

April 10, 2013

TO: CPB Management

FROM: 2012/2013 Radio CSG Review Panel

RE: Recommendations for Changes to Radio CSG Program Policies

For the past year, this panel of public radio system representatives has reviewed the policies governing the Radio Community Service Grant (CSG) program. The attached document outlines our recommendations for updating the program to ensure the funds are supporting valued, diverse, sustainable, local public service.

Shifts in technology, audience behavior, demographics, competition, and the economy have dramatically changed the landscape for public media. That environmental reality was the backdrop for our discussions and influenced our thinking about the CSG program policy that would best serve the interests of stations and better align our system for the future. We also agreed that it should be the focus of the system regardless of any changes to the Radio CSG program.

The Panel agreed on Core Principles that grounded and guided our deliberations. First and foremost is the idea of local: local investment, local control, local service, and local value. Localism and all the values and principles listed below weave through and help define the work of the public radio system:

- Universal Service - free, over-the-air broadcast available to all citizens
- Valued and Utilized Public Service
- Localism - service that meets the needs of the local community; met through local decision-making, programming, governance, support
- Service to Unserved and Underserved
 - Minority service
 - Rural service
- Local/National Partnership - local financial support (NFFS) to earn federal match
- No Intrusion (by CPB) into Local Programming Decisions

The Panel worked through the essential details of the various CSG components, including minimum Non-Federal Financial Support (NFFS) and Staffing, Rural Audience Service Stations (RASS), Minority Audience Service Stations (MASS), and Audience Service Criteria (ASC). We also looked for ways that the CSG program could encourage and support strategic realignment in the public radio system to increase our public service and enhance long term viability. Throughout the process, we discussed the long-term objectives of public media's service to the American people and the need for change within the system to effectively accomplish that mission.

NEW STANDARDS

The Panel proposes the addition of three new policies to increase stations' accountability to their communities:

- Transparency - Stations will be required to post on their website basic contact information for senior staff, as well as IRS Form 990, or equivalent information.
- Annual report on local content and service – Stations will be required to report on the content and services they provide that serve local needs, including quantitative and qualitative information about the impact of the local services in their communities. In addition to reporting to CPB, stations will be required to post that information to their websites for public review.
- Diversity–Stations will be required to establish diversity goals and engage in activities designed to reflect and achieve those goals.

UPDATES

It has been eight years since the last Radio CSG Review Panel concluded a full program review and changes to the CSG program were implemented. Although CPB has consulted with the system periodically over that period on individual aspects of the Radio CSG program, it was time for a comprehensive review. It is not surprising that there are policy areas that require updating. Specifically we are recommending that elements of the ASC, MASS and NFFS be updated.

- NFFS – The Panel believes a higher minimum level of financial support is needed to provide a meaningful public service in today’s environment. The NFFS minimum ensures that stations are sustainable local resources at a time when Federal funding may remain flat, at best, for the foreseeable future. The increase is essentially an update to the 1975 minimum (\$75,000) adjusted for inflation.
- ASC - Maintaining Audience Service Criteria (ASC) as a requirement of the CSG program makes clear that audience, significant community support, and measurable public service are important. The indices used in the ASC should be recalibrated to adjust for the revised Arbitron measuring methodology in PPM markets and to more accurately reflect current peer performance by market size and whether a station format is predominately news or not.
- MASS - There remains strong support for MASS funding for stations engaged in serving underserved minority audiences and to incentivize increased service. The minority audience composition benchmark used to qualify a station for MASS status has been part of the standard for several decades. In that time, there have been enormous shifts in minority demographics. This benchmark, based on cumulative (cume) audience, needs to be updated to reflect the minority population growth in America.

INCREASING SERVICE; DEVELOPING NEW MODELS

The Panel engaged in multiple discussions about the system’s operating environment and the challenges faced by many stations in matching their resources to their missions. The Panel’s emphatic conclusion is that our system needs to achieve greater capacity and scale to fulfill our public service aspirations, meet our communities’ expectations, and successfully compete in a crowded and fragmented media marketplace. It is clear we need to take immediate and serious

system-wide action to address the challenge. We believe acting decisively now through collaborative activities and other methods being contemplated will increase the odds that local stations thrive, not just survive.

Many stations are exploring leveraging or investing their resources together with other like-minded organizations to expand their service. They are seeking to achieve greater capacity to deliver service through relationships and structures that gain greater scale, redirect assets for more productivity, and take advantage of the network effect. However, there are certain barriers and risks to such endeavors, both real and perceived, which need to be addressed, including the cost associated with creating collaborations.

