

MT. HOOD CABLE REGULATORY COMMISSION

Annual Report
2016-17



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

Who We Are

For the past 23 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 rights-of-way by cable companies. These jurisdictions recognize the efficiencies – both for the companies and for taxpayers – of having a single commission regulate companies county-wide as the network infrastructure and services transcend jurisdictional boundaries. In addition, the MHCRC manages and negotiates many public benefits that support schools, public libraries and non-profit organizations, whose services and constituencies crisscross the cities and County.

■ Each City Council and the County Commission appoints representatives to the MHCRC. These eight commissioners, with staff support, commit hundreds of hours annually to deeply understand complex issues in an ever-evolving technology, regulatory and business-model landscape. Although this evolving landscape is disruptive in some respects, many community needs remain unchanged – local authority over right-of-way and compensation; a consumer watchdog; platforms for community voices; affordable broadband networks for schools, libraries and local governments; and local solutions for addressing digital equity issues.

■ The MHCRC consistently focuses on community needs as it keeps one foot firmly planted in today's legal landscape to steward existing public benefits, while stepping out to explore possibilities and opportunities on behalf of the cities, County and communities it serves.

COMMISSION MEMBERS

Carol Studenmund
Commission Chair

Mike Bennett

Sue Dicipile

Rich Goheen

Leif Hansen

Scott Harden

Norman Thomas

STAFF

Ann Goldenberg
Staff Director

Julie S. Omelchuck
Program Manager

Rebecca Gibbons
Scott Ellertson
Program Coordinators

Lexi Meek
Compliance Assistant

Tyler Dice
Assistant Program Specialist



An MHCRC grant helped fund the site addition and technology for the Rockwood Library Makerspace, where youth cultivate STEAM skills through hands-on learning with support from adult mentors.

By the numbers

\$8.9
MILLION

Collected in cable franchise fees for MHCRC member jurisdictions

357

Subscriber complaints resolved by MHCRC

321

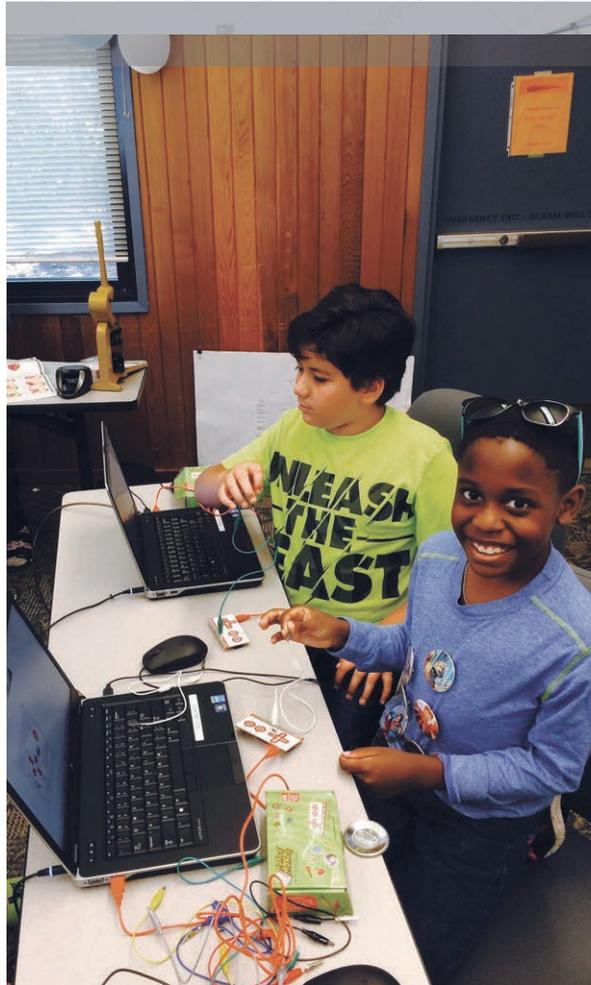
Schools, libraries, public agency sites served by the I-Net

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 rights-of-way.
- Help resolve cable subscriber complaints and provide consumer protection.
- Provide technology grants and broadband connectivity for community institutions and non-profits.
- Ensure a local voice through community media.

