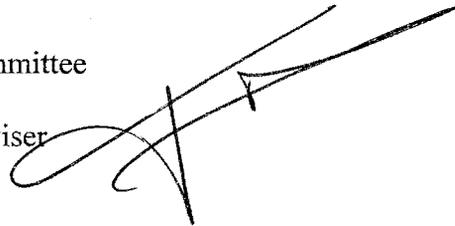


MFP COMMITTEE #1  
June 15, 2009

**MEMORANDUM**

June 11, 2009

TO: Management and Fiscal Policy Committee  
FROM: Dr. Costis Toregas, Council IT Adviser  
SUBJECT: Cable Quarterly Review



Expected to attend:

Steven Emanuel, Chief Information Officer  
Mitsuko R. Herrera, Cable Communications Administrator  
Joshua Bokee, Comcast  
Briana Gowing and Paul Miller, Verizon  
Richard Beville, RCN  
Lee Klumpp, Montgomery Community Television, Inc.

Summary of staff recommendations to the MFP Committee

1. Review the new format of the Customer Service Score Card, hear franchisee reactions, and endorse or suggest modifications to it. Staff suggests endorsement, but that actual operator performance comparisons await the availability of at least 3 quarters of statistics to present a time trend for evaluation.
2. Review the list of systemic issues which arise from cable customers (p.3) and add issues of which they have become aware through constituent calls. Council staff, the Cable Office, and the franchisees will work to ensure long term solutions to these issues and report them to the Committee.
3. Discuss expansion strategy for FiberNet in FY10, given budget reductions and the ongoing Council dialog regarding school connectivity, and provide input to the ITAG so that Council intent is known before the biannual CIP plan is developed.

The Committee holds quarterly worksessions to review customer service performance for Comcast Cable Communications, RCN, and Verizon Communications, the three cable franchisees. These reviews ensure that performance measures established by the County's franchise agreements are being met. In addition, other issues that are related to Cable TV and broadband issues are included in the discussion.

The timing for this quarterly review is under study in order to maximize the benefit of timely data and focus Committee attention on issues that are current. Optimally, these reviews should be occurring shortly after the receipt of quarterly performance data from the franchisees; such a goal would favor meetings in May, August, November, and February. The May and August dates conflict with budget processes and recess timing, so Council staff is working with the Office of Cable and Communication Service ("Cable Office") to ensure the best fit. Because of the budget process, the June 15 meeting is the first meeting after the January 15, 2009 review meeting, so it represents a six month period of activity (even though the data only reflect the first quarter, given the timing).

As part of the Department of Technology Services, the Cable Office continually monitors customer service data for the three franchisees, and also receives direct feedback from customer complaint lines and other "touch point" mechanisms that reflect customer concerns. The Cable Office staff actively works with company representatives to resolve a variety of issues, and this quarterly review gives Committee members a chance to be informed of the status of various pending items, observe trends, and give guidance to the Executive branch on items of importance. Their summary report is on © 1-2.

#### 1. Cable Operator Service Score Card and related performance issues

For the first time, a "Cable Operator Customer Service **Score Card**" has been developed (©3) which allows for side-to-side comparisons of operator performance. In prior review sessions, each franchise holder used its own statistics, service level delivery models, and calculations, which made comparisons and progress made towards a common goal difficult to verify. It is hoped that the current Score Card will provide the foundation for continuous improvement. Committee members should be prepared to **react to the parameters used** in the Score Card, as well as to bring forth **suggestions for improvement**.

The Score Card is broken into two sections: an FCC Compliance section and a Customer Service Outcomes section. The Outcomes section is likely to generate discussion, since it involves statistics which reflect customer perceptions rather than straightforward time accomplishment. A call can be transferred quickly and service can be provided, but whether the service had the intended effect or satisfied the customer's expectation is indeed the most important question to be answered. The degree to which the Cable Office is able to identify strong metrics that can be documented in a predictable and auditable fashion, and the degree to which patterns develop over time, will help the Committee gauge franchisee performance much more efficiently and reliably. Therefore, the Committee should not overwhelmingly react to the numbers this time around as it will be the **trend** that is most important, and we have no trend data at this point in time. It is equally important to understand that FCC guidance on customer service outcomes is

significantly aged (1990's) and will be another area of the Cable Office's explorations for modernization recommendations.

A review of the first quarter Score Card shows that the County franchisees do a good job when it comes time to meet federal FCC compliance standards. In fact, there is only one statistic out of 12 which falls below federal standards (% installed within 7 days, where the standard is 95% and Verizon is meeting it only 92.7%). However, the picture changes dramatically when it comes to looking at **outcomes** - long a concern of the Committee. Timeliness of resolution averages about 50% satisfaction, while on the average only 2/3 of the customers are satisfied with the resolution. Overall, the low (60-73%) range of respondents who agree that the complaint was indeed resolved leads to continuous and time consuming communications with the Cable Office and Council offices and represents a continuing source of frustration.

In order to better understand this low satisfaction and its root causes, it is instructive to review current complaints that come into Council offices. Councilmembers are aware that residents often call, email, or write individual members or the Council as a whole, laying out frustrations and disappointments they feel they must voice to their elected officials relating to cable service issues. Over the last few months, issues that have been identified and for which Council has been asked to help include:

- a. Unfinished/unightly work sites of cable hook ups and cable expansion
- b. Delays in restoring service (times of 2 and 3 weeks have been documented)
- c. Billing issues (credits, inaccurate or misleading items)
- d. Scheduling home calls: no shows, too broad a window, being billed "truck charges"
- e. Poor communication to both the County and to residents regarding major changes to the service, including rates, shifting channel locations, and the timing of such communications
- f. Lack of visibly changing internal business processes to ensure that problems, once identified and responded to, do not crop up again

Council staff is working with the Cable Office in order to better understand these issues and encourage the franchisees to develop long-term responses and better communicate the systemic solutions put in place so that these concerns begin to dissipate. The September worksession will focus explicitly on the issues, system resolutions, and communication platforms needed to better inform County residents of the role that the Council plays in seeking and ensuring improvements.

Last, Comcast will be present to discuss its upcoming digital conversion. Comcast will continue to provide an analog Limited Basic Service, which provides viewers with local broadcast and public, educational, and governmental access ("PEG") channels, as well as C-SPAN, HSN, OVC, TNT, WGN, The Weather Channel, and a sports overflow channel. Around November 30, 2009 Comcast will eliminate analog Expanded Basic and begin encrypting its Digital Starter service. Analog Limited Basic customers will not be affected by the digital conversion. Analog Expanded Tier customers will have to purchase the Digital Starter service to continue viewing most cable channels. All televisions of Digital Starter service customers will have to have a digital cable box or digital transport adapter (DTA) to view digital cable channels. The Digital

Starter service will include one digital cable box or DTA, and up to 2 additional DTAs at no additional cost. RCN and Verizon have already converted to all digital line-ups, and digital converter boxes or adapters are required to view digital channels.

Council offices have received considerable mail from constituents regarding this shift and the impact it has had on the ability to watch Maryland Public TV programming without having to pay additional fees. This discussion will offer Committee members a chance to address this concern with the Comcast representative.

## 2. Cable Plan review

The Cable Plan (©4-5) is the blueprint that defines both revenue expectations from the various sources and investment allocations of these revenues to specific target items. The Cable Administrator will review the final Cable Plan and make observations relating to the current process used, timing of various events surrounding the Cable Plan, desired outcomes and, finally, partnership strategies which are inherent in the execution of the Plan.

Current process and timing used: the Cable Fund resolution requires the Executive to present by mid January of every year a draft Cable Plan. The timing of this presentation could be improved, as it falls before the Executive's release of the recommended budget. Revenue projections and municipal payment estimates are updated, but all of the other expenditure numbers for the ensuing year are restatements of the numbers approved in the prior budget year and carry no weight. Perhaps an earlier discussion between the Executive branch and the Committee in order to provide policy parameters could serve both Executive and Legislative branches better.

In addition, the Cable Plan is empowered every fiscal year through an explicit Council resolution; the current resolution #16-978 is on ©6-13. The Cable Administrator has proposed a new look at the body of the resolution, and perhaps making changes which would closer reflect current conditions and methods. In order to ensure that those changes are supported by the full Council, Council staff suggests that the Committee ask Ms. Herrera to present these suggested changes in the September worksession for review and deliberation.

Partnership strategies: The Cable Plan defines relationships and provides funding between the County and many community based organizations that provide video programming and production services for the County's PEG channels. MCPS, Montgomery College, MCT, and the Council Office itself are involved as partners in delivering improved communications connections to the general public. These partnerships should be kept updated, and their current configuration and opportunities for change and improvement detailed in periodic Committee worksessions. A discussion with the stakeholders can improve the Committee's own perspective on this important topic.

### 3. Specific highlights

#### a. CCM - line up changes

The Cable Office is in the midst of organizing a more coherent communications strategy for CCM, the County's government channel. As part of this strategy, changes to the programming lineup are being made to improve citizen awareness and information flows. Specifically, the County is considering improving the presentation of morning traffic information, adding televised coverage of worksessions during the day, creating lunch hour programming, eliminating afternoon traffic coverage, and creating an evening block of programming that repeats in the late evening. Consolidation of shows to permit better branding, producing shows with contributions from both the Council and Executive, and creating a process to permit production requests from County departments and agencies are also being considered.

#### b. MCT - Reorganization

There have been recent changes to the MCT organization; a consulting contract has been issued that will help the Executive branch identify the current situation and position future actions accordingly. The changes to the MCT organization and the direction of the consultant will be reviewed by relevant stakeholders.

#### c. PEG Equipment (digital inventory)

There are many organizations funded through the Cable Plan. One way to establish interoperability and collaboration amongst these partners is through understanding the current equipment holdings and exploring the use of uniform platforms. The Cable Office is in the beginning stages of such an inventory and will provide a brief current status report.

#### d. FiberNet (overview, current uses, future potential)

The investment in FiberNet resources exceeds \$30m and guarantees connectivity to all County agencies in a secure and inexpensive manner. The Interagency Technology Policy Coordination Committee (ITPCC) has a major effort under way this fall to sharpen the focus on this vital resource and provide a strategic direction and overall guidance. In accordance with the requirements of the Interagency FiberNet Governance Charter (Nov. 2002), the FiberNet Interagency Technical Advisory Group (ITAG) is charged with the responsibility for developing the biennial CIP submission for the requested FiberNet CIP project that will be ultimately recommended by the Executive by January 2010 for FYs11-16.

The ITAG is actively engaged in this process and will consider all of the items raised in the FY10 budget process by the MFP Committee and full Council. Current status, options and, ultimately, a recommended project will result through consultation with the interagency representatives, OMB, Council staff, and Cable Office representatives as appropriate. We anticipate that this will result in the ITPCC recommended FiberNet project for FYs11-16 that will be reflected in the Executive's Recommended FY11-16 CIP request.

