

Iowa Public Radio Final Report



Bornstein and Associates

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Executive Summary

Project Overview

This report summarizes the results of a comprehensive study conducted by *Bornstein & Associates LLC* (B&A) for the Iowa Board of Regents related to increased collaboration and coordination between the public radio operations at Iowa State University, the University of Iowa, and the University of Northern Iowa. The study originally proposed five phases. Phase IV of project was eliminated based on discussions, findings and proposed directions developed during Phases I through III.

B&A collected and analyzed relevant internal data regarding the three public radio stations during Phase I of the project. It conducted an extensive series of “environmental scan” interviews with internal and external key stakeholders of the three organizations, following which it proposed a draft mission statement and measures of success. This information was reviewed, revised, and endorsed by the Regent President and President Pro-Tem, and the presidents of the three Regents’ universities.

During Phase II, B&A proposed how public radio services in Iowa might be reconfigured, drawing upon the information it collected and analyzed during Phase I. This proposal was discussed with the three station general managers in a two-day retreat and forwarded to the Regents leadership and presidents for their review and endorsement.

During Phase III, B&A conducted interviews with comparable public radio organizations throughout the country that have gone through similar processes, and it discussed the project with Corporation for Public Broadcasting (CPB) executives to determine possible CPB interest in funding for implementing study results.

The project’s original Phase IV proposed a meeting with working groups from the three stations to discuss how best to implement strategies identified earlier in the project. However, the consultants and the three station managers concluded that such a meeting would be premature and unproductive, given the need to work out a number of legal and logistical details with human resource administrators from the three Universities, necessary Board of Regents consideration and approval of the study’s recommendations, the subsequent creation of an Iowa Public Radio Executive Council, and the hiring of an Executive Director. Therefore, a decision was made to eliminate Phase IV of the study.

Phase V consists of developing and discussing this report with the Regents leadership and the three university presidents, and presenting it to the Board of Regents for their discussion and approval.

Project Team

B&A is an executive recruiting and management consulting firm that specializes in providing services to public broadcasting organizations. It is formally allied with NETA Consulting, a service of the National Educational Telecommunications Association (NETA). NETA is a professional association that serves public broadcasting licensees and educational entities in all 50 states, the U.S. Virgin Islands, and Puerto Rico. The B&A project team for this project included the following individuals:

Ronald C. Bornstein, a veteran state and national public broadcasting executive and higher education administrator, served as the engagement partner and project team coordinator.

Larry Dickerson, former Director of the Communication Division of the University of Wisconsin-Extension and General Manager of WHA Radio and Television, assisted with the environmental scan and other research activities and served as the primary writer for the project.

Dr. Jack W. Mitchell, a Professor of Journalism & Mass Communication at the University of Wisconsin-Madison and former Director of Wisconsin Public Radio, served as the principal investigator for the project.

Judy Stone Weaver, a former university administrator and director of a state public broadcasting agency, assisted in conducting the environmental scan interviews and the analysis of organizational structure and collaborative opportunities.

Environmental Scan

In August 2004, B&A conducted 165 face-to-face and telephone interviews with internal and external key stakeholders of the three public radio institutions. Some of the key findings from this study were:

Listeners value the national and local news and public affairs programs on public radio as well as its music and cultural affairs programming.

Stakeholders believe the stations are consistent with the non-academic public service missions of the universities, that they are excellent promotional tools for the universities, and that they assist in student training in broadcast related areas of study.

Public radio contributes to the quality of life in Iowa chiefly because of its local news and event coverage, which brings communities together.

The greatest strengths of the stations are their national and local news and public affairs programs, their association with the universities, and their local presence. Other strengths include the stations' staffs, their music and arts programming, their fundraising capabilities, and their relationships with their audiences.

Internal weaknesses include a lack of financial resources, some management and staffing problems, and the quality of some locally produced programs. Other problems include some university relationships, overlapping program schedules, and the lack of coordination among the stations.

Stakeholders perceived opportunities for sharing programs, developing a plan for increased coverage of the state, sharing staff, producing more local programming, joint fundraising activities, and reducing administrative overhead.

