Introduced by Senator Schiff Senators Schiff, Baca, Chesbro, Costa, Hughes, Solis, Speier, and Vasconcellos (Principal coauthor: Assembly Member R. Wright) (Coauthors: Assembly Members Kuehl, Lempert, Mazzoni, Strom-Martin, and Wiggins)

February 25, 1999

An act to repeal and add Chapter 10 (commencing with Section 8800) of Division 1 of Title 2 of amend Sections 8811 and 8831 of, to add Sections 8807.2, 8807.5, 8807.7, 8835, 8836.6, 8836.7, and 8836.8 to, to repeal Sections 8821, 8823, and 8825 of, and to repeal and add Sections 8807, 8835.5, 8836, and 8836.5 of, the Government Code, relating to public broadcasting.

## LEGISLATIVE COUNSEL'S DIGEST

SB 844, as amended, Schiff. California Public Broadcasting Act of 1999 1975.

The California Public Broadcasting Act of 1975 establishes the California Public Broadcasting Commission with a specified membership, to develop and support statewide policy for the growth and development of public broadcasting in the state, and sets forth the powers and duties of the commission in that regard, including the distribution of funds and the making of grants to public broadcasting stations.

This bill would repeal those provisions and instead would enact the California Public Broadcasting Act of 1999. It would establish the California Public Broadcasting Council, and set forth the duties of the council in the development of a plan for

SB 844 — 2 —

public broadcasting services and necessary levels of funding for those services revise the criteria for appointment of certain members to the commission. It would express the intent of the Legislature that funds be made available through the annual Budget Act to the commission for allocation for specified grants and projects according to specified criteria, and require the Controller commission to perform certain duties in regard to the disbursement of those funds, with the assistance of the council. It would authorize state agencies to provide assistance and services to the council commission to the extent resources permit.

The bill would provide that any person or organization knowingly and willfully filing false information in an attempt to secure funding under these provisions is guilty of a misdemeanor. By creating a new crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares the 2 following:
- 3 (a) Public broadcasting provides great benefits to the 4 citizens and governmental agencies of the State of 5 California, because it does all of the following:
- 6 (1) Assists in informing and educating citizens 7 concerning public issues and thereby helps them 8 participate in the democratic process.
- 9 (2) Provides time for extended debate of political 10 issues and provides time for political candidates to explain 11 their positions to the voters.

**—3— SB 844** 

(3) Provides educational basic skills programming that prepares young people for school and assists schools in their primary mission.

1

5

8

9

10

11

12

13

15

17

18

19 20

21

22

23

25

26 27

28

29

- (4) Provides high school equivalency education and advanced skills education to the citizens of this state, delivered directly to their homes, thus providing additional opportunities for workers and assistance to industry in maintaining a highly skilled work force.
- general educational (5) Brings cultural programming to every home automobile and California.
- (6) Respects the cultural diversity of this state by producing and distributing programs and educational materials that reflect many points of view.
- (7) Assists in the economic development of this state 16 by providing basic training, adult education, and literacy training for adult workers.
  - (8) Provides cost-effective educational resources colleges and universities and assists in management of explosive college enrollment patterns.
  - (9) Provides agricultural information of one of California's most important industries.
- (10) Provides mechanisms for statewide delivery of 24 emergency information and dissemination of instructions for maintenance of public safety.
  - (11) Enriches the quality of life and makes lifelong learning opportunities available to California citizens.
- (b) The federally mandated conversion digital television broadcasting will provide even greater 30 opportunities service, for including economic development, assistance California to industry, educational assistance for day care providers, education, and training for prison inmates, and multilingual training, and that this conversion and future operations will require substantial expenditures by public broadcasting 36 stations for equipment and program material.
- SEC. 2. Chapter 10 (commencing with Section 8800) 37 of Division 1 of Title 2 of the Government Code is 38 repealed.

