

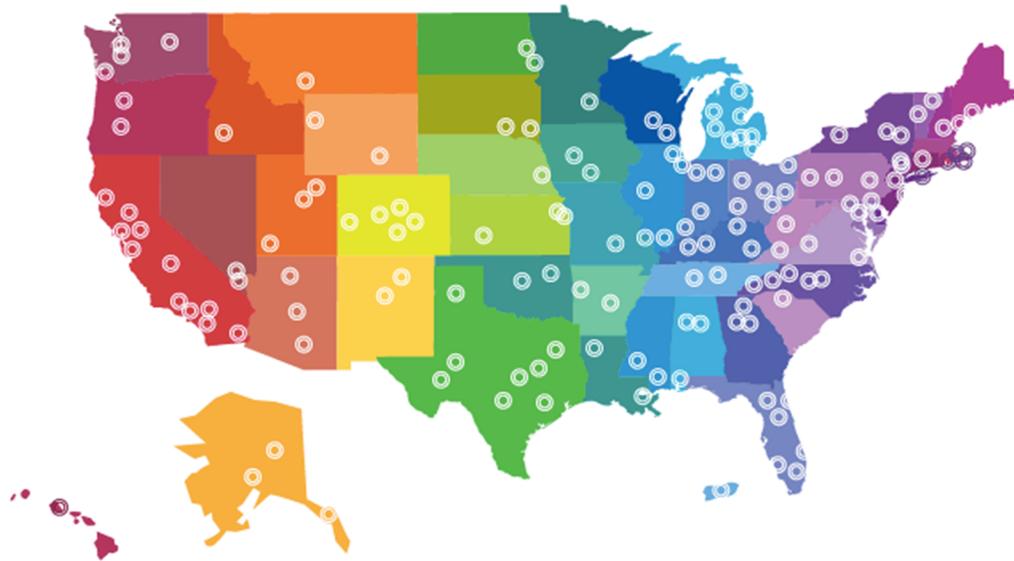


University-licensed public media stations & COVID-19: Planning for an uncertain future

June 10, 2020

ABOUT PUBLIC MEDIA COMPANY

Public Media Company is a nonprofit consulting firm dedicated to serving public media. We leverage our business expertise to increase public media's impact across the country.



Public Media Company works in partnership with stations in urban and rural communities to find innovative solutions and grow local impact. We have worked with **over 300 radio and TV stations in all 50 states**

www.publicmedia.co

WEBINAR PRESENTERS



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OUR PURPOSE TODAY

Give an overview of the dynamics facing a university-licensed public media station because of (or in addition to) the current COVID-19 crisis

- Review potential threats
- Identify how to respond to both near-term and potential challenges

SRG-NPR COVID IMPACT SURVEY RESULTS

Category	Stations	Total Revenue	Individual Giving	Sponsors	Foundations	Licensee Support	Special Events	State and Local Gov't	Other Revenue
UNIVERSITY	100	-8%	-7%	-16%	-9%	-6%	-25%	0%	0%
COMMUNITY	109	-6%	-4%	-14%	-8%	0%	-34%	-5%	-1%
RADIO ONLY	178	-9%	-7%	-17%	-10%	-8%	-31%	-5%	-1%
JOINT	46	-4%	-4%	-13%	-7%	-2%	-29%	-3%	-1%

SRG-NPR COVID IMPACT SURVEY RESULTS:

University Licensees

Category	Original Budget (in millions)	Current Year Impact	Projected Reduction (in millions)
TOTAL REVENUE	\$493.64	-8%	(\$39.58)
Individual giving	\$218.90	-7%	(\$16.42)
Sponsors	\$130.18	-16%	(\$21.15)
Foundations	\$22.43	-9%	(\$1.99)
Licensee Support	\$36.84	-6%	(\$2.31)
Special Events	\$11.48	-25%	(\$2.91)
State and Local Government	\$11.43	-3%	(\$0.33)
Other Revenue*	\$14.09	-9%	(\$1.25)

*Production income, royalties, retail/ merchandise sales, lease income

UNIVERSITY BUSINESS MODEL IS CHANGING

#Quick Takes

College Enrollment Declines Continue

By [Paul Fain](#)

// May 30, 2019

34 COMMENTS 



College enrollment in the U.S. **has decreased** for the eighth consecutive year, according to new data released Thursday by the National Student Clearinghouse Research Center. The report covers 97 percent of enrollments at degree-granting postsecondary institutions that are eligible to receive federal financial aid.

