

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 2020-044

Approval of the Mt. Hood Cable Regulatory Commission Fund Budget for Fiscal Year 2020-2021

The Multnomah County Board of Commissioners Finds:

- a. The Mt. Hood Cable Regulatory Commission (MHCRC) was formed by Multnomah County and the cities of Fairview, Gresham, Portland, Troutdale and Wood Village (Cities) to advocate for and protect the public interest in the regulation and development of cable communication systems.
- b. The MHCRC has approved a budget for Fiscal Year 2020-2021 and forwarded this budget to Multnomah County and the Cities for approval.

The Multnomah County Board of Commissioners Resolves:

1. The Mt. Hood Cable Regulatory Commission Fund Budget for Fiscal Year 2020-2021 is approved.

ADOPTED this 18th day of June 2020.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Deborah Kafoury, Chair

REVIEWED:

JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By Jenny M. Madkour, County Attorney



MT. HOOD CABLE REGULATORY COMMISSION

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale and Wood Village

PROPOSED MHCRC FUND BUDGET FISCAL YEAR 2020-21

May 18, 2020

Members

Leif Hansen, Chair
Jeff Dennerline
Scott Harden
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Kory Murphy
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INTRODUCTION

The Mt. Hood Cable Regulatory Commission (MHCRC) was created by Multnomah County and the cities of Fairview, Gresham, Portland, Troutdale and Wood Village for the purposes of:

- **Advocating for and protecting the public interest in the regulation and development of cable communication systems;**
- **Providing consumer protection and cable subscribers' complaint resolution; and,**
- **Facilitating the planning and implementation of community uses of cable communication technologies.**

Each Jurisdiction appoints citizen representatives to the MHCRC. Over the past year, these appointees, with staff support, have committed hundreds of hours to deeply understand the issues and local impacts of an ever-evolving technology, regulatory and business model landscape. They attended numerous MHCRC meetings, committee meetings and work sessions, kept abreast of issues of concern to their Jurisdictions, presented information at city council and county commission meetings, and served as ex officio Board members for Open Signal and MetroEast Community Media (MetroEast), all in service to the Jurisdictions and their communities.

The MHCRC regulates and oversees cable service franchises with three companies, serving the following areas:

Comcast: Portland, Gresham, Troutdale, Fairview, Wood Village and Multnomah County
Frontier (Zipl Fiber): Gresham, Troutdale, Fairview and Wood Village
CenturyLink: Portland

The MHCRC contracts for staff and other support services through a services agreement with the City of Portland. The MHCRC funds an equivalent of 4.4 full-time (FTE) staff positions plus related materials, services, financial and administrative costs. Each member Jurisdiction annually contributes to the MHCRC's operating budget. The Jurisdictions' fund about half the operating budget and other MHCRC resources fund the remaining portion.

The MHCRC focuses on community needs as it navigates today's legal and public policy landscape to steward existing public benefits, while also exploring possibilities and opportunities in our quickly changing technology environment to help ensure a sound and vital digital future for all our communities.

Please refer to the MHCRC's FY 2019-20 Annual Report and website (www.mhcr.org) for more detail about MHCRC activities and accomplishments.

MHCRC FY 2020-21 FUND BUDGET

BUDGET PROCESS

According to the Intergovernmental Agreement (IGA) among the Jurisdictions that created the MHCRC, the MHCRC must gain approval of its Fund Budget by every member Jurisdiction. The MHCRC Finance Committee developed a detailed FY 2020-21 budget in consultation with MHCRC staff. On May 18, 2020, the MHCRC approved the proposed budget to forward to the Jurisdictions for consideration. The MHCRC provides the proposed Fund Budget to city and County staff in advance of the city councils' and the County Commission's consideration of the budget.

BUDGET OVERVIEW

The MHCRC FY 2020-21 Fund Budget is presented on page 6.

Nearly all the MHCRC's resources are funds collected from the cable companies and the expenditures are the disbursement of those funds to the member Jurisdictions, the community media providers (MetroEast and Open Signal), and the Community Grants recipients. These disbursements are governed by the IGA and by the cable services franchise agreements.

Fund Resources

The amount of MHCRC resources from year to year largely depends on franchise fee and PEG/I-Net fee payments from cable companies for their private use of public right-of-way to provide cable TV services. Cable company payments are based on a percentage of the company's gross revenues derived from cable TV services. The FY 2020-21 Fund resources are projected based on cable company actual payments through 2nd Quarter FY 2019-20. However, the impact on cable companies' revenues from cable TV services due to the COVID-19 pandemic is not yet known. The MHCRC will closely monitor payment amounts and will inform the Jurisdictions of any significant changes to budget projections.

Fund resources also include a beginning fund balance and projected amounts for programs underspent in FY 2019-20. Detail on each Fund resource follows:

Franchise Fees: The MHCRC collects all cable services franchise fees for Gresham, Troutdale, Fairview, Wood Village and Multnomah County from Comcast and Frontier cable franchises. The MHCRC uses historical trend data and actual payments through 3rd Quarter FY19-20 to project franchise fees. Trend data shows a year-over-year decrease in fees in the last few years.

Operating Budget Appropriation - Portland: The MHCRC collects funds from the City of Portland for its share of the MHCRC's operating budget. The other MHCRC Jurisdictions' appropriations are allocated from the cable services franchise fees collected by the MHCRC (detail contained in Appendix 1, page 8).

Due to FY 2020-21 budget challenges faced by the member Jurisdictions due to the COVID-19 pandemic, the MHCRC has reduced the Jurisdictions' amount for the operating budget by nearly 10% from current service level, which includes MHCRC-related employees taking furlough days and receiving no merit or cost-of-living increases in FY20-21. The MHCRC

has opted to increase its use of interest revenue to supplement the operating budget and fund certain one-time projects in FY20-21, including Comcast franchise renewal negotiations, a financial review of the MHCRC Fund, and a strategic planning process with the Jurisdictions to guide possible changes to the IGA and the MHCRC after FY21-22. More detail on the MHCRC Operating Budget is contained in Appendix 1, page 9.

Interest Earned: The MHCRC collects interest on its Fund. Interest revenue is projected to decrease, due to the recent sharp decline in interest rates, compared to the forecasted amount for FY 2019-20.

PEG/I-Net Capital Fee: All franchised cable companies pay 3% of their gross revenues related to video services to the MHCRC as dedicated funding for capital costs of providing community media and technology services to the community (see specific disbursements under Fund Expenditures below). A small portion (10%) also funds MHCRC's compliance program costs to administer, oversee, and disburse the capital funds.