THE MHCRC REGULATES AND NEGOTIATES CABLE FRANCHISES WITH FOUR COMPANIES:

- Frontier Franchise expiration 2018
- Reliance Connects Franchise expiration 2018
- Comcast Franchise expiration 2021
- CenturyLink Franchise expiration 2021



2016-17 HIGHLIGHTS



Consumer Protection The MHCRC enforces consumer protection and customer service standards under the cable franchises. Regulatory issues included noncompliance with customer service standards (phone answering, installation and appointment standards), information on subscriber bills, service installation line extensions, service rates and fees (i.e. broadcast TV fee, HD technology fee), and other consumer protection issues. In 2016, the MHCRC assisted in the resolution of 357 complaints.

Protect Local Authority and Compensation As the regulatory and public policy landscapes change, the MHCRC continued its strategic focus on advocacy in the public interest. The MHCRC kept abreast of the uptick in public policy activity on both local and federal levels. The MHCRC participated in FCC proceedings on issues such as local authority over use of public right-of-way to deliver video to the home over a broadband connection, and local access to diverse, independent, and community programming.

The MHCRC staff represented local interests at the State Legislature and at Oregon Public Utility Commission hearings on a bill to ensure that tax breaks are only given to companies who truly make new broadband capital investments that improve and expand access to the Internet for those in need.

Digital Equity The MHCRC's longstanding focus on digital equity through grants and low-cost broadband capacity for our community institutions continues to be bolstered by the MHCRC's active

participation in the Digital Inclusion Network (DIN). The DIN, a consortium of local governments, non-profits, businesses and others dedicated to reducing digital-equity disparities in Multnomah County, was responsible for developing the Digital Equity Action Plan (DEAP). The Plan, adopted by the Portland City Council and Multnomah County Commission, creates a cohesive framework for our region to address digital equity for low-income individuals and families, older adults, people of color, people with disabilities and people with limited English proficiency.

As a Lead Partner in DEAP implementation, the MHCRC is committed to facilitating planning with public institutions to extend free Wi-Fi service into low-income neighborhoods, to strengthening the DIN as a collective effort to address digital equity, and to expanding public and private funding for digital-equity-focused projects.

Affordable Broadband for Public

Institutions The MHCRC facilitates partnerships and network planning, and distributes funds, to provide affordable broadband connections for 321 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 initiated a planning process with these public stakeholders to collaborate on a possible network design to collectively provide for their bandwidth and connectivity needs in the future. The group recognized that long-term planning is essential to ensure our public institutions, and the people who rely on them, can continue to access affordable bandwidth and technology tools.

In addition to future network planning, the MHCRC funded current network needs. The MHCRC distributed slightly more than \$48,000 in I-Net funds to support site upgrades and connect three new sites to the network.

Diverse Local Voices and Content

The MHCRC manages contracts with MetroEast Community Media and Open Signal, non-profit organizations that facilitate community use of technology and communications resources in order to promote broad participation in civic and cultural life.

These nonprofits provide direct services to a diverse group of individuals, nonprofits, community organizations and government agencies.

The MHCRC ensured that public dollars and dedicated capital funds provided to MetroEast and Open Signal focused on community services and outcomes, and met the restrictions placed on certain funds in cable franchise agreements. The MHCRC also facilitated provision of franchise-required obligations by cable companies that support local programming such as listings in program guides, free video-on-demand programs and local HD channels.

METROEAST COMMUNITY MEDIA provides media production training to community members, partners with schools to help students understand how media impacts their daily lives and actively supports local governments by producing and airing their meetings. Through the 20-year series Community Hotline and other services, MetroEast is a vital communications partner in eastern Multnomah County, collaborating with over 100 non-profit organizations last year.