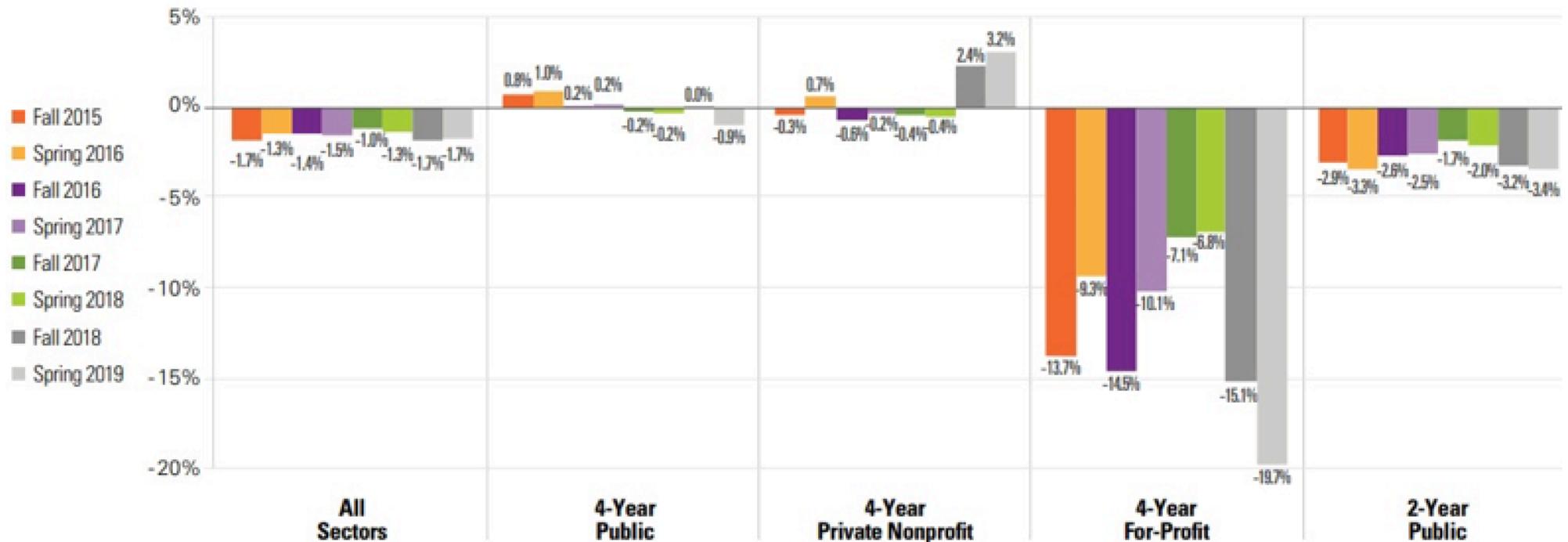
The overall decline this spring compared to last year was 1.7 percent, or roughly 300,000 students, the center found. Last year's **decrease** was slightly larger, at 1.8 percent.

Community colleges continued their enrollment slide with a decline of 3.4 percent. Four-year public institutions saw a drop of 0.9 percent, the center found. Four-year private institutions bucked the trend with an increase of 3.2 percent. However, the center said most of this increase was due to the **conversion of large for-profit institutions** to nonprofit status. Grand Canyon University, for example, **successfully made the transition** last year.

States with the largest decrease in student enrollment numbers were Florida, California, Illinois, Michigan and Pennsylvania, according to the center, in that order. Alaska, Florida, Illinois, North Dakota, Hawaii and Kansas had the largest percentage declines.