The expansion of FiberNet in FY10 was reduced given current fiscal conditions, something that makes it more important than ever to be strategic about investing in and using this resource. Over the last few months, the Committee has addressed issues of effectiveness of broadband in the classroom (jointly with the ED Committee), costing of the FiberNet service, chargebacks to the general fund (currently zeroed out given the tough fiscal conditions), and the use of other technologies, either complementary or competitive, to fiber (WiFi, microwave, coaxial cable, and others). Once the ITPCC develops a current vision for FiberNet, the Committee should be in a better position to explore funding options and strategies. In the current timeframe, the current strengths of the FiberNet technology, current funding issues which surfaced during the budget discussions, and the expansion schedule for FY10 will be reviewed.

In the interim, it is important for the Committee to understand the connectivity situations of various MCPS locations which have been discussed in the context of the FiberNet funding discussions. As ©14 shows, today all 26 high schools, 38 middle schools, and 13 of the 113 elementary schools are connected via FiberNet. The balance of elementary schools (118) is provided connectivity through two other technologies: Verizon frame relay and Comcast cable modems. The Department of Technology Services has a transition plan that will bring all elementary schools to full broadband connectivity shown on ©15 and ©16. There is currently no explicit funding plan for this strategy.

The State of Maryland has developed an “Educational Technology Plan for the New Millenium” which addresses the issue of classroom connectivity and its benefits. The executive summary of this report is provided on ©17-18 as additional background.

#### 4. Federal broadband stimulus

The American Recovery and Reinvestment Act will make \$4.7 billion in competitive grants available to expand broadband access, education, and training. The Cable Office has taken a lead role in shaping the County response to this opportunity, and will provide an update to the Committee regarding:

- the grant program itself (©19-21);
- a consortium that has been developed (including Montgomery County), called the One Maryland Broadband Consortium, to take advantage of the grant opportunity (©22-23); and
- current active ideas/proposals for using this stimulus grant program in the County (©24-25).



**DEPARTMENT OF TECHNOLOGY SERVICES**

Isiah Leggett  
*County Executive*

E. Steven Emanuel  
*Chief Information Officer*

**MEMORANDUM**

**June 8, 2009**

**TO: Management and Fiscal Policy Committee**

**FROM: Mitsuko R. Herrera** *MH*  
**Cable Communications Administrator**

**SUBJECT: MFP Work Session – 2009 First Quarter**

The following materials are attached for discussion at the MFP Work Session:

- Digital Television (DTV) Transition Update
- Cable Operator Customer Service Score Card
  - 2009 Cable Construction Violations
  - Comcast movement of MPT to the Digital Tier
- FY10 Cable Plan
  - Maryland Educational Technology Plan 2007-2012
- Summary of American Recovery and Reinvestment Act (ARRA)
  - Broadband Provision Summary
  - One Maryland Broadband Consortium Summary & Map
  - Montgomery County Potential ARRA Broadband Projects

**Digital Television (DTV) Transition Update**

Major broadcast stations have now ceased analog transmission of their broadcast television signals. The County engaged in a significant DTV education campaign and has received very few DTV-related inquiries leading up to the June 12, 2009 DTV Transition date. An update regarding post-Transition date inquiries will be provided.

**Customer Service Score Card**

The Customer Service Score Card is a new reporting tool. First quarter 2009 is the first quarter for which data is being reported. Input from the MFP was incorporated in developing the design and content. Data regarding cable construction violations issued and corrected is also attached.

## **Cable Operators – New Developments**

The recent movement of Maryland Public Television to Comcast's Digital will be discussed during the work session. In addition, information regarding Comcast's plan to move all channels other than local broadcast and public, educational, government access (PEG) channels to the digital tier will be provided. RCN and Verizon have already completed digital migration of all of their programming channels.

## **FY10 Cable Plan**

An explanation of the elements of the FY10 Cable Plan and impact of FY10 funding changes on cable franchise administration, PEG programming, and FiberNet construction will be provided at the Work Session.

A broad preview of proposed changes to CCM and an update on new FY10 PEG Network projects will also be presented. In addition, a representative from Montgomery Community Television (MCT) will be available to discuss recent organizational changes. MCT's contract to provide production services, as well as public access television operation and training, expires in June 2010.

A brief discussion of the impact of the role of FiberNet in achieving the goals of the Maryland Education Technology Plan will also be provided.

## **American Recovery and Reinvestment Act (ARRA)**

The American Recovery and Reinvestment Act (federal stimulus bill) will make \$4.7 billion in competitive grants available to expand broadband access, education and training. A summary of the grant program, One Maryland consortium plan, and potential Montgomery County grant projects is attached and will be discussed in further detail.

# 2009 - First Quarter Montgomery County, MD\*

<b>Montgomery County Cable Operator Customer Service Score Card</b>																
<b>FCC Compliance Statistics</b>																
	<b>Telephone Answering</b>								<b>Service</b>				<b>Installation</b>			
	Answered in 30 Seconds				Transferred to Agent in 30 Secs				Service within 24 Hours				Installed within 7 Days			
	Minimum FCC Standard 90%								Minimum FCC Standard 95%				Minimum FCC Standard 95%			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
<b>COMCAST</b>	99.00%				93.00%				98.02%				97.43%			
<b>RCN</b>	99.33%				90.67%				100.00%				100.00%			
<b>VERIZON</b>	100.00%				96.50%				100.00%				92.70%			
<b>Customer Service Outcomes</b>																
<b>Of Customer Complaints Reported by the Provider to Have Been Resolved</b>																
	Percentage That Agree Complaint Was Resolved				Percentage That Agree Complaint was Resolved in a Reasonable Period of Time				Percentage Satisfied with Outcome of Complaint				Percentage Satisfied with Cable Office Assistance to Resolve Complaint			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
	<b>COMCAST</b>	73.00%				54.00%				77.00%				96.00%		
<b>RCN</b>	60.00%				40.00%				60.00%				100.00%			
<b>VERIZON</b>	68.00%				55.00%				71.00%				97.00%			

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\*Does Not Include City of Gaithersburg

**FY10 CABLE COMMUNICATIONS PLAN (\$000's)**

	Actual FY08	Approved FY09	Estimated FY09	Approved FY10	% Chg From '09 Plan	FY11	FY12	FY13	FY14	FY15
<b>BEGINNING FUND BALANCE</b>	3,345	2,502	3,949	2,069	-17.3%	462	318	42	65	18
<b>REVENUES</b>										
5% Franchise Fee	10,664	10,584	10,955	11,280	6.6%	11,618	11,967	12,326	12,696	13,077
G'Burg PEG Contribution	200	201	182	187	-7.0%	193	198	204	210	217
PEG Support	1,938	2,811	2,020	2,080	-26.0%	2,142	2,207	2,273	2,341	2,411
PEG Capital/Equipment	1,370	255	1,932	1,990	680.4%	2,050	2,111	2,175	2,240	2,307
Verizon-Grant	200	200	200	200	0.0%	200	0	0	0	0
FiberNet Support	1,524	1,568	1,589	1,637	4.4%	1,686	1,737	1,789	1,842	1,898
Interest Earned	149	80	40	30	-62.5%	50	80	90	100	110
Tower Review Fees	94	80	120	80	0.0%	82	85	87	90	93
Miscellaneous	64	0	4	0	0.0%	0	0	0	0	0
Transfer from the General Fund	432	0	0	0	0.0%	0	0	0	0	0
<b>TOTAL ANNUAL REVENUES</b>	<b>16,635</b>	<b>15,779</b>	<b>17,042</b>	<b>17,484</b>	<b>10.8%</b>	<b>18,022</b>	<b>18,385</b>	<b>18,944</b>	<b>19,520</b>	<b>20,112</b>
<b>TOTAL RESOURCES - CABLE FUND</b>	<b>19,980</b>	<b>18,281</b>	<b>20,991</b>	<b>19,553</b>	<b>7.0%</b>	<b>18,484</b>	<b>18,703</b>	<b>18,985</b>	<b>19,585</b>	<b>20,130</b>
<b>EXPENDITURES</b>										
<b>A. FRANCHISE ADMINISTRATION</b>										
Personnel Costs - Cable Administration	575	683	683	705	3.2%	749	763	761	818	833
Personnel Costs - Charges from DTS	52	59	59	69	16.9%	69	70	72	73	75
Personnel Costs - Charges for County Atty	73	97	97	95	-2.1%	95	97	99	101	103
Operating	96	73	73	73	0.0%	73	75	77	80	82
Outside Engineering/Inspection Svcs.	512	720	720	500	-30.6%	721	743	745	788	811
Other Legal and Other Professional Svcs.	295	405	405	310	-23.5%	381	393	404	416	429
<b>SUBTOTAL</b>	<b>1,603</b>	<b>2,037</b>	<b>2,037</b>	<b>1,752</b>	<b>-14.0%</b>	<b>2,088</b>	<b>2,141</b>	<b>2,159</b>	<b>2,276</b>	<b>2,333</b>
<b>B. MUNICIPAL EQUIPMENT &amp; OPERATIONS</b>										
Municipal Franchise Fee Sharing										
Revenues to Municipalities	716	762	789	812	6.6%	837	862	887	914	942
<b>SUBTOTAL</b>	<b>716</b>	<b>762</b>	<b>789</b>	<b>812</b>	<b>6.6%</b>	<b>837</b>	<b>862</b>	<b>887</b>	<b>914</b>	<b>942</b>
<b>Municipal Capital Support (a)</b>										
Rockville Equipment	55	98	265	276	181.6%	284	293	302	311	320
Takoma Park Equipment	185	98	265	276	181.6%	284	293	302	311	320
Municipal League Equipment	185	98	265	276	181.6%	284	293	302	311	320
<b>SUBTOTAL</b>	<b>425</b>	<b>294</b>	<b>795</b>	<b>828</b>	<b>181.6%</b>	<b>853</b>	<b>878</b>	<b>905</b>	<b>932</b>	<b>960</b>
<b>Municipal Operating Support (a)</b>										
Rockville PEG Support	65	67	67	70	4.5%	72	74	76	79	81
Takoma Park PEG Support	65	67	67	70	4.5%	72	74	76	79	81
Muni. League PEG Support	65	67	67	70	4.5%	72	74	76	79	81
<b>SUBTOTAL</b>	<b>195</b>	<b>201</b>	<b>201</b>	<b>211</b>	<b>5.0%</b>	<b>216</b>	<b>223</b>	<b>229</b>	<b>236</b>	<b>243</b>
<b>SUBTOTAL</b>	<b>1,336</b>	<b>1,257</b>	<b>1,785</b>	<b>1,851</b>	<b>47.3%</b>	<b>1,906</b>	<b>1,963</b>	<b>2,022</b>	<b>2,082</b>	<b>2,145</b>
<b>C. COUNTY CABLE MONTGOMERY</b>										
<b>Administration</b>										
Personnel Costs	325	397	397	533	34.3%	560	560	560	560	560
Operating	46	31	31	25	-19.4%	26	27	27	28	29
Technical Operations Center (TOC)	22	23	23	23	0.0%	24	24	25	26	27
Closed Captioning	348	319	319	291	-8.8%	329	338	349	359	370
VOD, Community BB, Web Services	40	48	48	48	0.0%	49	51	52	54	56
<b>SUBTOTAL</b>	<b>781</b>	<b>818</b>	<b>818</b>	<b>920</b>	<b>12.5%</b>	<b>987</b>	<b>1,000</b>	<b>1,013</b>	<b>1,027</b>	<b>1,041</b>
<b>Public Information Office</b>										
Personnel Costs	290	349	349	560	60.5%	593	604	617	629	641
Operating Expenses	17	12	12	12	0.0%	12	13	13	14	14
Contracts - TV Production	315	359	359	273	-24.0%	210	216	216	216	216
<b>SUBTOTAL</b>	<b>622</b>	<b>720</b>	<b>720</b>	<b>845</b>	<b>17.4%</b>	<b>815</b>	<b>834</b>	<b>846</b>	<b>859</b>	<b>872</b>
<b>County Council</b>										
Personnel Costs	42	57	57	74	29.8%	65	67	68	69	71
Operating Expenses	53	48	48	28	-41.7%	29	30	31	32	32
Contracts - TV Production	537	516	516	516	0.0%	531	547	547	547	547
<b>SUBTOTAL</b>	<b>632</b>	<b>621</b>	<b>621</b>	<b>618</b>	<b>-0.5%</b>	<b>626</b>	<b>644</b>	<b>646</b>	<b>648</b>	<b>651</b>
<b>MNCPPC</b>										
Personnel Costs	81	101	101	101	0.0%	103	105	107	109	112
Operating Expenses	101	21	21	21	0.0%	22	22	23	24	24
Contracts - TV Production	108	124	124	117	-5.6%	128	132	132	132	132
Webcasting	0	117	117	47	-59.8%	48	50	51	53	54
<b>SUBTOTAL</b>	<b>290</b>	<b>363</b>	<b>363</b>	<b>286</b>	<b>-21.2%</b>	<b>301</b>	<b>309</b>	<b>313</b>	<b>317</b>	<b>322</b>
<b>SUBTOTAL</b>	<b>2,325</b>	<b>2,522</b>	<b>2,522</b>	<b>2,669</b>	<b>5.8%</b>	<b>2,729</b>	<b>2,786</b>	<b>2,819</b>	<b>2,852</b>	<b>2,885</b>
<b>D. MONTGOMERY COLLEGE</b>										
Personnel Costs	1,000	1,103	1,103	1,141	3.4%	1,334	1,468	1,615	1,615	1,615
Operating Expenses	219	219	219	179	-18.1%	247	255	262	270	278
<b>SUBTOTAL</b>	<b>1,219</b>	<b>1,322</b>	<b>1,322</b>	<b>1,320</b>	<b>-0.2%</b>	<b>1,582</b>	<b>1,722</b>	<b>1,877</b>	<b>1,885</b>	<b>1,893</b>
<b>E. PUBLIC SCHOOLS</b>										
Personnel Costs	1,234	1,339	1,339	1,385	3.4%	1,416	1,448	1,481	1,514	1,514
Operating Expenses	287	244	244	197	-19.5%	282	282	282	282	282
<b>SUBTOTAL</b>	<b>1,521</b>	<b>1,583</b>	<b>1,583</b>	<b>1,582</b>	<b>-0.1%</b>	<b>1,698</b>	<b>1,730</b>	<b>1,763</b>	<b>1,796</b>	<b>1,796</b>