MetroEast recently launched a digital pop-up lounge in the underserved Rockwood community. In partnership with the City of Gresham, the site brings access to broadband, devices, and training to the residents of this young and diverse neighborhood. The Rockwood DIY – Digital Inclusion & Youth – is already attracting long-term, immigrant, and refugee residents. MetroEast is also working with the Digital Equity Fellows from the Multnomah County Library and Free Geek to provide adult computer literacy programs. Availability of childcare and hot meals for the attendees and their children has greatly enhanced training participation. Upon completion, attendees receive a free desktop computer. More information at www.metroeast.org.

Building on a 35-year history of providing media tools to Portland's diverse communities, Portland Community Media emerged this year as **OPEN SIGNAL** to realize the nonprofit's potential in media arts, creative expression and digital inclusion.

Open Signal offers media and technology classes and state-of-the-art equipment and studios to the

public for free or low cost, and programs five cable channels with locally produced content. The nonprofit expanded its public hours by 24 hours per week and provided about 100 low/no-income class scholarships for the year. Open Signal also produced gavel-to-gavel, live coverage of all Portland City Council meetings and work sessions.

In collaboration with the Hollywood Theatre, Open Signal brought curriculum-integrated media programming to Open School North and a teen program housed at the Wacom Experience Center. Through a new partnership with the Regional Arts & Culture Council, Open Signal launched Night Lights, a monthly digital media event, and STREAM PDX, a community podcast and storytelling studio, set up shop in the Open Signal parking lot. More information at www.opensignalpdx.org.



By the
numbers

1,275

Local residents
trained in media
and digital
literacy

9,694

Hours of local,
original programs

2,036

Hours live coverage
of local government
meetings

MHCRC COMMUNITY GRANTS



Investments to Advance Education and Community-Based Technology

THE MHCRC DIRECTS THE COMMUNITY GRANTS PROGRAM, WHICH PROVIDES FUNDS FOR TECHNOLOGY PROJECTS TO COMMUNITY ORGANIZATIONS, LIBRARIES, SCHOOLS AND LOCAL GOVERNMENTS 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 35 GRANT-FUNDED PROJECTS DURING THE YEAR. IN 2016, THE PROGRAM GRANTED OVER \$2.2 MILLION FOR 8 NEW COMMUNITY-BASED PROJECTS THAT WILL LEVERAGE OVER \$3 MILLION IN MATCHING RESOURCES. FUNDS FOR COMMUNITY GRANTS DERIVE FROM THE CABLE FRANCHISES NEGOTIATED BY THE MHCRC. COMCAST, CENTURYLINK, FRONTIER AND RELIANCE CONNECTS CURRENTLY CONTRIBUTE TO THE COMMUNITY GRANTS FUND.



TechSmart Initiative for Student Success — \$19 MILLION OVER 10 YEARS



The MHCRC launched the TechSmart Initiative for Student Success in 2014, and thus far, has granted over \$9 million to five public school districts in Multnomah County. The MHCRC plans to strategically invest a total of about \$19 million through 2021 in local public schools to positively impact academic outcomes for all students in Multnomah County.

The MHCRC TechSmart Initiative provides grants and evaluation resources for Multnomah County school districts to identify effective classroom instruction that uses technology to foster improvement in academic outcomes for all students and to share the successful strategies across the school

districts. The TechSmart Initiative is aligned with the collective effort of the broader community engaged in the All Hands Raised Partnership. The MHCRC invests in District efforts to close the achievement gap and make progress on the following academic outcomes key to student success:

- Kindergarten Readiness ■ Third Grade Reading
- Eighth Grade Math ■ Ninth Grade Credit Attainment ■ High School Graduation
- English Language Learners' Annual Progress

The MHCRC works closely with each school district as a planning and funding partner to develop a grant project plan tailored to each individual district's priorities. TechSmart grants have touched on every critical academic benchmark ... from kindergarten readiness to high school graduation.

Shared Learnings

The TechSmart Initiative provides evaluation resources to assist Districts in identifying classroom instruction that address the achievement gap. While still in the early stage, current project evaluation has identified promising practices for professional learning, which better supports teachers' use of technology for classroom instruction, curriculum planning and student assessment.