SB 844 — 4—

1 SEC. 3. Chapter 10 (commencing with Section 8800) 2 is added to Division 1 of Title 2 of the Government Code, 3 to read: 4 5 CHAPTER 10. CALIFORNIA PUBLIC BROADCASTING ACT OF 6 1999 7 8 Article 1. General Provisions and Definitions 9 10 8800. This chapter shall be known and may be cited 11 as the California Public Broadcasting Act of 1999. 8801. For purposes of this chapter, the following 12 definitions shall apply, unless the context requires 13 14 otherwise: (a) "Audited financial statement" means a report that, 15 16 among other things, provides data concerning a station's nonfederal, nonstate financial support and the 17 expenditure of any funds provided under this chapter. This data shall be audited and prepared as a report by a 19 certified public accountant who is licensed in the State of California and is independent of the station being audited. The statement shall also verify the integrity of the station's financial operations and the integrity of the station's report of its use of funds provided under this 25 chapter. (b) "Council" means the California 26 Broadcasting Council established pursuant to Section 27 28 <del>8810.</del> 29 <del>(c)</del> SEC. 2. Section 8807 of the Government Code is 30 31 repealed. 8807. "Public broadcasting station" means a 32 noncommercial educational broadcasting station 34 licensed as such by the Federal Communications 35 Commission and eligible for financial grants from the 36 Corporation for Public Broadcasting, as well as any other noncommercial educational broadcasting 37 designated by the commission. The commission shall establish such criteria for the qualification of other stations as public broadcasting stations as it determines **—5— SB 844** 

1 are reasonably necessary to carry out the purposes of this 2 <del>chapter.</del>

- 3 SEC. 3. Section 8807 is added to the Government Code. to read:
- 8807. "Eligible radio station" means a radio station 5 6 that, at the time of applying for a grant under this chapter, has met all of the following requirements for a period of two years:
- 9 (1)
- 10 (a) It is licensed by the Federal Communications 11 Commission as a noncommercial educational station, or 12 is operating under program test authority pending the 13 grant of a license.
- <del>(2)</del> 14
- (b) It has its community of license and principal 15 16 administrative offices in this state and is not owned, controlled, managed, or primarily financed by corporation or entity outside of this state. 18
  - (3)

19

24

- 20 (c) It provides a program service that meets 21 requirements for a Community Service Grant from the Corporation for Public Broadcasting.
- 23 (4)
- (*d*) It provides significant locally originated 25 programming in its community of license.
- 26
- 27 (e) It broadcasts not less than 18 hours per day, 365 28 days per year.
- 29 (6)
- 30 participates in statewide public broadcasting (*f*) It 31 projects and the work and deliberations of the California Public Broadcasting Council.
  - (7) projects.
- 34 (g) It has provided, prior to its application for a grant under this chapter, an audited financial statement for the 36 years on which the grant is based.
- 37 (8)
- 38 (h) It does either of the following:
- 39 <del>(A)</del>

SB 844 - 6 -

- (1) Meets the criteria for receipt of a Community Service Grant from the Corporation for **Public** Broadcasting that were in effect on June 30, 1995.
- 4
- 5 (2) Has a full-time staff of at least two professionals 6 paid not less than the California minimum wage, and is certified by the council as providing a needed service to its community of license.
- 9 <del>(d)</del>
- SEC. 4. Section 8807.2 is added to the Government 10 11 Code. to read:
- 12 8807.2. "Eligible television station" means a television 13 station that, at the time of applying for a grant under this 14 chapter, has met all of the following requirements for a period of two years: 15
  - (1)

16

17

22

27

- (a) It is licensed by the Federal Communications 18 Commission as a noncommercial educational television 19 station, or is operating under program test authority 20 pending the grant of a license.
- 21 (2)
- (b) It has its community of license and principal 23 administrative offices in this state, and is not owned, controlled, managed, or primarily financed by 25 corporation or entity outside of this state.
- 26 (3)
- (c) It provides a program service that meets the 28 requirements for a Community Service Grant from the Corporation for Public Broadcasting.
- 30 (4)
- 31 provides substantial and significant locally 32 originated programming in its community of license.
  - (5) It broadcasts not less than 3,000 hours per year.
- 34 (e) It broadcasts not less than 2500 hours per year.
- 35 (6)
- (f) It participates in statewide public broadcasting 36 37 projects and the work and deliberations of the California
- 38 Public Broadcasting Council.
- (7) projects. 39

**— 7 — SB 844** 

(g) It meets the criteria for receipt of a Community Service Grant or base grant from the Corporation for Public Broadcasting that were in effect on June 30, 1995 1994.

