

**MINUTES  
PUBLIC SESSION  
BOARD OF DIRECTORS  
CORPORATION FOR PUBLIC BROADCASTING  
WASHINGTON, D.C.  
Monday, April 17 – Tuesday, April 18, 2023**

**Call to Order**

Chair Ross called to order the public session of the Board of Directors at 9:33 am Eastern Time on Monday, April 17, 2023. The following directors were in attendance:

Laura G. Ross, Chair;  
Ruby Calvert, Vice Chair;  
Miriam Hellreich;  
Kathy Im;  
Diane Kaplan;  
Bruce M. Ramer (attended virtually); and  
Liz Sembler.

Tom Rothman was absent.

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;  
Anne Brachman, Senior Vice President, External Affairs;  
Stacey Decker, Senior Vice President, Innovation and System Strategies;  
Kathy Merritt, Senior Vice President, Radio, Journalism and CSG Services;  
Deb Sanchez, Senior Vice President, Educational Media and Learning Experiences;  
Kathryn Washington, Senior Vice President, Television Content;  
Stephen Wilkins, Senior Vice President, DEI;  
Stephen Wolfe, Chief Technology Officer, Senior Vice President, Information Technology;  
Kimberly Howell, Inspector General;  
Kate Arno, Vice President, Community Service Grants and Station Initiatives;  
Deborah Carr, Vice President, Operations and Strategy;  
Brendan Daly, Vice President, External Affairs and Communications;  
Michael Fragale, Vice President and General Manager, Education Strategy and Content;  
Beth Jacobs, Vice President, Digital Strategy and Innovation;  
Joy Lin, Vice President, Journalism;  
Cheraine Stanford, Vice President, Television Content;  
Beth Walsh, Vice President, System Strategies;  
Jacquie Gales Webb, Vice President, Radio; and  
Sarah Kildall, Board Affairs Manager.

The following guests were also in attendance:

Will Lee, Chief Operating Officer, NPR;  
 Debbie Cowan, Chief Financial Officer, NPR;  
 Gemma Hooley, Senior Vice President for Member Partnership, NPR;  
 Marta Ross, Vice President of Government & External Affairs, NPR;  
 Steve Bass, President and CEO, Oregon Public Broadcasting;  
 Ju-Don Marshall, President and CEO, WFAE;  
 Greg Petrowich, President and CEO, WFYI;  
 Tom Rosenstiel, Author, Journalist, Press Critic, and Professor on the Future of Journalism, Philip Merrill College of Journalism at University of Maryland;  
 Quentin Hope, Independent consultant and adjunct faculty member, Poynter Institute;  
 Mollie Kabler, Executive Director, CoastAlaska;  
 David Lowe, President and General Manager, KVIE; and  
 Sitara Nieves, Vice President, Teaching and Organizational Strategy, Poynter Institute.

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

Chair Ross called for a motion to adopt the agenda and close the meeting for agenda items 9 and 10. Upon motion duly made and seconded, the agenda was adopted as presented.

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

In accordance with the CPB Code of Ethics for Directors, Chair Ross invited directors to disclose possible conflicts of interest regarding the meeting agenda. Ms. Sembler noted her previous service on the foundation board of the Poynter Institute for Media Studies. Mr. Smithers found no conflict with the upcoming agenda item about the CPB Digital Transformation Program managed by the Poynter Institute. There were no further disclosures.

### **Approval of Minutes**

Chair Ross called for a motion to approve the minutes of the public session of the February 15, 2023, meeting. Upon motion duly made and seconded, the minutes were approved as presented.

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

Chair Ross welcomed board members Kathy Im and Diane Kaplan to their first in-person meeting and thanked guest speakers for joining the meeting. She noted that the agenda focuses on the important topics of journalism, innovation, public safety, and public media's Community Service Grant (CSG) program. No other directors offered remarks.