David Douglas School District (DDSD) provided both group professional development with teachers and job-embedded, on-site coaching in their classrooms to target instructional change. All teachers rated the individualized coaching as extremely useful compared to 61 percent who rated the group sessions useful. Teachers consistently commented on the importance of the on-site technology coach and said he was integral to the adoption of new instructional strategies.

Parkrose School District (PSD) provided primarily group training in the grant's first school year and during year two, technology staff provided individualized "push-in" support in classrooms. Teachers rated the push-in support as more useful because it addressed real-time needs and took place during the teacher's regular work day. PSD also tried after-school sessions but discontinued these after low teacher participation, and focused resources only on higher-rated, push-in support.

Reynolds School District (RSD), in its first year of implementation, is using a combination of a math teacher cohort - all middle school and ninth grade math teachers - and individual instructional technology coaching, which teachers reported were equally useful and effective. The cohort met twice for two days with the coach to construct, observe and reflect on a math lesson. The cohort also met four times to share ideas about using technology with students. The coach provided support twice with each teacher in their classroom for individual coaching.

K-3 Technology and Literacy Integration at Gresham-Barlow School District

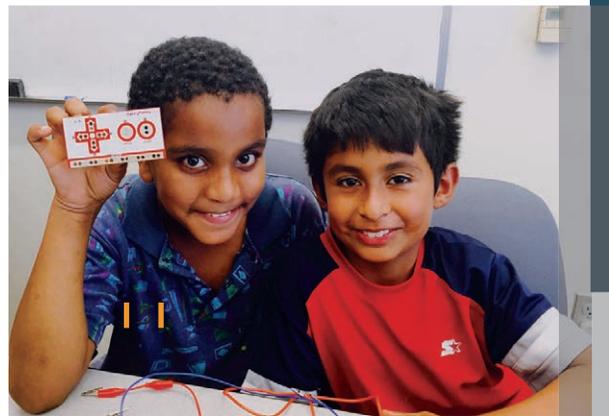
Grant Amount: \$1,369,326

Gresham-Barlow School District (GBSD) is the most recent TechSmart grant recipient. Recognizing its need to build district capacity and a plan to scale literacy transformation to all K-3rd grades, GBSD is deeply investing at two elementary schools over four years to develop resources and systems to prepare a solid foundation to reach its goal. GBSD intends to use the pilot schools' learnings to build a well-vetted plan to successfully scale literacy instructional strategies and practices district-wide.

Both GBSD and TechSmart resources are dedicated to supporting elements critical to successful technology-rich learning environments: professional development and onboarding for principals and teachers; dedicated on-site instructional technology coach paired with a literacy instructional coach; and classroom technology and infrastructure which supports GBSD's literacy framework and recent K-3rd grade literacy adoption (Fall 2015).

The pilot schools are key participants in the K-3 Technology Integration Project. As part of their responsibilities, the pilot schools and their on-site instructional technology and literacy coaches, are continually assessing embedded supports to provide for iterating professional development and instructional practices for technology-based blended learning. Additionally, a teacher, staff and parent committee provided input on project planning and is engaging in project evaluation and scaling plan development.

GBSD recognizes that transforming its teaching and learning to a digital-age culture is a long-term goal. The TechSmart grant is providing GBSD the needed resources to reach that goal.



By the numbers

7%

Of Community Grants funds spent for grant administration

35

Active grants in 2016

185

Local classroom teachers supported by TechSmart Initiative grants

Creating Technology Access and Training Opportunities



For the past 18 years, the MHCRC annual Community Technology Grants round has provided funding throughout Multnomah County to nonprofits, educators, libraries and local governments to use technology resources to further their missions and services. Through an annual,

competitive grant process, the MHCRC funds projects which provide a public benefit in four areas: reducing disparities for an underserved community; increasing community involvement in issues of importance to a community; reducing the cost of providing non-profit or public services; or improving the delivery or increasing the effectiveness of public or non-profit services.

