

Cable Communications Plan

MISSION STATEMENT

The mission of the Cable Communications Plan is to manage the County's Cable Television Franchise Agreements and the Cable Special Revenue Fund to ensure that cable services in Montgomery County are of high quality; that applicable consumer protection is enforced; that quality Public, Educational, and Governmental (PEG) programming is provided; and that related telecommunication issues are coordinated and monitored.

BUDGET OVERVIEW

The Cable Communications Plan consists of three elements: the Cable Office appropriation (\$10,388,000), transfers to the County General Fund (\$2,942,000), and transfers to the County Capital Improvements Program (CIP) (\$2,058,000) for a total use of fund resources of \$15,388,000. Within the Cable Office appropriation of \$10,388,000, Personnel Costs comprise 15.5 percent of the budget for nine full-time positions at 14.5 workyears. Operating Expenses account for the remaining 84.5 percent of the FY08 budget.

In FY08, there are three transfers to the General Fund for the following:

- **Montgomery College** - Funds are transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund. This transfer of \$1,219,000 is an increase of \$152,000 or 14.2 percent over the FY07 amount of \$1,067,000.
- **Montgomery County Public Schools** - Funds are transferred from the Cable Fund to the General Fund and then to the Montgomery County Public Schools Cable Fund. This transfer of \$1,521,000 is an increase of \$138,000 or 10 percent over the FY07 amount of \$1,383,000.
- **Indirect Costs** - Funds are transferred to the General Fund to cover the cost of certain administrative services provided by the County to the Cable Fund. This transfer of \$202,000 is used to defray expenses incurred by departments providing services to special funds.

In addition, the department's budget includes Current Revenue funding for the Capital Improvements Program (CIP).

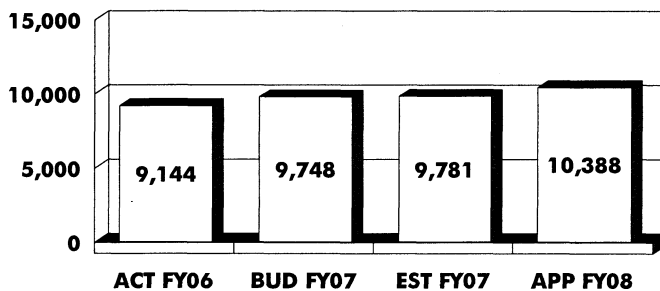
HIGHLIGHTS

- ❖ **Enhance funding to Montgomery Community Television (MCT) for Personnel and Operating costs from \$2,405,000 to \$2,534,000.**
- ❖ **Enhance funding to Montgomery College (MC) for a full-time Production Assistant position to support the increased demands for instructional support.**

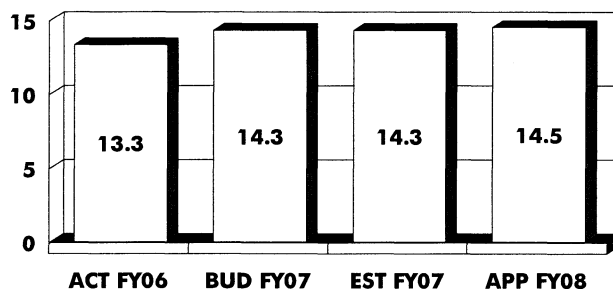
Program Summary

	Expenditures	WYs
Cable Franchise Administration & Consumer Protection	1,374,330	6.2
Cable Legal Representation - Outside Prof. Services	486,000	0.5
Community Access to Cable	2,534,000	0.0
County Cable Montgomery	2,051,100	5.4
Cable Programming for Public Schools	0	0.0
Cable Programming for Montgomery College	0	0.0
Municipal Cable Franchise Fee Sharing	705,000	0.0
Cable Support for Municipal Stations	352,000	0.0
PEG Network	1,360,900	0.0
FiberNet Operations	1,410,870	2.4
Other Cable Activities	114,000	0.0
Totals	10,388,200	14.5

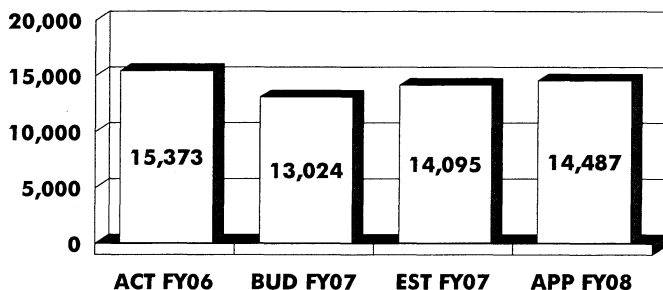
Trends



EXPENDITURES [\$000s]



