



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #390

Restructure Public Broadcasting (Educational Communications Board)

[LFB 2001-03 Budget Summary: Page 242, #9]

CURRENT LAW

Under current law, the Educational Communications Board (ECB) and the University of Wisconsin (UW) Board of Regents administer state public broadcasting in Wisconsin, as licensees for a total of six public television and 21 public radio stations.

The ECB is a 16-member board comprised of: (a) the Secretary of Administration, the State Superintendent of Public Instruction, the President of the UW System, and the Director of the Wisconsin Technical College System (WTCS) Board, or their designees; (b) two public members appointed for four-year terms; (c) one representative of public schools and one representative of private schools, appointed for four-year terms; (d) one majority and minority party member from each house of the Legislature; (e) one member appointed by the UW Board of Regents for a four-year term; (f) the president of the Wisconsin Public Radio Association; (g) one member with a demonstrated interest in public television who resides within the coverage area of an educational television channel; and (h) one member appointed by the WTCS Board for a four-year term.

The major ECB duties include requirements to: (a) plan, construct and develop a state system of radio broadcasting for the presentation of educational, informational and public service programs; (b) protect the public interest in educational television by preserving educational television channels for Wisconsin and maintaining a comprehensive plan for the operation of a statewide television system for the presentation of noncommercial instructional programs which will serve the best interests of the people of the state; (c) work with educational agencies and institutions of the state as reviewer, adviser and coordinator of joint efforts to meet the educational needs of the state through radio, television and other appropriate technologies; (d) coordinate the radio activities of the various educational and informational agencies, civic groups, and citizens having contributions to make to the public interest and welfare; (e) procure

or publish instructional material related to educational broadcasting; (f) give priority to and develop instructional television programs that are specific to the state for use in schools, and (g) enter into affiliation agreements with the UW Board of Regents and other broadcast radio and television licensees for the purpose of furthering certain duties of ECB.

The Board of Regents, as licensee, is required to manage, operate and maintain broadcasting station WHA and WHA-TV and enter into an affiliation agreement with the ECB. The agreement is required to provide that the Board of Regents will grant the ECB the part-time use of equipment and space necessary for the operations of the state educational radio and television networks, except that the Board of Regents may rent space on the Madison public broadcast transmission tower to the ECB and to other public and commercial broadcasters. In addition, the Board of Regents is required to follow certain accounting and funding procedures related to public broadcasting.

GOVERNOR

Restructure public broadcasting in the State of Wisconsin. A summary of this proposal is presented in Attachment 1.

DISCUSSION POINTS

1. The structure of public broadcasting in Wisconsin is complex. Currently, there are nine public television and 30 public radio stations in Wisconsin, governed by four different television licensees and eight different radio licensees, including the UW Board of Regents, the ECB and the Milwaukee Area Technical College (MATC). Attachment 2 provides an outline of these stations and their call letters, station numbers, locations, license holders and license types. The Governor's proposal would directly affect the five television and thirteen radio stations governed by ECB and the one television and twelve radio stations governed by the UW Board of Regents.

2. Public broadcasting has a long history within the UW System and is an important component of its current educational programs and mission. The UW-Madison radio station, WHA, is the oldest continually broadcast public radio station in the country. Twelve of the UW's 13 four-year campuses have radio stations, which are well integrated in to the instructional and public outreach functions of each campus. Four of the stations are student-operated, and all of the stations offer student internships or other student training opportunities. At UW-Madison, WHA-TV, one of the oldest public television stations in the nation, provides training opportunities for students and distance education programming for the viewing area. UW officials assert that public broadcasting is imperative to their instructional, research and public service mission. In order to accomplish this, the UW Regents have assigned the administration of public broadcasting to UW-Extension (UWEX), which provides a presence at each of UW's 26 campuses and the state's 72 counties.

3. The ECB was created in 1971 to ensure statewide access to educational programming via public radio and television. While the UW focuses its broadcasting on its higher

education mission, ECB broadcasts extensive educational programming for K-12 pupils and teachers, and has also recently offered these resources in a web-based format. While the other television licensees cover the more urban centers of the state, southeast Wisconsin and Milwaukee, Madison and Superior-Duluth, the ECB television stations cover the smaller cities and rural areas of the state which likely do not have the population bases to support a public, or commercial, television station independently. In addition, ECB radio stations cover areas of the state that are not directly served by a UW campus, and therefore do not have access to a UW campus radio station. Through both television and radio programming, ECB serves school districts, teachers, pupils and citizens that may not otherwise have access to distance education, public affairs, news and information, and cultural programs offered to other areas of the state.