5 (8)

4

6

9

11

12

17

(h) It has provided, prior to its application for a grant under this chapter, an audited financial statement for the years on which the grant is based.

<del>(e)</del>

- 10 SEC. 5. Section 8807.5 is added to the Government Code, to read:
- 8807.5. "Nonfederal financial support" total sum of revenues from nonfederal sources derived by 14 a licensee in a fiscal year and reported in an audited 15 financial statement thereof, and does not include in-kind 16 services, funds received for the purpose of constructing or remodeling a building, funds received from other 18 public broadcasting stations or networks production of programming or for other services to those 20 stations or networks, or funds provided to stations under this chapter. Interest income generated from any source may be included in "nonfederal financial support."

23 <del>(f)</del>

- SEC. 6. Section 8807.7 is added to the Government Code, to read:
- 8807.7. "Station" or "public broadcasting station" means any eligible radio or television station.

## Article 2. California Public Broadcasting Council

29 30 31

33

24

25

26 27

- 8810. (a) The California Public Broadcasting Council is hereby established as a body corporate and politic within the state.
- 34 (b) The council shall be governed by a board of 35 directors consisting of one representative of each 36 participating eligible radio station, as defined in subdivision (c) of Section 8801, and each eligible 38 television station, as defined in subdivision (d) of Section 39 8801. The directors shall serve without pay, but may be

SB 844 — 8 —

1 reimbursed by the council for reasonable and necessary expenses as determined by the board.

- (e) The council shall function under bylaws that shall be written by the initial board of directors and amended as necessary from time to time. The bylaws shall be in conformity with the laws of this state and the provisions of this chapter.
- (d) The bylaws of the California Public Broadcasting Council shall provide for the election of any officers as may be required.
- (e) The meetings of the council shall be subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5), and its records subject to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).
- (f) Expenses of the council shall be paid by the licensees represented on its board of directors, in the proportion as may be determined by the board.
- 8811. The California Public Broadcasting Council shall do all of the following:
- (a) Notwithstanding Section 7550.5, report annually to the Governor and the Legislature concerning the use of funds provided to eligible stations and to the council under this chapter.
- (b) Provide annually to the Governor and the Legislature an updated comprehensive plan for future public broadcasting services to the citizens of California and necessary levels of funding in future years.
- (1) The plan shall have been discussed and voted upon by the board of directors of the council.
- (2) The plan shall take into account changing technologies, changing needs of California citizens and institutions, changing capabilities of the council and its member stations, and available funding.
- (c) Certify annually to the Controller the eligibility of any station applying for a grant under this chapter, and attesting that each station applying for a grant has participated significantly in the work and deliberations of the council as required by paragraph (6) of subdivision

**—9**— **SB 844** 

(e) or paragraph (6) of subdivision (d), as applicable, of 2 Section 8801.

- (d) Assist the Controller in earrying out the requirements of this chapter by providing information and technical advice.
- (e) Coordinate and assist efforts of stations engaged in multistation projects funded under this chapter.
- (f) Encourage the development of public broadcasting in California and the development of services for the citizens of this state.

<del>8812.</del>

3

4 5

6 7

8

9

10 11

14

16

28

- 12 SEC. 7. Section 8811 of the Government Code is 13 amended to read:
- 8811. The commission shall consist of 11 members, as 15 follows:
- (a) Five members appointed by the Governor for 17 terms of five years, except that the terms of the original members shall be as follows: one member shall be appointed for one year, one member for two years, one 20 member for three years, one member for four years, and one member for five years. One such appointee of these appointees shall be from a commercial broadcast station, one shall be a representative of public television chosen 24 from a list of at least three persons recommended by 25 public television stations, and one shall 26 representative of public radio chosen from a list of at least three persons recommended by public radio stations.
- (b) Two members appointed by the Speaker of the 29 Assembly for terms of four years, except that the terms of 30 the original members shall be as follows: one member shall be appointed for one year, and one member for three years. One of these appointees shall be a representative of public television chosen from a list of at 34 least three persons recommended by public television stations.
- 36 (c) Two members appointed by the Senate 37 Committee on Rules for terms of four years, except that 38 the terms of the original members shall be as follows: one member shall be appointed for two years, and one member for four years. One of these appointees shall be

SB 844 **— 10 —** 

4 5

6

15

17

21

24 25

28

a representative of public radio chosen from a list of at least three persons recommended by public 3 stations.