**FY10 CABLE COMMUNICATIONS PLAN (\$000's)**

	Actual FY08	Approved FY09	Estimated FY09	Approved FY10	% Chg From '09 Plan	FY11	FY12	FY13	FY14	FY15
<b>F. COMMUNITY ACCESS ORGANIZATIONS (b)</b>										
Personnel Costs	1,779	1,871	1,871	1,871	0.0%	2,077	2,160	2,146	2,336	2,429
Operating Expenses	755	781	781	691	-11.5%	856	890	890	926	925
<b>SUBTOTAL</b>	<b>2,534</b>	<b>2,652</b>	<b>2,652</b>	<b>2,562</b>	<b>-3.4%</b>	<b>2,933</b>	<b>3,050</b>	<b>3,036</b>	<b>3,261</b>	<b>3,355</b>
<b>G. PEG NETWORK</b>										
PEG Equipment Replacement	893	900	900	940	4.4%	987	1,036	1,028	1,159	1,216
Emergency Equipment Reserve	0	80	80	80	0.0%	84	88	93	97	102
PEG Network Mobile Production Vehicle	54	82	82	32	-61.0%	34	35	37	39	41
PEG Network Operating	198	275	275	215	-21.8%	236	248	260	273	287
<b>SUBTOTAL</b>	<b>1,145</b>	<b>1,337</b>	<b>1,337</b>	<b>1,267</b>	<b>-5.2%</b>	<b>1,341</b>	<b>1,408</b>	<b>1,418</b>	<b>1,568</b>	<b>1,646</b>
<b>H. INSTITUTIONAL TELECOMMUNICATIONS</b>										
FiberNet Support (DTS)	1,033	1,232	1,232	1,190	-3.4%	1,708	1,757	1,809	1,820	1,875
FiberNet Support (DPWT)	249	244	244	244	0.0%	251	259	267	275	283
FiberNet-CIP	1,735	1,760	1,760 <sup>4</sup>	1,041	-40.9%	1,610	1,535	1,460	1,460	1,460
<b>SUBTOTAL</b>	<b>3,017</b>	<b>3,236</b>	<b>3,236</b>	<b>2,475</b>	<b>-23.5%</b>	<b>3,569</b>	<b>3,551</b>	<b>3,536</b>	<b>3,555</b>	<b>3,617</b>
<b>TOTAL EXPENDITURES - PROGRAMS</b>	<b>14,700</b>	<b>15,946</b>	<b>16,474</b>	<b>15,477</b>	<b>-2.9%</b>	<b>17,845</b>	<b>18,351</b>	<b>18,628</b>	<b>19,275</b>	<b>19,670</b>
<b>I. OTHER</b>										
Indirect Costs Transfer to Gen Fund	202	253	253 <sup>1</sup>	302	19.4%	253	253	253	253	303
Indirect Costs Transfer to Gen Fund (ERP & MCTime)	0	27	27 <sup>1</sup>	36	34.9%	29	18	0	0	0
Transfer to the General Fund	0	250	250 <sup>5</sup>	3,236	1194.3%	0	0	0	0	0
Grants to Organizations (Friendship Hts)	39	39	39	39	0.0%	39	39	39	39	39
Consolidated Multiuse Technology Facility	0	0	0	0	0.0%	0	0	0	0	0
Verizon-Cable Service to Public Buildings	0	0	0	0	0.0%	0	0	0	0	0
COB Renovations - CIP	0	629	629 <sup>4</sup>	0	0.0%	0	0	0	0	0
Park & Planning Technology Projects	0	600	600	0	0.0%	0	0	0	0	0
<b>SUBTOTAL</b>	<b>241</b>	<b>1,798</b>	<b>1,798</b>	<b>3,613</b>	<b>101.0%</b>	<b>321</b>	<b>310</b>	<b>292</b>	<b>292</b>	<b>342</b>
<b>TOTAL EXPENDITURES</b>	<b>14,941</b>	<b>17,744</b>	<b>18,272</b>	<b>19,091</b>	<b>7.6%</b>	<b>18,166</b>	<b>18,661</b>	<b>18,920</b>	<b>19,567</b>	<b>20,012</b>
<b>J. ADJUSTMENTS</b>										
Prior Year Adjustments	(480)	0	0	0	0.0%	0	0	0	0	0
CIP - Designated Claim on Fund	(610)	0	(650)	0	0.0%	0	0	0	0	0
<b>TOTAL ADJUSTMENTS</b>	<b>(1,090)</b>	<b>0</b>	<b>(650)</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCE</b>	<b>3,949</b>	<b>537</b>	<b>2,069</b>	<b>462</b>	<b>-13.9%</b>	<b>318</b>	<b>42</b>	<b>65</b>	<b>18</b>	<b>118</b>
<b>FUND BALANCE PER POLICY GUIDANCE</b>	<b>2,873</b>	<b>660</b>	<b>2,889</b>	<b>911</b>		<b>940</b>	<b>971</b>	<b>1,000</b>	<b>1,031</b>	<b>1,062</b>
<b>K. SUMMARY - CABLE FUND</b>										
Total Annual Revenues (incl. transfers from GF)	16,635	15,779	17,042	17,484	10.8%	18,022	18,385	18,944	19,520	20,112
Total Expenditures	(14,941)	(17,744)	(18,272)	(19,091)	7.6%	(18,166)	(18,661)	(18,920)	(19,567)	(20,012)
<b>Annual Fund Surplus/Deficit (Rev - Expend)</b>	<b>1,694</b>	<b>(1,965)</b>	<b>(1,230)</b>	<b>(1,607)</b>	<b>-18.2%</b>	<b>(144)</b>	<b>(277)</b>	<b>24</b>	<b>(47)</b>	<b>100</b>
Transfer to Cable Fund from General Fund	432	0	0	0	0.0%	0	0	0	0	0
<b>Annual Fund S/D Excluding Trans From Gen Fund</b>	<b>1,262</b>	<b>(1,965)</b>	<b>(1,230)</b>	<b>(1,607)</b>	<b>-18.2%</b>	<b>(144)</b>	<b>(277)</b>	<b>24</b>	<b>(47)</b>	<b>100</b>
<b>L. SUMMARY - EXPENDITURES BY FUNDING SOURCE</b>										
<sup>1</sup> Transfer to Gen Fund-Indirect Costs	202	280	280	338	20.9%	282	271	253	253	303
<sup>2</sup> Transfer to Gen Fund-Mont Coll Cable Fund	1,219	1,322	1,322	1,320	-0.2%	1,582	1,722	1,877	1,885	1,893
<sup>3</sup> Transfer to Gen Fund-Public Sch Cable Fund	1,521	1,583	1,583	1,582	-0.1%	1,698	1,730	1,763	1,796	1,796
<sup>4</sup> Transfer to CIP Fund	1,735	2,389	2,389	1,041	-56.4%	1,610	1,535	1,460	1,460	1,460
<sup>5</sup> Transfer to the General Fund-Other	0	250	250	3,236	1194.3%	0	0	0	0	0
<b>FUND TRANSFERS OUT SUBTOTAL</b>	<b>4,677</b>	<b>5,824</b>	<b>5,824</b>	<b>7,517</b>	<b>29.1%</b>	<b>5,172</b>	<b>5,258</b>	<b>5,352</b>	<b>5,394</b>	<b>5,452</b>
<b>Net CATV Fund Direct Expenditures</b>	<b>8,928</b>	<b>10,663</b>	<b>10,663</b>	<b>9,723</b>	<b>-8.8%</b>	<b>11,088</b>	<b>11,440</b>	<b>11,546</b>	<b>12,091</b>	<b>12,415</b>
Required Muni. Franchise & PEG Payments	1,336	1,257	1,785	1,851	47.3%	1,906	1,963	2,022	2,082	2,145
<b>CATV FUND DIRECT EXPENDITURES SUBTOTAL</b>	<b>10,264</b>	<b>11,920</b>	<b>12,448</b>	<b>11,574</b>	<b>-2.9%</b>	<b>12,994</b>	<b>13,403</b>	<b>13,568</b>	<b>14,173</b>	<b>14,560</b>
<b>TOTAL EXPENDITURES BY FUNDING SOURCE</b>	<b>14,941</b>	<b>17,744</b>	<b>18,272</b>	<b>19,091</b>	<b>7.6%</b>	<b>18,166</b>	<b>18,661</b>	<b>18,920</b>	<b>19,567</b>	<b>20,012</b>

