

CORPORATION FOR PUBLIC BROADCASTING

REPORT TO CONGRESS ON

FISCAL YEAR 2005

ACTIVITIES AND EXPENDITURES OF THE INDEPENDENT TELEVISION SERVICE (ITVS)

Introduction

Since 1990, as required by its authorizing legislation, the Communications Act of 1934, as amended,¹ the Corporation for Public Broadcasting (CPB) has funded an independent television production service. The Independent Television Service (ITVS), an entity separate from CPB, contracts with CPB to fund public television programs produced by independent producers and independent production entities. As required by law, CPB ensures that these funds are used to further our fundamental goals of expanding diversity and promoting innovation in programming available to public broadcasting. The statute also requires that CPB report annually to Congress “regarding the activities and expenditures of the independent production service.”² This report summarizes the activities and expenditures of ITVS for the Fiscal Year (FY) 2005.

ITVS was incorporated on September 22, 1989, and is now headquartered in San Francisco. It is governed by a 13-member board of directors, which includes independent producers, media arts center executives and programmers, public television managers, academics, and independent media advocates. The National Coalition of Independent Public Broadcasting Producers (NCIPBP) prepares an annual slate of nominees for the ITVS board. ITVS bylaws require CPB approval of the slate before new nominees are seated on the ITVS board.

It should be noted that, while ITVS plays a critical role in developing independent projects for public television, it is not the only way in which CPB supports the works of independent producers. Independent producers also compete for direct grants from CPB, and may receive funding from several other CPB supported sources, including the Minority Consortium. ITVS does, however, currently deliver 40-60 hours of independently produced programs to public television each year, representing a significant percentage of independent work supported by CPB.

¹ 47 U.S.C. § 396(k)(3)(B)(iii)(I)

² 47 U.S.C. § 396(k)(3)(B)(iii)(V)

ITVS Funding Status and History

The FY2005 CPB appropriation was \$386,880,000. Based on a legislatively defined formula, CPB allocated \$62,276,999 of these funds for TV programming. CPB committed about half of these dollars to the PBS National Program Service (NPS) and the joint CPB/PBS Program Challenge Fund. The next largest recipient of funds was ITVS, which received a total of \$11,712,230.

In 2002, ITVS and CPB entered into a new, multi-year contract relationship containing specific funding amounts for operations and programming activities in Fiscal Years 2002, 2003, and 2004; this contract was renewed for 2005, 2006 and 2007. The multi-year contract streamlined the CPB contracting process for the ITVS agreements, provides for steady growth opportunity for ITVS, and introduced the foundation of performance metrics in the contract work scope.

Of the \$62,276,999 appropriated by CPB statute to television programming, \$10,800,000 went directly to ITVS for program production, production support and service to independent producers, an increase of \$500,000 over the support given in FY2004. Also in FY2005, CPB provided from its system support budget an additional \$912,230 for ITVS operations. CPB annual funding agreements for ITVS from its initial year (1990) through FY2005 total \$135,581,119 (See Figure 1).