### **President's Report**

Ms. Harrison reported that in February she submitted testimony to the Labor, Health and Human Services, Education, and Related Agencies (Labor-H) and Homeland Security appropriation subcommittees in support of CPB's FY 2024 funding requests. She expressed appreciation for the funding support from the Administration and bipartisan support from both the House and the Senate.

Ms. Harrison reported on CPB engagement with the public media system through meetings with the general managers and events at conferences. In February, CPB hosted a session for public media professionals at the American Public Television Stations (APTS) Public Media

Summit in Washington, D.C. The session discussed CPB's role as steward of the federal appropriation and featured a discussion between *PBS NewsHour* Senior Correspondent Judy Woodruff and [former] Sen. Roy Blunt (R-MO) about public media's value as a trusted provider of educational and informational content. In March, CPB convened the first of a three-meeting series of public media general managers. The goal of this series is to connect with both new and long-serving public television and radio general managers, who lead stations diverse in size and geography, and to better understand the challenges they face as they strive to meet the needs of their communities. Ms. Harrison reported that CPB is also working with general managers to consider recent and potential changes to the television and radio CSG program.

Ms. Harrison reported on CPB and public media's work with America250 and the "More Perfect" initiative. She will meet with Rosie Rios, the chair of the United States Semi-quincentennial Commission (the non-partisan commission appointed by Congress) to discuss opportunities for public media to participate. CPB also continues to partner with More Perfect, a collaboration of 12 Presidential Centers, the American Academy of Arts and Scientists, the Karsh Center for Democracy at the University of Virginia, and more than 100 organizations focused on the advancement of democracy goals. Ms. Harrison also reported on her participation in a recent More Perfect event to discuss increasing civics education and access to fact-based news and information.

Ms. Harrison addressed Twitter's recent erroneous label of NPR and PBS as "state-affiliated media," the same term Twitter assigns to propaganda outlets in autocratic countries. It was subsequently amended to "government-funded media" – which is still disinformation. Congress created CPB to steward taxpayer dollar in support of a universal public media service, and specifically focused on ensuring that this service would afford "maximum protection from extraneous interference and control." This protection is also referred to as the firewall of independence for journalists and content creators. While CPB is the largest single source of funding for public radio, television, and related online and mobile services, public media's strength is that its funding comes from many sources including small and large donations from listeners and viewers throughout the country. Public media stations raise on average more than six times the amount of the federal funds they receive from CPB. This enables public media to act independently and in the public interest, and why public media is the most trusted institution for news and educational programming. CPB's mission is to ensure that trust continues. Ms. Harrison concluded her report.

### **Update from NPR**

Chair Ross welcomed NPR Chief Operating Officer Will Lee, and NPR Chief Financial Officer and Treasurer Debbie Cowan, to speak about the media environment and NPR's plans for the future. NPR Senior Vice President for Member Partnership Gemma Hooley, and Vice President of Government and External Affairs Marta Ross, were present as well.

Mr. Lee thanked Ms. Harrison and the Board for the opportunity to provide an update on the state of NPR, address the organization's revenue shortfall, and present NPR's plans to ensure sustainability. Mr. Lee noted the role of the NPR Network, a network of over 200 newsrooms, all NPR member stations, and the importance of NPR's partnership with CPB in their plans.

Mr. Lee reported that at the December meeting of the CPB Board, he highlighted the four trends that shaped NPR's planning: 1) proliferation of mis- and disinformation in our society;

2) the crisis in local journalism; 3) the rise of on-demand content consumption; and 4) the growing diversity of America and NPR. These four trends continue to guide NPR's strategic planning.

Ms. Cowan reported that sponsorships are NPR's largest source of revenue. In the summer of 2022, economic uncertainty began to slow sponsorship orders, followed by increased order cancellations. FY 2022 sponsorship levels were 22% lower than in the previous fiscal year. Within NPR's sponsorship portfolio, two of their largest sectors, technology and finance, were hit the hardest. Station fees and philanthropy remained stable.