4. The MATC holds the licenses for WMVS Channel 10 and WMVT Channel 36, forming Milwaukee Public Television (MPTV), which serves the largest single viewing area in the state, including 11 counties in southeast Wisconsin and approximately 45% of the state's population. Because this area is home to approximately 90% of the state's minority population, MPTV offers programming to a more culturally diverse community than either the UW or ECB television stations, in a largely urban and suburban viewing area. According to MPTV, Channels 10 and 36 are consistently ranked among the top ten viewed public stations in the United States. MPTV is also known for technological advancement, innovative partnerships and healthy financial support from viewers.

5. Since the creation of ECB in 1971, various state officials and offices have developed proposals or completed studies regarding the consolidation or restructuring of state-level public broadcasting operations. While none of these studies or proposals has prompted the completion of a significant restructuring, a 1982 study by ECB, DOA and the UW, as well as a 1985-87 budget proposal, helped spur the internal reorganization of many UWEX and ECB functions. During the 1980s, UWEX and ECB consolidated the operations of the state's major broadcast and production facilities in order to avoid duplication of staff and equipment, coordinate program and production decisions and use available funding more effectively. This consolidation resulted in the creation of Wisconsin Public Radio and, later, Wisconsin Public Television.

6. *Wisconsin Public Radio.* Wisconsin Public Radio (WPR) consists of 23 radio stations, including each of ECB's 13 stations, eight UW stations, and two other stations licensed to other educational institutions. The WPR partnership between ECB and UWEX combines the radio budget and staff for the two organizations into a single radio operation. A director of radio is jointly appointed by the two agencies to supervise all aspects of WPR, except delivery, which is supervised by the ECB director of engineering. WPR serves approximately 300,000 listeners each week throughout Wisconsin and adjoining states.

7. *Wisconsin Public Radio Association, Inc.* WPR receives voluntary financial support from nearly 40,000 members, who contribute approximately \$2.3 million annually through the Wisconsin Public Radio Association, Inc. The Association is governed by an 18-member board of directors, with 10 directors elected by Association members from five districts throughout the state, and eight additional directors appointed by the 10 elected members. The President of the

Association is a member of the ECB Board.

8. *Wisconsin Public Television.* Wisconsin Public Television (WPT) consists of six stations (each of ECB's five stations and UW's one station), six translators and three affiliate stations. In addition, cable systems carry WPT signals to subscriber's homes. Similar to WPR, WPT combines the television budget and staff of ECB and UWEX, including a jointly appointed director of television. In addition to public affairs, general education and Wisconsin-specific programming, WPT acquires or develops approximately 1,800 programs for K-12 classrooms, scheduled during school days and as an overnight service to be recorded for later use. These programs provide curriculum-based video resources to all school districts in Wisconsin, regardless of location. In addition, WPT schedules approximately 60 adult education telecourses annually with university or technical college credit. Through an affiliation agreement, WPT programming is provided via Channels 10 and 36 in Milwaukee and WDSE in Superior-Duluth.

9. *Friends of Public Television Organizations.* WPT receives approximately \$4.3 million annually through 60,000 supporters, as well as over 16,000 volunteer hours from 2,000 individuals. In addition, WPT receives approximately \$1 million annually in corporate support for its programming. While not in a statewide association as are supporters of WPR, many of the 60,000 supporters of WPT belong to a "friends" organization, such as Friends of WHA-TV in Madison, Friends of Channel 38 in Green Bay and Wausau Friends of Public Television.

10. *Digital Television.* The Building Commission previously approved several smaller projects that were incremental steps toward digital readiness. Since 1998, a total of \$1,640,600 bonding revenue was approved for a broadcast tower replacement in Wausau. ECB requested funding for antenna and transmission line for the stations at Green Bay and Wausau. At both locations, the public TV station shares a tower with a commercial station. The antenna and line had to be installed at the same time the private station installed antenna and line. In January, 2001, the UW System requested \$1,422,600 for WHA-TV to install a digital transmitter. The Building Commission gave conditional approval to this project as well, directing both agencies to define the total cost of conversion to digital TV and to work out governance issues.