- (d) The Superintendent of Public Instruction.
- (e) The Director of the Postsecondary Education Commission.
- All initial appointments shall be made on or before March 1, 1976, and all subsequent vacancies shall be filled within 30 days of their occurrence by the authority which 10 made the original appointment to the vacant position.
- At no time shall more than six members of the 12 commission be affiliated with the same political party.
- 13 SEC. 8. Section 8821 of the Government Code is 14 repealed.
- 8821. The commission may make grants to public 16 broadcasting stations in order to aid in the improvement of their broadcast operations, programming, and capital facilities and equipment.
- SEC. 9. Section 8823 of the Government Code is 19 20 repealed.
  - 8823. The commission may, taking into account the advice of the radio committee or the T.V. committee, as appropriate, make grants for the development, production, and acquisition of public broadcast programming.
- SEC. 10. Section 8825 of the Government Code is 26 27 repealed.
- 8825. The commission may conduct, through grants 29 or contracts, research and demonstration activities in matters relating to public broadcasting.
- 31 SEC. 11. Section 8831 of the Government Code is 32 amended to read:
- 33 8831. Each public eligible radio station may appoint 34 a representative to the radio committee, and each public
- eligible television station may appoint a representative to 36 the T.V. committee. The radio and T.V. committees shall
- advise the commission on the implementation of this
- 38 chapter. In fulfilling this responsibility, the radio and T.V.
- committees may do all of, but shall not be limited to, the
- 40 following:

— 11 — SB 844

- 1 (a) Periodically prepare an assessment of statewide 2 public broadcast programming needs.
- 3 (b) Recommend appropriate actions by the 4 commission pursuant to Section 8823 to meet the needs 5 identified under subdivision (a).
  - (c)—Make recommendations on grants for production or contracts for acquisition of programming.

<del>(d)</del>

6

8

11

30

34 35

9 (c) Make recommendations on the management and 10 operation of interconnection systems.

<del>(e)</del>

12 (d) Make recommendations on grants for 13 improvement of station facilities and equipment.

14 <del>(f)</del>

- statewide recommendations 15 (e) Make on support 16 services, such as promotion, development, engineering, 17 research, program information, personnel and 18 recruitment.
- 19 SEC. 12. Section 8835 is added to the Government 20 Code, to read:
- 21 8835. (a) Recognizing the necessity of converting 22 California stations to the technologies of 23 broadcasting and the continuing need for replacement of 24 broadcasting equipment, the Legislature intends 25 funds may be made available through the annual Budget 26 Act to the commission for allocation for the purchase of equipment by eligible stations, the installation of that 28 equipment, or purchase of other materials related to that equipment. 29
  - (b) (1) Seventy-five percent of any equipment purchase funds appropriated pursuant to subdivision (a) shall be placed in an equipment grant pool for eligible television stations, and 25 percent shall be placed in an equipment grant pool for eligible radio stations.
- 35 (2) Fifty percent of the funds in each grant pool shall 36 be divided equally among the stations in that grant pool.
- 37 (3) The remaining 50 percent of the funds in each 38 grant pool shall be divided among stations in that grant 39 pool in proportion to their nonfederal financial support.

SB 844 <u> — 12 —</u>

(c) (1) Funds provided under this section shall be granted on a matching basis, with each station required to raise from other sources an amount equal to the funds provided to it under this section.

(2) If any funds remain in either grant pool because of 6 the limitations set forth in paragraph (1), the remaining funds shall be returned to the same pool for distribution to other stations that have raised the required matching funds, in amounts proportionate to the financial support of those stations.