Ms. Cowen reported that NPR experienced a \$30 million revenue gap and that there were no indications of a recovery in sponsorship orders. NPR is focused on reining in spending and reducing its cost structure. The largest percentage of NPR's costs is staff, followed by content acquisition. NPR made the difficult decision to reduce staff by 15% and eliminate vacant positions. She reported that NPR has successfully negotiated with two of the three unions and are in negotiations with the third for additional eliminations. Additionally, NPR temporarily suspended its internship and fellowship programs; ceased production of four NPR podcasts; cut discretionary spending (travel, conferences, training); and closed one international bureau. The second part of NPR's budget roadmap will involve the Foundation Trustee Board and the NPR Board of Directors and special distributions to complement the cost structure reductions already in effect. NPR's budget for FY 2024 will be \$26 million lower than the previous year.

Ms. Sembler asked about the special distributions request and NPR's endowment funds. Ms. Cowan reported that the NPR Foundation began with a donation in 2004. The request to the boards will be above and beyond the normal endowment spending. Ms. Sembler and Mr. Ramer asked if commercial media is also experiencing reductions in sponsorships/advertising. Ms. Cowan reported that advertising buyers have reduced spending across all media due to economic uncertainty. Ms. Kaplan asked what areas are experiencing the most losses in sponsorship revenue. Ms. Cowan reported that the sponsorship revenue is divided among broadcast, podcasts, digital, and events, and podcasts are experiencing the greatest losses in sponsorships. Ms. Calvert asked about monetizing streaming, raising station dues, and adopting a platform like PBS Passport. Mr. Lee reported that NPR monetizes voice streams, such as podcasts, through connected devices as well as audio content on platforms like YouTube. NPR is not contemplating raising dues. It is working on leveraging the NPR Network to generate more digital donations and to create an ecosystem where NPR and station revenue can grow together. Ms. Cowan noted that NPR sponsorship funds are applied to NPR operations, while philanthropy or development funds are targeted for specific programs.

Mr. Lee reported on NPR's evolving business model for the future and their guiding principles: 1) less reliance on sponsorships; 2) the value of stations and assessing the fee model; 3) driving donations from audiences (pledge drive 2.0) and station fundraising; 4) maximizing the value of NPR content and talent; and 5) identifying new revenue sources such as NPR in television and film. Another piece is evolving the company and making it more resilient in the future, including changing the executive team and adding a chief content officer position.

Mr. Lee reviewed NPR's strategic principles (audience, network, sustainability and support) that serve as the fundamental pillars of NPR's strategic roadmap, with NPR's North Star being to diversify the audience to reflect, serve and inspire America.

Mr. Lee reported on the NPR Network and his work visiting stations over the last year. The goal of the NPR Network is to maximize the power of local-national journalism and arts and cultural programming to reach future audiences and drive their support. Mr. Lee reported on the NPR Network content and the CPB-supported Grove content management system. To date, 194 stations are operating 210 sites (some stations running multiple sites) on Grove. In 2023, 15 more stations will join Grove as well as 49 stations with both NPR and PBS functionality. A key performance indicator (KPI) is sharing over 100 digital pieces across Grove on a daily basis.

Mses. Sembler and Hellreich asked about measuring civic engagement and overall progress of NPR's strategic roadmap. Mr. Lee reported that civic engagement varies depending on the market. While there is not an across-the-board metric yet, creating content that ignites interest in topics of local importance is part of it. Instituting a system of objectives and key results will hold NPR more accountable for achieving results. Working with the stations is a great opportunity to change at scale, address problems, operate and deliver NPR's world-class journalism to all parts of the audience – locally, nationally and internationally – and thrive in the competition for audience attention.

