

**MINUTES
PUBLIC SESSION
BOARD OF DIRECTORS
CORPORATION FOR PUBLIC BROADCASTING
WASHINGTON, D.C.
Monday, December 11, 2023**

Call to Order

Chair Ross called to order the public session of the Board of Directors at 9:30 am Eastern Time on Monday, December 11, 2023. The following directors were in attendance:

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

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;
Bill Tayman, Chief Financial Officer and Treasurer;
West Smithers, Senior Vice President and General Counsel;
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 (*virtually*);
Kathryn Washington, Senior Vice President, Television Content;
Stephen Wilkins, Senior Vice President, DEI;
Stephen Wolfe, Chief Technology Officer, Senior Vice President, IT;
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;
Sarah Kildall, Board Affairs Manager; and
Katherine Donohue, Executive Coordinator, Office of the Corporate Secretary.

The following guests were also in attendance:

Peter Kennedy, Principal, PRM Consulting;
 Andrew Weir, PRM Consulting;
 Steve Bass, President and CEO, Oregon Public Broadcasting (OPB) (*virtually*);
 Jennifer Dorian, President and CEO, WABE, Atlanta, GA;
 Lackisha Freeman, General Manager, WNCU, Durham, NC;
 Christina Kuzmych, General Manager, Wyoming Public Media;
 Luis Patiño, CEO, Austin PBS;
 Susan Rogers, Executive Vice President & General Manager, WXXI Public Media;
 Neal Shapiro, CEO, WNET(*virtually*);and
 Ed Ulman, President and CEO, Alaska Public Media (AKPM).

Adoption of Agenda and Determination of Closed Status

Chair Ross called for a motion to adopt the revised agenda and close the meeting for agenda items 4 through 8. Upon motion duly made and seconded, the revised agenda was unanimously adopted.

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. There were none.

Approval of Minutes

Chair Ross called for a motion to approve the minutes of the public session of the October 16-17, 2023, meeting. Upon motion duly made and seconded, the minutes were unanimously approved as presented.

Chair and Directors' Remarks

Chair Ross thanked the members of the Board, CPB management and staff for their dedication and work throughout 2023.

Resolution of Condolence for Samuel Holt

Ms. Calvert read aloud the resolution of condolence for the family and colleagues of public media visionary, Samuel Holt. Chair Ross called for a motion to adopt the resolution of condolence. Upon motion duly made and seconded, the resolution was unanimously approved.

Resolution of Condolence for Maria Martin

Ms. Kaplan offered personal remarks about the life and work of public radio journalist, Maria Martin, and read aloud the resolution of condolence for the family and colleagues of Ms. Martin. Chair Ross called for a motion to adopt the resolution of condolence. Upon motion duly made and seconded, the resolution was unanimously approved.

Discussion of 2024 Board Meeting Schedule

Discussion ensued about board members' schedule conflicts with the June 2024 meeting date, and relocating the April 10-11 meeting from Los Angeles to Washington, D.C. The Board requested CPB present a date option for a virtual June meeting at its next board meeting.

Chair Ross called for a motion to adopt a revised 2024 meeting schedule with the April 10-11 board meeting in Washington, D.C. and a virtual June meeting date(s) to be determined. Upon motion duly made and seconded, the revisions were unanimously approved.

President's Report

Ms. Harrison reported on CPB's work over the last quarter, noting CPB support for local and national digital transformation initiatives, educational content for multiple platforms for preschool and elementary school children, American Graduate: Jobs Explained and partnerships with More Perfect and America250.

Ms. Harrison reported on CPB-funded projects that increased journalism capacity locally, nationally, and internationally. CPB issued a Request for Proposals for a second round of grants to support reporting on state government. Additionally, CPB has opened a second round of funding for the Editorial Integrity and Leadership Program 2.0, led by the Poynter Institute, to train editors and journalists on editorial integrity, ethics, and fact-based independent reporting.

Ms. Harrison reported on CPB's funding for diverse content, storytelling and local engagement and emergency response efforts to support stations damaged by hurricanes, wildfires, flooding, and other disasters. CPB worked to secure funding from FEMA and establish the Next Generation Warning System (NGWS) grant program to support public media's equipment and technology needs for emergency alerts.

Ms. Harrison reported that on November 17, President Biden signed into law the "Further Continuing Appropriations and Other Extensions Act, 2024," which provides FY 2024 appropriations to agencies funded through the Labor-H and Homeland Security appropriation bills through February 2, 2024. The continuing resolution (CR) has minimal impact on public media's funding due to CPB's two-year advance appropriation; it prorates interconnection funding based on FY 2023 funding of \$60 million through February 2; it does not impact Ready To Learn or NGWS funds since these programs are awarded at the end of the fiscal year. The Senate bills provide level funding for CPB's two-year advance, interconnection, and the Ready To Learn program, and \$53 million for the NGWS grant while the House only provided \$40 million for the NGWS grant.

Ms. Harrison reported that CPB's Radio, Journalism and CSG Services team has completed a comprehensive review of the Community Service Grant (CSG) programs for Radio and Television, which included appointing and convening and consulting with panelists representing television and radio stations and she expressed gratitude to the many staff for their time, service, and expertise over this year-long process.