NOTES:

(a) Municipal franchise fee and PEG capital and operating funding required by franchise, municipal, and settlement agreements and County Code.

(b) Currently Montgomery Community Television, Inc.

\*The County is exploring the potential for development of a Multiuse Technology Facility and will included information in future Cable Communications Plans.

These projections for the Cable TV Fund incorporate assumptions of annual resources and resource usage as well as projected end-of-year reserves available based on these assumptions. This scenario assumes that operating expenditures will experience net increases as a trend. Factors contributing to the assumed rate of increase include compensation adjustments, program and productivity improvements, and cost increases driven by inflation. This scenario represents one possible fiscal future based on the incorporated set of expenditure and resource assumptions. Other scenarios would occur if the County Executive and County Council adopted a different program plan or if the future brings different trends than presumed in the incorporated assumptions. The County Executive presents these fiscal projections as a tool for thinking about the future fiscal policy implications of the recommended program of expenditures and resources.

#18 – Cable Television Communications Plan

Resolution No.:	<u>16-978</u>
Introduced:	<u>May 21, 2009</u>
Adopted:	<u>May 21, 2009</u>

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: County Council

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**SUBJECT:** Approval of the FY 2010 Cable Television Communications Plan

**Background**

1. Section 8A-27(a) of the County Code provides that “All access grants, franchise fees, and other moneys received by the County from any franchisee may be spent only under a budget approved by the Council and in accordance with the County Cable Communications Plan.”
2. Section 8A-27(b) of the County Code provides that “The Cable Communications Plan must be proposed by the County Executive to the Council annually and may be amended at any time.”
3. Section 2.2 of the 2002 AT&T Comcast Transfer Agreement provides that “. . . all provisions of the Franchise Documents remain in full force and effect and are enforceable in accordance with their terms and with applicable law.”
4. Section 7(b) of the 1998 Cable Franchise Agreement, assumed by Comcast from Prime Communications – Potomac, LLC, between the County and SBC Media Ventures, Inc. provides that Comcast must pay a capital grant to the County of “\$200,000 per year . . . to be used by the County, in its sole discretion, for PEG equipment . . . or for PEG-related facilities renovation, or construction.”
5. Section 7(h)(1) of the 1998 Cable Franchise Agreement, assumed by Comcast from Prime Communications – Potomac, LLC, between the County and SBC Media Ventures, Inc. provides that Comcast must pay an annual capital grant to the County of \$1.2 million, adjusted annually by the Consumer Price Index, “to support installation, construction, operations, and maintenance of the County’s FiberNet and associated network equipment, and the Institutional Network . . . ”

*Clerks Note: Changes were made to section M. on pages 7 and 8.*

6. Section 4.1 of the 1998 Cable Franchise Transfer Settlement Agreement, assumed by Comcast from Prime Communications – Potomac, LLC between the County, Prime Communications, and SBC Media Ventures, Inc. provides that Comcast must pay \$1.5 million, adjusted annually by the Consumer Price Index, for PEG support.
7. Section 7(b) of the 1999 Franchise Agreement with Starpower provides that Starpower must pay a capital grant to the County of “3% of Gross Revenues per year . . . excluding revenues arising from Internet Access . . . to be used by the County . . . for PEG access and institutional network purposes, including PEG access equipment, institutional network equipment or for renovation or construction of PEG access or institutional network facilities.”
8. On February 8, 2005 the County Council approved Resolution 15-889, supporting the transfer of interest in Starpower Communications LLC from Pepco Communications to RCN Telecom Services of Washington, D.C., Inc. Starpower is now doing business as RCN.
9. Section 3.3.6 of the 2006 Franchise Agreement with Verizon Maryland, Inc. provides that Verizon must pay \$200,000 within 30 days of the effective date of the Franchise Agreement and \$200,000 per year for four years on the anniversary of the effective date of the Franchise Agreement. In exchange, the County waived its ability to add more locations for cable service for public buildings above Verizon’s obligation to provide 100 connections at the County’s request.
10. Section 6.2 of the 2006 Franchise Agreement with Verizon provides that Verizon must pay a grant to the County of 3 percent of Gross Revenues each quarter to be used “for PEG and institutional network purposes.”
11. Section 8 of the Franchise Agreements with Comcast and RCN and Section 7 of the Franchise Agreement with Verizon provides that each franchisee must pay, for the life of the franchise, a franchise fee of 5 percent of annual gross revenues.

#### General Provisions

1. Purpose and Effect: This Cable Communications Plan constitutes the County’s formal direction for the use of resources required to be provided under Sections 7 and 8 of the Franchise Agreements with Comcast and RCN; Section 4.1 of the 1998 Cable Franchise Transfer Settlement Agreement, assumed by Comcast from Prime Communications – Potomac, LLC between the County, Prime Communications, and SBC Media Ventures, Inc.; and Sections 3, 6, and 7 of the Franchise Agreement with Verizon.

In FY 2010, these resources must be deposited by the County in its Cable TV Special Revenue Fund, and this Cable Communications Plan directs the use of the revenues in this Fund.

2. Spending Authority under the Time Period Governed by This Plan: This Cable Communications Plan provides spending authority for FY 2010. Resources appropriated in FY 2010 that are not encumbered by the County on or before June 30, 2010 must remain in the Cable TV Special Revenue Fund and be available for spending in future years.
3. Carryover: Resources provided to the County as a result of the requirements of the Franchise Agreements with Comcast, RCN, and Verizon, but not specifically allocated in the Cable Communications Plan to the General Fund, must remain in the Cable TV Special Revenue Fund and be available to be allocated in future years.
4. Future Fiscal Years: No estimate shown for any fiscal year after FY 2010 reflects any commitment or decision by the Council, and any such estimate should not be taken as prejudging any decision regarding activities or allocations, either in absolute or relative amounts, of expenditures for future years.
5. Management of Funds: All equipment, personnel, and other resources approved in the Cable Communications Plan for funding from the Cable TV Special Revenue Fund must be managed so that the resources are reasonably available to all users of the cable system and provide benefits to the subscribing public and the franchisee.
6. Affirmative Action and MFD Procurement Procedures: The Board of Directors of Montgomery Community Television, Inc. (MCT) must adopt and follow an Affirmative Action Plan and procedures for procurements from minority-, female-, and disabled-owned businesses (MFD) that take into account both the requirements of the Franchise Agreements with Comcast, RCN, and Verizon and relevant provisions of the County Code.
7. Financial Disclosure: The County must not spend any FY 2010 funds allocated to MCT until all members of the Board of Directors and the Executive Director of MCT have filed a financial disclosure statement with the Ethics Commission for the 2008 calendar year.
8. FY 2011-2016 Cable Plan: The Executive must submit a preliminary six-year Cable Communications Plan for FY 2011 through FY 2016 to the Council no later than January 15, 2010. The Executive submitted a preliminary six-year Cable Communications Plan for FY 2010 through FY 2015 to the Council on January 15, 2009. The Preliminary Cable Communications Plan included: (a) a list of known PEG activities and funding needs for FY 2010 through FY 2015; (b) a preliminary plan for prioritizing PEG funding needs within the context of the County's long-term vision for Cable television; (c) any capital project expenditures proposed to be funded through the plan; (d) changes to approved multi-year expenditures; and (e) updated projections of plan revenues for FY 2010 through FY 2015.

### FY 2010 Cable Communications Plan Description

The FY 2010 Cable Communications Plan provides funding for cable franchise administration (Department of Technology Services, County Attorney's Office, and outside professional services); for municipal equipment and support; for public, educational, and government access programming (Office of Public Information, Council, Montgomery College, Montgomery County Public Schools, and Montgomery Community Television, Inc.); and for other miscellaneous cable-related activities.

The attached table details the approved expenditures from the Cable TV Special Revenue Fund for the following purposes in FY 2010:

#### Franchise Administration

- A. Funds are allocated to the Department of Technology Services to administer the Franchise Agreements with Comcast, RCN, and Verizon, including inspecting construction, testing signal quality, responding to residents' complaints, budgeting franchise fee and grant funds received from the cable operator, managing the contract to provide public access services, supporting an advisory committee, administering Federal Communications Commission rules and regulations, preparing for and negotiating franchise agreements, and advising elected officials on related policy matters.
- B. Funds are allocated to the County Attorney's Office to support the in-house staff costs associated with advising the Department of Technology Services and elected officials on related matters.
- C. Funds are allocated to hire outside professional services to advise or represent the County in areas of specialized telecommunications needs.

#### Municipal Support

- D. Funds are allocated for sharing franchise fee revenue with the municipal co-franchisors in accordance with the formula in Section 8A-29 of the County Code.
- E. Funds are allocated to support the 3 PEG channels allocated to (1) the City of Rockville; (2) the City of Takoma Park; and (3) the Montgomery County Chapter of the Maryland Municipal League. Funds are allocated from the Capital Equipment Support Grants, according to the requirements of Section 7(b)(1)(B) of the Franchise Agreement with RCN, the requirements of Section 7(b)(2) of the Franchise Agreement with Comcast, and from the PEG Support Fund according to the requirements of Section 4.1 of the 1998 Cable Franchise Transfer Settlement Agreement assumed by Comcast from Prime Communications. Funds are allocated from the PEG Support Fund to the extent that the Participating Municipalities meet all applicable matching-fund requirements in the Settlement Agreement.