Ms. Kaplan asked if there has been analysis of audience loss and tracking of investment returns on philanthropy dollars. Mr. Lee reported that audience fluctuation has different factors including working against commercial companies like Amazon, Spotify and iHeartMedia, Inc. in the media/podcast space. iHeartMedia, Inc. has 900 shows and is number one in the country while NPR has 49 shows and is number three – a statistic that is very telling of NPR's strong audience. Ms. Cowan reported that during economic downturns there is an increase on the individual giving side with 40 percent individual and 60 percent institutional.

Discussion ensued about NPR statements that characterize the level of federal support as “only one percent” of its funding. Ms. Cowen reported that this has been a general statement that NPR uses to respond to the many inquiries about funding. One percent is an on-average percentage representing funding from CPB for regular NPR operations. Last year this included funding for Grove, collaborative journalism, international journalism and funding for competitive grants directly from the federal government. This amount does not include funding for the Public Radio Satellite System (PRSS) which is not considered part of NPR regular operations. Mr. Lee noted that NPR's website speaks to how essential government funding is to NPR and its stations Ms. Harrison discussed the importance of language and the implications of the modifier “only.” Ms. [Marta] Ross spoke to her work with Ms. Brachman on the Hill explaining the value of government funding for local stations and the essential investment for the system.

Chair Ross asked if NPR's Super Bowl coverage attracted younger audiences. Mr. Lee reported that they do not have that information yet, but that the future chief content officer will be looking into new subject areas for NPR, such as sports, travel, and food.

Mr. Lee concluded his remarks, thanked CPB for its support, and reaffirmed NPR's commitment to working more intentionally to create an attainable and bold public media future.

Chair Ross thanked the NPR guests for their presentation.

*Chair Ross called for a break at 11:02 am Eastern Time.*

*The meeting resumed at 11:21 am Eastern Time.*

## **Update on Local Journalism**

Chair Ross welcomed Steve Bass, president and CEO, Oregon Public Broadcasting; Ju-Don Marshall, president and CEO, WFAE; Greg Petrowich, president and CEO, WFYI; and Tom Rosenstiel, professor on the Future of Journalism, Philip Merrill College of Journalism at University of Maryland.

Ms. Merritt, senior vice president of Radio, Journalism and CSG Services, reported on CPB-supported local and regional journalism collaborations and their work to bring trusted news to communities in news “deserts.” America Amplified and the Editorial Integrity and Leadership initiatives help ensure that communities are informed, and that public media journalists have training and support.

Mr. Rosenstiel reported on the crisis facing local journalism – there are 50% fewer journalists than there were 20 years ago – and highlighted the opportunities for public media. Research has shown that local journalism unites people and communities through coverage of common issues such as infrastructure or sports. Local media organizations that have sought to diversify their audiences have seen increased readership/viewership when they have focused on local content. Mr. Rosenstiel reported on public media stations that have used their different brands to reach new audiences, among them WAMU’s DCist in Washington, D.C., and KPCC’s LAist in California. He reported on engaged journalism and interviewing community members to find out their concerns.

Mr. Bass reported on the evolution of Oregon Public Broadcasting (OPB) over the last 17 years from a station that broadcasts news content to a news organization that operates stations – an evolution that occurred alongside the decline of local and regional newspapers. He noted that the term “station” puts emphasis on the distribution function rather than community impact and engagement. By focusing on local news coverage, OPB grew its audience and support. CPB’s funding made possible multiple OPB initiatives, including a daily talk show and a regional journalism collaboration in the Northwest. OPB has adopted a multi-platform strategy for creating and sharing content and has partnerships both in and out of public media. OPB is currently the largest journalism operation in Oregon with 70+ journalists and devotes 25% of its budget and 30% of personnel to local journalism – approximately \$10 million per year.

Mr. Petrowich reported that WFYI’s newsroom is funded by local foundations that are interested in the community impact of news stories rather than “clicks” received. WFYI has covered the opioid crisis and worked with America Amplified on election journalism. WFYI has three primary news desks – health, education and policy – each with its own community engagement specialist embedded in the community, leading to greater impact in reporting.

