

In assessing the fiscal year that just ended on September 30th there are really two stories to tell for HPPR. One looks back over the past year to just sustaining HPPR. The other looks forward to greatly improving its service to you and the region. Between these two stories I really do see HPPR as turning a corner and being positioned to move forward in furthering its mission as a cultural, educational and civic resource for the region.

Surviving and sustaining

In 2010 we faced a major challenge -- the proposed total elimination of State of Kansas operating support and the actual sharp reduction of such funding. In response, HPPR developed a "sustainability strategy" to ensure the continuation of public radio on the High Plains. FY 2012 was our first full year of operation under the plan and we made considerable progress against its near-term objectives.

1. Cutting expenses, increasing private support and avoiding a financial crisis.

In FY 2012 HPPR's annual budget was reduced by \$222,000 (18%), including the elimination of three of 11 full-time staff positions. Work was reprioritized, redesigned and spread among remaining staff and volunteers.

Annual membership support has increased by about 10% since FY 2010 and is now by far the largest source of income for HPPR. Business underwriting income is up about 30% from last year and vehicle donations are up over 500% (to about \$10,000).

A serious financial crisis was avoided in FY 2011, though we did incur an operating deficit of 1.6% (\$19,300) on a budget of about \$1.2 million. This year, once the final accounting and auditing is finished, we're hoping to end the year breakeven or with only a small deficit similar to last year.

2. Maintaining the core program service *and* listener satisfaction despite budget cuts.

Over the past year we managed to avoid dropping any national programming for budget reasons, cutting service to any community or reducing hours of operation. Local programming, while more expensive to produce than acquiring national shows, has also been retained, including *High Plains Morning*, *Living Room Concerts* and regional features such as *High Plains History*. An important element in being able to maintain HPPR's core service has been an increased reliance on experienced volunteers in programming, engineering, fundraising, administration and website management.

Over the past year there were certainly operational problems along the way (e.g. dead air, misplayed programs), which we regret greatly. HPPR has traditionally operated with a small and lean budget compared to most public radio stations, so the further stretching and straining of staff and technical resources contributed to such problems. Anticipating and preventing such incidents that affect your listening remains a prime objective of our ongoing work to improve operations.

To gauge our progress in this area we have begun systematically assessing listener satisfaction and gathering feedback on HPPR's programming service. The first web-based survey conducted earlier this year showed that 66% of respondents thought overall programming quality remained the same over the past six months, 24% thought it was better and 10% thought it worse. Overall, 79% of respondents were moderately or very satisfied with HPPR's service (42% and 37%, respectively). Many particular and helpful suggestions for making improvements were also received.

3. Working for continued state of Kansas support.

Maintaining at least *some level* of public broadcasting funding has been the prime objective of supporters in Kansas. Continued funding recognizes public broadcasting's important role in the state's educational, cultural, civic and economic life as well as the private-public partnership that has made the service available to state residents for well over 30 years. To date, we have been successful in preserving funding.

However, funding *levels* have dropped sharply. For HPPR, annual funding has been cut by 64% since its peak in 2009, from \$399,000 to just \$144,000, with the largest cuts coming last year and again this year. If funding is continued next year it is likely to be further reduced to only about \$90,000.

Looking ahead to improved and expanded services -- and more users and supporters

The strategy laid out in 2010 also looks ahead, beyond just sustaining and maintaining. For HPPR to thrive it needs to improve and expand its services, adapt to an ever changing media environment, reach more people (both broadcast listeners and digital users) and broaden its base of support.