11. ECB submitted a 2001-03 capital budget request for \$34,337,000 in general obligation bonding revenue and \$802,000 FED in order to meet the May, 2003, FCC deadline for conversion to digital television broadcasting. ECB included in the request \$12,420,000 for the facilities and equipment for their five television stations to broadcast digital signals, as well as requests for \$3,927,000 for MPTV and the \$1,422,600 for WHA-TV that gained provisional approval. ECB also requested \$13,077,000 plus design, fees and contingency for a new network broadcast center. The request did not include any equipment to produce digital programming.

12. Using a minimal definition of capability to broadcast digital signals, ECB's five TV stations require antennas, line and transmitters. Some of the towers need to be strengthened. ECB estimated this cost to be \$12,420,000 plus design, fees and contingency. From that was subtracted the work already approved by the Building Commission. To allow ECB to pass through digital programming produced elsewhere would add an additional \$1,200,000. The projected cost for a

five-station pass-through system was estimated to be \$14,100,000. Using the funding ratio of one-third federal and two-thirds state or local funds, federal funding of \$4,700,000 was assumed. Further, it was assumed that friends of public broadcasting groups would be able to raise 10% of the funding needed. Therefore, a state commitment of \$8,000,000 was estimated to be adequate to allow ECB stations to meet the minimum digital broadcasting requirements. While the \$14,100,000 estimate would not include funding for the network broadcast center needed to make full use of the digital transmission equipment, it would allow for pass through of digital programming. Funding the complete control center would cost another \$15,700,000, which would not include the funding necessary for equipment to allow WPTV to produce digital programming. It is estimated that full implementation of digital television will cost over \$70 million total.

13. The Building Commission recommended that of the total bonding authorized ECB, \$14.2 million would be allocated to finance the digital conversion. The Commission specified that no more than \$8,000,000 bonding could be issued prior to July 1, 2003, and that ECB and UWEX submit a report to the DOA Secretary suggesting methods by which the two agencies would improve coordination and operational efficiencies with regard to provision of public broadcasting in the state. Also, the Commission recommended the President of UW System and ECB be required to submit a report to the Commission by June 1, 2003, concerning their efforts to secure federal financing for the digital conversion. The Commission would be allowed to authorize bonding for the digital conversion in an amount exceeding \$8,000,000 only after June 30, 2003 and only if the President of UW System and ECB submit this report.

14. *Restructuring Public Broadcasting.* During the 1990s, four major studies or proposals have shaped discussion of the future of public broadcasting in Wisconsin. In 1991, the Legislative Audit Bureau released an evaluation which, while recognizing the consolidation efforts and related cost savings of the past decade, made a number of recommendations to better familiarize consolidation through written agreements and by statutorily assigning responsibility for the operation of WPR and WPT to ECB, in cooperation with the UW Board of Regents. In 1995, the Governor recommended transferring public broadcasting engineering functions to DOA; however, 1995 Act 27 (the 1995-97 state budget) did not implement such a transfer but required ECB, UW and DOA to identify cost savings that may result from a consolidation of ECB and UWEX public broadcasting functions. In 1996, the agencies released their recommendations, which outlined numerous policy concerns that would need to be decided prior to any formal consolidation; no consolidation measures were initiated.

15. *Commission on Public Broadcasting.* Under 1997 Act 27 (the 1997-99 state budget) a Commission on Public Broadcasting was created to examine: (a) future funding issues; (b) technological advances and their implications; (c) the relationship between public broadcasting and distance education; (d) the development of new partnerships with the private sector and other public sector interests; and (e) alternative organizational or governance structures, including a single public or private organization that is not a current licensee. The Commission was required to include the UW, ECB and MATC in its study. Members of the Commission included an array of individuals involved in public broadcasting in Wisconsin, with official membership similar to the ECB Board. The report asserts, "The prevailing view of Commission members is that public broadcasting should

be restructured to one or more new organizations with the managerial and financial flexibility of a nonprofit corporation; however some members, while supportive of flexibility, are reluctant to dramatically change the structure of broadcasting if either licensee ability to deliver services or state funding are diminished." The report also included a statement of principles which contained areas of concern that should be addressed if public broadcasting were to be reorganized, including the continuation of editorial integrity; a mission to educate and serve a diverse, statewide audience; state support for operations and programming; high quality programming with ties to the educational community; and an efficient, effective managerial structure.

