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# Public Hearing

before

## LEGISLATIVE TASK FORCE ON PUBLIC BROADCASTING

*"An Overview of New Jersey Network and public media in New Jersey"*

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**LOCATION:** Committee Room 4  
State House Annex  
Trenton, New Jersey

**DATE:** September 14, 2010  
10:00 a.m.

### **MEMBERS OF TASK FORCE PRESENT:**

Senator Nia H. Gill, Chair  
Assemblyman Louis D. Greenwald, Vice Chair  
Senator M. Teresa Ruiz  
Senator Joseph M. Kyrillos Jr.  
Assemblyman Thomas P. Giblin  
Assemblywoman Nellie Pou  
Assemblyman John F. Amodeo  
Assemblyman Alex DeCroce



### **ALSO PRESENT:**

Kevin J. Donahue  
Charles A. Buono Jr.  
*Office of Legislative Services*  
*Task Force Aides*

Sarah Lechner  
*Senate Majority*  
Keith White  
*Assembly Majority*  
*Task Force Aides*

Christine Shipley  
*Senate Republican*  
Colin Newman  
*Assembly Republican*  
*Task Force Aides*

***Hearing Recorded and Transcribed by***  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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MR. DONAHUE: Good morning, everyone. The proceedings of the Task Force -- Legislative Task Force on Public Broadcasting is starting.

I'd like to start with a roll call of the membership. My understanding is Senator Van Drew is absent, Senator Kean is absent.

Assemblyman Amodeo.

ASSEMBLYMAN AMODEO: Here.

MR. DONAHUE: Senator Kyrillos.

SENATOR KYRILLOS: Here.

MR. DONAHUE: Assemblyman DeCroce.

ASSEMBLYMAN DeCROCE: Yes.

MR. DONAHUE: Assemblyman Gibson (*sic*) -- Giblin, excuse me.

ASSEMBLYMAN GIBLIN: Here.

MR. DONAHUE: Senator Ruiz.

SENATOR RUIZ: Here.

MR. DONAHUE: Assemblywoman Pou.

ASSEMBLYWOMAN POU: Here.

MR. DONAHUE: Assemblyman Greenwald.

ASSEMBLYMAN GREENWALD: Here.

MR. DONAHUE: Senator Gill.

SENATOR GILL: Here.

MR. DONAHUE: The purpose of the Task Force on Public Broadcasting is to study, evaluate, and develop recommendations relating to the Governor's proposal to transfer the assets, including operating licenses and operations, of the New Jersey Public Broadcasting Authority, the

operator of the New Jersey Network, to an independent, not-for-profit organization. The Task Force shall consider issues and concerns relating to such proposal, including but not limited to the following: the valuation of the assets of the Authority, including hardware, licenses, real estate, and other property; whether assets should be transferred to an organization without payment or monetary consideration therefore; the most appropriate schedule for the transfer of the Authority's operating license and allocation of assets; taking into account the approval process of the FCC and other pertinent Federal agencies; whether the operation of the Authority and Network function in the most efficient, cost-effective manner; the manner in which other states have transferred such assets and operations to an organization; the future financing needs of the organization, and the impact of any financing requirements on the annual State budget; the continuation of New Jersey-focused programming if such proposal were to be approved; the impact of the implementation of the proposal on current employees of the Authority; whether advances in broadcasting technology and their implications for the Network and public broadcasting have been considered; development of new partnerships with the private sector and with other public-sector interests; and onwhether alternative organizational or governance structures have been considered, including a single public or for-profit organization that is not a current licensee of a radio or television broadcasting station.

The Task Force is to issue a report of its studies and findings to the Governor, President of the Senate, Speaker of the General Assembly, Minority Leader of the Senate, and Minority Leader of the General Assembly by October 15, 2010, including recommendations for any

proposal of -- the Authority's operations and assets to an independent, not-for-profit organization prior to the beginning of Fiscal Year 2012.

The other provision is that the Task Force select a Chair, a Vice Chair, and a Secretary. And I'd like to consider any nominations for Chair of the Task Force.

ASSEMBLYMAN GIBLIN: I'd like to nominate Senator Nia H. Gill.

SENATOR KYRILLOS: I'd be very happy to second that nomination.

MR. DONAHUE: And nomination for a Vice Chair.

SENATOR GILL: I nominate Assemblyman Greenwald.

ASSEMBLYWOMAN POU: I second that nomination.

MR. DONAHUE: And the Task Force shall select a Secretary.

SENATOR GILL: I nominate you.

SENATOR KYRILLOS: I'll move the nominations be closed.

(laughter)

ASSEMBLYMAN GIBLIN: Do we need a vote on that?

MR. DONAHUE: Just a-- If you want to. I think it appears before the record. We have the Hearing Reporter Unit here, so I think that would satisfy my concerns.

SENATOR KYRILLOS: Concerns over what?

MR. DONAHUE: Would you like a recorded vote?

SENATOR KYRILLOS: Yes, take a vote. A voice vote is fine. Whatever the Secretary deems appropriate, voice vote or not.

MR. DONAHUE: On the motion to accept the nominations-- Do you want a separate vote for Chair and Vice Chair?

ASSEMBLYMAN GIBLIN: I think you can do them all at once.

MR. DONAHUE: All at once. On the motion to approve the nominations for Chair and Vice Chair, Assemblyman Amodeo.

ASSEMBLYMAN AMODEO: Yes.

MR. DONAHUE: Senator Kyrillos.

SENATOR KYRILLOS: Yes.

MR. DONAHUE: Assemblyman DeCroce.

ASSEMBLYMAN DeCROCE: Yes.

MR. DONAHUE: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Yes.

MR. DONAHUE: Assemblywoman (*sic*) Gill.

SENATOR GILL: She's not here. (laughter)  
Senator Gill.

MR. DONAHUE: Senator Gill.

SENATOR GILL: I'm here. Yes. (laughter)

SENATOR KYRILLOS: Let's reopen nominations for Secretary. (laughter)

MR. DONAHUE: Assemblywoman Pou.

ASSEMBLYWOMAN POU: Here. I mean yes.

SENATOR KYRILLOS: I nominate Colin for Secretary.

ASSEMBLYWOMAN POU: We're all confused here of what's going on.

MR. DONAHUE: Senator Ruiz.

SENATOR RUIZ: Yes.

MR. DONAHUE: Assemblyman Greenwald.

ASSEMBLYMAN GREENWALD: Yes.

MR. DONAHUE (Task Force Secretary): The nominations are approved.

**SENATOR NIA H. GILL (Chair):** First of all, I would like to thank my colleagues for choosing me as the Task Force Chair. I look forward to working with and hearing from all members of the Task Force on both sides.

The Task Force will hold three public meetings, including today's meeting, and each meeting will focus on a specific topic. Today we will discuss an overview of the public media in New Jersey and the history of NJN.

We will first take testimony from our invited guests and then from the public. Thursday, in South Jersey, we will have a hearing dedicated to labor issues. And on September 23, at 6:00, in Montclair, we will have a hearing on asset valuation, programming, and any other issues that have not been dealt with.

In 1968 the Legislature and the Governor -- and I say that with a degree of emphasis -- the Legislature *and* the Governor recognized a void in media coverage about and for New Jersey, and so they created the New Jersey Public Broadcasting Authority with the intent to ensure that New Jerseyans receive information about their state.

With the current decline in newspapers and other media sources throughout the country, including New Jersey, the mission of NJN is just, and maybe even more important now than when it was created. That is why the Task Force will function as a fact-finding committee that will be driven by the information presented. And it is my hope that the

Task Force will then independently evaluate all the facts it receives over the next several weeks.

Currently, there are several bills in the Legislature and draft bills without sponsors that have been advanced publicly. The Task Force will discuss those bills, and the Task Force will be informed by whatever information is in them.

Now, as we examine the public media in New Jersey, we must consider even the most fundamental issues such as: How can FCC licenses be transferred with the guarantee that New Jersey-centric programming be a priority? The Task Force must determine what entity has the authority to transfer the television and radio licenses. Because as we sit here, the statute -- enabling statute N.J.-- For N.J.B.A. 48.23-7, this is what the powers are: specifically grants the NJPBA the power to acquire -- through leasing, purchase, otherwise -- real estate and other property; and to hold and use that property for broadcasting. The statute is silent on who has the authority to transfer the license or sell.

So one main issue of the Task Force -- we must answer some fundamental questions. Is it the Legislature that will pass a statute giving a particular body or committee the right to transfer the license if you so determine that that is necessary? There are very sensitive and complex issues here.

And I would like to say to the Governor that we look forward to working with you for the benefit of the people. Because this is not the Governor's license, it's not the Legislature's license, it's the people's license. And so I would hope and know that we will work together in that regard.

Are there any other Senators who would like to make opening statements before we call the witness?

Senator Kyrillos.

SENATOR KYRILLOS: Thank you very much, Madam Chair, and congratulations on assuming the chairmanship of this Task Force. I was looking forward to nominating you, and would have. Assemblyman Giblin did that chore very well, so I was happy to second it. We're going to work very, very closely together -- both sides of the aisle, both Houses -- to try to map out a future for this important part of New Jersey's culture, and something that is essential to our citizenry -- to a good, educated, informed citizenry that has a chance to see what we do here at the State House, and with activities and ongoing, important public affairs all around the state.

I'm not sure that I differ from what you have said in your opening comments. I think the Governor has a vision, and I have, I think, the same vision: to make sure that we have a viable New Jersey Network now, and post-January, and in the future. I'm mindful of the fact that we are unique in America in not having a commercial television presence in our state. There is an important void that needs to be filled. And it was creatively and appropriately filled back in the '70s when NJN was created. But times are different now. We've advanced 30 or 40 years. And we're at a point now where we have to not only have a viable New Jersey network, but we have to do it without the generosity of the taxpayers. There needs to be a methodology to find partners in the private sector -- the private, nonprofit sector -- most likely that can work with existing foundations, new partners, the State government to fill this void.

So keep a strong NJN, keep the lights on, do it without the taxpayers, and make sure that we fulfill this void.

I'm looking forward to hearing all this testimony today. I'm sure that this simple vision will be complicated for me and for all of us by what we hear today and the upcoming hearings.

The Governor has put forth a bill. I will sponsor it. It's being drafted. I will introduce it, I think, at the next Senate Session. And it simply allows for the transferring of this essential duty to continue to educate the public. It deals with its assets: the studio, the antenna, the licenses, and the like. And so I'm sure that we'll talk more about that.

Thank you, Madam Chairwoman.

SENATOR GILL: Thank you.

Is there anyone else who would like to make an opening statement?

Assemblyman GIBLIN.

ASSEMBLYMAN GIBLIN: Thank you, Madam Chair.

I think we're all here this morning for a very noble cause. I don't mean to exaggerate in any sense on that notion.

We're looking at this whole issue of the NJN, the whole matter of trying to preserve coverage for New Jersey citizens. I think a lot of us have witnessed the demise, unfortunately, of many segments of our media coverage in the state. And over the last number of years, especially, it's my belief that NJN has really responded in terms of focusing on issues that are important to all of us in the state.

As much as some of our neighboring states talk about giving coverage to our state, many times it's minimal at best, and we rely on the

coverage that's provided by our own station here in the state to effectively do that job.

This is not a partisan issue. It's about what is best for our state, all segments of the community. Seniors to our youngsters rely on the well-planned programs sponsored by our station. I think we have to look at this intelligently. There's a lot of different factors. The employees who've worked long and hard over the years to build the reputation certainly have to be considered. The volunteers who have served on our Authority and Foundation have done a yeoman's job in terms of trying to lend of their expertise and guidance to add to the stature of our NJN station.

And we have to kind of do this deliberately, whether it means weaning off the allocation from the State or it means moving in a new direction. We have to listen to everybody in terms of this whole effort -- that all of us want to see the station not only survive but be enhanced. And I think that's our work here today.

Thank you.

SENATOR GILL: Yes, Assemblyman.

ASSEMBLYMAN AMODEO: Madam Chair, thank you.

I would just like to say good morning to everybody -- and for our speakers for coming this morning to educate us and give us the information we need, moving forward.

I would like to thank Leader DeCroce for his selection and giving me the opportunity to sit on this Task Force with my colleagues. I believe that the work that we are about to undertake is vitally important, as our recommendations will shape the future of NJN.

As we begin the first of our three hearings, I hope we all come here with an open mind and learn about the operations of the State's public broadcasting network and the challenges it faces. One important factor that this Task Force cannot avoid is the financial restraints that we have within our state. All our decisions have to keep our taxpayers in mind.

I am fully aware of what is at stake for everyone involved in this issue, which is why I take my job and responsibility seriously. One of the best practices that occurs in the private sector is periodic review of the business model and whether the organization is fulfilling its core mission. Once the analysis is complete, a determination must be made if changes are warranted, or the status quo can proceed.

After hearing from various stakeholders today and in the other two hearings, I believe that the Task Force must undertake the same kind of approach. It is an understatement to say these are difficult times for everyone, but that does not absolve us from fulfilling our charge. Difficult decisions will have to be made. And there is no doubt it will have an impact on both employees at NJN and business individuals with NJN. I will always be aware of that fact. But I'm also aware that this is a situation -- the status quo cannot continue.

I look forward to serving on this Task Force with the members, and I'm confident our objective will be achieved.

Thank you, Chair.

SENATOR GILL: Thank you, Assemblyman.

Vice Chair.

ASSEMBLYMAN GREENWALD: Madam Chair, thank you.

I think, like many of the members here today, I come with a clean slate as to what this issue is. Whatever proposals have been made up until now, I think I and other members of this committee are willing to entertain, but entertain them in a notion as to what is best for New Jersey. I am not an expert on public broadcasting. I don't know if anyone on this committee is. But I believe it is critically important that this Task Force review what is happening in other states and other major cities to make sure that public broadcasting is available to the citizens of those states, and that we can mirror that success here in New Jersey. My goal from this Task Force, and working with the Chairwoman and the other members of this committee, is to make sure that the mission and vision of NJN is sustained, in whatever new entity that may be, in an effort so that they can be creative, and innovative, and compete in today's new technological age -- which has been lost over the previous decades for a lack of funding, a lack of initiative, a lack of desire, tough economies, whatever it may be that has brought us to this point.

But I am fearful, as the Chairwoman said, that when NJN was given life, it was given life because New Jersey had slipped into a void. And I believe that without that mission, without that vision that NJN has portrayed in spite of the tough economic times, that we will quickly slip back into that void of irrelevancy. And I believe the most important component of what NJN does and serves is to make sure that the citizens of this state are an educated citizenry, and that that is what is most important -- not to just the taxpayers, but to the people who they elect to office -- to make sure that we are giving them constant information that keeps them in

tune to what is happening in New Jersey, both good and bad, so that we can move this state forward in a productive way.

Again, Madam Chairwoman, I am honored to serve on this committee with you and the other members. And I look forward to proceeding with an open mind to whatever will work to be successful to maintain that (indiscernible).

SENATOR GILL: Thank you very much.

Anyone else, before we take the--  
Assemblyman DeCroce.

ASSEMBLYMAN DeCROCE: Thank you, Madam Chairwoman.

I'm pleased to serve with all of the members on this panel, and I look forward to looking at all the factors relating to NJN.

We all recognize the importance of these hearings. It's not only important to NJN and its employees, but it's also important to the taxpayers and residents of the State of New Jersey. We all have open minds, I'm sure, or we wouldn't be here. But we also represent the citizens of our state. The people on this committee have varied backgrounds, but I think with all the skills that we each have we can put a recommendation together in order to complete our mission.

I believe that NJN is viewed as a public company whose stockholders are the citizens of New Jersey. There are few businesses that maintain their status quo over the years. They all change from time to time. Therefore, after the completion of our hearings and we have a much better understanding of how much change or how little change is necessary at NJN, I think all the members of this panel will share their opinions. We

may have differences from time to time, but we'll come together for a report that's, I think, important to the citizens of this state.

And I look forward to working with each and every one of you.

Thank you.

SENATOR GILL: Thank you very much.

And as they say in the TV business, I think, last call. Or is that the bar business? (laughter)

Anyone else before we call our first witness? (no response)

Okay. Thank you, all, very much.

Our first witness will be called by the Secretary.

MR. DONAHUE: Our first witness is Ms. Kent Manahan, Chair of the New Jersey Public Broadcasting Board.

KENT MANAHAN: Good morning, everyone.

SENATOR GILL: Good morning.

This will be the procedure: The witnesses will give an opening statement, and then they will be subject to questioning by the members of the committee.

MS. MANAHAN: Chairman Gill and members of the Task Force, I appreciate your comments this morning and being able to appear before you.

On behalf of the New Jersey Public Broadcasting Authority, I want to thank you all for taking your time to carefully and thoughtfully consider the future of New Jersey public broadcasting. We recognize that you have taken on this assignment because you understand and appreciate NJN's critical role, as you've stated this morning, in informing, educating, and entertaining the people of New Jersey in a media market which

otherwise fractures New Jersey between media outlets in New York and Philadelphia. We also want to thank the Governor and his Administration for their commitment to build a strong and independent NJN.

I'd like to acknowledge this morning my New Jersey Public Broadcasting Authority Board members who volunteer so much of their time and professional expertise in leading NJN, serving on the Authority and various committees of the Board.

I'd like to acknowledge my friend and colleague Doug Eakeley, Chairman of the NJN Foundation Board. Doug's leadership and the dedication of the Foundation Board of Trustees have helped to sustain NJN over these many, many years. I want to acknowledge also NJN's hard-working staff, the Network's most valued asset.

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

You know, if I were still reporting the news -- it wasn't that long ago -- my lead would likely be that a 40-year-old State Authority facing abolition is not fighting to preserve the power and prestige of its Board members. Instead, the Authority recognizes the difficult financial conditions, changing technology, and dramatic shifts in the way we all seek and receive information. And that's left us no choice but to examine how NJN can chart a course and thrive into the future.

For my former print colleagues, the newspaper headline might be, "We get it."

Earlier this year, the NJPBA adopted a statement of fundamental principles and standards for the transformation of NJN. The preamble to the principles states -- and I'd like to read that to you -- "At this time, the Executive and Legislative branches of New Jersey State government are contemplating potential transfer of the NJN broadcast licenses from the NJPBA to a new entity described as an independent, not-for-profit corporation.

"The NJPBA has operated those licenses for more than 40 years. NJN has served the public interest, as envisioned by its enabling legislation, by informing, educating, and entertaining the people of New Jersey in a media market which otherwise fractures New Jersey between media outlets in New York and Philadelphia.

"The NJPBA urges that any transfer specifically impose upon the new entity these fundamental recommendations which are necessary to satisfy and perpetuate the high principles and objectives that caused the creation of NJN in 1968. These recommendations should guide and assist the Executive and Legislative branches in the critically important work ahead.

"We request that these recommendations be substantially incorporated into executive orders, legislation, and other documents created to control and guide the new entity that is privileged to operate NJN or its successor in the future, for the benefit of the people of the great State of New Jersey."

Now, in all there are nine recommendations that we have put forth. They are significant and represent the position of the NJPBA if there is to be a transition and transfer of the license. They are listed in my

official statement, which has been distributed to you. In my remarks, I will comment on some of them, with particular emphasis on the fourth principle: that any new entity produce and broadcast New Jersey-centric programming that is substantially equivalent in quality and quantity to NJN's current work.

New Jersey's need for news and public affairs is something that I know about. I reported it for 30 years in this state. I realize that the process for translating principles and recommendations into a proposal that can be approved by the Legislative and Executive branches is neither easy nor straightforward. We recognize that final decisions about the future of public broadcasting will appropriately be made by the people's elected representatives in the Legislative and Executive branches of government.

The NJPBA has outlined what we consider the fundamental principles that should be considered. We will not take a position on any specific proposal except to respectfully request that our nine principles be incorporated into any transfer. The ultimate decision for NJN's future is in your hands, working with the Executive Branch.

As this critical process moves forward, the New Jersey Public Broadcasting Authority is committed to provide whatever support and assistance we can to encourage a solution that will be of lasting value to the people of our state. And this includes the NJPBA's willingness to continue its work past January 1, if you so wish.

There are at least three possible outcomes in your deliberations as referred to by Senator Gill: the Governor's proposal, as outlined in his draft legislation, for a transfer of NJN to a new entity and the dissolution of the NJPBA and Foundation is approved; the pending legislation for a new

Public Media Corporation is adopted; a recommitment of State support for the NJPBA to operate NJN and the NJN Foundation to aid with fundraising.

As Chair of the PBA, I and my fellow Board members understand the Executive and Legislative branches will, ultimately, make the decision on NJN's future. I am here today to offer my perspective on NJN, the Network's history, and our important mission; and to comment on the fundamental nature of our statement of principles and recommendations.

I'd like to make a couple of up-front confessions. I am a New Jersey chauvinist. I have lived here all my life. My husband and I have raised our six children here. Of course all the Manahans watch NJN. And my children, who went to college and grad school in many different places, all came back to live here too. We love New Jersey.

I arrived at NJN over 30 years ago. And in those three decades I have interviewed leaders and citizens of our state, chaired events, participated in professional organizations, appeared as a panelist in countless forums, given keynote speeches and commencement addresses. I sit on university, community, and professional boards. I've had the opportunity to meet so many of my fellow citizens, whether it's in the dry cleaners or the supermarkets, on the sidewalk, in a restaurant. And they come up to me and tell me they watch NJN, and they tell me how important it is they're able to get information on New Jersey from NJN.

NJN has performed at a level of excellence for 40 years, winning some of the most coveted awards in broadcast journalism. Now, that's a proud record to stand on -- arts and cultural programming,

documentaries -- many of which have gone national on PBS; special productions on education, health, law, business, seniors, and the environment.

While I'm aware that circumstances can change in 40 years, and they certainly do, our geography has not. New Jersey is a relatively small land area with a large population divided in the middle, in media terms, between New York and Philadelphia. But the Legislature saw the need in 1968 and acted, passing legislation which was signed by Governor Richard Hughes creating the New Jersey Public Broadcasting Authority. Since then, NJN's unique mission has provided New Jersey with information more than warehouse fires and courthouse perp walks. NJN was founded as a single entity to fill the gap of information that existed pre-1968. Before that, you'd never know there was a New Jersey except for flames, disaster, high crimes and misdemeanors.

New Jersey is so much more. Our citizens have the right to be informed about so much more: the signing of new legislation, hearings on tax reform and casino gaming, NJN's future -- as viewers here, on our air and online, are seeing today; legal, environmental, health, history, educational, and cultural issues -- issues that impact our lives and our communities.

How many candidate debates have been done in New Jersey? I can tell you it wasn't always easy, as the moderator, keeping candidates on time, on topic -- primary and Election night coverage. You know, we've had our share of elections in New Jersey that went way into the wee small hours of the morning before they were decided, and even one that went six weeks later to be officially decided -- the gubernatorial election in 1981. NJN was

there throughout. NJN has been there for inaugurations, national conventions, the signing of historic legislation, budget addresses, State of the State and bipartisan legislative responses, special legislative sessions, just about all legislative sessions, the budget impasse, the shutdown of State government, even a couple of high-pitched disagreements among legislators in the well of the Chamber from time to time. These are not events you just show up and start talking about with a microphone and a camera. These are events that require a Ph.D. in preparation, experience, and knowledge.

Now, I brought along a little of what that has entailed just for a visual effect, because we're in the business. Among some of the historic tapes that I've brought along -- and if you'd like to you could certainly take a look at them: the retrospective program done on Governor Dick Hughes' life; the signing of casino gaming legislation on the Boardwalk in Atlantic City; Governor Tom Kean's keynote address at the Republican National Convention in New Orleans; the downing of Pan Am flight 103 over Lockerbie, Scotland, with 34 Syracuse University students from New Jersey aboard; the Pope at Giants Stadium; Megan's Law; redistricting; the death penalty before the State Supreme Court; September 11 and the weeks and weeks, and hours and hours of live coverage of New Jersey victims and New Jersey response; Governor Don DiFrancesco's address to a special session of the Legislature after 9/11; New Jersey soldiers in Iraq; blizzards; hurricanes; the budget crisis; the closing of Atlantic City casinos; live debate on the floor of the Legislature; Governors Kean and Byrne doing a Point/Counterpoint as they've done with me for the last 17 years, and as copied by the *Star-Ledger* and raved about in the *New York Times*; Governor

Christie's inaugural ball, and the Governor and his wife singing Springsteen on stage with the microphone at that inaugural ball. And this -- this is a list. It's 400 pages long, plus, of archival video cataloged. It's a catalog of our tape library back to the beginning, 40 years ago. This is what NJN's library consists of, over 440 pages of events that were covered and specials done by the Network. Can you imagine the hard work of the professionals who have done all this? Can you imagine any other broadcast entity doing this for New Jersey, or anyone other than NJN in the future?

Well, this brings me back to the fourth principle as listed in the statement of principles and recommendations. Consider all that NJN does, did, and could do in the future. At the very heart of the NJPBA's principles is the fourth recommendation that states that any entity privileged to take the NJN broadcast licenses should be obligated to continue presentation of New Jersey-centric programming in substantial quality and quantity as NJN currently broadcasts. If I've learned anything in my long career at NJN it is this truth: Commercial television from Philadelphia and New York cannot and will not cover New Jersey as NJN does. Only NJN has the professionals, the licenses, the technical equipment to deliver this fundamental service to the people of New Jersey. And if there's going to be a new entity, we recommend and urge that you mandate coverage substantial and equivalent to NJN's standards. If any new entity tells you that they cannot accept such a mandate, that's a problem for New Jersey. That threatens all of the progress that the NJPBA and NJN have made.

Now, before I conclude my remarks, I must salute my former colleagues with whom I have labored and strained for all those years

producing the best television programming in New Jersey, even if I say so myself.

And this brings me to the fifth principle. To paraphrase: NJN's employees are its most valued asset. They are more important than any technical equipment, any cameras, any lights, any microphones. Their creative talents have earned hundreds and hundreds of Emmys and accolades here in this region and throughout the country. If they are willing, these talented people should continue with any new entity or, if not, the State should treat them equitably under all the circumstances.

We don't want to lose what NJN needs -- we don't want to lose what New Jersey needs: the public's right to know, the ability to control the operating entity to meet the public standard. That's why the NJPBA adopted the statement of principles and recommendations on June 1 of this year before there was even a Legislative Task Force called for. As stated in the PBA's principles, I will fight for those principles to be incorporated in all executive orders, legislation, and other documents created to control and guide any new entity that would be given the privilege to operate NJN, or its successor, in the future for the benefit of the people of our state.

As you consider this important decision on NJN's future, please know that if you decide, the NJPBA is willing to continue its work after January 1. We are ready to offer any assistance and support that we can. For 40 years, NJN has been the only unified, multimedia service in New Jersey.

Thank you very much for this opportunity to appear before you today and for your interest in our views on this critically important public policy issue: the fate of NJN.

Thank you.

SENATOR GILL: Thank you, Kent.

And before I let the other legislators go, I'd just like to kind of put an order on this in terms of the organizational structure. It's my understanding that the State owns the license.

MS. MANAHAN: Yes.

SENATOR GILL: Okay. And then the State created an Authority, which is the--

MS. MANAHAN: Legislation created the New Jersey Public Broadcasting Authority.

SENATOR GILL: And it's the New Jersey Public Broadcasting Authority that holds the license and is permitted to use the license in accordance with the statutory findings, right?

MS. MANAHAN: Yes, that's correct.

SENATOR GILL: Okay. And under the New Jersey Public Broadcasting association (*sic*) -- Authority--

MS. MANAHAN: Authority, yes.

SENATOR GILL: Where does NJN come in?

MS. MANAHAN: The operation we oversee is the Network, which produces the programming.

SENATOR GILL: Okay. So it's -- the State holds the license -- the State owns, the Authority holds the license pursuant to the statutory requirements. And under the Authority you have NJN Network. Is that--

MS. MANAHAN: I didn't hear the last word.

SENATOR GILL: And under the Authority--

MS. MANAHAN: Yes.

SENATOR GILL: --you have the NJN Network.

MS. MANAHAN: Yes, that's correct.

SENATOR GILL: Okay. The employees: Are the employees the employees of NJN or of the New Jersey Public Broadcasting Authority?

MS. MANAHAN: Some of our employees are State employees and others are not. They're employed by the Network.

SENATOR GILL: All right. There is also-- You talked about the Foundation.

And then I'm going to turn it over. I just want to put a framework here.

Under the NJ--

MS. MANAHAN: And when I say *Network*, I mean they work for the Foundation. The Foundation comes under the PBA. So just to clarify that.