County Government Access Programming

- F. Funds are allocated for managing the County Government Channel, maintaining County Government Channel video equipment, closed captioning of County Government programming, and for the operation of the Technical Operations Center to monitor and adjust technical quality of PEG Programming.

Funds are allocated to the Office of Public Information for in-house staff and contractors to produce Executive Branch programming for the County Government Channel.

Funds are allocated to the Council for in-house staff and contractors to produce programming for the Council and Legislative Branch agencies.

Funds are allocated to the Montgomery County portion of the Maryland-National Capital Park and Planning Commission for contractors to provide cable-related services, including webcasting and services needed to produce programming for the Planning Board and the Parks Department.

Educational Access Programming

- G. Funds are allocated to Montgomery College to produce educational programs and operate a cable channel with in-house staff.
- H. Funds are allocated to Montgomery County Public Schools to produce educational programs for children, parents, and teachers; carry Board of Education meetings; and run other educational programming of interest to County residents. MCPS currently operates two educational access channels on the cable system.

Public Access Programming

- I. Funds are allocated for Montgomery Community Television, Inc., to perform services in FY 2010 specified in its contract with the County, including the following:
  - (1) produce and schedule two public access channels, including disseminating information on the daily program schedule;
  - (2) train community producers and technicians in program production and assist residents and community organizations in developing locally produced or locally sponsored programming;
  - (3) provide and maintain a central access studio, field production equipment, and editing facilities for use by community producers in program production;
  - (4) maintain all video equipment provided to MCT or purchased by MCT with cable company or County funds;
  - (5) produce local interest and public affairs programming;

- (6) promote and encourage programming representing a diversity of community interests and needs; and
- (7) perform outreach and create programming in the down-county area.

#### PEG Network

- J. For FY 2010, funds are allocated for PEG equipment replacement, for an emergency equipment reserve to be used in case of imminent failure of major PEG video systems, for joint PEG programming/promotion, PEG network engineering and administration, closed captioning of select PEG programming, and for PEG programming to provide access to cable by community organizations.

The Council wishes to encourage the most cost-effective operations of the PEG Channels and has directed the PEG Network to enhance the sharing of equipment, facilities, and personnel. All funds appropriated for PEG equipment replacement must be administered by the Office of Cable and Communications Services. Before spending any funds for this purpose, the PEG Network must report to the Council and the Executive on their plans for the purchase and allocation of replacement equipment. The Council intends that preference be given to purchases of equipment and facilities that can be shared by more than one PEG Channel.

The Council encourages the municipal co-franchisors to develop plans for purchasing equipment, using engineering expertise available from the other PEG Channels and the Office of Cable and Communications Services, and acquiring equipment that facilitates the sharing of resources with other PEG channels.

The Office of Cable and Communications Services must not spend funds from the Emergency Equipment Reserve until the PEG Network finds that additional replacement funds are needed to prevent interruption of programming on one or more PEG Channels.

All equipment purchased with Cable Funds, except equipment purchased with Municipal Grant funds or funds allocated to the Village of Friendship Heights under this Plan, must be titled to the Montgomery County Government, which may, under appropriate controls, allocate some of the equipment for use to individual PEG Channels.

Before the PEG Network may spend funds allocated for PEG joint Programming/Promotion, the Network must report its general plans to the Council and the Executive.

#### Other Expenditures

- K. For FY 2010, funds are allocated to the Village of Friendship Heights for cable programming and equipment expenses.

Institutional Telecommunications

- L. For FY 2010, funds are allocated for Institutional Telecommunications for FiberNet capital improvements and operations. The County's Franchise Agreement with Comcast, assumed from Prime Communications, provides that Comcast must pay grants to support operations, maintenance, and the installation of cables and electronic equipment for the County's FiberNet.

The County plans to expand the FiberNet network to meet the telecommunications needs of County agency facilities. The Department of Technology Services must develop a FiberNet buildout plan that identifies facilities with the greatest need for high-speed voice, data, and video transmissions and for which FiberNet offers lower cost service than private sector telecommunications providers. User agencies must notify the Council before paying any fee to or entering into any agreement with any private provider, if using FiberNet to serve specific facilities is more advantageous to the County. The Council will then consider if adjustments to the funded FiberNet buildout schedule are warranted to avoid paying excessive fees to private providers for telecommunications service to any specific facility.

General Fund Transfers and Repayment Schedule

- M. In FY 2004, \$2,636,000 was appropriated from the Cable TV Special Revenue Fund to the General Fund to finance general government operations. This was the first year that the Executive recommended transferring funds derived from franchise fees for unspecified general government operations.

In FY 2006, the Council allocated \$1,241,000 to fund the County's Automated Traffic Management System.

In FY 2007, the Council allocated \$284,000 to fund technology projects for the Montgomery County portion of the Maryland-National Capital Park and Planning Commission Operating Budget.

In FY 2009, the Council transferred \$250,000 to the General Fund in order to support County operating expenses, and indicated their desire to ensure that this transfer will improve the technology infrastructure and productivity support for all County departments.

In FY 2010, \$3,235,830 is transferred from the Cable TV Special Revenue Fund to the General Fund to finance general government operations. The Council intends that this transfer will improve the technology infrastructure and productivity support for all County departments.

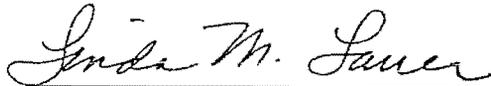
The FY 2004 General Fund transfer, the FY 2006 funding for the Automated Traffic Management System, and the FY 2007 funding for technology projects for the Montgomery County portion of the Maryland-National Capital Park and Planning Commission must be repaid without interest according to the following schedule: \$432,000 was paid in FY 2008, \$0 will be paid in FY 2009, and \$0 will be paid in FY 2010. As a part of the FY 2011 Recommended budget, the Executive must propose an amended repayment schedule.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

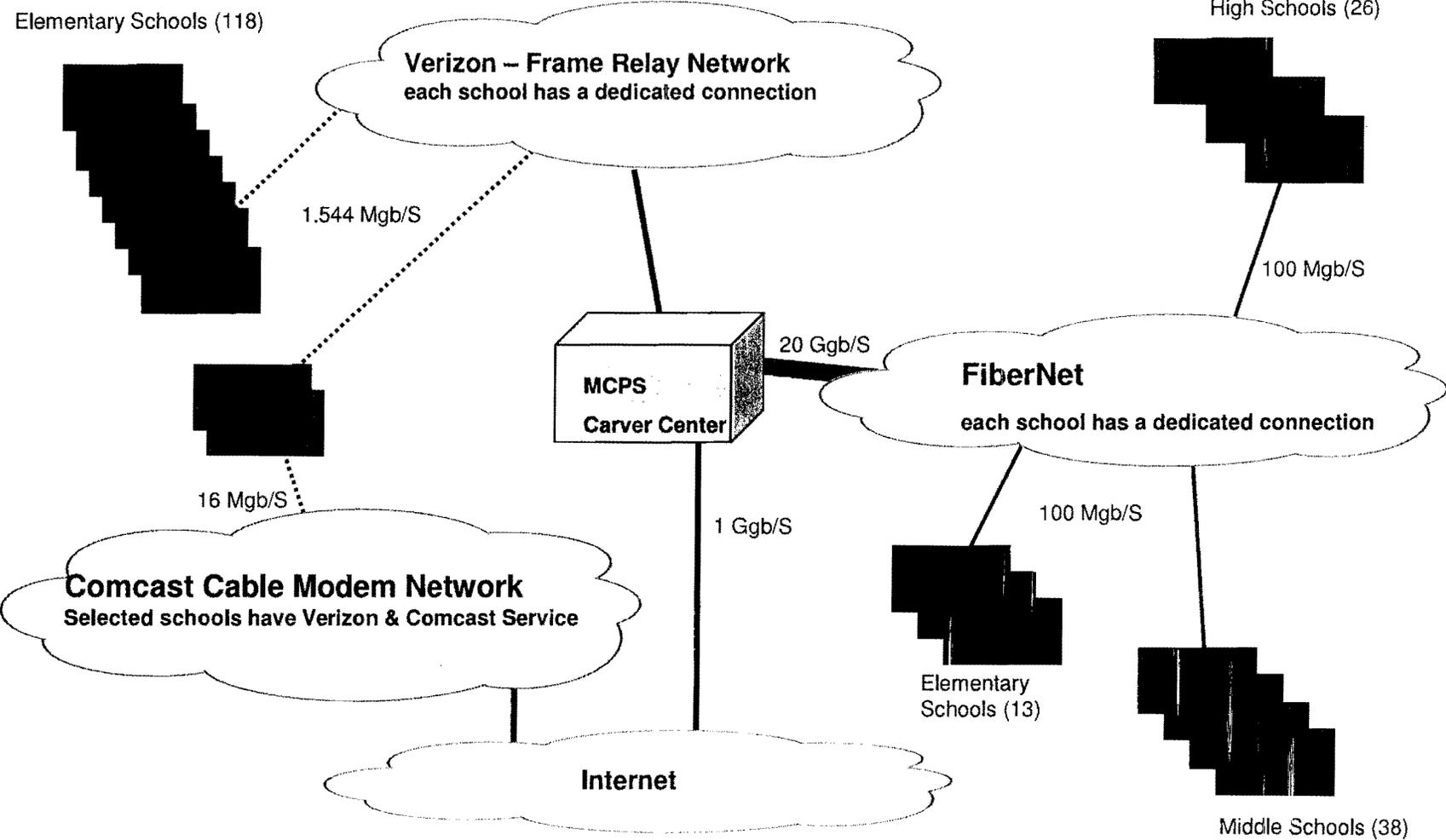
The Council approves the attached Cable Communications Plan as described in this resolution and appropriates cable communications grant resources and settlement funds as provided in the Cable Communications Plan and this resolution and any amendments to either that the Council adopts for FY 2010.

This is a correct copy of Council action.