The Panel is unanimous in encouraging CPB to continue its investments of system support funds (6% of CPB's appropriation) that foster collaborations and mergers. A majority of the Panel recommends also supporting such activities through the Radio CSG program, affording the system an opportunity to strengthen local public service by developing proof-of-concept models that others can emulate.

We believe that all public radio stations benefit from a stronger public media system. Each station is part of the larger public radio eco-system and economy as well as part of the collective service to the American public. Collectively, our diverse system and its services to Americans are at the core of the case for continued federal funding. More capacity at the local level means greater service and revenue potential that would feed back into the entire system through greater value to those served, dollars spent on program purchases, and a stronger local-national partnership. Several of these collaborations will serve as demonstration models and many will likely expand to include more stations. In addition, they will develop and share best practices and reduce risk for stations that engage in such activities on their own further down the road.

CONCLUSION

The 2012/2013 Radio CSG Review Panel included an unprecedented number of system representatives and the process involved a high level of transparency throughout. A large portion of the system participated in a Dynamic Inquiry process before we had our first meeting and many station managers and others provided input and feedback through the dedicated email set up by CPB. In addition, a summary of our work was provided to the system after each meeting and Bruce Theriault provided a report to the largest gathering of system general managers at the Super Regional last fall. All these methods of communication have provided the system with multiple opportunities to review and comment on the recommendations directly to CPB and the panelists. We appreciate everyone's involvement. We respectfully submit the recommendations below for your consideration.

Members of the Radio CSG Review Panel:
Steve Bass, Oregon Public Broadcasting, Portland, OR
Craig Beeby, University: Station Alliance, Stillwater, OK
Don Boswell, WNED, Buffalo, NY
Candy Capel, WVAS, Montgomery, AL
Alfredo Cruz, KUVU, Denver *

Doug Eichten, DEI, Minneapolis, MN
Jennifer Ferro, KCRW, Los Angeles, CA
Florence Hernandez-Ramos, Latino Public Radio Consortium, Denver, CO
Mary Grace Herrington, Iowa Public Radio, Des Moines, IA **
Maxie Jackson, NFCB, Washington, DC **
Kit Jensen, ideastream, Cleveland, OH
Sally Kane, KVNF, Paonia, CO
Dave Kansas, Minnesota Public Radio, Saint Paul, MN
Christina Kuzmych, Wyoming Public Media, Laramie, WY
Joyce MacDonald, NPR, Washington, DC
Tom Michael, KRTS, Marfa, TX
Loris Taylor, Native Public Media, Flagstaff, AZ
Tom Thomas, Station Resource Group, Takoma Park, MD
Stewart Vanderwilt, KUT, Austin, TX
Jamie Waste, Alaska Public Broadcasting, Inc., Anchorage, AK

* Resigned from Panel prior to completion of review.

** Left position following completion of Panel recommendations.



2012/2013 Radio CSG Review Panel

Policy Recommendations



Radio CSG Review: Policy Recommendations

Policy: Transparency

Current Policy	Proposed Policy	Change Summary/Notes
<p>None. (Stations have been and will continue to be required to comply with related statutory requirements as outlined in the CPB Certification Requirements).</p>	<p><u>CHANGE</u> As a requirement of CSG eligibility, a station certifies that it has on its website:</p> <ol style="list-style-type: none"> 1. List of station senior/executive management (names and titles) and contact information; 2. List of Board of Directors; 3. List of Community Advisory Board (CAB) members (for stations that maintain a CAB by requirement or by choice); 4. Date, time and place of all open meetings as determined by the Communications Act; 5. Audited financial statements (for stations required to submit such to CPB under CSG reporting policy); 6. Information about how to obtain copies of annual financial reports; 7. IRS Form 990 when the grantee files its own 990; or 8. Compensation information (regardless of its licensee’s open records policy), comparable to the information outlined in the IRS Form 	<p>See Proposed Policy.</p>

	<p>990 Part VII A and contractor compensation in Part VII B for any grantee that is not required to file its own IRS Form 990.</p> <p>In addition, a public radio station, as part of the CSG certification process, must certify that it is meeting Federal and State law regarding donor privacy and data security.</p> <p>Stations without a standalone website may post documents on other public media sites, such as NV1.org. Documents must be easily findable by the public.</p>	
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Comments:
Public radio stations are operating in an environment requiring increased accountability for non-profit organizations, particularly those that receive public funding. Increased transparency advances stations’ accountability to those who invest in it – individual donors, foundations, and government. Although these recommendations generally align with the current TV CSG policy, we feel a few additional elements are needed to increase the level of accountability and create parity between community and institutional licensees.