SENATOR GILL: That's where we were going to get--

MS. MANAHAN: Some of our employees.

SENATOR GILL: I understand. And so the NJPBA--

MS. MANAHAN: Yes.

SENATOR GILL: You have-- You talked about a Foundation. Is the Foundation part of NJPBA?

MS. MANAHAN: Yes. The legislation -- under the legislation, the Foundation comes under the NJPBA.

SENATOR GILL: All right. And under the NJPBA, your Board of Directors consists of members who must be vetted, and advice and consent of the Senate.

MS. MANAHAN: That's correct, yes.

SENATOR GILL: Okay. So you have one Board.

MS. MANAHAN: On the PBA, yes.

SENATOR GILL: On the PBA.

MS. MANAHAN: And then we have members who sit who represent--

SENATOR GILL: Ex-officio. So under the-- There's a-- They have to have the advice and consent of the Senate.

The Foundation has a different Board, correct?

MS. MANAHAN: Yes, that's correct.

SENATOR GILL: Okay. And the Foundation Board is not subject to the advice and consent of the Senate in picking their--

MS. MANAHAN: No, they are not. But some of these questions might be more appropriately answered by the Foundation. But I will do my best to continue answering you. But the answer to that question is no, to the best of my knowledge.

SENATOR GILL: And in your capacity, you also serve the Foundation.

MS. MANAHAN: In my capacity as Chairwoman of the PBA?

SENATOR GILL: Yes.

MS. MANAHAN: Well, the Foundation comes under the PBA, but I am Chairwoman of the PBA. And I think Doug Eakeley will be coming and speaking to you, and he is the Chairman of the Foundation Board of Trustees.

SENATOR GILL: Are you engaged in the Foundation in any capacity by title?

MS. MANAHAN: By title, no.

SENATOR GILL: Okay. And one last question, and then we'll turn it over.

What is-- I heard your testimony. But in concrete terms, what is the Authority's plan for a more streamlined NJN and a more effective NJN? Do you have any plans that you can provide us with that are specific in nature?

MS. MANAHAN: Just to give a little bit of perspective: When I retired from NJN on air, I did become the Acting Executive Director for a period of time, filling in when an unexpected vacancy occurred in that position. And then, under State mandate, because I had taken the early retirement package, I was required to step down from that position, because I was given a year's extension. And that's when I went on to the Public Broadcasting Authority and was -- assumed the Chairmanship of the Authority.

There have been many challenging times for NJN for many, many years, certainly not just in these current economic times, but--

SENATOR GILL: I don't mean to cut you off -- because they're going to get other questions. Do you, as you sit here, have a plan--

MS. MANAHAN: Our plan is ongoing, Senator.

SENATOR GILL: --for the Authority?

MS. MANAHAN: I mean, the NJPBA -- and we are operating every day. We have programs, we have a budget, we have--

SENATOR GILL: I understand that. But, I mean, given the economic constraints that we have talked about, has -- do you -- and you may not, and that's okay. I just want to make sure--

MS. MANAHAN: Well, our plan is--

SENATOR GILL: --if you do, we're reviewing everything. So what I will do is, I will let-- I'll reserve my question and let Senator Ruiz question.

SENATOR RUIZ: Thank you, Chairwoman.

I just had a general question. Since you didn't have a position on any of the proposals that have been made, you did stress the importance of the nine principles that the NJPBA has put forth. Do you believe that another entity, in whatever form or fashion, gets created -- if, in fact, were to get created, hypothetically, would it be able to carry out those nine principles?

MS. MANAHAN: I certainly think that these should be carried out, and I think that they would be -- should be carried out for the people of New Jersey. The people of New Jersey deserve to continue to have -- to be informed, to have their own television. And I believe that these principles would serve in the best interest of any new entity going forward. And without a promise of New Jersey programming-- I think that certainly the legislators in 1968 understood that and thus created the New Jersey Public Broadcasting Authority with a mandate for a New Jersey mission. So these are recommendations. We certainly understand we can't mandate them, but we are offering these as standards for your consideration. And with our input of 40 years in existence as an Authority, these recommendations are respectfully put forth for your consideration in any new entity. And without some of these considerations, at what price for New Jersey?

But, Senator, if I could just get back-- You know, it's an ongoing-- Streamlining NJN has been ongoing. There is a plan. We have

made many cuts over the years. When you ask for a plan -- the plan is ongoing. If you would like us to work on a plan for NJN now, going forth-- As of February, the NJPBA was going out of existence. It was as if Coke is acquiring Pepsi, and we're Pepsi. We have been told that on December 31 we go out of existence. We continue to operate NJN as an Authority. There are programs, a budget, and people working every day at what we do. And we have been streamlining for many, many years. We would certainly work with you on a plan going forward if that were the request. We are ready and able to do that.

SENATOR GILL: Thank you.

SENATOR KYRILLOS: Yes.

SENATOR GILL: Senator Kyrillos.

SENATOR KYRILLOS: I'm sorry, Madam Chair. I was -- a BlackBerry through Kent's last response, so I needed to get caught up on what she said. So I apologize.

I just wanted to say that as much as we enjoy Jim Hooker anchoring the news, hearing Kent here testify this morning reminds me how much we miss her. She's the voice of NJN.

I'm sure somebody will say something now on air about me for making you the voice of NJN and the voice of New Jersey. (laughter) And I think your testimony is extremely well-put and provides us with the underpinning for why it is we have to keep a strong television presence in New Jersey, why we have to keep a strong and viable New Jersey Network. You had your principles in there. And I think largely we share them, with maybe some differences here and there because of practical constraints. But the overriding principle that if there is to be a successor-- And I think there

needs to be a successor, for obvious reasons that many of us have alluded to here today, as we sit in New Jersey -- America 2010. We need the successor entity to continue on this great tradition that you have helped to quarterback and that you've outlined very, very well. And that will be an essential ingredient from my point of view, and what will be hard-fought but must be achieved as we move forward.

So thank you for your testimony.

MS. MANAHAN: Thank you, Senator.

SENATOR GILL: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Kent, must we call you commissioner today -- Commissioner Manahan?

I'm always interested to hear what other states are dealing with as far as public broadcasting is concerned, and if any major steps have been undertaken by states up and down the eastern seaboard with the whole matter of public broadcasting. Do you know anything that comes to mind? I know the financial dilemma looms large because of the economy across the country. But have you seen any major changes as far as other states' role in public broadcasting?

MS. MANAHAN: In an overview, Assemblyman, certainly the challenges of the times have impacted, in a general sense, public television, and television, and newspapers -- as we all read and know -- radio stations across the country. But there are some success stories out there, even in these tough times, of like kinds of PBS stations in other parts of the country, state-licensed and otherwise.

ASSEMBLYMAN GIBLIN: Do any of them come to mind?

MS. MANAHAN: Maryland Public Television and Detroit Public Television have had, even in tough times, very, very successful capital campaigns. And I think that our Acting Executive Director Janice Selinger will address some of that in her comments to you. And certainly we can provide you with more information. But there are some stories to tell of other entities that have had other kinds of successes.

Our situation, though, is very unique in New Jersey -- as you know, and as I heard you all comment on in your opening remarks today -- in that we are-- NJN is filling this void of media coverage about our own state. And that does not exist in any other states with the exception, perhaps, of Delaware, which has a different kind of -- a very different kind of situation. But New Jersey is unique in that. Some of these other public television stations around the country -- in many states there are three, or four, or five stations in those states. So we are unique in our mission and goals here in New Jersey. But we can certainly get you more information on some of the other entities and how they have proceeded in tough times, and to recreate themselves.

Certainly more New Jersey programming for NJN would help our financial situation too, but it's: What do you put first? You need the money to create new programming. And we are working on new programming, which we hope will generate new funding for the Network at this time, as we have been for a long time.

ASSEMBLYMAN GIBLIN: Two other areas of concern: How do you have legal teeth, if a new entity takes over your operation, about coverage as far as New Jersey is concerned? Is that going to be spelled out

in a document? I mean, what enforcement efforts do you have if they kind of start withering away about that coverage?

MS. MANAHAN: Well, that strikes right at the core of the principles of which I spoke, particularly the principle on mandating news and public affairs. We put forth the question to you: At what price? If there is not a mandate for any new entity that comes and takes the licenses and operates NJN in the future -- if there is not a mandate for news and public affairs-- We've seen this all go away in other places. So without some kind of mandate -- and I'd have to defer to the Attorney General's Office and others with an expertise in this. But without that mandate-- That's what the Legislature, in 1968, grappled with as well, and why NJN was created with a mandate to cover New Jersey with a New Jersey-centric programming mission.

ASSEMBLYMAN GIBLIN: Kent, you talked about the employees who make NJN look good. What about their future? I mean, I know this -- we're dealing with dollars here. But it seems to me that their loyalty and their commitment somehow -- and I've seen it done with other takeovers or new entities -- that it's spelled out in the agreement that they would be given an opportunity with a new employer and also might have, perhaps, a probationary period. But we have to look at their interest too. What's your thinking on that?

MS. MANAHAN: That's a very good question, Assemblyman, and one that the PBA took seriously and took into consideration when we drafted the principles. The fifth principle addresses that we feel that our employees should be given the right to work for a new entity, to certainly be considered for positions with a new entity; and those who decide not to, or

cannot, be given fair and equitable treatment. And we call for that, in the creation of any new entity, to certainly be taken seriously. We, as the PBA, cannot mandate any of these. This will be up to the Legislative and Executive branches for whatever you decide going forward for NJN.

But all of these things, Assemblyman, that you have raised, and the other members of the Task Force have raised, really perpetuated the principles and why we stand for those principles. We cannot mandate these things, but we really encourage and hope that you will take these into consideration. And if they can't be taken into consideration, into a new entity, at what price would the people of New Jersey-- Will we return to pre-1970 in this state and only know about New York and Philadelphia, except when there's a fire, rape, or murder in New Jersey? And then we're abandoned again.

ASSEMBLYMAN GIBLIN: The only thing is, I've seen this done in the private sector. In fact, there's a hospital right in your backyard that gave up one of the hospitals. And they let the employees kind of stay within their pension system to get to a certain level of benefits. So I think-- Something like that, I'm thinking about, with some of the employees who have the opportunity to -- that are very much on the cusp of getting benefits after 25 years in the State system -- that they kind of jump out for me too in terms of looking out for their interest. It can be done. I've seen it done in the private sector -- try to protect these same folks.

MS. MANAHAN: We would urge that to be done by the specialists, the people who know, the Attorney General's Office, the Treasurer's Office, those who would become involved in this process of the transfer of the license to any new entity. But I leave you with the thought

-- if that's the wrapping-up of the question -- at what price for New Jersey if these principles, these recommendations cannot be met? We do not want to go back to pre-1970 in New Jersey. We want a bright future.

SENATOR GILL: I think there are a couple of guiding legal principles here from the FCC, as well as the First Amendment. And if you transfer the license to a new owner, you cannot mandate anything. You cannot mandate that they must have 70 percent or 80 percent programming for New Jersey. You certainly cannot mandate that they take employees. Because not only are we concerned with the First Amendment, we have to look to the FCC. Because at the end of the day, the FCC must approve. And I know there will be others coming along who can probably explain it better. But I think that we cannot be under the notion that we can transfer the license to a new owner and mandate keeping employees, and mandate a content, or mandate who should be on the board of directors. Now, that's my understanding. And I know there will be others who have better information coming up. But I think that's something that we should kind of know as we go forward.

MS. MANAHAN: I think there are some FCC attorneys and some very clever, high-priced lawyers who could be brought in to take a serious look at this and how to creatively get it done.

SENATOR GILL: High-priced, creative lawyers--

ASSEMBLYMAN GREENWALD: Do we have any volunteer creative lawyers?

SENATOR GILL: --don't necessarily have the ability to get around the FCC nor established law like the First Amendment. But I don't

know. Maybe the Governor is going to have some high-priced lawyers, because I know we're not, in the Legislature.

So I just throw that out there, so it can be part of our discussion for the other witnesses who come forward, so we actually have a realistic and legal understanding of what we can and can't do if we transfer the license.

MS. MANAHAN: I am not a lawyer. I am a broadcaster, an observer of people in this great state. So I can't answer those questions.

SENATOR GILL: Okay.

MS. MANAHAN: But I can tell you that I think that there could be -- with the proper people working on this, there could be a real attempt at getting those -- getting around those, if that's the intent that you put forth, and the Executive and Legislative branches agree to.

But I go back to the basic question: If that can't be met, will we abandon, in New Jersey-- With a promise from the new entity -- a promise, not a mandate -- but a promise from the new entity that for the next year, 5 years, 10 years, 20 years that they will continue New Jersey-centric programming without a mandate-- At what price for the public interest of New Jersey?

SENATOR GILL: And that's why, to me, it was so vitally important for the Authority to have a plan that could show how you could be streamlined, how you could save money, and how -- you're creative anyway -- how you can be more creative. And that's why I think, for the Authority -- I thought it was so important that the Authority present a plan of how the Authority can go forward. And I understand what your answer is, and that will be the answer for the record, but that was my concern.

MS. MANAHAN: Madam Chair, we can certainly-- As of February -- just a short time ago -- the PBA was going out of existence.

SENATOR GILL: Can you tell me who said the PBA was going out of existence?

MS. MANAHAN: Well, the Governor has put forth his plan, and now there's legislation. And in the last part of that bill, it clearly states that the NJPBA and the Foundation--

SENATOR GILL: In February? Who told you that, because--

MS. MANAHAN: The Governor said it in his budget address in February, in a sentence, as part of his budget address. And now with the new legislation that has been put forth about two weeks or so ago--

SENATOR GILL: First of all, I just want to -- and I don't want to cut you off, but just so that we're factual, there is no legislation yet.

MS. MANAHAN: Proposed. I should correct--

SENATOR GILL: It's not even proposed. I know that it's legislation that will get a sponsor later. But I just wanted that to be clear.

Okay. So it's based upon that -- that you thought the PBA was going out of business.

MS. MANAHAN: The PBA and the Foundation, it's clearly stated, will be out of business. But I understand your question and your point. And if -- and we stand willing to go forward after January 1 -- the PBA is willing to do that. And we will certainly work with you for a plan to continue to operate. And we'd be glad to do that. And we have been streamlining all along.

So we certainly could work on that plan and get it to you and your committee, Senator Gill.

SENATOR GILL: Okay.

Any other questions?

Senator Kyrillos.

SENATOR KYRILLOS: Let me just jump in here and say that I believe -- and Assemblyman Greenwald can correct me -- but I believe the budget -- the fiscal year budget that we're now living through ends funding for the Authority or NJN as of January of the next calendar year. So it is only funded through the first half of this fiscal year. And that is why the Authority is going out of business, and that is why the recommendations from this Task Force are important. And what we do going forward is very important so that we can have an NJN news broadcast on whatever date certain in January.

Right now, the lights are going to go out. And anybody who has been a part of this process more -- longer, more informed -- which is most people in this room -- can tell me if I'm incorrect on that point.

One other thing I'd like to add, Madam Chairwoman, is that I need to get better briefed on how it is that these assets can be sold or transferred, if you will, vis-à-vis the bill that I'm going to offer or whatever bill that comes thereafter, and still ensure that we have strong, quality, New Jersey-focused news casting.

I have been led to believe, and I do believe, that in the negotiation -- and I'm quite certain that our negotiators of the Executive Branch will be smart, tough, and skillful. They will deal with any license transfers, and equipment transfers, or studio transfer in the context of ensuring that we keep this newscast mission in tact.

Now, I don't know what the FCC constraints are, the legal constraints that you're alluding to. It may be that we have to make sure that we're in compliance. I don't think that we're going to mandate that we cover the state in any specific way or subjective way that would violate policy; but to ensure that there is adequate coverage of public affairs in the state. I'm quite certain it can be accomplished. And that's what we have to make sure we do. That's what I know the Executive Branch wants to do as well, very much in keeping with what Kent is testifying on.

SENATOR GILL: Thank you, Senator Kyrillos.

SENATOR KYRILLOS: Thank you.

SENATOR GILL: Assemblyman Greenwald.

ASSEMBLYMAN GREENWALD: Thank you, Chairwoman.

Just to Joe's point, briefly, the budget doesn't give life or end life to an Authority, obviously. But what it does is determine whether or not we're going to effectively fund an entity. And by not making that commitment to fund, or to cut that funding off, in essence the argument could be made that the lights would go out and therefore it would not exist.

Now, there are supplemental appropriations every year, every month. We all know that. I think the work of the Task Force is about trying to figure out what is the appropriate way to transfer the licenses or not, to make sure whether or not there should be a level of ongoing funding until a transition would take place or not, and to take the time to analyze that. That's why this Task Force was created.

There's also a fundraising arm, though -- a separate fundraising board that has money, that if we are continuing to work together to find out what the answer to this should be, there should be some discussion;

because that was created and originally designed that those funds would be used to supplement the mission of NJN. So there are funds there as well that we can use in the meantime. I would imagine that we can't, through the budget process, direct how those funds are used. But people gave that money with an intention to support NJN and the mission of NJN. So, I mean, those are all things that we should be having a conversation about.

But I think we're getting a little off track. I mean, the Task Force, I think, is-- What I'm trying to -- I shouldn't say -- what I'm trying to find out from the Task Force is-- New Jersey is not an island. We are not the only state going through what is the worst recession since the Great Depression. We are not the only state living this. I read in the newspapers that a lot of other states are dealing with the same problems.

And, Kent, you are the Chair of the Board. I assume you have colleagues around the country that you talk to who are facing similar problems. Is that true?

MS. MANAHAN: Absolutely.

ASSEMBLYMAN GREENWALD: Okay. What are they doing? Because we're all facing this decision of whether or not you spend taxpayers' dollars on something like this. And in New Jersey, we all relate that to this crushing burden of property taxes going up. Whether that's legitimate or not, the reality is that we feel overburdened and overtaxed. And when we get our property tax bill, we cringe. And any time we spend taxpayers' dollars-- I know the Greenwald family, and I think our friends and families, relate it back-- "We're spending that money. If we weren't spending that money, my property taxes wouldn't only go up, they would

go down.” Now, that may not be realistic, but that’s the frustration that the people of New Jersey think.

My question is: As you have spoken to your colleagues of the public broadcasting authorities around the country who are facing the exact same crunch on taxes in their states that we are -- budgets and billions of dollars of deficits -- what are they doing to evolve and to change how they are broadcasting the news -- public broadcasting, educational resources -- and what is New Jersey not doing?

MS. MANAHAN: That’s a complex question with many parts to it, Assemblyman. I would go back to just -- to the fundamental issue of NJN is so different than those other states because of this--

ASSEMBLYMAN GREENWALD: Kent, let me just stop you there, because I think that’s why we’re here, right? NJN has fallen behind by either lack of funding from the State, lack of ability to raise funds here. So New Jersey is doing it much differently.

I think what the Task Force should be challenged to do is to evolve what is not working in New Jersey and to look at what other states have done. So as much as-- I don’t think-- I know you need to understand the past so that we don’t repeat those mistakes, but in this short window of time that we have -- because the funding is going to run out -- I don’t know that here we need to spend a lot of time on what went wrong.

I would like to know what New Jersey should do. How should this be reinvented? I think we all agree that what we’re doing now is not working for a viable, sustainable future for NJN. So what should it look like?

One question I would ask you then is to narrow it a little bit. We worked-- And I've been meeting -- I know all the members have been meeting with people and calling people. Because I can't say-- I'm not an expert on public broadcasting, so I've been calling anybody I can find who can give me any type of insight as to where we should go. And they turned us on to this *ideastream*. I don't know if you've ever heard of ideastream. I had not. But ideastream is out of Cleveland, Ohio, and it has attracted national attention as a new model for public service media.

So I was interested, in response to Assemblyman Giblin's question--

MS. MANAHAN: To Assemblyman Giblin's question.

ASSEMBLYMAN GREENWALD: You didn't mention them, but they've received national attention. And what they've done is-- The service of ideastream utilizes more than 2.8 million people a month. They serve 2.8 million people a month in the northeast Ohio region. The support comes primarily from contributions made by individuals -- we do that; foundations -- we do that. Every time I turn on NJN I see the corporate sponsors. They have corporate sponsors. We do that. Even after they've evolved, they get funding from state and Federal agencies. Now, I don't know if we get any funding from Federal agencies. Do we?

MS. MANAHAN: No. From Federal agencies? Well, it depends on what program you might be talking about. By *program* I mean -- if you're talking about homeland security or an issue like that, there could--

ASSEMBLYMAN GREENWALD: What about educational?

MS. MANAHAN: There could be some-- You know, on the funding side, the Foundation is really more equipped to answer some of these specific funding questions--

ASSEMBLYMAN GREENWALD: That's fine.

MS. MANAHAN: --that I, as Chair of the PBA-- Let me try.

ASSEMBLYMAN GREENWALD: Let me just say to whoever is following Kent, if you could answer these questions, because that's kind of what I'm interested in hearing. So I'd like to hear what Kent has to say about it. But I think this is the direction that -- I'd like to know what other states, other major areas are doing.

And the reason I say that, Kent, is because if we're getting contributions from individuals, foundations, and corporations; if we get some Federal funding, as they do; if they continue some state funding-- Now they're facing a difficult budget crisis as well.

MS. MANAHAN: Yes.

ASSEMBLYMAN GREENWALD: To me, in New Jersey, I think our frustration is -- and I think it's everyone's frustration -- we're not getting our bang for our buck. So what are we spending, and are we getting what we should? If we should be getting more, maybe there would be more of a willingness to spend the same amount -- because we don't have more to spend. Or if we had to spend less, could we get back to where we are and increase the technology?

Those are separate questions, and maybe they're better for someone else. But when I look at that and what that means to me, it sounds like the structure is different in ideastream than what we're doing. And I don't know what that structure is. But as the Chair of the Authority

-- I mean, I would ask you -- or politely challenge you -- to contact whoever the chair is over there to say, "Listen, we have problems here. And this ideastream came up, and it's considered a national model. How did you evolve, and what did you change?"

Because what's interesting is, on June 30 of 2001, it was a former nonprofit organization that was the Educational Television Association of the Metropolitan Cleveland and Cleveland Public Radios; and they dissolved it. They dissolved it, which is kind of what we're talking about. But then on July 1, a new nonprofit organization -- this ideastream -- took new life. And it was a new public service, multimedia organization with a board of trustees comprised of the members of the former boards of the predecessor organizations. And they were designed -- funding to facilitate the transition was created through groups like the Cleveland Foundation, the George Gund Foundation, the James (*sic*) S. and James L. Knight Foundation, and Corporation for Public Broadcasting.

But that transition was able to take place, and they were able to-- They are running 24 hours of educational, cultural, and information programs on TV; and they have a radio component because they did a shared-services entity. They're doing a radio component that offers 24 hours of news, information, and music programming.

Just so-- We always talk about what's going on in New Jersey. They offer -- this sounds very familiar to me -- they offer a roundtable discussion of public affairs. I think I've seen something like that.

MS. MANAHAN: They probably copied Michael Aron's program.

ASSEMBLYMAN GREENWALD: I've seen something like that on NJN. They look at a rich arts and cultural life of northeast Ohio, and news depth. They have a valuable source of current events for thousands of Ohio third through eighth grade students. I don't think we are doing that. I don't know we're doing--

MS. MANAHAN: Yes, we do some in-classroom programming and training for teachers, and so forth. Yes.

ASSEMBLYMAN GREENWALD: Okay. They also have partnered with some of the art communities to provide direct arts and cultural communications -- and I assume using their foundations. And we do some of that. I don't know if we use the New Jersey Performing Arts Center for that -- if we've partnered with them. Are we using our resources, or are we talking to these other regions of the state to see how they utilize their resources? And if we need to transition this, which I think we do, how do we do it in a way that preserves the mission and the vision, and make sure that we maximize those dollars? And as the Chair of the Authority, are you talking to your colleagues from other states? And what, if anything, do you know about this? Because I don't. I mean, we're just looking this up and trying to find the answers.

MS. MANAHAN: And that's a fair question, and a good question, and Assemblyman Giblin asked it as well. And what I think I will do, Assemblyman Greenwald, is-- Could I speak to you or your aide on this and let you know of some of the other ideas? Because there are-- It's not-- It's complicated. And just not give you sort of sound-byte answers today, but give you a fair understanding of some of the other ways of doing things.

But some of the other issues that arise when you do do things differently than are--

ASSEMBLYMAN GREENWALD: Every change of direction is going to offer a new detour. But staying on the current road is -- there's disaster on the horizon.

MS. MANAHAN: And we understand that you may decide to go in a different direction, and that is your prerogative with NJN, as our co-owners -- the Legislative and Executive branches -- and we will work with you. But what we as a PBA say is, please look at our principles. Please understand what is at stake for the people of New Jersey.

ASSEMBLYMAN GREENWALD: And, Kent, I've had a chance to look at the principles, and I find them to be very reasonable. I think the question that the Chairwoman asked -- how do we incorporate those going forward -- whether you use the word *mandate*, if you can or can't do it. But we've got to look at a system, a framework that allows NJN to survive, prosper, and stay stable so we don't have to have another Task Force like this in the future.

MS. MANAHAN: And we can certainly work with you on that, Assemblyman, and be back in touch with you. If you would like us to do that, we would offer our assistance and any help we can in that direction.

ASSEMBLYMAN GREENWALD: Kent, what I will do -- because I know there are other people who have to testify and maybe other questions for you -- we will have our staff reach out to you. Whatever is gathered through the staff will be shared with all the members of this Task Force as we move forward to try to get to a conclusion to this.

MS. MANAHAN: Thank you.

SENATOR GILL: And I would suggest, so that we keep the Task Force procedurally correct, the Secretary should also receive formally, from you, those items that you may give to individuals, just to make sure that we all have the information and it's at a central location.

MS. MANAHAN: Absolutely.

SENATOR GILL: I'd like Minority Leader DeCroce to be able to ask some questions please.

ASSEMBLYMAN DeCROCE: Thank you, Madam Chair.

Director, I have a few questions. I want to change directions a little bit. I have some questions regarding operations.

MS. MANAHAN: I will do my best to answer them.

ASSEMBLYMAN DeCROCE: I'm sure you will.

MS. MANAHAN: I will do my best. I'm sorry, that was off.  
(referring to PA microphone)

ASSEMBLYMAN DeCROCE: The PBA operates the station. Do you create the program? Do you create all the programs at the station?

MS. MANAHAN: Does the PBA create the programming?  
No, our staff.

ASSEMBLYMAN DeCROCE: Well, the staff--

MS. MANAHAN: Yes.

ASSEMBLYMAN DeCROCE: Okay. Does the-- Now, you also have the Foundation. I always thought the Foundation was just a funding formula. I didn't know. Do they play a part in the different programs that go on TV?

MS. MANAHAN: Well, the Foundation, for many years, has been our financial arm. They are our fundraisers. Thank goodness for the hard work and the generosity of the Foundation.

Members of our Foundation staff will often secure grants or funding for projects, and then those projects may flow from there.

ASSEMBLYMAN DeCROCE: Okay.

MS. MANAHAN: I'm not sure if I'm answering the specific question.

ASSEMBLYMAN DeCROCE: No, I think you're pretty close.

How do you measure your audience during the day, during the afternoon, the evenings, overnight? How do you measure your audience?

MS. MANAHAN: You know, it's a very good question, and it's very difficult to do. And probably almost any public television station chair or executive director would tell you it's very difficult for a PBS station. But here in New Jersey it's even more difficult because we are wedged in between. We don't have commercial television in this state. So we are wedged between New York and Philadelphia. And when the Nielsens come in to do ratings, they even acknowledge that they can't get a fair estimate. So we do our best to measure our audience. But for public-- If you knew a little bit about how Nielsens comes into the home and wires the home for -- in order to calculate who was watching and when, it's a complicated system. And some people just don't want it in their homes. So it's as close as, I guess, the science can be -- to be unscientific about the answer -- but it's not absolute in any way. So we depend on Nielsens in a fractured state between the number one and number four markets in the country.

ASSEMBLYMAN DeCROCE: Now, I understand that -- I don't know when -- but recently the station became -- went from an analog station to a high-definition station. Is that true?

MS. MANAHAN: Yes, some of our programming is capable of high definition. But I'd really like to have our technician answer some specifics on that if you're going to go in that kind of technical direction, Assemblyman.

ASSEMBLYMAN DeCROCE: Okay. I can understand that.

MS. MANAHAN: We have an NJN 2 that does high-definition broadcasts.