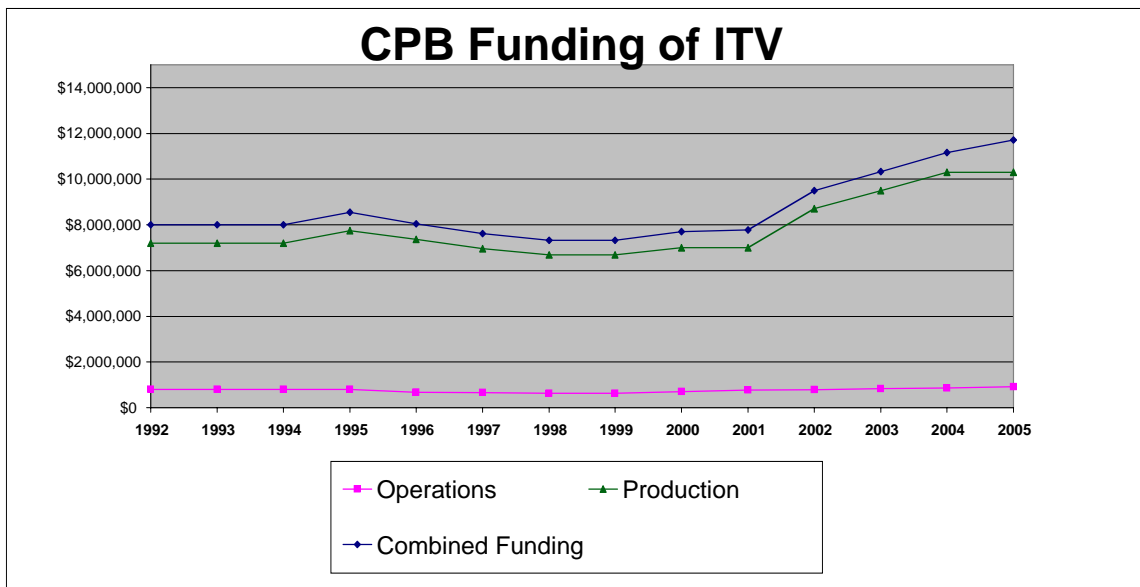


Figure 1

ITVS Production and Distribution History

ITVS has established a record of successfully completing and delivering programs to PBS, demonstrating the growing sophistication and refinement of ITVS' program selection, production management, and program packaging process.

Since 2001, ITVS has increased the number of program hours "licensed"—the mechanism through which programs are funded—from 49 hours to 80.5 hours in 2005. With ITVS's emphasis on innovation, quality, and community outreach, it takes between 12 and 24 months to produce and prepare these programs for public television broadcast.

Each program enters the ITVS process at a unique phase in its own production cycle, varying from the early development stage to post-production. Once ITVS has funded a project—leveraging ITVS funds against substantial production monies from other sources—the staff provide ongoing support services to independent producers, including: regular monitoring of production progress; technical and editorial assistance; and promotion and outreach support for finished programs.

In 2005, 51 programs aired on public television. This matched the 2004 total and included 46 shows broadcast on the National Program Service (NPS)—the highest NPS total in ITVS history. From 1993 to 2005, ITVS has multiplied by more than fivefold the annual number of programs delivered to public television for broadcast. (See Figure 2).

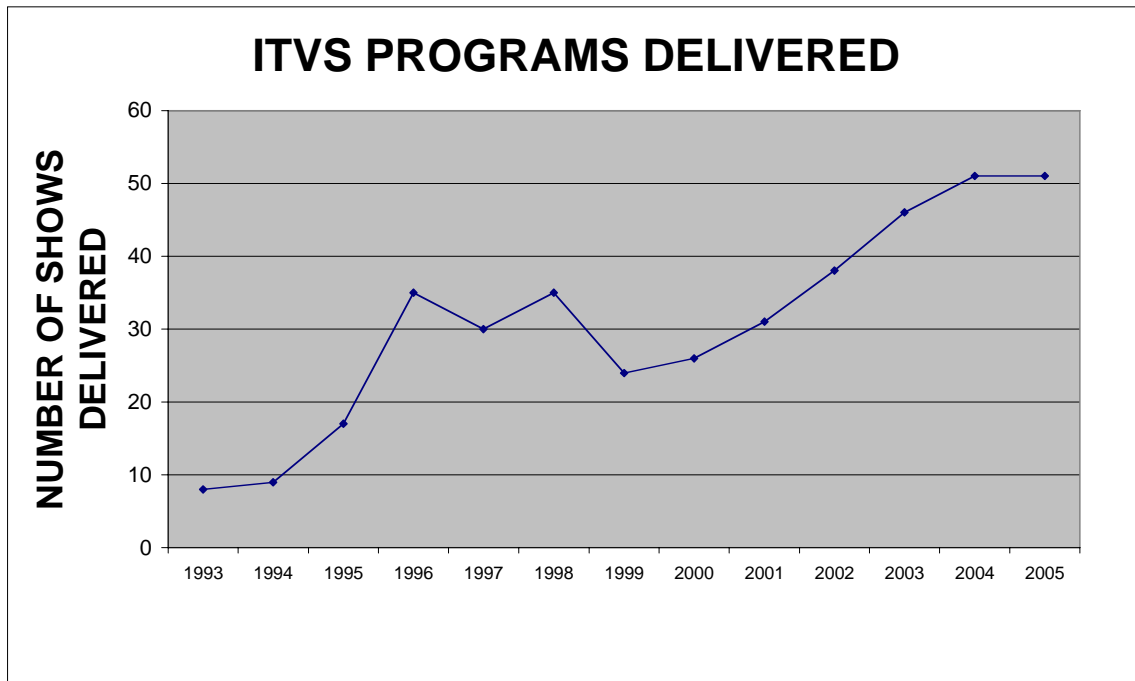


Figure 2

Station usage of ITVS programs has dramatically improved over the years. This is due in part to the growing confidence the public television system has in the quality of ITVS-funded programs, the success of the series *Independent Lens*, and the recognition of ITVS programming. ITVS has won every major TV programming award, including National Emmys, DuPont-Columbia Awards, and George Foster Peabody Awards, as well as many film awards from festivals like Sundance and three Academy Award nominations for Best Documentary. In 2005, ITVS programs received a total of 67 awards, while increasing the total number of broadcasts to a high of 24,979 (see Figure 3).