Ms. Marshall affirmed the importance of stations engaging with the communities they serve. WFAE has expanded its footprint through collaborations and partnerships with other newsrooms, academic and arts institutions, and ethnic media companies. WFAE’s collaborations help to reach underserved communities, fill content gaps in the local market, create talent pipelines, and allow for more innovation. WFAE’s reporters are embedded within the local library system to create library-specific programming. Other collaborations covered the financial toll of COVID-19 on local Black and Latino residents. Community events included a podcast festival and a journalism collaboration to discuss key issues like affordable housing. People who traditionally do not come to public media engage with these news stories and forums and see themselves reflected in journalism.

Discussion ensued about what journalism means today. Mr. Rosenstiel reported that journalism standards were put in place when there few news sources. The current multitude of information providers raises the bar for what creates value for the audience. Today's journalists seek to serve and understand the community.

Mr. Rosenstiel reported on solutions journalism, the concept that journalism should not just report problems, it should also report on the actions people are taking to combat those problems. Mr. Petrowich spoke about the importance of brand recognition for the community to turn to public media for trusted journalism, inspirational stories, and lifelong learning. Ms. Marshall noted that this trust comes from engaging with the community. Mr. Bass reported that traditional journalism tools are important but as journalism evolves it is important to find new tools and approaches that better fit communities.

Discussion continued about the role of public media stations in the community. Mr. Bass reported that OPB leads with being a journalism organization that is local and community first. Ms. Marshall reported that WFAE also brands itself a journalism organization and community builder. Mr. Petrowich spoke to the question of advocacy being a part of WFYI's community building. As an organization, WFYI advocates for humanity and equality but do not advocate for specific issues. Ms. Sembler asked about the process for choosing community partners and partner foundations. Mr. Petrowich noted the importance of compatible missions as well as editorial independence.

Ms. Calvert asked about increasing the presence of journalists in rural areas. Ms. Marshall reported on collaborations with universities to find and mentor journalism students; both WFAE and OPB have fellowship opportunities for journalists. Mr. Bass reported that OPB hires journalists from outside of public media. Mr. Petrowich discussed the challenges of relocating journalists and the benefits of hiring outside of the coverage area.

The panelists thanked CPB for its support and guidance, noting that the public media system benefits from opportunities to share information and strategies.

Chair Ross thanked the guest speakers for their presentations.

*The meeting adjourned for lunch at 12:47 pm Eastern Time.  
The meeting resumed at 1:50 pm Eastern Time.*

### **Update on CPB Digital Transformation Program with Poynter Institute**

Chair Ross welcomed guest speakers: Quentin Hope, independent consultant and adjunct faculty member at Poynter Institute; Sitara Nieves, vice president, Teaching and Organizational Strategy at the Poynter Institute; Mollie Kabler, executive director, CoastAlaska; and David Lowe, president and general manager of KVIE; as well as Stacey Decker, CPB senior vice president of Innovation and System Strategies and Beth Jacobs, CPB vice president of Digital Strategy and Innovation.

Mr. Decker reported on the effects of the digital transformation. CPB investments in technology and services are helping stations connect with their audiences and make the most of digital fundraising opportunities.

Ms. Jacobs reported that in 2021, CPB selected the Poynter Institute to customize and implement a virtual Digital Transformation Program (DTP) for 75 public media stations leaders and their team members, and the five National Multicultural Alliance (NMCA) organizations.

The first two cohorts (39 station leaders and 220 senior station digital personnel) successfully completed the program. The next two cohorts will complete the program in May and August of 2023, respectively. Ms. Jacobs introduced the principal co-leads of the program, Mr. Hope and Ms. Nieves.

Mr. Hope reported on the importance of this program in today's media landscape. To successfully build local digital audiences, public media organizations must make strategic choices about platforms, content and technology, and understand the organizational and cultural changes necessary to facilitate digital transformation, while maintaining their traditional broadcast operations. These challenges have informed the design of the DTP.