UNIVERSITY ENROLLMENTS DECLINING

Figure 1: Percent Change from Previous Year, Enrollment by Sector (Title IV, Degree-Granting Institutions)



PUBLIC MEDIA LEADERS NEED TO ACT & PLAN NOW

ACT NOW TO PROTECT THE ORG

PLAN NOW TO PREPARE FOR THE FUTURE

Mobilize the org to protect employees and to ensure ongoing service and financial resilience

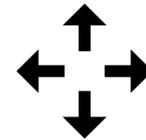
Prepare the organization and strategy needed to sustain and grow impact in the future

MANAGE THE CRISIS

PROTECT THE ORG

ADAPT THE ORG

PREP FOR THE FUTURE



Mobilize to protect and prepare staff and to ensure ongoing service to the community

Manage cash and adjust operations to preserve the organization and its ability to serve the community

Learn and build plans to adapt the organization across a range of future scenarios and stakeholder needs

Develop the vision and strategy required to sustain and grow the organization's impact in the future

THREATS TO YOUR LICENSEE

1. Student enrollment declines
2. State budget cuts
3. Hiring slowdowns or freezes
4. Inadequate reserves or endowment
5. Changing nature of higher education
6. “The Unknown” with regard to the long-term university/college financial stability

How might your university react to these threats?

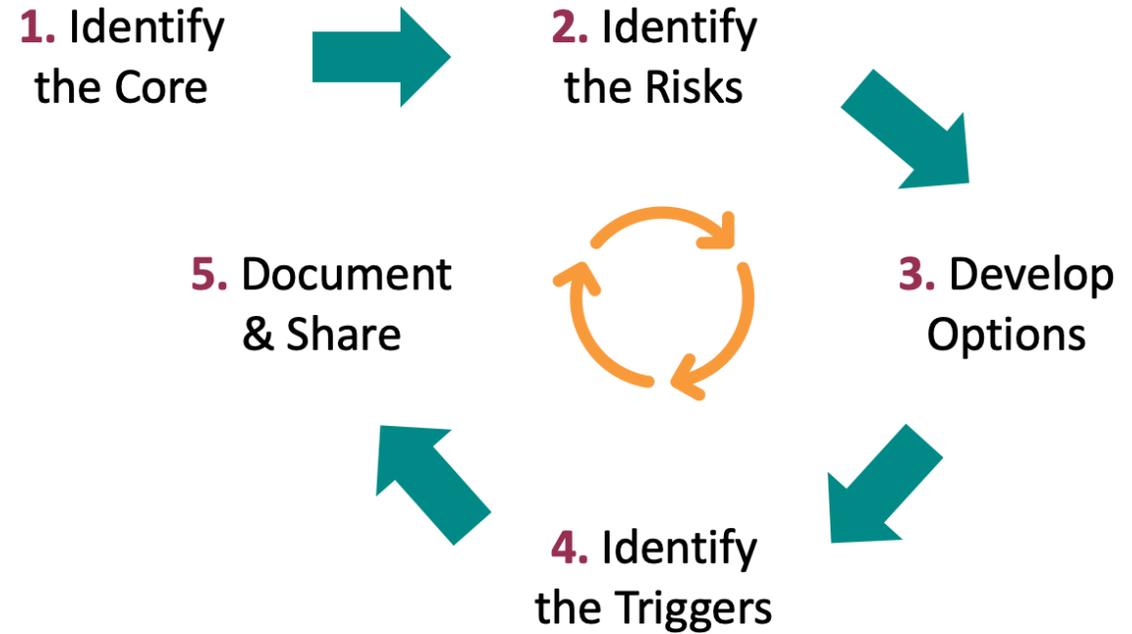
POTENTIAL IMPACT ON STATION

1. Subsidy reduction or elimination
2. Staffing restrictions
3. Reserves/endowments being reviewed
4. Sale of License

What's your relationship to your university and how integrated are you to its mission?

1. SUBSIDY REDUCTION/ELIMINATION

- > Expect a reduction
- > "Identify the Core" in contingency planning
- > Eliminate non-essential activities
- > Seek accommodations for onerous rules or regulation; explore what flexibility there may be in the rules
- > Be creative, and be engaged



*Excerpt on steps from PMC's contingency planning webinar
See: publicmedia.co/webinars*

EXAMPLE: WEST VIRGINIA PUBLIC BROADCASTING

- > \$4 million cut in WVPB due to state budget crisis
- > Engaged “Friends” board and audience to sound the alarm
 - Membership revenue increased
 - Governor and legislature reduced cut by \$3 million to \$1 million
 - Conducted planning to determine how to evolve organization
 - Shut down low-value audience programs and services
e.g. bureau in southern West Virginia, kids program
 - Identified state regulations that WVPB was “exempt” organization that removed it from certain state oversight
- > Plan was presented to legislators as proof of a valuable service for West Virginians