8813.

5

10 11

12

14

17

19

21 22

23

25

33

SEC. 13. Section 8835.5 of the Government Code is 13 repealed.

8835.5. There is hereby appropriated to the California 15 Public Broadcasting Commission the sum of two hundred 16 fifty thousand dollars (\$250,000) from the General Fund to the California Public Broadcasting Fund for direct grants in fiscal year 1983–84 to the five minority-controlled and operated public radio stations 20 that, as of January 1, 1983, have been qualified by the commission in California to assist in their development, operation, interconnection, and programing.

SEC. 14. Section 8835.5 is added to the Government 24 Code, to read:

8835.5. (a) Recognizing the many educational, benefits 26 informational, and cultural provided 27 California public broadcasting stations to all citizens of 28 the state, and the economic benefits provided to the state 29 by these stations, the Legislature intends that funds may 30 be made available through the annual Budget Act to the commission for allocation for the operation of eligible stations and to assist these stations in improving their services to the citizens of the State of California.

- 34 (b) (1) Seventy-five percent of the operating grant 35 funds shall be placed in a grant pool for eligible television stations, and 25 percent shall be placed in a grant pool for eligible radio stations. 37
- 38 (2) Within each pool, 50 percent of the funds shall be distributed equally among the eligible stations as a base grant, and the remaining 50 percent shall be distributed

**— 13 — SB 844** 

as an incentive grant among the eligible stations in proportion to their nonfederal, nonstate financial support, thus encouraging their local fundraising efforts.

(3) No station may receive funds under this section 5 that would constitute more than 25 percent of its nonfederal financial support for the second previous fiscal year. Any amount forfeited under this limitation shall be returned to the grant pool for distribution to the remaining stations in the pool in proportion to their nonfederal financial support.

<del>8814.</del>

3

4

10

11

12

13

14

17

21 22

23

24

25

32

34 35

36

37

SEC. 15. Section 8836 of the Government Code is repealed.

8836. The commission shall annually distribute the 15 total amount, less the commission's necessary administrative expenses, available for allocation to public broadcasting stations. The commission shall reserve for distribution among the public broadcasting stations an amount not less than 25 percent of the television budget and not less than 25 percent of the radio budget for use at each station's discretion, in activities related to its local community broadcast operations.

SEC. 16. Section 8836 is added to the Government Code, to read:

8836. (a) Recognizing the benefits to the people of 26 the state and the efficiency of cooperative projects, the Legislature intends that "multistation project funds" may 28 be made available through the annual Budget Act for use by more than one station in execution of projects benefiting the listeners or viewers of several stations in the system. These multistation project funds shall be provided to the eouncil commission, which shall manage the funds in the best interest of the citizens of this state in determining which projects shall be funded and the appropriate level of funding for each project.

(b) Upon the determination of the council commission, some portion of available funds in this pool may be used to assist stations that do not meet one or more of the eligibility criteria to become eligible stations as subdivision (c) or subdivision (d), as in

**SB 844 — 14 —** 

applicable, of Section 8801. Sections 8807 or 8807.2, as applicable. However, that assistance may not be provided 3 to any one station for more than two years.

- (c) Upon the determination of the council 5 commission, funds provided to the eouncil commission under this section may be used to purchase equipment that can be shared by eligible stations or used for the generation of revenue to benefit the eouncil commission and eligible stations.
- (d) It is recognized that some program projects and facilities improvement projects may take a considerable length of time to complete. Therefore, funds provided 13 under this section and not expended by the end of any 14 fiscal year shall be placed in escrow by the council commission and expended in subsequent years for the purposes set forth in this section.

8815.

4

9

10

12

16 17

18 19

20

24

26

31

32 33

34

SEC. 17. Section 8836.5 of the Government Code is repealed.

8836.5. The commission shall, after consultation with 21 the radio, television, and instructional broadcast committees, establish, and review annually, criteria and conditions regarding the distribution of amounts disbursed to the various public television and radio 25 stations.

Amounts disbursed under this article shall be used to 27 finance projects that will augment the ability of public broadcasting stations to serve their communities in accordance with a formula established by the commission. These amounts shall not be used to supplant funds already budgeted.