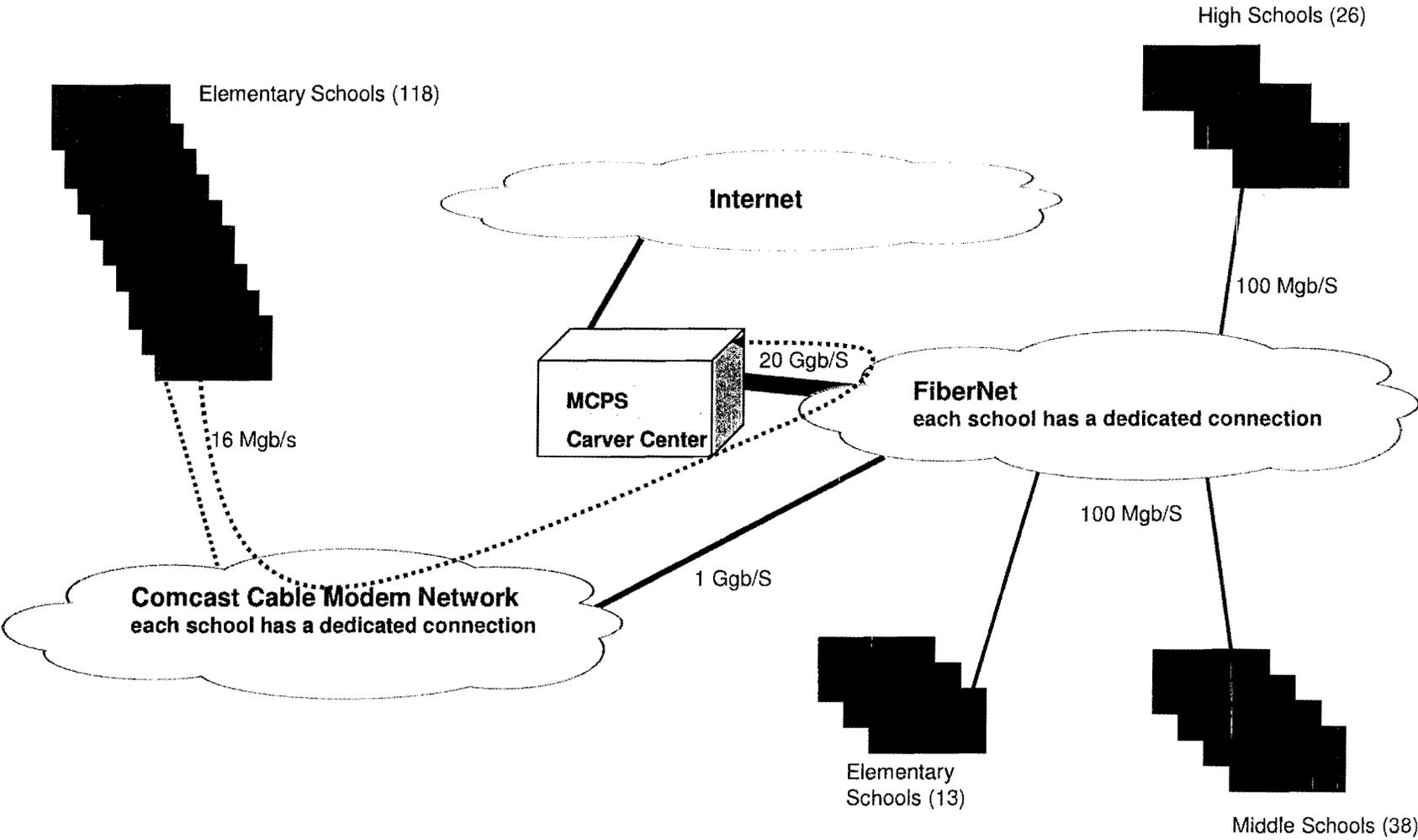


Linda M. Lauer  
Linda M. Lauer, Clerk of the Council

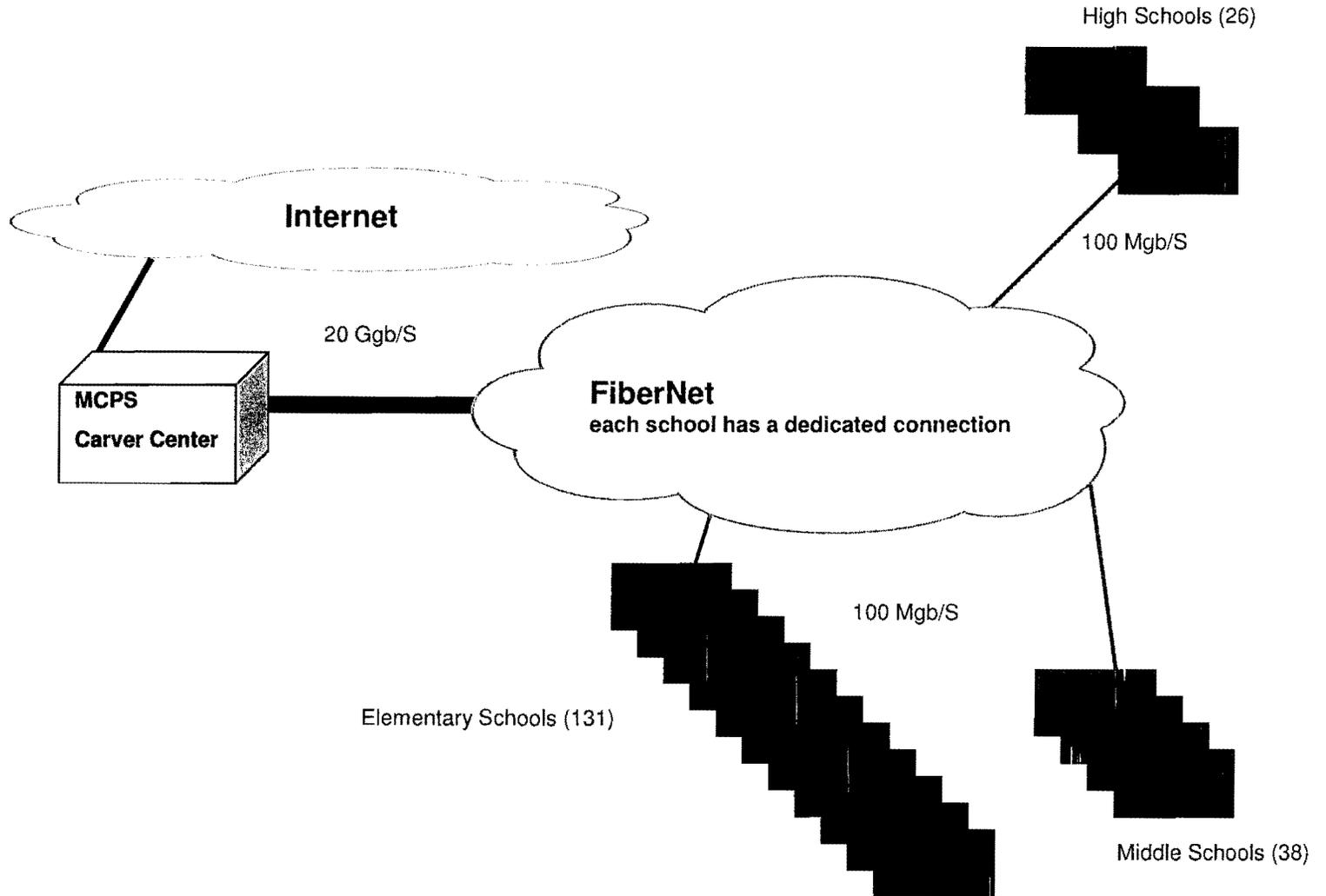
# Current MCPS Transport Solution



# Phase 2: Interim MCPS Transport FiberNet Proposal



# Phase 3: Final MCPS Transport FiberNet Proposal



# Executive Summary

In 1995, the State of Maryland began implementation of the *Maryland Plan for Technology in Education*, a blueprint for effective utilization of technologies in schools statewide. The Plan, developed by the Committee on Technology in Education (COTE), representing the State's many stakeholders, served as the foundation for development and funding of educational technology programs on both the State and local levels. The committee revised the Plan in 1998 and again in 2002.

New technology and applications to support teaching and learning and improve administrative functions continue to be developed at a rapid rate. When the *Maryland Plan for Technology in Education* was first implemented, no one had heard of podcasting, blogging, text messaging, or connecting to the Internet via mobile phone. Now technology seems to change daily and our students are quick to embrace each new innovation. Most students are comfortable using technology in their daily lives and do so routinely. Schools need to keep pace and adapt to meet this change. Today's educators must recognize technology as an essential component of the instructional program, engage all students more fully in learning, and provide students with 21st Century work and life skills.

This revised five-year plan for 2007-2012 reflects the current context of the 21st Century in which technology is all around us and rapidly changing. The Plan continues to be guided by a core vision:

*Through engaging classrooms that have current technology resources available to all students and educators as a part of their daily work, every child will reach his or her potential and achieve success. Not only will technology be available in whatever forms they take in the coming years, but rich, digital content will be available in a variety of formats. The individual learning styles and needs of every child will be addressed by using technology to differentiate instruction and provide accessible resources to all students.*

To achieve this vision, attention must be given to providing educators with high-quality professional development that includes continued time and effort to learn, maintain and improve their technology skills (Turner, 2005) and give them the ability to use those skills in their professional work. Technologically savvy teachers are more apt to use technology in their everyday classroom instruction. All educators must have their own computer and other appropriate technologies available to them if they are to be expected to infuse technology into instruction.

Likewise, all students need to have access to computing devices and rich curricula and digital resources that will enable them to attain the content knowledge and skills they need to

prepare them for the future. Findings from the annual Online Technology Inventory completed by every school in the State show that technology use in our schools is not as frequent, or as effective, as it can be. Schools with the highest poverty tend to lag behind other schools in student use of technology and need to have additional resources to close the digital divide.

Administrators should be able to use technology in their daily work and provide leadership in creating a technology rich school environment. Administrative support is critical to creating a climate in which teachers continue to grow professionally in their technology knowledge and skills, and in which technology becomes a necessary, every day tool for teaching and learning.

Technology also contributes significantly to how data is used for instructional planning and student achievement. Integrated student information systems, curriculum/content management systems, and learning management systems are critical for local school systems to collect data; assess student performance; deliver curriculum and instructional resources; create collaborative work environments; and communicate information to students, staff, parents and the community. Robust systems provide administrators and teachers with critical information on every student's learning strengths and needs, allowing educators to focus strategies and resources to help each child succeed.

Because technology continues to evolve at a rapid pace, it is imperative that issues around access, infrastructure and technical support be addressed. School systems must adopt, at a minimum, a five-year refresh cycle to replace outdated equipment. Otherwise, schools will not be able to use emerging instructional software applications. Continuous upgrades need to be made to the infrastructure to address bandwidth needs as the technology becomes more and more powerful and to provide opportunities for rich applications of voice, video and data. In addition, school systems need to ensure that support staff is available to troubleshoot equipment failures and provide technical assistance to eliminate and/or minimize down time.

Finally, it is critical to continually evaluate whether or not investments in time and resources spent in integrating technology into instruction makes a difference in the classroom. Working together, the Maryland educational community and interested stakeholders can build internal capacity to understand and apply research and evaluation studies and to create a repository of effective practice.

The primary and overarching goal of the Plan has not changed – improved student learning will be achieved in all content

areas and in the technology knowledge and skills critical to students' ability to contribute and function in today's information technology society.

