

**MINUTES  
PUBLIC SESSION  
BOARD OF DIRECTORS  
CORPORATION FOR PUBLIC BROADCASTING  
WASHINGTON, D.C.  
Thursday, February 27, 2020**

**Call to Order**

Chair Ramer called to order the public session of the Board of Directors at 3:02 pm Eastern Time. The following directors participated

Bruce M. Ramer, Chair;  
Patty Cahill, Vice Chair (joined at 3:07 pm Eastern Time);  
Ruby Calvert;  
Judith Davenport;  
Miriam Hellreich;  
Robert Mandell;  
Laura G. Ross; and  
Liz Sembler.

The following officers and staff were also in attendance:

Patricia Harrison, President and Chief Executive Officer;  
Michael Levy, Executive Vice President and Chief Operating Officer;  
Teresa Safon, Senior Vice President, Chief of Staff and Corporate Secretary;  
West Smithers, Senior Vice President and General Counsel;  
Bill Tayman, Chief Financial Officer and Treasurer;  
Stephanie Aaronson, Senior Vice President, Engagement;  
Anne Brachman, Senior Vice President, Government Affairs;  
Ted Krichels, Senior Vice President, System Development and Media Strategy;  
Kathy Merritt, Senior Vice President, Journalism and Radio;  
Maja Mrkoci, Chief Content and Innovation Officer;  
Deb Sanchez, Senior Vice President, Education and Children's Content Operations;  
Michael Fragale, Vice President, Educational Programming and Services;  
Kimberly Howell, Inspector General;  
Nick Stromann, Vice President and Controller; and  
Sarah Kildall, Board Affairs Manager.

The following representatives from Grant Thornton were also in attendance:

Lisa Lipsky, Audit Partner; and  
Chris Pentin, Senior Audit Manager.

**Adoption of Agenda and Determination of Closed Status**

Chair Ramer called for a motion to adopt the meeting agenda and close the meeting for agenda items 7 through 9. Upon motion duly made and seconded, the agenda was unanimously adopted as presented.

### **Invitation to Disclose Conflicts of Interest**

In accordance with the CPB Code of Ethics for Directors, Chair Ramer invited directors to disclose possible conflicts of interests regarding the meeting agenda. There were none.

### **Approval of Minutes**

Chair Ramer called for a motion to approve the minutes of the public session of December 9-10, 2019. Upon motion duly made and seconded, the minutes were unanimously approved as presented.

### **Chair's and Directors' Remarks**

Chair Ramer noted for the record that the Board adopted two resolutions via unanimous written consent, a resolution regarding board meeting dates for the remainder of calendar year 2020, and a resolution of condolence for the family and friends of Jim Lehrer.

Chair Ramer noted the resolution and materials proposing to establish an Interconnection Committee of the Board, to be chaired by Ms. Cahill with Amb. Mandell and Ms. Calvert as members, with the enclosed committee charter. Chair Ramer called for a motion to adopt the resolution. Upon motion duly made and seconded, the resolution was unanimously approved as presented.

### **President's Report to the Board**

Ms. Harrison reported on activities from the first quarter of FY 2020 and CPB's appropriation status. On December 20, 2019, the President signed into law the Consolidated Appropriations Act of 2020 which provided CPB its first increased funding in 10 years – an advance appropriation of \$465 million for FY 2022, \$20 million for interconnection and \$29 million for Ready To Learn. The Administration is proposing to rescind all but \$30 million for FY 2021 and 2022 however CPB remains encouraged by the strong bipartisan support from members of Congress.

Ms. Harrison reported that last August the Board approved CPB management's submission of an appropriations request to OMB for an amount up to \$520 million. After consultation with the national organizations, CPB submitted a FY 2021/2023 appropriations request of \$515 million on February 10. In addition, CPB requested \$20 million for public broadcasting interconnection and infrastructure, \$30 million for Ready To Learn and \$20 million for a new Department of Homeland Security equipment grant fund.

Ms. Harrison reported the third annual Public Media Thought Leader Forum, which took place on January 27 in Washington, D.C., focused on identifying innovative ways public media can connect with pre-teens and older youth. At the forum, CPB announced a new partnership with the Joan Ganz Cooney Center and Sesame Workshop for a research project that investigates and better understands media habits and needs of children ages 8-18. This research will provide public media with data on youth interaction with media and assist with creating content tailored to their interests. The Forum also featured Trax, the CPB-funded podcast network for pre-teens and teens (ages 9-13) that provides free, on-demand audio content that is diverse in genre, format, style and voice.

