000 teachers, delivered through various technologies, while maintaining its current services for Arkansans of all ages. In February of 2006, AETN received a \$2.3M grant from the Arkansas Department of Education to provide professional development training free to teachers statewide. AETN expects to provide expanded professional development services by the time school starts in the fall of 2006 so that teachers can access ADE approved training.

AETN'S GENERAL REVENUE REQUEST: AETN must request approximately \$2.2M in operating funds from the treasury to support the larger statewide infrastructure it must now maintain. By federal law AETN must broadcast on dual analog and digital systems statewide until 2009. Also by federal law effective January 2006, AETN must provide closed captioning services for the hearing impaired on virtually all programs broadcast. Basic costs like utilities, land leases, insurance, maintenance and repairs have grown. Analog parts will become more expensive as that technology

is phased out. Maintenance on the newer digital equipment is also more expensive, involving software support contracts, ongoing upgrades, and computerized equipment that must be replaced as it ages and goes out of warranty. Statewide tower inspections must be done to assess needs and apply preventive maintenance to the infrastructure in which the State has a considerable investment. Regular inspections are especially important at the 6 transmitter sites where towers are over a thousand feet tall. Inspections are also needed on the shorter towers at 21 microwave sites that carry the signal to the transmitters. If any one site has a problem that interrupts broadcasting, a whole region of the State goes unserved until engineers can return it to operation. Schools, teachers, and citizens all depend on AETN to be there 24/7 serving them with programs that make a difference in their lives.

With the digital technology AETN's broadcasting capacity has quadrupled as well. More programming for and about Arkansas can be shared.

AETN'S CASH APPROPRIATION REQUEST: AETN also requests approximately \$5.4M in Cash appropriation to continue soliciting grants from a variety of sources for programs, productions, and equipment. AETN is grateful for the large \$2.3M grant received from ADE in February 2006, to enhance professional development offerings for teachers. Adequate Cash appropriation is needed to continue serving teachers statewide through this grant with free training opportunities that are ADE approved, in a wide selection of subject matter that allows meaningful training for each teacher, through a variety of deliveries to suit teachers' available time and different learning styles. AETN also is producing a multi-part Arkansas History program that will need grants totaling \$1.5M to complete over the next 2 years. This program will become a welcome tool available to teachers statewide in teaching Arkansas History.

With the new DTV infrastructure AETN has capacity for 4 daytime channels where it had only one analog channel over the past 40 years. AETN now has 6 digital transmitter channels statewide, and each can broadcast up to 4 programs simultaneously during the daytime hours. During prime time AETN can broadcast a single channel in high definition. The new DTV technology places greater demands on AETN while it offers unlimited possibilities for enhanced educational services to Arkansas. With all this capacity, AETN must buy or produce more programs for Arkansas.

AETN's four distinct digital channels have been broadcasting the following daytime programming since January 9, 2006.

AETN-1: AETN - is a simulcast of our standard award-winning broad-based schedule designed to serve all Arkansans on the traditional analog and the new digital channel. Whenever we broadcast programming in high definition, this is the channel where you will find the enhanced programming, usually during prime time.

AETN-2: AETN CREATE - AETN CREATE is a lifestyle and "how-to" channel that premiered January 9, 2006 and offers more programs of this type than we've been able to offer on our limited analog schedule.

AETN-3: AETN SCHOLAR - AETN SCHOLAR is a learning channel that has been serving the State since March 2005. SCHOLAR offers K-12 programming, college telecourses, adult education, general education and professional development opportunities for teachers statewide. It's a great resource

for our State's 34,000 teachers who must complete 60 hours/year in professional development training by law. This channel broadcasts daytime educational programs that meet the Arkansas curriculum standards set by the Arkansas Department of Education and professional development standards set by the Southern Regional Education Board.