Radio CSG Review: Policy Recommendations

Policy: Local Content and Services

Current Policy	Proposed Policy	Change Summary/Notes
<p>Completion of Station Activity Survey question #2 under the “Telling Public Radio’s Story” section.</p>	<p>CHANGE</p> <p>Every grantee is required to answer and post on its website Station Activity Survey questions related to its content and services that serve local needs, including quantitative and qualitative information about the impact of the local services in its community.</p> <p>The definition of local content and service will be determined by the grantee. When developing the answers, the grantee should consider the following elements:</p> <ul style="list-style-type: none"> • Description of activities; • Reach of activities (number of plays, viewers, participants, etc.); • Overall impact or outcomes; • Community feedback on activity (direct quotes from participants, community leaders, etc.); and • Partnerships (list of other organizations — including other public broadcasters) collaborating with grantee. <p>A grantee's annual report, grant proposals or other existing documents may already contain the information above and could be used as the foundation for the answers.</p>	<p>See Proposed Policy.</p>
<p>Comments:</p> <p>The Panel believes that stations are accountable to their communities for the services provided to them and that capturing the story of public radio, individually and collectively, is important. CPB currently collects some information from stations in the Station Activity Survey (SAS). We recommend that CPB revise the “Telling Public Radio Story” section to better elicit information that reflects the efforts to serve local communities and the impact of those efforts. By modifying existing reporting requirements, stations’ collective reporting responsibility will be minimally impacted.</p>		



Radio CSG Review: Policy Recommendations

Policy: Diversity Eligibility

Current Policy	Proposed Policy	Change Summary/Notes
None.	<p>CHANGE Diversity of Staff and Board: As of September 30, 2013, or before certification, each Grantee must have: (1) established a formal goal of diversity in its workforce, management and boards, including community advisory boards and governing boards having governance responsibilities specific to or limited to broadcast stations; and (2) implemented the following initiatives to achieve that goal:</p> <ol style="list-style-type: none"> 1. Review with the station’s governing board or licensee official those practices that are designed to fulfill the station’s commitment to diversity and to meet the applicable FCC guidelines (<i>see</i> 47 C.F.R. § 73.2080); 2. CPB asks each radio CSG recipient to prepare and forward to CPB a brief statement (about 500 words) that reflects on the following points: <ul style="list-style-type: none"> • The elements of diversity (e.g., gender, race, culture, religion, language, generation) that the CSG recipient finds important to its public media work • The extent to which its staff and governance reflect such diversity • The progress the recipient has made to increase its diversity in the last two to three years and its diversity plans in the coming period. 	See proposed policy.

	<p>CPB requires CSG recipients to post this statement on their web sites or, if they do not have a site, include it in their public file.; and</p> <p>In addition, Grantees shall undertake at least one of the following five initiatives on an annual basis:</p> <ol style="list-style-type: none"> 1. Include individuals representing diverse groups in internships or work-study programs designed to provide meaningful professional level experience in order to reflect the diversity of the communities they serve and further public broadcasting’s commitment to education; 2. Include qualified diverse candidates in any slate of candidates for elected governing boards that the Grantee controls; 3. Implement a diversity training program for members of the organization’s governing board of directors on an annual basis; or 4. Participate in minority or other diversity job fairs. 5. Implement formal diversity training programs for management and appropriate staff. <p>Finally, Grantees are strongly encouraged to interview at least one qualified diversity candidate for each senior leadership position hire. The term “senior leadership position” includes: CEO, COO, CFO, Chief Content Officer, General Manager, and other equivalent positions.</p>	
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Comments:
The public radio system believes strongly in the importance of diversity, and that the system should not only serve diverse communities, but reflect them as well. Previous policy related to minority services strongly encouraged and incentivized such diversity. However, those earlier efforts need to be built on to reflect the change in population and also the broadened understanding of what diversity means. Business and/or moral imperatives are powerfully motivating, but are strengthened when accompanied by on-going and consistent reflection and supporting action.