ASSEMBLYMAN DeCROCE: Now, I wonder why, since the financial situation in the State is so climatic -- why would we begin to go into high definition when many states continue in the analog position.

MS. MANAHAN: Not any more. There's a Federal mandate to move in that direction. And there were timeframes that were put on that mandate that were moved back because it was so expensive to do. It's kind of the -- just a broad answer, but--

ASSEMBLYMAN DeCROCE: So you were required to start switching over?

MS. MANAHAN: To start switching over. Yes, that's correct.

ASSEMBLYMAN DeCROCE: Oh, you were required to go digital.

MS. MANAHAN: To go digital. That's correct. And you asked about high definition.

ASSEMBLYMAN DeCROCE: I did.

MS. MANAHAN: And we have an NJN 2 that broadcasts in high-def.

SENATOR GILL: What we will do, so that we don't get--

MS. MANAHAN: Caught on the technical side-- (laughter)  
It's not my area.

SENATOR GILL: I don't mind having the technical -- but so that we can do it in a more complete fashion. So if you can't answer the technical, we can certainly call up the person who can answer the technical at another point after you finish your testimony.

MS. MANAHAN: Oh fine, Senator. Yes, certainly.

ASSEMBLYMAN DeCROCE: I'm sorry. I don't mean to--

SENATOR GILL: We will have those technical questions, yes.

MS. MANAHAN: I'm better at reporting the news or chairing the Board than I am on technical issues.

ASSEMBLYMAN DeCROCE: I'll wait.

Thank you.

SENATOR GILL: Senator--

Is there a Democrat? I'm trying to be bipartisan.

ASSEMBLYWOMAN POU: It's all right. You can go to the Senator if you want.

SENATOR GILL: Oh, okay. See?

SENATOR KYRILLOS: Very quickly, because I know we have some speakers who are going to be interesting and relevant.

SENATOR GILL: Sure.

SENATOR KYRILLOS: But as we hear from others, Assemblyman Greenwald asked a question of Kent: What are other states doing? They have difficult times, as we do. And that's true.

But from what I understand, other states don't have the kind of enterprise that we have here with the New Jersey Network, that is subsidized with--

MS. MANAHAN: Daily newscast.

SENATOR KYRILLOS: They don't have the content, and they don't have the financing from the public sector, from the government -- state-owned studio; state-owned equipment; salaries supported by the state budget; pensions supported by the state budget; operating subsidies, depending on the year, of \$6 million to \$12 million. I don't know the exact numbers.

I think that that is unique in America. I don't think there's another model like it anywhere in this country, which is why it's hard for Kent to answer the question: What are other states doing? They don't have it the way we do. And if I'm wrong -- and see if people can amplify on what I'm saying as the speakers come forward -- that, I think, will be useful to us.

ASSEMBLYMAN GREENWALD: Joe, if I can.

SENATOR GILL: Wait a minute.

ASSEMBLYMAN GREENWALD: I apologize, Madam Chairwoman. Because the Senator referenced my statement. I just wanted to answer him.

SENATOR GILL: Well, he referenced your statement, but you're not going away.

SENATOR KYRILLOS: I wanted to jump in at the time, but the Chairwoman told me not to.

SENATOR GILL: We will have Assemblywoman Pou.

ASSEMBLYWOMAN POU: Thank you very much, Madam Chair.

Let me just-- I'd like to just make a statement before-- And I know that-- I'd like to just make a statement indicating the importance of making sure that in New Jersey we maintain having the ability to have a program and a television -- a public broadcasting system that allows to continue to provide the kind of programming, news information, and services that NJN currently provides. I think that's vitally important, I think that's really what we, as members of the Legislature-- I'd like to just make sure that everyone understand the importance of what NJN does in fact provide for the State of New Jersey and its residents.

Having said that, I'd like to just make-- I'd like to ask Kent -- you some questions. But let me just make reference to some of the statements that have been made before. It's my understanding that there are as many as 20 states throughout the United States that provide some sort of joint license holder or TV-only, state-funded program throughout the country. Of those 20, 10 of them are TV-only -- that has a license for TV only -- and the other 10 are joint licensees, is my understanding.

Kent, you can perhaps help to explain or perhaps help me to differentiate the significance or the difference between the two? Is it true that the joint licensees are both-- Is that TV and radio? Is that what that really means? I just want to make sure that that's the correct -- that I have the correct understanding.

MS. MANAHAN: I think it's the way the license is held, whether it's a public/private partnership, or whether it's a state license, or a university license.

ASSEMBLYWOMAN POU: These are all state licenses. These are all state-funded licenses in one way or the other.

MS. MANAHAN: You're talking about state licensees only.

ASSEMBLYWOMAN POU: They're all-- The 20 that I'm referring to are all state-financed in one way or the other, of which 10 of them just hold a license for TV only, and the other 10 hold the license as a joint licensee.

The reason why I raise that question is because, in one way or the other -- to my colleagues -- there has been a contribution or state support for each of these programs or licenses that are held throughout the states, of which 7 of them provide almost close to the very same type of financial benefit or financial support that the State of New Jersey has. And many-- For all of us -- we know that we're talking about anywhere from \$20 million and above in terms of what has been the State's funding.

So just to give an idea in terms of where we compare, in New Jersey-- New Jersey is one of seven throughout the country that provides the same kind of funding mechanism. And it goes back to the point where my colleague, Assemblyman Greenwald, was talking about what is happening, what is so different, what is going on in New Jersey that is so different or not being covered it -- some of the same problems throughout the country.

So it's important for us to understand that this is happening, this is available, these programs are being funded, funding is made available

to these states -- or to these public broadcasting systems by other states. But how do we now capitalize and really help to separate and benefit here? For example, if we do have radio systems in place, are we utilizing them to the best of our capacity level? And if not, why not? And what can we do about that that might help to change the financial structure of NJN? Those are the kinds of changes or discussions that I think would be helpful to the members of this Task Force that, as we move forward, as any plans that are being put forward that will help to address the many assets that the Senator talked about-- But how does that help us to then really put in effect -- in place financial benefits that can, indeed, help to preserve and maintain the integrity of NJN as we know it in the reporting of New Jersey news to all of its residents?

MS. MANAHAN: Thank you, Assemblywoman.

Janice Selinger, the Acting Executive Director, has just come up and maybe she could--

SENATOR GILL: What we're going to do--

MS. MANAHAN: Oh, yes.

SENATOR GILL: --is we're going to continue with you as a witness -- procedure.

MS. MANAHAN: Okay, very good.

SENATOR GILL: If you can't answer the questions, then we will make -- we will call people in the order.

MS. MANAHAN: Very good.

SENATOR GILL: Janice is on the list. But we want to kind of-- If you can't answer them, then they can be asked to the relevant person so we don't get this--

MS. MANAHAN: Okay, very good. I understand.

SENATOR GILL: --kind of back and forth. We understand that you can't answer every one. That's why we've invited all these other people from NJN who have the technical skills.

MS. MANAHAN: And I appreciate that.

So, Assemblywoman, could we hold that and make note of that as part of how we'll proceed in Janice's questioning?

ASSEMBLYWOMAN POU: Absolutely. Thank you so very much.

In fact, Madam Chair, I was just going to ask to make sure that, while we recognize how you want to run -- how you want to operate our meeting here today -- I just wanted to make sure that they're not forgetting the questions specifically that each member has. I appreciate that.

SENATOR GILL: Okay, great.

Senator -- I mean Assemblyman Greenwald.

ASSEMBLYMAN GREENWALD: Chairwoman, thank you.

Joe, I'm sorry, your concern with my statement was what, through the Chair?

SENATOR KYRILLOS: I didn't have a concern over your statement. I wanted to add some context to it, because my understanding is-- And I wanted to hear -- not necessarily from Kent, because she's been up a long time, way longer than the 30-minute broadcasts that she used to do -- but from others whether or not our model, as I understand it, is very unique in the country. We have a government-run TV operation, and I don't think anybody else does. They can tell me, and I'm wrong -- and I may be wrong. But there may be some contributions from state

government as we subsidize, to some degree, the arts and humanities, or whatever. But the kind of wholly owned subsidiary that exists in New Jersey I don't think exists, which is the context that I thought your question needed to be put in.

ASSEMBLYMAN GREENWALD: I appreciate that. That's why I asked the question.

SENATOR KYRILLOS: That's all. I say it constructively. It's hard to look at what other states are doing if nobody else has it the way we have it, which is why we're here to begin with.

ASSEMBLYMAN GREENWALD: And let me just -- for Kent and anyone else who testifies, through the Chair -- I think Joe and I are saying the same thing. Mine is not that this is the way we're doing it, and it's the right way. I think the way we're doing it is the wrong way, because it's not working, and we're losing ground, and we can't invest in technology, and we're literally at the abyss of nonexistence. So my point is, there are other states that are providing many of the same services that we are now, and public broadcasting is alive and well in those states -- or at least alive. Ours is not well and is suffocating.

So I think it's not so much a question of content but of form and structure. So, through the Chair, to Kent or to the people who are going to testify after her, I am looking for what other states are doing. And I referenced this ideastream, because it came up as a national model. And I didn't want to-- I don't want to bore anybody with this, and I will get copies of this for the members of the Task Force. But, I mean, I think it's important to note that through this ideastream, which is a nonprofit -- not that it has to be nonprofit, but that's what they chose to establish, and their

previous boards voted on and approved it. They manage the Northern Ohio Technology Association, which provides the K-12 school consortium, which allows teachers in one location to teach students in four locations; it hosts K-12 math and science, dedicated to improving math and science education, and professional development. They provide, through the Ohio Government Telecommunications Group -- they present sessions of the Ohio legislature. I mean, that's something that we thought should be continued. I don't know that we do this, but I find this interesting, as a lawyer -- I think the Chairwoman as well, I think Joe would as well -- they provide the Supreme Court of Ohio -- and events that take place before the Supreme Court. I think that would be fascinating. They broadcast hearings, they provide audio-visual support for the state house. And I know we do this, but it's also important to note -- an interactive web site where a video from legislative sessions can be called up on demand.

So I share these experiences, because it's a lot of what we're doing. It's a national model. And I don't know that it-- I mean, I'm asking for the experts to come to us and say-- And I suspect what we'll find is there are components of this that are great.

MS. MANAHAN: And some of the components which we are already doing.

ASSEMBLYMAN GREENWALD: And some which we are already doing, some we should learn from example we should modify or expand. And there are probably -- this is out of Ohio -- there are probably other states that have incorporated other components that-- New Jersey stands at a unique position to create a model that works for us by taking components of the best from other states that have operated. And, quite

frankly, it is imperative that those of you who testify before this committee have done your research -- not to protect the status quo, but to look at this as an opportunity to create a model for us to discuss, and debate, and ultimately mold a long-term solution to this problem; but creates a product that other states have somehow managed to do -- what we want to do -- in a more cost-effective manner that allows them to expand in the technological means which New Jersey has fallen behind.

And that's what I'm looking-- I'll speak for myself. That's what I'm looking to hear from the people who testify, because I think that's where New Jersey needs to go.

SENATOR GILL: And we do have-- In Montclair, we're going to devote that session to programming. We will have had an opportunity to review different kinds of programming, as well as the asset valuation. So there will be an opportunity for everyone to get up to speed. And in Montclair, we will be able to address those very issues so we can have a more knowledgeable exchange.

Senator Ruiz.

SENATOR RUIZ: Thank you, Madam Chair. And I guess this is kind of echoing some of the sentiments of the other members of the committee. I'm just wondering, I guess, from a historical perspective-- So today we're really talking about what the transformation will be for NJN. And basically, based on -- because of the fiscal scenario that New Jersey is faced with-- I mean, this is why we're at this crossroads. Without question, I think we can all agree on that.

However, when I think about media and television, specifically in branding, there's always this cohesiveness to broadcasting in the sense

that television is linked with the internet, is linked with radio, it's linked with Twitter and Facebook; and something that's become so usual. Why hasn't NJN become an NJN brand in that sense? Has it been because of money, has it been because so much focus was just put on television?

And I'm not sure, Kent, you're the one to answer those questions. But, I guess, why haven't we, in the last several years, really branded NJN as a multi-faceted media market unit and not solely a channel on TV?

MS. MANAHAN: Well, it is more than a channel on TV, because we are on the internet, we are on the web, we have radio. Certainly NJN Television is where we started and what we have been branded, but we have been growing as a multi-media outlet in that direction with all of the technology that's available that we can afford at the time.

SENATOR RUIZ: Okay.

MS. MANAHAN: So it is underway, slower in progress perhaps. I mean, you're mentioning some areas that we are certainly aware of and looking into. But with funding challenges, some of these decisions have to be carefully considered.

SENATOR RUIZ: And that's-- It's just, you know, out of, I guess, just personal curiosity. So I guess you're saying it was -- every decision pretty much was based on, you know, the fiscal stability of--

MS. MANAHAN: But you can pull up any programming. You can go home this evening and watch NJN news from last night or from last Friday.

SENATOR RUIZ: Right. I have done that.

Maybe I'm the only member on the committee -- I don't know what channel we are on the radio.

SENATOR GILL: Well, you're not the only member of the committee, but I think-- And Janice--

SENATOR RUIZ: And so that's what I'm saying. There hasn't been that push.

I'm sorry, Chair. And I think Kent has alluded to it -- that perhaps it has been because there hasn't been enough fiscal support.

SENATOR GILL: Thank you very much.

MS. MANAHAN: Thank you, Madam Chair.

SENATOR GILL: And we look forward to any information you can -- the Secretary.

MS. MANAHAN: We are making due note, and we will do that.

SENATOR GILL: If there is a specific plan for NJN to be competitive--

MS. MANAHAN: I will work with you on that. I will have some questions regarding funding and what kinds of constraints you are asking for this plan to be presented in, which have not been given to us as of yet. But certainly, as I've said, we will work on this, and we'll begin right away.

SENATOR GILL: Okay. Thank you very much.

MS. MANAHAN: Thank you.

SENATOR GILL: Thank you.

The next witness.

MR. DONAHUE: The next witness to be called is Professor Ellen Goodman. She is a law professor at Rutgers-Camden, specializing in information policy law.

**E L L E N P. G O O D M A N, E S Q.:** Thank you, Madam Chair and members of the Assembly, Senators for inviting me to participate in this very important meeting.

I have-- I am a Professor of Law at Rutgers-Camden. I've spent many years working on public broadcasting policy, as well as studying emerging public service media institutions. And I'd like to share with you a few observations from the national scene. So hopefully this will be responsive to some of the questions about what is going on elsewhere in the country.

There is a nationwide shift from public broadcasting to what people are calling *public service media*, and it's a very different animal. And I think it's fair to say that this shift is an upheaval. I think New Jersey has an opportunity, if there's a will to seize it, to build a more robust and innovative public service media -- public media service that stands with the best of the services we're seeing emerging around the country, particularly in California, Minnesota, Ohio was mentioned, and elsewhere.

And so I'm going to make four observations about what I think the ingredients may be. And I'm happy to answer questions you may have on Federal policy, spectrum policy, FCC policy, and what's happening at CPB.

The first observation is that-- I think it's widely recognized that there is a real deficit in public affairs reporting around the country and in New Jersey. And I won't belabor the numbers. You're familiar with the

declines in -- particularly in state house reporting around the country and in New Jersey. And I think there's a growing consensus that this is the number one job of public service media -- to address this gap. It may be that for the foreseeable future, unless and until there are commercial models that can support this kind of journalism in the new digital -- the economics of the digital world -- it will be the job of noncommercial media to make this kind of investment in accountability journalism.

And so we're seeing the rise of new nonprofits to fill these gaps in journalism. An example here is NJ Spotlight. And I think it's important to consider NJ Spotlight and entities like that as part of public service media. And there is-- As NJ Spotlight shows, there is money out there in foundations and in membership for innovative, principally digital news efforts; ideastream is another example of an entity that's captured some of those dollars.

But I think what you have to show funders is that you're going to reach my students. And so if I ask my students -- and I have asked them how many of them watch NJN -- the number is very small, and these are law students. These are engaged people, most of them from New Jersey. And as good as the content may be, it's not reaching them. And I will offer some observations on that shortly. But to get those foundation dollars, you have to have a plan to reach a broad swath of the population you're trying to serve.

However, they are not the panacea -- these new, nonprofit journalist startups. Questions remain about whether foundation-supported journalism will be sustainable over the long-term in the absence of a workable model for membership and for revenue. And this is where public

broadcasting has shined. The best public broadcasting stations and networks over the years really have developed workable models. And so the ideal may be a fusion of the strengths of broadcast stations, especially where they've really perfected the membership model, and the startup energy and the digital savvy of the new entrants. That's the first observation.

The second observation: It's not just news where there are information deficits, sort of problems with the commercial market. Other kinds of information and services are subject to market neglect. And an important example is educational content, which has always been at the core of public broadcasting's mission. Teachers at every level from K through graduate school are hungry for new kinds of media content, whether it's video, audio, text, or games that will enrich their instruction. And public broadcasting, especially PBS, has shown itself very capable of producing some of this material.

Digital networks open new possibilities at the national, state, and local levels for the development of materials that are produced to scale nationally but can also be tailored for local and state needs. Imagine what would happen if those who knew how to make finished media products -- those who are at public broadcasting stations for example -- collaborated with those who have endless stores of raw media to distribute. Collaborative efforts are now underway at the national level to help the Smithsonian, NASA, the National Science Foundation, among other public and quasi-public institutions, to make their vast archives available in short, digital pieces that are interactive and searchable across multiple platforms.

As with the migration of TV to the internet through and to mobile, you can't expect the material produced for one medium will work in

another medium just by offering it over the platform. Documentaries and raw footage don't work in schools, it turns out. Educational materials must be custom built for specific educational needs, and the teachers have to be trained. And, indeed, they have to be built to state standards if you expect teachers to use them -- teachers who are obligated to follow those state standards.

And so what we see across the country is that the states and the stations that are most effective in getting into this educational space, and really providing that service, are those who are engaged in the community in training teachers and also understanding what their states need in terms of educational materials.

Third observation -- and this is the heart of what I want to say. What is the changing nature of public service media? What should its functions be in the 21st century? National public broadcasting leaders and critics are emphasizing the public or public service aspect, not the broadcasting aspect, of the phrase *public service broadcasting* or *public service media*.

When NJN and other local stations began, their function was to carry national broadcasting and -- if we were lucky, and we were in New Jersey -- local programming via the only viable distribution mechanism there was, which was broadcasting. So putting on a nightly news report was the most that could be expected. And, moreover, there was a good chance that this broadcast would amass a sizable audience, because there were only three commercial channels competing for audience share. And, of course, I don't have to tell you that all of that has changed today.

To be effective, public service media must serve up content all the time on all distribution platforms and in the forms that are most useful to people, whether that means as a mobile app, a web site, at an in-school event, as a community event, a game, or constantly updating news service.

So I'd like to suggest that we think about the-- The question was asked: So what makes a public service media -- what makes public service media successful? I'd like to suggest that there are three ingredients. The first is creativity, the creation part. And that's mostly what we've talked about. You have to make programming, you have to make a lot of local content. And I don't mean only traditional TV programming, but it could be a mobile application or a social media widget, all sorts of content would fly. And that's what we're seeing as more local stations put resources into local content. That's happening in Minneapolis, San Francisco, LA, Detroit, and Philadelphia, to name a few.

This is news that's available and refreshed all the time through Twitter feeds, social networks, web sites, and broadcasting. Public broadcasters now reach millions through nonbroadcast means. NPR, for example, has -- the national, the national NPR -- has 1.8 million Twitter followers, and its iPad application has been downloaded onto one of every five iPads.

The second basic ingredient is curate. The first was create, the second is curate. Often, it's not the broadcasting station itself that's doing the production or the reporting, but rather the station is working with journalism schools; new, nonprofit reporting outfits, local or national; and local bloggers to present material across all platforms. And this is one the things that ideastream has done, which is forge these collaborations,

recognizing that resources are spread out in the community. And if they're aggregated, you can use the broadcast platform -- things that the public broadcasting station does well -- to magnify what others in the community are doing. That's not to say that blogging is a replacement for professional journalism. We all know that's not the case. But there are ways that bloggers can be used in a professional journalistic outfit. And what it does is, it increases the amount of content you have to serve up. It also enables you to reach into the community and make more connections to grow your audience and grow your service.

So what we've seen around the country in terms of this curation function is public broadcast stations providing, first of all, physical plant to new entrants into a journalistic or other kind of information service. This has happened in St. Louis. It may be that it's the station making academic research more relevant and more understandable for its community. This is what has happened in San Francisco, where the local station has taken very dry and complex climate science and made it actually a real hit over its online portal by digesting (*sic*) what the implications are of climate change for that coastal community.

The third ingredient here is connect. Too often, in New Jersey and elsewhere, public broadcasting produces content that relatively few consume, even though it may be very fine content that wins awards. Moreover, the audience too seldom reflects the demographics of the region. We have to ask why, in these cases, the public broadcaster has not found a way to speak to or heed the communities it's supposed to serve. Is it because it's dealing with the wrong issues? Is it failing to deliver content in a way that makes the information useful and engaging? Are traditional

formulas simply insufficiently agile to make the most of the internet or even broadcasting? Is there insufficient effort to engage in community outreach or simply to be more hip, more youthful, and more relevant without sacrificing seriousness or mission?

In questions, I can give you some examples of what other stations have done in order to connect with their communities. But one of the most recent and most successful, I think, was what happened at Wisconsin Public Television. It recently launched a phenomenally successful series on war stories from the state's Vietnam vets. It provided tools for local screenings and then invited vets and their families to a special welcome-home celebration at Lambeau Field, in Green Bay, attended by more than 70,000 people. And what that did was-- There were concerts. It went over several days. What that did is, it kicked off this coverage on vets returning from Afghanistan and Iraq. And because the community was all engaged -- and because they had been engaged in a real-space event, they had been engaged in their community at local screenings -- the audience shares for that coverage of the Iraq and Afghanistan conflicts was much bigger than it would have been otherwise. Stations in Oklahoma, Texas, and several other states are now developing the same programs. And what they find so attractive is this way in which the production of media content can catalyze community engagement about an important matter. The hoped-for result is that the community finds value in future public service -- public media services, and that these services, in turn, respond to and anticipate community needs.

So the last thing I want to say, because I've heard it's on people's minds, is something about the broadcast spectrum itself -- the TV

spectrum. The New Jersey Public Broadcasting Authority has four TV licenses and eight radio station licenses. And I will focus only on the TV licenses, because they're the ones that are most valuable and will be affected the most by changes in Federal spectrum policy.

The first thing to say about these licenses is that they're far less important to carrying out the mission of public service media than they used to be. As many have noted, the vast majority of NJN's audiences receive the service through cable or the internet, and not off air. In general, TV broadcast delivery mechanism is dwindling in importance. By contrast, radio -- where NJN is weak -- is the more robust of the broadcast platforms and will remain so well into the future.

So what's the value of these TV license? It's very hard to say. Currently, they can only be used for noncommercial TV broadcasting, and I believe the market is pretty small for that use. In the future, when and if this spectrum can be used for other things -- for example, mobile broadband -- their value is likely to be very high. But that can only happen when and if there is a Federal reallocation of spectrum for that purpose, and that spectrum becomes available on a nationwide, or at least regional, basis.

So the bottom line is that the State should consider the TV licenses to be a valuable asset, but one whose value depends on policy, market, and technological developments beyond NJN's or the State's control. What is in the control of NJN, or a reconfigured public service network, is the value that's provided today. The broadcast medium should be squeezed for maximal service for the most people. This will mean using broadcasting as just one mechanism, and probably not the principal one, for transmitting newly produced and curated content. What it also means,

probably, is leasing or selling some of that broadcast capacity and downsizing broadcasting expenses in order to fund content production and other services.

So I believe that the question that reformers should ask is not how to improve the broadcast per se, but how to use the broadcast to improve the service. Improved service will entail the creation and curation of more content transmitted over more platforms and with more attention to community connections. It doesn't necessarily have to cost a lot more money to do that, because broadcasting -- sustaining broadcasting operations are quite expensive relative to other kinds of services.

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

Thank you.

SENATOR GILL: Thank you for that informative testimony.

I just have a couple of questions before we go to the other ones. I have read that broadband -- and maybe you can explain what that is -- can be compared to electricity in the 20th century, in that it has the potential to change our way of life. Could you kind of walk the Task Force through exactly what broadband and spectrum is, and what potential there could be?

MS. GOODMAN: Sure. Broadband is actually-- The definition of broadband is, itself, you might imagine, a controversial one.

But broadband basically means a lot of bandwidth, a lot of capacity -- whether it comes over cable or over Verizon's FiOS, or over -- wirelessly over the spectrum through mobile devices. It's internet. It's essentially internet, but that's a fast internet. So 200 megabits a second all the way up to a gigabit, which is-- I don't know if you saw the article yesterday in the *New York Times*: Chattanooga, Tennessee will be the first municipality that's going to offer a gigabit of services. And so I think municipalities and states also are beginning to see this as an economic opportunity to differentiate themselves by having very fast internet. That's what broadband is.

And I think the reason why-- When people say it's like electricity, I think the idea is that it is a basic utility, a basic ingredient for functioning in our society. If you're on dial-up -- trying to get internet on dial-up -- you will not be able to apply for a job, you will not be able to participate in educational opportunities. You may not be able to get health care as health care moves to broadband in rural parts of the country. And so to say it's like electricity means that, essentially, it is not, will not be sort of a luxury to have faster access rather than slower -- it's a necessity.

And spectrum-- I can talk about that too if you want.

SENATOR GILL: Yes. Can you explain to us what spectrum is?

MS. GOODMAN: Spectrum are just the frequencies that we've always used for broadcasting, and that we use for mobile phones, and everything else we do wirelessly. And in this context -- in the broadcast context -- broadcasting uses a lot of spectrum. If you look at sort of the map of where spectrum is, a great big chunk of it is devoted to television broadcasting. And that is why Verizon, and AT&T, and other commercial

broadband providers are sort of salivating over the broadcast spectrum, because there's a shortage of spectrum. The reason why AT&T drops calls is because there's not enough -- they don't have enough bandwidth. So they're looking to get more spectrum. The broadcast TV band is where the spectrum is. And so there's an expectation that at some point the Federal government will move -- or at least ask for volunteers -- to move out of the TV broadcast spectrum so that those frequencies can be reallocated to broadband.

SENATOR GILL: Do you know specifically how many broadband licenses NJN has?

MS. GOODMAN: It doesn't have any broadband. I mean, it has those TV licenses and it has the radio licenses, but it has no authority to operate any broadband services.

SENATOR GILL: What is the potential value of anything of the unused spectrum for New Jersey?

MS. GOODMAN: I think Professor Starr's report had a number in there, but it was very speculative. I think basically nobody knows what value there is in this spectrum, because it's all conditional, and it's all conditioned on how the spectrum would be reallocated, and then what the market looks like when the Federal government auctions that spectrum.

SENATOR GILL: Just a couple more questions. So if New Jersey were to sell its license now, would any future entity be the beneficiary of that potential windfall?

MS. GOODMAN: That's a very good question. I think that if the licenses were transferred now, whatever entity held the license at the

point at which this all happened -- and we really don't know when it will be -- that licensee could be the beneficiary of a windfall. And I would suggest that is something that could be dealt with in the license transfer. I mean, that is-- And I would distinguish that from the other kinds of conditions which -- I agree with you, Chairwoman -- there are problems with other kinds of conditions that bind the discretion of the licensee to program the channels. A license which deals with future sales and windfalls, I think, would be distinguishable.

SENATOR GILL: And it's my understanding that the Public Broadcasting Authority operates the FCC radio and television license, but it is not the true owner. The true owner is the State?

MS. GOODMAN: I think that we only-- There are only licensees. The State may own the physical assets. I'm not sure. But the Broadcasting Authority is the licensee -- is the only licensee of those licenses.

SENATOR GILL: And one last question: If the TV station went black as a result of the lack of State funding, or maybe the Foundation didn't have enough money, or the Executive Branch and the Legislative Branch could not come together in a meeting of the minds on legislation, would it revert the licenses back to the FCC if we were not, in fact, using them?

MS. GOODMAN: Under the FCC's rules, if a station is dark for a year, the FCC has a right, and has, taken back the licenses. But there is a year's grace period.

SENATOR GILL: So that as we go forward, I think what's also important is to understand that, if it does go black for that period of time, it reverts back to the FCC.

Thank you very much.

Are there any other questions?

Assemblyman Greenwald.

ASSEMBLYMAN GREENWALD: Madam Chair, just as a follow-up to your question on the value of this--

SENATOR GILL: Okay.