AETN-4: AETN KIDS - AETN KIDS is a 24-hour Children's channel that has proven to be extraordinarily popular with children, parents and caregivers. It features the best of public television's children's programming - which comprises six of the top ten programs viewed by children under the age of six. Programming on this channel is supplemented by a broad range of quality children's programs from producers nationwide, plus Arkansas-based information, services and advice for parents and caregivers. AETN created this channel because of its importance to our viewers, many of whom are seeking a safe haven for children watching television.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

DEPARTMENT OF EDUCATION ARKANSAS EDUCATIONAL TELEVISION COMMISSION

FOR THE YEAR ENDED JUNE 30, 2005

Findings

None

Recommendations

None

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

ARKANSAS EDUCATIONAL TELECOMMUNICATIONS NETWORK FOUNDATION

FOR THE YEAR ENDED JUNE 30, 2004

Findings

None

Recommendations

None

Employment Summary

	Male	Female	Total	%
White Employees	43	37	80	84 %
Black Employees	3	10	13	14 %
Other Racial Minorities	1	1	2	2 %
Total Minorities			15	16%
Total Employees			95	100 %

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2005-2006		2006-2007		2006-2007		2007-2008		2008-2009		2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
127 AETN-Treas Pay	3,283,570	14	9,619,167	34	4,304,160	28	9,718,446	34	9,718,446	34	9,718,446	34	9,718,446	34
199 AETN-State Oprs	4,703,994	80	4,787,833	79	10,762,762	83	6,842,858	79	5,013,508	79	6,842,858	79	5,013,508	79
B93 AETN-Contingency	0	0	1,318,703	0	1,318,703	0	1,318,703	0	1,318,703	0	1,318,703	0	1,318,703	0
NOT REQUESTED FOR THE BIENNIUM														
2YX Honoring Arkansas' War Heroes	58,293	0	39,550	0	0	0	0	0	0	0	0	0	0	0
Total	8,045,857	94	15,765,253	113	16,385,625	111	17,880,007	113	16,050,657	113	17,880,007	113	16,050,657	113
Funding Sources		%		%		%		%		%		%		%
Fund Balance	1,576,940	13.2	3,868,492	19.7			3,852,509	17.7	3,852,509	19.5	3,852,509	17.7	3,852,509	19.5
General Revenue	4,758,205	39.9	4,827,383	24.6			6,842,858	31.5	4,883,137	24.7	6,842,858	31.5	4,883,137	24.7
Cash Fund	5,575,122	46.8	9,603,184	49.0			9,718,446	44.7	9,718,446	49.2	9,718,446	44.7	9,718,446	49.2
AETN Contingency	0	0.0	1,318,703	6.7			1,318,703	6.1	1,318,703	6.6	1,318,703	6.1	1,318,703	6.6
M & R Sales	4,082	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	11,914,349	100.0	19,617,762	100.0			21,732,516	100.0	19,772,795	100.0	21,732,516	100.0	19,772,795	100.0
Excess Appropriation/(Funding)	(3,868,492)		(3,852,509)				(3,852,509)		(3,722,138)		(3,852,509)		(3,722,138)	
Grand Total	8,045,857		15,765,253				17,880,007		16,050,657		17,880,007		16,050,657	

Budget exceeds Authorized appropriation in AETN-Treasury Paying due to transfers from the Cash Holding Fund Account.
 Budgeted number of positions may exceed Authorized Number due to the flexibility inherent in the authorization of all positions through one salary section in appropriations act.
 Budgeted positions exceeds Authorized Number due to agency utilization of pool position language in current appropriation act. Language requires the agency to request the positions as new positions.

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007								
Authorized in Act	Budgeted			Unbudgeted		% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted		% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted		% of Authorized Unused
	Filled	Unfilled	Total	Total	Total			Filled	Unfilled	Total	Total	Total			Filled	Unfilled	Total	Total	Total	
92	79	13	92	0	0	14.13%	111	95	17	112	-1	14.41%	111	95	18	113	-2	14.41%		

Budgeted Positions increased in FY2006 and FY2007 due to agency's ability to add pool positions through Act 2167 Section 9 of 2005.

