



Digital Television Committee Meeting
Wednesday, May 12, 2021
5:30 PM
Council Chambers

1. Call to Order/Roll call
2. Approval of Minutes
3. Report: 2020 Cable Franchise Revenues
4. Discussion Item: the Future of Digital Television
5. Discussion and Possible Action: Future Needs and Purchases
6. Adjourn

Report Criteria:

Actual amounts
 All accounts
 Account.Account number = "1004413000000"

Journal	Reference Number	Payee or Description	Debit Amount	Credit Amount	Balance	
100-44130-000-000 TELEVISION FRANCHISE						
		12/31/2019 (14/19) Balance			64,062.16-	
CR	1003770	FRANCHISE FEE - 1ST QTR TELEVISION FRA		9,683.87-		
		Description: FRANCHISE FEE - 1ST QTR TELEVISION FRANCHISE FEE - CHARTER COMMUNICATIONS				
		05/31/2020 (05/20) Period Totals and Balance	.00 *	9,683.87- *	73,746.03-	
CR	1003800	CLOUD 1 LLC - CLOUD 1 LLC		400.00-		
		Description: CLOUD 1 LLC - CLOUD 1 LLC				
JE	3	TO CORRECT REC. #1.003800-CLOUD 1 LLC	400.00			
		06/30/2020 (06/20) Period Totals and Balance	400.00 *	400.00- *	73,746.03-	
CR	1004012	TELEVISION FRANCHISE FEE - 2ND QTR - MH		4,575.03-		
		Description: TELEVISION FRANCHISE FEE - 2ND QTR - MHTC				
		07/31/2020 (07/20) Period Totals and Balance	.00 *	4,575.03- *	78,321.06-	
CR	1004112	2ND QTR TELEVISION FRANCHISE FEE APRIL		9,587.45-		
		Description: 2ND QTR TELEVISION FRANCHISE FEE APRIL 1 - JUNE 30, 2020 - CHARTER COMMUNICATIONS				
		08/31/2020 (08/20) Period Totals and Balance	.00 *	9,587.45- *	87,908.51-	
CR	1004287	3RD QTR 2020 FRANCHISE FEE - MHTC - MHT		4,443.30-		
		Description: 3RD QTR 2020 FRANCHISE FEE - MHTC - MHTC				
		10/31/2020 (10/20) Period Totals and Balance	.00 *	4,443.30- *	92,351.81-	
CR	2000709	1st Qtr 2020-MHTC-TELEVISION FRANCHISE F		4,603.79-		
		Description: 1st Qtr 2020-MHTC-TELEVISION FRANCHISE FEE - MHTC				
CR	1004330	3rd Qtr. FRANCHISE FEE - Charter Communicati		9,657.97-		
		Description: 3rd Qtr. FRANCHISE FEE - Charter Communications - Charter Communications				
		11/30/2020 (11/20) Period Totals and Balance	.00 *	14,261.76- *	106,613.57-	
AUDIT	83	TELEVISION FRANCHISE		14,700.48-		
		12/31/2020 (14/20) Period Totals and Balance	.00 *	14,700.48- *	121,314.05-	
YTD Encumbrance	.00	YTD Actual	57,251.89- Total	57,251.89- YTD Budget	103,000.00- Unearned	45,748.11

Number of transactions: 9	Number of accounts: 1	Debit	Credit	Proof
Grand Totals:		400.00	57,651.89-	57,251.89-

Report Criteria:

Actual amounts
 All accounts
 Account.Account number = "1004413000000"

Report Criteria:

Actual amounts
 All accounts
 Account.Account number = "10043430000000"

Journal	Reference Number	Payee or Description	Debit Amount	Credit Amount	Balance	
100-43430-000-000 OTHER STATE REV-VIDEO SERVICE						
		12/31/2019 (14/19) Balance			.00	
CR	1004026	VIDEO SERVICE PROV AID - STATE OF WISCO		6,568.15-		
		Description: VIDEO SERVICE PROV AID - STATE OF WISCONSIN				
		07/31/2020 (07/20) Period Totals and Balance	.00 *	6,568.15- *	6,568.15-	
		12/31/2020 (14/20) Period Totals and Balance	.00 *	.00 *	6,568.15-	
YTD Encumbrance	.00	YTD Actual	6,568.15- Total	6,568.15- YTD Budget	13,136.00- Unearned	6,567.85

Number of transactions: 1	Number of accounts: 1	Debit	Credit	Proof
Grand Totals:		.00	6,568.15-	6,568.15-

Report Criteria:

Actual amounts
 All accounts
 Account.Account number = "10043430000000"

WISCONSIN COMMUNITY



Strong media centers. Strong communities.

