



## **SUPPLEMENTAL FUNDING SURVEY**

**April 1, 2009**

### **VERBATIM COMMENTS**

The CSG formula works; it has a long and proven track record. Using the CSG formula takes any "politics" out of the discussion which could slow things down dramatically and would not represent putting public radio's best foot forward

Sorting out who is the poorest in the land seems a nightmare...shades of old-time daytime TV with Jack Bailey picking a "Queen for A Day." Vulnerability is a rolling target and circumstances can change from month to month. With three months left in our fiscal year, if we make it through the end of June, what does next year hold in store?

No additional bureaucracy, please! Also let's try to avoid a big-vs.-small and national – vs. - local food fight. We're all in this together!

As a joint licensee we're looking at a 12% revenue shortfall...this year. From that point we will remain flat in 2010 or drop another 5%. (Radio's revenue is actually only down 2%)

Every station is feeling the pain, big and small; major market and rural; university and community licensee. Those that reduced licensee support; planned to live without State Government subsidies; had early payroll reductions late last year and early this; those that canceled local talk shows because they recognized they could not afford them; those that made tough (painful) decisions, and are living within their means, should not be penalized. Those who showed good management foresight need the additional support as much as those who continued blindly, hoping for a bailed out.

The economic uncertainties faced by many stations make it difficult to know which stations are/will be the hardest hit. A station okay today may not be okay 6 or 8 months from now. I would favor adding to the existing allocations for all stations. This approach may keep the system as a whole much stronger than simply propping up a few difficult stations early on, only to find there are lagging problems not getting assistance later on. Plus, an across-the-board approach may stop some stations from becoming "hardship cases".

Please take into account the reserve funds some stations have built over the years. Stations without sufficient (or any) reserves should be given top priority.

Our station receives no state or local tax-based support, so that income is not "lost" to us in these difficult times. But we have always been a lean operation and margins have been thin. We have seen expenses outpace revenues during three of the past four years, and our reserves are nearly gone. This current FY, the number of givers is stable, but the average gift is down more than 10%. Business support is down by 15% compared to last year, in a time when our audience figures have hit dramatic, record highs. Local foundations and grant makers have largely exited the playing field for now, given the state of their investments. Major giving has taken an especially hard hit. We began restructuring our organization several years ago to be more effective and efficient. If stations are to receive "special" funds over and above what a CSG-like pool would be like, there should be assurances that this is a bridge to carry them forward while they, too, are restructuring, reorganizing and possibly consolidating their activities with others. Using these funds to simply plug revenue gaps will not create the long term success we all hope for.

We are bracing for a 15% shortfall across all revenue sectors. Our licensee is also facing severe cuts for the next fiscal year and is looking closely at a variety of programs and departments on campus. We need all the help we can get to weather this budget hurricane.

Within a year our station has taken a 36% cut in university funding. \$90k last spring, \$47K yesterday. We expect further cuts. Thanks for considering.

In these times when newspapers are disappearing and public radio listenership is increasing, public radio stations must remain strong. This is the time when more people will be relying on their public radio station, and stations need to be able to provide more public service to their listeners

Our station does not anticipate a deficit at this point for 2010, but that could change based on what happens in the economy overall. Also, we have budgeted very conservatively and have deferred many important activities to future years in the hope that the funding situation will improve. Stations that budget prudently should not be deprived of these funds. Also, the last thing we need is another new CPB program and another set of criteria to determine what a "hardship" really means. Let's distribute the funds using the formula we have now.

Additional funds could help basically healthy stations (like ours) weather a temporary (we expect) downturn in corporate support. I'm not supportive of funds being used to prop up stations with long-standing financial problems.

I don't want to see a complicated structure created for distribution, or a competitive application process. Most stations are hurting but the exact nature of the hurt would be hard for a panel to determine with any ease or certainty, and we can be terribly creative in explaining our "special needs." The nationals need help, too, and some would come from the increased TSR of stations as a result of this new money, but the time lag would not help them when they need it...now. A strong case could be made that once

significant national and local programs are canceled, and staff finds work elsewhere, the cost to rebuild in better times will be much more than this cost of preventing the losses in the first place. And the return on the investment in rebuilding will come 2-3 more years later as audience loyalty is rebuilt.

I would most favor the option described in #7 (disburse money via existing CSG program but keep a small amount out for special station hardship cases and some system support efforts); but if that is not the chosen option, then I believe all CPB qualified stations should receive funds, even the larger ones, and a modest sum should be held for special hardship stations. (We are neither a larger station, nor a station that would likely qualify as a "hardship" case.) I see no need to create a separate pool of funds, except for that small pool that would benefit the hardship cases.

Stations need the relief ASAP and the quickest, most "fair" method of disbursing whatever funds become available is thru the existing CSG formula. Anything else begs the question of equity and re-inventing another formula is not timely enough. This is NOT a "future fund" kind of situation. This should be a straight "pass through" to all who qualify.

Let's define the purpose for the funds. Is it to make station's whole? Is it to offset losses of all sorts? To replace displaced/lost grant funding? I think the funds should be used to support existing station needs as defined by management. Further, I'm not a fan of giving funds to stations that haven't suffered losses of any kind (assuming they exist). Stations should present a case for the money. Let's not reward bad management by granting funds exclusively based upon financial need or to those stations that took great risks or did nothing to help themselves. Use the existing CSG formula to distribute funds but leave a small amount on the table for those stations that have special station hardships based upon some criteria that must be developed. Creating a small pool of funds for system development opportunities or needs is important, also. These projects will teach stations how to fish!!!

A new structure for the current CSG formula may assist stations operating on low budgets; it seems that the current formula assists the stations who are already able to sustain themselves financially without support from CPB; and smaller stations are continuing to struggle because the low reporting of their NFFS.

As one of the senior managers in public radio, it seems to me that perhaps it is time for a little "birth control," and that some of the stations referred to as "fragile" in a recent CPB study perhaps should be allowed to die. Those of us who have been able to muddle through the ups and downs of the past couple of decades, and manage to grow our stations' income and audience should be respected and be rewarded for the job we have done. While it is unfortunate that some stations have had to reduce staff and overhead, perhaps they had just grown a little too fast, and should look at their current situation as an opportunity to make some much needed corrections in how they operate. Spread the money out as widely as possible (assuming that there is any windfall money at all), and for heaven sakes, even out the allocation between radio and

TV...the infamous Radio-TV "split" that has haunted us since the 1970's. I can think of no reason why there shouldn't be an even amount allocated (divide the pool by the number of transmitters on the air) so that each station (radio and TV) benefits equally.

Right now many of us are up to our ears in trying to save our station. Let's make it as easy as possible to apply for funding - assume we are all in financial difficulty. Even stations that have a safe cushion or endowment are feeling the pinch and depleting resources faster than planned.

CPB must NOT try to abandon the existing CSG formula at this time. The money should continue to go to stations (and national programmers will thus be paid). Why should stations support any legislative effort that would re-direct the needed funds away from stations, the bedrock of public broadcasting?

I appreciate the survey but thing the methodology is weak. There are too many nuances in these survey questions to accurately reflect the way I feel. It needed to have an opportunity for more narrative explanations directed towards each question.

Since we don't know what our state funding will be - and usually don't until at least two months after the fiscal year has begun - it really IS too early to tell. Unemployment in this region is pretty brutal (15.5% in our home county). So, I'm not particularly supportive of stations which have been consistently swimming in contributions, paying salaries to upper management that are quite out of line for public radio stations, and have strayed from the "path of righteousness" established at the genesis of public broadcasting. OK, my rant is complete.