16. In 1999, former Governor Thompson recommended consolidating and transferring public broadcasting responsibilities from ECB and UWEX to a private nonstock corporation; however, 1999 Act 9 did not implement such a transfer, but the restructuring public broadcasting and funding digital television transition committee was created.

17. In March, 2001, the restructuring public broadcasting and funding digital television transition committee began a series of meetings to discuss and prepare a final report of recommendations. ECB, the Wisconsin Technical College System Board, DPI, the Legislature, UW, and the friends of public broadcasting organizations were represented on the committee. Subsequently, ECB and UW issued a report on coordination and efforts to achieve maximum operational efficiencies. The report asserted that there are no major functions duplicated between ECB and UWEX that are not necessary to serve the distinct missions of the two institutions, serving K-12 education and higher education, respectively. The report stated that the current system of governance is adequate and workable despite its complexity, as evidenced by the high quality of services currently provided through the state's public broadcasting system. Finally, ECB and UWEX asserted that no alternative governance structure had gained the support of the stakeholders in public broadcasting.

18. The Governor recommends transferring public broadcasting responsibilities to a nonstock corporation. Privatizing all or portions of public broadcasting may provide the new organization with the greatest flexibility in expenditures, fundraising and investing, contracting and planning, which are areas in which ECB and UWEX have argued more flexibility is necessary in order to strengthen public broadcasting. Privatization, with a focus on fundraising, may provide the state with an opportunity for reducing state funding for public broadcasting and the conversion to digital television. On the other hand, privatization may jeopardize the state's longstanding investment and historical support for public broadcasting and educational programming. In addition, once the state relinquishes control of public broadcasting, its assets and programming, it would be extremely difficult or impossible to impose future state oversight or guidance. Finally, concerns have been expressed that a private, nonprofit entity would not be able to raise sufficient funding to continue the current quality of public broadcasting in the state and would increase the competition for private donations to educational, cultural and civic organizations.

19. The restructuring of public broadcasting is a significant undertaking, particularly because it involves several state and federal agencies. The restructuring could also involve the privatization of a statewide resource that has traditionally been provided as a public service of the

state, during a period when public television is required to undergo a massive transition to digital broadcasting. In addition, once a state entity is privatized, the Legislature would have few opportunities to exercise oversight or control. It may be desirable to delete the proposal to restructure public broadcasting from the budget bill, so that it could be considered as separate legislation, which would allow interested parties to present their points of view to the Legislature's standing committees.

20. On the other hand, because numerous reports and proposals have recommended the reorganization of public broadcasting and the Legislature has been asked to commit a significant amount of resources for the conversion to digital television, it may be timely to undertake the restructuring of public broadcasting in the context of the larger budget bill.

21. The Committee could consider modifying the bill to change the makeup of the transitional board and subsequent initial directors of the corporate board to provide broader representation. Under the Governor's proposal, 13 of the 20 board members would be appointed by the Governor, subject to Senate confirmation. Among the seven members not appointed by the Governor are the Secretary of DOA, the State Superintendent, the President of the UW System, the Director of WTCS, the President of the Wisconsin Association of Independent Colleges and Universities, or their designees, and one legislator from the majority party of each house of the Legislature, appointed as are members of standing committees. One alternative to this composition might be to reduce the number of private sector employees appointed by the Governor from eight to six, and substitute one legislator from the minority party of each house of the Legislature, appointed as are members of standing committees. In addition, the two board members who belong to WPRA and one member who belongs to the Friends of WHA-TV could be selected to serve on the board by fellow members of these two organizations, rather than by the Governor. These modifications to the Board would incorporate a broader range of viewpoints and be more likely to assure that all public broadcasting stakeholders are adequately represented.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to restructure public broadcasting in Wisconsin through transferring the public radio and television licenses of the UW Board of Regents and the ECB to a nonstock corporation and eliminating the ECB following approval of the license transfers by the FCC.

