

April 16, 2020

TO: Public Media General Managers
FROM: Pat Harrison
SUBJECT: Distribution Plan for the FY 2020 Stabilization Funds

The CPB Board of Directors has unanimously approved a distribution plan for the \$75 million of emergency stabilization funds for public media included in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which was signed into law on March 27, 2020.

The distribution plan was a consensus recommendation of the Advisory Group of public radio and television system representatives convened by CPB. The Advisory Group followed two primary principles in developing the funding formula: 1) to follow congressional intent on ensuring the preservation of small or rural stations, and 2) that the funding approach would be simple in its construct, impactful, and easy to explain to interested audiences. The Advisory Group recommended splitting the \$75 million stabilization funds equally between television and radio grantees, and based on comparisons of current revenues and costs of both systems, the following formula will apply:

Radio: \$37,500,000

Each grantee receives \$75,000

398 grantees x \$75,000 = \$29,850,000

Remaining funds = \$7,650,000

Divide remaining funds by 206 grantees that are small^[1] or rural^[2]

Each small or rural grantee receives an additional \$37,136

192 grantees receive \$75,000

206 grantees receive \$112,136

Television: \$37,500,000

Each grantee receives \$200,000

158 x \$200,000 = \$31,600,000

Remaining funds = \$5,900,000

Divide remaining funds by 98 grantees that are small^[3] or rural^[4]

Each receives an additional \$60,204

60 grantees receive \$200,000

98 grantees receive \$260,204

^[1] CSG grantees with total revenue less than \$500k and rural and minority grantees with total revenue less than \$5 million.

^[2] CSG grantees with coverage area population less than 40 people per square kilometer.

^[3] CSG grantees with total revenue less than \$5 million.

^[4] CSG grantees with a coverage area population that is greater than 19% rural (national average of rural is 19%).

Next Steps

Once CPB receives the funds from the U.S. Treasury Department it will move to expeditiously distribute the CARES Stabilization Grants to each recipient in a single payment in accordance with grantees' payment method on record in CPB's Integrated Station Information System. The funds are considered unrestricted and have no expenditure period.

Grantees are required to report this revenue in the appropriate year's Annual Financial Report, on Schedule A – Direct Support, Line 2.B. For stations that use the Financial Summary Report, the revenue should be reported in Part 1 - Revenue and Support section on line 2.

If you have questions, please contact Kate Arno, CPB Vice President of CSG and Station Initiatives at KArno@cpb.org.

Background

CPB convened an Advisory Group of public radio and television system representatives to inform the development of a distribution plan. Congress directed that the funds for public media be used to maintain programming and services and preserve the ability of small and rural public media stations to continue to provide essential information, educational content and services to the American people. A series of fast-paced, rigorous meetings were held beginning on April 2 and concluded on Monday, April 13 with the unanimous adoption of the distribution plan.

The stabilization funding is being provided to address an emergent situation. It is not subject to CPB's statutory funding allocations. The decision to split the stabilization funding equally between television and radio grantees was made in view of this period of extraordinary economic hardship and is limited to the distribution of the funds provided under the CARES Act. It was based, as mentioned above, on a comparison of current revenues and costs of the public radio and television systems.

CPB submitted a request for the funds to the U.S. Treasury Department and notified the Office of Management and Budget (OMB) of the request. On April 6, Treasury sent OMB an apportionment request seeking permission to release the \$75 million to CPB. At this time, OMB has not acted on the apportionment request, but has notified CPB that they are working to process all CARES Act apportions expeditiously.

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