Radio CSG Review: Policy Recommendations

Policy: Minimum NFFS and Staffing

Current Policy	Proposed Policy	Change Summary/Notes																																														
<p>Stations eligible for a Radio CSG must meet the following minimum requirement for NFFS raised in any given fiscal to maintain eligibility:</p> <table border="1" style="margin-left: 20px; border-collapse: collapse; width: 150px;"> <thead> <tr> <th style="text-align: center;">Level</th> <th style="text-align: center;">Minimum NFFS</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td style="text-align: center;">B</td> <td style="text-align: center;">\$100,000</td> </tr> <tr> <td style="text-align: center;">C</td> <td style="text-align: center;">\$200,000</td> </tr> <tr> <td style="text-align: center;">D</td> <td style="text-align: center;">\$200,000</td> </tr> </tbody> </table>	Level	Minimum NFFS	A	N/A	B	\$100,000	C	\$200,000	D	\$200,000	<p>CHANGE Stations eligible for a Radio CSG must meet the following minimum requirement for NFFS raised in any given fiscal year to maintain eligibility:</p> <table border="1" style="margin-left: 20px; border-collapse: collapse; width: 100%;"> <thead> <tr style="background-color: #ffff00;"> <th style="text-align: center;">Grant Year</th> <th style="text-align: center;">FY 2016</th> <th style="text-align: center;">FY 2017</th> <th style="text-align: center;">FY 2018</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Level</td> <td style="text-align: center;">Minimum NFFS</td> <td style="text-align: center;">Minimum NFFS</td> <td style="text-align: center;">Minimum NFFS</td> </tr> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td style="text-align: center;">B/C MASS/RASS</td> <td style="text-align: center;">\$100,000</td> <td style="text-align: center;">\$100,000</td> <td style="text-align: center;">\$100,000</td> </tr> <tr> <td style="text-align: center;">B Non-Mass/RASS</td> <td style="text-align: center;">\$175,000</td> <td style="text-align: center;">225,000</td> <td style="text-align: center;">300,000</td> </tr> <tr> <td style="text-align: center;">C Non-Mass/RASS</td> <td style="text-align: center;">\$250,000</td> <td style="text-align: center;">275,000</td> <td style="text-align: center;">300,000</td> </tr> <tr> <td style="text-align: center;">D</td> <td style="text-align: center;">\$300,000</td> <td style="text-align: center;">400,000</td> <td style="text-align: center;">500,000</td> </tr> <tr> <td style="text-align: center;">NFFS Cash Minimum</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">25%</td> <td style="text-align: center;">50%</td> </tr> <tr> <td style="text-align: center;">Level B minimum Staffing</td> <td style="text-align: center;">1 Fulltime</td> <td style="text-align: center;">1.5 Fulltime</td> <td style="text-align: center;">2 Fulltime</td> </tr> </tbody> </table>	Grant Year	FY 2016	FY 2017	FY 2018	Level	Minimum NFFS	Minimum NFFS	Minimum NFFS	A	N/A	N/A	N/A	B/C MASS/RASS	\$100,000	\$100,000	\$100,000	B Non-Mass/RASS	\$175,000	225,000	300,000	C Non-Mass/RASS	\$250,000	275,000	300,000	D	\$300,000	400,000	500,000	NFFS Cash Minimum	10%	25%	50%	Level B minimum Staffing	1 Fulltime	1.5 Fulltime	2 Fulltime	<p>Phases in increases to NFFS minimums for levels B, C and D over the course of three years.</p> <p>Establish and phase in increases to minimum cash required for NFFS.</p> <p>Phase in increase to minimum staffing from 1 to 2 fulltime employees for Level B</p>
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	<p>*FYs refer to station fiscal years. Fiscal Year reporting affects NFFS requirements for grant years two years following the end of the Fiscal Year. (e.g. FY2014 NFFS is used to determine eligibility and CSG for CPB FY2016 grants. <u>First potential removal in grant year FY18)</u></p>													
<p><u>Formal Removal Path</u> None.</p>	<p><u>Formal Removal Path</u></p> <ul style="list-style-type: none"> Stations that fail to meet the minimum NFFS for three consecutive years will be removed from the program. For example: <table border="1" data-bbox="663 578 1583 753"> <thead> <tr> <th>NFFS Year</th> <th>CSG Year</th> <th>Action Taken</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>2016</td> <td>Year 1 - Notice to station about status</td> </tr> <tr> <td>2015</td> <td>2017</td> <td>Year 2 - Notice to station about status</td> </tr> <tr> <td>2016</td> <td>2018</td> <td>Year 3 - Station removed from the CSG program</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Stations with two previous failures that meet the criteria and subsequently fail again within four years will be placed in Year 2. 	NFFS Year	CSG Year	Action Taken	2014	2016	Year 1 - Notice to station about status	2015	2017	Year 2 - Notice to station about status	2016	2018	Year 3 - Station removed from the CSG program	<p>Institutes formal removal path for repeated failures to meet minimum criterion.</p>
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<p>Comments:</p> <p>The Panel believes Non-Federal Financial Support (NFFS) is a key principle in the national-local funding partnership envisioned in the legislation establishing CPB funding. It is also a measurement of a station’s value in its community and a critical component of funding diversity necessary for long term viability. The NFFS minimum has not changed in more than a decade and needs to be adjusted to reflect current costs of doing business. In fact, the current minimum is not much higher than the \$75,000 required when an NFFS minimum was first introduced as a requirement in 1975 – the intervening years saw a change in the Consumer Price Index of almost 327%.</p> <p>Despite efficiencies realized through technological advances, it is difficult to believe that any station can provide a meaningful public service to its community without some minimum human and financial resources. Therefore, the Panel believes it is appropriate to increase the NFFS minimum requirements over time to reflect the rising cost of business and increased demands on stations to meet the many challenges and new competition in a digital media environment.</p>														



