



February 19, 2015

To: House Appropriations Committee
From: Holly Groschner President and CEO, Vermont PBS
(802) 655-5274 / hgroschner@vermontpbs.org
Subject: FY 2016 General Appropriation

On behalf of Vermont PBS, I would like to thank the House Appropriations Committee for its great support, over many years, of the public television mission.

We appreciate and support the Governor's recommendation of post-rescission level funding of \$547,683 for FY2016.

Attached please find Vermont PBS' original FY2016 appropriation request to the Secretary of Administration for your review.

We deeply appreciate your support for the mission of public television. We are proud to be the stewards of this mission in Vermont and will be pleased to answer any questions you may have.



**VERMONT
PBS**

State of Vermont Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, Vermont 05609-0201

October 9, 2014

Secretary Spaulding:

Vermonters statewide are served by the annual operating and capital appropriations the State of Vermont makes to Vermont PBS. We are grateful for the enduring investment the state has made in public media since creating Vermont ETV in 1967. While the appropriation may be a small item in the state's budget, it is a major factor for ours. It represents approximately 9% of our revenue and is the largest single source of income on which we are able to claim matching dollars from the Corporation for Public Broadcasting. The State's investment of approximately \$.88 cents per Vermonter ensures that people of all ages and backgrounds have high quality television and video programming on air, online and through our community outreach.

Because Vermont PBS does not use the state budgeting system, we have attached a narrative Performance Overview in lieu of the strategic overview requested of state agencies. We have also included a preliminary statement of last year's income and expenses, as well as other materials we hope will be helpful as you consider our request.

As Vermont PBS looks ahead to its 50th year of operation in 2017, programming around early education and lifelong learning remain at the core of our mission. The quality of our programs has never been stronger, both nationally and locally; our community engagement work, with community-level screenings, discussions and partnerships, likewise is stronger than ever. The current state appropriation, after rescission, of \$547,683 is essential to that work and significantly less than Vermont PBS received more than three decades ago. I urge you to consider a level funded appropriation of \$547,683 for FY 2016.

Since FY 2010, Vermont PBS has received level operating funding each year from the State and, for each State dollar, we raise close to \$11 from non-state sources. We leverage the State support very effectively to reach new audiences, acquire powerful national content, invest in local programs about uniquely Vermont issues and expand our educational outreach. We have continued to build on our statewide community and educational engagement activities. From regular Community Cinema events and panel discussions, to documentary screenings and community partnerships that foster improved educational access, Vermont PBS has become nationally recognized for its essential role in Vermont's communities. State funding goes a long way to ensure universal access for all Vermonters - especially low-income and

underserved populations. Further, we have established a second high definition channel, allowing us to showcase local content produced by other members of Vermont's extraordinary arts community.

All of these costly and crucial activities are made possible through the support of the State. We are also mindful of potential cuts in federal support which could have a very harsh impact on our services. We are proud to be in a state that understands the importance of public media. We are optimistic that the commitment that the State of Vermont has shown since 1967, will lead you to continue investing in this resource for all Vermonters. When our children are learning essential math and reading skills through *Curious George*, and when communities are convening conversations around content from *Frontline* and *Vermont This Week*, State support is impacting, improving and changing lives. We thank you – as do the hundreds of thousands of viewers across the region – for the State of Vermont's continuing support.

Very truly yours,

A handwritten signature in cursive script that reads "Charlie Smith". The signature is written in black ink and is positioned below the text "Very truly yours,".

Charlie Smith
President and CEO, Vermont PBS

Attachments: Vermont PBS Performance Overview for FY 2016 State Funding Request
Vermont PBS Operating Revenue and State Appropriations (1968-2015)
Vermont PBS Operating Fund Income Statement for FY 2014
Vermont PBS Digital Transmission Network
Today's PBS

Cc: Commissioner Jim Reardon, Department of Budget and Administration
Sam Winship, Department of Budget and Administration

Performance Overview for State Funding Request

Vermont PBS educates, informs, entertains and inspires Vermonters to be lifelong learners and to be engaged in their communities by fostering:

- Understanding of one another and various points of view
- Children's readiness to learn
- Personal enrichment through arts, culture and entertainment
- Appreciation and respect for the environment and working landscape
- Involvement and participation in community and civic affairs

This work is made possible by the generous support of our contributors, underwriters and grant-makers who believe in the transformative power and educational impact of public media.

Vermont's Public Media

Since the State of Vermont created Vermont ETV in 1967, we have evolved into the premier statewide public media organization and the 58th largest non-profit organization in the state. Vermont PBS is an independent, locally-governed organization, inviting people of all ages, income levels, interests and backgrounds to explore new ideas, discover new worlds and broaden their horizons.

