

CITY OF LOS ANGELES

CALIFORNIA

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January 5, 2016

EXE-001-16
REVISED

Honorable Members of the City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, CA 90012

Attention: Entertainment and Facilities

Subject: **LOS ANGELES CABLE TELEVISION ACCESS CORPORATION
CHANNEL 36 TRANSFER FROM UNAPPROPRIATED BALANCE**

Dear Councilmembers:

This report and recommendation for transfer of funding from the Unappropriated Balance (UB) is submitted by the Information Technology Agency (ITA) in response to a direction from the Los Angeles City Council during the 2015-16 budget approval process to withhold six months of operational grant funding from the Los Angeles Cable Television Access Corporation Channel 36 (Channel 36) pending a report on the Station's operations and programming. Funding in the amount of \$109,066 is available in the UB specifically for Channel 36 operations in the second half of the fiscal year 2015-16.

RECOMMENDATION

That the City Council, subject to the approval of the Mayor, approve the transfer of funding to continue operational grant funding to Channel 36 in the amount of \$109,066 for the second half of fiscal year 2015-2016 as follows:

From: Fund 100/58/580209 Unappropriated Balance

To: Fund 342/32/32012M, Grants to Third Party (Citywide Access Corp)

BACKGROUND

Channel 36 is one of the four Public, Educational and Governmental Access channels carried under federal and state law on the City's cable and video TV systems. Channel 36 is available Citywide by 85% of cable and video TV subscribers on those systems basic service tiers. When a cable/video TV customer receives basic cable/video service, Channel 36, as is the case with Channel 35, the City's Government Access channel, is a "must carry" obligation of the cable and video TV operators for their customers.



Channel 36 was formed and founded by the City under its then existing local franchising authority in 1997. It has continuously operated since then, receiving an annual grant from the City. The Channel originally received \$555,000 for operations or capital equipment, but as the City's financial position worsened, funding shifted to \$255,000 for operations and \$250,000 to be used only for capital equipment. The station has always supplemented the City funding with grants and funding from other sources, and as City funding stagnated or decreased, Channel 36 management was successful in leveraging its City grant dollars to generate additional revenue streams and partnerships. However, it remains reliant on its small share of City franchise fees to support operations. See Attachment A for the station's funding history.

Channel 36 has served, at the City's request, as the City's combined outlet for Educational, Cultural and Public Access programming channel since 2009 when the City's Public Access studios were closed by the City's cable/video TV operators. Channel 36 took on the management of Public Access Programming with no additional operational funding from the City despite the increased daily responsibilities and significant costs associated with it. Public Access makes up approximately 70% of the "new programming" and 15% of the overall programming aired on Channel 36. At the present time, Channel 36 provides the following programming to the City's cable/video TV viewership specifically targeted to viewers in Los Angeles:

- Higher Education Distance Learning Credit Courses in partnership with schools such as the Los Angeles Community College District. Students enrolled in 9 LA Community Colleges receive credit for classes seen on Channel 36.
- Original Local University Programming – USC, CSUN & LMU to name a few
- Collegiate Sports - Pierce & Valley Colleges are examples
- Student Produced Shows from Los Angeles City College & other local institutions
- Prep Sports Featuring Los Angeles Youth and the CIF City Section featuring 200 Los Angeles-Area schools
- Extensive local Educational Programming
- Political discussions, debates and economic forecasts focused on Los Angeles
- Local Arts and Culture
- Public Access Programming

A comprehensive list of Channel 36's programming can be found here:

<http://digital.turn-page.com/i/582232-television-dedicated-to-lifelong-learning>

For nearly two decades, Channel 36 has been the largest continuous purveyor of local youth sports in Los Angeles. The Channel's sports programming is dedicated to serving the youth of the Los Angeles City Section – a sports segment that is rarely, if ever, given attention by other television outlets. Schools in the City Section often represent some of the most at-risk athletes in Los Angeles.

In addition to the unique sports and valuable cultural and educational programming aired on Channel 36, the station provides job opportunities and training to at-risk youth.

Nearly 100 high school and college students have benefitted from the Channel's on-going training both in the station and in the field. Interns are given the opportunity to learn about journalism, television and technical production by working closely with seasoned professionals. Many former interns now work at the station and in similar capacities all over Los Angeles including the national networks.

FISCAL IMPACT

Funding in the amount of \$109,066 from the Telecom Development Account, received from Cable providers and used for telecom-related expenses, was budgeted for Channel 36 operations and is being held in the UB. There is no impact to the General Fund.

If you have any questions, please feel free to contact Laura Ito at (213) 978-3311.

Respectfully submitted,



Ted M. Ross
General Manager

Enclosure

cc: Mayor Eric Garcetti
Ron Galperin, City Controller
Dan Caroselli, Office of the Mayor
Councilmember Krekorian, Council District 2
Councilmember Cedillo, Council District 1
Councilmember Blumenfield, Council District 3
Stephanie Magnien, Council District 3
Councilmember Nury Martinez, District 6
Councilmember O'Farrell, Council District 13
Councilmember Busciano, 15
Claudia Aguilar, CAO
Mandana Khatibshahidi, CLA
Mike Dundas, Office of the City Attorney
Carla Carlini, LA Channel 36
Laura Ito, ITA
Tita Zara, ITA
Dan Tinajero, ITA
William Imperial, ITA

Los Angeles Cable Television Access Corporation

3:11 PM

Income

11/24/2015

July 2000 through June 2015

Accrual Basis

	Jul '00 - Jun 01	Jul '01 - Jun 02	Jul '02 - Jun 03	Jul '03 - Jun 04	Jul '04 - Jun 05	Jul '05 - Jun 06	Jul '06 - Jun 07
Income							
Operation Income City of LA (Franchise Fees)	392,500.00	555,000.00	555,000.00	527,250.00	555,000.00	630,000.00	555,000.00
Grant - Capital (PEG Fees)	0.00	0.00		0.00	0.00	0.00	0.00
LA36 Generated Income	65,028.32	52,541.00	159,411.56	232,531.60	379,635.62	374,917.98	285,628.12

	Jul '07 - Jun 08	Jul '08 - Jun 09	Jul '09 - Jun 10	Jul '10 - Jun 11	Jul '11 - Jun 12	Jul '12 - Jun 13	Jul '13 - Jun 14
Income							
Operation Income City of LA (Franchise Fees)	555,000.00	350,000.00	300,000.00	255,000.00	255,000.00	255,000.00	255,000.00
Grant - Capital (PEG Fees)	0.00	255,000.00	249,997.00	250,002.00	250,001.00	250,002.00	250,000.00
LA36 Generated Income	337,824.62	254,457.61	134,217.56	239,497.80	437,786.55	578,467.00	598,860.00

Jul '14 - Jun 15

Income	
Operation Income City of LA (Franchise Fees)	254,998.00
Grant - Capital (PEG Fees)	250,002.00
LA36 Generated Income	673,196.00

PROJECTED

Jul '15 - Jun 16

Income	
Operation Income City of LA (Franchise Fees)	218,000.00
Grant - Capital (PEG Fees)	250,000.00
LA36 Generated Income	673,196.00