



KQED KTEH KQET KQEI

Northern California Public Broadcasting

Contact:

Scott Walton 415.553.2145 swalton@ncpb.com

Yoon Lee 415.553.3338 ylee@kqed.org

Northern California Public Broadcasting Announces Budget Reductions and Restructuring of Organization

February 2, 2009—Northern California Public Broadcasting (NCPB), the parent company of public media stations KQED, KTEH, KQET and KQEI, announced today a major restructuring of administrative and production functions to best serve the public in this uncertain economy. Focusing on the systems required to be a 21st century media organization, the organization's restructuring includes a combination of cost-saving measures with new strategies to maximize technological innovation and streamlining of management. NCPB will cut a total of 13% from its FY09–10 budgets, including a reduction of fewer than 30 positions through lay-offs and buy-outs and cancellation of 14 open positions. The expected savings are approximately \$8 million.

Every aspect of the NCPB organization was scrutinized to identify efficiencies and modernize operations, and to put in place an internal structure that would better meet the challenges of the evolving media industry. While NCPB's focus will continue to be on its award-winning radio and television operations, the restructuring of departments will consolidate the strengths of its technology platforms and create a new model for online educational services and content distribution. NCPB, which has experienced tremendous growth in online usage in recent years, is recognized nationally for its innovation in building new bridges between public broadcasting and the growing online audience.

"Our organization, like many other nonprofit media organizations, has been hit by the economic crisis and recession. As a public company, we are doing everything we can to provide the best programming, content and services to the people and communities we serve even in these incredibly challenging times," said Jeff Clarke, NCPB's President and CEO. "We've had to make painful choices, but we are also confident that the steps we've taken will protect these valuable assets and ensure the health and relevance of the organization for the future. The difficult decision to let go of talented and dedicated employees was made in order to set a fiscally responsible path in these uncertain times. But our commitment to those we serve via radio, television, the web and in the education arena is paramount. We will continue to bring the best possible services to Northern California, the Silicon Valley, the Central Coast and beyond at a time when good reporting and quality content is more precious than ever."

Although KQED Public Radio and KQED Public Television have, in recent years, grown to become the nation's most-watched and most-listened-to public media stations, revenue has decreased recently due to the struggling economy. The organization's membership numbers remain strong, but other revenue sources including major donors, foundation support, corporate, and endowment have declined.

KTEH Public Television, based in San Jose, will continue to offer a differentiated schedule of the best of public broadcasting as it expands the number of homes it is able to reach with the advent of the digital conversion. Since the merger with KQED in 2006, KTEH's ratings and community presence have grown significantly. KTEH will move away from studio-based production to focus on creating more original pieces at a lower cost, capitalizing on Executive Producer Becca King Reed's strength in community-driven stories that reflect the South Bay, the Silicon Valley and the Central Coast communities.

KQED Public Television will continue to produce shows and segments around the station's four main content areas: news, science, arts, and food. New episodes of *QUEST*, *Check, Please! Bay Area*, *Spark*, *ImageMakers*, *This Week in Northern California*, and *Truly CA* will premiere this spring. KQED Public Television will also premiere three new hours of its signature national program, *Jean-Michel Cousteau: Ocean Adventures* in April. Dependent on future funding, production of all programs will continue to be evaluated, while KQED and KTEH will both explore new, lower-cost initiatives that will permit the production of more high-quality local programming.

With the largest public radio audience in the country, KQED Public Radio's programming will see no major changes and KQED's local programs *Forum*, *The California Report* and KQED Radio News will continue to provide thoughtful discussion and in-depth coverage of local and national news and current affairs. KQED Public Radio will also continue to present programming of Bay Area organizations like City Arts and Lectures, The World Affairs Council and The Commonwealth Club.

KQED and KTEH Education Network and KQED, KQET and KTEH Interactive, the education arm and websites for NCPB, will join under combined direction and leadership in order to grow their constituencies and align educational tools with online accessibility and distribution. Expanding on its pioneering program of training how to use and teach with new media, these actions will allow Education Network to deeply serve a base of educators and support classrooms and learners of all ages, both locally and on a global scale. Tim Olson, formerly Executive Director of Interactive, will serve as NCPB's Vice President of Digital Media and Education.

NCPB will also make structural changes to its administrative areas in order to streamline organizational functions and eliminate bureaucracy. Among the major changes are the reorganization of the financial services group, as well as the consolidation of radio and television engineering and IT into one department designed to achieve NCPB's technology goals across all platforms. Steve Welch, who currently serves as NCPB's Vice President for television engineering and operations, will head up all engineering and IT areas for the company. His new title will be Vice President of Engineering and Technology. In addition, several mid-level management positions spread throughout the organization were consolidated or eliminated. Additional cost-savings measures were enacted beginning in October 2008, when the first wave of bad economic news hit the Bay Area.

"The unwavering support of our members sustains us through these extremely difficult times. We are exceedingly grateful for their contributions and active participation during our pledge drives," added Mr. Clarke. "Growing ratings and online statistics reflect an audience that values the outstanding programming only public media can offer. We hope that the plans we have made will protect these great community assets from declining, as well as help pave the way for us to thrive in the new media landscape going forward."

Northern California Public Broadcasting, Inc. (NCPB) (www.ncpb.com) is the most-watched public television and most-listened-to public radio broadcaster in the country. NCPB owns and operates public television stations KQED 9HD (San Francisco), KTEH 54 (San Jose), and KQET 25 (Watsonville/Monterey); public radio stations KQED 88.5FM (San Francisco) and KQEI 89.3FM (Sacramento); KQED's Education Network (EdNet); and the Interactive platforms KQED.org, KQET.com, and KTEH.org. Audiences and users can also access NCPB content through: digital television channels Life, World, Kids, V-me, and KQED PBS Kids Sprout; and stream or download available content on www.kqed.org and www.kteh.org.