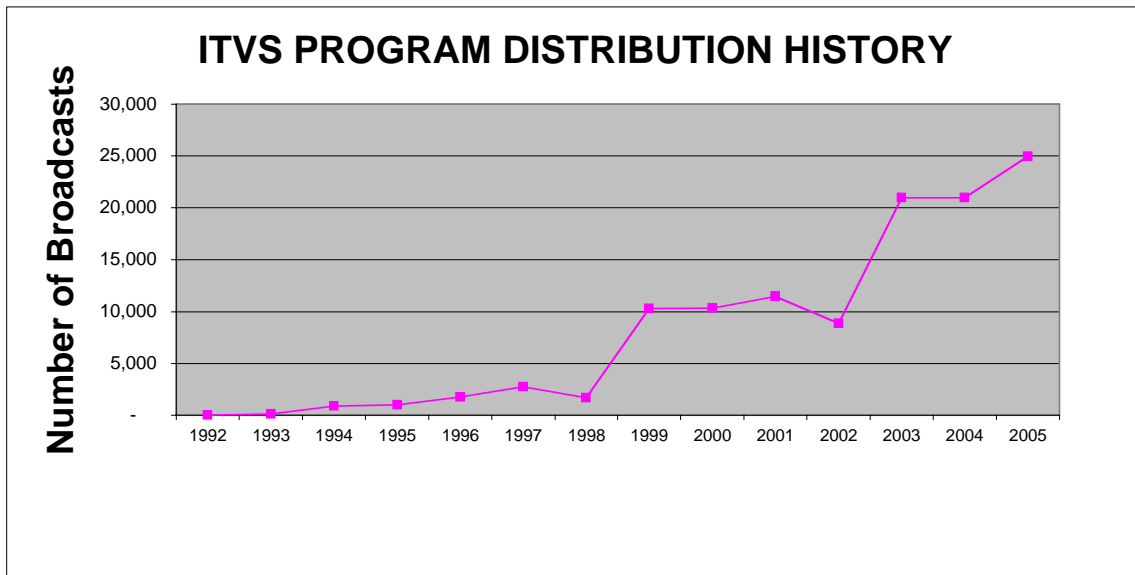


Figure 3

ITVS Operations and Administration

At the beginning of FY2005, ITVS employed a total of 34 full-time and 4 part-time staff. (See Appendix A: ITVS Organizational Chart as of October 15, 2005.)

ITVS is operating in the third year of a multi-year strategic plan developed to ensure its institutional health and stability and to take advantage of new media and other opportunities. The strategic plan outlines expected business activities with specific, measurable goals for the next several years. The plan also contains annual performance benchmarks and long-range plans for each of the four departments (programming, production, communications, and business) that make up ITVS.

One of the specific goals of the strategic plan was to explore increased engagement with the work of the International Public Television Conference (INPUT), an organization which seeks to build international partnerships and expand production capacities among U.S. independent producers. In 2003, ITVS was named the host of INPUT 2005: in 2004, ITVS planned the conference; and in 2005 ITVS held the six-day conference, drawing 1700 industry professionals from 58 countries. Because CPB is committed to the development of diverse and innovative projects in support of independent

productions, CPB had provided a separate \$200,000 grant to ITVS in 2004 to provide general support for the INPUT conference, which was also funded by private foundations.

INPUT 2005 helped establish American leadership in the international landscape of public television. PBS president Pat Mitchell led a Global Media Summit on HIV and AIDS with PTV leaders from South Korea, India, South Africa, Nigeria, Kenya, Vietnam and Thailand, among others. Building on the interest and support generated by the conference, ITVS developed public-private partnerships with major foundations and the State Department to launch the International Media Development Fund (IMDF), an initiative to bring global perspectives to American audiences and ITVS programming to audiences abroad. Supported by non-CPB funds, the IMDF committed support to eight international projects and launched *True Stories: Life in the U.S.A.*, a series of ITVS documentaries, hosted by Benicio Del Toro and aimed at international audiences. IMDF activities have been incorporated into the ITVS strategic plan of adopting digital and global practices.

