

**RESOLUTION
PUBLIC SESSION
BOARD OF DIRECTORS
CORPORATION FOR PUBLIC BROADCASTING
WASHINGTON, D.C.
Monday, December 9, 2019**

unanimously

WHEREAS,

Under the provisions of the Public Broadcasting Act, CPB makes grants to eligible public radio stations in a manner intended to provide for the needs and requirements of stations so that they may serve their local communities and audiences; and

WHEREAS,

The Community Service Grant (CSG) program is the primary mechanism for CPB to provide this financial support to local stations; and

WHEREAS,

CPB management has consulted with a panel of radio station representatives regarding changes to CSG policy and invited and received comment directly from public radio stations as part of this consultation process; and

WHEREAS,

The panel of station representatives has made a series of recommendations to CPB management, which have been reviewed by management, shared with the public radio system for further comment, and significantly informed management's recommendations to the CPB Board.

NOW, THEREFORE, BE IT RESOLVED THAT

The CPB Board of Directors hereby adopts CPB management's recommendations for changes to radio CSG policy as outlined in the attached.

Recommendation 1

Organize grantees by Coverage Area Population (CAP) as follows:

CAP Category	1	2	3	4	5	6
CAP Range	< 20K	20K-100K	100K-300K	300K-1M	1M-3M	> 3M

Recommendation 2

Align base grants with CAP categories and change all base grants proportionately with the CPB appropriation. Base grants would be distributed as follows:

CAP Category	1	2	3	4	5	6
CAP Range	< 20K	20K-100K	100K-300K	300K-1M	1M-3M	> 3M
Base Grants	\$90,000	\$85,000	\$75,000	\$60,000	\$50,000	\$35,000

Recommendation 3

Align minimum NFFS amounts with CAP categories. Grantees must meet the following minimum requirements for NFFS raised in any given fiscal year to maintain eligibility:

CAP Category	1	2	3	4	5	6
CAP Range	< 20K	20K to <100K	100K to <300K	300K to <1M	1M to <3M	≥ 3M
Minimum NFFS	\$250,000	\$275,000	\$300,000	\$300,000	\$400,000	\$500,000
Minimum NFFS (minority or rural)	\$250,000	\$250,000	\$275,000	\$275,000	\$300,000	\$400,000
Minimum NFFS (minority + rural)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000

Sole service grantees have no minimum NFFS requirement. All other grantees must meet the minimum direct NFFS requirement, which is half the amount of their minimum NFFS requirement.

Recommendation 4

Align minimum staffing with CAP categories. Grantees must meet the following minimum requirements for staffing in any given fiscal year to maintain eligibility:

CAP Category	1	2	3	4	5	6
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CAP Range	< 20K	20K to <100K	100K to <300K	300K to <1M	1M to <3M	≥ 3M
Minimum Staff	2FT	2FT	2FT	3 (min. 2FT)	4 (min. 2FT)	4 (min. 2FT)

Minority grantees may count full-time equivalents (FTEs) toward the FT employee staffing requirement. Sole service grantees have no minimum staffing requirement.

Recommendation 5

Tier NFFS for incentive grant calculations. Use 90% of all NFFS reported up to \$300,000; 100% of all NFFS reported from \$300,000 up to \$15 million; and 80% of all NFFS reported above \$15 million to calculate incentive grants.

Extend incentive grants to all grantees in the CSG program.

Lower the multiplier on NFFS for minority grantees from 1.5 to 1.25 on NFFS up to \$5 million.

Recommendation 6

Extend the probationary period for grantees that fail to meet eligibility requirements from two years to three years.

Recommendation 7

Institute a new method for reporting indirect administrative support (IAS) as NFFS:

1. Derive a rate by dividing the licensee's indirect costs by its direct costs;
2. Apply the rate to a base amount consisting of the station's net direct expenses (add physical plant support, if applicable, computed using CPB's current instructions and subtract payments made by the station to its licensee for direct services).

Beginning with fiscal year 2020 annual financial reporting to CPB, grantees submitting an annual financial report (AFR) to CPB must use this method to report IAS as NFFS. Two exceptions would be provided: (1) State grantees, as approved by CPB, that do not have access to a sufficiently discrete financial statement may use a grantee-developed method; (2) Grantees that submit financial summary report (FSRs) will use a grantee-developed method. For stations that experience a significant reduction in IAS as a result of this policy change, CPB will allow for a phasing-in of the new method.

Recommendation 8

Phase-in new elements of the program over three years as follows:

Year 1 (FY 2021)

Implement:

- CAP categories
- New base grants; all base grant amounts change proportionately with the CPB appropriation
- New NFFS minimums
- New staffing minimums

- New IAS calculation method introduced and compared to current method; current calculation methods determine IAS
- New probationary periods
- Incentive grants to all grantees
- Tiering of NFFS as follows:

NFFS Tier	NFFS Range	Percent of Qualifying NFFS
A	< \$300K	90%
B	\$300K to <15M	100%
C	≥\$15M	100%

Year 2 (FY 2022)

Implement:

- Use of new calculation method to determine IAS
- Tiering of NFFS as follows:

NFFS Tier	NFFS Range	Percent of Qualifying NFFS
A	< \$300K	90%
B	\$300K to <15M	100%
C	≥\$15M	90%

Year 3 (FY 2023)

Implement:

- Tiering of NFFS as follows:

NFFS Tier	NFFS Range	Percent of Qualifying NFFS
A	< \$300K	90%
B	\$300K to <15M	100%
C	≥\$15M	80%