While the past year has been occupied largely by adjusting to budget cuts and reconfiguring operations, we have also begun work on outlining several initiatives that could significantly improve and extend HPPR's services. These include:

- **More national and international public radio programming.** There is far more great public radio programming available than we can fit on one channel -- not just from NPR, PRI and the BBC but many other sources as well. By creating a second program channel HPPR could make much more of this programming available every day in communities where we have or can acquire a second FM frequency and anywhere on the High Plains and beyond by streaming to PCs, smartphones and tablets.
- **More regionally-focused news, information and commentary.** Many informative and useful news stories, features, reports, studies, commentaries and other content are produced every day about the High Plains region itself as well as issues of central concern to the region. Such content comes from a wide variety of sources that area residents may not know about or have the time to regularly check (other public radio stations, specialized news websites, area newspapers, national/international publications, bloggers, etc.). By searching for and curating this regional content and making it available on its website and on-air on a daily basis, HPPR could provide a unique regional news and information service to the High Plains.
- **More live, locally hosted music programming.** There's still something special about live, local music programming that's really tuned to the interests and happenings of the area. Earlier this year HPPR added two such programs to its Saturday schedule, *Silver Rails* and *Open Range*, thanks to the volunteer work of local hosts Lynn Boitano, Debra Bolton and Steve Johnson. We'd like to add more such programs where we can find the right host with knowledge and passion for the right music.
- **More localized service.** There are many benefits and efficiencies to operating HPPR as one network spanning five states of the High Plains region. But cities and counties within the region could be even better served if each HPPR transmitter could separately originate its own local community events announcements, underwriting supporting credits and station IDs at designated times. It would be a way of developing HPPR as both a regional and a "hometown" service.
- **Wider and easier digital access to all of HPPR's live programming and on-demand audio.** Audio listening and news consumption is increasing shifting to digital devices, originally to PCs but now

to smartphones and tablets as well – and HPPR can be all these places. Working with NPR Digital Services we have the opportunity to greatly improve our website and offer applications customized to all types of mobile devices. With these improvements we can reach more users on the High Plains and across the world, offer more content than on our FM broadcasts, and make it easier for a wider network of contributors to provide content.

Of course, there is much that would need to be done to make any of these possibilities realities: careful planning and budgeting, negotiating affordable program rights, securing start-up funding and making targeted investments in enabling technologies, staff and training. Yet all are feasible if we can maintain a strong base of support for HPPR's existing service from which we can build these new services and – very critically – attracting more users and financial supporters.

Staying focused on HPPR's mission

Amid the budget cuts, operations changes and funding challenges of the last year, as well as in our planning for future services, we have striven to strengthen the essential value of the public radio service you have come to expect and rely on. We've continued to be guided by HPPR's original mission to provide the High Plains region with a media service that aspires to provide ...

- **A global perspective of wider horizons and deeper appreciation**
Public radio is for the curious, for those who seek to know and understand more of the complexity, diversity and wonder of the world, across the realms of politics, science, economics, arts, culture and religion.
- **An informed and reliable source of news and information ...**
Much has changed in the media landscape with more variety along with more strong opinion, rhetoric, advocacy and confrontation – on all sides of the political and social spectrum. Amid all this, public radio seeks to remain a reliable source of factual information, full context, reasoned perspectives, balanced viewpoints and civil discourse – a place to become truly informed.
- **A sense of place on the High Plains ...**
While public radio is a national medium, HPPR also seeks to be attuned to the unique history, culture, environment and economy of the High Plains region – a service that lets you know *where* you're listening.
- **A refuge and oasis ...**
Amid the clamor of media demanding your attention, public radio provides a commercial-free, lower key alternative. Amid the troubles and tensions of the day, HPPR offers a refuge of reflective and refreshing information and entertainment, whether through timeless music, good humor or inspiring and affirming stories. And across the great distances of the High Plains, HPPR is an oasis of listening on the radio dial.
- **A resource for everyone in our communities.**
HPPR remains a free service, available to all on in our communities, regardless of means or circumstances, 24 hours a day, each day of the year. It's always there to welcome newcomers to the region and add to the quality of life of natives.

Again, I thank you for your support in helping HPPR manage through the past year and chart a new path to sustainability and improved service. I appreciate this opportunity to update you on this progress. And, as always, I welcome your questions, thoughts and suggestions.

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