The most frequent identified threat was the loss of funding, especially if a local presence in communities and a close working relationship with the universities was not maintained. It was agreed that the Iowa Public Television model was inappropriate for public radio. Concerns were expressed about how jointly raised funds would be distributed, how decisions would be made, and how to keep the process from being driven by issues and forces other than making public radio more effective.

There was a lack of consensus about the need for collaboration or consolidation and whether sufficient funds might be saved or raised through this process to reduce the need for tax support because of costs related to improving programming and providing increased coverage for the state.

Stakeholders agreed that greater coordination and cooperation is needed; resources should be shared; programming should be improved; coverage should be statewide; and local identities and relationships with existing audiences and institutions should be maintained.

Comparative Studies

B&A contacted other public radio organizations that have undertaken similar consolidation or coordination efforts. The stations interviewed included:

Colorado Public Radio (CPR) was created in 1992 through the merger of two community licensees. The unification improved programming and set up a satellite distribution system. Next year, CPR will have 11 stations in its network.

Ideastream (Cleveland, Ohio) was created in 2001 through the merger of two independent public radio and television organizations. They created a new organization called Ideastream, which is a multi-media public service organization providing programming on television, radio, the web, distance education, a statewide cable channel, a statewide news bureau, and an audio-visual service for the statehouse.

Maine Public Broadcasting Corporation was created in 1992 through the merger of the Maine Public Broadcasting Network and the Colby, Bates, Bowdoin Educational Telecasting Corporation. A new non-profit community organization was created by the legislature that resulted in reduced overhead costs and provided more coordinated and improved public broadcasting services to the state.

Michigan Public Radio was created in 1996 following rule changes by the Corporation for Public Broadcasting related to its Community Service Grants. The new format increased both contributions and underwriting ten-fold. Because of this success, the university transferred its public television station and the campus video production unit to the new organization and changed its name to Michigan Public Media.

South Carolina Radio was created when station management looked at the coverage pattern of the stations, as well as those in Georgia and North Carolina, and decided to create a dual service wherever possible. Today, four stations carry classical music and NPR news; three carry NPR news and talk, and one focuses on jazz. The station carrying jazz involves a cooperative agreement with three other public radio entities.

The University of Southern Illinois also merged two of its stations after receiving a letter from CPB concerning its new criteria for Community Service Grants. No licenses were transferred and no new organization was created, but the station's staffs, formats and Friends organizations were merged. This resulted in reductions in administrative and staffing costs. Following the merger, another station was added to the group. Today, the combined broadcast signals of the three stations cover the southern third of Illinois.

Wisconsin Public Radio began in 1979 when two public radio stations in Madison licensed to two different organizations agreed to provide two different program services under the name Wisconsin Public Radio.

Today, 27 transmitters, licensed to nine institutions, are operated under a single manager and provide two program services: the NPR News and Classical Music Network (on 10 stations) and the Ideas Network (on 17 stations).

Recommendations from these stations included many common themes. Among them were:

- Focus on improving service, not on saving money. Additional funding will come if you first improve your service. If you are going to change, change dramatically, and do it completely.
- Understand that many people resist change and they will react negatively. You probably won't hear from your supporters until "all of the smoke has cleared." Have a plan for dealing with it.
- Get as much buy-in from as many constituents as possible prior to making the change.
- Develop a clear vision and plan, and stick to it.

Funding Implications

The primary objective for reorganizing the stations licensed to the Iowa Board of Regents should be to provide improved public radio services to the residents of the State of Iowa. Secondary objectives include improved efficiency; increased support from underwriting, major gifts, and membership dollars; and decreased dependence on tax revenues. If the first objective is realized, the secondary objectives will follow.

As the details of the restructuring process proceed, it will be necessary to ensure that the new structure maximizes the amount of money received from the Corporation for Public Broadcasting and minimizes the cost of National Public Radio dues and program acquisitions. Agreements will have to be reached with the existing foundations and an expanded Friends group concerning the funds collected and held by these organizations.

There will be additional start-up costs such as hiring an Executive Director and reconfiguring and augmenting technical systems to facilitate a more integrated and efficient operation. These costs must be shared among the three organizations or be paid for through grants. Corporation for Public Broadcasting executives have indicated a willingness to consider supporting some initial implementation costs if

the final plan is sufficiently relevant as a national model for other public radio stations.