Community Technology Grants are predominantly focused on serving traditionally underserved, ethnically diverse, and special-needs populations; i.e. Hispanic, African American, Native American, immigrant & refugee, low-income, girls and women (equal opportunity), youth, English language learners, etc., in order to bridge the digital divide.



2016 COMMUNITY TECHNOLOGY GRANT AWARDS

Curious Comedy Theater \$172,776

Supporting female comedians by showcasing the best and most unique women working in comedy and training female videographers to record the All Jane Comedy Festivals.

The North Northeast Business Association \$41,422

Empowering Portland's low-income Black youth to document and tell stories through video in order to help inform the larger discussion on race and equity issues in Multnomah County.

Wisdom of the Elders \$97,856

Supporting a multimedia workforce development and career pathway planning program for Native youth and adults.

Slavic Community of NW \$26,038

Supporting refugees to adapt to life in the United States through programming on issues such as immigration, politics, health and education.

Open School \$353,602

Supporting students in Rockwood and Rosewood, who are most likely to be left behind, by providing technology-rich learning programs that graduate all students and prepare them for college or career, regardless of race, ethnicity or economic background.

Portland Public Schools Television Services \$150,000

Supporting live cablecast of PPS Board meetings and events to improve our communities' access and engagement in public education.

NW Documentary \$44,021

Supporting NW Documentary's non-profit media organization in providing professional level training and experience for youth and adults interested in creating documentaries that transform lives and change communities.

Tech Savvy and Career Ready

Recognizing the vital impact digital literacy and technology training has on an individual's academic and economic success, many community organizations received MHCRC Community Technology Grants to help residents become tech savvy and career ready.

More and more people recognize the importance of having a broad set of technology skills - from basic word processing, to video storytelling, to coding - as critical elements to being both productive and competitive in today's economy. A recent report from the Pew Research Center underscored the importance of workforce training and found that the highest growth job categories require technology skills. In Multnomah County, underserved communities are hardest hit by this shift in required employment skills. For example, communities of color make up 28% of the total County population but represent 44% of those living in poverty. In an effort to lift our underserved communities out of poverty, many MHCRC grantees are targeting digital literacy and technology training to meet 21st century workforce expectations.

Some examples include:

Open School East Open School launched the 2016-17 school year in a new East County facility equipped with mobile digital devices, curriculum, and educational technology-trained teachers as a result of a \$300,000 MHCRC grant. The grant resources provide teachers the tools to create a technology-rich learning program focused on graduating all students - regardless of race, ethnicity, or economic background - and preparing them for college or career.

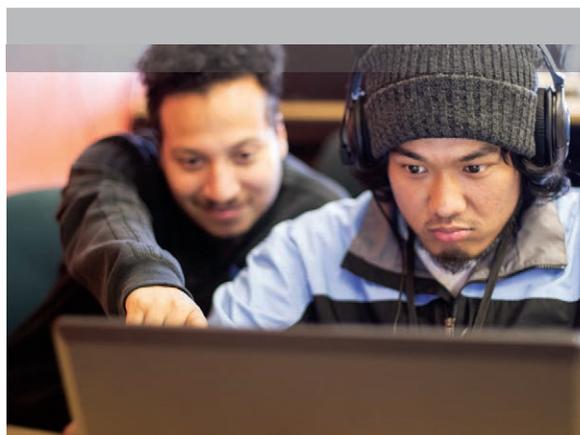
Wisdom of the Elders (WOTE) The Native community's poverty rate of 35% is the second highest among ethnic minorities in Multnomah County. While education is regarded as one of the most vital pathways out of poverty, one in three local Native youth do not complete high school. To support improved outcomes, the MHCRC invested \$98,000 in WOTE's workforce development program, where Native youth and adults receive real-world skills in a wide variety of multimedia production tools and techniques and develop education and career pathway plans through hands-on internships.

The North Northeast Business Association (NNEBA) The MHCRC's \$41,000 investment is helping NNEBA train young Black filmmakers and connect them to the business community, which in turn exposes both parties to personal and

professional growth opportunities along cultural lines. By providing well-resourced trainings, the youth filmmakers are prepared for opportunities to garner living-wage employment with upward mobility within the tech industry.