Beginning Fund Balance: The beginning balance is a combination of funds attributable to various resources not expended in FY 2019-20, which the MHCRC plans to expend or retain as contingencies in FY 2020-21.

Fund Expenditures

Nearly all of the MHCRC's expenditures are the disbursement of franchise fees and PEG/I-Net Capital Fees governed by the IGA and by the cable services franchises.

Franchise Fee Balance to the Jurisdictions: This line item expenditure is calculated based on the total amount of franchise fees the MHCRC collects and subtracting the amount each Jurisdiction appropriates to the MHCRC Operating Budget and the amount of community media payments to MetroEast and Open Signal in accordance with the IGA (detail contained in Appendix 1, page 8).

Community Media Payments: In accordance with the IGA, the MHCRC distributes 60% of the East County Jurisdictions' franchise fees to MetroEast and 60% of West Multnomah County franchise fees to Open Signal. These dedicated funds are used to provide media and technology services to the community (detail contained in Appendix 2, page 11).

MHCRC Operating Budget: This expenditure represents the total MHCRC operating budget (resources and line item detail contained in Appendix 1, page 9).

Community Media Capital: The MHCRC distributes a portion of the PEG/I-Net Capital fee from the cable companies to support the capital needs of MetroEast Community Media and Open Signal. These payments are made in accordance with the IGA and the cable services franchise agreements (detail contained in Appendix 2, page 11).

I-Net Grants: In previous years, the MHCRC provided grants from the PEG/I-Net Capital fee for use of the Institutional Network (I-Net) by schools, libraries, and local governments to support their broadband network connectivity needs. The MHCRC reimbursed these public agencies and Comcast for capital costs related to I-Net connections, equipment, network infrastructure and electronics upgrades. However, the MHCRC suspended those in 2019 due

to a Federal Communications Commission (FCC) rule change. The MHCRC is a party to a legal challenge of the FCC rule but it has not yet been decided.

Community Technology Grants and TechSmart Initiative Grants: The MHCRC is the grant-making body for the Community Grants program. The Community Grants program has two funding opportunities: Community Technology Grants and the TechSmart Initiative for Student Success. Grants are funded through the PEG/I-Net Capital fee revenues from the cable companies and are made in accordance with the IGA and the cable services franchise agreements.

The Community Technology Grants provides funding, through an annual, competitive grant process, to nonprofits, libraries, and local governments to use technology resources to further their missions and services. Nearly 75% of current grants focus on supporting traditionally underserved, ethnically diverse, and special needs populations – such as communities of color, immigrants and refugees, low-income people, girls and women, youth, English language learners - in order to bridge the digital divide.

The TechSmart Initiative is an eight-year, \$16 million funding partnership with six school districts in Multnomah County to provide grants and evaluation resources for districts to identify effective classroom instruction that uses technology to foster improved outcomes for all students. Initiative grant projects with the districts will wrap up in school year 2021-22 and the final impact report is planned for publication by December 2022.

Community Grants Contingency: The MHCRC annually budgets funds for community grants as a contingency to cover unanticipated community needs and opportunities.

**MHCRC FUND BUDGET
FISCAL YEAR 2020-21**

	2017-18 Actual	2018-19 Actual	2019-20 Adopted	2020-21 Proposed
RESOURCES				
E. County Franch. Fees, Comcast	1,390,189	1,336,912	1,250,329	1,266,277
E. County Franch. Fees Mult West, Comcast	109,078	106,701	102,428	99,275
E. County Franch. Fees, Frontier	224,846	226,288	228,441	157,411
Operating Budget Appropriation-Portland	281,036	304,998	314,826	294,418
Interest Earned	184,274	291,297	238,842	150,000
PEG / I-Net Capital Fee	5,196,878	4,791,334	4,269,431	3,282,585
Total Resources	7,386,301	7,057,530	6,404,297	5,249,966
Beginning Fund Balance	6,663,998	7,266,195	3,232,096	3,129,131
Unspent FY19 Comm Technology Grants	0	0	800,000	297,488
Unspent FY19 TechSmart Initiative Grants	0	0	3,440,426	6,913,886
Unspent FY19 Comm Grants Contingency	0	0	800,000	0
Total	\$14,050,299	\$14,323,725	\$14,676,819	\$15,590,471
EXPENDITURES				
MHCRC Operating Budget	857,792	656,303	1,116,781	1,254,868
Franchise Fee Balance to Jurisdictions	530,356	503,730	462,973	450,652
Community Media Pmt, E. County (MetroEast)	969,020	937,920	888,698	855,967
Community Media Pmt, Mult. West (Open Signal)	65,446	64,021	60,022	57,812
Community Media Capital (MetroEast/OS)	1,726,301	1,469,042	1,504,299	2,083,120
I-Net Grants	189,884	568,179	960,000	0
Community Technology Grants	110,459	0	1,600,000	1,197,488
TechSmart Initiative Grants	2,334,845	0	5,298,617	6,913,886
Community Grants Contingency	0	0	800,000	800,000
Total Expenditures	\$6,784,103	\$4,199,195	\$12,691,390	\$13,613,793
Net Change in Fund Balance	7,266,195	10,124,530	1,985,430	1,976,678
Total	\$14,050,299	\$14,323,725	\$14,676,819	\$15,590,471

APPENDIX ONE

FRANCHISE FEE REVENUE AND DISBURSEMENT DETAIL

MHCRC OPERATING BUDGET-LINE ITEM DETAIL

JURISDICTIONAL APPROPRIATIONS BY JURISDICTION

FRANCHISE FEE REVENUES AND DISBURSEMENTS

FY20-21 Estimate

Jurisdictions	Franchise Fee Revenues	MetroEast Appropriation	Open Signal Appropriation	MHCRC Budget Appropriation	Payments to Jurisdictions
Portland*	\$5,343,986		\$936,857	\$294,418	
MULTNOMAH CO., EAST	69,920	41,952		14,046	13,922
MULTNOMAH CO., WEST	96,353	N/A	57,812	N/A	38,541
GRESHAM	1,055,311	633,187		113,652	308,472
TROUTDALE	172,042	103,225		17,486	51,331
FAIRVIEW	101,278	60,767		10,162	30,349
WOOD VILLAGE	28,060	16,836		3,202	8,022
Total, East County	\$1,522,964	\$855,967	\$57,812	\$158,548	\$450,637
Grand Total	\$6,866,950	\$855,967	\$994,669	\$452,966	\$450,652

*Information purposes only: MHCRC does not collect franchise fee revenues for or disburse Open Signal operational funds from the City of Portland.