Radio CSG Review: Policy Recommendations

Policy: Audience Service Criteria

Current Policy	Proposed Policy	Change Summary/Notes																																																								
<p>Grantees qualifying for Levels must show significant and measurable listening relative to coverage area population by meeting the Listening Index below or must show significant and measurable community financial support relative to coverage area population by meeting the Community Financial Support Index as defined below.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th>Coverage Area Population</th> <th>Listing Index Goal (LI)</th> <th>Community Financial Support Goal (CFSI)</th> </tr> </thead> <tbody> <tr> <td>> 5 million</td> <td style="text-align: center;">13</td> <td style="text-align: center;">34</td> </tr> <tr> <td>1 - 5 million</td> <td style="text-align: center;">16</td> <td style="text-align: center;">37</td> </tr> <tr> <td>500,000 - 1 million</td> <td style="text-align: center;">19</td> <td style="text-align: center;">44</td> </tr> <tr> <td>< 500,000</td> <td style="text-align: center;">24</td> <td style="text-align: center;">48</td> </tr> </tbody> </table> <p>ASC performance is calculated using the appropriate formula below:</p> <table border="1" style="width: 100%; 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Also this update takes into account changes in AQH that may be a result of introduction of new measurement technologies (PPM) in many larger markets.</p> <p>Created goals based on stations' primary format as either <u>predominately news</u> or not <u>predominately news</u>. "News" stations are defined as airing news for 75% of their broadcast schedule from 6:00a.m. to 7:00 p.m. Monday – Friday.</p> <p>Changed "Levels" to "funding" in first paragraph.</p>
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<p><u>Formal Removal Path</u></p> <table border="1"> <thead> <tr> <th>ASC Year</th> <th>Action Taken</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>Warning letter sent to station</td> </tr> <tr> <td>1</td> <td>Full CSG; 1st 25% Restriction</td> </tr> <tr> <td>2</td> <td>Full CSG; 2nd 25% Restriction</td> </tr> <tr> <td>3</td> <td>1st 50% CSG Reduction</td> </tr> <tr> <td>4</td> <td>2nd 50% CSG Reduction</td> </tr> <tr> <td>5</td> <td>Station removed from the CSG program</td> </tr> </tbody> </table>	ASC Year	Action Taken	0	Warning letter sent to station	1	Full CSG; 1st 25% Restriction	2	Full CSG; 2nd 25% Restriction	3	1st 50% CSG Reduction	4	2nd 50% CSG Reduction	5	Station removed from the CSG program	<p><u>Formal Removal Path –CHANGE</u></p> <table border="1"> <thead> <tr> <th>ASC Year</th> <th>Action Taken</th> </tr> </thead> <tbody> <tr> <td>Annual</td> <td>Warning letter sent to station in danger of failing</td> </tr> <tr> <td>1</td> <td>Full CSG; 1st 25% Restriction</td> </tr> <tr> <td>2</td> <td>Full CSG; 2nd 25% Restriction</td> </tr> <tr> <td>3</td> <td>Station removed from the CSG program</td> </tr> </tbody> </table>	ASC Year	Action Taken	Annual	Warning letter sent to station in danger of failing	1	Full CSG; 1st 25% Restriction	2	Full CSG; 2nd 25% Restriction	3	Station removed from the CSG program	<p>Lowers removal path from 5 years to 3 years and adds a warning to stations in danger of failing in years in which they are passing the ASC but are within 10% of not meeting their goal.</p> <p>Eliminates reduced CSGs.</p>
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<p><u>Notification of Failure to Meet Minimum</u> Stations will be notified of their failure to the minimum and what year of the Removal Path they are in on an annual basis.</p>	<p><u>Notification of Failure to Meet Minimum - CHANGE</u> Stations will be notified of their failure to meet the minimum and what year of the Removal Path they are in on an annual basis.</p> <p>In addition, stations that pass the ASC but are within 10% of not meeting the threshold, will be notified on an annual basis.</p>	<p>Adds an annual warning notification for stations are within 10% of not meeting the threshold.</p>																								
<p>Comments:</p> <p>The Panel believes there continues to be value in measuring public service and having a minimum service standard for all stations. In addition to being a benchmark for system impact and community significance, it is also a tool for stations to measure their level of service as compared to their peers. The Panel recognizes that the current standard was set more than 8 years ago and recommends updating it to reflect current performance of the system as well as changes in audience measurement technology.</p> <p>The system provides a high level of service in no small part due to its programming diversity through its primary program formats of music and news/information programming. The panel reviewed data that strongly suggested that stations with predominately news/information formats during their primary weekday schedule have statistically significant higher audiences and community financial support than stations with less or no news programming during the same timeframe. As ASC is intended to be a peer-to-peer comparison, we recommend that the ASC make a distinction between stations that are predominantly news and those that are not predominately news. Much like market size (CAP), the use of program format further strengthens the peer comparison element and fairness of the ASC.</p>																										