2. Modify the Governor's recommendation to alter the makeup of the transitional board and subsequent board of directors for the Broadcasting Corporation. The board would include the following individuals: (a) the Secretary of DOA, or his or her designee; (b) the State Superintendent of Public Instruction, or his or her designee; (c) the President of the UW System, or his or her designee; (d) the Director of the WTCS, or his or her designee; (e) the President of the Wisconsin Association of Independent Colleges and Universities, or his or her designee; (f) one legislator from the majority and the minority parties of each house of the Legislature, appointed as are members of standing committees; (g) two members who belong to the WPRA, selected by the other members of

WPRA; (h) one member who belongs to the Friends of WHA-TV, selected by the other members of the Friends of WHA-TV; (i) one member appointed by the Governor who resides in Wisconsin but outside of the WHA-TV viewing area; (j) one member appointed by the Governor who is a representative of public elementary and secondary school administrators; and (k) six members appointed by the Governor who are employed in the private sector. Provide that the members of the transitional board in sections (i) through (k) would be subject to Senate confirmation and that these members would be appointed for a three-year term.

3. Maintain current law.

Prepared by: Layla Merrifield

ATTACHMENT 1

Summary of Proposal to Restructure Public Broadcasting Under the Governor's Budget Recommendations

Public Broadcasting Transitional Board. Create a 20-member transitional board that would include the following individuals: (a) the Secretary of DOA, or his or her designee; (b) the State Superintendent of Public Instruction, or his or her designee; (c) the President of the UW System, or his or her designee; (d) the Director of the WTCS, or his or her designee; (e) the President of the Wisconsin Association of Independent Colleges and Universities, or his or her designee; (f) one legislator from the majority party of each house of the Legislature, appointed as are members of standing committees; (g) two members appointed by the Governor who belong to the Wisconsin Public Radio Association (WPRA); (h) one member appointed by the Governor who belongs to the Friends of WHA-TV; (i) one member appointed by the Governor who resides in Wisconsin but outside of the WHA-TV viewing area; (j) one member appointed by the Governor who is a representative of public elementary and secondary school administrators; and (k) eight members appointed by the Governor who are employed in the private sector.

Provide that the members of the transitional board in sections (g) through (k) would be subject to Senate confirmation and that these members would be appointed for a three-year term. Provide that the members of the transitional board would be subject to the code of ethics for public officials and employees. Provide that this transitional board would be eliminated on the first day of the 36th month beginning after the effective date of the budget act.

Duties of Transitional Board. Specify the following transitional board duties:

- a. Draft and file articles of incorporation for a nonstock corporation under state law and take all actions necessary to exempt the corporation from federal taxation under 501(c)(3) of the Internal Revenue Code. This corporation would be referenced as the Broadcasting Corporation;
- b. Provide in the articles of incorporation that the initial directors of the corporate board would be the members of the Transitional Board;
- c. Draft bylaws for adoption of the corporate board of the Corporation;
- d. Prepare an application for submission by the corporate board to the Federal Communications Commission (FCC) to transfer all broadcasting licenses held by the ECB and the UW Board of Regents, except licenses for student radio, to the Corporation;
- e. Negotiate an agreement with the WPRA for the transfer of funds raised by the Association to the Corporation;

f. Negotiate an agreement with each friends of public television group for the transfer of funds raised by each group to the Corporation; and

g. Retain, if necessary, staff and legal, administrative and technical assistance from the UW and the ECB, which would be provided at no cost to the transitional board.

Elimination of ECB. If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the Broadcasting Corporation, ECB would be eliminated on and after the effective date of the last license transferred as determined by the Secretary of DOA. Provide that no monies could be encumbered from any of ECB's appropriations after that date. As part of the elimination of ECB, the ECB member on the TEACH Board would be replaced with another member appointed by the Governor.

Eliminate Public Broadcasting Responsibility of UW Board of Regents. If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by the UW to the Broadcasting Corporation, except for licenses for student radio, then current law requiring the Board of Regents to operate WHA and WHA-TV would no longer apply effective on the date of the transfer of the last license.