EMENTS to EAST COUNTY JURISDICTIONS - Prior Years:

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Jurisdictions	Actual	Actual	Actual	Adopted	Proposed
MULTNOMAH CO., EAST	19,120	17,900	16,382	15,866	13,922
MULTNOMAH CO., WEST	45,848	43,632	42,098	40,014	38,541
GRESHAM	388,290	363,362	337,012	314,158	308,472
TROUTDALE	61,738	60,401	55,899	52,546	51,331
FAIRVIEW	37,435	35,620	33,667	32,279	30,349
WOOD VILLAGE	9,846	9,441	8,502	8,110	8,022
TOTAL	\$562,277	\$530,356	\$493,560	\$462,973	\$450,637

MHCRC FY20-21 OPERATING BUDGET - Line Item Detail

	FY 2017-18	FY 2018-19	FY 2019-20	FY20-21
Title	Actual	Actual	Adopted	Proposed
Personnel - MHCRC Admin	497,774	339,589	580,553	629,633
Indirect Personnel - Bureau Support	34,540	10,870	0	0
Personnel Services	\$532,314	\$350,459	\$580,553	\$629,633
External Fund Audit	13,150	10,060	15,000	15,000
Professional Services	96,074	166,975	284,000	362,000
Miscellaneous Services	4,755	2,563	9,000	9,000
Office Supplies	1,832	2,123	1,000	400
Operating Supplies	1,546	0	400	400
Education	11,462	8,394	15,775	14,775
Local Travel	555	0	600	600
Out-of-Town Travel	4,744	2,743	10,400	10,400
Rent Columbia Square	37,677	41,744	38,076	0
Miscellaneous	882	1,440	800	800
External Materials & Services	\$172,677	\$236,042	\$375,051	\$413,375
Fleet Services	0	0	120	0
Print/Distribution	8,365	3,918	4,012	2,799
Facilities Services	287	310	313	45,359
EBS Services	13,223	8,548	0	0
Information Technology (IT)	22,685	21,022	17,642	15,614
Insurance/Workers Comp	7,406	6,876	7,000	5,673
Technical Accounting IA	6,350	5,575	9,000	9,000
Mgmt Services (Bus Ops) IA	25,000	8,333	21,590	0
Other	878	15,220	0	0
Internal Services	84,194	69,802	59,677	78,445
GF Overhead (charged direct to fund)	0	0	0	25,000
Contingency - General	0	0	101,500	108,415
Encumbrance Carryover	38,085	0	0	0
Fund Level Expenditures	\$ 38,085	\$ -	\$ 101,500	\$ 133,415
Total	\$ 827,270	\$ 656,303	\$ 1,116,781	\$ 1,254,868
Admin Expenses	425,962	330,971	586,548	727,881
Compliance Expenses	431,830	325,332	530,232	526,988
Appropriation from Jurisdictions	455,118	469,228	484,348	452,951
Year-end Balance - Carry over	2,500	12,409	80,000	127,322
Appropriation from Fund Compliance	519,688	325,332	530,232	526,988
Fund Level Appropriations	\$ 977,306	\$ 806,969	\$ 1,094,580	\$ 1,107,261
Interest Revenue Allocation	\$ -		\$ 22,201	\$ 147,608
Year-End Operations Balance	\$ 31,656	\$ 175,666	\$ -	\$ -

JURISDICTIONAL APPROPRIATION - PERCENTAGE BY JURISDICTION					
MHCRC OPERATING BUDGET					
FY 2020-21					
City of Portland Appropriation	\$294,418		65.0%		
East County Appropriations	\$158,533		35.0%		
Operating Budget Total:	\$452,951				
				FY 2020-21	FY 2020-21
JURISDICTION				Proposed	% Allocation
Portland				\$294,418	65.0%
		Subscriber Distribution			
<u>East County</u>	<u>No. Of Subs</u>	<u>Perc. Distr.</u>			
Gresham	19,422	71.69%	\$113,652	25.1%	
Multnomah Co.	2,399	8.86%	\$14,046	3.1%	
Troutdale	2,988	11.03%	\$17,486	3.9%	
Fairview	1,737	6.41%	\$10,162	2.2%	
Wood Village	546	2.02%	\$3,202	0.7%	
East County Total	27,092	100.02%	\$158,548	35.0%	
Total			\$452,966	100.0%	
Budget Allocation Comparison					
		FY 2018-19	FY 2019-20	FY 2020-21	
JURISDICTION		Actual	Proposed	Proposed	
Portland		\$304,998	\$314,826	\$294,418	
<u>East County</u>					
Gresham		\$119,444	\$124,107	\$113,652	
Multnomah Co.		\$13,434	\$13,172	\$14,046	
Troutdale		\$17,934	\$18,902	\$17,486	
Fairview		\$9,936	\$9,781	\$10,162	
Wood Village		\$3,482	\$3,543	\$3,202	
East County Total		164,230	169,505	158,548	
Total		469,228	484,331	452,966	

APPENDIX TWO

COMMUNITY MEDIA DISBURSEMENT DETAIL (MetroEast and Open Signal)

The MHCRC administers two grant agreements with the community media organizations that serve the MHCRC-member Jurisdictions. MetroEast Community Media (MetroEast) serves the cities and communities of Gresham, Troutdale, Fairview and Wood Village and east Multnomah County areas. Open Signal serves the City of Portland and the west Multnomah County areas.

The community media organizations receive funding for both operations and capital expenditures. Most of Open Signal's operational resources come from a grant agreement between Open Signal and the City of Portland and are, therefore, not included in the MHCRC's Fund Budget (the amount is included below for informational purposes). MetroEast receives operational resources, in accordance with the IGA that created the MHCRC, based on 60 percent of the cable franchise fees for the east Multnomah County area. Open Signal also receives an amount in accordance with the IGA for the west Multnomah County area. Both organizations receive capital funds from the MHCRC Fund Budget, derived from PEG/I-Net Capital fee.

Both MetroEast and Open Signal are nonprofit organizations with governing Boards of Directors. These Boards annually develop and adopt detailed budgets and have fiduciary responsibility for the organizations. The MHCRC conducts oversight and compliance with the grant agreements to ensure funds are expended in accordance with requirement of the agreements.