ASSEMBLYMAN GREENWALD: I know you're reluctant to answer it, but is there-- It's more than-- It's bigger than a breadbox, so to speak. I mean, there has to be a value that can be put on this. We've heard estimates anywhere from \$10 million to \$20 million, up to \$200 million. Is one-- I mean, you're here as what we consider an expert. Can you give us a range? I think it's a legitimate question by the Chairperson.

MS. GOODMAN: Well, I think Professor Starr's estimate was -- \$200 million was in that report. I believe -- you'd have to ask him where that comes from, but I believe it probably comes from extrapolating out from the spectrum that was recently sold. There was some television spectrum that was sold. And that's extrapolating out the value based on four licenses in these kinds of markets, which are obviously highly valuable markets. So I believe that's probably as good as we're going to get.

ASSEMBLYMAN GREENWALD: Thank you.

SENATOR GILL: Any further questions?

ASSEMBLYWOMAN POU: Madam Chair.

SENATOR GILL: Yes, Assemblywoman Pou.

ASSEMBLYWOMAN POU: Just real quickly. I know that you've -- I think you've mentioned that while we may not be able to mandate any of -- any requirements once we have sold or done away with the license-- What would you, however, be able to share with us and provide us? What are some of the creative ways that we can -- I'm not going to use the word *mandate*, but ensure that some of the concerns that have been raised by some of the members here, or what we know it to be -- in terms of making sure that there is, indeed, programming done in New Jersey about New Jersey; and that it is, in fact, very much kept as part of the NJN news network system?

And without going into some of the other specifics -- but some of the other concerns that have been raised, whether it's the many talented and professional employees that we heard about earlier with respect to that -- how can-- What can we do, through your legal background knowledge on this, that can help toward directing some of that discussion in that way?

MS. GOODMAN: I guess I would respond in two ways. First, I think the Authority has the right to transfer the licenses to an entity that it thinks will, and whose mission it is -- whose stated mission it is to produce programming for New Jersey. That is a -- that that is their mission is different from putting a mandate on them, right? So the Authority can determine that it will only transfer licenses to an entity whose mission it is to produce programming, distribute programming for the people of New Jersey.

The second thing I would say is that -- which should be a source of comfort -- every trend around the country in terms of getting money from foundations, working with PBS, getting grants from CPB -- everything

is pointing in the direction of local programming, so that if one were concerned about an entity taking these licenses and then just being a pass-through of PBS programming or doing Philadelphia and New York programming-- That is not what we see anywhere, because everybody feels that the value proposition for public broadcasting is local, and that is where the growth is, and that is the justification for having-- In our media-saturated world, that's the area that's unattended to -- is local and regional programming. So I guess I am less worried that -- that if it's a solid organization whose mission it is to produce, distribute, and serve programming for, and serve the people of New Jersey -- that you would have forces pushing them in another direction. Because actually I think all the forces push them in that direction. That's where all the funding is.

ASSEMBLYWOMAN POU: Thank you.

SENATOR GILL: Any other questions? (no response)

Thank you very much, Professor. We certainly look forward to working with you so that we can understand, if we have to, how to craft legislation that retains some kind of ownership over the spectrum and any windfall profits that--

MS. GOODMAN: I'm no longer a high-priced lawyer. Those days are gone. (laughter)

SENATOR GILL: Oh, but you certainly are a creative one. So I think that would be a very important area that we would ask you to help this committee with. Are we pretty much okay on that? (affirmative response)

Thank you very much.

MS. GOODMAN: Thank you.

SENATOR GILL: Next witness please.

MR. DONAHUE: The Task Force calls as the next witness Mr. Douglas Eakeley, Chair of the NJN Foundation Board of Trustees.

**D O U G L A S S. E A K E L E Y, ESQ.:** I was going to say good morning, but we're already marching toward 1:00. So I will say good afternoon and thank you for inviting me.

I have a prepared, written statement that I will forego reading. In fact, I wasn't planning on reading it anyway. I will just give you, if I might, a few highlights.

I don't go back as far as Kent Manahan with New Jersey Network. But when I was First Assistant Attorney General in the Florio Administration, I served as the Attorney General's designee on the Board of the Public Broadcasting Authority. And then, in 1973, having had a hand in the creation of the Foundation, I joined the Foundation Board of Trustees, serving in various positions, including Vice Chair for Strategic Planning and Chair of the Joint Task Force on the 21st Century, which was co-chaired by -- honorarily co-chaired by former Governors Byrne and Kean. And I am finishing my third year now as Chair of the Foundation for New Jersey Network.

The membership of the Foundation Board of Trustees is listed in an attachment to my prepared remarks. I might only add that the Foundation Trustees are an exceptional group of extremely committed people who share a vision for a New Jersey-centric presence and the future of New Jersey Network. And I think, as you may have seen in the business plan, we have recommended to the Governor some sense of the

Foundation's vision of the Network as the kind of public media service provider that Professor Goodman was describing.

Let me, if I could, just briefly touch on the history and purpose of the Foundation, its response to the Administration's proposal, and then very briefly, again, our vision for the Network in New Jersey.

As State funding for New Jersey Network began a steady and inexorable decline, starting in the 1990s and continuing to date, the New Jersey Network Foundation was created to supplement the revenue sources for the Network to continue the operations of the Network, and hopefully to improve and upgrade them, rather than the alternative of selling off the Network or shutting it down.

There was a time more than a decade ago when there was consideration given to letting WNET take over the network. I think that would have been a disastrous course. We've seen the commitment that WNET manifests for New Jersey-centric programming over the years.

But I think it was a lesson learned. We, over the years, also considered recommending that the Network migrate from a State-owned and operated licensee to a community-based, nonprofit licensee. Those plans and discussions were basically put on hold when the Federal government came down with its unfunded mandate to convert from analog to digital. That cost a lot of money, it took a long time. But, in fact, what has happened is that digital conversion has roughly quintupled the capacity of the Network to transmit broadcasting through multiple platforms, including datacasting for (indiscernible) communications, by the way.

The Foundation is a 501(c)(3) tax-exempt organization. To date, we've raised about \$100 million to support the Network. Our sole

purpose is to support the Public Broadcasting Authority and its purposes, that is to say New Jersey Network. And over time, we've consistently -- I don't want to say *lobbied* -- we're a nonprofit Foundation. But we have consistently advocated for additional State support for New Jersey Network over the years.

Now, in response-- I mentioned we had a 21st (*sic*) Task Force that had come up with some recommendations for ways to enhance the procurement, and personnel, and operations of the Network. That came out in about 2005. In 2007, I was in this very room testifying on behalf of the Foundation with the then Chair of the Authority and Executive Director of the Authority, recommending that the State consider migrating to a nonprofit, community-based licensee because we thought that the potential for partnering with other civic organizations in the community, for raising additional funds outside, and for escaping some of the constraints that a State-owned and operated licensee unfortunately imposed would serve the best interest of New Jersey Network and the people of New Jersey in the future.

At the time, we had a \$4.1 million rainy-day fund that has now been drawn down to fund the additional gap in State funding, as State appropriations have been reduced each year. And in the past three years, we have eliminated that rainy-day fund. We have basically \$600,000 left as a -- which is for severance in the event that the Foundation is dissolved and its employees are let go.

In any event, in response to the Administration's proposal -- first in its transition plan, then in its budget message which was accepted by the Legislature -- to convert New Jersey Network from a State licensee to a

community-based licensee, members of the Authority, members of the Foundation, and staff came up with a business plan to outline a possible future for New Jersey Network as an independent, nonprofit entity: New Jersey Public Media, Inc. The plan had always been intended to serve as a springboard for discussion and has been shared with the Governor's Office and several legislators. And I believe and hope each member of the Task Force now has a copy of the plan.

When the plan was created, we were operating under the assumption that there would be an abrupt cessation of State appropriations. There's a lead time that's required in order to transfer FCC licenses and, therefore, we were initially operating under the assumption that all of this had to be accomplished by June 30, prior to the beginning of the fiscal year.

The business plan holds as its core premise that the public service currently provided to the State would remain in tact and be provided by an independent, nonprofit organization -- a charitable organization serving the public good. This independent, nonprofit organization would be required to uphold New Jersey Network's public service mission: to produce and deliver noncommercial programs and services that educate, inform, entertain, and make New Jersey a better place.

And in response to several of the questions, and as an echo to what Professor Goodman was saying, I think the key to finding assurance that a new entity will continue to serve the needs of the State of New Jersey and provide New Jersey-centric programming across multiple platforms -- you can't mandate that legislatively. But what you can do -- what the State can do is find an entity that already is populated by people who have

demonstrated their commitment to the Network and to New Jersey, and whose bylaws also commit that organization to, as its sole purpose, New Jersey-centric programming across multiple medias as a public media service.

The plan describes our planning to date, including an analysis of FY '10 operations; a marketplace analysis that includes information about New Jersey Network's distribution; and an operating plan intended to allow for a greater amount of original, New Jersey-centric programming and production. The plan also addresses the importance of fundraising for current operations, the need for an annual capital fund, and the vital importance of an annual reserve fund.

And in answer to Assemblyman Greenwald's repeated questions, the plan also assumes a transfer of New Jersey Network's licenses to a nonprofit without any consideration; as well as some modest amount, to go over, for space and infrastructure needs.

The last four or five-- The trend has been, nationally, to go from state-owned and operated to community-based. Roughly 90 of the 174 current public television stations are community-based organizations. A number of other public television stations or public media stations are owned and operated by universities and colleges. The last four or five-- And there is no market for licenses of public media, simply because they must be dedicated to public interest programming.

I must-- I very respectfully need to correct one thing that Professor Goodman said. This is the first and, I'm sure, the last time I will ever correct anything she will ever say. But the number \$200 million assigned as a value to the licenses did not come from Professor Starr.

Professor Starr's white paper on "A Future for Public Media in New Jersey," which was published by New Jersey Policy Perspective, reports that some reports have quoted an estimate of \$200 million as the value of the four licenses. I believe that number came from the CWA. Professor Starr continues, "But it is unclear what the basis for that estimate is. Under current law, the licenses can be sold only to other public television stations or to religious broadcasters. And with so few potential buyers, the price the licenses could actually command is uncertain."

And I don't have a better number, Assemblyman Greenwald, for you. But it's not \$200 million, I don't believe. And the assets are better off in the hands of stewards who will fulfill and advance the mission of the Network.

Obviously there are risks and benefits that come with any change in direction. I think of the detours in the road that may be inevitable. But the business plan provides a pathway for NJN Public Media to achieve a very high level of efficiency and productivity with the best possible use of people and resources; and, by the way, make as much use, as resources will permit, of the dedicated and extremely competent staff currently employed by New Jersey Network; produce more original news, and local programs, and projects for and around New Jersey; provide anytime, anywhere access to New Jersey Network's programs on television, radio, computers, cell phones, PDAs, iPods, and other mobile devices; and operate with an economic model that is sustainable year after year.

We share Professor Goodman's description of the vision that is available to and achievable by New Jersey Network in the future. With access to digital and broadband technologies, NJN has the extraordinary

opportunity to produce more New Jersey-centric programming by changing its processes, its tools, and its creative approach. At the same time, NJN must continue to uphold the core principles that appear in the original language of the National Public Broadcasting Act of 1967: freedom and imagination; initiative and creativity; diversity and excellence; service to the underserved, especially children and minorities; innovation and risk-taking; and an active role in solving local problems. These principles are at the heart of NJN, and they should remain there.

Those of us who care so deeply about NJN appreciate the renewed, bipartisan interest in its future and the future of public media service in New Jersey. Ultimately, whether the NJN Foundation becomes the new operator of NJN; a new, nonprofit organization is established; or NJN remains part of the State, I believe what unites us all here today is a common purpose: to preserve and protect this great treasure, to uphold New Jersey Network's core mission of news and public affairs, to provide the people of our region with an abundance of New Jersey-centric programs and educational services, and to grow NJN as a vibrant public media service.

I must add that we can't do that without some continued State funding through a transition, in a sufficient amount with sufficient flexibility to maximize the likelihood that that transition will succeed in providing a wonderful, continued public media service for the people of the State of New Jersey.

I'm done. I'm sorry to have raced through it.

SENATOR GILL: Thank you. There's something to be said for brevity.

Any questions?

Assemblyman.

ASSEMBLYMAN AMODEO: Thank you, Madam Chair.

Sir, I do have a question. When you stated there's community-based -- there's *X* amount, I forget the number you gave us -- that that was the trend where they were going. They are not-for-profits?

MR. EAKELEY: They are non-for-profits based in the community.

ASSEMBLYMAN AMODEO: Yes. Are there models that we've looked at -- NJN or your Foundation has a model that we could have some kind of concept and idea of what direction to go as far as being financially sustainable and being able to keep collective bargaining agreements; and keep our employees in tact; and, naturally, the mission statement that was presented today?

MR. EAKELEY: There are, although I can't give you the details. But there are-- I think I mentioned there are four or five recent conversions from State-owned and operated to community-based licensees. And I think we can provide the committee with the information concerning both the resources that were transferred, the value of those resources, and the terms and conditions of the transfer.

But basically the nonprofit -- the fundamental-- There's no magic to organizing a 501(c)(3) tax-exempt, nonprofit organization. The critical task is to make sure that its board of trustees is composed of people who reflect the state it seeks to serve and are committed to this vision of the future for public media service in New Jersey.

ASSEMBLYMAN AMODEO: Okay. Thank you.

SENATOR GILL: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Mr. Eakeley, there's been a concept advanced about a New Jersey public media corporation. Have you had a chance to kind of look at that?

MR. EAKELEY: We have.

ASSEMBLYMAN GIBLIN: Do you endorse that or do you think it's feasible?

MR. EAKELEY: The feasibility is ultimately dependent upon the State government to fund it. But basically there are a lot of positive elements to that proposal that are very similar to the business plan proposed by the Foundation: much more flexibility in procurement, much more nimbleness in operations -- the kinds of requirements that are necessary in order to compete and serve in this very complex marketplace.

ASSEMBLYMAN GIBLIN: Have you been with the, I guess, Foundation Board since its inception?

MR. EAKELEY: It was created in '91 when I was still serving on the PBA Board. But I had a hand in that. But I've been serving since 1993, so 17 years.

ASSEMBLYMAN GIBLIN: And over that period, what's the number, aggregate, that the Foundation Board has kind of put toward the operational expenses of, I guess, the NJPBA?

MR. EAKELEY: I think the contribution over time has been roughly 70 percent, and that 70 percent translates into \$70 million.

ASSEMBLYMAN GIBLIN: And that's-- What's the timeframe? Is that back to your '93?

MR. EAKELEY: I think it's in the past decade, but I'm not sure.

ASSEMBLYMAN GIBLIN: So the way it's going now-- I listened to you about the rainy-day fund. I guess we need some more rain.

MR. EAKELEY: Well, our ability to raise any funds has been virtually arrested by the uncertainty associated with the proposed legislation, and the question of whether or not there is going to be a PBA and a New Jersey Network Foundation post January 1. So most grants are for year-long cycles. And we don't have the ability to assure that -- what New Jersey Network is going to look like in a year.

I think if we had -- when, as an if -- and I'm confident that the Task Force and the Administration will come up with a viable business plan that the private sector can support, as well as the New Jersey taxpayers -- with a viable business plan. And there's no magic to a community-based licensee. We think it's the best way to raise those resources and operate a public media service. We are confident that there will be support in the New Jersey community for that.

ASSEMBLYMAN GIBLIN: What's the Foundation going to do different in terms of trying to raise private money? I mean, I've been to your events over the years. Are you going to do something a little bit different, out of the box, to generate more income?

MR. EAKELEY: There are several things. One of them-- Actually, idea stations -- that was the recipient of major grants from the Corporation for Public Broadcasting, from several other foundations that helped it get to a level where it could invest in the kind of varied programs and services that have been described today. So, yes, there are foundations with which we have been in discussions, talking about how we increase the amount of New Jersey Network journalism -- investigative journalism and

the like; how we could increase New Jersey Network's visibility and reach on public radio as well.

ASSEMBLYMAN GIBLIN: In the last fiscal year -- just a ballpark number -- what did you raise -- the Foundation? It doesn't have to be that exact.

MR. EAKELEY: I actually have it here. We raised \$6.5 million.

ASSEMBLYMAN GIBLIN: Thank you.

MR. EAKELEY: And we contributed \$7.5 million to the PBA.

SENATOR GILL: Thank you.

Any further questions, Assemblyman? (negative response)

Assemblywoman Pou.

ASSEMBLYWOMAN POU: Thank you, Madam Chair.

I'm sorry, could you just explain the statement that you just made? You raised \$6.5 million, but you contributed--

MR. EAKELEY: That was the last of our rainy-day fund.

ASSEMBLYWOMAN POU: Seven point what?

MR. EAKELEY: Seven point five. That was the last of our rainy-day fund.

ASSEMBLYWOMAN POU: Okay. Could you, very quickly, just share and explain to us the difference -- the role of the Foundation's Board and its responsibility, and how it differs with the Authority's role and responsibility, by also going into the fundraising arm -- responsibility?

MR. EAKELEY: By statute and bylaws, the Foundation is committed to supporting the PBA and its purposes; in other words, supporting New Jersey Network. And we do that in a variety of ways. For

a number of years, we not only did fundraising, but we also hosted something called a *Broadband Summit*. We did other things to advance the mission in education and workforce development, and the like. And we participated with the PBA members in the strategic planning for the Network.

For many years, the Chair of the PBA was also a member of the Board of Trustees of the Foundation. However, by our bylaws, the Executive Director of the Authority is also, by virtue of her office, President of the Foundation. And the PBA must approve a majority of the members of the Board of Trustees of the Foundation. So the Foundation is a separate, independent 501(c)(3), but committed to support and furthering New Jersey Network.

ASSEMBLYWOMAN POU: So is it fair to say any and all of the funds that are raised through the Foundation are really a financial pass-through, if you will, that should go directly to the Authority upon the time that its been -- upon the time that the funds have been raised?

MR. EAKELEY: Yes, but the -- it's always kind of -- you need a fundraising structure, a grant-writing function. In the past, because of State personnel restrictions, when the Network has needed additional personnel, the Foundation has hired those people because the PBA was unable to do so. So that's how the 30 percent of what's been raised doesn't get passed through, but is spent on Foundation staff and supplemental PBA employees.

ASSEMBLYWOMAN POU: The pass through of those finances-- Is that a very simple process that's in place, or does it require review or approval of the Foundation Board Members to decide whether or

not you feel, or the members of the Board feel, that that is an acceptable or allowable expense and, therefore, yes or no -- or nay -- to those particular pass through of funds from the Foundation to the Board?

MR. EAKELEY: It's a process that's in place, but it is not an automatic one and it's not just a simple pass through. The funds are distributed by the Foundation to the PBA for different purposes in different amounts. There's a \$500,000 annual grant, for example, that goes to support the Authority's participation in the work of the Foundation in raising funds. And then there are underwriting grants that go specifically for the purposes of the underwriting. But it's an annual, and there's a-- We budget how much we think we're going to raise. And we get to the end of the year and, depending upon how much we've raised, there's a vote to distribute it or to transfer it to the PBA.

ASSEMBLYWOMAN POU: So there's not-- Your records in the past would not reflect or indicate that there's been any significant amount of money raised, and an X dollar amount of that has been withheld from the Foundation to the Authority in order for them to be able to give them the opportunity to invest and provide the type of funding they need for improvement of their infrastructure, or the increase of their professional recruitment -- in order for them to do a better job, as far as the news -- the Authority is concerned?

MR. EAKELEY: Actually, part of the problem is State procurement policies have made it virtually impossible to improve the infrastructure or make an investment in things that are not consistent with State procurement. But we did gradually accrue this rainy-day fund, with the participation and knowledge of the Authority, because of a concern by

many donors that we were going out and raising funds, and once those funds were raised, the government -- State government would just reduce appropriation dollar for dollar. Then, also to provide for the kinds of reasons you'd want a rainy-day fund: State funding wasn't available, but the roof is leaking; or you needed a new camera all of a sudden; or things like that. But there was never any-- Funding wasn't diverted to other purposes. It was sort of parked there to actually, ultimately get drawn down by the PBA.

ASSEMBLYWOMAN POU: So I would imagine, as a Foundation, you, like any other type of organization, would be required to file the -- and implement an audit report, and you do so timely. And your last audit report was when?

MR. EAKELEY: We are audited annually, and we get a clean opinion. But I don't know when precisely. But it's annually.

ASSEMBLYWOMAN POU: Okay.

MR. EAKELEY: And it's done by the same auditors as the PBA, because of the flow-through of funds and the employees who are actually working for the Authority but paid by the Foundation.

ASSEMBLYWOMAN POU: Okay. So that report would reflect how the funding has been used, and reported, and whatever balance you may currently have.

MR. EAKELEY: That's correct.

ASSEMBLYWOMAN POU: Okay. Thank you very much.

MR. EAKELEY: Thank you.

SENATOR GILL: Minority Leader DeCroce.

ASSEMBLYMAN DeCROCE: Thank you, Chairwoman.

Chairman Eakeley, I'd like to go back to my discussion earlier with Director (*sic*) Manahan. I realize Federal law required the conversion from analog to digital. Did the Foundation play a part in purchasing digital equipment to fulfill the obligation?

MR. EAKELEY: We played a part in actively seeking funding to help the Network accomplish that digital transformation. We also sought and partially secured funding that would make the Network, given--

Let me back up one second. The conversion to digital also brought with it a capacity to transmit data digitally, which has a vital significance in any emergency event, which made New Jersey Network -- which is statutorily charged with being the State's emergency communications network -- capable of this very important datacasting role. We went about seeking funding from the Federal government, from State government, from private sources to help with the firming up of the emergency communications network aspect of this as well.

ASSEMBLYMAN DeCROCE: And at the same time, the station apparently decided to go into high definition. Did you also fund the cost of the high definition.

MR. EAKELEY: I don't think we ever earmarked any funds for any purpose as specific as high definition. I think what we've always been looking to do is to find the resources to develop the programming for which there is now a wonderful capacity, and high definition is one of those capacities. But it was not ever, as I recall, a subject of discussion at the Foundation Board meetings.

ASSEMBLYMAN DeCROCE: So am I understanding that the entire station is digital now?

MR. EAKELEY: Yes, that's my understanding too.

ASSEMBLYMAN DeCROCE: Okay.

I have no further questions at this point.

SENATOR GILL: Senator Kyrillos, please.

SENATOR KYRILLOS: Thank you, Madam Chairwoman.

I heard, Doug, you say you raised \$6 million as a Foundation. That was last year?

MR. EAKELEY: That's right.

SENATOR KYRILLOS: And typically, over the years, what has the number been?

MR. EAKELEY: It's been more toward-- That last year was a difficult year, but it's been around eight or nine.

SENATOR KYRILLOS: Each year?

MR. EAKELEY: I have a cheat sheet, if I may. Yes, since-- This goes back to 2003, and it's roughly \$8 million.

SENATOR KYRILLOS: I think that's a remarkable achievement. I don't know how to put it in context with other places, but we've all raised money for different reasons and purposes, and we know that it's not easy to do. So when you raise \$6 million, \$8 million, \$9 million, that's a lot of work, and that's a lot of money. And so I know that the Chairwoman, I would assume, shares in this thought of saying thank you to you and the members of the Foundation Board, and others who put all that together. It's quite an accomplishment. And whatever the future holds, whatever the successor entity is, we're going to need the support of the private sector and, presumably, the kinds of people who are already on this Foundation -- it's Chairman, it's members -- to continue to support the

mission. So I know I speak for a lot of people around the state -- all of us do as representatives -- in thanking you for your hard work.

MR. EAKELEY: Well, thank you. I think thanks need to be shared with the staffs of the Foundation and the Network itself. Because a lot of that money is in the form of underwriting grants. And if we didn't have the capacity represented by this dedicated, experienced workforce, we wouldn't get the underwriting grants to support the work.

SENATOR KYRILLOS: That's a very good point.

SENATOR GILL: Thank you.

Assemblyman Greenwald.

ASSEMBLYMAN GREENWALD: Madam Chair, thank you.

Doug, what would the anticipated budget be to operate NJN, regardless of where it comes from -- State or Foundation, charitable donations? What would the anticipated budget be? What should it be to allow for the technological growth that is needed, the training that is needed, and the retraining and redistributing of existing personnel?

MR. EAKELEY: I would have to refer you to the business plan. I think we start by saying we could carry on at about \$15 million a year as a start. But I think to-- I mean, I would love to look to see what the size of the Foundation grants were that supported the formation of idea stations and enabled it to launch on this public media service. But I think, over time, the more people we reach, the more associations with whom we partner, the greater our outreach into the community, the greater the donor base. And therefore the greater the capacity the Network has to develop and do more for more people. So it's not going to be a fixed budget, and the \$15 million is not aspiration as much as it is minimal.

ASSEMBLYMAN GREENWALD: Right. And, Doug, you're saying \$15.15 million.

MR. EAKELEY: Yes.

ASSEMBLYMAN GREENWALD: Okay. And is that number based on what New Jersey's needs are; or, again, is that based on your communication with other states and other members and how they evolve their system?

MR. EAKELEY: It's based more on the legwork of staff, and Howard Blumenthal's vision and his experience.

ASSEMBLYMAN GREENWALD: Okay.

MR. EAKELEY: And I would say it is by no means anywhere close to sufficient to meeting the needs of the people of New Jersey in bringing us together, and reaching into our neighborhoods, and dealing with outreach and education, and workforce planning. But it's a starting point.

ASSEMBLYMAN GREENWALD: And it would allow us to grow the station in a proper fashion to get us more technologically based, greater outreach in more diverse ways. And as that happens, as in any business, we would assume revenues would be able to follow with that (indiscernible).

MR. EAKELEY: You've got it.

Also, I think it's a sufficiently viable business plan that it should attract outside funders as well.

ASSEMBLYMAN GREENWALD: Doug, have you looked at all-- Some people have talked to me about a beneficiary trust relationship. Have you looked at that? And I know you've looked at a property-based trust. Can you talk to us a little bit -- the members of the Task Force --

about the difference between the two? And if by setting up one of those-- I'm curious of the beneficiary trust, which I think would allow us to avoid a fire sale of what this asset is. It would allow us to ask some questions that we've been trying to ask, as members: What is the value here? And to maybe use that value to protect and to appropriately transfer and train existing personnel, and to do so in a dignified way; at the same time growing and expanding NJN in a technological base so that it can really leap into the future as opposed to limp.

MR. EAKELEY: I don't have enough expertise to tell you the details. The concept is pretty much the same and, indeed, includes one of the suggestions that Professor Goodman had, which was: don't sell the television licenses now. Because in the future, with the reallocation of broadband spectrum, they could become much more valuable and, with added capacity, might be able -- one or more might be able to be sold off. That windfall should be able to come back to the State of New Jersey. And by setting up some kind of a trust or a public corporation, as Professor Starr has recommended, for a two-year transition period, that would give people time enough to experiment with new modes of operation, as well as explore the ways in which you can maintain a New Jersey-centered operation.

But we can-- I think what we're trying to do is keep track of all of the questions the Task Force has posed today. And to the extent we're not able to answer them today, we'll come back and make a written submission too.

ASSEMBLYMAN GREENWALD: Doug, using your words that you're not the expert, who would you recommend that we talk to

about those ideas and whether or not they have merit? Who would be the expert?

MR. EAKELEY: Well, I plan to sit down with Professor Goodman some more, Professor Starr, Richard Somerset-Ward, Howard Blumenthal. Those are my four, sort of, people who thought a great deal about this whole subject of public media service.

ASSEMBLYMAN GREENWALD: And they all have somewhat differing views, but somewhere they coalesce.

MR. EAKELEY: I'm relatively confident of that.

ASSEMBLYMAN GREENWALD: Okay.

SENATOR GILL: Under your version, if we transfer the license, or even if we lease the license for two years, I think you would need -- *you* meaning the organization, the 501(c)(3) -- you would need the State to give you money.

MR. EAKELEY: That's correct.

SENATOR GILL: Okay. And how much money do you think the State would have to give you?

MR. EAKELEY: I don't have that number in mind. I think that's something I'd like-- That was something that I think we should come back, collaboratively, to the Task Force with an answer.

SENATOR GILL: And you would not -- and when I say *you*, it's not personal -- the organization would not pay the State any money for the license.

MR. EAKELEY: That is the economic model that is at the core of the proposal.

SENATOR GILL: Okay. So you don't pay the State any money, and the State has to give you what you have indicated as *start-up* money. That is if we lease it to the entity for two years or if we do an outright transfer. That entity would need start-up money.