Vermont PBS launched a second high definition channel in July called Vermont PBS Plus. The Plus channel provides Vermont PBS more capacity to showcase local, independently produced content from local partners such as Vermont filmmakers, the Vermont Humanities Council and the Flynn Center. The inaugural program for Vermont PBS Plus was *Freedom and Unity: The Vermont Movie*, a collaboration of 49 Vermont filmmakers celebrating the social and cultural history of Vermont.

As television expands beyond broadcasting, Vermont PBS is expanding to deliver new and compelling content on whatever platform our viewers choose to access it – on air, online, on mobile devices and tablets and in the community – ensuring that young and old alike are never far removed from opportunities to learn and grow from America's most trusted media source.

Because we know that public media is a necessary part of a robust democratic society, we are committed to offering unbiased, commercial-free content that is unavailable on commercial networks. We serve citizens, not consumers. And in this world of increasing corporate ownership of media, we are proud to be a community licensee, essentially owned by the people of this state.

Importantly, on a national level, polls show that Americans rank PBS as the country's most trustworthy institution, at a higher level than American courts (46% vs. 27%), newspapers, the federal government and Congress. On questions about the dollar value of services funded by taxpayers, PBS ranks second (22%) only to military defense (27%).

Vermont's Classroom

With broadcasts and websites for kids, parents and educators, public television is the undisputed leader in children's educational television programming. Rich educational content emphasizes reading, math, science and essential skills for preschool through early elementary school. Research shows that content for *Peg + Cat*, *Martha Speaks* and *Sesame Street* help to close the literacy gap for many of the most disadvantaged children.

Studies also show that broadcast television is the most-used medium for children up to age eight, especially among lower socioeconomic levels. Only half of these families subscribe to cable services, meaning that for thousands of children in Vermont, Vermont PBS is the only source for free, high-quality, commercial-free educational television content.

Television is just one of the media that make PBS America's largest classroom. With more than 50 hours a week of children's programs, Vermont PBS makes early education a priority, supplemented by the most popular media site for children, PBSkids.org. Online services like PBS LearningMedia, PBS Parents and PBS Teachers offer educators, parents and caregivers a wealth of online and digital resources to help young learners.

Teachers can tap into a wide array of free Vermont PBS online video content, along with lesson plans and materials aligned with Vermont academic standards, to enrich their classrooms, as well as locally-produced programs like *Emerging Science* and *Outdoor Journal*.

One of Vermont PBS's newest services, PBS LearningMedia, offers a dynamic online library for educators of pre-K through high school students. It gives teachers the best in digital content, with extensive tools to foster classroom innovation. Unlike other digital learning services, all of the tens of thousands of digital assets are available for free.

In addition to the 8.5 hours a day of highly-trusted and educationally-proven kids programming (along with an additional 3 hours a day on our new Vermont PBS Plus channel), Vermont PBS is partnering with Head Start programs, pre-schools and community libraries to directly offer our youngest viewers engaging ready-to-learn activities, crafts, videos and games. We offer educational contests such as our PBS KIDS GO! Writers Contest (now in its 20th year) for students in kindergarten through grade three. We offer a middle-school video contest, a high school State of the Union essay contest and we promote, host and broadcast the state championship for the high school Poetry Out Loud contest.

Vermont PBS also takes learning beyond broadcast. As sponsors of the annual PBS KIDS GO! Writer's Contest, we honor creativity among children in kindergarten through grade three, and feature winning stories on air and online, inviting contestants to read their works at library, school and community events throughout the state. Last year, more than 200 young Vermonters entered! Over the years, several of our Vermont winners have gone on to win further recognition in the national competition.

For older children, we partner with newspapers statewide on Above the Fold, a journalism contest now in its second year, promoting critical thinking and writing among middle school students. And for high schoolers, Vermont PBS champions Senator Bernie Sanders' State of the Union Essay Contest, inviting high school juniors and seniors to write essays exploring solutions to many of the nation's most pressing challenges. The Senator is later joined by contestants in the studio for a roundtable discussion.

Vermont's Source for Lifelong Learning

Vermont PBS understands that learning never stops. Our audiences tune to Vermont PBS for inspiration and information about history, public affairs, culture, arts and sciences through our award-winning programs like *Nova*, *Antiques Roadshow*, *American Experience*, *Frontline*, *Charlie Rose* and *POV*.