Recommendations

Based on its review of the three Iowa public radio stations, the comments and suggestions of its stakeholders, and the experience of other public radio collaborative efforts around the country, B&A makes the following recommendations for action by the Board of Regents. The recommendations do not suggest ways to provide the same public radio service at lower costs. Instead, they suggest how Iowa can improve its service, attract more listeners, and increase its level and percentage of private support, with greater efficiency and lower state support.

The recommendations are also advanced with the following caution. The Regents and the three universities should prepare themselves for resistance to any meaningful changes. Nevertheless, while initial adverse reactions from staff and listeners should be anticipated, the Regents and universities should not be deterred from making changes that will help public radio make better use of its resources, improve its program quality and relevance, serve more listeners, and better position public radio for the future.

1. Create an Executive Council to oversee all public radio facilities and operations of Regents' universities. The Executive Council should consist of one appointee of the president of each of the Regents' universities, a non-voting member from a statewide "Friends" citizen support organization to represent individual listeners and contributors, and the Iowa Public Radio Executive Director.

2. Designate the combined activities overseen by this Executive Council as "Iowa Public Radio," identified in print and in periodic on air announcements as a service of (rotate order) Iowa State University, the State University of Iowa, and the University of Northern Iowa. Stations with heritage call letters (WOI, KUNI, WSUI, KSUI) can retain their identification with specific universities.

3. Adopt the following statement as the mission for Iowa Public Radio:

Iowa Public Radio reflects and enhances the civic, cultural, and intellectual life of Iowa, statewide and regionally, making the state a better place to live and work.

The stations contribute to the outreach missions of the three Regents' universities and foster communication between the universities and Iowa residents.

4. Direct the Executive Council to continuously evaluate the performance of Iowa Public Radio and to report to the Regents annually based on the following criteria:

A. A representative sample of listeners rates the stations highly when asked if they:

- Reflect and enhance the civic life of Iowa
- Reflect and enhance the cultural life of Iowa
- Reflect and enhance intellectual life of Iowa
- Contribute to the educational outreach mission of the universities
- Foster communication between the universities and the people of the state
- Make Iowa a better place to live and work

B. An increasing number of Iowans listen to the stations and support them financially.

C. Efficiency increases, as measured by declining (institutional) cost per listener hour.

5. Direct the Executive Council to recruit, identify, and select an Executive Director for Iowa Public Radio, responsible to the Executive Council for all financial, personnel, programming and operational aspects of public radio in the three institutions.

6. Authorize the Executive Council to recognize an independent statewide Friends organization to receive, invest and disburse funds on behalf of Iowa Public Radio, all underwriting support, and all individual contributions of less than \$10,000.

7. Request that the foundations of the three universities seek major gifts and bequests in excess of \$10,000 on behalf of Iowa Public Radio or its stations. Request, further, that the foundations expend all funds currently held on behalf of Iowa Public Radio stations, and any more received by the foundations on behalf of Iowa Public Radio in the future, consistent with donor intent and at the direction of the Executive Director of Iowa Public Radio.

8. Authorize the three universities to gradually decrease their institutional support for Iowa Public Radio stations by a total of \$300,000 over a five-year period.

9. Direct the three universities to reconcile differences in personnel policies, classifications, and salaries for employees performing similar functions for Iowa Public Radio stations, and to work constructively with Iowa Public Radio management to treat fairly any employee adjustments resulting from increased and more effective collaboration and coordination.

10. Direct the Executive Council to extend FM service to the western parts of Iowa and any other inadequately served areas to enable Iowa Public Radio to provide a truly statewide service.

Conclusions

The consultants are not suggesting that the three broadcast organizations in Iowa are unsuccessful. Each does a good job within its resources and each has developed a loyal following. But each has probably reached its full potential as a totally independent university station. Public radio in Iowa has not reached its full potential, however. B&A believes implementation of its recommendations will allow public radio in Iowa to do so. The state, the universities, and the people of Iowa deserve no less.