Radio CSG Review: Policy Recommendations

Policy: Minority Audience Service Stations (MASS)

Current Policy	Proposed Policy	Change Summary/Notes				
<p><u>Additional support</u></p> <ul style="list-style-type: none"> • Base grants and NFFS multiplied by 1.5* • Audience Service Criteria reduced by 50% • Part time employees may be used to meet the minimum employment requirement 	<p><u>Additional support –CHANGE</u></p> <ul style="list-style-type: none"> • 1.5 multiplier of base grants and NFFS up to \$5 million • Audience Service Criteria reduced by 50% • Part time employees may be used to meet the minimum employment requirement 	<p>NFFS 1.5 multiplier is capped at \$5 million per grantee. NFFS above that threshold will not be subject to a multiplier.</p>				
<p><u>Definition</u></p> <p>Qualifying stations must meet <u>at least one</u> of these criteria:</p> <ul style="list-style-type: none"> • Measured minority audience composition (Cume) greater than 35% averaged over the previous three consecutive measured quarters* • Licensed to a designated Historically Black College or University • Licensed to a Native American Tribe, a consortium of Tribes, or an entity controlled by a Tribe, or licensed to a community within recognized Tribal Lands and providing a coverage area of which a substantial portion includes Tribal Lands. <p><i>*In markets where audience measurements are not available or are based on a total cumulative audience of 5,000 or less, a station can be recognized as MASS if its coverage area population minority composition is greater than 50%.</i></p>	<p><u>Definition –CHANGE</u></p> <p>Qualifying stations must meet <u>at least one</u> of these criteria:</p> <ul style="list-style-type: none"> • Measured minority audience composition (Cume) equal to or greater than 40% in FY14 averaged over the previous three consecutive measured quarters* <p>Additional increases phased-in as follows:</p> <table border="1" data-bbox="846 1024 1264 1097"> <tr> <td>FY16</td> <td>45% minority Cume</td> </tr> <tr> <td>FY18</td> <td>51% minority Cume</td> </tr> </table> <ul style="list-style-type: none"> • Licensed to a designated Historically Black College or University • Licensed to a Native American Tribe, a consortium of Tribes, or an entity controlled by a Tribe, or licensed to a community within recognized Tribal Lands and providing a coverage area of which a substantial portion includes Tribal Lands. 	FY16	45% minority Cume	FY18	51% minority Cume	<p>Measured minority audience composition (Cume) increased from 35% to equal to or greater than 40% averaged over the previous three consecutive measured quarters. Additional increases in later years.</p> <p>Changed “can” to “may” in * note.</p>
FY16	45% minority Cume					
FY18	51% minority Cume					