Friends of the Children—East County

Friends of the Children's mission is to break the cycle of poverty for children facing the highest risks. As a result of a \$219,000 MHCRC grant, the new Friends of the Children facility in East County features interactive remote tutoring capacity, mobile learning, and a high-tech arts and science room to promote technology-based skill development that supports educational success and job readiness for the nearly 300 youth engaged over the three-year project.



By the numbers

\$885,715

Awarded in 2016 for Community Technology Grants

\$1.6
MILLION

Leveraged in matching resources

1,177

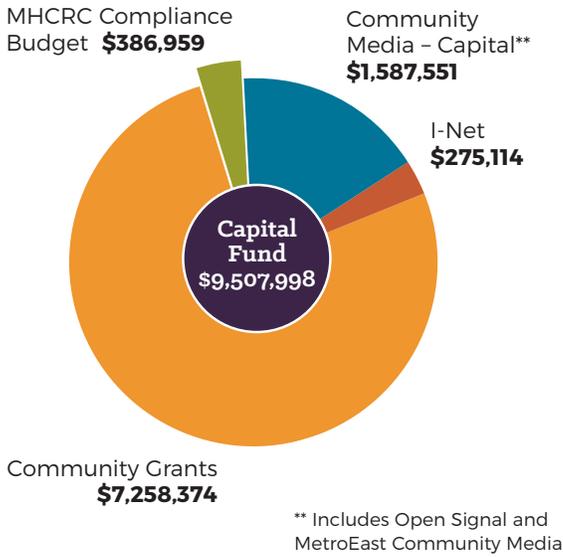
Youth/adults receiving tech training

FINANCIAL STEWARDSHIP

FY 15-16 MHCRC Operating Budget*

(Admin/Regulatory/Compliance combined)

MHCRC CAPITAL FUND ALLOCATIONS



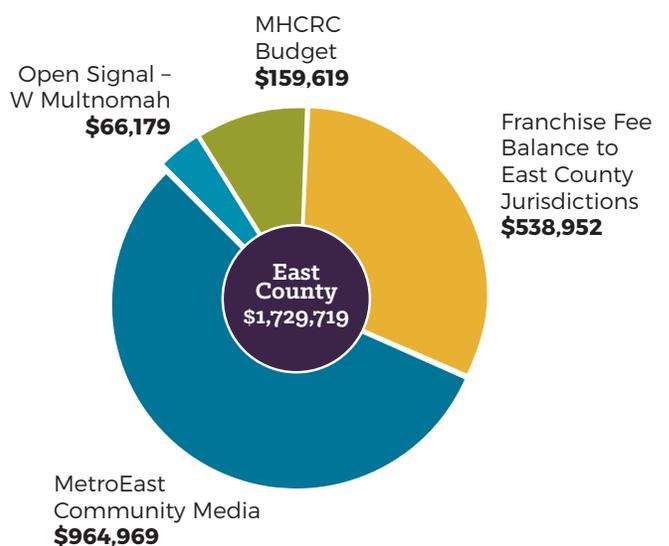
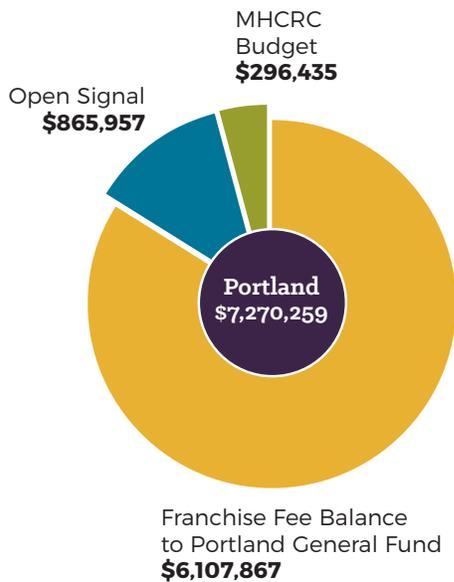
Revenues	Budget	Actual
City of Portland Appropriation	\$ 296,435	\$ 296,435
East County Appropriations	159,619	159,619
Interest Revenue Allocation	29,020	4,949
Capital Fund Compliance/Admin	519,994	539,318
Total Revenues	\$ 1,005,068	\$ 1,000,321