Our local productions focus on topics of interest to Vermont residents, like *Outdoor Journal*, *Vermont This Week*, *Emerging Science*, *Report From Washington*, *Ask the Governor* and documentaries exploring Vermont's past, such as "Little Jerusalem" and "Brothers of the Gut." Our new second HD channel, Vermont PBS Plus, allows us to provide an entirely new venue to showcase the work of Vermont filmmakers and other providers of high quality local productions including lectures, music, stage shows and other content.

Through a rich variety of local and national content, Vermont PBS fosters understanding of diverse points of view and a meaningful exchange of ideas. We encourage participation in national and local civic affairs, addressing issues that matter to Vermonters, through programs that include viewer calls, emails and studio audiences.

Vermont PBS engages our viewers at events such as our Family Days at area museums, our Britcom Teas, and the recent celebration of the 50th Anniversary of the Wilderness Act at Middlebury College's Breadloaf Campus in Ripton. We regularly host events for all ages – both at the station and at other venues around the state – such as public screenings of PBS documentaries, town hall meetings and candidate debates, and our "Spooky Saturday" Halloween Party which attracts over 500 kids and families to our station for safe, fun-filled and educational activities. In support of the localvore and craft beer movement, we recently hosted our 2nd annual event at the studio with several Vermont craft brewers and food producers – an event which was later featured on air and online.

Our engagement strategy focuses on community and we have built a strong and diverse array of community partners. This past year, working with over a hundred partners from government, private industry and not-for-profit institutions, Vermont PBS brought 142 educational and entertaining events to communities all over the State. Though our Community screenings and panel discussions of timely and provocative documentaries from Ken Burns, *POV*, *American Experience*, *American Masters*, *Masterpiece* and *ITVS*, Vermont PBS has a steady, on-going community screening program in partnership with 10 communities from Brattleboro to Newport. In addition, we enjoy a rich partnership with 15 colleges and universities around the state. Through our community engagement efforts over the past year alone, we have reached and served roughly 4,000 Vermonters and solidified a presence in 13 of Vermont's 14

counties. And we are working diligently toward establishing durable relationships in more communities and in all 14 counties.

To further bolster community involvement in public media, Vermont PBS has a strong and active Community Council. Members represent nearly all Vermont counties, and reflect the rich and growing diversity throughout our communities. Community Council members provide upfront input and critical feedback that helps ensure that Vermont PBS programming is as relevant as possible to our neighbors and friends.

Finally, we also invest in the community through media sponsorships and support of the incredible work of other local non-profits, like the Vermont Foodbank, Vermont Public Radio, the Flynn Center for the Arts and dozens of worthy causes.

Vermont's Digital Resource

Vermont PBS streams live local programs online, from candidate debates to interviews with Vermont decision-makers. These and so many more on-demand services provide access to a library of national and local programs to ensure that content of consequence is free and open to all.

Our web services go beyond just video-on-demand, offering valuable information that supplements programs, including educational resources, calendars of our extensive outreach activities and opportunities for dialogue with other viewers. Vermont PBS also reaches Vermonters through several social media channels that serve to update the Vermont PBS community on the programs and services that matter to our audiences.

<i>Fiscal Year</i>	<i>Total Vermont PBS Operating Revenue</i>	<i>State Appropriations to Vermont PBS</i>	<i>Percent of Revenue from State</i>
1968	\$426,000	\$406,000	95%
1969	\$547,000	\$506,000	93%
1970	\$589,000	\$527,000	89%
1971	\$578,000	\$503,000	87%
1972	\$589,000	\$517,000	88%
1973	\$606,000	\$542,000	89%
1974	\$753,000	\$561,000	75%
1975	\$906,000	\$608,000	67%
1976	\$1,050,000	\$608,000	58%
1977	\$1,342,000	\$583,000	43%
1978	\$1,499,000	\$647,000	43%
1979	\$1,573,000	\$658,000	42%
1980	\$1,680,000	\$698,000	42%
1981	\$1,978,000	\$776,000	39%
1982	\$2,274,000	\$846,000	37%
1983	\$2,497,000	\$907,000	36%
1984	\$2,668,000	\$947,000	35%
1985	\$3,143,207	\$994,200	32%
1986	\$3,208,991	\$954,759	30%
1987	\$3,807,161	\$1,023,982	27%
1988	\$4,176,324	\$1,075,000	26%
1989	\$4,616,504	\$1,121,120	24%
1990	\$4,628,154	\$1,135,395	25%
1991	\$5,077,181	\$1,078,625	21%
1992	\$4,601,059	\$823,540	18%
1993	\$4,788,367	\$802,775	17%
1994	\$4,801,986	\$784,000	16%
1995	\$5,045,540	\$784,000	16%
1996	\$5,620,252	\$744,986	13%
1997	\$4,776,414	\$500,000	10%
1998	\$5,206,864	\$550,000	11%
1999	\$5,760,174	\$563,750	10%
2000	\$5,728,663	\$579,535	10%
2001	\$5,791,192	\$596,921	10%
2002	\$5,597,737	\$604,136	11%
2003	\$5,573,477	\$593,507	11%
2004	\$6,338,338	\$563,832	9%
2005	\$5,943,541	\$563,832	9%
2006	\$5,971,832	\$573,832	10%
2007	\$6,071,904	\$596,785	10%
2008	\$6,426,756	\$605,737	9%
2009	\$5,804,407	\$564,620	10%
2010	\$5,791,925	\$547,683	9%
2011	\$5,730,053	\$547,683	10%
2012	\$6,192,951	\$547,683	9%
2013	\$6,210,271	\$547,683	9%
2014	\$6,205,402	\$547,683	9%
2015	\$6,351,400*	\$547,683	9%