Duties of Broadcasting Corporation. The Broadcasting Corporation would be required to do each of the following as a condition of receiving state aid:

a. Maintain a state system of radio broadcasting for the presentation of educational, informational and public service programs, and formulate policies regulating the operation of such a state system, and coordinate the public radio activities of the various educational and informational agencies, civic groups, and citizens that contribute to the public interest and welfare;

b. Maintain educational television channels reserved for Wisconsin, and take such action as is necessary to preserve such channels in Wisconsin for educational use;

c. Maintain a comprehensive state plan for the orderly operation of a statewide television system for the presentation of noncommercial instructional programs that will best serve the interests of the state;

d. Work with the educational agencies and institutions of the state as a reviewer, adviser and coordinator of their joint efforts to meet the educational needs of the state through radio and television;

e. Furnish leadership in securing adequate funding for statewide joint use of radio and television for educational and cultural purposes, including funding for media programming for broadcast over the state networks;

f. Lease, purchase or construct radio and television facilities for joint use with state and local agencies, including broadcast network and production facilities production facilities,

network interconnection or relay equipment, mobile units, and other equipment available for statewide use;

g. Maintain radio and television transmission equipment in order to provide broadcast service to all areas of this state;

h. Establish and maintain a continuing evaluation of the effectiveness of the joint efforts of all participating educational institutions in terms of jointly-established goals in the area of educational radio and television;

i. Act as an informational source for educational radio and television activities in this state and provide such information to legislators, offices of government, educational institutions and the general public;

j. Provide educational programming for elementary and secondary schools in this state and transmit public radio and television to remote and underserved areas of the state;

k. Contract with the UW Board of Regents for the services of its public broadcasting staff; and

l. Make the most effective use of its digital broadcasting spectrum.

Additional Requirements for State Aid. Provide that the Broadcasting Corporation could receive state aid if each of the following is satisfied:

a. The articles of incorporation state the purpose of the Broadcasting Corporation is to provide public broadcasting to this state and that, if the Broadcasting Corporation dissolves or discontinues public broadcasting in this state, the Corporation would be required to, in good faith, take all reasonable measures to transfer or assign the Broadcasting Corporation's assets, licenses and rights to an entity whose purpose is to advance public broadcasting in this state;

b. The Corporation initially adopts the bylaws drafted by the transitional board;

c. The Corporation permits public inspection and copying of any records of the corporation to the same extent as required of, and subject to the same terms and enforcement provisions that apply to, an authority designated under state law;

d. The Corporation provides public access to its meetings to the same extent as is required of, and subject to the same terms and enforcement provisions that apply to a governmental body;

e. The Corporation provides the Secretary of DOA, the Legislative Audit Bureau and the Legislative Fiscal Bureau with access to all of the Corporation's records, except records identifying the names of private donors;

f. If the broadcast licenses of the ECB are transferred to the Corporation, it carries out any obligation of the ECB under any contract entered into by the ECB that relates to the provision of public broadcasting in this state until the contract is modified or rescinded by the Corporation to the extent allowed under the contract and the Corporation pays off any outstanding state debt related to the ECB state office building; and

g. If the broadcast licenses of the UW are transferred to the Corporation, it carries out any obligation of the UW under any contract entered into by the UW that relates to the provision of public broadcasting in this state until the contract is modified or rescinded by the Corporation to the extent allowed under the contract.

Specify that the Secretary of DOA would pay state aid to the Corporation in installments, as determined by the Secretary.

Duties of Secretary of DOA. The Secretary of DOA would be required to determine each of the following: (a) whether the FCC has approved the transfer of all broadcasting licenses held by ECB and the Board of Regents of the UW, except for licenses for student radio, to the proposed Broadcasting Corporation; (b) if the Secretary of DOA determines that the FCC has approved the transfer of all ECB broadcasting licenses, then the Secretary would determine the effective date of the transfer of the last license to the Broadcasting Corporation; and (c) if the Secretary of DOA determines that the FCC has approved the transfer of all UW broadcasting licenses, then the Secretary would determine the effective date of the transfer of the last license to the Broadcasting Corporation. The Secretary of DOA would be required to notify the Revisor of Statutes in writing of the effective date of the last license transferred.