Project Overview

In March 2004 **Bornstein & Associates LLC** (B&A) responded to a Request for Proposals by the Board of Regents of the State of Iowa to conduct a comprehensive management, programming, operations, and planning study related to the collaboration between the public radio operations at Iowa State University, the University of Iowa, and the University of Northern Iowa. B&A was awarded this contract in July 2004. B&A's original project proposal consisted of five phases. As the project progressed, these phases were modified to respond to the needs of the client and project findings.

During Phase I, B&A focused on identifying and ratifying a shared vision and mission for the three stations. It began by collecting and analyzing internal data about the three public radio stations. Environmental scan interviews were conducted with internal and external key stakeholders, following which a draft mission statement and measures of success were created. This information was shared with Regents John Forsyth and Robert Downer, Iowa State President Gregory Geoffroy, University of Northern Iowa President Robert Koob, University of Iowa President David Skorton, and the Regents Executive Director Greg Nichols. Following the incorporation of some suggested changes the committee agreed to the proposed mission statement and measures of success, and authorized B&A to proceed with Phase II.

During Phase II, B&A developed a proposal for reconfiguring the public radio services in Iowa based on the results of the environmental scan and the agreed upon mission statement. This proposal was discussed at length with the three general managers of the stations in a two-day retreat. At the conclusion of the retreat, the three managers unanimously agreed that a modified version of the proposal should be forwarded to the Regents leadership and university presidents for their reaction and guidance.

During Phase III, B&A conducted interviews with other public radio organizations around the country that have gone through similar processes, and it discussed the project with Corporation for Public Broadcasting executives to determine possible interest in providing funding for implementing the results of this study.

Based on its discussions with the three managers, B&A proposed that Phase IV be eliminated. Originally, B&A had proposed convening multiple inter-institutional teams consisting of key members of the senior staff and the management of the three stations to begin implementing the

strategies identified earlier in the project. However, the proposal agreed to by the general managers suggested that Phase IV would be premature and unproductive.

Assuming the restructuring proposal was accepted by the Board of Regents, the station managers indicated they would need to consult with human resources representatives of the three universities to clarify how to facilitate and enable change in public radio staff assignments, titles, salaries, and reporting lines in a revised, coordinated, and more efficient structure. Once this process was completed, an Iowa Public Radio Executive Council could be created, charged with the process of implementing the proposal, and given authority to hire an Executive Director.

Given the importance of obtaining support from the three universities and the Board of Regents, B&A requested that Phase V of the project be extended and that the end date for the contract be moved from December 1, 2004 to December 17, 2004. This would allow B&A to present and discuss its final report with findings, conclusions and recommendations at the December 2004 Regents meeting.

Chronology of Events

March 9, 2004 – Request for Proposal No. 57102 issued

March 31, 2004 – B&A response to RFP delivered

July 2004 – Contract signed

July 2004 – Internal data about organizations collected and evaluated

August 2004 – Environmental scan conducted and detail report presented to station general managers, Regents leadership, and university presidents

September 2004 – Interviews with other stations conducted

September 17, 2004 – Conference call with Regents leadership and university presidents

September 29-October 1, 2004 – Meeting with station general managers

October 13, 2004 – Interim report discussed with Regents leadership and university presidents

November 14, 2004 – Follow up conference call

November 29, 2004 – Final Report submitted

December 16, 2004 – Final report presented to Board of Regents

Project Team

Bornstein and Associates LLC (B&A) is an executive recruiting and management consulting firm that specializes in providing services to public broadcasting organizations. It has been involved with human resource consulting, recruitment, and training in higher education and in public broadcasting at the national, regional, state, and local level for over 25 years. It has served more public broadcasting clients than any other independent consulting organization. B&A is formally allied with NETA Consulting, a service of the National Educational Telecommunications Association (NETA). NETA is a professional association that serves public broadcasting licensees and educational entities in all 50 states, the U.S. Virgin Islands, and Puerto Rico. The alliance between NETA and B&A was created to expand the capabilities of both organizations to attract the best and brightest professionals in the public broadcasting system for providing consulting services to its industry colleagues.