Five separate, but interrelated, objectives have been established to meet this overall goal:

- Objective 1: Improve student learning through technology.
- Objective 2: Improve staff's knowledge and skills to integrate technology into instruction.
- Objective 3: Improve decision-making, productivity, and efficiency at all levels of the organization through the use of technology.
- Objective 4: Improve equitable access to appropriate technologies among all stakeholders.
- Objective 5: Improve the instructional uses of technology through research and evaluation.

Each objective includes progress to date, specific targets and recommended actions to achieve them, assigned responsibilities and data sources to monitor progress.

The Plan also includes a Glossary to define and clarify technological and educational terms and a List of Acronyms. In addition, there are 5 Appendices:

- A. Alignment Resources (with web links to Standards and other documents)
- B. Data Sources
- C. Maryland Ed Tech Partnerships (with links to additional information)
- D. Bibliography
- E. Acknowledgements



## American Recovery and Reinvestment Act – Broadband Provisions

### NTIA BTOP COMPETITIVE BROADBAND GRANTS

- Awarded by NTIA (Nat'l Telecom. Infrastructure Admin, Dept. of Commerce – Hon. Gov. Gary Locke, WA-D)
- NTIA will design new competitive grant system and award all grants by Sept 30, 2010.
- **GRANT PURPOSES** (\$4.7 Billion Broadband Technology Opportunity Program, BTOP)
  - **\$200 million** for expanding public computer center capacity, including at community colleges and public libraries
  - **\$250 million** for innovative programs that encourage adoption of broadband service
  - **\$350 million** for broadband mapping
  - **\$3.9 billion** for broadband education, awareness, training, access, equipment and support to—
    - “Unserved” and “Underserved” communities (FCC and NTIA will define terms);
    - Schools, libraries, medical and healthcare providers, community colleges
    - Other community support organizations that facilitate greater broadband service by low-income, unemployed, aged, and otherwise vulnerable populations
    - Job-creating strategic facilities located within a State-designated economic zone, Economic Development District (designated by Commerce Dept.), Renewal Community or Empowerment Zone (designated by HUD), or Enterprise Community (designated by Dept. of Agriculture)
    - Improve access to and use of broadband service by public safety agencies
    - Stimulate demand for broadband economic growth, and job creation
- **PERMITTED GRANT USES:**
  - Acquire equipment, instrumentation, network capability, hardware and software, digital network technology, and infrastructure for broadband services
  - Ensure access to broadband service by “community anchor institutions” (undefined)
  - Facilitate access to broadband service by low-income, unemployed, aged, and otherwise vulnerable populations to provide educational and employment opportunities to members of such populations
  - Construct and deploy broadband facilities that improve public safety broadband communications services
- **GRANT APPLICATION CONSIDERATIONS:**
  - Increases affordability of, and subscribership to service to the greatest population of users
  - Provides greatest broadband speed possible to the greatest population of users
  - Enhances service for health care delivery, education or children to the greatest population of users
  - Will not result in unjust enrichment through support for nonrecurring costs through another federal program for service in the area
  - Applicant is a socially and economically disadvantaged small business concern (SBA Sec.8A)
- **GRANT CONDITIONS:**
  - **Federal share may not exceed 80%** unless a waiver based on financial need is granted; applicant must demonstrate it will appropriate or unconditionally obligate required funds from non-Federal sources
  - Show that project would not have been implemented “during grant period” without Federal grant
  - Disclose source and amount of other Federal or State funds or pending applications for project
  - Awards will be deobligated for failure to perform or wasteful or fraudulent spending
  - Quarterly reporting on progress and jobs created or saved required and will posted to Internet
  - Public Internet data base of recipients, amounts awarded and purposes will be maintained
  - FCC “non-discrimination and network interconnection obligations” must be met
- **CONFERENCE REPORT:** Intends for NTIA to award grants based on whether they can meet broadband needs of areas to be served, whether by wireless or wireline provider or any provider offering to construct last-mile, middle-mile or long haul facilities. Also, NTIA should consider the technical differences between wireless and wireline services; hopes that grantees will be involved in aggregating demand, ensuring community involvement and fostering useful technology applications, thereby stimulating the economic growth and job creation.

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## American Recovery and Reinvestment Act – Broadband Provisions

### RUS RURAL BROADBAND COMPETITIVE GRANTS – DISTANCE LEARNING, TELEMEDICINE AND BROADBAND

- Awarded by Sec. of Agriculture (Hon. Gov. Tom Vilsack, Iowa-D)
- **GRANT PURPOSES:** \$2.5 Billion for grants, loans and loan guarantees for broadband infrastructure (including technical assistance) through the Dept of Agriculture's Rural Utilities Service (RUS) program
  - At least 75% of area served by a grant project must be in a rural area without sufficient access to high speed broadband service in order to facilitate rural economic development, as determined by the Secretary of Agriculture.
  - Eligible rural community is defined as a place in the U.S. or its territories that has no more than 20,000 inhabitants based on the most recent U.S. Census Bureau statistics and is not in an area designated as a standard metropolitan statistical area. (From Patton Boggs summary)
- **GRANT PRIORITY TC:**
  - Projects that offer end users a choice of more than one service provider
  - Projects that provide service to the high proportion of rural residents that do not have access to broadband service
  - Projects that can commence promptly following approval
  - Projects that demonstrate that they would be fully funded or can be completed with RUS grants or loan backing
  - Project applications from current and former borrowers of RUS funds authorized under the Rural Electrification Act
- **GRANT CONDITIONS:**
  - For RUS broadband grants, legally organized entities and State or local governments who have the legal capacity and authority to own and operate broadband facilities are eligible
  - Eligibility Rules of the RUS Broadband Loan Program apply (From Patton Boggs Summary)
  - Under the RUS broadband program, applicants must comply with a 20 percent loan equity requirement. An applicant must provide verifiable credit support equal to 20 percent of the requested loan amount (From Patton Boggs Summary)
  - **Cannot receive both RUS and BTOP funding**

### PUBLIC SCHOOL MODERNIZATION

- Awarded by Maryland Gov. O'Malley
- \$48 billion awarded by formula to states to restore education funding. 81.2% of state award for education funding (already allocated by Gov. O'Malley).
- **AWARD PURPOSE:** 18.2% of state award for :
  - Public safety
  - Other government services, including assistance for elementary/secondary/higher education
  - Modernization, renovation, or repair of public school facilities, including modernization, renovation, and repairs that that are consistent with a recognized green building rating system
- **PERMITTED AWARD USES:**
  - Elementary, secondary, and higher
- **PROHIBITED USES:**
  - Sports stadiums or place of religious worship modernization, renovation, or repair
  - Endowment increase

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## American Recovery and Reinvestment Act – Broadband Provisions

### **HEALTH INFORMATION TECHNOLOGY** (excerpts of programs with potential broadband component)

- Office of National Coordinator for Health Information Technology (ONCHIT) will fund higher education institutions or consortiums to study HIT initiatives.
- Multidisciplinary Centers for Health Care Information Enterprise Integration (multidisciplinary research on development and use of health information technologies).
  - Research areas include:
    - Health information enterprise management
    - Health information technology security and integrity
    - Measurement of the impact of information technologies on the quality and productivity of health care
    - Human information and communications technology systems, voice-recognition systems, software that improves interoperability and connectivity among health information systems
    - Relevant health information technology to reduce medical errors
    - Software dependability in systems critical to health care delivery
  - Funds shall support:
    - HIT architecture for nationwide electronic exchange and use of health information
    - Infrastructure and tools for the promotion of telemedicine
    - Interoperability of clinical data repositories or registries
    - Technologies and best practices to enhance the protection of health information
    - Development and adoption of electronic health records (EHRs)
    - Best practices to integrate HIT, including EHRs, into providers' delivery of care
- Information Technology Professionals in Health Care
  - Provides assistance to establish or expand medical health information education programs to ensure rapid and effective utilization and development of HIT
  - Preference to existing educational and training programs and programs designed to be completed in less than six months
- HIT Regional Extension Centers
  - Provides regional technical assistance and disseminate best practices to support and accelerate efforts to adopt, implement, and effectively utilize HIT
  - U.S.-based nonprofit institution or organization eligible

### **PUBLIC SAFETY BROADBAND** (programs with potential broadband component)

- Public Safety Broadband Opportunities in addition to BTOP grants and School Modernization awards include:
  - Byrne-Justice Grants (to help prevent, fight, and prosecute crime)
    - E.g., Communications Systems
  - Byrne Competitive Grants (to improve administration of justice) Grants
    - E.g., Courtroom technology services (remote testimony, record database)
  - Internet Crimes Against Children Task Force Program
    - E.g., Internet access, monitoring and tracking systems
  - Fire Station (modifying, upgrading, or constructing; 5% for admin; \$15 million project cap)
    - E.g., Fire Station alarm monitoring, GIS, and communications systems
  - Metro Security Cameras

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**One Maryland Broadband Consortium – Serving Maryland One Fiber at a Time**  
Providing Broadband Access and Support to Community Anchor Institutions

The purpose of the One Maryland Broadband consortium is to submit a single coordinated NTIA broadband proposal on behalf of the consumers served by Maryland's local government and education entities. Consolidation of participating community proposals will enhance the competitiveness of each local project while preserving local control and accountability.

The One Maryland Broadband proposal seeks funding to build and extend local networks to leverage the demonstrated success of existing operational institutional networks located in the greater Baltimore and Washington regions in order to:

- Provide broadband access, equipment, and support to community anchor institutions such as schools, libraries, community colleges, medical and healthcare providers, and other government agencies and community support organizations that facilitate greater broadband service by low-income, unemployed, aged, and otherwise vulnerable populations.
- Improve access to and use of broadband service by public safety agencies.
- Develop models that may be replicated around the nation to use existing community networks to facilitate access to affordable broadband services to unserved and underserved consumers.
- Stimulate demand for broadband economic growth.
- Create or preserve broadband-related construction, operation and education jobs.

One Maryland is also investigating opportunities to leverage existing broadband investment in the state to facilitate Health Information Technology initiatives, Smart Grid deployment, and Intelligent Highways, as well as broadband education and training partnerships.