Program Funding Activities

The primary work of ITVS is giving independent producers financial and services support, while ensuring geographic, ethnic and cultural diversity in its allocation of resources. In FY 2005, ITVS budgeted \$6,700,000 – 62 percent of the production funds it received from CPB – to license programming through production grants and contracts. ITVS earmarked an additional 19 percent for direct program support costs, such as production management, producer orientation, reader expenses, program and production staff payroll, travel, and consultants, and allocated the remaining 19 percent for outreach, station marketing, promotion, web support, communications staff, and other broadcast support costs.

ITVS uses both a general solicitation (through its Open Call, LINCS, and DDF initiatives) and a focused programming approach (“commissioning”) to generate the innovative programming it supports. General solicitations accept proposals on a wide range of subjects or themes, while commissioning encourages producers to develop programs built around specific issues of public interest. ITVS also offers development support for early phase projects that meet its mission requirement. A separate yearly solicitation process is used to bring in additional post-production phase programming for broadcast on *Independent Lens*.

ITVS publicizes its funding opportunities through print and broadcast media and its Web site, www.itvs.org. To ensure that producers of color and others underrepresented in the public and national media stay informed about these opportunities, ITVS directly promotes its initiatives in many communities, while maintaining an extensive national mailing list of independent producers and public broadcasters. Between 2004 and 2005, ITVS continued to increase the diversity of its applicant pool by 11%, according to diversity information collected in funding applications.

In FY2005, ITVS generated the following solicitations:

- Open Call 2005/Rounds 1 and 2: From a total of 514 applications, approximately 10% advanced to panel review and, ultimately, twelve projects received ITVS funding support.
- Local Independents Collaborating with Stations (LINCS): Fifty-six applications were received from independent producer/public television station partnerships; ten received funding. Through LINCS, ITVS encourages partnerships between independent producers and public television stations by providing incentive or matching grants from \$10,000 to \$75,000. The funding stream helps to develop production capabilities in areas of the country not traditionally active for independent TV productions.

The process of selecting programs for funding begins with initial screening by ITVS staff and external reviewers, including public television programmers and producers, independent producers/directors, film professionals, print and broadcast film critics and journalists, educators, curators and film festival directors. The most favorably reviewed projects are then forwarded to a final review panel, which makes funding recommendations to ITVS. ITVS's president gives final approval to panel-recommended projects. ITVS board members are prohibited from applying for support from ITVS or participating in program funding decisions while serving on the board.

During FY2005, ITVS production staff oversaw 134 productions resulting from these and prior year solicitations; 52 programs were completed.

As required by the CPB grant agreement, ITVS maintains a public file in its San Francisco office, containing the following information about funded projects:

- Producer's final financial report (ITVS report form)
- Selections list, explaining the criteria for selecting the program
- Initiative list, indicating the initiative under which a program was funded
- Narrative report, containing a brief description of a program, other program funders, and minority status of the program's producer)

Producer Development and Support Activities

ITVS not only funds the work of independent producers, it works to identify new producers and to develop their creative talents through:

Feedback to producers – ITVS provides producer feedback when proposals are submitted for production grants but are not selected for funding by the review panel. This feedback helps producers improve story development, proposal writing, scripting, and production

budget planning. Producers are encouraged to resubmit worthy projects for future funding rounds. ITVS staff devotes considerable time to this service.

Producer orientation program – The multi-day producer orientation program provides producers who are receiving ITVS contracts with information about contract compliance, financial oversight procedures, and PBS and CPB rights requirements and distribution procedures, as well as information about general marketing, outreach and promotion activities, which ITVS undertakes on behalf of funded projects. The orientation offers technical information about producing for public television, and offers ideas and suggestions to help independent producers create successful projects.

Mentoring program – ITVS continues to support “emerging” producers through its mentoring program. Originally funded with an R&D grant from CPB, ITVS has fully incorporated this program into its producer services activities. The mentoring program focuses on independent video/filmmakers working on ITVS funded projects who have had little previous access to public television platforms. The initiative places particular emphasis on filmmakers whose projects focus on underserved and/or underrepresented communities.