	<p><i>*In markets where audience measurements are not available or are based on a total cumulative audience of 5,000 or less, a station may be recognized as MASS if its coverage area population minority composition is greater than 50%.</i></p> <p><i>** MASS status is based on averaged Cume from the previous three measured quarters, i.e. Spring 2013, Fall 2012 and Spring 2012 for FY15</i></p>	
<p><u>Notification of loss of status</u> Stations are notified just prior to start of fiscal year in which status is lost.</p>	<p><u>Notification of loss of status</u> Stations no longer meeting the MASS definition will be notified at least one year prior to start of fiscal year in which status is lost (e.g. station no longer meeting MASS definition for FY14 will lose status in FY15).</p>	<p>Stations no longer meeting the MASS definition will be notified at least one year prior to start of fiscal year in which status is lost (e.g. station no longer meeting MASS definition for FY14 will lose status in FY15).</p>
<p>Comments:</p> <p>The public radio system has a long history of supporting stations that serve minority audiences. The Panel strongly believes it is important to continue a higher level of CSG to MASS stations - both as support and incentive for continued, and even greater, service to unserved and underserved audiences. The Panel feels that capping the NFFS amount the MASS multiplier is applied to at \$5 million is appropriate given the resource level of stations earning such revenue in sustaining and growing their service to minority audiences. However, the level is sufficiently high to remain a meaningful incentive.</p> <p>The change in the minority audience Cume percentage better reflects service to minority audience is an era that has seen dramatic shifts in minority populations in the decades since this standard was first introduced. The increases in the standard will keep pace as the population shifts continue well into the future.</p>		



Radio CSG Review: Policy Recommendations

Policy: Rural Audience Service Stations

Current Policy	Proposed Policy	Change Summary/Notes
<u>Additional support</u> <ul style="list-style-type: none"> • NFFS multiplied by 1.25* • Annual Rural Support Grant (RSG) 	<u>Additional support – NO CHANGE</u> <ul style="list-style-type: none"> • NFFS multiplied by 1.25* • Annual Rural Support Grant (RSG) 	No change.
<u>Definition</u> Stations with Coverage Area Population Density (CAPD) of 40 or fewer persons per square kilometer.	<u>Definition – NO CHANGE</u> Stations with Coverage Area Population Density (CAPD) of 40 or fewer persons per square kilometer.	No change.
<u>Notification of loss of status</u> Stations are notified just prior to start of fiscal year in which status is lost.	<u>Notification of loss of status</u> Stations no longer meeting the RASS definition will be notified at least one year prior to start of fiscal year in which status is lost (e.g. station no longer meeting RASS definition for FY14 will lose status in FY15).	Stations no longer meeting the RASS definition will be notified at least one year prior to start of fiscal year in which status is lost (e.g. station no longer meeting RASS definition for FY14 will lose status in FY15).
<p>Comments: The public radio system has a long history of supporting stations that serve rural communities. These services help the system in meeting its mandate of universal service to the American public. We strongly believe it is important to continue a higher level of CSGs, including RSGs, both as support and incentive for continued service to unserved and underserved audiences.</p>		



Radio CSG Review: Policy Recommendations

Policy: Station Collaboration Program

Current Policy	Proposed Policy	Change Summary/Notes
None.	<p>CHANGE</p> <p>CPB should develop a Station Collaboration Program (SCP) using CSG dollars to encourage and support strategic alignment of the public radio system to achieve more effective and efficient scale, increase station resources and increase public service. The SCP will catalyze collaborations and consolidations in the following areas:</p> <ul style="list-style-type: none"> • Multi-Station Mergers and Consolidations • Content Partnerships • Back Office and Development Collaborations <p>The goals for these activities are: Greater investment in direct audience services, particularly local content creation, and smaller investment in infrastructure</p> <ul style="list-style-type: none"> • Higher use of technology to reach a larger, more diverse audience • Increased opportunity to grow revenue, increase the local service mission and achieve long term sustainability <p>Each station participating in an approved collaborative project will receive an increased base grant of \$150,000. SCP status and the higher base grant funding will be renewed annually and for a maximum of 2 additional years assuming continued qualification. After a station’s SCP status concludes each station reverts back to normal base grant funding levels based on their appropriate level in the CSG program.</p>	See proposed policy.