The One Maryland Broadband consortium currently includes:

- City of Annapolis
- Anne Arundel County
- Baltimore City
- Baltimore County
- Carroll County
- Frederick County
- Harford County
- Howard County
- Montgomery County and Participating Municipalities
- Prince George's County

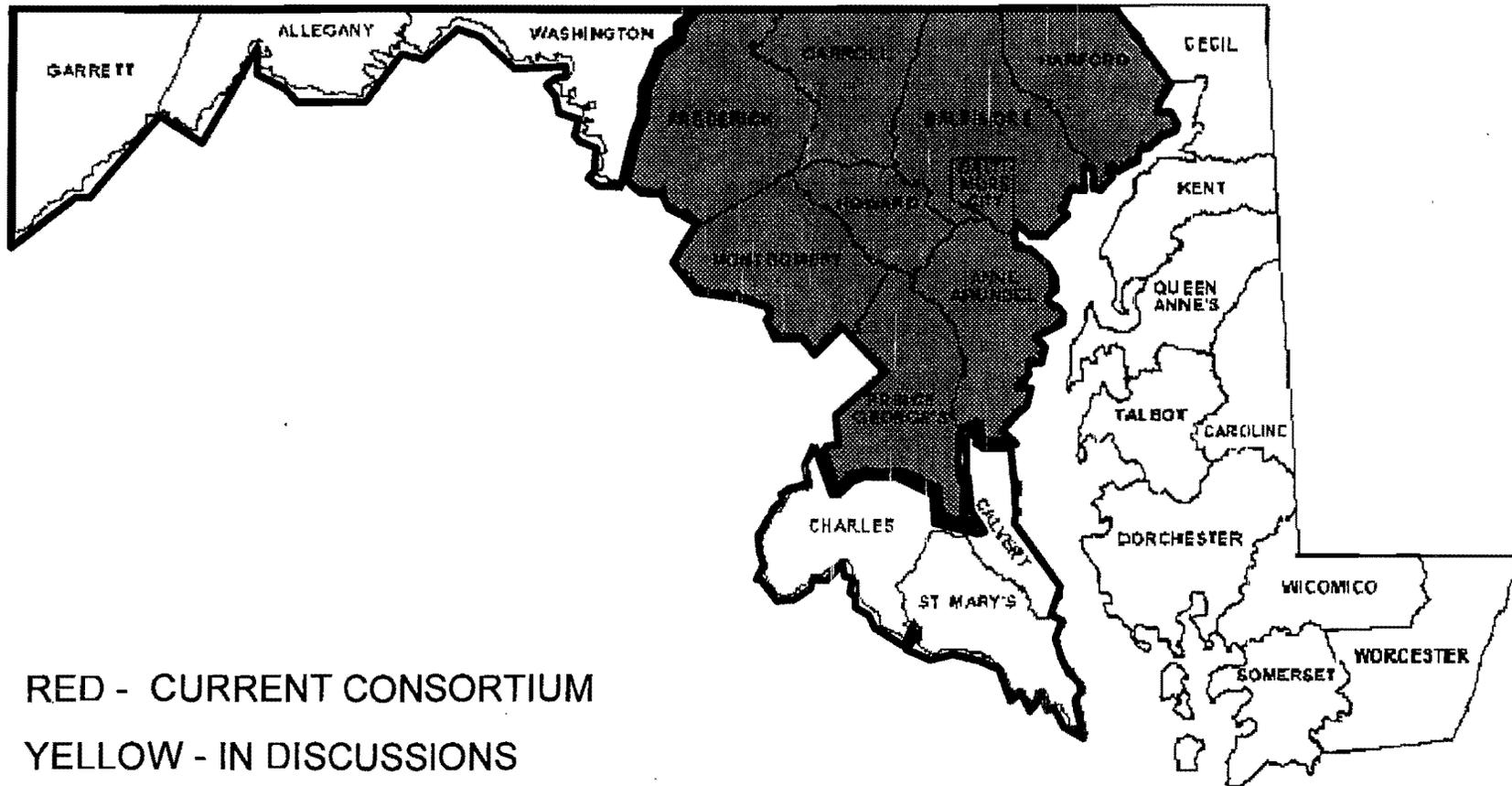
One Maryland is open to partnering with other Maryland counties, the Broadband for Communities consortium, the Sailor Network, and others. Consortium partners must have demonstrated broadband operational experience and support infrastructure, or a developed plan with sufficient internal resources.

One Maryland also working in close coordination with:

- MD Dept. of Economic and Business Development (State lead on ARRA Broadband)
- MD Dept. of Information Technology
- Network Maryland
- Governor's Grants Office
- Other Strategic Partners

One Maryland is also interested in working with the Maryland Broadband Cooperative to investigate additional RUS funding opportunities for Maryland broadband projects.

# ONE MARYLAND BROADBAND



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## Montgomery County ARRA Broadband Potential Projects & Partnerships

### LIKELY ONE MARYLAND BROADBAND CONSORTIUM PROJECTS

- BROADBAND TO COMMUNITY ANCHOR INSTITUTIONS:** Provide broadband access, equipment, and support to 71 elementary schools, 5 hospitals, Montgomery College, 2 fire stations, 1 police station, 7 public housing complexes, 1 library, 2 transit centers, 1 research facility, 2 radio towers and other facilities.
  - Investigate additional facilities to add to County's broadband network:
    - Job training locations
    - Broadband training, awareness and education centers/programs
    - Public housing family resource centers
    - Health IT partners
- BROADBAND FOR HEALTH IT INITIATIVES:** Partner with healthcare providers to facilitate deployment of necessary bandwidth to support new federal Health IT initiatives.
  - Incorporate broadband facilities partnership opportunities into One Maryland proposal and/or incorporate into separate Health IT proposal.
  - Work with HHS CIO to develop potential hospital, medical facility, and pilot medical site IT partners.
- WIRELESS BROADBAND TO UNDERSERVED AND ECONOMIC DEVELOPMENT AREAS:** Provide amenity-level wi-fi hot spots in:
  - Germantown to facilitate broadband access to unserved and underserved population groups that make weekly trips from more rural areas into Germantown.
  - Wheaton redevelopment area to stimulate economic growth and job creation.
- WIRELESS BROADBAND FOR PUBLIC SAFETY:** Provide secure wireless broadband access and equipment to 80-member correctional staff at Boyds Correctional facility to facilitate public safety agency access and use of broadband service. Corrections facility staff must use laptops in multiple rooms and currently have no means to access real-time systems data outside of individual offices.
- PUBLIC-PRIVATE BROADBAND ACCESS PARTNERSHIPS:** Partner with cable modem, DSL resellers, and wireless broadband service providers to expand broadband access and education to unserved and underserved areas of the County.
  - Obtain system deployment information from wireline and wireless broadband service providers.
  - Investigate partnerships to expand service areas.
  - Work with DED to investigate partnership opportunities near future FDA-incubator site, east-Montgomery County Ft. Meade-related development, and ICC corridor.
- BROADBAND TECHNOLOGY JOB TRAINING AND ECONOMIC DEVELOPMENT:** Develop partnerships to train workers and position local small businesses to be competitive for expected job growth and business opportunities.

## **ADDITIONAL MONTGOMERY COUNTY POTENTIAL ARRA PROJECTS**

- PUBLIC COMPUTERS WITH BROADBAND EDUCATION AND TRAINING:** Expand public computer center capacity at public libraries, public schools, community colleges, public housing, parks and recreation centers, community and youth centers, arts centers, job-training centers, and non-profit and community support organizations that facilitate greater broadband service by low-income, unemployed, aged, and otherwise vulnerable populations.
  - Draft Public Computer Request Form has been developed.
  - Determine which facilities can also support job-training, economic development, and/or other broadband education programs.
    - Libraries – Internet life skills class paired with children’s reading hour
    - Regional Service Centers – Internet job searching, resuming building, interview skills
    - Family Justice Center
    - Community and Youth Centers
  
- BROADBAND ACCESS, TRAINING, EDUCATION AND ECONOMIC DEVELOPMENT:** Partner with Montgomery College, and other broadband training programs to provide broadband training and education, including broadband-based small business economic development programs.
  - Position Montgomery County agencies and businesses as providers of educational programs and train-the-trainer resources.
    - Work with DED, RSC, libraries, Montgomery College and others to build on expand existing or previous programs rather than trying to develop all new programs.
  - Create partnership with private broadband providers to create targeted “S-rate” program model. It would combine federal matching broadband service discounts with broadband education and follow-up penetration and use study.
    - Older Adults
    - Low Income Households
    - Small Farms
    - Small Business
  
- PUBLIC SAFETY CAD:** Replace Computer Aided Dispatch (CAD) system to improve public safety agency access and use of broadband service. Broadband-based next generation CAD system will improve response times and improve officer efficiency.
  - Investigate filing a joint application with Arlington County or COG.
  
- BROADBAND IMPACT ON EDUCATIONAL OUTCOMES:** Partner with research, technology, or grant foundations and educational partners to request funding to design and implement a study to determine how access to broadband service, use of technology, and technology-trained teachers in the elementary classrooms improves learning outcomes and test scores.
  - Research foundation partners.
  - Research partnerships with MCPS and/or Maryland State Dept. of Education.

**ADDENDUM**  
MFP COMMITTEE #1  
June 15, 2009

**MEMORANDUM**

June 12, 2009

TO: Management and Fiscal Policy Committee  
FROM: Dr. Costis Toregas, Council IT Adviser  
SUBJECT: Cable Quarterly Review (Addendum)



On Friday June 12, 2009 County Cable Communications Administrator Ms. Mitsuko R. Herrera received a letter from Montgomery Community Television Inc. (MCT) notifying the County that they would not be renewing the contract of their Executive Director Richard Turner. In addition, this letter included a description of how they were planning to handle operations and management until a new Executive Director is hired. This letter has a direct bearing on *Item 3.b MCT Reorganization* on p. 5 of the analytic memo, and is on ©1 of this addendum.

Attn: Mitsuko Herrera  
**Office of Cable and Communication Services**  
Montgomery County Maryland  
100 Maryland Avenue, Suite 250  
Rockville, MD

Dear Ms. Herrera:

The purpose of the letter is to inform the Montgomery County Cable Office and yourself that Board of Directors of Montgomery Community Television (MCT) has decided that it will not be renewing Richard Tuner's contract as Executive Director of MCT when his contract expires in October 2009. Richard has served MCT for a number of years and has help grow the organization to what it is today; however at this time Board of Directors feels that this move is necessary and important to provide the leadership that MCT needs to meet not only mission but to continue to grow strategically in order to serve all our stake holders.

The MCT Board has developed a plan to ensure continued service related to the contracts that we have with the County. The contact person at MCT for the management of the County contracts will be Don Katzen. In the period of transition prior to Richard's departure we has requested that Don attend all meeting and be involved in all aspects of the County contract to ensure a smooth transition. The Board has formed a search committee to find a new executive director and we are hoping to minimize any time lapse in leadership. However; should there be a time lapse we have engaged John Hansman to act as interim executive director. John has been a past president of the Board of Directors of MCT and has been involved in MCT for many years. Prior to MCT hiring Richard Turner, John also had served as interim executive director.

Should you have any questions related to this matter please feel free to contact me.

Sincerely,



Lawrence Lee Klumpp  
President and CEO of the Board of Directors