Transfer of Appropriation Balances. If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the Broadcasting Corporation, each of the following transfers would occur on the effective date of the transfer of the last license to the Broadcasting Corporation: (a) the unencumbered balance of all of ECB's sum certain GPR appropriations would be transferred to a new section of the state appropriation schedule created for the Corporation, which would include two GPR sum certain appropriations, one for operational costs of public television broadcasting and one for operational costs of public radio broadcasting; (b) the unencumbered balance of ECB's PR appropriation for emergency broadcasting would be transferred to a newly-created PR appropriation under DOA for the same purpose; and (c) the unencumbered balance of the rest of ECB's PR and FED appropriations would be transferred to a newly-created PR appropriation under DOA, and the Secretary of DOA would be required, to the extent allowed under federal law, to pay the Broadcasting Corporation a grant equal to the unencumbered balance of the new PR appropriation under DOA.

If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by the UW to the Broadcasting Corporation, except for licenses for student radio, on the effective date of the transfer of the last license to the Corporation all unencumbered balances appropriated to the UW for public broadcasting, as determined by the Secretary of DOA, would be transferred to the Corporation.

Transfer of ECB Positions. If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the Broadcasting Corporation, all ECB positions and incumbent employees holding the positions would be transferred to DOA. Provide that employees would retain the same rights and status that they enjoyed at ECB, and no permanent employee would be required to serve a probationary period. Specify that ECB unclassified positions for the deputy, four division administrators and 11 professional staff members would continue to be unclassified positions after transfer to DOA. Provide that all employees transferred to DOA would be required to provide broadcasting services to the Broadcasting Corporation under a contract between DOA and the Corporation. Require the contract to specify that the employees providing services would be supervised solely by the Broadcasting Corporation. A PR appropriation would be created under DOA to allow the expenditure of monies received from the Corporation for services provided under the contract.

UW Positions Provide Services to Broadcasting Corporation. If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by the UW Board of Regents to the Broadcasting Corporation, except license for student radio, then the following provisions would apply: (a) the Board of Regents would be required to contract with the Broadcasting Corporation to provide the Corporation with the services of all the employees of the UW who provided public broadcasting services prior to the license transfer; (b) the Board of Regents could not contract for the services of any employee who did not provide public broadcasting services prior to the license transfer; (c) any contract must specify that the Broadcasting Corporation would have supervisory authority over the employees. If any employee of the UW who provided public broadcasting services prior to the license transfer terminates employment with the UW after the license transfer, the Board of Regents could not fill that position and could not expend any money that would otherwise have been paid to or on behalf of the employee as salary or fringe benefits. A PR appropriation would be created under the UW to allow the expenditure of monies received from the Corporation for services provided under the contract.

Transfer of ECB and UW Assets. If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the Broadcasting Corporation, the following asset transfer provisions would apply: (a) the state office building used by ECB would be transferred to the Broadcasting Corporation if the Corporation pays \$476,228, which represents the Foundation's remaining interest in the building, to the Wisconsin Public Broadcasting Foundation or the Foundation waives the payment; (b) assets of the state used by ECB that are not shared assets would be transferred to the Broadcasting Corporation on the effective date of the last license transferred; (c) assets of the state used by ECB for the emergency weather warning system would be transferred to the DOA; and (d) current general obligation bonding authorized for ECB facilities would transfer to DOA. Any asset transferred under (a) or (b) would revert to the state if the asset would not be used for providing public broadcasting. A GPR debt service appropriation would be created under DOA for debt service costs associated with transferred ECB facilities.

If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by the UW Board of Regents to the Broadcasting Corporation, except licenses for student radio, assets of the state used by the UW that are not shared assets would be transferred to the Broadcasting Corporation on the effective date of the last license transferred. Any UW asset transferred would revert to the state if the asset would not be used for providing public broadcasting.

Transfer Provisions for Shared Assets. A shared asset would be defined as any asset of the state that, as determined by the Secretary of DOA, is used for the purpose of providing public broadcasting, including a tower, transmitter, transmission facility or other related structure, equipment or property, and that is also used by another state agency.

If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the Broadcasting Corporation, the Secretary of DOA would be required to negotiate and enter into an agreement to lease, sell or otherwise transfer any shared asset used by ECB to the Corporation. In addition, the Secretary would be required to negotiate and enter into an agreement with the Broadcasting Corporation regarding the payment of any outstanding ECB debt service relating to public broadcasting. A PR appropriation would be created under DOA to allow expenditure of monies received from the Corporation to pay this debt service.