Expenditures	Budget	Actual
Personnel Services	\$ 500,054	\$ 499,426
Revenue Division - Fiscal Support	29,907	30,008
MHCRC Fund Audit	13,000	12,645
External Materials and Services	158,600	155,423
Internal Services	128,026	125,459
General Fund Overhead	25,000	25,000
Contingency	69,000	0
Total Expenditures	\$ 923,587	\$ 847,962

Net Compliance Program	\$ 81,481	\$ 152,359
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*Un-audited budget report. For the MHCRC Fund audited financial statements, visit the MHCRC website: <http://www.mhcr.org/wp-content/uploads/2017/01/MHCRC-Audit-FY-15.16-Final.pdf>

CABLE FRANCHISE FEE DISBURSEMENTS



Efficient Operations

About 5% of total cable franchise fee revenue collected was spent for MHCRC operations. In addition, the MHCRC spent about 7% of the capital funds 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 of the MHCRC Fund

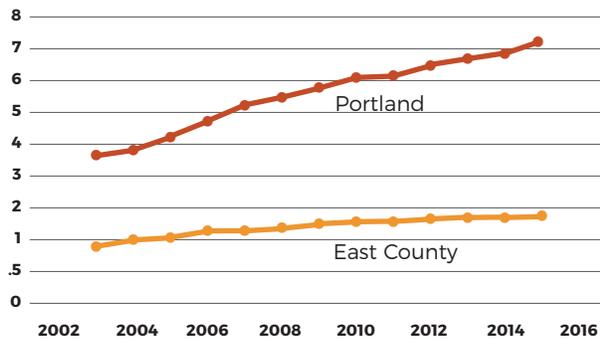
The FY15-16 audit results produced no adjustments, indicating that funds were properly accounted for. Moss Adams, the MHCRC's auditor, found that the MHCRC's FY15-16 financial statements presented fairly, in all material respects, the respective financial position of the MHCRC's fund. The MHCRC filed its annual audit with the Oregon Secretary of State on time.

Revenue Growth Slows – Subscribers Decline

Despite relatively little change in numbers of cable TV subscribers over the past ten years, cable franchise fee revenues grew from about \$5.6 million to \$8.64 million in the same time period. Cable franchise fees are paid by the companies based on their gross revenues derived from cable TV services. The increase in the amount of fee revenues is primarily due to companies increasing their TV service rates and premium service subscriptions. However, in the past couple years, revenue growth has begun to flatten and the number of cable TV subscribers in the MHCRC service area has declined. The MHCRC anticipates no growth or a slight decline in revenues related to cable franchise fees for the near future.

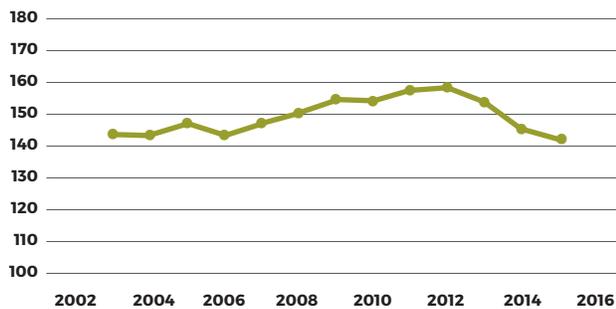
CABLE FRANCHISE FEES

in millions of dollars



CABLE TV SUBSCRIBERS

in thousands



By the numbers

5%

Of cable franchise fees spent for MHCRC operations

\$5.3 MILLION

Collected from cable companies to support grants, I-Net, and community media

4.7%

Increase in cable franchise fees from last year



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Photos: cover, lower right, Multnomah County Library; upper right, The North Northeast Business Association;
p3, 6, MetroEast Community Media; p4, David Douglas School District