*Projected

Operating Fund Income Statement for FY 2014

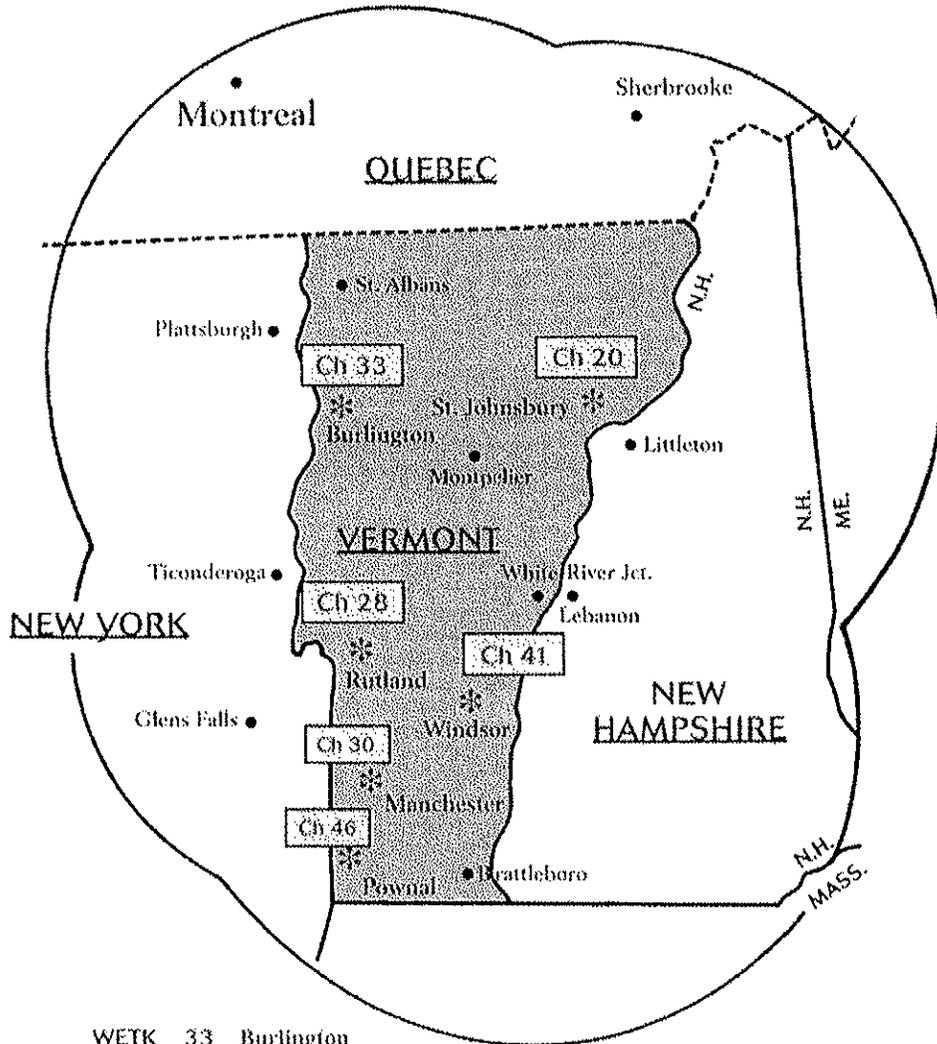
<i>Revenue</i>	
Operating Grants from State of VT	\$547,683
CPB Grants	\$1,064,703
Grants (all content)	\$107,042
Contributions (and in-kind)	\$2,432,114
Planned Gifts – Operating	\$0
Underwriting	\$509,203
Media Services and Tape Sales	\$87,564
License Agreements	\$1,035,820
Other (includes Board fund transfers)	\$421,273
<i>Total Revenue</i>	<i>\$6,205,402</i>
<i>Expenses</i>	
Salaries and Wages	\$2,334,918
Fringe Benefits	\$620,432
Consultants and Professional Services	\$931,174
Supplies	\$34,405
Travel Expense	\$103,220
Utilities	\$323,947
Communications	\$527,207
Maintenance	\$234,303
Promotion, Dues and Subscriptions	\$371,562
Acquisitions	\$828,287
Insurance	\$108,560
Bank Charges	\$46,776
Equipment/Lease	\$540
Miscellaneous	\$9,163
Depreciation*	\$108,455
Income Tax/UBIT	\$46,894
<i>Total Expenses</i>	<i>\$6,629,843</i>
<i>Net Operating Loss**</i>	<i>(\$424,441)</i>