If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by the UW Regents to the Broadcasting Corporation, except licenses for student radio, the Secretary of DOA would be required to negotiate and enter into an agreement to lease, sell or otherwise transfer any shared asset used by the UW to the Corporation. In addition, the Secretary would be required to negotiate and enter into an agreement with the Broadcasting Corporation regarding the payment of any outstanding UW debt service relating to public broadcasting.

Emergency Weather Warning System. If the Secretary of DOA determines that the FCC has approved the transfer of all broadcasting licenses held by ECB to the Broadcasting Corporation, after the date of the last license transfer, DOA would be required to contract with the Broadcasting Corporation for the operation of an emergency weather warning system.

Other Provisions. Modify current law references to ECB to instead refer to the Broadcasting Corporation in areas relating to public broadcasting licenses held by MATC.

ATTACHMENT 2

Public Broadcasting Stations and Licenses in Wisconsin

RADIO LICENSES

<u>Call Letters</u>	<u>Station</u>	<u>Location</u>	<u>License Holder</u>	<u>License Type</u>
<i>Wisconsin Public Radio</i>				
WLFM	91.1	Appleton	Lawrence University	University
WLBL	AM 930	Auburndale-Stevens Point	ECB	State
WHSA	89.9	Brule	ECB	State
WHAD	90.7	Delafield-Milwaukee	ECB	State
WUEC	89.7	Eau Claire	UW Board of Regents	University
WPNE	89.3	Green Bay	ECB	State
WHID	88.1	Green Bay	UW Board of Regents	University
WHHI	91.3	Highland	ECB	State
WGTD	91.1	Kenosha	Gateway Tech College	University
WHLA	90.3	La Crosse	ECB	State
WLSU	88.9	La Crosse	UW Board of Regents	University
WHA	AM 970	Madison	UW Board of Regents	University
WERN	88.7	Madison	ECB	State
WVSS	90.7	Menomonie	UW Board of Regents	University
WHWC	88.3	Menomonie-Eau Claire	ECB	State
WRST	90.3	Oshkosh	UW Board of Regents	University
WHBM	90.3	Park Falls	ECB	State
WRFW	88.7	River Falls	UW Board of Regents	University
WHDI	91.9	Sister Bay	ECB	State
WHND	89.7	Sister Bay	ECB	State
KUWS	91.3	Superior	UW Board of Regents	University
WLBL-FM	91.9	Wausau	ECB	State
WHRM	90.9	Wausau	ECB	State
<i>Other Public Radio Stations</i>				
WOJB	88.9	Hayward	Lac Court Oreilles Tribe	Community
WORT	89.9	Madison	Back Porch Radio, Inc.	Community
WUWM	89.7	Milwaukee	UW Board of Regents	University
WYMS	88.9	Milwaukee	MPS School Board	Local Authority
WSUP	90.5	Platteville	UW Board of Regents	University
WXPR	91.7	Rhineland	White Pine Community	Community
WWSP	89.9	Stevens Point	UW Board of Regents	University
WSUW	91.7	Whitewater	UW Board of Regents	University

TELEVISION LICENSES

<u>Call Letters</u>	<u>Station</u>	<u>Location</u>	<u>License Holder</u>	<u>License Type</u>
<i>Milwaukee Public Television</i>				
WMVS	10	Milwaukee	MATC-Milwaukee	University
WMVT	36	Milwaukee	MATC-Milwaukee	University
<i>Wisconsin Public Television</i>				
WPNE	38	Green Bay	ECB	State
WHLA	31	La Crosse	ECB	State
WHA	21	Madison	UW Board of Regents	University
WHWC	28	Menomonie-Eau Claire	ECB	State
WLEF	36	Park Falls	ECB	State
WHRM	20	Wausau	ECB	State
<i>Other Public Television Stations</i>				
WDSE	8	Superior-Duluth	Duluth-Superior Area Educational Television	Community

EMERGENCY WEATHER WARNING STATIONS

Adams-Friendship
Ash Ridge
Bloomington
Clark/Taylor
Crandon
Dubuque
Duluth
Eau Claire/Menomonie
Fond du Lac
Green Bay
Janesville
La Crosse
Madison
Milwaukee/Sullivan
Minneapolis
Park Falls
Sheboygan
Sister Bay
Wausau