

CHAPTER 139

BOARD OF THE ARTS

139.19 General noncommercial radio station grants.

139.19 GENERAL NONCOMMERCIAL RADIO STATION GRANTS.

Subdivision 1. Purpose. The purposes of this section are to facilitate the use of the noncommercial radio station as a community resource by providing financial assistance to noncommercial radio stations serving Minnesota citizens.

Subd. 2. Definitions. As used in this section, the terms defined in this subdivision have the meanings given them.

(a) "Corporation for Public Broadcasting" means the nonprofit organization established pursuant to United States Code, title 47, section 396.

(b) "Federal Communications Commission" means the federal agency established pursuant to United States Code, title 47, section 151.

(c) "Licensee" means the individual or business entity to whom the Federal Communications Commission has issued the license to operate a noncommercial radio station.

(d) "Noncommercial radio station" means a station operated by a licensee as a noncommercial educational radio station under a license or program test authority from the Federal Communications Commission as a noncommercial educational radio station, licensed to a community within the state and serving a segment of the population of the state.

(e) "Operating income" may include:

- (1) individual and other community contributions;
- (2) all grants received from the Corporation for Public Broadcasting;
- (3) grants received from foundations, corporations, or federal, state, or local agencies or other sources for the purpose of programming or general operating support;
- (4) interest income;
- (5) earned income;
- (6) employee salaries paid through the federal Comprehensive Employment Training Act, or other similar public employment programs, provided that only salary expended for employee duties directly relating to radio station operations shall be counted;
- (7) employee salaries paid through supporting educational institutions, provided that only salary expended for employee duties directly relating to radio station operations shall be counted;
- (8) direct operating costs provided by supporting educational institutions; and
- (9) no more than \$15,000 in volunteer time calculated at the federal minimum wage.

The following are specifically excluded in determining a station's operating income:

- (1) dollar representations in in-kind assistance from any source except as stipulated in clauses (8) and (9) above;
- (2) grants or contributions from any source for the purpose of purchasing capital improvements or equipment; and
- (3) noncommercial radio station grants received in the previous fiscal year pursuant to this section.

Subd. 3. Eligibility. To qualify for a grant under this section, the licensee shall:

- (a) Hold a valid noncommercial educational radio station license or program test authority from the Federal Communications Commission;

- (b) Have facilities adequate to provide local program production and origination;
- (c) Employ a minimum of two full-time professional radio staff persons or the equivalent in part-time staff and agree to employ a minimum of two full-time professional radio staff persons or the equivalent in part-time staff throughout the fiscal year of the grant;
- (d) Maintain a minimum daily broadcasting schedule of (1) the maximum allowed by its Federal Communications Commission license or (2) 12 hours a day during the first year of eligibility for state assistance, 15 hours a day during the second year of eligibility and 18 hours a day during the third and following years of eligibility;
- (e) Broadcast 365 days a year or the maximum number of days allowed by its Federal Communications Commission license;
- (f) Have a daily broadcast schedule devoted primarily to programming that serves ascertained community needs of an educational, informational or cultural nature within its primary signal area; however, a program schedule of a main channel carrier designed to further the principles of one or more particular religious philosophies or including 25 percent or more religious programming on a broadcast day does not meet this criterion, nor does a program schedule of a main channel carrier designed primarily for in-school or professional in-service audiences;
- (g) Originate significant, locally produced programming designed to serve its community of license;
- (h) Have a total annual operating income and budget of at least \$50,000;
- (i) Have either a board of directors representing the community or a community advisory board that conducts advisory board meetings that are open to the public;
- (j) Have a board of directors that: (1) holds the portion of any meeting relating to the management or operation of the radio station open to the public and (2) permits any person to attend any meeting of the board without requiring a person, as a condition to attendance at the meeting, to register the person's name or to provide any other information; and
- (k) Have met the criteria in clauses (a) to (j) for six months before it is eligible for state assistance under this section.

The commissioner shall accept the judgment of Corporation for Public Broadcasting accepted audit when it is available on a station's eligibility for assistance under the criteria of this subdivision. If the station is not qualified for assistance from the Corporation for Public Broadcasting, an independent audit is required.

Subd. 4. Application. To be eligible for a grant under this section, a licensee shall submit an application to the commissioner within the deadline prescribed by the commissioner. It shall also submit, within the deadline prescribed by the commissioner, its audited financial records for the fiscal year preceding the year for which the grant will be made.

Subd. 5. Grants. (a) The commissioner shall determine eligibility for grants and the allocation of grant money on the basis of audited financial records of the station to receive the grant funds for the station's fiscal year preceding the year in which the grant is made, as well as on the basis of the other requirements set forth in this section. The commissioner shall annually distribute grants to all stations that comply with the eligibility requirements and for which a licensee applies for a grant. The commissioner may promulgate rules to implement this section. For this purpose the commissioner may promulgate emergency rules pursuant to sections 14.29 to 14.36. An applicant's share of the grant money shall be based on:

- (1) The amount received in the preceding year by the station to which the grant would be distributed in private nontax generated contributions from sources within the state; no contributions made for the purpose of capital expenditures shall be counted; and
- (2) The dollar value in the preceding year of contributions of volunteer time to station operations, provided that the volunteer time was not used for the purpose of

raising money for the station. Volunteer time shall be valued at the federal minimum wage per hour. A station's total allocation for volunteer time shall not exceed 20 percent of its total grant pursuant to this section.

(b) The commissioner shall match every verified contribution dollar under paragraph (a), clause (1) and volunteer time dollar, as calculated under paragraph (a), clause (2), with two state dollars for each eligible applicant until the station to which the grant is distributed has received \$10,000 in grant money under this section, and thereafter grant money shall be distributed on a dollar for dollar basis until the total amount appropriated for that year has been distributed equally among all stations. A station may receive state matching money only until the station's total verified contribution and volunteer time has been matched or the amount of the grant received equals one-third of the station's total operating income for the previous fiscal year.

(c) A station may use grant money under this section for any radio station expenses.

Subd. 6. Audit. A station that receives a grant under this section shall have an audit of its financial records made by an independent auditor or Corporation for Public Broadcasting accepted audit at the end of the fiscal year for which it received the grant. The audit shall include a review of station promotion, operation, and management and an analysis of the station's use of the grant money. A copy of the audit shall be filed with the commissioner.

History: 1987 c 365 s 19