Ms. Harrison concluded her report.

Executive Session

At 9:55 am, Chair Ross closed the meeting for an executive session. Public session resumed at 1:17 pm Eastern Time.

[The minutes for these discussions are contained in the executive session record of December 11, 2023.]

Public Session

Public session resumed at 1:17 pm Eastern Time.

CSG Program Overview and Review Process

Chair Ross welcomed Ms. Merritt, CPB's senior vice president of radio, journalism and CSG services, and Ms. Arno, vice president of CSG and station initiatives. Chair Ross also welcomed representatives from both the TV and radio CSG review panels, Steve Bass, President and CEO, Oregon Public Broadcasting (OPB); Luis Patiño, CEO, Austin PBS; Neal Shapiro, CEO, WNET; Ed Ulman, President and CEO, Alaska Public Media (AKPM); Jennifer Dorian, President and CEO, WABE, Atlanta, GA; Lackisha Freeman, General Manager, WNCU, Durham, NC; Christina Kuzmych, General Manager, Wyoming Public Media; and Susan Rogers, Executive Vice President & General Manager, WXXI Public Media, Rochester, NY.

Ms. Merritt reported that the Public Broadcasting Act requires CPB to conduct periodic reviews of the CSG policy in consultation with representatives of the public broadcasting system. When policy changes are recommended, the CPB Board of Directors is responsible for reviewing CPB management's recommendations for such changes and approving those it deems appropriate.

Ms. Merritt reported that CPB began convening TV and radio review panels in April 2023 for their respective feedback and insights. The last review of the CSG program took place in 2019, and with the approval of the CPB Board, CPB implemented significant policy changes to address the imbalance of incentive grants and provide more support to small and rural grantees. The new policies went into effect in FY 2021. The 2023 CSG program review's main purpose was to evaluate the impact of these substantive policy changes. Through a series of eight station review panel meetings (four for radio and four for TV, which included three virtual and one in-person session) and with CPB data analysis, the review process determined that the 2019 policy changes were effective and should remain in place with slight modifications. CPB management recommends maintaining current policies with a few modifications.

TV CSG Policy Recommendations

Mses. Arno and Merritt reported on the recommendation to maintain the base grant pool for the TV CSG program at 0.12% of the appropriation. All TV CSG grantees receive the same base grant amount. Messrs. Ulman and Patiño noted that stations, especially small and rural ones, rely on the base grant as a predictable, consistent revenue source. Mr. Bass noted that the single base grant approach is effective for television stations but differences in television station and radio station cost structures make it less suitable for radio stations.

Mses. Arno and Merritt reported on TV CSG incentive grants. It became apparent in recent years that incentive grants were becoming disproportionate. Small and medium size grantees that raised more nonfederal financial support (NFFS) were not receiving a commensurate increase in their incentive grants because larger grantees grew their NFFS at much higher rates. The 2019 review introduced a tiering system that distributes incentive funds more proportionately and applies an NFFS growth cap on stations with \$20 million or more in NFFS. The 2023 TV CSG review found that the 2019 incentive grant policy changes work as intended but recommended lowering the matching percentage in Tier 3 (over \$20 million in NFFS) from 95% to 80%.

Ms. Merritt reported on two other changes to the incentive grant calculations, the first is the proposed elimination of the NFFS growth limit for the largest grantees (including national producing stations WETA, GBH and WNET). The second uses a five-year average of NFFS for TV grantees with more than \$35 million in NFFS, which removes the volatility the largest grantees often see in their NFFS. Implementing the five-year average removes their ability to allocate NFFS to future years. These changes, along with the reduction in the NFFS match in Tier 3, will help maintain the proportionality of the incentive grant distribution for the next three to five years, when another CSG review will be needed. This is important because, as was the case in the years leading up to the 2019 incentive grant policy change, the largest grantees continue to increase their NFFS earnings at a rate that far exceeds other stations.

Messrs. Bass and Shapiro expressed their support for these changes because they promote predictability in CSG payments for all grantees and help large producing stations manage production budget swings. Mr. Ulman reported that the national producing stations' content is important to non-producing stations that can take national programming and localize it. In addition to incentive grants, the Universal Service Support Grant (USSG) provides additional funds that benefit small and rural stations. Ms. Sembler requested a presentation on the impact of these new policy changes on producing stations be a future agenda item.

Ms. Merritt reported on the recommendation regarding the USSG, a supplemental grant created in 2016 to help support universal service. CPB management suggested that the panel consider a 10% increase in the pool for the USSG, from 2% of the CPB appropriation to 2.2% of the appropriation, which the panel supported. Such an increase in FY 2025 would add an additional \$1.07 million to the CSG pool, with the greatest benefit accruing to the 92 smallest stations that make up the majority of the 158 TV CSG recipients.

Discussion ensued regarding how fundraising incentives could benefit station operations. Mr. Rothman requested a future presentation focusing on small and rural stations' fundraising efforts with attention to macro-economic factors, challenges and potential solutions.