Analysis of Budget Request

Appropriation: 127 - AETN-Treas Pay
Funding Sources: NET-Cash in Treasury

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

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

AETN's Change Level requests include:

- Restoration of one pool position requested during FY06. Special Language in current appropriation act requires the pool position be requested as a new position during 2007-2009 Biennium.
- Appropriation increases in Regular Salaries of \$624,476 each year and Personal Services Matching of \$186,852 each year to continue utilizing the positions budget in the cash fund appropriation for FY07. The appropriation for those positions was originally authorized in AETN's State Operations fund center (199).
- 10 Extra Help positions and appropriation of \$610,585 each year to allow AETN to hire freelance producers to work on multiple production projects as they are funded.
- \$3,023,757 each year in Operating Expenses as AETN continues to work on their Professional Development Program which includes: the Arkansas Technology Institute Online, National Vendor Courses, the Scholar Channel, Virtual tours, a Veteran's project, Arkansas History Project and a Web portal.
- \$41,973 for each year in Conference and Travel Expenses to allow representatives to continue to attend training and other educational conferences.
- \$745,646 for Professional Fees each year to allow AETN to contract with different experts in different fields for the Professional Development Program.
- \$250,000 for Capital Outlay each year to allow for the purchase of software and network equipment to set up all areas of the online professional development program.

AETN requested and received Legislative PEER approval for similar requests in FY07 through a Cash Appropriation increase letter. AETN is required to request the appropriation as a Change Level request during the biennium. The increase request for FY07 and the Change Level requests for the biennium will be funded by new and continued Foundation Grants and continued support from the Department of Education for professional development and other projects.

The Executive Recommendation provides for Agency Request. Expenditure of appropriation is contingent up on available funding.

Appropriation Summary

Appropriation: 127 AETN-Treas Pay
Funding Sources: NET-Cash in Treasury

Agency Request and Executive Recommendation

Historical Data

Commitment Item	2005-2006		2006-2007		2006-2007		2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	113,500	1,018,581	427,459	427,459	1,051,935	1,051,935	427,459	1,051,935	1,051,935	427,459	1,051,935	1,051,935
#Positions	14	34	28	28	34	34	33	34	34	33	34	34
Extra Help	74,131	765,655	155,070	155,070	765,655	765,655	155,070	765,655	765,655	155,070	765,655	765,655
#Extra Help	20	36	36	36	46	46	36	46	46	36	46	46
Personal Services Matching	89,006	419,854	162,357	162,357	430,206	430,206	243,354	430,206	430,206	243,354	430,206	430,206
Operating Expenses	2,637,452	5,976,776	2,832,741	2,832,741	5,856,498	5,856,498	2,832,741	5,856,498	5,856,498	2,832,741	5,856,498	5,856,498
Conference & Travel Expenses	47,690	157,086	99,464	99,464	141,437	141,437	99,464	141,437	141,437	99,464	141,437	141,437
Professional Fees	159,975	1,207,715	462,069	462,069	1,207,715	1,207,715	462,069	1,207,715	1,207,715	462,069	1,207,715	1,207,715
Data Processing	0	0	0	0	0	0	0	0	0	0	0	0
Promotional Items	21,572	20,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Capital Outlay	140,244	53,500	150,000	150,000	250,000	250,000	0	250,000	250,000	0	250,000	250,000
Total	3,283,570	9,619,167	4,304,160	4,304,160	9,718,446	9,718,446	4,235,157	9,718,446	9,718,446	4,235,157	9,718,446	9,718,446
Funding Sources												
Fund Balance	1,576,940	3,868,492			3,852,509	3,852,509	3,852,509	3,852,509	3,852,509	3,852,509	3,852,509	3,852,509
Cash Fund	5,575,122	9,603,184			9,718,446	9,718,446	4,235,157	9,718,446	9,718,446	4,235,157	9,718,446	9,718,446
Total Funding	7,152,062	13,471,676			13,570,955	13,570,955	8,087,666	13,570,955	13,570,955	8,087,666	13,570,955	13,570,955
Excess Appropriation/(Funding)	(3,868,492)	(3,852,509)			(3,852,509)	(3,852,509)	(3,852,509)	(3,852,509)	(3,852,509)	(3,852,509)	(3,852,509)	(3,852,509)
Grand Total	3,283,570	9,619,167			9,718,446	9,718,446	4,235,157	9,718,446	9,718,446	4,235,157	9,718,446	9,718,446