2. STAFFING RESTRICTIONS

- > Maintain open dialog with your university
 - Fill open positions on a temporary basis
 - Leverage all university HR initiatives to reduce staff
 - > Early retirement programs
 - Identify creative solutions within university staffing
 - Contract salesperson

- > Identify partnerships to reduce staff expense
 - Shared engineering, membership, GM roles

EXAMPLE: NORTHERN CALIFORNIA

KHSU (Humboldt) and NSPR (Chico) serve 15 counties in northern CA

- Both licensed to California State University (CSU)
- Large geographic area; requires more journalistic resources to cover

Capital Public Radio, affiliated CSU-Sacramento

- One of the state's largest broadcasters with more resources
- Mission to build stronger communities by listening deeper

COLLABORATING via an operating agreement:

- cost sharing for engineering, management and back-office services
- more reporters on the ground in Northern California

3. RESERVES

- > Document your understanding of station-specific reserves
 - Materials related to the governance of the funds
 - Promotional materials used to collect the funds
 - Audit trails
- > Discuss issue with accounting firm
- > Review State and CPB rules and regulations re: fundraising
- > Understand any liabilities you might have to the University
 - Agreed upon repayment terms

4. SALE OF LICENSE

- > Get appraisal of the license to determine value
- > Assess the seriousness of the intent
- > Identify community and university stakeholders who can persuade on your behalf
- > Consider suggesting a PSOA or sale of the license to independent, community non-profit
- > Make sure that university personnel understand the negative repercussion in communities for sale to religious broadcasters

If the potential of a sale goes public, prepare and launch communications plan

4. SALE OF LICENSE, continued

- Listen to what university's interest is in selling the license
- Preserving the asset for community service is paramount

Sales to the community can be a positive for all involved:

Pacific Lutheran sold its license for KPLU to KNKX in 2016 for \$7m

Pacific Lutheran agrees to sell KPLU to community group

Wednesday, June 29, 2016 12:47pm | LOCAL NEWS | NORTHWEST



Associated Press

TACOMA — Pacific Lutheran University has agreed to sell its public radio station, KPLU-FM, to a community group that raised \$7 million in an effort to preserve the local National Public Radio affiliate.

The fundraising drive began after a deal was announced last fall to sell the station's broadcasting rights and facilities to KUOW, the NPR affiliate at the University of Washington. Amid a public outcry, the universities agreed to give Friends of 88.5 six months to match the sale price.



our community. our nation. our world.

Antioch College sold its license to local organization in 2019

Antioch College Announces Deal For WYSO To Become Independent

By JESS MADOR • JAN 30, 2019



PROTECTING SERVICE TO THE COMMUNITY

- > Create a 501c3 to assist with fundraising, ensure that you could move to a PSOA or purchase the station, if needed
- > Have a ready group of supporters who will come to your stations' aid if needed (e.g. "Protect My Public Media")
- > Develop community partnerships that could build your sustainability
- > Have a realistic sense of the long-term viability of your public media service and make sensible planning steps to ensure consistent, robust service

LOOKING AHEAD

Difficult times enable you to make changes and improvements with urgency that you wouldn't otherwise have been able to make.

Areas of opportunity:

- New/different sources of revenue
- Collaborations & partnerships with other orgs
- Process improvements
- Re-allocation of resources to high impact areas
- Governance changes
- Mergers and acquisitions (e.g. college or student run signals at high schools)

QUESTIONS

If you have concerns you want to discuss offline,
feel free to set up an appointment with us.

<https://go.oncehub.com/PublicMediaCompanyScheduler>

PMC SERVICES



Public Media Company provides a range of services of value during a crisis:

- **Financial support and insight**
 - Virtual accounting
 - Financial management advice
 - Performance analysis
 - Business modeling
- **Strategic consulting**
 - Contingency planning
 - Organizational analysis
 - Partnership facilitation
 - Strategic planning

Learn more at www.publicmedia.co

THANK YOU!



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