WORKYEARS



RELATED REVENUES [\$000s]

- ❖ **Enhance support to Montgomery County Public Schools (MCPS) to provide additional foreign language versioning of programs.**
- ❖ **Continue to provide support to the FiberNet CIP project for migration to the next generation of FiberNet and to enhance the County's institutional network.**
- ❖ **Add funding for a consultant to assist the Public Education and Government (PEG) Channels with digital migration.**
- ❖ **Add funding to the PEGs for youth programming.**
- ❖ **Enhance funding to County Cable Montgomery (CCM) to provide closed captioning in Spanish.**
- ❖ **Productivity Enhancements**
 - Implemented an electronic transfer of complaint information to RCN which increases the effectiveness of complaint processing and reduces required resources.
 - Developed a new database to track and access requests for free cable drops where the information is now submitted electronically to the cable company.
 - Created electronic versions of all forms currently used by the Cable Office to improve customer service.

PROGRAM CONTACTS

Contact Jane E. Lawton of the Cable Television Office at 240.777.3724 or Jennifer R. Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Cable Franchise Administration & Consumer Protection

The Department of Technology Services is responsible for administering the Cable Television Agreements for the County and participating municipalities. The responsibilities associated with franchise administration include:

- Ensuring cable operator compliance with franchise financial, technical, and construction requirements and managing franchise renewal and transfer process;
- Investigating and resolving subscriber complaints;
- Administering the contracts to provide for public access to cable production services;
- Providing liaison, support, and record keeping on performance of the PEG channels;
- Preparing the annual Cable Communications Plan;
- Collecting franchise fees, grants, and other payments to the County;

- Distributing franchise fees, grants, and other payments to the participating municipal co-franchisors;
- Directing and coordinating the Telecom Facilities Siting Committee;
- Supporting the Cable and Communications Advisory Committee;
- Resolving issues regarding cable and communications technology for Montgomery County government;
- Monitoring and commenting on changes in State and Federal telecom regulations, rate structure, and related legislative issues; and
- Encouraging entry of competitive providers of telecommunication services and negotiating and reviewing proposed franchises for use of the public right-of-way.

The budget for franchise administration includes funds for cable management staff, office operating expenses and engineering consulting services for ongoing inspection and testing of the cable systems, and the identification and provision of future technologies.

FY08 Changes

	Expenditures	WYs
FY07 Approved	1,296,580	6.2
FY08 Approved	1,374,330	6.2

Cable Legal Representation - Outside Prof. Services

Funds will be used to pay legal and financial consultants for work which requires special expertise. Activities include the preparation of filings on behalf of the County before the Federal Communications Commission, interpretation of legislative proposals, and County representation in negotiations with cable and telecommunications service providers, rate regulation, and franchise compliance.

FY08 Changes

	Expenditures	WYs
FY07 Approved	475,800	0.5
FY08 Approved	486,000	0.5

Community Access to Cable

The Office of Cable Communications administers a contract with Montgomery Community Television (MCT) through which MCT operates two channels on the cable television systems. MCT's primary mission is to encourage and sponsor television programming and broadband media that meets community needs and offers forums for free expression. MCT's programmatic services include public access training and access to production equipment and facilities for County residents and community groups to create programming of their choice. MCT also produces local programming designed to address community needs.

FY08 Changes

- ❑ *Enhance funding to Montgomery Community Television (MCT) for Personnel and Operating costs from \$2,405,000 to \$2,534,000.*

	Expenditures	WYs
FY07 Approved	2,405,000	0.0
FY08 Approved	2,534,000	0.0

County Cable Montgomery

The Office of Cable Communications in the Department of Technology Services manages County Cable Montgomery (CCM), the government access channel. CCM airs programming produced by the Executive and Legislative branches to keep viewers abreast of County programs and services for the residents, visitors, and businesses in the community. The County Council's Information Officer develops programming for the Legislative branch. Broadcasts include live Council meetings, informational programs, documentaries, press conferences, and town hall meetings. The Office of Public Information develops Executive branch programming which includes special events, press conferences, and programs highlighting our services and activities. CCM is also responsible for monitoring the cablecast signals for the Montgomery County Public, Education, and Government access channels.