Budget Exceeds Authorized Appropriation due to transfers from the Cash Fund Holding Account. The funding increases in Budgeted amounts and the FY07-09 Biennium is anticipated from new and continued Foundation grants as well as continued support from the Department of Education for Professional Development and other projects.

Budgeted Number of Positions may exceed Authorized Number due to the flexibility inherent in the authorization of all positions through one salary section in the Appropriations Act. Positions reflected as a Change Level is from Agency's pool position language in current appropriation act. Language requires the agency to request the position as a new position during biennium.

Change Level by Appropriation

Appropriation: 127-AETN-Treas Pay
Funding Sources: NET-Cash in Treasury

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	4,235,157	33	4,235,157	100.0	4,235,157	33	4,235,157	100.0
C01	Existing Program	5,438,493	0	9,673,650	228.4	5,438,493	0	9,673,650	228.4
C06	Restored Position	44,796	1	9,718,446	229.4	44,796	1	9,718,446	229.4

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	4,235,157	33	4,235,157	100.0	4,235,157	33	4,235,157	100.0
C01	Existing Program	5,438,493	0	9,673,650	228.4	5,438,493	0	9,673,650	228.4
C06	Restored Position	44,796	1	9,718,446	229.4	44,796	1	9,718,446	229.4

Justification

C01	AETN has continued to receive annual grants from the Arkansas Department of Education in order to expand professional development offerings for the state's 34,000 teachers. All teachers can access the training free through AETN's multiple delivery systems to fit within their busy schedules. AETN also is soliciting grants from a variety of sources for programs, productions and equipment. A comprehensive Arkansas History multi-media project is one production planned that will cost approximately \$1.5M to complete over the next 2 years, and provide welcome material to Arkansas History teachers statewide. For all these reasons AETN requests \$5.4M in Cash appropriation in C01 so that funds received can be spent toward these important projects. The Legislative PEER Committee approved additional Cash appropriation of \$5.4M for FY'07 during their June 2006 meeting, but this additional appropriation was not included in AETN's base level.
C06	Restoration of a position authorized by Section 9 (Establishment of a Position Pool) of Act 2167 of 2005. This position is budgeted in FY07 and would normally be included in Base Level. However, language in Section 9 requires that positions created by this language that are requested to be continued in the next Biennium must be requested as new positions.

Analysis of Budget Request

Appropriation: 199 - AETN-State Oprs

Funding Sources: EMA-ETV-State Operation

Arkansas Educational Television is Arkansas' only statewide television network, with eleven transmitter sites and twenty one microwave sites, bringing the AETN broadcast signal to almost 100% of the State. A major focal point for AETN is the conversion from analog to digital technology. In December 2005, Congress officially set the date of February 17, 2009 for analog airwaves to be returned to the federal government for auction and other purposes. Thereafter, digital will be the exclusive broadcast technology used. Until then, AETN is required to maintain both its analog and digital transmissions. Funding for this appropriation comes from State General Revenues.