SUMMARY OF COMMUNITY MEDIA DISBURSEMENTS

MetroEast Community Media:

Operations Funding: East County Franchise Fees	\$ 855,967
Capital Funding: MHCRC	<u>\$ 833,248</u>
Total	\$ 1,689,215

Open Signal:

Operations Funding: Portland General Fund	\$ 936,857
Operations Funding: West County Franchise Fees	\$ 57,812
Capital Funding: MHCRC	<u>\$ 1,249,872</u>
Total	\$ 2,244,541

MT. HOOD CABLE REGULATORY COMMISSION

Annual Report 2019-20



CITY OF PORTLAND
CITY OF FAIRVIEW
CITY OF GRESHAM
CITY OF TROUTDALE
CITY OF WOOD VILLAGE
MULTNOMAH COUNTY

CURRENT COMMISSION MEMBERS

Leif Hansen
Commission Chair

Carol Studenmund

Jeff Dennerline

Norman Thomas

Jacquenette McIntire

Scott Harden

Kory Murphy

Richard Roche

ALSO SERVED DURING THE REPORTING PERIOD

Rich Goheen

Mike Bennett

Sue Dicile

STAFF

Elisabeth Perez
Staff Director

Julie S. Omelchuck
Program Manager

Rebecca Gibbons
Program Coordinator

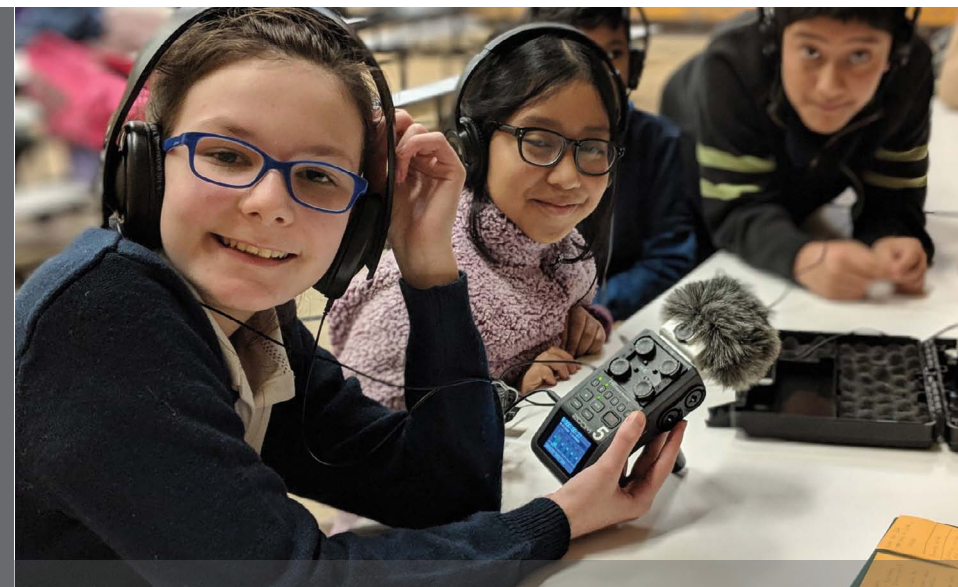
Bea Coulter
Program Coordinator

Rana DeBey
Grants Manager

Cinthia Diaz Calvo
Administrative Specialist

In March 2020, our communities began experiencing a shift that happens when something ceases to be optional and becomes essential. The COVID-19 crisis has not only forced us to realize the extent of our dependency on communications technology systems, but also that these systems are largely shaped by the motivations and design-decisions of the companies that own, make, and provide our digital tools and infrastructure. These systems are also shaped by governmental policies that regulate the way digital systems work. In many cases, the local public good and needs of underserved populations are not considered in decision-making by the companies or government. ■ For 26 years, the **MT. HOOD CABLE REGULATORY COMMISSION (MHCRC)** has ensured that the communities in Multnomah County and the cities of Fairview, Gresham, Portland, Troutdale, and Wood Village are fairly compensated for use of the public right-of-way by cable companies. The MHCRC has kept its focus on the public good as it negotiates and manages cable franchises and the community benefits that support schools, public libraries, public agencies, nonprofits, and diverse residents throughout Multnomah County. ■ The eight community members, appointed by the MHCRC-member jurisdictions and supported by professional staff, commit hundreds of hours annually to deeply understand complex issues in an ever-evolving technology landscape. Although this evolution is disruptive in some respects, many community needs remain unchanged – Needs for local authority over right-of-way and compensation; a consumer watchdog; platforms for community voices and local media; affordable broadband networks and tools; and local solutions for addressing digital equity issues. ■ The MHCRC continues to steward existing community benefits, while championing policy for the public good to explore opportunities on behalf of the cities, County and communities it serves.

Who we are



What We Do

- Advocate for and protect local authority and public benefits in the regulation of cable communications systems.
- Ensure communities are compensated for cable companies' use of the public right-of-way.
- Help resolve cable subscriber complaints and provide consumer protection.
- Provide technology grants and broadband connectivity for community institutions and nonprofits.
- Ensure a local voice through community media.

THE MHCRC REGULATES AND NEGOTIATES CABLE FRANCHISES WITH THREE COMPANIES:

Ziply Fiber (formerly Frontier)
Franchise expiration 2022

Comcast *Franchise expiration 2021*

CenturyLink *Franchise expiration 2021*



By the numbers

812,855

Population of
region served
by MHCRC

74%

Of grants support
underserved
communities

\$8.03 MILLION

Collected in
franchise fees for
MHCRC member
jurisdictions



schools, and nonprofits to connect with those in need. The MHCRC worked with Multnomah County school districts to redeploy classroom devices, funded through the MHCRC TechSmart Initiative, to students who didn't have a computer at home. Teachers at TechSmart-funded schools have reported that the technology and training enabled them to transition more easily to online learning as curriculum and instructional practices already integrated digital content and learning strategies.

Consumer Protection The MHCRC enforces customer service standards and manages regulatory and compliance issues under the cable franchises. The MHCRC negotiated an extension and transfer of franchise from Frontier to Northwest Fiber (now Ziply Fiber). The MHCRC's due diligence in these processes protected jurisdictional interests and ensured the new company could meet the obligations of the franchise agreement. MHCRC regulatory oversight includes company adherence to customer service standards, advance notification of changes to cable services and rates, and other consumer protection issues. The MHCRC joined public agencies across the nation to challenge proposed changes introduced by the Federal Communications Commission (FCC) that would weaken customer service standards.