There will be three rounds of funding beginning with up to \$1 million in the first year. Over the intended life of the SCP, total funding will not exceed \$9,000,000 of supplemental funding in total base grants for participating stations, as outlined below:

	Year 1	Year 2	Year 3	Year 4	Year 5
Group 1	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		
Group 2		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
Group 3			\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
	\$1,000,000	\$2,000,000	\$3,000,000	\$2,000,000	\$1,000,000
	Projects	Projects	Projects		
	2-3	4-6	6-9		

The SCP program as a whole will be reviewed for its usefulness in Year 2. If continued, project funding will conclude at the end of Year 5.

Comments:

There is a strong interest in encouraging and supporting strategic alignment within the public radio system to significantly increase public service and long term financial viability. Stations engaged in collaborations and consolidations can have a larger overall impact by 1) Increasing investments in direct audiences services and reducing expenditures in infrastructure; 2) Building greater capacity and more efficient scale to maximize station resources and assets; 3) Effectively using technology to increase services and reduce duplication and costs, and; 4) Improving revenue growth and long term sustainability.

The entire panel strongly agrees that collaboration and consolidation efforts should continue to be supported through CPB’s system support funds. A strong majority of the Panel feels that using CSG funds is needed and appropriate to advance these efforts. The members of the Panel with reservations believe it will be difficult to remain within statutory provisions that guide the distribution of CSG funds and still achieve the intended impact. The Panel did not have a fully-articulated Station Collaboration Program before it, but rather core purposes, funding levels, and possible criteria. As CPB works to structure and refine the program further, it will be important to address panelists’ concerns. To be eligible, collaborative projects must meet well-defined requirements, which might include a minimum number of stations, relationship documentation, clearly articulated plans for activities in the priority areas, and quantifiable integration of functions. Station applications will need to be evaluated on objectively demonstrable criteria that advance the goals for the SCP as outlined in the Panel recommendation above. Applicants may also be required to provide an executed agreement among the parties that delineates the specific details of the collaboration. Other objective criteria may be developed and required to demonstrate that station collaboration projects will result in overall system impact and serve as a proof-of- concept model for strategic alignment within the public radio system.

Therefore, establishing solid and clear eligibility criteria, along with tightening up expected outcomes, is essential before the SCP is finalized and implemented. The Panel urges CPB to work with panel members or other system representatives to draft a fully outlined program. The specific details of the SCP will be drafted for review with system representatives and internally by CPB counsel for statutory compliance. The Station Collaboration Program will only be implemented after successfully completing this process.

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Radio CSG Review: Policy Recommendations

Policy: Entry/Re-Entry into Program

Current Policy	Proposed Policy	Change Summary/Notes
<p>Any licensee of a full-power non-commercial educational radio station operating under a valid renewable license issued by the United States government that meets or exceeds both the eligibility criteria set forth in the Radio Community Service Grant General Provisions and Eligibility Criteria (of which only a limited number shall become Grantees each year), and that submits an application during a Radio CSG application window, and is deemed qualified by CPB to receive a Radio CSG.</p>	<p><u>NO CHANGE</u> Any licensee of a full-power non-commercial educational radio station operating under a valid renewable license issued by the United States government that meets or exceeds both the eligibility criteria set forth in the Radio Community Service Grant General Provisions and Eligibility Criteria (of which only a limited number shall become Grantees each year), and that submits an application during a Radio CSG application window, and is deemed qualified by CPB to receive a Radio CSG.</p> <p>NEW: Applicants for Entry/Re-entry into the program will be required to meet the fully phased in changes to minimum NFFS including cash minimum, and staffing.</p>	<p>Applicants for Entry/Re-entry into the program will be required to meet the fully phased in changes to minimum NFFS, including cash minimum, and staffing.</p>
<p>Comments: The Panel endorses an open CSG program to which stations may apply annually. The American public benefits from a strong system of public radio stations providing significant public service, and the federal investment should be available to qualified entities providing it. Keeping the program open also allows for potential increased investment in services to unserved and underserved audiences.</p> <p>The panel has discussed the need for stations to be adequately resourced. We are recommending increases in minimum NFFS and staffing to reflect what is required for a valued, sustainable service in a competitive and uncertain funding environment. The recommended increases to minimum requirements will be phased in over time to allow current grantees to make operational adjustments and avoid sudden and highly disruptive cessation of CSG funding that could impact local service to their communities. New applicants will be expected to meet the fully phased-in new minimum standards at the time of application for acceptance into the CSG program to better ensure that their public service is sustainable over time.</p>		



Radio CSG Review: Policy Recommendations

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