Mr. Hope reported further on the design and scale of the program, which applies a multi-layered approach for digital transformation and is customized for the four cohorts and their respective stage of digital development. The program curriculum includes each organization defining a digital project with set goals that include either new audience growth or new revenue growth. Poynter coaches work with the station teams by providing training, tools, and coaching support to achieve the goal, using an audience-first approach.

Ms. Nieves reported on her experience as a program co-lead and coach who leads the executive track for public media CEOs and general managers. Program results fall into two categories: performance challenge results (community growth, audience growth, revenue growth and starting to build new platforms and products) and key organizational changes (breaking down internal silos, achieving better cross-departmental collaboration, creating greater operational effectiveness, and working with more agility). Specific impacts of the program include growth of organizations' website traffic, new newsletter subscribers and podcast listeners, as well as increased revenue, sponsorships and donations.

Ms. Nieves reported on the leadership track designed to help station leaders manage more effectively during times of change, which has also springboarded organizational growth with a new way of thinking about transformation. The organizations that have participated in this program have started to adopt new strategies, build and distribute new local content on digital platforms, and focus on metrics and data to track and measure digital performance and better inform decisions. Completing the program is a launching point for continued growth and transformation.

Ms. Im asked if the DTP includes grants or monetary support to stations. Ms. Nieves reported that funding covers training, coaching and the peer group structure while the implementation of new activities falls to the stations.

Ms. Kabler reported on CoastAlaska's experience in the DTP. CoastAlaska, a group of small rural stations in Alaska, applied to the DTP for help with creating digital content and building digital audiences. The program helped CoastAlaska focus on providing consistent and more diverse content on Instagram and align news coverage with timely regional events. CoastAlaska improved its organizational and collaborative skills, developed a better understanding of digital platforms, expanded its production capabilities, and has become a more inclusive and trusted institution. CoastAlaska achieved a 32% growth in newsletter subscribers over the time in the program, and its newsroom started using data and analytics to understand, reach and serve digital audiences. The DTP was able to provide a framework, tools and training around understanding local audience needs and ultimately driving new audience revenue. Ms. Kabler is thankful her organization had the opportunity to participate in this initiative.

Ms. Calvert asked how CoastAlaska has been using analytics and what has changed since the program. Ms. Kabler reported that prior to the program, CoastAlaska did not use analytics; the DTP is what made her organization start tracking specific digital metrics. The DTP has helped increase CoastAlaska's capacity and guide the work necessary for its digital transition.

Mr. Lowe applied to the DTP to rally his staff during the height of the COVID-19 disruption. He reported on the program's focus on inclusion and showing staff that digital is everyone's responsibility because it is part of every aspect of the organization. KVIE chose Instagram as their digital project challenge and reported on ways they engaged younger audiences on Instagram. Through staff collaboration, his team created their digital voice "Charley" (Connector, Humorous, Authentic, Relatable, Likeable, Engaging, and Youthful), a concept that has been adopted by other stations in their cohort to reach younger audiences. Mr. Lowe reported on KVIE's work to rebrand their station to millennials, with the goal of continued connections through broadcast television, website visits, or the PBS App. KVIE has leveraged digital analytics and metrics to help their organization think about content in a new way and how to thrive as a media organization that has a foot in both broadcast and digital platforms.

Ms. Sembler asked Mr. Lowe if the goal is to grow the audience for the sake of the audience themselves or to drive the audience to the traditional products. Mr. Lowe reported that KVIE's goal specifically focused on millennials and growing that base audience through digital platforms. While this demographic may grow into a television audience, data shows that millennials are more likely to consume content via streaming applications and services such as the PBS application, so KVIE will meet them on the most appropriate channels/platforms. Ms. Calvert asked for specific data points and what is next for public media content. Mr. Lowe reported that the numbers for reaching millennials do not parallel Nielsen data because they are engaging and consuming content on different channels/platforms. Regarding content, it is not necessarily about distributing a 30-minute film to this demographic/audience, but rather meeting millennials on the channels/platforms where they are consuming content. PBS has done a good job utilizing their digital products (e.g., PBS Video app) and PBS YouTube channels to garner younger audiences.