A cost of living increase is not incorporated in the Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$2,970,266 for FY08 and FY09 for Regular Salaries does include board member Stipend payments. FY07 salary levels have been held flat each year for all incumbents. Personal Salary Matching may reflect increases in Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

Change Level requests include:

- Increase in Regular Salaries of \$61,594 for both fiscal years and \$18,777 in Personal Services Matching for both fiscal years for one pool position requested during FY07. AETN is required to request the position as a new position in the next biennium for any pool positions utilized.
- Extra Help appropriation of \$20,000 for both fiscal years.
- An increase in Operating Expense of \$1,479,350 in both fiscal years for increases in basic cost of utilities, land leases, insurance, maintenance and repairs due to Federal requirements on AETN to be converted to digital technology, however AETN must also maintain its old analog system until 2009.
- Increase of Professional Fees of \$450,000 for both fiscal year to allow AETN to contract with outside experts for digital conversion.
- \$50,000 in Capital Outlay for both fiscal years due to all equipment having to be computer based and therefore more storage, maintenance, and upgrades are needed to maintain and expand services.

The Executive Recommendation provides Base Level with an increase in funding and appropriation of \$120,000 in Operating Expenses for electricity and buildings and grounds. Additionally, the Executive Recommendations provides for appropriation only in the restoration of the pool position and \$50,000 of unfunded appropriation in Capital Outlay.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$120,000 for both fiscal years in Operating Expenses. \$100,000 for increases in electricity cost and \$20,000 for increases in buildings and grounds.

Appropriation Summary

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

Agency Request and Executive Recommendation

Commitment Item	Historical Data						2007-2008			2008-2009		
	2005-2006	2006-2007	2006-2007	2006-2007	2006-2007	2006-2007	Base Level	Agency	Executive	Base Level	Agency	Executive
	Actual	Budget	Authorized	Budget	Authorized	Authorized						
Regular Salaries	2,977,482	3,029,460	3,567,844	3,029,460	3,567,844	3,567,844	2,970,266	3,031,860	3,031,860	2,970,266	3,031,860	3,031,860
#Positions	80	79	83	79	83	83	78	79	79	78	79	79
Extra Help	7,016	8,800	8,800	8,800	8,800	8,800	8,800	28,800	8,800	8,800	28,800	8,800
#Extra Help	2	5	5	5	5	5	5	15	5	5	15	5
Personal Services Matching	881,990	938,622	1,143,761	938,622	1,143,761	1,143,761	973,120	991,897	991,897	973,120	991,897	991,897
Operating Expenses	831,585	785,951	4,350,357	785,951	4,350,357	4,350,357	785,951	2,265,301	905,951	785,951	2,265,301	905,951
Conference & Travel Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fees	2,591	20,000	752,000	20,000	752,000	752,000	20,000	470,000	20,000	20,000	470,000	20,000
Data Processing	0	0	0	0	0	0	0	0	0	0	0	0
Promotional Items	3,330	5,000	66,000	5,000	66,000	66,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Outlay	0	0	874,000	0	874,000	874,000	0	50,000	50,000	0	50,000	50,000
Total	4,703,994	4,787,833	10,762,762	4,787,833	10,762,762	10,762,762	4,763,137	6,842,858	5,013,508	4,763,137	6,842,858	5,013,508
Funding Sources												
General Revenue	4,699,912	4,787,833		4,787,833			4,763,137	6,842,858	4,883,137	4,763,137	6,842,858	4,883,137
M & R Sales	4,082	0		0			0	0	0	0	0	0
Total Funding	4,703,994	4,787,833		4,787,833			4,763,137	6,842,858	4,883,137	4,763,137	6,842,858	4,883,137
Excess Appropriation/(Funding)	0	0		0			0	0	130,371	0	0	130,371
Grand Total	4,703,994	4,787,833		4,787,833			4,763,137	6,842,858	5,013,508	4,763,137	6,842,858	5,013,508

