

## A tale of revival: Pacifica emerges from the pandemic

On Wednesday March 31st, 2021, the **Pacifica National Board** reached an **agreement** with the **FJC Foundation**, the provider of a **\$3.1 million dollar loan**, to **extend** the maturity date of the loan for **18 months**. The agreement was reached following a careful review of **Pacifica's improving financial situation**.

The dramatic improvement in Pacifica's prospects were highlighted by Pacifica's auditor who wrote, in a communication to FJC, that,

***"The Pacifica National Board and management of the Foundation has implemented various financial policies and directives which appear to have (or the potential to have) positive impacts to the Foundation's financial condition."***

The extension of the loan agreement gives Pacifica the time required to continue the process of financial and operational reforms that so far proved effective in restoring financial and organizational stability.

## Positive remarks from Pacifica's auditor

Among the positive actions implemented by Pacifica's management, working closely with the Pacifica National Board (PNB), the auditor mentioned the following:

### ***Across the Pacifica network***

- The COVID-19 pandemic's **negative financial impact** on Pacifica has been largely **offset by the rapid response of Pacifica management** which has successfully applied and received assistance in the first and second rounds of the **Payment Protection Program (PPP)**, of the CARES Act.
  - In 2020, Pacifica received **\$1,256,000** in the **1st round** which was **fully forgiven in January 2021**.
  - In 2021, Pacifica received **\$1,200,000** in the **2nd round** and expects that loan to be fully forgiven as well.

- The **appointment of Lydia Brazon as Interim Executive Director, Pacifica's first Latinx Executive Director**. She has **donated her time** and services since December 2019 thus saving the foundation **\$150,000-\$200,000 per year** in salary and benefits.
  - Pacifica has **engaged a specialized law firm** to handle the 2020 and 2021 **labor contract negotiations** nationwide as well as other significant financial negotiations. A step in the right direction as prior negotiations were left up to the local station management and lacked follow through.
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### ***KPFA station***

- Pacifica's management **prevented the auction of the KPFA studio**. The KPFA building had been put up for auction in 2020 by the tax assessor's office of Alameda County because **KPFA had accumulated a debt** for unpaid property taxes. KPFA had not properly filed for a non-profit exemption from property taxes and had not paid any property taxes for a number of years. **Pacifica's specialized law firm** has filed a writ of mandate in order to restore the bulk of the **property tax exemption** and save Pacifica hundreds of thousands of dollars.
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### ***KPFFK station***

- The ongoing negotiations of contractual changes with the **union at KPFFK, SAG-AFTRA**, are expected to provide long-term, structural benefits for Pacifica's bottom line.

***"The Foundation's proposed changes to the labor contracts are expected to result in its solvency while maintaining its commitment to labor rights."***

-Pacifica's auditor

- Pacifica reached an agreement with SAG-AFTRA to retire one costly and redundant pension plan. **Pacifica's remaining pension plan is now fully funded**.
- The Los Angeles station KPFFK has implemented a **30% reduction in expenses** in response a \$700K deficit in 2020. Pacifica management, in consultation with the PNB, had to reluctantly make staff cuts as KPFFK was **reaching a crisis point**, and getting close to not being able to make payroll or pay bills. Terms were negotiated with the unions involved in order to **ensure that that all severance pay** and other obligations were provided. This action, while not easy, should

restore KPFK to fiscal sustainability.

### ***KPFT Station***

- A **permanent General Manager** has been hired at the Houston station, KPFT, and will bring stability to the station.

## **Progress with the audit**

In addition to the positive accomplishments listed by the auditor, we are now in a position to report that **both 2019 and 2020 audits are on track for completion.**

- **the 2019 audit by April 30**
- **the 2020 audit by the end of June .**

**This is a game-changer.** For the first time in six years Pacifica will be up-to-date with its audits and this has vast significance.

- Pacifica will be able to apply for a **restoration of Corporation for Public Broadcasting (CPB) funding, estimated at \$1 million dollars per year.**
- Pacifica would become **eligible for all sorts of grants** from which we are currently excluded. For example, **The New York City Council has a program** offering discretionary grants to non-profits that can demonstrate they provide a valuable cultural service to New Yorkers. Our New York radio station, **WBAI will become eligible** for these grants after June 30, once the audits are completed.