May 4, 2021

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Executive Director

Mary Cardona
(608) 215-5594
exec@
wisconsincommunitymedia.com

To the Members of the Joint Committee on Finance:

On April 28, I testified at the Joint Committee on Finance public hearing. I very much appreciated the opportunity to speak with you that day. I am attaching my remarks.

State statute 79.097 states that municipalities can apply for state aid to fully make up the loss in revenue from Video Service Providers (VSPs), who were granted a fee rate reduction in the same statute.

Based on this law, the Department of Revenue set up an application process for state aid, which 533 municipalities complied with. The DOR posted the data collected through that process on its website on October 1, 2020 so that all municipalities would know how much state aid they could expect from this source as they were developing their 2021 budgets. It is very important that this commitment is kept.

According to s. 79.097, the amount in state aid that is provided to municipalities in 2021 is the same amount that will be provided annually going forward. Beginning this year, the amount will not change. It is important to have this year's allocation correct.

S. 79.097 drops the rates VSPs pay in two steps over two years by the same amount each time. That's why municipalities need twice as much state aid as last year -- \$10,000,000 not the \$5,000,000 that is currently set aside in s. 20.835 (1) (fa).

Except for our school district and college members, all Wisconsin Community Media members rely on VSP fees to produce local programming. Treatment of this revenue varies widely from municipality to municipality, with some putting VSP fees in a segregated fund for program production, some allocating a percentage of VSP fees to community media and some putting these fees in the general fund and treating it like all other revenue. **No matter how a municipality handles this revenue, any reduction in these fees WILL affect the ability of municipalities to produce local programming.**

VSP fees are the ONLY funding Wisconsin municipalities receive from video service providers for the support of community programming. Please ensure that this funding remains intact. Thank you.

Sincerely,

Mary Cardona
Executive Director

City of _____, Wisconsin

RESOLUTION # _____

In Support of Sufficient State Aid to Cover VSP Fee Rate Reduction

WHEREAS, s.79.097 was enacted into law in as part of the 2019 Wisconsin State Budget, and

WHEREAS, s. 79.097 reduced the percentage fee that municipalities could collect from Video Service Providers (VSPs) in two steps over two years, and

WHEREAS, s. 79.097 reduced the fee percentage collected by all municipalities no matter what percent of video gross revenues they were collecting initially by 0.5 points the first year, and

WHEREAS, s. 79.097 reduced the percentage of all VSP fees collected by all municipalities no matter what percentage they were collecting initially by an additional 0.5 points the second year, and

WHEREAS, s. 79.097 also required municipalities to receive an equal amount of state aid to make up for the loss in revenue caused by each of the fee reductions, and

WHEREAS, s. 20.835 (1)(fa), which governs the amount of funding set aside in the state budget to cover the state aid created by s. 79.097 is currently locked at an amount (\$5 million) that only covers the first reduction in the VSP fee rate,

WHEREAS, without any change to s. 20.835 (1)(fa) municipalities will in 2021, only receive half of the state aid that is described by s. 79.097, and

WHEREAS, the Wisconsin Department of Revenue has already estimated the amount of state aid due in 2021 based on applications filed by 533 municipalities by the deadline of August 15, 2020,

WHEREAS, our city as well as other cities have developed their current year's budget based on this expected state aid as outlined in s. 79.097, and

WHEREAS, per s. 79.097 the amount of state aid municipalities receive in 2021 is to be the exact amount municipalities will receive in succeeding years and if it is not doubled, municipalities may only receive half of the aid they are due going forward,

NOW, THEREFORE, BE IT RESOLVED, that the City of _____ endorses Section 501 of the Governor's Budget Proposal which would change the language of s. 20.835 (1)(fa) to a "sum sufficient" amount that will cover the loss in municipal revenue.

BE IT ALSO RESOLVED, that the City of _____ would also endorse a sum certain amount if it reflected the amount the Department of Revenue has determined will be needed to meet the state aid called for in 2021 by s. 79.097, approximately \$10 million.

BE IT FINALLY RESOLVED, that a copy of this Resolution be transmitted to the Members of the Joint Finance Committee and our state legislators.

ADOPTED this ___th day of _____ 2021.

, Mayor

ATTEST:

City Clerk-Treasurer

Template letter without the table.

Municipal Comments on the 2021-2023 State Budget

This template is similar in style to one created by the League of Wisconsin Municipalities for municipal officials to use for submitting comments on the 2021-2023 state budget to the Wisconsin State Legislature’s Joint Committee on Finance.