Position reflected as change level is an agency pool position from current appropriations act. Language requires agency to request the pool position as a new position during biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	4,763,137	78	4,763,137	100.0	4,763,137	78	4,763,137	100.0
C01	Existing Program	1,758,476	0	6,521,613	136.9	1,758,476	0	6,521,613	136.9
C06	Restored Position	76,245	1	6,597,858	138.5	76,245	1	6,597,858	138.5
C08	Technology	245,000	0	6,842,858	143.6	245,000	0	6,842,858	143.6

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	4,763,137	78	4,763,137	100.0	4,763,137	78	4,763,137	100.0
C01	Existing Program	124,126	0	4,887,263	102.6	124,126	0	4,887,263	102.6
C06	Restored Position	76,245	1	4,963,508	104.2	76,245	1	4,963,508	104.2
C08	Technology	50,000	0	5,013,508	105.2	50,000	0	5,013,508	105.2

Justification

C01	AETN has added 6 additional transmitters and 11 microwaves during the FCC mandated conversion to digital technology. The FCC also requires that AETN maintain both its old analog systems and its new digital systems until 2009. Also required by Federal law effective January 2006, AETN must provide closed captioning services for the hearing impaired on virtually all programs broadcast. Basic costs like utilities, land leases, insurance, maintenance and repairs have grown. Programming capacity has quadrupled with the new digital technology. For all these reasons AETN requests \$1.7M in C01 operating funds to keep up with federally mandated costs.
C06	AETN requests continuance of this position that is currently occupied. It was acquired through special language in July of 2005. This position is critical to AETN's professional development programs offered to teachers statewide to help them fulfill 60/hours/year mandated professional development.
C08	AETN's Information Technology needs are increasing with the digital broadcasting technology. Today, virtually all equipment is computer based. More server storage, maintenance, and upgrades are critical and essential to maintain and expand services.

Analysis of Budget Request

Appropriation: B93 - AETN-Contingency

Funding Sources: 516-AETN Contingency

This Contingency appropriation was established during the 82nd General Assembly for the AETN/UCA complex. Continuation is requested to provide sufficient appropriation to meet the needs of the Digital Television and Americans with Disabilities Federal mandates.

The Agency is requesting Base Level for the 2007-09 Biennium.

The Executive Recommendation provides for Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: B93 AETN-Contingency
Funding Sources: 516-AETN Contingency

Agency Request and Executive Recommendation

Commitment Item	Historical Data				2007-2008			2008-2009		
	2005-2006	2006-2007	2006-2007	2006-2007	Base Level	Agency	Executive	Base Level	Agency	Executive
	Actual	Budget	Authorized	Authorized						
Contingency	0	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703
Total	0	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703
Funding Sources										
AETN Contingency	0	1,318,703			1,318,703	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703
Total Funding	0	1,318,703			1,318,703	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703
Excess Appropriation/(Funding)	0	0			0	0	0	0	0	0
Grand Total	0	1,318,703			1,318,703	1,318,703	1,318,703	1,318,703	1,318,703	1,318,703

Appropriation Summary

Appropriation: 2YX Honoring Arkansas' War Heros
Funding Sources: EMA-ETV-State Operations

Historical Data Agency Request and Executive Recommendation

Commitment Item	2005-2006		2006-2007		2006-2007			2007-2008			2008-2009		
	Actual	Budget	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive
Honoring Arkansas' War Heros 5900046	58,293	39,550	39,550	0	0	0	0	0	0	0	0	0	0
Total	58,293	39,550	39,550	0	0	0	0	0	0	0	0	0	0
Funding Sources													
General Revenue 4000010	58,293	39,550	39,550		0	0	0	0	0	0	0	0	0
Total Funding	58,293	39,550	39,550		0	0	0	0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0	0		0	0	0	0	0	0	0	0	0
Grand Total	58,293	39,550	39,550		0	0	0	0	0	0	0	0	0

This appropriation was funded by a funding transfer from the Department of Education.
 This appropriation is not requested for the next biennium.