*This turn around in our financial operations is the result of a diligent effort made over the last three years by the Pacifica National Board, working closely with Pacifica management, its financial team at NETA and the auditors to get Pacifica's financial affairs in order.*

## **Notable achievements of Pacifica's business units**

For the first time in several years, the National Finance Committee of the Pacifica National Board has reviewed and approved the budgets of the network's different business units. Significant progress is evident in the functioning of Pacifica's business units.

- Our Washington D.C. station, **WPFW**, has had a series of very successful fund drives and has been able to attract a significant share of listeners in the Capitol region.
- Our New York station, **WBAI**, while still facing financial

challenges, has significantly increased its listener base as a result of innovative programming changes.

- Our Berkeley station, **KPFA**, continues to be a rock of financial stability and has successfully maintained a devoted listener base.
- The **Pacifica Affiliates Program** now boasts **210 affiliates**. These include low power radio stations that serve rural areas, college radio stations, as well as stations with a huge presence in key media markets such as Atlanta, Georgia and Boulder, Colorado. There are affiliates in 45 of the 50 states plus the Virgin Islands as well as International affiliates in Canada, France and Germany. A number of steps have been taken in the recent period to deepen the partnership between Pacifica and its affiliates.
- The **Pacifica Radio Archives** holds the history of Pacifica since 1949 and remains a unique and invaluable source of historical recordings not available anywhere else.
  - **Since 2000**, the Pacifica Radio Archives has been able to digitize just over **15,000 recordings**.
  - In the coming months and years, the Pacifica Radio Archives is working on a **major grant to digitize the remaining 50,000 recordings** by The Library of Congress deadline of 2025.
  - The Pacifica Radio Archives is looking to build a **digital website** so that **listeners can stream any and all** of the collection on demand. The goal of the Pacifica Radio Archives is to make these programs accessible to as wide an audience as possible.
  - **In 2013**, Pacifica Radio Archives began tracking exposure to newly digitized audio through metrics provided by online audio distribution platforms; **growth has been exponential**, exploding from **817 listeners at the end of 2013 to over 335,658 listeners from 130 countries in 2021**.

## Pacifica's strategic plan

A **strategic plan**, aimed at transforming Pacifica into the media landscape of the 21<sup>st</sup> century has been adopted by the Pacifica National Board and sets the direction of Pacifica for the next few years. It prioritizes Pacifica's **financial health** and focuses on reaching **new audiences** while preserving its ties to **local communities**, and maintaining the **fidelity of the Pacifica Mission**.

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## *Financial health*

The strategic plan addresses the immediate financial issues facing Pacifica. An important component is the **adoption of a policy mandating that 50% of all revenue considered as a “windfall”** (such as bequests) be set aside for the **repayment of the loan with FJC**. Given that Pacifica normally **receives as much as \$1,000,000** yearly of such unanticipated income, this will be a **significant factor in the repayment of the loan**.

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## *New media and audiences*

As we look toward the future, we envision the **integration of Pacifica’s broadcast radio technology** with other **media technologies such as webinars, podcasting, streaming on Twitch and Youtube, satellite radio, simultaneous cable broadcasts and much more** to leverage the Pacifica brand into the world of multi-media content.

The Pacifica National Board and Pacifica Management recognize that the **most important source of income** we have are **listener donors** who wish to **support their favorite programs**. Therefore, **Pacifica management** has **encouraged the Program Directors** at all stations to explore **new programming initiatives** to reach a **diversity of new audiences** in terms of race, age and gender, while maintaining and improving popular traditional programming.

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## *New sources of revenue*

We are also exploring several new initiatives that can potentially create brand new sources of revenue. Among those are:

- A proposal to systematically implement podcasting as a subscription service.
- A proposal to create digital imprints of original content that can be offered to the public.
- A proposal to beef up our “emergency preparedness” facilities, making us eligible for grants set aside for that purpose.
- A proposal to float a bond to pay off debts.
- A proposal to create an Advisory Board of luminaries and experts that can assist us in reaching major donors.

**It is not premature to say that Pacifica,**

**while still facing many challenges, has  
turned the corner.  
That's good news for a change.**

Thank you for your continued support,

**Alex Steinberg, PNB chair  
Lydia Brazon, interim ED**



**WPFW 89.3 FM**  
Jazz and Justice



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on your social media platforms.**

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