Digital Equity Covid-19 stay-at-home orders illustrated the critical need for broadband and access to communications technology to ensure the safety and economic prosperity of all our residents. The sudden transition to online classrooms, teleworking, and healthcare and the lack of affordable broadband connections and technology provided a stark picture of those have and have nots in our digitally connected society.

The MHCRC has a long history of advancing digital equity through grants and low-cost broadband capacity for public institutions. Participation in the Digital Inclusion Network (DIN) – a consortium of local governments, nonprofits, businesses and others dedicated to reducing digital disparities in Multnomah County – has been beneficial for collaborating with cable companies,

Diverse Local Voices and Content Local access to multimedia technology, training, and content distribution by traditionally underserved communities has been a long-held value of the MHCRC and its member jurisdictions. The MHCRC ensures cable companies provide the franchise-required obligations that support creation of locally focused media for noncommercial cable channels. The MHCRC also manages grant agreements with Open Signal and MetroEast, community media nonprofits that provide direct services, at low or no cost, for training and technology tools to support residents in creating video content and accessing the internet. In 2019, these organizations provided 126 trainings to 831 Multnomah County residents.

Affordable Broadband for Public Institutions

The MHCRC facilitates partnerships and distributes funds to provide affordable broadband connections for 308 schools, libraries, and public agency sites throughout Multnomah County over the Institutional Network (I-Net). Currently 18 public institutions participate in the I-Net partnership including: the cities of Portland, Gresham and Troutdale, Multnomah County, State of Oregon court system, Metro, Home Forward, Multnomah County Library, Multnomah Educational Service District (including 7 school districts), Portland Public Schools, and Mt. Hood Community College. The MHCRC granted nearly \$560,000 to support network upgrades and connect new sites to the I-Net.

Protect Local Authority and Compensation

THE MHCRC LEVERAGES THE COLLECTIVE VOICE OF ITS SIX MEMBER JURISDICTIONS TO CHAMPION AND PROTECT THE PUBLIC INTEREST IN POLICIES AND REGULATIONS GOVERNING THE USE OF THE PUBLIC RIGHT-OF-WAY BY CABLE COMPANIES. THROUGH ACTIVE PARTICIPATION IN PUBLIC POLICY AND ADVOCACY AT THE STATE AND FEDERAL LEVELS, THE MHCRC HAS FOUGHT TO PRESERVE LOCAL AUTHORITY, FAIR COMPENSATION, COMMUNITY BENEFITS, AND CONSUMER PROTECTIONS. THE MHCRC WORKS WITH COALITIONS OF MUNICIPALITIES, CONSUMER ADVOCATES, AND NONPROFITS TO TAKE ACTION ON ISSUES OF LEGISLATION AND POLICY THAT WILL IMPACT OUR COMMUNITIES. THE MHCRC ALSO FUNDS PARTICIPATION IN LEGAL AND REGULATORY PROCESSES TO ENSURE LOCAL GOVERNMENTS AND COMMUNITY PERSPECTIVES ARE REPRESENTED.

Appeal of FCC Cable Order

In 2018, the MHCRC joined a coalition of 35 local governments to fund and file comments opposing a proposed rule, by the Federal Communications Commission (FCC) that could negatively impact local communities to the benefit of cable companies. The rule undermines public benefits negotiated in cable franchise agreements and allows companies to deduct from franchise fees the value of certain benefits, such as community access channels or live video transport of city council meetings. This would result in loss of locally focused, noncommercial media, coverage of government meetings, and training and resources to create local media by residents. The FCC adopted the rule and the Order took effect in September 2019.

The MHCRC has now joined with 47 municipalities across the country to appeal the FCC Order in the 6th Circuit Court of Appeals. Briefs will be submitted through October 2020, and a final decision is expected in 2021.

Protecting Community Television Act

Shortly after the FCC Cable Order was adopted, Senator Markey (D-MA) introduced legislation seeking to clarify the definition of "franchise fees" in the Cable Act. The Protecting Community Television Act would protect funding and cable channel capacity for local, noncommercial media. Representative Eshoo (D-CA) released companion legislation in the House.

The MHCRC sent letters to Multnomah County Representative Earl Blumenauer and Senators

Ron Wyden and Jeff Merkley to provide background on the FCC policy changes and encourage them to support the legislation.

Currently, the bill has 36 cosponsors in the House (including Oregon Representatives Blumenauer and DeFazio), and 18 cosponsors in the Senate (including Oregon Senators Wyden and Merkley).

FCC: Advance Notice to Cable Customers

The MHCRC joined a national coalition in opposition to proposed changes in customer service guidelines that could reduce or eliminate the requirement for cable companies to provide customers with advance notice of changes in services, channel line-ups and rates, and eliminate notifications to the MHCRC making it more difficult to enforce customer service guidelines. The coalition has submitted initial and reply comments to the FCC. The issue is ongoing.

MHCRC Customer Service Line

The MHCRC enforces customer service guidelines with cable providers operating in MHCRC jurisdictions within Multnomah County. One part of this role involves providing a means for cable customers to contact the MHCRC directly if they are having difficulty resolving an issue with the cable providers' customer service department. If you are having difficulty resolving your issue with the cable provider contact MHCRC staff: 503-823-5385 or email: mhcrinfo@mhcr.org

By the
numbers

268

Local classroom teachers supported by TechSmart Initiative grants

\$4.8
MILLION

Collected from cable companies to support grants, I-Net, and Community Media

831

Local residents trained in media and digital literacy

MHCRC COMMUNITY GRANTS

Investments to Advance Education and Community-Based Technology

THE MHCRC COMMUNITY GRANTS PROGRAM PROVIDES FUNDS FOR TECHNOLOGY PROJECTS TO COMMUNITY ORGANIZATIONS, LIBRARIES, SCHOOLS, AND LOCAL PUBLIC AGENCIES THROUGHOUT MULTNOMAH COUNTY. FUNDING OPPORTUNITIES WITHIN THE COMMUNITY GRANTS PROGRAM INCLUDE THE TECHSMART INITIATIVE AND COMMUNITY TECHNOLOGY GRANTS. THE MHCRC OVERSAW IMPLEMENTATION AND COMPLIANCE FOR 29 GRANT PROJECTS DURING THE YEAR. FUNDS FOR THE PROGRAM DERIVE FROM THE CABLE FRANCHISES NEGOTIATED BY THE MHCRC. COMCAST, CENTURYLINK, AND FRONTIER (ZIPLY FIBER) CONTRIBUTE TO THE COMMUNITY GRANTS FUND.