*Depreciation includes only the \$108,455 to be funded by operating

**Contains one-time transitional expenses of \$150,000 and one-time legal fees of \$320,000, of which approximately \$180,000 of legal fees is expected to be recouped through D&O insurance coverage.

Digital Transmission Network

Vermont PBS DIGITAL TRANSMISSION NETWORK



WETK	33	Burlington
WVTB	20	St. Johnsbury
WVER	28	Rutland
WVTA	41	Windsor
W30DM	30	Manchester
W46EW	46	Pownal

★ VTPBS Broadcast Channels

*Also on cable throughout our coverage area,
on DISH Network and DirecTV satellite,
and on demand at vermontpbs.org.*



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VERMONT PBS
FY15 OPERATING BUDGET - SUMMARY

INCOME	FY 15 Proposed	FY 14 Approved	CHANGE BUDGET 14 TO 15	
			%	\$
STATE APPROPRIATION	\$553,160	\$547,683	1%	\$5,477
CPB - COMMUNITY SERVICE GRANT	\$986,600	\$996,470	-1%	(\$9,870)
GRANTS (INCL. PRODUCTION INCOME)	\$200,000	\$125,000	60%	\$75,000
CONTRIBUTIONS	\$2,817,600	\$2,867,200	-2%	(\$49,600)
PLANNED GIVING	\$35,000	\$35,000	0%	\$0
UNDERWRITING	\$520,000	\$450,000	16%	\$70,000
MEDIA SERVICES	\$71,040	\$40,000	78%	\$31,040
LICENSE/LEASE INCOME	\$1,000,000	\$1,000,000	0%	\$0
FUND TRANSFERS (Teplin, Wyant & Board Des)	\$120,000	\$100,000	20%	\$20,000
MISC INCOME (incl. DVD sales)	\$48,000	\$67,000	-28%	(\$19,000)
TOTAL INCOME	\$6,351,400	\$6,228,353	2.0%	\$123,047
EXPENSE				
SALARIES	\$2,281,669	\$2,165,971	5%	\$115,698
FRINGE BENEFITS	\$827,905	\$855,013	-3%	(\$27,108)
CONSULTANTS/PROFESSIONAL SERVICES	\$588,760	\$642,620	-8%	(\$53,860)
SUPPLIES	\$37,000	\$45,635	-19%	(\$8,635)
TRAVEL/PROFESSIONAL DEVELOPMENT	\$77,645	\$107,915	-28%	(\$30,270)
UTILITIES	\$337,383	\$328,112	3%	\$9,271
COMMUNICATIONS	\$505,794	\$391,528	29%	\$114,266
MAINTENANCE	\$235,800	\$252,735	-7%	(\$16,935)
PROMOTION/SUBS & DUES	\$372,870	\$324,370	15%	\$48,500
CONTENT ACQUISITIONS	\$786,350	\$829,465	-5%	(\$43,115)
BANK FEES	\$64,008	\$53,500	20%	\$10,508
INSURANCE	\$110,051	\$106,485	3%	\$3,566
OTHER ALLOCATED COSTS	\$17,515	\$17,402	1%	\$113
DEPRECIATION *	\$67,740	\$104,640	35%	(\$36,900)
UBIT	\$39,000	\$0	#DIV/0!	\$39,000
TOTAL EXPENSES	\$6,349,490	\$6,225,391	2%	\$124,099
NET INCOME	\$1,910	\$2,962		

* DOES NOT INCLUDE NON-OPERATING DEPRECIATION