SEC. 18. Section 8836.5 is added to the Government Code, to read:

8836.5. The Legislature recognizes that projects 35 undertaken by the -council and its member commission 36 and the recipient stations may be sufficiently large and complex as to require more than one year to complete, or 38 may require more funding than is available in a single fiscal year, and encourages the eouncil and its member commission and the recipient stations to use funds —15— SB 844

provided under this chapter and interest that may be generated from unexpended funds in the best and most productive way, to benefit the citizens of this state.

8816. All funds appropriated for the purposes of this chapter shall be appropriated to the Controller. Funds appropriated for allocation and distribution under this chapter shall be distributed under the formulas set forth in this chapter. The Controller shall perform only the following duties in this regard:

- (a) Determining, in consultation with the council, the form in which applications for funding shall be presented and the date by which the applications shall be submitted.
- (b) Determining that each applicant has provided the necessary audited financial statement as required by paragraph (7) of subdivision (e) or paragraph (8) of subdivision (d), as applicable, of Section 8801.
- (c) Determining that the council has certified the eligibility of each applicant.
- (d) Determining compliance with the certification requirements of Section 8810, when needed.
- (e) Calculating the funding for which each grantee is eligible under the formulae set forth in this chapter.
- (f) Making timely payment of the funds for which each grantee is eligible under the formulae set forth in this chapter.
- 8817. Nothing in this chapter shall be construed to confer upon any officer, employee, or elected official of the state any authority to influence or attempt to influence the content or scheduling of any program or programs produced or broadcast by any eligible station, whether or not any such influence or attempted influence is related in any way to receipt of a grant under this chapter. It is the intent of the Legislature that all decisions relating to content and scheduling of programming shall be solely the responsibility of each licensee and shall be free from improper influence.
- 37 <del>8818.</del>

38 SEC. 19. Section 8836.6 is added to the Government 39 Code, to read:

SB 844 **— 16 —** 

8836.6. It is the intent of the Legislature that any funds provided to stations under this chapter supplement, rather than supplant, funds provided from other sources. To that end, institutions that heretofore provided funding to stations licensed to them shall certify, in applying for grants under this chapter, that they have not previously and will not in the future funds provided under this chapter to supplant 8 9 institutional support of their stations.

8819. (a) No station that is eligible under this chapter shall be required to participate in the work or projects of the council. Any station choosing not to participate shall forfeit its right to funding under this chapter. Any station 14 choosing not to participate, or any station that withdraws 15 from the work of the council, shall be considered 16 ineligible for funding under this chapter for a period of not less than two years following its nonparticipation or withdrawal from the work of the council.

(b) The council shall have sole responsibility for determining by majority vote of its board of directors whether an otherwise eligible station has adequately participated in the work of the council as required under this chapter, and shall report to the Controller any determination that a station has not adequately participated and is therefore ineligible under this section.

<del>8820.</del>

10

12

17

18 19

20

21

25 26

27

28

34 35

SEC. 20. Section 8836.7 is added to the Government Code, to read:

8836.7. It is the intent of the Legislature to support the services provided by public broadcasting stations of this state, and to augment the ability of eligible stations to serve their local communities and the citizens of this state. To that end, state agencies may render assistance and provide services to the eouncil commission to the extent resources permit.

8821. 36

SEC. 21. Section 8836.8 is added to the Government 37 38 Code, to read:

8836.8. Any person or organization knowingly and 39 willfully filing false information in an attempt to secure **— 17 — SB 844** 

funding under this chapter shall be guilty of a misdemeanor.

SEC. 4.

3 SEC. 22. No reimbursement is required by this act 5 pursuant to Section 6 of Article XIII B of the California 6 Constitution because the only costs that may be incurred 7 by a local agency or school district will be incurred 8 because this act creates a new crime or infraction, 9 eliminates a crime or infraction, or changes the penalty 10 for a crime or infraction, within the meaning of Section 11 17556 of the Government Code, or changes the definition 12 of a crime within the meaning of Section 6 of Article 13 XIII B of the California Constitution.