Creating Technology Access and Training Opportunities

The Community Technology Grants provide funding, through an annual application process, to nonprofits, libraries, and local governments to use technology resources to further their missions and services. Seventy-four percent of the grants focus on supporting traditionally underserved, ethnically diverse, and special needs populations to address disparities in access and use of multimedia and digital technology. In 2019, the program granted \$388,586 for seven new community-based projects that will leverage over \$613,000 in matching resources.



2019 COMMUNITY TECHNOLOGY GRANTS

City of Fairview \$32,540

Through an upgrade of its video and closed-captioning technology for council chambers, the City of Fairview is supporting greater accessibility and broader participation in its decision-making processes.

Multnomah County Library – Computer Kiosks \$122,360

New kiosks at the Central Library lobby offer patrons quick self-checkout of computers in multiple languages. The increase in the number of mobile computers also supports people with disabilities to better use the variety of library workspaces designed to meet patrons’ differing needs.

Junior Achievement of Oregon & SW Washington \$31,286

JA BizTown is a model city where students take on various jobs to explore career opportunities, one of which is the BZTV news station. The grant provides up-to-date video production technology for 4-6th graders to gain real-world experience in multimedia careers.

Outside the Frame \$35,000

Outside the Frame, focused on serving LGBTQ youth transitioning out of homelessness, is expanding its filmmaking program through internships, opportunities for equipment check-out, new studio space, and weekly training workshops taught by film industry professionals.

“Welcome to Computers” Teaching Kit \$19,196

The successful “Welcome to Computers” program, designed by Multnomah County Library, MetroEast Community Media and Free Geek and hosted by community organizations, is better supporting program graduates by aligning the digital literacy curriculum and the take-home computers provided to participants who complete the training.

MetroEast Community Media \$114,830

Based on a year of product research focused on modernizing scheduling software for cable TV channels and internet streaming, MetroEast decided to develop an open source software to collaborate with media centers across the country on cost-effectively updating functionality and security going forward.

NW Alliance for Alternative Media & Education \$33,874

Building on its *Keys, Beats, and Bars* program at MacLaren Youth Correctional Facility, Northwest Alliance is partnering with social service organizations to engage youth leaving prison in supportive environments aimed at reducing recidivism. The program provides hands-on, experiential learning for music and video production at multiple locations.



TechSmart Initiative for Student Success — \$16 MILLION OVER 8 YEARS

THE TECHSMART INITIATIVE FOR STUDENT SUCCESS IS COMING UP ON ITS FINAL TWO SCHOOL YEARS OF STRATEGIC INVESTMENTS IN SIX LOCAL SCHOOL DISTRICTS’ EFFORTS TO CLOSE THE ACHIEVEMENT GAP AND MAKE PROGRESS ON ACADEMIC OUTCOMES KEY TO STUDENT SUCCESS. THE MHCRC CREATED THE TECHSMART INITIATIVE IN 2013 AND FUNDED THE FINAL GRANTS THIS YEAR FOR A TOTAL INVESTMENT OF A LITTLE OVER \$16 MILLION.



Grant Funding School Years

DISTRICT	SY 14-15	SY 15-16	SY 16-17	SY 17-18	SY 18-19	SY 19-20	SY 20-21	SY 21-22
DDSD								
Parkrose								
Reynolds								
PPS								
GBSD								
Centennial								

Initial Grants Supplemental Grants

TechSmart Grants Summary*

DISTRICT	FUNDED	GRADE	FOCUS AREA
David Douglas	2014 2018	K-3 4-6	Kindergarten Readiness, Reading Math
Parkrose	2014	9-12	9th Grade Credit Attainment High School Graduation
Reynolds	2015 2018	7-9 9-12	8th Grade Math 9th Grade Credit Attainment 9th Grade Credit Attainment High School Graduation
Portland Public	2015 2019	K-3 K-3	Reading Reading
Gresham-Barlow	2016 2019	K-3 6-8	Reading Math
Centennial	2018	7-9	Math & Science 9th Grade Credit Attainment

*All TechSmart Grants also focus on English Language Learners annual progress

The TechSmart Initiative aligns with the collective effort of the broader community engaged in the All Hands Raised Partnership and focuses on the following key academic outcomes: Kindergarten Readiness • Third Grade Reading Eighth Grade Math • Ninth Grade Credit Attainment • High School Graduation • English Language Learners’ Annual Progress.

The MHCRC partnered with Multnomah County school districts on 10 grant-funded projects and evaluation resources to identify effective classroom instruction that uses technology to foster improvement in academic outcomes for all students. TechSmart principals, district teaching and learning staff, and technology integration coaches attend an annual gathering, organized by the MHCRC, to share successful strategies across districts. In addition, through connections made at the annual event, the 15 technology integration coaches from all districts formed an ongoing professional learning cohort that meets regularly throughout the school year.

TechSmart districts and schools also participate in assessment activities to gauge progress and identify learnings. Pacific Research & Evaluation conducts the assessments on behalf of the MHCRC and the annual school-year reports are available at <http://www.mhcr.org/community-grants/impact-evaluation>.

MHCRC COMMUNITY GRANTS



Your Vo!ce, Our Communications Technology Study Underway

THE YOUR VOICE, OUR COMMUNICATIONS TECHNOLOGY INITIATIVE CONDUCTS AN IN-DEPTH STUDY EVERY 10 YEARS IN THE COMMUNITIES OF FAIRVIEW, GRESHAM, PORTLAND, TROUTDALE, WOOD VILLAGE AND MULTNOMAH COUNTY. THE STUDY GATHERS LOCAL DATA ON COMMUNICATIONS TECHNOLOGY AND SERVICES AND IDENTIFIES FUTURE NEEDS AND INTERESTS OF OUR COMMUNITIES. THROUGH SURVEYS, FOCUS GROUP DISCUSSIONS, WORKSHOPS, AND INTERVIEWS, THE MHCRC ENGAGED DIVERSE COMMUNITY MEMBERS TO SHARE THEIR PERSPECTIVES AND EXPERIENCES. THE STUDY'S FINDINGS AND

COMMUNITY INPUT WILL INFORM LOCAL RESOURCE AND FUNDING DECISIONS TO ENSURE EVERYONE BENEFITS FROM THE OPPORTUNITIES, SECURITY, AND PROSPERITY THAT RESULT FROM BEING CONNECTED.