MR. EAKELEY: I don't know whether you can lease a license. And this would be subject to FCC approval, of course. But, yes, some transitional funding, to whatever new entity might be fortunate enough to become the owner and operator of New Jersey Network, would be necessary in order to assure that it doesn't go dark but has the potential to realize its mission.

SENATOR GILL: Now, this question is being asked because there has been some concern. We can use WNET. If WNET -- and not that I've had any discussions, I'm just saying -- or someone else comes along and says, "Look, we will pay you for your license. We don't need any start-up money, because we already have a structure that can absorb and begin to broadcast," do you see that, given the economic -- no, I don't want to ask you: Do you see that given the economic-- That's a value statement. Do you see that as a plan that may be advanced at some point?

MR. EAKELEY: That is a plan that may be advanced at some point. That is an alternative that is, I believe, included as a concept in the Administration's contemplated legislation. But I don't think that that would be in the best interest of the people of the State of New Jersey, because I don't think-- If we're talking about assuring a New Jersey-centric programming in partnership with a number of other organizations in the state-- I think that if you relocate the center of gravity of the network or its

ownership to either Philadelphia or New York City, we're not going to get the attention that we deserve.

SENATOR GILL: And that's what had concerned me until Professor Goodman's testimony, who indicates the funding is for local programs, so that the funding could drive the New Jersey-centric without mandates. Do you-- Have you investigated the funding or the trend for funding for local TV programming?

MR. EAKELEY: I have not.

SENATOR GILL: Okay.

Where do you think the money should come from, in whatever amount it is -- if it's \$6 million, or \$10 million, or \$7 million -- but we'll get the-- Where should that money come from, from the State?

MR. EAKELEY: I think there are a variety of sources. The proposal that the -- I can't remember the name of the proposal -- it was issued on behalf of the-- It's called the Plan for New Jersey Public Media Corporation. That was submitted by NJN staff members. It has several different funding mechanisms for developing State resources to support a continued New Jersey Network operation.

SENATOR GILL: But it's all going to come from the taxpayers of New Jersey.

MR. EAKELEY: I think there were some suggestions in there in terms of broadcast fees or additional modest amounts that would not necessarily work their way back to rate payers.

SENATOR GILL: The modest amounts.

MR. EAKELEY: Yes. I know that's--

SENATOR GILL: I understand. And I just want to get an understanding, because if we give you the money, do you envision that the money would come from the sale of the radio license?

MR. EAKELEY: That is one of the proposals that Professor Starr makes: that the radio licenses, that have not been as developed as they could have been, might be more productively combined with WNYC and operated in New Jersey with New Jersey Network providing, hopefully, a lot of the New Jersey-centric programming for it. I don't have any idea what those licenses would yield. There's an alternative proposal. That is to see whether or not New Jersey can obtain a Class B license that would permit New Jersey Network Radio to reach the entire State of New Jersey and use that as a source of developing donors over time.

SENATOR GILL: Okay.

MR. EAKELEY: Speaking of donors and donor bases, Professor Starr points out that because the radio programming has not been that well-developed, the Network has less of a donor base than many other states. I would encourage the Task Force to think about a transitional funding as an investment in New Jersey Network's future and in the future of New Jersey, an investment that, over time -- not necessarily only if there's a sale of one of the licenses for broadband use -- but, over time, will yield a significant return to the State for its investment.

SENATOR GILL: Thank you very much.

ASSEMBLYMAN DeCROCE: Question.

SENATOR GILL: Yes, Minority Leader DeCroce.

ASSEMBLYMAN DeCROCE: Chairman, if the Foundation can raise as much as \$6.7 million, I'm sure -- based on the fact that you're

also publicly funded -- there's some limitation as to the amount of money you can raise from other areas. If you go to a privately -- say a privately owned operation, would that afford you the ability to raise even more money than you raise presently?

MR. EAKELEY: We believe so. One of the reasons we went from making a recommendation -- by the 21st Century Task Force -- to create an operating model similar to that of a state university, to a community-based licensee -- was that we hired professional fundraisers to go out and survey the market, and see what the potential for fundraising was. And one of the responses that came back was -- and the analogy has been belittled, but this is what came back: "If the State owns the building, and the roof is leaking, then I'm not going to pay money to repair the State's roof." So we think there's a lot of potential and a lot of interest in moving the Network to a form of operation that has the ability to create this public media service that Professor Goodman so eloquently described, and that idea stations is, in fact, already fulfilling.

ASSEMBLYMAN DeCROCE: Thank you very much.

SENATOR GILL: Thank you very much, Mr. Eakeley.

MR. EAKELEY: Thank you.

SENATOR GILL: Next witness, please.

MR. DONAHUE: The Task Force calls as the next witness Professor Paul Starr, Professor of Sociology and Public Affairs at Princeton University, and the author of the report "A Future for Public Media in New Jersey: How to Create a New Basis for Public Radio, TV, and Online Media in One of American Journalism's Worst-Covered States."

SENATOR GILL: Thank you, Professor Starr.

I should say that since in your report you talk a great deal about WBGO, my spouse, if you will, is the Program Director of WBGO, one. And secondly, since you talk so much about WNYC, I have been a long-time listener and supporter of WNYC. I just want that on the record. (laughter)

**P A U L S T A R R, Ph.D.:** Thank you very much for the opportunity to testify this morning.

I have dropped off 15 copies of a formal statement to the committee, but I'm not going to read it. I've also left off some copies of this report in case any of you would like to read that too. And I commend it to your attention.

But I got involved in this whole issue, I confess, not because I was concerned about the budget deficit. I was concerned about another deficit: the news deficit in the state. We all know why that has existed for a long time: Because the people in New Jersey watch, and listen to, and read the media coming from New York and Philadelphia that don't pay a lot of attention to this state. And on top of that, the state's newspapers have now been retrenching, cutting back the numbers of their reporters and editors. And so what was really a chronic undersupply of news to the people of New Jersey has become an acute problem.

I would like to be able to say that NJN is the answer to that problem. The reason the State has invested money over the years in building up NJN was because of the felt need for more television news for the state. But it just turned out that that was not the right way to think about it. The media world changed. The evening television news ceased to be the major way that people got news in this country. And the story of

public broadcasting over the last several decades is that public television has lost audience, but public radio has flourished. And public radio organizations around the country have become very important sources of independent journalism.

Unfortunately, NJN put all of its emphasis on television, never developed a statewide radio network, missed many opportunities along the way when it could have done that. And now it is very late. It is very difficult to see how NJN can create that statewide radio network.

As Mr. Eakeley mentioned, it would require a new license for the State. It's hard to see how it's going to get that. Now, if you made the decision that this is what NJN needed and decided to put the money in, it could be done. But under these circumstances, it's very difficult to see how NJN can do that. And many people in the state are listening and contributing to those out-of-state stations -- to New York City, and HYY in Philadelphia. It's a great shame that those contributions have not been captured by a radio network that paid attention to New Jersey. But that is where we are.

And NJN also did not quickly adjust to the internet and to the new platforms that are emerging. And so it has become a laggard in the whole development of the media. And I think here the State has to acknowledge a problem, which is that maybe the State government is not particularly agile in dealing with a highly dynamic area like the media. Maybe having direct control over NJN wasn't really a very good idea to begin with. And it's not that I don't think there shouldn't be public support for the mission of NJN. I strongly believe that there should be that support. But when you have direct control, discretionary spending and so

forth, you tend to create, I think, a kind of organization that is not -- that is more highly attuned to what the State government wanted than what the audience wanted and what the market wanted. And so we've ended up with a situation where NJN has a very small audience. It just doesn't reach that many people in the state. And it doesn't have the independence to be an aggressive source of independent journalism.

So I agree with those who believe that it should move to nonprofit community ownership. I don't think that that can be done responsibly in just a few months. I think there needs to be a transition time to work out a lot of the different issues that we've been hearing about: licensing and so forth.

And so the proposal that we have in this report calls for a two-year transitional period. But at the end of that period -- at a date certain -- NJN would become a private, nonprofit. And the interim period could be this form of public corporation that the NJN staff and the union have recommended. So you can have, in a sense, a transitional organization, but with a very definite date when it became converted to community ownership.

We need that clarity. I think the organization needs that clarity for fundraising purposes. I think the people of the state should have that clarity. But I think there does need to be time for a transition.

SENATOR GILL: And would that transition apply to the TV station and the sale, outright, of the radio license?

DR. STARR: Well, one possibility that we suggested in the report is that a transition fund could be created through the sale of those radio licenses, possibly to NYC, possibly to some other entity that might

emerge that would be interested in building a statewide radio network. So that's one possibility for funding during this interim period.

SENATOR GILL: Can you please tell me why you focused on WNYC and why you would think it is probably the best and most efficient organization to whom we should either sell, or whatever, the license--

DR. STARR: Well, I first went to talk to Laura Walker, who is the CEO of WNYC, because NYC made a transition from government ownership -- ownership by the City of New York to independent community ownership. And it has flourished since that time. It has expanded tremendously. It's raised a very large amount of money. It produces programming now -- radio programming that is broadcast on stations all across the United States. It's an extraordinarily successful organization. So I went there to find out about it and then discovered that they would be very interested in expanding their audience in New Jersey. They actually have more radio listeners in New Jersey than NJN or any other noncommercial station. So they're already, to a large extent, a New Jersey presence. And they, I think, would be-- I know they're interested -- or at least were interested at that time -- in purchasing those licenses. I think there could be negotiations to create some kind of New Jersey board that would be specifically involved in that process. They raised a lot of money from people in New Jersey, and I think they should be thought of in a way-- We have the Port Authority of New York and New Jersey. Why couldn't we have some broadcast entity that also spanned the two states and had some level of accountability to both states?

SENATOR GILL: And it's very interesting, because my understanding is that WNYC has 120,000 listeners in Essex County alone,

and approximately 500,000 in the state. Given what you know, if you know anything about the infrastructure -- the towers and the radio signals -- would a start-up company or organization be able to effectively utilize the license or be as effective as WNYC?

DR. STARR: It would depend on whether or not they had the capital, whether they had the backing to be able to bring additional stations into a statewide network. So I don't know of any such entity today, but it's a possibility that the report left open -- that there might be some organization willing to step forward and undertake that.

SENATOR GILL: Under the FCC-- I'll rephrase that. There has been floated an idea of having a consortium -- different radio stations in New Jersey, along with NJN and others -- to hold the license, own the license, and as a consortium program the -- this is for the TV station, I think. Is that a viable alternative?

DR. STARR: Well, I haven't seen-- If there's some proposal around to this effect, I haven't seen it. So I really don't -- I'm not in a position to evaluate it.

SENATOR GILL: Okay. Well, when we get it, we'll show it to you, and we'll hopefully be able to ask your opinion on it.

I thought your report was very-- I guess, first we should say thank you to your brilliant students -- reflection of a brilliant professor.

Your report was very well-written. Actually, you could read it, follow it, and you didn't have to be a geek. (laughter) So I actually appreciated that, because it was able to give some clarity and some direction to where we should look, even before we came to this committee.

So I don't know if there--

Are there any other questions from anyone?

ASSEMBLYMAN DeCROCE: I have a question.

SENATOR GILL: Okay, Minority Leader DeCroce.

ASSEMBLYMAN DeCROCE: Mr. Starr, I read your report, and I see you really favor public radio. And in view of the fact that -- despite the fact that NJN has had public radio these last I don't know how many years-- Frankly, I don't even know what those call letters might have been or the numbers. I don't think too many other people do either.

How would we develop an effort on beginning a public radio facility for all of New Jersey?

DR. STARR: I don't actually think it's that difficult. It does require the acquisition of at least one strong Class B station that can reach the major population centers in the northern part of the state. That is the most difficult part. But the amount of additional programming involved is not enormous. The costs are not forbidding. It is not-- Radio is a lot cheaper than TV. And because of the availability of programming from National Public Radio and various other syndicators, it's possible for a local station to develop segments and call-in shows that it can fit into a broader schedule, and be a very successful local public radio station. So I don't think this is an impossible task or requires outlandish amounts of money. But it does require a real commitment.

I also think, however, that in the long run this would establish a donor base that NJN does not have. Part of the difficulty is that NJN doesn't have the loyal donor base that other public broadcasting entities have -- and they have that partly because of radio. So this, I think-- If the State were willing to go down that road, I think it is a feasible option.

ASSEMBLYMAN DeCROCE: I don't understand though. Do we have-- Would it be funded by commercially established companies, or would it be-- How would we do that? That's what I don't understand.

DR. STARR: Well, it would require the acquisition of a radio station which currently does not belong. Now, one possibility here is that even though there's a very small market for those television licenses, you could possibly sell one of those television licenses for what it would cost to acquire that radio license. And it might be that without the State contributing additional capital, NJN could reallocate its assets in such a way as to develop radio.

SENATOR GILL: And would that radio reach South Jersey too? You said something about centered in North Jersey.

DR. STARR: Well, the stations it has now are primarily in the southern part of the state. Now, they're not ideal because they're relatively weak stations, and they're not good for commuters, because people lose the signal as they're traveling. So, ideally, they would also acquire a second Class B station that would reach the southern part of the state.

SENATOR GILL: Okay. So we would-- We, because I guess it's the State -- the State would have to foot the bill initially -- would have to acquire two Class B stations.

DR. STARR: I think that would be ideal, but I think it could succeed even short of that. Because now it doesn't reach-- I mean, it's reaching 20 percent of the state's population. In order for it to succeed, it needs to reach a larger proportion of the state. I think it could then grow and then be able to afford the additional station.

It doesn't all have to be done at once, but I think there needs to be a real commitment in the organization to develop radio. And I really think that could be a tremendous contribution to the state.

SENATOR GILL: And in speaking, I will just take the opportunity to speak on behalf of my southern colleagues. I don't know if they would be predisposed to having the first Class B license cover North Jersey. And then at some other point, if we get enough money, to cover South Jersey. So I appreciate your analysis of how we would cover South Jersey under that scenario.

Do you have any other questions?

ASSEMBLYMAN GREENWALD: I think the Chairwoman said it well. My buddy and colleague in the South down here with me-- If the news is about educating the citizenry, and we're going to do it a step at a time, I don't think that's going to be well-received by the taxpayers of South Jersey, who are losing access now with the understanding that you may get it in the future. This is about communicating New Jersey news and, again, that vision and that message.

DR. STARR: Let me just add one thing. Right now, NJN Radio just rebroadcasts its TV news. And it has some hourly segments which, unfortunately, are not very well done. And it's the same for all stations. One thing that it could do that would benefit South Jersey and North Jersey is to develop separate radio broadcasts for the northern and southern parts of the state that included features specifically relevant to them. I mean, it does have those stations in the south now.

It could develop a network that included some of the college stations in the south, which could also broadcast that news if it were really

worth broadcasting. So I don't mean to suggest that South Jersey is any less important than North Jersey.

ASSEMBLYMAN GREENWALD: We thank you for that. That's very appreciated. (laughter) Let me just--

My only point would be: I find it hard to believe that WNYC would make that investment. Because up until now, they haven't made that investment.

SENATOR GILL: But they don't have the--

ASSEMBLYMAN GREENWALD: And I think that's a very telling sign of where their focus and their direction would be going forward. They are New York-North Jersey based. And I think that's where their focus is. And I think that's what makes NJN so important from its mission and its vision; again coming back to, I think the form and the structure is broken; the content we've got right. How we distribute that content is critically important.

I like the concept and the idea, from a structure standpoint. I think we've got to be realistic from a business standpoint as to how that news is going to be communicated, other than just a major industry like gaming -- all the other components. I mean, selfishly for a second, I would argue the opportunity for growth, and industry, and manufacturing in solar energy -- it's a gold mine for South Jersey right now. No one is going to know it if we can't broadcast it, advertise it. And that helps drive revenue throughout the State of New Jersey. You've got to think that way if we're ever going to get there, and I just don't see that right now.

SENATOR GILL: And I just have to ask one question. If WNYC or any other organization acquired the license for NJN Radio, would they have the capacity to broadcast to South Jersey?

DR. STARR: Well, that is what those licenses would give them. It would extend their reach to South Jersey. But I think they could be asked to make certain commitments, including changes in the responsible boards that would include New Jersey representation. And their interest is partly in developing their donor base. And they're only going to do that successfully in New Jersey if they pay attention to New Jersey. So I think they have a self-interest that accords with the State's interest, but it would require negotiations. And you'd have to be satisfied that there were adequate protections for the people of New Jersey that were built into an agreement.

ASSEMBLYMAN GREENWALD: Your point is well-taken. I will just close with this.

I apologize, Madam Chair.

SENATOR GILL: Okay. That's okay.

ASSEMBLYMAN GREENWALD: It's their interest, our business. And they are attracting donors based on revenues and dollars, as it should be. They are a business, either for-profit or not-for-profit. That doesn't necessarily coincide with news and public information. And that's why this has to be melded. I use the example: If you watched ABC, NBC, and CBS in South Jersey -- which are the major news stations. Whether you agree with the Governor's decision or not, the day that he decided not to reappoint a South Jersey Justice, and the only African-American Justice -- whatever the merits of the case may be -- what we saw on the news on the

major networks in South Jersey was a young man being tasered for running on Citizens Bank Field. They never got to a Justice being reappointed. That's my concern. And I think that's worthy of New Jersey news. That's not a business model, maybe, but it's a news model. And that's why I share it with you.

DR. STARR: I would be delighted if representatives from South Jersey were sufficiently alarmed about this situation to organize the development of a public radio network that focused on South Jersey. That would be great. I don't think it actually has to be one network that spans the entire state. There are different ways to do it. And at this point, nobody has the money on the table to accomplish this. So there needs to be lots of ideas and a willingness to consider alternatives.

ASSEMBLYMAN GREENWALD: Thank you, Chair.

SENATOR GILL: Senator Kyrillos.

SENATOR KYRILLOS: Chair, I didn't hear you in your introduction of Professor Starr. You said something about WBGO.

SENATOR GILL: In his report he talks about creative programming.

SENATOR KYRILLOS: And what is the connection -- or maybe there isn't any -- between it and WNYC -- WBGO? That's the Newark-based station, correct?

SENATOR GILL: Right. And I just said that I'm also a member of WNYC -- two separate comments.

DR. STARR: Well, WBGO provides a lot of coverage of Newark and New Jersey. It's primarily a jazz station, but it is an affiliate of National Public Radio. It does provide some programming to NJN -- music

programming to NJN primarily. So they have a connection. They're completely separate from NYC. I don't know if they have any exchange or relationship. I think they're totally separate.

SENATOR KYRILLOS: And what is its reach in New Jersey? How many people can hear it out of Newark, and how many people can hear NYC -- from, presumably, Manhattan -- who live here in New Jersey? Do you know?

DR. STARR: I don't know that off the cuff, but we have those figures in the report.

SENATOR KYRILLOS: I would suspect it's significant.

DR. STARR: Oh, yes.

SENATOR KYRILLOS: A good swatch of the state. And I can hear both in Monmouth County and, I'm sure, into northern Ocean County. So, I mean, if you're correct -- and I hear that you are -- that based on your discussions with WNYC, there's interest in stitching together some kind of a consortium, if you will. If you add BGO into it -- and I don't know if there's any discussion on that, per se -- and I don't think there necessarily is. But you've got the makings here of NYC, BGO, the New Jersey stations into a real radio network that has some obligation to New Jersey. Because you're quite right -- and others have said it -- on the television side, we've done it pretty well; on the radio side, it's nonexistent for all intents and purposes.

SENATOR GILL: Any further questions? (no response)

Thank you very much, Professor. We look forward to working with you.

DR. STARR: Thank you.

SENATOR GILL: Take our telephone calls.

Next witness, please.

MR. DONAHUE: The Task Force calls as a witness Ms. Janice Selinger, Acting Executive Director for the New Jersey Public Broadcasting Authority, and Acting President of the Foundation for New Jersey Public Broadcasting.

SENATOR GILL: Thank you very much, Ms. Selinger, for testifying and waiting.

**JANICE SELINGER:** Thank you.

NJN is a catalyst for dialogue and a community center. We've heard a lot today about how NJN has fulfilled its mission to provide news and public affairs programming for and about New Jersey.

But that's not all. The value of NJN is so much more. Just look outside this room by the State Library and Museum. There's a great example of our value. For the month of September, NJN has brought National Public Radio's StoryCorps to Trenton. NJN reached out to local community groups to solicit participants, and the response was tremendous. More than 150 people will visit the StoryCorps mobile audio booth to record interviews. Some of the stories will air nationally on the StoryCorps segment on Morning Edition on NPR, as well as on NJN Radio. All of the interviews will be housed at the Library of Congress.

NJN's award-winning, state-of-the-art series also--

SENATOR GILL: I'm sorry. I think that Kent has really laid the foundation for all the wonderful things that you do and all of the programs that you do. And I don't think that's in dispute at all. And I also think that Mr. Eakeley has already laid that foundation.

So if we could -- and maybe we can do it by focusing some questions and then let you continue to go.

MS. SELINGER: Okay.

SENATOR GILL: Can you tell the committee if we lease or own towers?

MS. SELINGER: As far as the-- Give me a second. I'm sorry. I have to get myself to that part. I'm sorry.

SENATOR GILL: It's okay. Take your time.

MS. SELINGER: Yes. You talked before about the license. The license-- The NJPBA, which is an agency of the State of New Jersey -- the State owns the license, but it is owned through the NJPBA, which is an agency of the State. So as far as the towers, some of the towers we own, some of the towers we do lease.

SENATOR GILL: And in some of the towers, there are sufficient and crucial issues about the State or NJPBA being able to give clear title to any perspective buyer.

MS. SELINGER: That's correct. Particularly over at Bakers Basin, that is something that the DEP owns. And it is something that we are not sure-- There's been a lot of deliberation concerning that. As far as some of the other ones, we do lease them. There are a couple that we do, in fact, own.

SENATOR GILL: And if we're not able to give clear title -- and this goes to-- My understanding is that the one in Mercer County -- that would be Channel 52 -- that there may be a dispute, not even if DEP owns it, but does the Federal government own it under the Parks Division of the Federal government.

MS. SELINGER: That's correct. There has been some question about that over the years.

SENATOR GILL: So before any transfer can be done to any entity, we, the State, would be required to transfer clear title.

MS. SELINGER: Absolutely.

SENATOR GILL: And the reason I bring that up is, we have these artificial deadlines. But we don't have clear title to sufficient antenna sites in order to accomplish any kind of transfer.

MS. SELINGER: That's correct.

SENATOR GILL: And so in our -- in the State's deliberation, including the Governor's, we must have sufficient enough time to establish clear title or not.

MS. SELINGER: I agree. I think there's also some question possibly about Channel 23 as well. It looks like that was something that was, in fact, purchased. But it's a question whether-- There was some question about that with DEP as well.

SENATOR GILL: So in the antenna -- is it antennae -- antenna sites for both the radio and the TV, New Jersey Public Broadcasting Authority leases those -- some sites.

MS. SELINGER: Some of them are leased, yes. And we also lease space on the sites.

SENATOR GILL: And so that we would have to do an inventory of the leases, because the leases may not permit NJPBA to transfer the lease to a third party. Is that--

MS. SELINGER: I believe that that would make sense to do. And I know that there is some -- looking at that right now.

SENATOR GILL: Okay. And that even when we're in -- anyone who would ask for or want the transfer of the licenses would be required to do a due diligence in terms of what we own.

MS. SELINGER: Absolutely. And that is part of what the principle statement the principals talk about as well.

SENATOR GILL: And so, in how we approach this when you're talking about if it goes black in one year, it can revert some of these issues of clear title -- may take longer than one year. I just put that out there so we don't think that we have control of all the assets. So that the one year limitation -- if it goes black before it reverts to the FCC, I think that we have serious issues.

I'd like to go on to-- And it's my understanding that the State House Commission would also have to be involved in any transfer of any lease -- or any lease that is entered into, not by the Authority -- because my understanding is the State House Commission does not deal with independent authorities -- but for-- If the independent authority has a lease with a State agency, like DEP, then that lease issue -- and if the lease will be turned over to a third party -- goes to a completely different part of government. Is that your understanding?

MS. SELINGER: I don't know, but I can certainly look into that for you. I don't know the answer to that.

SENATOR GILL: Okay. And I bring that up because when we're talking about this year, and we're thinking we can do this -- that it's just about money and the bottom line, and we can do it right away -- there is this other entity that has to come into play.

MS. SELINGER: If I may, just to also-- The idea of going black has a lot of other implications.

SENATOR GILL: Can you talk about those?

MS. SELINGER: Certainly. Well, you know, we are the emergency broadcast. We do Amber Alerts, we do emergency broadcasts. We have been working very closely with the State Police. That is a real serious issue. It also impacts getting our CPB funding and other funding. So there are other things that are involved just with the fact of wanting to continue continuous service. I mean, that is an issue as well.

SENATOR GILL: And I think that some of the towers that are leased -- one may be owned by the State Police.

MS. SELINGER: The State Police do have -- they do use our towers, as well, along with a number of other radio stations, and television stations, and other mobile phone-- It's being used by a number of other agencies that obviously need that service.

SENATOR GILL: So there are two things: it's the lease that the organization has with the different departments, and then how the organization has leases with other entities on its own.

MS. SELINGER: That's correct.

SENATOR GILL: And so we would have to take the time to examine if we would be in breach by transferring something to someone while there is an existing lease. So that as easy as this seems, the devil is in the details.

Please continue.

Oh, I'm sorry, Assemblyman Green (*sic*) -- I mean Giblin.

ASSEMBLYMAN GIBLIN: Well, I'm Irish, so you can call me Green. (laughter)

Two issues I'm concerned about: There was a request made from New Jersey Civil Service. What's the timetable as far as the employees of NJN? What did you specifically ask -- a layoff plan or issues of bumping rights? What was the whole gist of that request?

MS. SELINGER: We didn't make a request. There was notification to the unions, which was a 120-day notification. And at our Board meeting that just took place yesterday -- was that if, in fact, we came to a point on December 31 that there was no new entity, or that we were not going forward, or there was in fact a new entity for NJN -- that Treasury would be able to be the ones who would effectuate a layoff plan if that's what was going to happen. But that's something that would not happen unless we came to that point that funding, again, did not continue and we were going to move to that position.

ASSEMBLYMAN GIBLIN: In fairness to the employees, do you have a date in your head if you're going to go through with this plan of terminating employees -- when you're going to have to notify them?

MS. SELINGER: Treasury are the ones who are going to be handling that. I believe it's sometime in November. I don't have that specific date. But, again, that is something that, obviously, we would like to move toward -- you know, keeping our talented workforce and seeing what we can do to continue to move forward.

ASSEMBLYMAN GIBLIN: Okay. This issue of detailing the inventory-- Is that going to be done in-house, or do you have a firm that's

going to do that, or CPA? How is the whole process going to be achieved in terms of developing this inventory?

MS. SELINGER: Well, our engineering staff pulled together a lot of information. I think Kent showed you that really big book that had some of the materials.

ASSEMBLYMAN GIBLIN: I saw some of the things.

MS. SELINGER: That's been provided to Treasury, and I believe there are going to be some RFPs out to evaluate what it is that we own.

ASSEMBLYMAN GIBLIN: The value of that -- how do you really come to that valuation? I mean, what it's really worth-- How are we going to develop that?

MS. SELINGER: Unfortunately, that's not my area of expertise. I assume there are companies that are out there that make it their business to do that. And I assume that that will be the information that would be provided.

ASSEMBLYMAN GIBLIN: Do you think we have enough time to accomplish all this by December 31?

MS. SELINGER: Personally, no. I certainly do not think it's enough time to accomplish that. I know that there is a lot that's going on. But you have to look at the date. Where are we now, in September? That's very soon. I think we can, again, make a move towards it. But to accomplish all of it -- probably not by December 31.

ASSEMBLYMAN GIBLIN: Thank you.

ASSEMBLYWOMAN POU: Madam Chair.

SENATOR GILL: Assemblywoman Pou.

ASSEMBLYWOMAN POU: Thank you, Madam Chair.

I just want to follow up on your line of questioning, Madam Chair, with respect to what properties are owned outright by NJN and some that are leased by NJN, and the timeframe.

Given the questions that Assemblyman Giblin just asked, and what you just mentioned with regard to notification to the employees, and the short period -- amount of time-- The appraisal-- If you're going to put out any specifications that -- in the language of this RFP that's going to go out, I would imagine that you would have to make some kind of declaration that you have X, Y, Z pieces of property or assets, let's say, that can help to allow that particular professional or those appraisers to come in and establish a value for any possible, potential bidders out there.