Chair Ross thanked the panel for their presentations.

### **Future Agenda Items**

Chair Ross invited board members to share any suggestions for future agenda items, noting that she, Ms. Calvert, or Ms. Safon could also be contacted with suggestions after the board meeting.

### **Adjournment**

The meeting adjourned for the day at 3:00 pm Eastern Time

## **Public Session**

Public session resumed at 9:36 am Eastern Time on Tuesday, April 18.

### **Update on CSG Consultation Process**

Ms. Merritt, senior vice president for Radio, Journalism, and CSG Services, and Ms. Arno, vice president for CSG and Station Initiatives, provided an overview of the Community Service Grant Program policy review process.

Ms. Merritt noted that the Public Broadcasting Act directs CPB to provide formula-based Community Service Grants (CSGs) to public television and radio stations and to periodically review the CSG formula and eligibility criteria in consultation with system. A review of the CSG program and changes to policy are developed through a series of meetings and communications in consultation with representatives of stations and national public media organizations. The input that CPB obtains from the public media system informs CPB's policy recommendations to the CPB Board. Changes to CSG program policies require the Board's approval.

CPB has now begun a review of radio and television CSG program policy. Any policy changes from the current review will be presented to the Board in December 2023. Any changes to the CSG program will be effective in FY 2025.

Ms. Merritt said that the primary purpose of the 2023 CSG review is to evaluate the significant policy changes made in the 2019 review, to assess whether they achieved their objectives – addressing the growing gap in revenue between large and small/medium grantees – and are strengthening the public TV and radio systems. CPB is working with Pacey Economics to analyze data from the past three years.

Ms. Arno provided an overview of how CSG funds are calculated, noting three key components: base grants, supplemental grants, and incentive grants. Discussion ensued regarding rural and sole service radio stations. Ms. Merritt reported that grants to rural radio stations total 1% of the federal appropriation. There are 12 sole-service stations, including nine in Alaska, and they have different program eligibility requirements, such as no minimum for non-federal financial support or staff levels.

Chair Ross asked about CPB's grant calculation software program. Ms. Arno replied that CPB has had a customized, proprietary, online grant calculation system, the Integrated Station Information System (ISIS), as well as an Excel document for quality control. Ms. Hellreich asked how a station receives a tribal designation. Ms. Arno responded that CPB follows federal designations for tribal entities.

Chair Ross asked where the formulas for calculating the grant amounts come from. Ms. Merritt responded that some are the result of policies developed during the review panels, while some are set by statute. Ms. Calvert inquired about the guidelines for NFFS criteria, including the policy that money raised for capital campaigns will not be matched. Ms. Arno replied that all the criteria are listed in the Financial Reporting Guidelines. In 2000, when the system switched from analog to digital, some television stations were raising very large amounts of money for the transition, so the Board voted to exclude funds raised for capital expenditures from NFFS for TV stations because they were skewing funding distribution to the overall system. FEMA grants will not count toward NFFS because they are federal funds.

Ms. Sembler thanked Ms. Merritt and Ms. Arno for the thoughtful selection of review panel members and for their update. Ms. Kaplan noted that the attention and care given to rural and minority stations is heartening.

Chair Ross noted that the topic of the CSG review process will be revisited at future board meetings, and final recommendations will be presented to the Board in December 2023.

### **Executive Session**

At 10:55 am, Chair Ross closed the meeting for an executive session. The meeting adjourned in executive session.

*[The minutes for these discussions are contained in the executive session record of April 18, 2023.]*