Gathering Community Voices

The MHCRC concluded the "Gathering Community Voices" phase of the *Your Vo!ce* study in April 2020, including local data collection. The methods universally included strategies to support participation by people of color, people living with disabilities, and seniors.

Over 1,500 individuals throughout Multnomah County participated in surveys or in-person discussions. The study also incorporates input from 450 businesses who responded to a survey for Multnomah County's 2020 broadband feasibility study. The study combines this local data with other national and regional studies to help us better identify current and future issues, needs, and barriers to participating in our digitally connected society. Although some analysis has been completed yielding preliminary findings, the comprehensive report and findings will be presented to the community starting in July 2020.

The *Your Vo!ce* study delved into our communities' uses of and access to communications technology and services, and the

implications those have on individuals and society as a whole. Areas explored included:

- A deeper understanding of barriers for known disparities in technology access and adoption for people of color, people living with disabilities, and seniors.
- The potential role of local government in addressing barriers and supporting communications technology needs of the community.
- How community media and broadband internet technology have changed locally over the past 10 years.
- Future trends in communications technology and potential impacts and opportunities for local communities.

The study, first and foremost, will inform the cable franchise renewal processes as current franchise agreements are renegotiated in 2021 with Comcast and 2022 with Frontier (now Ziplly Fiber). Data and findings from the study will also help inform decision-making and allocation of resources by elected officials, public agencies, libraries, community media organizations, front-line service providers, and nonprofits.

Primary uses of the study results include:

- Identifying key community benefits for inclusion in cable franchise agreements.
- Informing Phase II of the *Digital Equity Action Plan* (DEAP), a collaboration among the City of Portland, Multnomah County, Multnomah County Library, and the participants of the county-wide Digital Inclusion Network (DIN).
- Updating cities' and county strategic plans and public policies for addressing the digital divide and broadband availability.

- Developing responsive community media and digital inclusion services provided by the community media service providers: Open Signal in Portland and MetroEast Community Media in Gresham.

Where to Find the Study

The study is anticipated to be released in July 2020 followed by public presentations of key findings at MHCRC member-jurisdictions' city council and County Commission meetings. Findings will also be available through the MHCRC website: www.mhcr.org.

COMMUNITY TECHNOLOGY NEEDS STUDY

Preliminary Highlights

Nearly all the data collection for the study was completed prior to the stay-at-home and other safety measures due to COVID-19 being in place. The data provides a unique snapshot in time before almost every aspect of our lives quickly changed. The overall study findings have yet to be finalized. The following are a few preliminary highlights from our community's participation in various data collection activities:

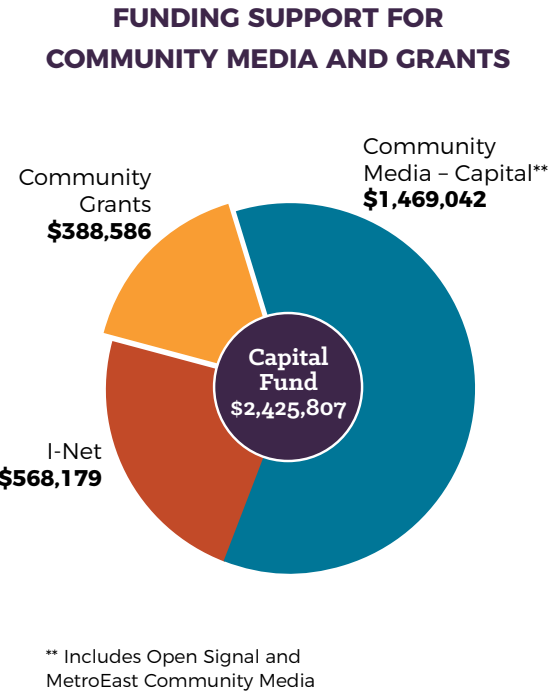
- Currently available government-subsidized phones and service do not support basic phone calling and internet needs. (community engagement report)
- Forty-six percent (46%) of residents said they were aware of the local community access channels provided over the cable channels and two-thirds of those watch the local programming. (telephone survey)
- People of color were more aware of local community programming, watch it more often, and place a higher level of importance on it than respondents overall. (online survey)
- Trusted entities to educate and train about communications technology include public libraries, nonprofits that work with specific communities, and known community members. (community engagement report)
- Privacy continues to be an important issue for people: "Protections against sharing or sale of personal information" tested at a 95% importance level and "no monitoring of service without authorization" at a 94% level. (telephone survey)

- Roughly one in five households have no broadband internet in the home (18%). (telephone survey)
- Fifteen percent (15%) of residents with broadband internet in the home indicated that the amount they pay for service causes them to sometimes delay or avoid other important bills or purchases, including food/groceries (49%), utilities (21%), clothing (19%), and gas (7%). Persons of color and people living with a disability are more likely to experience this hardship than overall respondents. (online survey)
- People living with a disability and persons of color find it more essential than general respondents that local government work to ensure that all persons have affordable access to the internet at home and have a choice of more than one internet service provider. (online survey)



FINANCIAL STEWARDSHIP

FY 18-19 MHCRC Operating Budget*
(Franchise Administrative / Capital Compliance Combined)