Given where we're at today, in terms of time, I'm really now concerned -- perhaps more so than before, or ever before -- where we're at; whether or not that's going to be able to be accomplished within the period of time that you've just indicated -- January 1 -- as a possible closure to, or recommendation as to where we go from here.

So if I've learned anything in this hearing, it's clearly the timetable we have in front of us, Madam Chair, is one that is questionable as to whether or not we can really meet some of the deadlines; whether or not, come January 1, if in fact there will be a continuation of NJN, and what can we do to make sure that that voice and that kind of reporting continues in the State of New Jersey.

I mean, we really-- The timing of this is really a major concern. Some of the legislation that is being recommended -- I won't say *proposed*, I'll just use what the -- I'll defer to the statement that he said that it's about

to happen -- which we haven't quite seen all the specifics of. But considering the timeframe involved here, I'm not sure how much of this is going to be accomplished within that period of time. So we do have a very troubling -- this is very troubling to me right now, and this is something that as a result of these hearings-- I think it's a good one, it's important, we've learned some things.

You've mentioned, with regard to leasing contracts, ownership-- You've mentioned the State House Commission. I would suspect that part of the responsibility of the State House Commission -- given if it's a State-owned property -- that just like any other sale of State-owned property, it requires that that be put out to the public, through a normal public auctioning process. That, in itself, will take some time, as well, so that you're making that available to the broader public, if you will, so as to show that there is a fair process involved. So doing all this and meeting the timeframe right now is very questionable.

SENATOR GILL: And I would just like to indicate that in Netcong, WNJY -- the building, the land, and the tower is leased from the State Police, and it's a space trade. So we have some really significant issues.

Any other questions? (no response)

Thank you very much.

We have concluded--

ASSEMBLYWOMAN POU: Madam Chair.

SENATOR GILL: Oh, I'm sorry.

ASSEMBLYWOMAN POU: We don't have to spend a lot of time, but since we do have the Acting Executive Director here with us-- Do

you remember the question earlier with regard to the joint licensees, as well as--

And very quickly, if you could just help to explain that.

MS. SELINGER: Sure.

ASSEMBLYWOMAN POU: And if you could put a value to what that means to New Jersey when compared to other states, and what makes us so different.

Thank you.

MS. SELINGER: Sure. Joint licensee is radio and television. And there are 20 state public television stations, as you said, that were licensed to states. Interestingly enough, there are only 10 states that don't provide any funding to their public television stations in the whole country. So even for the fact-- There are 90 that are community licensees, there are 6 that are to local authorities -- things like school boards. So it is something that's very, very important.

What's interesting is that funding -- and I think this is going back most recently-- Excuse me, I'm going to put my glasses on so I can see this. North Carolina gets over \$12 million from the state, going down to Idaho Public Television that gets \$1.5 million. And so as far as funding for state public broadcasting stations, it ranges from-- Some get 12, some get 10, some get 9, to 1 million. And NJN is unique, again, because we did not have a commercial broadcaster. We did not have that kind of coverage in the state.

As far as the radio -- if I can briefly say that we do have nine radio licenses, and they are not throughout the state. And it has been something that has been a challenge for us over the years. We've tried to

keep our radio station going. We've tried to keep it manned and operating. And we've also-- I know there was talk before about high definition. We have high-definition cameras. We don't have high-definition equipment in our studios. We would love to have that. That would be great to be able to do.

But since 2008, we actually had a decline -- \$1.8 million in Federal funding -- because we weren't able to get the match. And in some instances, those matches were as little as 25 percent. So we've done-- I think our staff -- and part of what I had in some of my remarks is, our staff has actually worked wonders with what they've been able to do with the technology and with the grants we've been able to identify. And we're going to be doing more. We're going to be doing great things. Doing more on the web-- And I think there was a question before about what we were doing with Twitter. We are on Twitter, we are on Facebook. We're doing some terrific things with our news content on there, as well as some other materials as well. So we are operating in those areas.

ASSEMBLYWOMAN POU: Director Selinger, I just wanted to mention that some of the information I was able to obtain indicates that, for example, Columbia, South Carolina -- which also has a joint licensee -- does, in fact, provide anywhere from close to \$20 million and above for their PBA program. Lexington, Kentucky, also \$20 million, although they have TV only. Atlanta, Georgia -- a joint licensee -- comparing that to New Jersey -- same dollar amount that I'm using -- the \$20 million and above. And my understanding is also San Juan, Puerto Rico, also has a joint licensee which contributes the same kind of dollar -- state funding of the \$20 million and above. And I'm comparing apples to apples with NJN in

terms of New Jersey. So some of it, as you've indicated, goes anywhere from \$1 million up through \$20 million and above. So there are similarities out there, there are some things that we can learn from these states to see what they're doing well, what they're not, make sure that we can also take from that and see how we can arrive at -- try to make NJN a stronger and more viable TV -- PBA program for New Jersey residents.

Thank you.

SENATOR GILL: Assemblyman Giblin.

ASSEMBLYMAN GIBLIN: Just one final question. I remember looking at some of the material with NJN Radio. I think I remember there was no presence in like Essex, Hudson, Bergen, Passaic, Middlesex. It just seemed to be kind of deep south and northwest New Jersey.

MS. SELINGER: Yes. And we actually have -- I believe it's 30 applications, again, for small -- they're small radio stations as well -- with the FCC. They've been there for years. And it just has not been approved. We have another one for Bernardsville that we have for a construction permit. But as of right now, there are only nine. I've been at NJN for 30 years, but I can't speak of why that developed in that way. I wasn't in that role at that point.

ASSEMBLYMAN GIBLIN: Is there any way of piggybacking on existing stations to kind of work some type of joint arrangement out?

MS. SELINGER: I think that it's something that we certainly can be talking about, and looking at what Paul Starr and others have talked about. I know we have radio staff that's really interested in trying to do more.

We're starting-- Actually, I do want to mention that we're starting to do a couple of original programs. Michael Aron and Jim Hooker are going to take turns doing some radio shows. And Michael is actually not going to do his typical political broadcasts. He's going to be focusing on books, and music, and sports. But he's going to be giving us some content. And Sara Lee Kessler is going to be doing something on our new autism documentary that she's going to be talking about on the radio. So we are trying to get more content out there. And we would love to be able to-- Look, I'm a big NPR listener. I listen to NJN Radio every time I'm in the car when I can get it. And I would love to be able to drive and continue to receive that signal.

SENATOR GILL: One question from me: NJPBA. Did the NJPBA give the authority to the Treasurer's Office to effectuate the layoffs?

MS. SELINGER: Yes, that was voted on at our Board meeting that took place yesterday.

SENATOR GILL: And why did you give the authority to-- Why did your Board give the authority to the Treasurer's Office to effectuate the layoffs?

MS. SELINGER: We do not have a human resource department. We have no personnel director. We do have someone -- a great person who is here in the room with me -- who does our payroll and other issues at the station. But we do not have someone with those skills to be able to do that. And that would, in fact, I guess be the Board designating me to do that. And considering I'm already doing about five or six jobs, it was determined that Treasury -- which currently is loaning us a

human resource person a couple of days a week -- would help us with this if that, in fact, had to happen.

SENATOR GILL: Thank you.

Any further questions? (no response)

Thank you very much for your testimony.

We will have testimony from the public -- five minutes.

Richard Williams, we will hear you on the 23rd for the technical questions. Because some of the Senators are gone, and we want to be able to hear you. Okay? (affirmative response)

William Q. Sanchez, NJN, has agreed to come to the Montclair meeting, because you will be discussing the program. I'm a Montclair chauvinist. I'm not-- I haven't gotten as big as Kent to be a State chauvinist.

I don't know if there's a need to testify, but Gwendolyn Harris. Okay, no need to testify.

Jill A. Hargrave, please come forward.

Thank you very much for your testimony.

**J I L L A. H A R G R A V E:** Thank you, Senator Gill, for convening this Task Force, and thank you all for listening and making these difficult decisions.

I've been with NJN since 1988 in many capacities, first as a documentary producer for many years. I was actually a State employee and laid off during the Florio downsizing caused by budget crisis. And I worked many years as a contract employee when documentaries needed to be done. And I also worked for the Foundation later in the '90s and early 2000s doing grants writing, management reports. And in 2003, I helped write the

strategic plan that they wanted me to do with the help of people at the Foundation. I was just polishing it.

I come here because I was hired by the Foundation in 2005, because I used to be able to raise money for my documentaries. And they needed someone, because of the situation with funding, to raise money for projects -- educational projects and programming. So I came on board because I seem to have a talent for raising funds. I wrote a lot of proposals, and with the help of the team, both on the educational side with Ronnie Weyl and (indiscernible) Mashinsky (phonetic spelling), and on the production side with Janice Selinger, we managed to raise and achieve goals. And they really--

I mean, when I first arrived, my goal was \$125,000 to raise as an individual goal. I said, "That wouldn't even make a documentary." So I have been successful in getting programs like *Green Builders* and *Our Vanishing Past*. We have *Autism* coming up. We had *Su Salud Primero* last year, where we raised funds for that.

My problem that I've been having is a great deal of frustration in that my loyalty lies with NJN and its mission. Obviously I've been there a long time. And I just feel that if more focus had been on a public/private partnership -- and in strengthening that -- we possibly would not be in the situation we are today. It's only a possibility, and these are only my own personal thoughts. These are not the thoughts of the Foundation. I'm here as a private citizen. But that is the way I feel about it.

You asked, Assemblyman Greenwald, about other PBS stations. And after I had presented at the NJN staff meeting about my concerns, Howard Blumenthal asked me to do a report on capital campaigns at other

PBS stations, and I have a report here that I presented to him before I went on vacation. And I would say that basically most -- there are a lot of public TV stations. I've talked to their general managers and executive directors. Detroit Public Television raised \$22 million; WLBT, they raised \$17 million; WITF, their goal was \$19 million, and they raised \$20 million; Vegas PBS, in conjunction with a school -- an educational facility out there -- raised \$64 million, all in this timeframe of an economic downturn.

I just feel--

Oh, by the way, Maryland Public Television did not have a capital campaign, but they did-- When they had a downsizing on their budget, they actually did a pledge drive saying, "We need your support," and they raised \$300,000 just doing that on the air.

I just think there could be a lot more innovative ideas as to what to do for creating a strong public/private partnership. I don't think we've tapped everything yet. And some of the ideas that I--

First of all, again, you wanted to know how much it would be. I think that we need probably \$25 million a year to run a good-quality station. But it would take time to build up the public/private partnerships. So we do need the support of the State. And we continue to need the support of the State, but in innovative ways. We have a media productions department, and there is dispensation that agencies should come to us and have their videos done by NJN, but it's never enforced. Maybe you could enforce that for us so that we could get revenue coming in by other agencies who need videos. And they would be broadcast quality videos, not what outside people do.

With the help of the NJN Foundation Board of Trustees and the NJN development staff, more could be done to tap into the wealth of New Jersey. I just feel that we've missed some opportunities. We haven't had a capital campaign. We've thought about it, but we've never acted on it. Our major gifts -- the major gift officer left two years ago. Nobody replaced him. Ronnie Weyl and myself have been picking up the slack. My real job as Director of Grants Development, where I write proposals and get grants -- I'm successful in that, and we reach our goals. Over the years though, I have been told by the Foundation -- the former CFO, whenever we had the annual budget, would say, "Jill doesn't count; it's pass through." And that would disturb me. That would disturb me a great deal.

But I just feel that we need to work together. And I have asked many times. I mean, there is definitely a divide going on here. I've been on both sides. And I think everybody cares about NJN on both sides. I've worked with the Board members. They're fantastic. I mean, people would die for the Board that we have on the Foundation. They are wonderful, and they really do care about NJN. But I just feel that with certain leadership we ended up putting more emphasis on this need for a community license and not enough focus necessarily on building the public/private sector. Doug Eakeley, at meetings we had with the first go-round on community license, said that the Foundation reached the ceiling. And I always told him at those staff meetings that I didn't necessarily agree that we had reached a ceiling. Because I think if you don't ask, you don't get. And so by not having a capital campaign we couldn't really prove that nobody would give to NJN and fix a leaky roof.

As it is on the leaky roof side, the State does fix the leaky roof -- not very well, but it is their responsibility. It wouldn't come out of grants going to the Foundation to fix a leaky roof. That building belongs to the State. And I just wanted to say that I think there are a great deal of opportunities. One of the ones you could do is continue to increase revenue through the development of a department for on-air underwriting contracts, and through project underwriting programming, and educational projects that match donors' areas of interest. With increased local productions to support, the NJN Foundation can achieve this over time. Planned giving is very important. I've been put in charge of that. I'm working, and I have a report that I actually talked to other PBS stations -- WHYY started their planned giving campaign five years ago. Their goal was \$5 million, and they raised \$7.7 million.

MR. DONAHUE: Excuse me, Ms. Hargrave, can you conclude your remarks?

MS. HARGRAVE: Certainly.

There are-- Certainly another revenue-generating way is to increase revenue through broadband applications. And I just think that there are very many-- There are a lot of creative people around, and I think we should really look at what we can do for a strong public/private partnership.

SENATOR GILL: Thank you very much.

There was one thing, and I didn't ask the Professor, but I will -- since you know -- ask you. He says that according to NJN -- and I wonder if you can speak to this -- 2020 vision plan, most of its individual donors come from TV pledge drives and sign up simply to receive a tangible

incentive, not as the result of any loyalty or connection to the NJN brand. This is a quote from--

MS. HARGRAVE: I didn't quote that myself.

SENATOR GILL: In fact, according to NJN -- and this is where I wondered if you could explain -- the current net from on-air pledge drives is approximately zero. Once costs are taken into account, the only rationale for the drive is that some of the donors renew in future years. But why would you continue with an on-air drive that nets zero?

MS. HARGRAVE: That is not my department, that is the membership department. And membership could explain that better than I can, because I am not involved in pledge drives.

SENATOR GILL: Thank you very much.

MS. HARGRAVE: Thank you.

SENATOR GILL: We will have--

Oh, I'm sorry, any other questions? (no response)

We will have the following three people, bearing in mind that on Thursday we will examine labor in detail.

MR. DONAHUE: Mr. Dudley Burdge, Communication Workers of America Local 1032; Mr. Bob Szuter, NJN; and Mr. Joe Conlon, NJN.

SENATOR GILL: And you each get five minutes -- the fact that you're all together; it's not that you all have to have five minutes.

**D U D L E Y B U R D G E:** All right. Just so you know, what I am going to speak to today-- There have been a number of questions about other states and what's happening there. I've passed out some testimony.

Bob Szuter, who is a producer/director at NJN, is going to introduce and talk briefly about the staff document that I think has been distributed to all members of the Task Force. And Joe Conlon is the Station Manager in Newark. He's going to be talking about--

Why don't you describe it.

**J O E C O N L O N:** I'm going to try to explain that some of the savings-- If the State is after savings, it's not going to be all free and clear to give this away. And I'm going to elaborate on what I think is a popular sentiment amongst many employees -- that an alternate use -- an alternate plan could be for a public entity with more autonomy.

**MR. BURDGE:** I'm not going to read my testimony, partially because Janice Selinger hit some of the parts of it. But to summarize, state support for public broadcasting, and particularly for public television, is not unusual. I'm told by the Corporation for Public Broadcasting that 95 percent of public television stations receive some type of state support, and that can vary greatly.

As Ms. Selinger mentioned, there are some 18 or 20 state-operated public television networks, and there's also state-operated radio networks. Additionally, there are probably four to six state university-operated public television networks, and then there's some kind of mixed things. There are some states where the universities cover practically all the state but not the entire state. You can pretty much say that about half of the states have some kind of state-operated or university-operated--

I did a project, and the information in here is coming primarily from -- well three sources: Corporation for Public Broadcasting, a group

called the Organization of State Broadcast Executives, and just making a lot of phone calls around the country to public television managers.

I wanted to call your attention to what I found to be three particular situations that I think were pretty interesting. One was Idaho Public Television. Late last year, early this year, the governor in Idaho made a proposal very similar to the current Administration's proposal. They proposed that state funding end for Idaho Public Television and it be transitioned to a nonprofit. In that case, the state legislature did not agree, and there was a small cut in support to Idaho Public Television, but they continued to operate.

Two other things about Idaho Public Television I think are noteworthy. My understanding is, all the state-run networks have these associated foundations, or sometimes they call them *friends groups* -- these 501(c)(3) fundraising groups. They have one in Idaho, but it actually has no employees, and the actual fundraising is done by the state employees there. And there's a couple of other states that do it that way. The interesting thing is, they actually -- for the state-operated networks -- have one of the highest levels of private contributions, around 63 percent, which is considerably more than NJN. Now, to be fair, NJN is in a climate where we compete with New York and Philly public broadcasters, and I don't think that's the case in Idaho. But just to show that it can be done--

Maryland Public Television has been mentioned a couple of times today, particularly in terms of their fundraising. My understanding is, their foundation, unlike the New Jersey one, has about five or six people. They do fundraising. They're about the same budget as NJN, and the NJN Foundation has, I think, about 19 employees.

The other thing concerning Maryland is, they appear -- that is a state agency. They appear to operate in a more autonomous manner. They have much greater ability to hire employees if they have the money. They can hire them. They don't have to get approval for everybody from the governor's office, which is the case here.

I wanted to mention Hawaii Public Television, which is one of-- Actually, I'm only aware of two state-operated groups that converted to nonprofit: Hawaii and Oregon. And Hawaii is probably the example of how not to do it. It was a very precipitous cutoff of state funding. The staff was cut by two-thirds, and it pretty much devastated any local or state programming, at least in the short-term.

The other place I think is really noteworthy of consideration -- and I don't put this out as something that CWA or the employees are proposing, but for your consideration -- is New Hampshire, which is kind of a hybrid state -- I should say university nonprofit. And it's kind of a way of addressing some of these questions of: If you give up the licenses, do you have any kind of way of shaping what the entity will look like? In the case in New Hampshire, they set up a nonprofit to operate the station, which they do. The ownership of both the nonprofit and the licenses are retained by the university.

MR. DONAHUE: Mr. Burdge, can you summarize your remarks?

MR. BURDGE: I did want to mention how New Jersey is unique, because they kind of talked about how it's similar. A lot of people talked about the out-of-state players, and that's certainly clear. I don't need to go into that.

To make very clear, the nightly news that NJN does is something that is only done in one other state, and that's Oklahoma. Nobody else produces a nightly news program. Of course, nobody else has this kind of media desert in the state, where it's all coming in from the outside. And I think that's important to keep under consideration; because if you do news, and if you're doing video -- and whether that goes out over broadcast, cable, or you edit it to go out on the web, or Facebook, or whatever platform -- it takes people. It takes reporters, it takes camera people, it takes editors. So, you know, there's cost to that. And in that way, NJN is different than practically every other state broadcaster -- public state broadcaster and the nonprofits, because the nonprofits do not do that kind of journalistic service. They may have a news magazine or that kind of thing.

ASSEMBLYMAN GREENWALD: Dudley, thank you.

Gentlemen, do you have anything else? Are you-- Do you have testimony also?

**B O B S Z U T E R:** Briefly.

ASSEMBLYMAN GREENWALD: Go ahead.

And, gentlemen, while you're testifying-- I understand the litany that Dudley went through. But is there anything-- Are there any states that have a model that you would endorse here in New Jersey, or would be willing to adopt here in New Jersey, or that we should be looking at here in New Jersey and may not be? And that's not just Dudley. Gentlemen, you can--

MR. BURDGE: I think there's aspects of Maryland. But Bob is going to talk about what our proposal is, which actually, I think, goes farther than what's in most other states and we think is more appropriate.

MR. SZUTER: My name is Bob Szuter. I'm a writer/producer. I work on the staff. I've been there in some aspect for over 20 years. I had a major hand, with some of the staff members, in trying to write and propose this plan that we're suggesting as the New Jersey Public Media Corporation. And a key part of that -- understanding that plan is a key part of understanding that 15 or more years ago, when the NJN Foundation came into existence and started to grow, it assured legislators, year after year, that significant cuts in State funding would not harm the Network, but it did. And so during those ensuing years, the amount of New Jersey television programming was constantly cut, significant staff were lost, reinvestment in technology was overlooked, and a true statewide radio network was never developed. These are a lot of these issues and problems that we're now calling a *calamity* and *catastrophe*. Why did we get to this state?

Well, when that was originally introduced, it was called a *public/private partnership*. Our Media Corporation, I think, is a more honest attempt at that. Because what happened is, the public side of the funding decreased significantly with great harm to the production side. And the intent on the side of the Foundation really seemed to be to develop itself, to expand itself, and to grow. And that did happen over the years.

Because of the blending of the Executive Director on the NJPBA side and the Foundation side, you had someone in control who was dictating management policies that were favorable to creating the

community licensing model and were devastating to the State side. So when you talk about deteriorated infrastructure, and you talk about lagging behind, these were management decisions and management policies. And they came at a time when the private model -- the private/public partnership was introduced. So as staff members, we look back and say, "That actually had a negative impact."

We can work together. We believe in the concept of the public/private partnership. But we just believe that the private side that has dedicated to funding should focus all its efforts, and attentions, and energies strictly on fundraising and developing, and not managing and running the television, the broadcast, the internet side of things. So when you talk about all these institutional lags and technological lags, you've got to say to yourself, "Why didn't that develop?" Because a lot of the sort of rosy scenarios that we have laid out for a private model really could have been implemented 15 years ago. There's no one on the staff who was ever averse to change, to getting new equipment, to expanding our reach. What happened is: We took on a business model that said, "You can't work, you can't even start a project until you go find X amount of dollars." And the whole philosophy of having in-house production people ready to work is that you can do work -- production more efficiently. You can crank that out. You could basically have an institution that was operating efficiently.

I apologize. I've sort of gotten off track. But essentially what we've submitted with that plan is saying, "Give the original idea of the public/private partnership a real chance." We had 15 years under one administrator who, for better or for worse, did not have broadcast, production, management experience. Her interests were in developing that

community licensee and developing fundraising, which is great. It probably would have been a great person to run a separate, very focused foundation that would then throw the funding over the wall and help the institution. Instead, all the management policies, all the negative things we're talking about in terms of how NJN lags behind-- That's all a symptom of the blending of the fundraising person who had no broadcast production experience on the State side.

So when we talk about the status quo, I can tell that amongst the Task Force members that means State control. It puts all the negatives on the idea of a State-connected network. And I think that's really unfair, because we were a State-connected network that was slowly and steadily being managed by an entity that had other goals in mind.

SENATOR GILL: Thank you very much.

MR. CONLON: I want to make clear that I'm a manager at NJN. I'm not part of the union, but I'm very sympathetic with what Bob and Dudley have said. And I'm totally on board with Janice Selinger, our Interim Executive Director, and Kent Manahan.

I've submitted my statement. I will just read some highlights.

It seems an odd time for NJN to abandon its 40-year investment -- for New Jersey to abandon its 40-year investment in NJN during the explosion of technology that is the digital age. It seems we are just now entering into a new phase where wireless capability for devices like iPads is about to explode.

NJN now has the potential to reach every New Jerseyan, over 25 million in total, with high-definition television and what could be two or three additional channels, vast amounts of data, and delivery of mobile TV.

I know a lot of people have said broadcast is dead. I think when TV came out, they said maybe radio was about to die. That didn't seem to be the case. So those considering giving away these licenses should consider all of the potential uses of this emerging technology.

Now, there's no doubt that these are unprecedented times, and thousands of public workers are losing their jobs. So running a TV station can appear frivolous. But savings may be far less than anticipated. NJN receives money from the State in three main categories: our annual appropriation, which last year was just under \$4 million; benefits to employees; and payments toward our main facility in Trenton, which was championed by Governor Kean and opened in 1993.

Unless there is an unknown, well-financed entity waiting in the wings, it seems like the plan might be to turn the building over to a cash-starved foundation or another PBS station which would be glad to have the building, but would not be able to pay for it. So I don't think you're saving much there.

The next major cost goes to benefits for NJN's employees. If our staff is to be discarded, many may opt to retire with the benefits earned from the years of dedicated service. The committee should examine this closely, but it seems almost certain that because you will be paying full pensions in addition to health benefits, these costs will rise sharply in the short-term.

As for the annual appropriation, New Jersey, like most states, supports public television, regardless of who controls the licenses. It seems that New Jersey is actually in the middle of the pack in this regard, behind many states that may surprise you, like South Carolina. This seems ironic,

because the same arguments that led to our creation are just as valid today, as we're caught in a vacuum.

If you do give it to a poorly funded suitor, private suitor, they may promise continuation of NJN news, for example, but those promises could evaporate and prove worthless if the State does not have any real control by holding the licenses.

For those who are opposed for ideological reasons, this continuing and worsening vacuum should give you pause.

I'd like to point out that the State currently steers \$44 million to municipalities around the state annually through the cable franchise fee, and mandates space be provided for these local stations. So if you're giving \$44 million there, doesn't the statewide coverage deserve some consideration? I agree with what Bob was advocating for with a more autonomous, yet still public entity. And I think it would solve a lot of modernization and flexibility issues that have been discussed.

A stable NJN not preoccupied with fighting for its existence would be able to use modern technology to greatly improve efficiency and turn out even more local production than now, even if resources dictate a smaller staff.

While NJN has a great foundation, and equipment already in place with investments totaling almost \$20 million in just the past five years -- on things like an all-new master control and transmission gear -- relatively small capital investments will allow for far greater efficiency, and a more nimble structure would streamline the process.

I ask you to please think long and hard before abandoning this 40-year investment. Once gone, assets like licenses that give NJN the

greatest reach of any local station in the country and transmitters up to a thousand feet high on dozens of acres of State land will be lost forever. New entities may promise to serve the public, but there will be no assurances. And like most of the 12 stations licensed to New Jersey, coverage and resources may gravitate toward more profitable New York and Philly markets. An earlier speaker said it's all local, but it doesn't all have to be local New Jersey. We reach more people out of the state than we do within the state.

Future generations--

MR. DONAHUE: Mr. Conlon, could you summarize?

MR. CONLON: Can I have 10 more seconds?

SENATOR GILL: Yes.

MR. CONLON: Is that all right? (affirmative responses)

Future generations may deeply regret if all this is given away for minimal, short-term savings.

During his budget address, Governor Christie said, "NJN will succeed as a private entity." Yet, to some, what is proposed seems like a fire sale in the midst of a severe economic downturn.

SENATOR GILL: Thank you, gentlemen.

Any questions? (no response)

Thank you very much. I assume that we'll see you on Thursday for a fuller explanation of the workforce issues.

MR. DONAHUE: The Task Force calls up Dena Mottola Jaborska. Is she here.

SENATOR GILL: No need to testify.

MR. DONAHUE: David Pringle, New Jersey Environmental Federation.

**DAVID PRINGLE:** Thank you.

My name is David Pringle. I'm the Campaign Director for the New Jersey Environmental Federation, and I'm here as--

SENATOR GILL: Could you do your--

MR. PRINGLE: I'm here both for the Federation, as an individual, as somebody who is often commenting on NJN news, and whose members strongly believe in the mission of NJN.

Everyone understands and has been hit hard by the state of our economy, generally, and budget cuts across the board. We do hope that the Task Force, Legislature, and Administration see the end gain here being: how to make NJN work under this climate, as opposed to a cost-saving measure, however painful it must be. We have to do the former, we can do the latter.

NJN is a critical asset needed for New Jersey, not an asset to be sold by New Jersey. While it needs to evolve and we understand the challenge before this Task Force -- we urge the Task Force to use due diligence, as NJN's very survival is at stake and its demise would be a tremendous loss for all New Jerseyans, whether they know it or not, whether they watch the news or whether they don't.

An informed public is critical to our representative democracy. We all know those civic lessons. NJN shines a needed spotlight on the State House that no other media outlet does. And, again, it's demise would be an irreplaceable loss for New Jersey. It's the electronic equivalent of the Sunshine Law.

It's increasingly true now, given the state of the media, the economic times we're in, and New Jersey's unique status sandwiched between two of the largest media markets in the country -- no other entity in New Jersey provides the kinds of programming that NJN does. There are fewer and fewer newspapers, as we all know. And those remaining newspapers are smaller and smaller. New York and New Jersey media have never covered New Jersey even remotely adequately, or even attempted to do it. Even those commissioned to have a charter in New Jersey, like Channel 9, don't do it. Cable hasn't picked up the slack. There have been attempts, and there are examples that do some good work, like Comcast and News 12. But, again, they don't do the kind of work that NJN does. And while there are many new and reputable web-based news sources, there still aren't enough of them, and they cannot replace the role of traditional media. NJN has been there, and picked up that slack, and done it on fewer dollars than practically any other entity.