FY08 Changes

- ❑ *Enhance funding to CCM to provide closed captioning in Spanish.*

	Expenditures	WYs
FY07 Approved	1,801,050	5.2
FY08 Approved	2,051,100	5.4

Cable Programming for Public Schools

The Montgomery County Public Schools (MCPS) Department of Communications and Public Information (Instructional TV Unit) has the responsibility for programming two cable channels. Cable TV funding from this special revenue fund partially provides for programming, channel management, and production of instructional, community, and training television programs. Additional funds are requested in the operating budget of the public schools. MCPS regular programming includes: Board of Education meetings, Homework Hotline Live!, live call-in programs, in-class student programs, technology training, and televised instruction in a variety of academic areas.

FY08 Changes

- ❑ *Funds for these services (\$1,521,000) are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund and then to the Montgomery County Public Schools Fund.*
- ❑ *Enhance support to Montgomery County Public Schools (MCPS) to provide additional foreign language versioning of programs.*

	Expenditures	WYs
FY07 Approved	0	0.0
FY08 Approved	0	0.0

Cable Programming for Montgomery College

The Instructional Television and Media Production Services Unit of Montgomery College (MC) is responsible for the cable programming available on the Montgomery College channel (both cable and College funds provide for staff, equipment, and operating expenses) and provides digital media support services for the College community. The channel features acquired and originally produced instructional programming which directly supports the College's distance learning and instructional programs and provides professional development and self-enrichment opportunities for community subscribers.

FY08 Changes

- ❑ *Funds for these services (\$1,219,000) are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund.*
- ❑ *Enhance funding to Montgomery College (MC) for a full-time Production Assistant position to support the increased demands for instructional support.*

	Expenditures	WYs
FY07 Approved	0	0.0
FY08 Approved	0	0.0

Municipal Cable Franchise Fee Sharing

These expenditures represent the quarterly distribution of franchise fees in accordance with current Municipal Franchise Agreements and Municipal/County Agreements.

FY08 Changes

	Expenditures	WYs
FY07 Approved	643,000	0.0
FY08 Approved	705,000	0.0

Cable Support for Municipal Stations

Expenditures provide for equipment acquisition, equipment maintenance, engineering consultation, and operating support for cable television programming services provided by the City of Rockville, the City of Takoma Park, and by the Montgomery County Chapter of the Maryland Municipal League (MML) as required by the franchise agreements. Totals approved for each entity are shown in the Cable Communications Plan.

FY08 Changes

	Expenditures	WYs
FY07 Approved	336,000	0.0
FY08 Approved	352,000	0.0

PEG Network

The mission of the PEG Network is to facilitate collaboration among the local access channel operators in delivering and promoting the most effective public access media services, educational and government programming to the Montgomery County community using current and emerging technologies.

The budget for the PEG Network includes funds for the

purchase of replacement equipment and an emergency reserve to be used in the event of imminent system failure for certain PEG operations; PEG engineering support; promotion/outreach support to increase channel awareness and viewership; operational and maintenance support for the mobile production vehicle; and general operating and administrative expenses.

FY08 Changes

- Add funding for a consultant to assist the Public Education and Government (PEG) Channels with digital migration.*
- Add funding to the PEGs for youth programming.*

	Expenditures	WYs
FY07 Approved	835,500	0.0
FY08 Approved	1,360,900	0.0

FiberNet Operations

Monies from the Cable Special Revenue Fund are used to support Montgomery County’s private communications network – FiberNet. FiberNet is a carrier class voice, video and data network that is used by Montgomery County Government, Public Schools, College, HOC, M-NCPPC and WSSC. Expenditures cover the cost of network monitoring, management and maintenance services. FiberNet is a countywide multi-million dollar investment that is crucial to the daily operation of local government within Montgomery County.

FY08 Changes

	Expenditures	WYs
FY07 Approved	1,399,000	2.4
FY08 Approved	1,410,870	2.4

Other Cable Activities

Grants are provided to outside organizations for cable programming and equipment.