Communications with producers – ITVS reaches out to an audience of independent producers broader than those actively seeking funding. ITVS regularly participates in professional meetings, seminars, workshops, film festivals, screenings, and discussions at film/communications schools across the country where independent producers gather for professional development and information exchange. ITVS distributes a *Producers Handbook*, a popular guide for independent producers interested in working with public television; and communicates with the independent producing community through its newsletter, *Beyond the Box*, and the ITVS web site (www.itvs.org). In 2005, ITVS participated in dozens of events to talk to independents about producing for public television.

ITVS Program Distribution, Outreach, and Promotion

ITVS works with PBS (which has the right of first refusal for all ITVS-funded programs) and other public television distribution entities, including individual stations, to achieve maximum program carriage on public broadcasting stations. Those ITVS-funded programs that are not accepted by the existing distribution entities are then marketed to individual public television stations by ITVS. ITVS conducts extensive station relations activity on behalf of program producers, providing stations with program previews, developing reader guides, press kits and outreach toolkits, and working to complement station schedules and special programming needs such as heritage month celebrations.

ITVS then promotes programs directly to television audiences and organizes outreach campaigns to bring ITVS programs into underserved communities. ITVS also produces program Web sites to support programming and support educational use of its programming.

ITVS is a co-presenter of *Independent Lens*, a PBS series of independent documentaries and other work.

Program Distribution – In FY 2005, 51 new ITVS-funded programs were provided to public television stations. Of these, 46 aired on the PBS National Program Schedule (NPS), the largest total of NPS shows in ITVS history. (See Appendix B: FY2005 Station Carriage Report.)

Promotion– ITVS works with public television stations, other local organizations and various free media to promote ITVS-funded shows. Promotion activities were aimed primarily at increasing press coverage for these programs; the measure of press coverage in advertising equivalent value—a common benchmark of public relations impact for commercial media—rose by 26% over 2004 levels, to more than \$22.7 million.

Outreach – Since 1996, outreach has been a part of ITVS operations through the Community Connections Project (CCP), which engages local partners to support and promote ITVS-funded programs before broadcast. The goal of the CCP is to foster a stronger connection between communities and their local public television stations. In 2005, the CCP continued work on major outreach campaigns for *Lion in the House*, which focuses on childhood cancer issues, and *Country Boys*, which highlights at-risk youth in rural communities.

In 2005, ITVS expanded their community outreach network from 50 partners representing 4 million members (2004) to 42 partners representing 20 million members. In addition to major work on *Country Boys* and *Lion in the House*, ITVS organized events and campaigns for *The Day My God Died* (human rights), *Sisters of '77* (women's rights), and *Seoul Train* (human rights).

These campaigns represented a major part of ITVS's outreach work in 2005. The example of *Country Boys* provides a snapshot of community work in action, as ITVS planned the launch of:

- 14 national and regional conferences attracting 12,000 social service professionals, educators, and other community leaders
- More than 100 events produced by PTV station partners, national partner organizations, and other local and regional partners, aimed at 30,000 participants. Partner examples included Green Mountain Peer Projects, South Dakota Public Broadcasting, University of Idaho Service Agencies, Tennessee Commission on Children, and others.
- 11 station outreach grants to Blue Ridge PTV, WVA PTV-Charleston, KET Lexington, WSKG-Binghamton, WFWA-Fort Wayne, WNIN-Evansville, WCMU-Mt. Pleasant, WQPT-Moline, WTTW-Chicago, KTOO-Juneau, and KBDI-Denver. Grant projects included recruitment drive for Big Brother Big Sisters, partnerships with at-risk youth summer camp, youth task force creation,
- Online resource library including discussion guides, campaign toolkits, education and outreach module, and other materials.

The scale of this work indicates the increased focus of ITVS on community activity. At the end of 2005, the CCP was reconfigured to reflect this new focus, established a four-pillar approach to outreach:

1. ITVS Community Cinema collaborates with stations and organizations to present monthly screenings.
2. ITVS Community Classroom provides educational materials to educators
3. ITVS Community Campaigns provides full service 6-12 month campaigns supporting broadcasts of selected programs
4. ITVS Community Networks brings all related resources to partners to support their activities.

ITVS Community works with eight regional coordinators—based in Atlanta, Boise, Chicago, Los Angeles, Philadelphia, San Francisco, Seattle and Washington, D.C.-- to implement campaigns at the regional level.