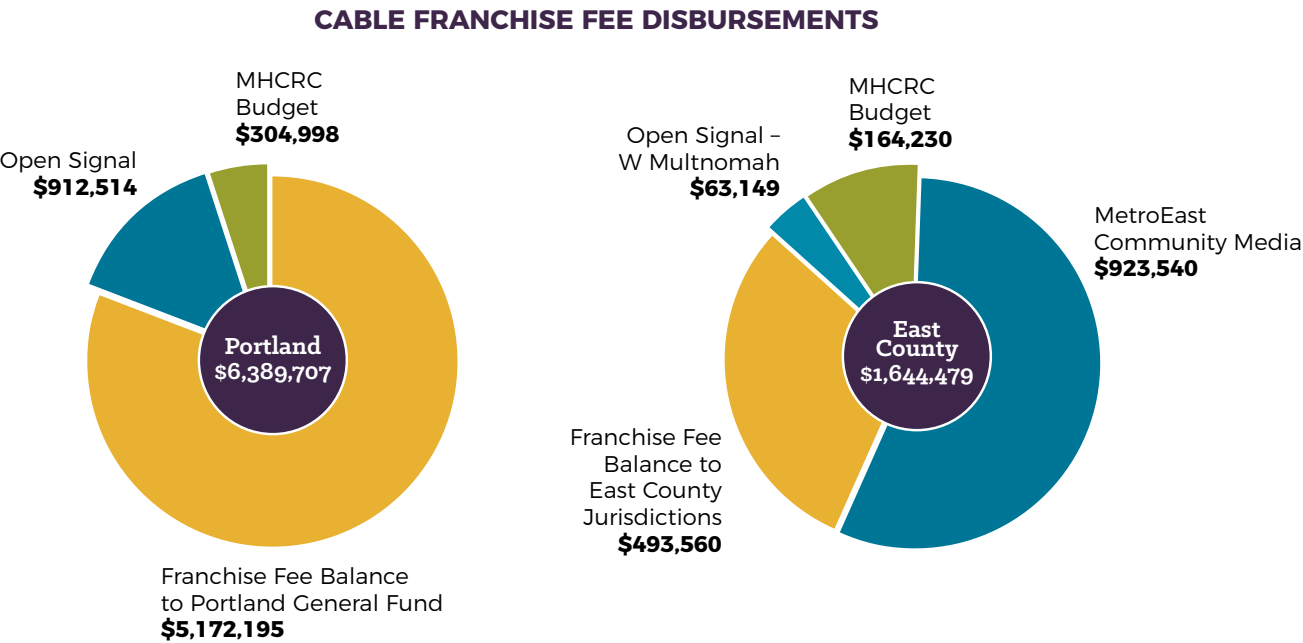


Revenues	Budget	Actual
City of Portland Appropriation	\$ 304,998	\$ 304,998
East County Appropriations	164,230	164,230
FY 2016-17 Year End Balance	12,409	12,409
Interest Revenue Allocation	95,744	0
Capital Compliance Allocation	527,665	481,091
Total Revenues	\$ 1,105,046	\$ 962,728

Expenditures	Budget	Actual
Personnel Services	\$ 524,953	\$ 339,589
Revenue Division - Fiscal Support	37,958	10,870
MHCRC Fund Audit	15,000	10,060
External Materials and Services	315,441	225,982
Internal Services	96,694	69,802
General Fund Overhead	25,000	0
Contingency	90,000	0
Encumbrance carryover	0	80,000
Total Expenditures	\$ 1,105,046	\$ 736,303

Year-end Balance	\$ 0	\$ 226,425
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*Un-audited budget report. For the MHCRC Fund audited financial statements, visit the MHCRC website: <http://www.mhcrc.org/wp-content/uploads/2020/05/FY18-19-MHCRC-financial-statements-and-audit-docs.pdf>



Efficient Operations

About 6% of total cable franchise fee revenue collected was spent for MHCRC franchise administration and regulatory services. In addition, the MHCRC limits its capital compliance program budget to 10% of the capital fund revenues to administer community grants, the I-Net, and the two community media centers' contracts. The MHCRC funded an equivalent of four staff positions plus related materials, services, financial and administrative costs through its service contract with the City of Portland Office for Community Technology. About half the MHCRC's operations funding was provided by the member jurisdictions and half was funded by other MHCRC resources.

Clean Audit for MHCRC Fund

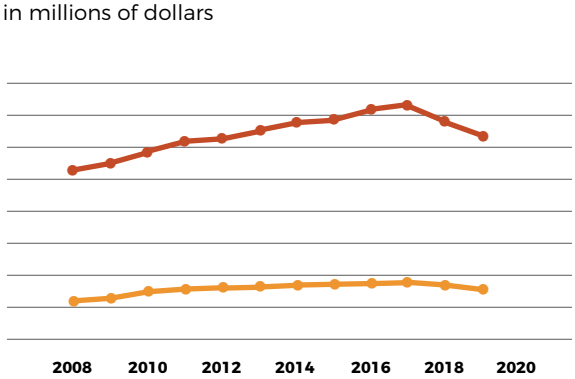
The FY18-19 audit results produced no adjustments, indicating that funds were properly accounted for. Moss Adams, the MHCRC's auditor, found that the MHCRC's FY18-19 financial statements presented fairly, in all material respects, the respective financial position of the MHCRC's fund. The MHCRC filed its annual audit with the Oregon Secretary of State on time.

Franchise Revenues Decline

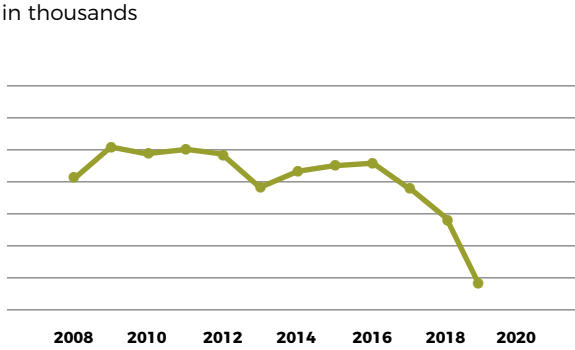
Due to cable franchise fees being paid by the companies based on their gross revenues derived from cable TV services, all jurisdictions experienced a decline in franchise fee revenue in FY18-19. Portland saw a decrease of nearly 8%, while the East County jurisdictions' revenues decreased 4.7% from the previous fiscal year. Portland's sharper decline may be due to CenturyLink announcing in mid-2018 it would no longer market its cable TV product and the company continued to lose cable subscribers in this past year. The MHCRC reported on the anticipated decline in its prior annual reports.

The first part of FY19-20 has seen this downward trend continue. Cable TV subscribers county-wide have dropped as have franchise fee revenues. As of this report's publication date, the impact on cable TV revenues of COVID-related safety measures is unknown. It seemed as if the "cord-cutting" trend had taken hold, but Comcast in particular has new alliances with streaming services now delivered over the cable system. However, the sudden loss of income for many may impact the ability of households to retain or subscribe to cable TV services.

CABLE FRANCHISE FEES



CABLE TV SUBSCRIBERS



By the numbers

6%
Of cable franchise fees spent for MHCRC operation

\$612,958
Leveraged by Community Technology Grants

10%
Of Community Grants funds spent for grant administration



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Photos courtesy of Open Signal: Portland Community Media Center,
photographers Sam Gehrke and Tojo Andrianarivo;
MetroEast Community Media Center, and Esper House