Ms. Harrison reported on the APTS Public Media Summit which took place February 24-26, 2020. The CPB-hosted lunch session focused on American Graduate over the past nine years. Ms. Harrison reported that Congressman Raja Krishnamoorthi (D-IL) plans to introduce legislation inspired by the American Graduate initiative that will establish a grant program at the U.S. Department of Education for content and services that address local economic needs and workforce development for in-demand jobs. Board members Ruby Calvert, Robert Mandell and Liz Sembler attended the CPB lunch session, and after the conference, joined Ms. Harrison on Capitol Hill to present the American Graduate Champion Award to Congressman Krishnamoorthi.

Ms. Harrison reported on CPB's leadership role supporting content and services; advancing digital technology and opportunities for stations; strengthening journalism collaboratives and their work covering the 2020 election; strengthening the system through a forward-leaning and effective interconnection system; and telling the stories of a diverse America through content that strengthens our civil society. Ms. Harrison concluded her report.

### **Committee Chair Report – Audit and Finance Committee**

Ms. Sembler reported that the Audit and Finance Committee met telephonically on February 13. Committee members Cahill and Ross participated as well as Chair Ramer, ex officio, for a portion of the call. The committee heard from Lisa Lipsky and Chris Pentin from Grant Thornton, which issued an unmodified, or clean opinion on CPB's FY 2019 financial statements. The committee had an in-depth discussion about the audit and recommends it to the CPB Board for acceptance today. The committee also heard reports from Mr. Tayman on CPB's financial statements through December 31, 2019 and CPB's investment performance in FY 2019. Inspector General Kimberly Howell provided an update on the work of the Office of the Inspector General (OIG). She also reported that the OIG found no issues with the financial audit reports. In executive session, the committee reviewed supplemental financial reports and discussed the audit contract for FY 2020, which will also be discussed in executive session later today.

### **Report on FY 2019 Audited Financial Statements**

Mr. Tayman reported that Grant Thornton issued a clean audit of CPB's FY 2019 financial statements with no findings on their uniform guidance audit. Mr. Tayman reviewed the financial statements and reported on CPB's assets, expenses and cash flow. Receivables decreased from \$22.2 million in FY 2018 to \$20.7 million in FY 2019. Property and equipment increased in FY 2019 reflecting the office renovation costs, and total assets decreased from \$237.6 million at the end of FY 2018, to \$235.5 million at the end of FY 2019. Total liabilities decreased by \$19.4 million, driven by a new lease incentive obligation of \$1.9 million in FY 2019.

Mr. Tayman reported that FY 2019 was the first year of the new presentation showing net assets as "without donor restrictions" – total net assets without donor restrictions saw an increase of \$17.2 million, while total liabilities and net assets saw a decrease of \$2 million from FY 2018. Revenue of \$498 million increased by almost \$5 million over FY 2018, as a result of increased investment income. Total expenses were \$481 million, down from \$549 million in FY 2018. Net assets were up \$17.2 million at the end of FY 2019, totaling \$101.4 million. Cash and cash equivalents increased by \$57 million over FY 2018, to \$91 million. This increase was driven by a \$60.6 million reduction in short term investments in FY 2019. Mr. Tayman reported on the requirement to report natural expenses, which were included as a new report found on page seven of the financial statements, and ended his comments with references to the clean uniform guidance report.

Ms. Calvert asked about FY 2019 decline in interconnection expenses compared to FY 2018. Mr. Tayman reported that FY 2018 includes the expense of CPB multi-year contracts with both PBS and NPR for the new interconnection systems being developed.

Ms. Lipsky reported that Grant Thornton had unmodified opinions, identified no material weaknesses and reported no significant deficiencies in the financial statements. CPB management had no communication with other accountants or audit firms. Grant Thornton had an open dialogue with CPB management throughout the year and CPB provided full access to books, records and attorneys, and there were no missing disclosures. Ms. Lipsky reported that there were no deficiencies as a result of Grant Thornton's audit testing.

#### *Resolution*

Chair Ramer called for a motion to approve the resolution to accept the FY 2019 Audited Financial Statements. Upon motion duly made and seconded, the resolution was adopted unanimously.

#### **Future Agenda Items**

Chair Ramer asked if there were any suggestions for future agenda items. Ms. Calvert requested that the general managers of the Phoenix public broadcasting stations participate in the April board meeting and share their thoughts on the interconnection system. Amb. Mandell suggested that Kiehen Kitchen be invited to speak at a future board meeting.

#### **Executive Session**

At 3:52 pm Eastern Time, Chair Ramer closed the meeting for an executive session.

*[The minutes for these discussions are contained in the executive session record of February 27, 2020.]*