Could it be nonprofit? Sure. Does it need to be owned by the State? No. However, the license has to be owned by the State. The mandate has to include a very strong New Jersey public affairs component. The State has to provide comparable funding to its historic contributions. Everybody is hurting, but you all know you can find \$5 million, and \$10 million, and \$12 million annually in the budget to fund NJN.

I've testified before the Budget committees and many others about the hundreds of millions of dollars of cuts in clean energy and other things. If you found \$5 million, or \$10 million, or \$15 million, I would want it spent here before clean energy or anything else. The long-term impact of the work that NJN does is critical and, again, irreplaceable.

So as you do your work, we urge you to make sure that NJN is set up to be successful in whatever form it is, that its mission stays New Jersey, the State remains the ultimate arbiter in control of that license. The second that license goes private, you have signed a death warrant for NJN.

Thank you. (applause)

SENATOR GILL: Any questions? (no response)

Thank you very much.

Next.

MR. DONAHUE: The next witness is Mr. Jeff Tittel, New Jersey Sierra Club.

**J E F F T I T T E L:** Thank you.

I'll try to be brief, even though I think this is a critical issue for the State of New Jersey and the future of New Jersey.

This is one of the greatest assets the State of New Jersey has, along with our beaches, and our mountains, and our pristine streams. This belongs to all of us, and we should not be looking at getting rid of NJN. It is too much a part of New Jersey and too much a part of our heritage. But more importantly, it helps educate, inform, and entertain the people of New Jersey, whether it's watching the news show, or a child watching *Sesame Street* and learning its alphabet, or people watching *Antiques Road Show*. It forms a vital function to the people of New Jersey as our electronic Main Street. And to get rid of it, or to privatize it, or to move it off in a quick and sort of arbitrary manner will undermine what is really an institution for the people of New Jersey.

And I think that we have to be very careful in what we do here. I think we need to take our time and come up with a plan to restructure

NJN and to come up with new financial mechanisms -- not to just spin it off into some sort of independent entity that we don't know what's going to happen, where the news programs could turn into infomercials and the quality or the content of the program goes down or is there selling whatever.

I think it's too important for the people of New Jersey to have a public television station. So I really think what we need to do is develop a plan for reorganization with financial structures and do it gradually. Give it a three-year period. "Three years from now, no more money, and you have to be restructured." Do the restructuring sooner, because you just can't throw them off the cliff. You cannot say that, "Today we have no money. Your on your own." And then we start losing not only programs but also the valuable function it (indiscernible) in the state.

And I just wanted to give a little story. I had friends growing up in Hillside who used to own Channel 47. And they sold it in 1971 for \$7 million. They cleared \$3 million and retired. The people who bought it sold it 20 years later to Univision for \$250 million, and now it's worth well-over a half-a-billion dollars. Licenses do not come along that easily. They are not created. It is a valuable asset that is owned by the people of New Jersey. Do not trade it away, do not sell it out. Because not only is it worth a lot for the people of New Jersey, it provides a tremendously important, vital function for everyone -- for our democracy, for our entertainment, for everything that we do. So please take your time and do it right. (applause)

SENATOR GILL: Any questions?

Was it a commercial TV station, Channel 47?

MR. TITTEL: Yes, but it was--

SENATOR GILL: So there is a different-- Just so the record is clear, not to take-- There is a difference in the valuation and value of a commercial TV station than it is for a noncommercial.

MR. TITTEL: I understand that. But the point is, when you see that type of exponential change-- If we lose that station, we can't get another license. That's my point.

SENATOR GILL: Okay. Thank you.

Next witness.

MR. DONAHUE: The next witness is Ms. Heather Taylor, Citizens' Campaign.

SENATOR GILL: Come up front. We don't bite. (laughter)

Good afternoon.

**H E A T H E R T A Y L O R:** Good afternoon.

Thank you for this opportunity.

My name is Heather Taylor. I'm the Communications Director for the Citizens' Campaign. I will be very brief.

I am here today to represent the Citizens' Campaign, a statewide organization dedicated to empowering citizens to take an active leadership role in government politics.

Our mission is simple: to call citizens to the service of our state and give them the tools to participate constructively and effectively. But to be able to participate, citizens must be informed about what is happening in government, which is why NJN is so vital to the civic health of our state. And considering the significant decline of newspaper coverage, NJN's role is even more important today than ever.

NJN has proved its value over the years, covering State government above and beyond any of the commercial TV networks from New York or Philadelphia. NJN stands above the rest because it is their mission to build a sense of state awareness, covering all aspects of our State government, politics, and public affairs. They have served the state well, and hopefully their service will continue.

We just hope that their voice for the people of New Jersey will continue. It is one we cannot afford to lose.

That's all I have to say.

SENATOR GILL: Thank you very much.

Any questions? (no response)

Thank you for your enthusiasm in coming up.

Next witness.

MR. DONAHUE: Mr. Tom Fote, Jersey Coast Anglers Association.

SENATOR GILL: Good afternoon, sir.

**T O M F O T E:** Thank you for your patience in listening to me.

Usually when I'm here, I'm talking about fish issues. This is a fish issue.

When we talk about the commercial and recreational fishing industry in New Jersey, one of the few places we hear information about that is on New Jersey Network. When we talk about environmental issues-- I mean, we're going to have a drug turn-in program in two weeks -- on September 25 -- where you can turn in your expired drugs. We're not going to get New York coverage on that. We're not going to get Philadelphia coverage on that. We need New Jersey coverage on that to keep those

drugs out of our drinking water, to keep those drugs out of the environment.

When I first moved here from Brooklyn, back in 1979, I had to have-- I live in Ocean County, so my antenna had to be pointed at New York, and basically that's all I got -- was New York stations. Then we had cable. In Ocean County we had Adelphia Cable, which had *Eye on Ocean County*, which gave us local news -- basically gave us information that was going on in the neighborhood. We also had radio stations that -- if there was an accident on the Parkway or there was an accident down the street, or we had a flood going on, we'd hear that on the radio. That no longer happens. I mean, Adelphia Cable sold out, and Comcast doesn't do any local news programs anymore in Ocean County.

The only place we have to find out what's going on in the news -- coverage -- is New Jersey Network news. Actually, my degrees are in marketing and communications, so I understand the problems with communicating with people. It's getting harder and harder. We can't find information-- I talk to freeholders all the time, and they talk about having freeholder meetings, or even mayors having committee meetings. No longer are they covered by the local media. No longer is -- because there is nobody working at the press anymore to cover those types of things. I grew up in the newspaper business, and that's a dying business right now.

New Jersey Network news and the environmental issues that are covered are so vitally important. How did you learn about horseshoe crabs and the importance of Cape May? It was because of a documentary done on New Jersey Network news. How did you learn, 20 years ago, how we were rebuilding the osprey stocks back in New Jersey? That was Pete

McLain doing special reports on New Jersey Network news. How do we learn about what's going on in the Pinelands or what's going on in the Barnegat Bay? I mean, I was testifying a couple of weeks ago on the Barnegat Bay -- the four bills that were up there. And the New Jersey Network news covered those issues for the people of New Jersey.

We need to have an identity. We always get caught up -- and I'm a Brooklyn boy -- we get caught up in the New York mix or the Philadelphia mix. We need to have a New Jersey mix and the New Jersey Network.

Now, I'm not going to solve the financial problems, and I'm not going to say here that I can deal with that. But you have a good system that's going, and we need to support that system. We need to put the appropriate dollars in there. There has to be change. We need to do it at a rate that we don't lose what we have. Because otherwise, the people who count on New Jersey news coverage and the Network to do what -- not being done by the New York and Philadelphia stations-- We'll lose that perspective. I mean, yes, we have Twitter, we have Facebook, and all that. I don't do Twitter, I don't do Facebook. I'm part of that -- I used to say I was part of the young people who live in Ocean County, but now I'm one of those senior citizens that I talked about years ago. They look at the television to get their information from still.

They're on computers. And the difference with the computer information is, it is not a reporter. It's somebody's opinion 90 percent of the time. And where we get information-- At least when you do it -- you see it on New Jersey Network news, you can trust that it's been vented. They're going to do responsible news reporting and not just opinion pieces.

I won't tie up any more of your time, because it's been a long day. If you have any questions--

But thank you for hearing me.

SENATOR GILL: Thank you very much.

I don't want you to think that you're alone in not doing Twitter. It's my understanding that the Senate President doesn't do it either. And he comes from South Jersey, so you're in good company.  
(laughter)

Any questions? (no response)

This will conclude this phase of the meeting. I will let the Vice Chair tell you where the next meeting is.

ASSEMBLYMAN GREENWALD: We are on Thursday at Stockton University in South Jersey. And we welcome those who were here today if they just want to watch and see some further testimony. But it's an opportunity to take these hearings around the state. And we have a third hearing next week in Montclair. So we appreciate everybody's appreciation for the hearings today, their input, their participation. And we look forward to working on this issue, both with you at the hearings, as well as any of you who wish to reach out to the members privately. And we promise that that information will be shared with all the members as we move forward.

Thank you for being here today.

SENATOR GILL: Any other statements? (no response)

We're okay?

We stand adjourned.

Thank you.

**(HEARING CONCLUDED)**

**APPENDIX**

Kent Manahan, Chair, NJPBA

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

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

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

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

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

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

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

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

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

The Preamble states:

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

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

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

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

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

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

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

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

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

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

Fifth: The current NJN staff of experienced and knowledgeable individuals constitutes NJN's greatest asset. These individuals should be treated equitably by the State in any transition.

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

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

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

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

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

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

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

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

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

There are at least three possible outcomes in your deliberations:

- The Governor's proposal as outlined in his draft legislation for a transfer of NJN to a New Entity and the dissolution of the NJPBA and Foundation is approved.
- The pending legislation for a new Public Media Corporation is adopted.
- A recommitment of State support for the NJPBA to operate NJN and the NJN Foundation to aid with fund raising.

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

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

Let me make an upfront confession:

I am a NJ chauvinist.

I have lived here all of my life.

My husband and I have raised our six children here.

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

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

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



How many candidate debates have been done in New Jersey? I can tell you it wasn't always easy as the moderator keeping candidates on topic under time restraints.

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

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

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

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

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

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

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

We don't want to lose what New Jersey needs, the public's right to know, the ability to control the operating entity to meet the public standard. That is why the NJPBA adopted the Statement of Principles and Recommendations on June 1 of this year. As stated in the PBA's



Preamble, I will fight for the Principles to be incorporated in all Executive Orders, Legislation, and other documents created to control and guide any New Entity that would be given the privilege to operate NJN or its successor in the future for the benefit of the people of the State of New Jersey. As you consider this important decision on NJN's future, please know that if you decide, the NJPBA is willing to continue its work after January 1. We are ready to offer any support or assistance that we can.

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

Thank you for this opportunity to appear before you today and for your interest in our views on this critically important public policy issue—the fate of NJN.

**NEW JERSEY PUBLIC BROADCASTING AUTHORITY'S**  
**STATEMENT OF FUNDAMENTAL PRINCIPLES AND RECOMMENDATIONS**  
**FOR**  
**PROPOSED NJN TRANSFER**

**PREAMBLE**

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

**FIRST RECOMMENDATION**

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

**SECOND RECOMMENDATION**

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

**THIRD RECOMMENDATION**

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

**FOURTH RECOMMENDATION**

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

**FIFTH RECOMMENDATION**

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

**SIXTH RECOMMENDATION**

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

**SEVENTH RECOMMENDATION**

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

**EIGHTH RECOMMENDATION**

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

**NINTH RECOMMENDATION**

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



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**Statement of Ellen P. Goodman, Professor of Law, Rutgers University – Camden  
Before the Legislative Task Force on Public Broadcasting  
New Jersey State Legislature  
September 14, 2010**

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

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

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

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

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

We all understand the reasons for what some have called a "crisis in journalism" – the failing economics of newspaper and broadcast news. The growth of blogs and other Internet resources are terrific sources of commentary and entertainment, but these media typically do not make the same kinds of investments in accountability reporting that old media did. Some believe that the market will find new models to support accountability journalism: new subscription and advertising plays. Others doubt that there is a viable commercial model to support the day-in-day out slog at the statehouses and city halls. The most

promising path to commercial success in journalism is to polarize the public around well-defined fissures, rather than to offer reasoned discussion and analysis, much less expensive fact-finding.

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

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

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

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

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



positions to work with state school officers to introduce media purpose built for student and teacher needs.

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

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

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

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

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

***(1) Create.*** We're seeing public broadcasters around the country putting more resources into local production. In Minneapolis and San Francisco, Los Angeles, Detroit, Philadelphia and



New York, public radio in particular is investing more in local news. This is news that's available and refreshed all the time through Twitter feeds, social networks, websites, and broadcasting. Public broadcasters now reach millions through non-broadcast means (NPR has 1.8 million Twitter followers; and NPR's iPad application has been downloaded onto one out of every five iPads).

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

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

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

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

- Oregon Public Broadcasting is this month running a public media camp and inviting the community to come in for a brainstorming session over dinner about what kind of public service media they want.



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

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

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

What is in the control of NJN or a reconfigured public service network is the value that is provided today. The broadcast medium should be squeezed for maximal service for the most people. This will mean using broadcasting as just one mechanism, and probably not the principal one, for transmitting newly produced and curated content. What it probably also



means is leasing or selling some broadcast capacity, and downsizing broadcasting expenses, in order to fund content production and other services. *The question that reformers ask should not be how to improve the broadcast per se, but how to use the broadcast to improve the service.* Improved service will entail the creation and curation of more content transmitted over more platforms and with more attention to community connections. The broadcasting platform is simply a means to do this.

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

Many thanks for your attention.

## TESTIMONY

**Douglas S. Eakeley, Chair, NJN Foundation**

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

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

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

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

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

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

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

My testimony today will focus on three key areas:

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

### **I. History and Purpose of the NJN Foundation**

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

The creation of a more formal fund-raising operation nearly 20 years later signaled a greater need for increased private sector support. Since 1990, direct appropriations from the State have decreased overall, while expenses have continued to increase, creating a continuing structural deficit.

In 1990, NJN received \$ 8.9 million in a direct State appropriation. Non-state revenue totaled \$5.7 million.

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

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

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

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

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

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

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

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

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

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

## **II. The NJN Foundation's Response to the Administration's Proposal**

Before I address the Foundation's response to the current proposal to convert NJN into an independent, charitable non-profit organization, I'd like to take a moment to discuss past efforts to consider alternative organizational models for NJN.

As far back as 1997, the NJN Foundation Board worked together with the Authority's Commissioners to explore other, self-sustaining business models for NJN that would not leave the Network vulnerable to the vagaries of annual State appropriations.

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

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

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

- Expedited procurement process for purchases of capital equipment to replace aging infrastructure to ensure 24/7 on-air broadcasts and emergency alert communications services.
- Flexibility to recruit, retain and reward highly talented skilled professionals in a competitive market.
- Continuity to promote the complex transition to digital broadcast and the development and application of new technologies for homeland security and educational initiatives.

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

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

In 2007, NJN Foundation and PBA Board leadership and management jointly began looking at another pathway for NJN. Given the financial problems facing NJN; State constraints on NJN concerning procurement and personnel matters and new business and fund-raising opportunities; and the lack of agility to succeed in an increasingly fast-paced and competitive marketplace, how

could NJN flourish in the 21<sup>st</sup> Century and provide extraordinary public media benefits to the people of New Jersey?

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

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

Now to the current issue at hand.

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

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

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

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

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

Much of the plan is devoted to preliminary budgets based upon assumptions that still need to be resolved. The first year budget is just over \$15 million. By rule of thumb, 50% of the budget would be allocated for personnel expenses, which would allow for about 80 FTEs. Clearly this means a more streamlined operation. We are fully aware that this change will disrupt the lives of

many dedicated, professional, hard-working State employees at NJN, and I want to state here for the record that at every step of the way, NJN Board members and management have advocated to secure a “soft landing” for State employees, many of whom have worked with NJN for 20 plus years.

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

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

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

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

### **III. A Vision for Public Media in New Jersey and NJN’s Role**

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

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

How does NJN evolve into a 21st century public media enterprise that advances NJN’s role as a digital resource for New Jersey teachers and students; increases public access to the arts and culture; engages citizens in a public debate about the issues of the day; provides essential emergency communications; and strengthens our communities?



To realize its full potential, NJN needs to produce more New Jersey-centric programming by changing its processes, its tools, and its creative approach. NJN needs to think beyond “radio” or “television” and consider the potential of “anytime/anywhere” consumer use. As we develop the next phase of NJN’s future, we need to be thinking in terms of “transmedia” projects and programs that can be seen, heard and experienced in different ways depending upon available device. A “radio interview show” will also be a television show, a web experience, mobile downloads and an interactive forum. This is not the stuff of the future. This is what other public media organizations are already doing today, and how NJN needs to proceed.

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

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

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

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



N J N F O U N D A T I O N

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Testimony before the New Jersey Legislative Task Force on Public Broadcasting  
Paul Starr<sup>1</sup>  
September 14, 2010

Thank you for the opportunity to testify.

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

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

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

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

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

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

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

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

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<sup>1</sup> Woodrow Wilson School, Princeton University (affiliation for identification purposes only).

<sup>2</sup> Scott Weingart, "Less News is Bad News: The Media Crisis and New Jersey's News Deficit" (New Jersey Policy Perspective, 2009), available at [http://www.njpp.org/rpt\\_mediacrisis.html](http://www.njpp.org/rpt_mediacrisis.html).

<sup>3</sup> Jim Willse, remarks, Conference on "The Newspaper Crisis," Dodds Auditorium, Princeton University, May 1, 2009.

Still, if the state merely cuts back NJN, those cuts will just compound the losses in news coverage by the state's newspapers. But the crisis could also become a moment of opportunity—if the state's policymakers, working with other groups, have a broad enough vision of what needs to be done and allow NJN's assets to be deployed in new ways to accomplish the original objective of providing independent journalism about the state's affairs.

The report I've written with two of my students, "A Future for Public Media in New Jersey,"<sup>4</sup> reviews the options for achieving that objective. We believe that the people of this state would be better served if NJN were converted into a private community nonprofit, independent of the state government and dedicated to producing nonpartisan journalism and programming about and for New Jersey to be distributed through both traditional media outlets and new media. That should be the objective.

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

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

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

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

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<sup>4</sup> Paul Starr, Scott Weingart, and Micah Joselow, "A Future for Public Media in New Jersey: How to Create a New Basis for Public Radio, TV, and Online Media in One of American Journalism's Worst Covered States," New Jersey Policy Perspective, August 2010.

## TESTIMONY

**Janice Selinger, Acting Executive Director  
New Jersey Public Broadcasting Authority**

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

### **NJN's HISTORY, MISSION AND ACCOMPLISHMENTS**

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

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

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

Over the last four decades, thanks in large part to corporations, foundations and the generosity of individuals, NJN has produced home-grown series and documentaries that focus on the arts, the environment, history, and our cultural diversity that captures the essence of the Garden State. NJN is proud of our excellent track record of bringing many of these award-winning *Uniquely New Jersey* stories to a nationwide PBS audience and viewers around the world including most recently *Words and Music by Jerry Herman*, *Ten Crucial Days*, *Green Builders*, *Our Vanishing Past*, *Su Salud Primero/Your Health First* and *Morristown: Where America Survived*. NJN has been recognized with numerous awards including 369 Regional Emmy nominations and 76 Regional Emmy Awards and we are proud that many of our productions also tell New Jersey's story to a national and international audience – intelligent, informative programming that counters the New Jersey image created by commercial programs such as *Jersey Shore* and *The Real Housewives of New Jersey*.

While awards are rewarding, the most important aspect of NJN programming is the impact it has on our viewers. In 1985, NJN produced *Battered Wives: Shattered Lives* about domestic violence that aired nationally with a call-in program hosted by Kent Manahan that immediately aired following the documentary, which generated thousands of phone calls answered by counselors on hand to give assistance. In one instance the call stopped abuse that was actually in progress. Recently, *Another View* produced a panel discussion and call-in show on the impact of the mortgage crisis on families throughout the state, providing information about services aimed at trying to find solutions to the economic crisis many families are experiencing.

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

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

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

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

Much of our talented NJN staff has a long employment history with us and has built up knowledge and experience of New Jersey and the running of NJN that is invaluable and in



some respects irreplaceable. Michael Aron, who wears two hats at NJN – Acting News Director and Senior Political Correspondent, is arguably the state's most respected and knowledgeable political analyst. NJN's news team, led by Anchor Jim Hooker, is accomplished and reports the news every weeknight with substance and balance.

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

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

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

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

#### **New Jersey State Police**

As the State of New Jersey's emergency communications system, NJN works in partnership with the NJ State Police to provide New Jerseyans with a redundant, reliable, secure communications solution that immediately informs them of a national, state or local emergency, whether a natural disaster or manmade. It is essential that NJN continues to provide this emergency communications service for the state – a very important value that should not be overlooked

### **New Jersey Department of Labor & Workforce Development**

Since 2001, NJN has worked in partnership with the New Jersey Department of Labor & Workforce Development on Workforce Learning Link (WLL) to provide job seekers with instruction in reading, writing and math, communication, financial literacy, job search, employability and life-skills. Using state-of-the-art digital television technology, computer software, the Internet, and print materials, the WLL program provides interactive training services that allow participants to address individual employment-related issues at their own pace and access information that can enhance their chances of success in the workplace.

### **New Jersey Historical Commission**

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

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

### **New Jersey State Council on the Arts**

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

### **New Jersey State Library**

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

### **New Jersey State Museum and New Jersey State Library**

National Public Radio (NPR) *StoryCorps*' Mobile Audio Booth will be parked in front of the NJ State Museum and NJ State Library in downtown Trenton throughout the month of September and more than 150 New Jerseyans from all walks of life will record their life stories for posterity. Some of these taped interviews will air nationally on *StoryCorps*, during NPR's

*Morning Edition*, so tune in to NJN Public Radio to hear members of our community recount sometimes funny, sometimes poignant moments in their lives. And visit [njn.net StoryCorps](http://njn.net/StoryCorps) Webpage to learn more about *StoryCorps*, one of the largest oral history projects ever conducted, and hear more New Jersey stories. All of the stories recorded by NPR's *StoryCorps* nationwide eventually will be housed in the US Library of Congress.

### **New Jersey Department of Education**

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

- NJN is developing an early math Website – the second phase of NJN's *Big Math for Little Kids* program – to empower parents across New Jersey to support the development of their children's understanding of big math concepts that align with early childhood math curriculum. For access to the Website, please visit <http://www.njn.net/education/teachers/bigmathforlittlekids/>.
- NJN provides technical services to more than 130 schools across the state that use the *NJN Digital Classroom* broadband application. This enables teachers and students to access video and curriculum guides “on demand” to enhance lesson plans using 21<sup>st</sup> century tools and technology.
- NJN also is working with the NJDOE as a “*State of the Arts*” partner for a pilot *Classroom* project for arts education. Currently, the *State of the Arts* staff is seeking funding for this pilot *Classroom* project that will take video segments of the series on a variety of arts topics and tie them to curriculum guides so that arts teachers can access and incorporate them in their lesson plans. The goal is to provide a database of arts videos for use in the K-12 classroom. Stories will be available to view through the soon to be launched PBS Direct Learning Library (PBS DLL), which will provide a search feature to find videos based on content standards and grade levels. The *State of the Arts: Classroom* video stories and curriculum guides also will be linked through the NJDOE's Website, as well as accessed on NJN's Website.

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

### **REASONS NJN IS FACING THIS FINANCIAL AND OPERATIONAL CRISIS**

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

In recent years, NJN leadership chose to curtail some of NJN's local productions, specifically lowering the number of series episodes produced each year, unless other sources of revenue were raised to fully fund productions in an effort to balance the budget. Another way NJN's

leadership chose to balance the budget was by working with an aging infrastructure as we could not afford to replace obsolete equipment unless we found outside grants to cover the cost. We also cut expenditures for both the NJPBA and the NJN Foundation through staff attrition, which includes the loss of key management position in Finance, Engineering and Personnel as well as key Foundation Development positions that to date have not been filled.

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

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

### **NJN's CURRENT FINANCIAL AND OPERATING CRISIS**

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

A projected twelve month budget for the NJPBA – extending to June 30, 2011 shows \$12.2 million in Revenues and \$17.8 million in Expenses. This would mean a projected shortfall of approximately \$5.6 million for the full fiscal year. This projected number is somewhat "soft" in that it includes additional revenues from the NJN Foundation in the second half of the fiscal year which may be uncertain. Fundraising is very challenging at present, and the situation is exacerbated by the uncertainty surrounding the future of NJN. In addition, all employees covered by collective bargaining units are scheduled to receive a second 3.5% increase as of January 1, 2011 per the Corzine Administration agreement.

The only option remaining for NJN would be to reduce staff size, which would have a significant impact on future operations. Past attrition has already made it necessary to use freelance technicians to cover time-sensitive productions. This is not a cost-effective solution. Virtually all other discretionary spending has been eliminated in the prior fiscal years.

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

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

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

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

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

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

News is also posting outtakes from press events, providing text and video updates during the day on that evening’s top stories, and offering a more complete archive of past news reports organized by subject. We are also planning an on-the-hour preview of that evening’s newscast on television and the web, starting at perhaps 2:00 pm. Our wish list includes a new set for the newscast and an online news managing editor. News is also exploring a reporting partnership with NJspotlight.com and, potentially, with Newjerseynewsroom.com.

Our staff has been investigating other stations' equipment and with additional funding we can update our physical plant to be truly a state-of-the-art facility. Our engineering staff estimates that it will cost about a million dollars for capital upgrades for news production. Upgrades to our physical plant will generate revenue through our Media Productions Department – a full-service production team that works with outside clients to produce videos using NJN staff, as well as rent NJN's facilities for teleconferences and other meetings.

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

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

- NJN could get a big-name New Jersey celebrity to do a benefit concert for NJN or for NJN and another worthy organization. Funds could be split if there were two non-profits involved.

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

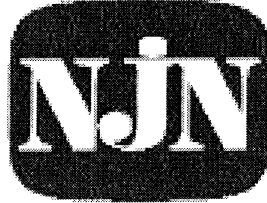
Radio has not been able to expand reach and service due to the following circumstances:

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

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

## CONCLUSION

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



**NJN PUBLIC TELEVISION AND RADIO (NJN)  
FIVE-YEAR STABILIZATION PLAN**

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

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

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

## NJN'S CURRENT FINANCIAL INSTABILITY

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

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

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

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

## THE NJN FIVE-YEAR STABILIZATION PLAN TO INCREASE REVENUE

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

1. State Appropriation	\$ 4.00 million
2. CPB	\$ 2.70 million
3. Tower and Transmission Rentals	\$ 1.30 million
4. State Lottery	\$ 1.07 million
5. EBS – Clearwire	<u>\$ 1.00 million</u>
Subtotal	\$10.77 million

The following revenue is an assumption based on FY 10 Forecasts:

6. Underwriting	\$ 1.75 million
7. Membership	\$ 2.20 million
8. Events and Major Gifts	\$ 1.05 million
9. Media Productions Service	\$ 0.60 million
10. Program and Project Grants	\$ 0.90 million (restricted)
11. Other	<u>\$ 0.30 million</u>
Subtotal	\$ 6.80 million (Assumption not a guarantee)

**TOTAL      \$17.57 million**

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

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

### HOW WILL WE OVERCOME THIS DEFICIT?

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

### VISION FOR A SUCCESSFUL PUBLIC/PRIVATE PARTNERSHIP

Through the support of the Governor, State Legislators, the appointed NJPBA commissioners, new leadership at NJN, and the NJN Foundation Board of Trustees, NJN can increase its income

through several revenue-generating ideas:

1. NJN's Media Productions Department has always been self-sustaining, raising over \$20 million in the past ten years, which has covered the salaries of everyone in the Media Production Department in addition to several other NJN employees. Amazingly, this has been accomplished without any marketing budget. Going forward, Media Productions should be able to promote this department and with the help of the State to gain more business revenue by requiring that other State entities include NJN when they are putting video projects out to bid. NJN knows it can be very competitive and will provide a broadcast-quality, finished product that will bring customers back to NJN to fulfill their future video requirements.
2. With the help of the NJN Foundation Board of Trustees and NJN Development Staff, more can be done to tap into the wealth of New Jersey. For many years, the Foundation has missed opportunities to increase its Major Gift supporters – philanthropic individuals who believe in NJN's mission.