- *Municipal officials are encouraged to email their comments directly to the Joint Finance Committee members: <https://docs.legis.wisconsin.gov/2021/committees/joint/2293> or to the following email address: Budget.Comments@legis.wisconsin.gov.*
- *It would also be helpful to send a copy of your letter to the Joint Finance Committee to your own legislators. Find their addresses here: <https://legis.wisconsin.gov/>*

Please also send copies of your comments to Mary Cardona at Wisconsin Community Media. exec@wisconsincommunitymedia.com

Action should be taken no later than the week of April 26 to have the most effective impact. The areas in [brackets] and the chart need to be customized to your city. The information needed for the chart is contained in a link at the bottom of this letter. Thank you!

Members of the Joint Committee on Finance:

As you begin preparing your version of the biennial state budget I write as the [mayor/village president/administrator/manager] for the [City/Village] of [_____] to urge you to support a provision in the Governor’s Budget Proposal that would allocate sufficient state aid to fully implement [s. 79.097](#) that reduced the fees Video Service Providers (VSPs) pay to municipalities and at the same time created a state aid plan to fully reimburse municipalities for the lost revenue.

Specifically, I urge you to support [Section 501 in the Governor’s Budget Proposal](#) that would simply change the wording in [s. 20.835 \(1\) \(fa\)](#) as follows:

“20.835 (1) (fa) *State aid; video service provider fee.* ~~The amounts in the schedule A sum sufficient~~ to make the state aid payments under s. 79.097.”

Template letter without the table.

If a “sum sufficient” amount is not inserted into 20.835, the schedule should be increased from \$5 million to approximately \$10 million (specifically a sum certain amount that equals the Department of Revenue VSP state aid estimates for 2021).

When s. 79.097 was passed as part of the 2019 State Budget, the amount allocated in state aid was enough to cover the losses municipalities experienced in 2020 with the first drop in VSP fees. However the statute instituted a second additional drop in VSP fees for 2021, which doubles the loss to municipalities. Without an update to the budget allocation to a “sum sufficient” amount (or a sum certain amount that equals the Department of Revenue VSP state aid estimates), the 2021 State Budget will only cover half of our losses this year. And because of the way the statute is written, municipalities will only be covered for half of our losses in all succeeding years because according to s. 79.097, the amount municipalities receive in 2021 will be the exact amount in state aid we will be receiving in future years.

Prior to the state mandated reduction in VSP fees, [Name of municipality] assessed a VSP fee of [%] on [Name of cable company and/or phone company]. Our fee rate declined to % in 2020 and % in 2021. In 2021, because of the 1 point difference in fees we will lose approximately \$ in revenue from video service provider fees. We are counting on the state to make our city whole by providing us with state aid equivalent to this 1 point drop based on what our city’s revenue was from this source in 2019.

After municipalities registered online to receive the state aid as described in s. 79.097 and like the previous year, on October 1, 2020, the Wisconsin Department of Revenue posted the amount every municipality could expect to receive in July. **This information was used to develop our budget for the 2021 year.**

Since this revenue is raised from video service subscribers, our municipality has long [put this money in a segregated fund OR earmarked a portion of these fees] to fund the creation of programming for our public, education and government (PEG)

Template letter without the table.

access cable TV

channel[s] and in recent years, other online media outlets. Any decline in this funding source will impact the operating budget for these communications services and likely reduce carriage of a variety of local programming that now includes [government meetings, community events, issues discussions, candidate forums, church services and high school choir concerts and basketball games.]

Municipalities were assured in 2019 when this provision was being considered that they would be kept whole. By revising s. 20.835 (1) (fa) to a “sum sufficient” amount or by using the estimated amount of state aid needed in 2021 that has already been determined by the Department of Revenue, this promise will be kept.

Thank you for your consideration.

Sincerely,

cc: Your legislators

bcc: Mary Cardona exec@wisconsincommunitymedia.com

Here are the links you can include in the letter:

State Statute 79.097

<https://docs.legis.wisconsin.gov/statutes/statutes/79/i/097>

State Statute 20.835 (1) (fa) <https://docs.legis.wisconsin.gov/statutes/statutes/20/ix/835/1/fa>

Section 501 of the Governor’s Budget Proposal (AB 68/SB 111)

<https://docs.legis.wisconsin.gov/2021/related/proposals/sb111/501>

The Wisconsin Department of Revenue Video Service Provider Aid Estimates for 2020 and 2021

<https://www.revenue.wi.gov/Pages/Report/vspa-estimates.aspx>

If you need help, you can call Mary Cardona at 608-215-5594