Independent Lens – ITVS continued to collaborate with PBS to present *Independent Lens*, a primetime showcase of independent works. Staff from ITVS and PBS co-curate the series, and ITVS also acts as executive producer. The series consists chiefly of one-hour, independently produced documentaries, with a few longer programs and occasionally narrative works.

In 2005, the series was hosted by actor Susan Sarandon and continued to be one of the largest independent film series on television, featuring 38 filmmakers in the 04-05 series alone. Program highlights included *Afghanistan Unveiled*, the first film made by women in post-Taliban Afghanistan.

Other series benchmarks included:

- Increased the number of stations carrying *Independent Lens* by 6%, with an average of 170 stations nationwide airing the series during primetime.
- Increased ratings from 0.8 rating/2 share (2004) to 0.9 rating/2 share in 50 states
- Increased publicity reach, almost doubling the advertising value equivalent of \$7.9 million in 2004 to \$15.4 million in 2005.

Program Highlights of ITVS in FY2005

In FY2005, several ITVS-funded projects garnered critical acclaim and attracted strong audience attention. Some of these programs included:

Afghanistan Unveiled screened at the Press Club in Washington, D.C. and was nominated for a national Emmy Award in the Best Documentary category. The film, which was championed by First Lady Laura Bush on *The Tonight Show with Jay Leno*, represented the first documentary produced by Afghan women in post-Taliban Afghanistan.

- *The Day My God Died*, a documentary investigating international sex trafficking, was also nominated for Best Documentary at the Emmy Awards and was highlighted on the *Oprah Winfrey Show*.
- *The Devil's Miner*, a look at child labor in South America, was nominated for Outstanding Documentary at the International Documentary Awards along with *The Last Cowboy*.

ITVS Audit

CPB has received a copy of ITVS' required annual independent audit for FY2005. The auditors, Ravinder Singh & Associates of Oakland, California, found no problems. (See Appendix C: FY2005 Audited ITVS Financial Statement.)

Summary of ITVS Performance

ITVS continues to operate efficiently as a non-profit, independent production service dedicated to serving both the independent producing community and the public television system. In FY2005, the organization continued to improve its performance in most areas, with a focus on expanding community outreach and incorporating international activities into its baseline work. FY2005 marked the first year of a three year ITVS/CPB contract relationship that streamlines the CPB contracting process and continues to track performance metrics to gauge the organization's success.

CPB makes the following recommendations to ITVS:

- Maintain representation of diverse perspectives in programming. ITVS's mission is to make more diverse and innovative programming available to public television. Over the years, ITVS has established a track record of successfully presenting a wide range of views and has been increasing its focus on funding projects made by geographically-diverse producers, and producers of color. With the continuing evolution of the demographic landscape, we encourage ITVS to maintain attention to this work and continue to adapt to remain successful.
- Deepen community outreach relationships and efforts. ITVS is structured to take programs beyond funding, connecting relevant public television programming to communities around the country. We encourage ITVS to maintain attention to this work and continue to diversify its relationships with communities across the country.
- Develop digital strategies for programming in the new media environment. The public media landscape is changing. New programming strategies are important

for ITVS in order to reach the American people. We encourage ITVS to develop digital strategies to support public television and to remain relevant in the digital media age, while continuing to serve the traditional broadcast constituency.

- Increase efficient use of resources to maximize output. CPB recognizes that ITVS continues to improve its performance through organizational restructuring, including those requiring capital investments and additional staff. While CPB recognizes the importance of infrastructure, we urge ITVS to continue to monitor and maximize the ratio of production funding to production support services.
- Building on Success. In FY2005, ITVS continued to expand its fundraising activities to acquire non-CPB sources of revenue to support its ongoing digital broadcast service work, diversity development fund, and international work. CPB applauds ITVS for its success in fundraising and encourages ITVS to continue its fund-raising efforts in order to further expand the impact of its core mission of developing and delivering diverse and innovative programming for public television.

ITVS is an important partner in CPB's efforts to support the growth of public service media, and CPB recognizes that ITVS has made significant progress in bringing creative, diverse content by independent producers to public television. CPB expects to continue its collaborative partnership with ITVS and plans to work closely with ITVS to help ensure that the investment in ITVS is used best to benefit the American public.

Appendices:

- 1) Appendix A: ITVS Organizational Chart as of October 15, 2005
- 2) Appendix B: FY2005 Station Carriage Report
- 3) Appendix C: FY2005 Audited ITVS Financial Statement