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

3. Following a successful Capital or Major Gifts Campaign that takes anywhere from two to six years to successfully reach its goal, the Foundation Development Staff can build on this donor base and through good stewardship continue to ask for support from these wealthy individuals for an on-going General Operating Fund that can be used to supplement employee salaries and benefits if needed, purchase equipment and provide seed money for developing programming and educational projects.
4. Continue to increase revenue through the Development Department for On-air Underwriting contracts, and through Project Underwriting for programming and educational projects that match the donor's areas of interest. With increased local productions to support, the NJN Foundation can achieve this over time.
5. Planned Giving is an important element to help raise revenue. NJN needs to nurture this source of revenue that sometimes takes years to pay off. We have already started to research different ways for people to support NJN through Planned Giving. WHY? actively started promoting Planned Giving several years ago with a goal of \$5 million in five years, and have exceeded that goal. But, NJN needs to market this idea. NJN should encourage supporters through the NJN Website, quarterly newsletters, personal letters and on-air promos to consider leaving a legacy of support for NJN through a bequest or Charitable Gift Annuity (CGA).

6. Once Planned Giving reaches a viable level and our immediate revenue needs have been met, NJN can create an endowment fund to help sustain NJN for future generations. Maryland Public Television has created several endowment funds that supporters can contribute to. If they give over \$100,000, MPT will create a named endowment fund in their honor.
7. Increase our membership base by holding a significant Benefit concert for NJN. We have great New Jerseyans who are international celebrities that we should consider approaching and making this happen. However, it takes a lot of lead time to set this up because of the advance schedules these celebrities are committed to.
8. Look for ways to increase revenue through Broadband applications.
9. Ask the State for dispensation that that would allow NJN to name the headquarters on Stockton Street after a major supporter (over \$1 million contribution). We also could name the NJN Studios in Newark and at Stockton College after major gift supporters as well as the studios inside the buildings.
10. Request that the State sets up a system that allows taxpayers to check of a \$1 box on their State tax returns to help support NJN.

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

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

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

**TOGETHER we can achieve this goal!**

## Report on Capital Campaigns Conducted by PBS Affiliates

### Summary:

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

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

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

- a. Move to suburbs could be detrimental to core audience if it was not successful. DPTV would be known as the poorly-run station that made the mistake of leaving town and its supporters.
- b. Lack of a GM for 6 months to spearhead the campaign stalled it.
- c. Full-time, high-priced, on-site consultant not achieving goals.
- d. Campaign ground to a halt and looked like it would fail.
- e. Considered extending the campaign timeline because it was stalled.

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

- a. Downsizing campaign goal to \$22 by downsizing the size of the production truck and receiving a \$5 million donation from the builder that reduced the cost of the building.
- b. Releasing the full-time consultant and bringing department heads together and making all of them responsible for completing the campaign.
- c. As GM, he believed he must be completely committed to lead the campaign and required the staff to own the campaign as the only issue that mattered and assigned people to the campaign and nothing else. The broadcast was secondary to everyone being in campaign mode.

- d. A successful campaign must have a deep relationship with the community.
- e. Mission is opportunity to fundraise. Make a strong Case Statement focused on your mission that provides an important community service as a media business. Then encapsulate this into a story for support that everyone on staff can share with prospects.
- f. Rich used telemarketing firm for completion of campaign. Although the margin was not high (60 cents on the \$), the benefit was that the gross counted towards fulfilling a challenge grant and the staff gets really good at telling their story for support because they had to train the telemarketers.
- g. Applying for Kresge Challenge grant in the amount of \$1.25 million. The Kresge Foundation advised them NOT to extend the timeline because the campaign would lose its urgency.
- h. Had good answers to address any objections or obstacles about moving forward with the campaign.

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

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

- a. NJN should find the theme that fits for its Case Statement.
  - b. Have great answers ready to go to counter negative publicity.
  - c. Tap into local family foundations for general operating support.
  - d. Find wealthy prospects who watch NewsHour and NJN News. Also, people who watch Sesame Street. In other words, Public TV constituents.
  - e. 50% of philanthropists are Everyman/Explorer type and 40% vote and read.
  - f. Prospects, especially moderate Republicans, want to see that you operate very efficiently and fiscally conservative.
  - g. Your database must be excellent to launch a campaign.
2. PBS39 – WLVT – President and CEO Pat Simon (610) 867-4677 x253  
Executive Assistant: Andrea Rennig e-mail: [pats@wlv.org](mailto:pats@wlv.org)

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

Her campaign is divided into two major parts. The first and where their efforts have been focused to this point is capturing State, Federal and tax credit dollars. Pat says this is by far the bulk of our raised revenue and will by far surpass what they raise in a traditional manner. She adds that without the success in this area,

the campaign probably would have failed if they had relied upon a "traditional" campaign. She added that given the state of the economy, they felt that this community would be unable to financially support a \$17 million capital campaign. She cites that three major non profits in her area launched traditional campaigns for the last couple of years and all are substantially behind in their goals.

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

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

- a. What was your timeline for the Capital Campaign? The board approved the campaign in May 2000; we concluded the campaign June 30, 2006. We had hoped to do it in 3-4 years, but the dot-com bust and 9-11 intervened. Grand opening of the PMC was April 2007.
- b. What was your fundraising goal? \$19 million fundraising goal. We raised \$20 million. We also issued \$19million in tax exempt bonds that has been transformed into an ordinary bank qualified loan with a 25-year term, at a favorable interest rate.
- c. What portion of the funds was used for bricks and mortar and how much went to purchasing new equipment? The building (land, site development, architects fees, construction) approximately \$25.8 m, of which \$5.2 million was technical equipment (\$4.4m) and furnishings (\$800k).
- d. What obstacles have you run into over the course of the campaign? 9-11 and the Dot-com bust, plus a 22 month-delay in release of some of our state funds.
- e. How did you overcome these obstacles? We extended the campaign, we waited.
- f. How important is it to have challenge grants as part of the campaign? It wasn't important for us; we didn't have any.
- g. Did the State of Pennsylvania help you by donating to this campaign through a grant? Of the \$20 million raised, \$7m came from PA in the form of 2 capital construction grants (\$3m released by Republican governor Mark Schweiker and \$4m released by Democratic governor Ed Rendell.)
- h. NJN is a public entity with a State license. What recommendations would you make for us to launch a successful public/private partnership campaign? That's a tough situation, as some donors would expect that the state should take care of your needs. Given the publicity that NJN's funding has received lately, you should have an easier time explaining why private funds are needed. I could probably help more if I knew more about the purpose of your campaign.

Given the last sentence, I'm sure Kathleen is willing to discuss further with you when we decide to launch a campaign.

4. Vegas PBS – General Manager Tom Axtell (702) 799-1010 x5429 Executive Assistant: Bernie e-mails: [taxtell@vegaspbs.org](mailto:taxtell@vegaspbs.org) and [bgoodemote@vegaspbs.org](mailto:bgoodemote@vegaspbs.org)

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

- a. What was your initial goal in 2000 and how did you use those funds? When did Vegas PBS expand the Capital Campaign to \$64,700,000 and are you still working on this goal? The first two questions are summarized in the trustee memo from 2006. Original goal was DTV conversion equipment and rural translators, then we added a new TV facility, then we added emergency communications capacity, then due to our partner we added internet-based lifelong learning. This was the plan approved in 2004. By 2006, the architect had convinced us to add "green" construction and operations.
- b. How much of the funds will be used for bricks and mortar and how much for DTV equipment? Our rounded totals are \$3 million for land, \$60,000,000 for building, and \$9 million for equipment.
- c. What is your timeline for the Capital Campaign? Due to recession pledge cancellations and municipal sewer, fire code, and landscaping requirements we are still \$3.5 million short of closing the campaign. We have pledged spectrum fees to cover our bond obligation through 2014, but are seeking private gifts to pay it off early. (See attached Trustee history memo.)
- d. What obstacles have you run into over the course of the campaign?
  - i. Lots of politics on selection of partner / site. The school district, two community college campuses, the university, two industrial parks, and a performing arts center all "bid" on co-location.
  - ii. Donor survey indicated lots of mission confusion with new media, e.g., If you are the TV I watch, why are you doing RAT outreach in inner city neighborhoods and proposing Internet viewing?
  - iii. School partner faced budget cuts, unions opposed building saying it took resources from schools.
  - iv. The recession caused some donors to cancel/delay capital pledges.
- e. How did you overcome these obstacles?
  - i. Developed a cost and business opportunity matrix and let the board choose a partner.
  - ii. Re-branded company from KLVX to Vegas PBS; used print materials and interstitials to define non-broadcast services as part of broadcast outreach.
  - iii. Worked directly with editorial boards and editors to kill misconceptions, worked with teachers and union leaders to explain revenue sources and scale of services delivered to classrooms.
  - iv. Wrote off \$2 million in bad pledges, still working on replacement funds.
- f. What did you do to make this public/private partnership successful? Did any funder provide a challenge grant to jumpstart the campaign? Lots of discussion during the evaluation phase so everyone really bought in to the project. Defining building as a technology campus serving a multi-function mission TV/cable, virtual high school, virtual workforce training, emergency

communications center, and green facility created multiple reasons for donors to give to us.

- g. Did you have a joint public/private Capital Campaign Committee and how well did this work? School district bought land, and paid \$27 million for their half of building.
- h. Did the State of Nevada help you by donating to this campaign through a grant? We lobbied for and received \$1 million from Tobacco Settlement Fund in exchange for \$3 million in on air anti-smoking PSAs.
- i. NJN is a public entity with a State license. What recommendations would you make for us to launch a successful public/private partnership campaign? Position yourself as Cinderella, and entice every other public and private agency to want to take you to the ball.

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

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

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

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

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

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

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

Two of the success stories that interested me were WKSU Major Giving Campaign in partnership with Kent State University and WGBH Campaign.

Most radio stations consider \$1,000 to be a Major Gift. The GM of WKSU created a new Director of Philanthropic Giving position and defines a Major Gift as \$25,000 and over. The major giving principles that were key to the success of this campaign are:

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

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

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

# State Support for Public Broadcasting -- Is New Jersey Typical or Unique?

Testimony before the Joint Legislative Task Force on Public Broadcasting

by

Dudley Burdge

Communications Workers of America, Local 1032

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

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

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

Other state networks that are of particular interest are:

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

- \* Maryland Public Television which enjoys considerably more autonomy as a state operated network than NJN particularly in the area of hiring.
- \* New Hampshire Public Television where the broadcast licenses are owned by the state university but a non-profit, which is wholly owned by the state university, operates the network.
- \* Hawaii Public Television where a 2003 change from a state operated system to a non-profit combined with a sudden and drastic cut in state funding led to massive staff cuts and a severe reduction in local programming. Interestingly the now non-profit Hawaii public television continues to receive a relatively high level of state support.

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

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

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

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

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

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

## Conversion from State Operated to Non-profit

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

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

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

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

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

## How New Jersey is Unique

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

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

*The fund raising Foundation for New Jersey Public Broadcasting, established by statute as the fund raising arm of NJN, is unique in the size of its staff, the level of educational outreach and TV production, and in particular the attempt by the Foundation to dominate and plan the future of NJN. Every state operated broadcast network appears to*

have at least one 501(c)3 fund raising arm. However, most are slim and trim operations. In several states such as Idaho and West Virginia these fund raising non-profits employee no staff and actual fundraising is done by state employees, It's worth noting that Idaho has a particular high level of private funding (63%).

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

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

Note on sources --- information on state operated networks in other states was provided by the Corporation for Public Broadcasting and the Organization of State Broadcast Executives. Interviews were conducted by Dudley Burdge of public broadcast executives in Idaho, Kentucky, North Carolina, Maryland, Oklahoma, West Virginia, Wisconsin, Iowa, South Dakota, Vermont and New Hampshire.

ISIS ID/Station	City	State	Licence Type	Operations Supported	Licensee Type Based on TOR
WSBE-TV	Providence	RI	State	TV only	\$0MM to \$9MM
WTJX-TV	St. Thomas	VI	State	TV only	\$0MM to \$9MM
KBTC-TV	Tacoma	WA	State	TV only	\$0MM to \$9MM
South Dakota Public Television	Vermillion	SD	State	Joint Licensee	\$0MM to \$9MM
KAID-TV	Boise	ID	State	TV only	\$0MM to \$9MM
WSWP-TV (T15700-00)	Charleston	WV	State	Joint Licensee	\$0MM to \$9MM
Wisconsin Network	Madison	WI	State	Joint Licensee	\$9MM to \$20MM
Oklahoma Network	Oklahoma City	OK	State	TV only	\$9MM to \$20MM
Nebraska Network	Lincoln	NE	State	Joint Licensee	\$9MM to \$20MM
Arkansas Educational Television Network	Conway	AR	State	TV only	\$9MM to \$20MM
Louisiana Public Broadcasting Network	Baton Rouge	LA	State	TV only	\$9MM to \$20MM
Mississippi Public Broadcasting	Jackson	MS	State	Joint Licensee	\$9MM to \$20MM
Alabama Public Television	Birmingham	AL	State	Joint Licensee	\$9MM to \$20MM
Iowa Public Television	Johnston	IA	State	TV only	\$20MM and above
WIPR-TV	San Juan	PR	State	Joint Licensee	\$20MM and above
Georgia Public Broadcasting	Atlanta	GA	State	Joint Licensee	\$20MM and above
Kentucky Network	Lexington	KY	State	TV only	\$20MM and above
South Carolina Network	Columbia	SC	State	Joint Licensee	\$20MM and above
New Jersey Network	Trenton	NJ	State	Joint Licensee	\$20MM and above
Maryland Network	Owings Mills	MD	State	TV only	\$20MM and above

Comparison of Statewide State-Licensed Public Television Appropriations  
September 2, 2010

Licensee	Licensee type	* FY 2010 State Appropriation	FY 2010 with Changes	FY 2010 Total Operating Budget	* FY 2011 State Appropriation	FTE	Channels	Transmitters	Translators	Population
North Carolina PBS	University	12,642,805	12,131,493	27,751,000	12,019,591	174	4	11	23	9,222,414
Kentucky PBS	State	12,141,000	11,501,600	24,877,500	12,228,000	175	4	16	3	4,269,245
South Carolina PBS/NPR	State	11,878,522	11,770,656	19,580,526	9,556,490	187	4	11		4,479,800
Nebraska PBS/NPR	University & State	10,223,556	9,967,967	22,000,000		175	3	9	14	1,783,432
Maryland PBS	State	9,741,603	9,420,216	29,900,000	8,653,985	175	3	6		5,633,597
Louisiana PBS	State	9,269,062	9,269,062	13,020,998	6,770,000	93	3	6		4,410,796
Iowa PBS	State	9,180,000	7,971,115	17,100,000	7,756,417	114	3	9	8	3,002,555
Mississippi PBS/NPR	State	8,260,000	8,260,000	11,900,208	7,557,720	131	3	8	2	2,938,628
Alabama PBS	State	7,458,331	7,453,956	18,279,802	6,902,978	88	3	9		4,661,900
West Virginia PBS/NPR	State	6,936,000	5,870,507	13,600,000		90	3	3	15	1,814,468
Arkansas PBS	State	5,175,000	4,935,000	14,250,000	5,100,000	116	3	6		2,855,390
South Dakota PBS/NPR	State	4,400,000	4,115,973	9,800,000	4,100,000	68	3	9	9	804,194
New Jersey PBS/NPR	State	4,023,000	3,792,000	18,438,000	1,900,000	132	3	4	4	8,662,661
New Hampshire PBS	University	2,714,000	2,714,000	8,451,600	3,226,712	50	3	3	20	1,315,809
KUED PBS/NPR	University	2,543,441	2,416,248	8,240,000	2,378,127	72	3	3	88	2,736,424
North Dakota/E Minn PBS/NPR	Community	2,379,643	1,100,000	8,784,857		83	3	9	1	641,481
Maine PBS/NPR	Community	1,954,000	1,954,000	10,483,000	1,921,523	83	2	5	3	1,316,456
Idaho PBS	State	1,518,800	1,518,800	7,073,700	1,390,500	54	7	5	42	1,523,816
Average		6,802,154	6,453,477	15,751,733		114	3	7	18	3,449,615

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

Georgia	State	18,191,543	16,398,957	14,125,833
Rhode Island	State		1,009,552	1,022,360
Oklahoma	State		4,468,468	4,200,360
Wisconsin (does not include WPT @ U of WI)	University & State		7,322,700	7,622,700
Wyoming	University		1,714,074	1,779,493
Oregon	Community		62,500	56,875
Connecticut	Community			
Hawaii	Community		1,659,000	1,390,500
Vermont	Community		451,742	547,742
Montana	University		1,064,000	

152x

# Idaho Public Television Governor's Recommendation FY 2011

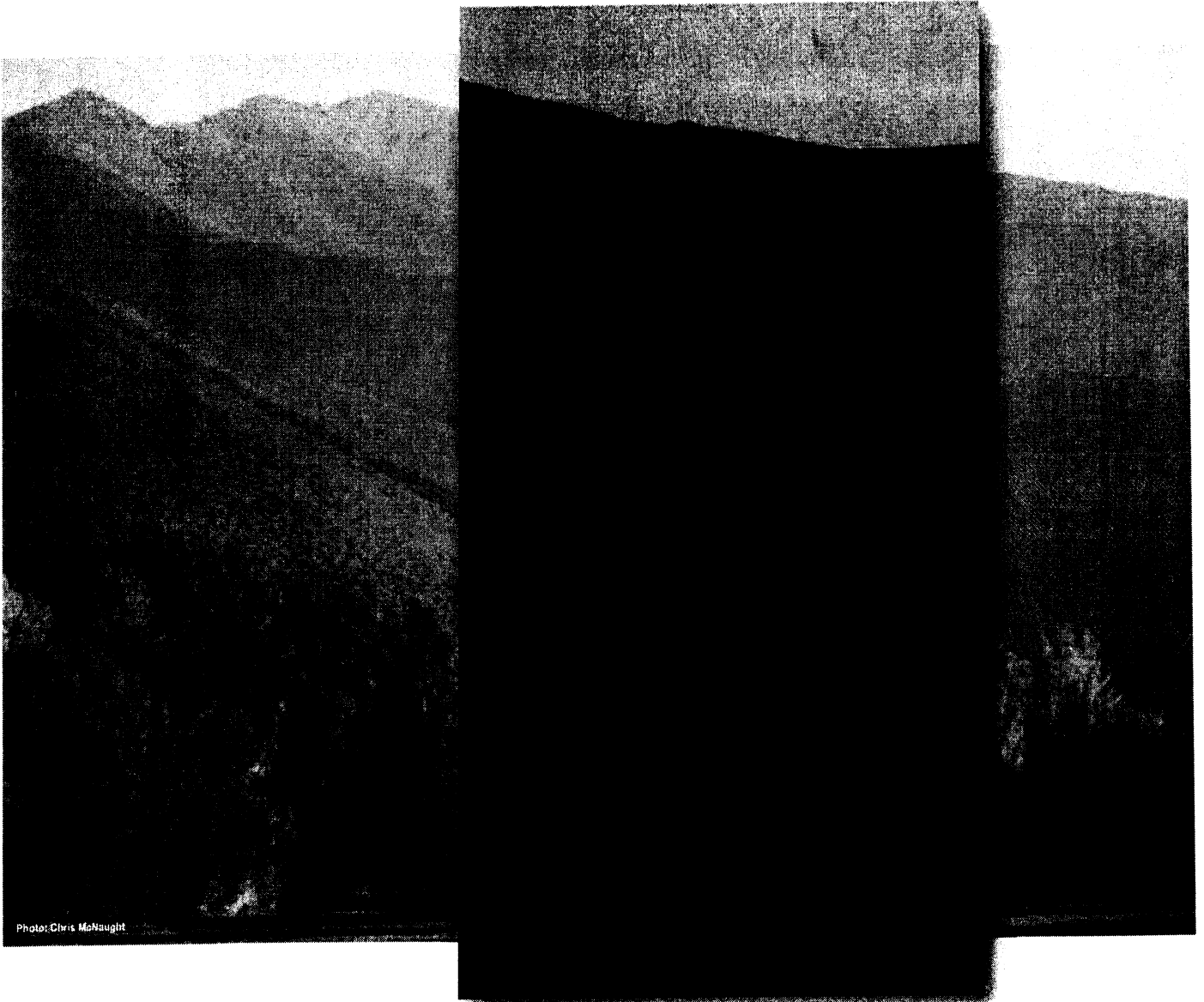


Photo: Chris McNaught

February 11, 2010





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February 11, 2010

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

Dear Mr. Kreizenbeck:

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

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

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

Sincerely,

Peter W. Morrill  
General Manager

attachment

cc: Roger Brown, Office of the Governor



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## Executive Summary

---

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

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

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

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

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

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

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

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

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





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### IdahoPTV Individual Donor Data Compared to Peer Group

	Peer Group	IdahoPTV
# of TV households for February	908,922	838,430
# of viewing households for February	262,085	202,000
Average quarter hour viewing households for prime time ('000s)	8	11
Average quarter hour viewing households for week ('000s)	4	6
Donors as a % of TV market households	2%	2.8%
Donors as a % of viewing households	8%	11.4%
Average cumulative gift per viewer	\$8.70	\$10.94
Revenue Per Total Market Households	\$23,099	\$26,359

Peer Group: Arkansas PBS, Nebraska PBS/NPR, South Carolina PBS/NPR, West Virginia PBS/NPR  
Source: DonorCentrics Target Analytics 2008-2009

Figure 1

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

Station	* FY 2010 State		FY 2010 Total	Operating Budget	FTE	Channels	Transmitters	Translators	Population
	Appropriation								
North Carolina PBS	12,642,805		27,751,000	174	4	11	23	9,222,414	
Kentucky PBS	12,141,000		24,877,500	175	4	16	3	4,269,245	
South Carolina PBS	11,878,522		19,580,526	187	4	11		4,479,800	
Nebraska PBS/NPR	10,223,556		22,000,000	175	3	9	14	1,783,432	
Maryland PBS	9,741,603		29,900,000	173	3	6		5,633,597	
Louisiana PBS/NPR	9,269,062		13,020,998	83	3	6		4,410,796	
Iowa PBS	9,180,000		17,100,000	114	3	9	8	3,002,555	
Mississippi PBS/NPR	8,260,000		11,900,208	131	3	8	2	2,938,618	
Alabama PTV	7,458,331		18,279,802	88	3	9		4,661,900	
West Virginia PBS/NPR	6,936,000		13,600,000	90	3	3	15	1,814,468	
Arkansas PBS	5,175,000		14,250,000	116	3	6		2,855,390	
South Dakota PBS/NPR	4,400,000		9,800,000	68	3	9	9	804,194	
New Jersey PBS	4,023,000		18,438,000	132	3	4	4	8,682,661	
New Hampshire PBS	2,714,000		8,451,600	50	3	3	20	1,315,809	
KUED Utah PBS	2,543,441		8,240,000	72	3	3	88	2,736,424	
N Dakota/E Minn PBS/NPR*	2,379,643		8,784,857	83	3	9	1	641,481	
Maine PBS/NPR	1,954,000		10,483,000	83	2	5	3	1,316,456	
<b>Idaho PTV</b>	<b>1,518,800</b>		<b>7,073,700</b>	<b>54</b>	<b>7</b>	<b>5</b>	<b>42</b>	<b>1,523,816</b>	
Average	6,802,154		15,751,733	114	3	7	18	3,449,614	

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

Figure 2





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

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

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

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

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

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

### **Scenario Reports:**

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

### **Analysis Reports (Due Diligence):**

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



## Shortsighted?

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

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

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

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

As for the annual appropriation, NJ like most states supports public television regardless of who controls the licenses. It seems that NJ is in the middle of the pack in this regard behind many states that may surprise. This seems ironic because the same arguments that led to the creation of NJN are just as valid today as we continue to be caught in a media vacuum between NY and Philly. Years of bi-partisan support would be abandoned. Poorly funded suitors may promise a continuation of NJN News for example, but most PBS stations are unable to produce this level of local programming even though they still receive state support. Promises of continued local coverage could evaporate and prove worthless if the state abandons the assets and real control.

For those who are opposed for ideological reasons, this continuing and worsening vacuum should give pause. Giving NJN to a failing foundation in the midst of the worst financial crisis in generations would likely mean the end of quality local production. The state steers 44 million dollars to municipalities annually through the cable franchise Fee and mandates space for local stations. Doesn't the statewide coverage rate some consideration? Even for those opposed to traditional broadcast, shouldn't the potential for educational, security and other uses warrant a second look?

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

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

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

During the budget address, Governor Christie said "NJN will succeed" as a private entity. Yet to some, what is proposed seems like a fire sale in the midst of a severe economic downturn. Please consider that the real savings may be much less than some would represent and the real costs of letting all of this go may be much higher and not fully appreciated for years.

*LDX*

**Public Testimony by Bob Szuter / NJN Staff**

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

**DAMAGE DONE**

I had a hand in writing the proposed NJN Staff Plan for a Public Media Corporation. A key part of understanding that plan is understanding that over fifteen years ago when the NJN Foundation came into existence and started to grow, NJN management assured legislators year after year that significant cuts in State funding would not harm the network. But it did harm NJN: during the ensuing years the amount of New Jersey television programming was constantly cut, significant staff were lost, reinvestment in technology was overlooked, and a true statewide radio network was never developed.

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

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

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

Many of the rosy scenarios of wonderful private models for NJN have systems, approaches, and initiatives that could have easily been implemented at NJN fifteen years ago. There is no one on the staff at NJN who has ever been averse to change, new equipment, new ways of creating content, or expanding the quantity of content, or expanding our reach. Unfortunately,

NJN was subject to a new philosophy regarding production, for example; that business model told producers, "You cannot start a new project until you go out and find X number of dollars, to pay for your labor and garner the income we sorely need." That mentality, applied to my own area of production – long-format documentaries – severely limited the quantity of production work I was able to do. It also negatively impacted the quality of television work because the project ideas that were given the green light were only the ones that followed the money – ideas from funders willing to support the production of a program that meshed with their interests or showcased a New Jersey story that they felt was important to tell. The funding wagged the dog, which paid the bills, but didn't always guarantee the best creative use of NJN's time, reputation, and air product.

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

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

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

#### ACCOUNTABILITY to MISSION

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

At what point in this process do the citizens of New Jersey find out who the buyers are? Who are the individuals who will "receive" in a sale or transfer of license? Will these new license holders or purchasers only be revealed after the fact-finding phase is over? Will there be a comprehensive vetting of all organizations and individuals poised to buy or takeover the license?

It would be best for NJ citizens of all political stripes to know that any individuals or corporations poised to take over NJN had no conflicts of interest in gaining this asset, or ulterior motives for running NJN. It would be best to clear up any perceived conflicts of interest before signing off on even the idea of a sale or transfer of NJN's licenses and operations.

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

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

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

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

**Public Testimony by Bob Szuter / NJN Staff  
Legislative Task Force on Public Broadcasting  
September 14, 2010**

**ATTACHED DOCUMENT**

**Giving Up on the Idea of New Jersey?**

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

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

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

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

In *There's More to New Jersey Than the Sopranos* (2009), historian Marc Mappen wrote that New Jersey has actually evolved into one of the nation's wealthiest states. "The latest federal statistics show that New Jersey has the highest per capita income of any state, and if we were peeled off from the United States and made a separate country, ... we would be the wealthiest nation in the world. The rest of the United States would come in second, followed in third place by Luxembourg." A survey published last year on The Huffington Post ranked the top 15 wealthiest counties in the U.S., and it placed Hunterdon County as having the fourth highest median income in the country, followed by Somerset County (#7) and Morris County (#8). Despite this very respectable standing in the economic world, New Jersey's citizens receive no

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attention from the media marketplace when it comes to in-depth news coverage or programming that features the best of New Jersey, unless you count *Jersey Shore* or the occasional thirty second perp walk on commercial news. The marketplace is where New Jersey as a state always loses. Again, Marc Mappen: "Why this enduring condescending attitude toward our little state? ... from the start New Jersey was different from other colonies . . . we did not have a major city such as Boston, New York, Philadelphia, or Charleston with their powerful religious, economic, and cultural elites that could boast of their importance in the solar system. . . . And split between the New York and Philadelphia regions, our identity has been shaped by outsiders. Ever since Babylon, urban elites have looked down their noses at the rural hinterland, and regarded the inhabitants of those hinterlands, at best, as their social inferiors or, at worst, hopeless rubes."

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

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

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

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

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