Ms. Arno reported that the remaining three policies from 2019 were reviewed – Indirect Administrative Support (IAS) methodology; the second base grant merger; and the minimum NFFS eligibility requirements – and no changes were recommended.

The CPB Board and management thanked the review panelists for their time, expertise and insights.

Resolution re TV CSG Policy Recommendations

Following discussion, Chair Ross called for a motion to approve the recommended changes to TV CSG policy as presented in CPB management's report to the Board and the enclosed resolution. Upon motion, duly made and seconded, the resolution was unanimously approved as presented.

Chair Ross called for a break at 2:54 pm Eastern Time.

The meeting resumed at 3:01 pm Eastern Time.

Radio CSG Policy Recommendations

Chair Ross welcomed Mses. Arno and Merritt and the radio CSG panelists.

Ms. Merritt reported that CPB management and the radio CSG review panel analyzed current CSG policies and found them effective. CPB recommends maintaining five policies: 1) organizing grantees by coverage area population (CAP), 2) aligning minimum NFFS with CAP categories, 3) aligning minimum staffing with CAP categories, 4) maintaining the probationary period for grantees at-risk for removal from the CSG program at three years, and 5) the IAS methodology.

Ms. Merritt reported that the radio review panel recommended, and CPB management supports, an increase in base grants for grantees in CAP categories one through three, to provide additional support to small, rural, and minority grantees. The additional support would be drawn from funds from the incentive grant pool. Ms. Freeman reported on how such an increase to base grants would benefit small stations such as WNCU, and Ms. Dorian expressed support for the increase despite the slight decrease it will mean to incentive grants, noting the importance of universal access.

Ms. Arno provided an overview of the radio NFFS data since 2019 and incentive grants. She noted that three of four station cohorts saw a decline in NFFS, largely due to the pandemic that led to declines in fundraising, particularly in underwriting; only large stations (NFFS of \$5-15 million) saw an increase. Mr. Rothman requested that when CPB provides a more in-depth presentation at a future meeting, it includes analysis on why large stations saw an increase.

Ms. Arno reported that the 2023 radio CSG review panel concluded that the 2019 tiering system for NFFS was effective but could be further refined to help the smallest stations. Through the proposed new NFFS tiering, CPB would match 100% of NFFS up to \$3 million, 95% of NFFS between \$3 million and \$15 million, and 80% for NFFS of \$15 million and above. Ms. Arno noted that the NFFS calculation data lags by two years, so as a result, the economic repercussions of the pandemic are still influencing grant amounts in 2023. CPB will reexamine the effectiveness of the new tiering system in three years. The panelists provided insights into the process they underwent to determine this tiering change.

Ms. Merritt reported that the radio review panel reviewed and recommended maintaining incentive grants for all radio grantees and maintaining the minority multiplier at 1.25. The panel also recommended maintaining the three-year probationary period for radio grantees at risk of being removed from the CSG program. The panelists offered final comments about the 2023 review process.

Resolution re Radio CSG Policy Recommendations

Following discussion, Chair Ross called for a motion to approve the recommended changes to radio CSG policy as presented in CPB management's report to the Board and the enclosed resolution. Upon motion, duly made and seconded, the resolution was unanimously approved as presented.

Update on CPB General Managers Meeting Series

Ms. Brachman, senior vice president, external affairs, provided an overview of CPB's General Managers meetings, a CPB-hosted series of meetings with a diverse group of general

managers to explore the opportunities and challenges of the changing media and technology landscape, with the goal of finding ways to work together. Three themes emerged from the meetings: 1) the importance of local relevance and sustainability; 2) adapting to the changing media environment; and 3) the need for increased collaboration among stations, national organizations, and producers.

Ms. Brachman reported that the meetings have informed CPB's work, including new projects in the FY 2024-2026 business plan. Additional meetings will be held in 2024 to address station financial sustainability; audience data collection, sharing, and privacy; shared system infrastructure and interconnection investments; and content creation strategies. Ms. Brachman reported on the selection process of a third-party facilitator for the series, from which SmithGeiger was chosen.

Chair Ross asked Ms. Brachman about main takeaways from the meeting series. Ms. Brachman reported hope and optimism among the general managers and a strong emphasis on collaboration. Ms. Harrison noted that the meeting series also provided CPB with the opportunity to educate general managers about how CPB works. Ms. Calvert requested that the findings be cross referenced with the business plan, to see what CPB is already doing and what still needs to be done, and an update be provided at a future board meeting. Ms. Sembler asked if there was a conversation about ATSC 3.0. Ms. Brachman reported that since the meetings were attended by station leaders from both radio and television, ATSC 3.0 was not a high priority topic for the group. Chair Ross asked if CPB's work in education was discussed. Ms. Brachman reported that it was with a focus on how public media stations quickly responded to the educational needs of their communities during the pandemic and how stations can maintain and leverage those educational community partnerships in other ways. There were no further questions.

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. Ms. Safon summarized requests for future board meeting agenda items noting the Board's interest in how large producing stations are faring, small stations' fundraising challenges, and outcomes of future CPB General Managers meetings.

Adjournment

The meeting adjourned at 4:18 pm Eastern Time.