FY08 Changes

- Enhance funding to the Maryland-National Capital Park and Planning Commission (M-NCPPC) for Phase I of the GIS Strategic Plan.*

	Expenditures	WYs
FY07 Approved	555,900	0.0
FY08 Approved	114,000	0.0

BUDGET SUMMARY

	Actual FY06	Budget FY07	Estimated FY07	Approved FY08	% Chg Bud/App
CABLE TELEVISION					
EXPENDITURES					
Salaries and Wages	922,377	1,152,010	1,030,450	1,238,790	7.5%
Employee Benefits	299,656	367,700	267,810	370,950	0.9%
Cable Television Personnel Costs	1,222,033	1,519,710	1,298,260	1,609,740	5.9%
Operating Expenses	7,343,849	8,228,120	8,482,460	8,778,460	6.7%
Capital Outlay	578,440	0	0	0	—
Cable Television Expenditures	9,144,322	9,747,830	9,780,720	10,388,200	6.6%
PERSONNEL					
Full-Time	8	9	9	9	—
Part-Time	0	0	0	0	—
Workyears	13.3	14.3	14.3	14.5	1.4%
REVENUES					
Franchise Fees 5%	11,256,376	8,936,000	9,470,000	9,849,000	10.2%
Gaithersburg PEG Contribution	202,590	152,000	185,000	192,000	26.3%
PEG Capital Revenue	230,116	236,000	239,000	246,000	4.2%
PEG Operating Revenue	1,984,087	2,014,000	2,122,000	2,207,000	9.6%
I-Net Operating Revenue	1,416,596	1,453,000	1,474,000	1,518,000	4.5%
Tower Application Fees	121,500	55,000	130,000	75,000	36.4%
Investment Income	154,097	177,740	200,000	200,000	12.5%
Verizon-Grant	0	0	250,000	200,000	—
Miscellaneous	7,338	0	25,000	0	—
Cable Television Revenues	15,372,700	13,023,740	14,095,000	14,487,000	11.2%

FY08 APPROVED CHANGES

	Expenditures	WYs
CABLE TELEVISION		
FY07 ORIGINAL APPROPRIATION	9,747,830	14.3
Changes (with service impacts)		
Enhance: M-NCPPC funding for positions to support production of cable tv shows	81,300	0.0
Enhance: M-NCPPC funding for Phase I of the GIS Strategic Plan	75,000	0.0
Add: Contract Facilitator to assess the MCT organizational structure and to develop a strategic plan for public access	50,000	0.0
Enhance: CCM - Council Closed Captioning in Spanish	50,000	0.0
Enhance: Community Programming for Youth (County-wide)	50,000	0.0
Enhance: CCM - Council Production Services Contract	48,000	0.0
Enhance: PEG Digital Migration Consultant	25,000	0.0
Enhance: PEG Equipment Replacement funding	16,000	0.0
Other Adjustments (with no service impacts)		
Increase Cost: Montgomery Community TV (MCT) - Personnel [Community Access to Cable]	102,000	0.0
Increase Cost: County Cable Montgomery - Contractual and Operating [County Cable Montgomery]	63,500	0.0
Increase Cost: Municipal Franchise Fee Sharing [Municipal Cable Franchise Fee Sharing]	62,000	0.0
Increase Cost: General Wage and Service Increment Adjustments	38,660	0.0
Increase Cost: PEG Equipment Replacement [PEG Network]	37,000	0.0
Increase Cost: Annualization of FY07 Personnel Costs [Cable Franchise Administration & Consumer Protection]	29,160	0.0
Increase Cost: Montgomery Community TV (MCT) - Operating [Community Access to Cable]	27,000	0.0
Increase Cost: Annualization of FY07 Lapsed Positions [County Cable Montgomery]	25,520	0.2
Increase Cost: Municipal Equipment & Operations [Cable Support for Municipal Stations]	16,000	0.0
Increase Cost: PEG Network Operating [PEG Network]	15,000	0.0
Increase Cost: County Cable Montgomery Closed Captioning [County Cable Montgomery]	13,000	0.0
Increase Cost: County Cable Montgomery - PIO production services contracts [County Cable Montgomery]	9,000	0.0
Increase Cost: County Cable Montgomery - Council Production Services Contracts [County Cable Montgomery]	7,000	0.0
Increase Cost: Outside Professional Services - Legal and Financial Consultants [Cable Legal Representation - Outside Prof. Services]	5,000	0.0
Increase Cost: Retirement Rate Adjustment	2,050	0.0

	Expenditures	WYs
Increase Cost: Franchise Administration Operating [Cable Franchise Administration & Consumer Protection]	890	0.0
Increase Cost: Printing and Mail Adjustments [Cable Franchise Administration & Consumer Protection]	650	0.0
Increase Cost: County Cable Montgomery - VOD services [County Cable Montgomery]	500	0.0
Decrease Cost: Group Insurance Rate Adjustment	-5,360	0.0
Decrease Cost: Technical Operations Center [County Cable Montgomery]	-29,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY07 [PEG Network]	-174,500	0.0
FY08 APPROVED:	10,388,200	14.5