The B&A project team for this project included the following individuals:

Ronald C. Bornstein, Bornstein & Associates Manager, is a veteran professional who has served in key leadership positions in public broadcasting and higher education for over 35 years. In 1994, he relocated his management consulting and executive recruitment practice to Tucson, Arizona after retiring from the University of Wisconsin System, where he worked for 27 years in various capacities as Director of the Telecommunications Division and General Manager of WHA Radio and Television, Vice President of University Relations for the University of Wisconsin System Administration, and subsequently as the System's Senior Vice President for Administration, Executive Vice President, and Chief Operating Officer. As part of his System Administration administrative duties, he had oversight responsibilities for all broadcast operations licensed to the Board of Regents – twelve public radio and one public television stations. Mr. Bornstein served as the engagement partner and project team coordinator.

Larry Dickerson is the former Director of the Communication Division of the University of Wisconsin-Extension and General Manager of WHA Radio and Television. Following the receipt of his degree in Radio and Television Production from the University of New Mexico, and a brief period working as an independent commercial radio producer, Mr. Dickerson began his public broadcasting career at KNME-TV in

Albuquerque, New Mexico. He was recruited to Madison, Wisconsin in 1974 to become the Director of Programming and Long Range Planning for WHA Television. He subsequently held the positions of Assistant Station Manager and Assistant Director of Strategic Planning for the University of Wisconsin-Extension, as well as the Director of Telecommunications Planning and Deputy Director of the Wisconsin Educational Communications Board. Mr. Dickerson assisted with the environmental scan and other research activities and served as the primary writer for the project.

Dr. Jack W. Mitchell is Professor of Journalism & Mass Communication at the University of Wisconsin-Madison. As the first employee of National Public Radio in 1970, he wrote the initial statement of standards and practices for the new network and was principal author of its strategic plan. He was the first producer of public radio's seminal program, *All Things Considered*, and nurtured it through its first five years, as producer, executive producer and director of news and informational programming at NPR. After six years in Washington, Dr. Mitchell became the manager of WHA Radio in Madison, Wisconsin where he led the evolution of "the oldest station in the nation" into Wisconsin Public Radio, a statewide dual network service, with 26 transmitters throughout the state and with staff and studios in six Wisconsin communities outside of Madison. He developed Wisconsin Public Radio by establishing a working partnership between University of Wisconsin-Extension (administrative home of WHA Radio and Television) and the state's educational telecommunications agency, and through further agreements with seven University of Wisconsin campuses outside of Madison and two institutions external to the University of Wisconsin System. Dr. Mitchell served as the principal investigator for the project.

Judy Stone Weaver, B&A Team Member and NETA Consulting Senior Partner, worked in a university environment for 10 years and headed a state public broadcasting agency for 11 years. During the 1980's, she headed a professional production facility for the College of Communication at the University of Alabama where she served as Assistant Dean for four years. From 1989-2000, she served as the chief executive of Alabama's public broadcasting agency where she had management oversight of a 9 station public television network and WLRH-FM, public radio in Huntsville. During her tenure, she formed partnerships between her licensee, Alabama Public Radio, and community partners to develop a statewide news service, utilizing both radio and television staff. Her professional background includes extensive production and administrative experience in news, information, arts and cultural programming at the local, state, and national level. She is currently a member of the New Jersey Network Community Advisory Board and the Board of Visitors of the University of Alabama College of

Communication and Information Sciences. Ms. Weaver helped conduct environmental scan interviews and assisted in the analysis of organizational structure and collaborative opportunities.

Environmental Scan

In August 2004 B&A conducted 165 face-to-face and telephone interviews with: the members of the Board of Regents and its Executive Director; university administrators, staff, and faculty members; staff members at the three public radio stations; and, selected representatives from community and governmental organizations. Time permitting, interview participants were asked:

- Why is public radio important to you personally?
- What does public radio contribute to the mission of the university?
- What does public radio contribute to the quality of life in Iowa?
- What are the station's greatest internal strengths?
- What are the greatest strengths of the other stations?
- What are the station's greatest internal weaknesses or limitations?
- What are the greatest weaknesses of the other stations?
- What are the greatest opportunities for some type of collaborative effort?
- What are the greatest threats to some type of collaborative effort?
- What are your hopes and expectations for public radio in Iowa in the future?

Not all participants responded to each of these questions, either because of time constraints or because the interviewee did not believe that he or she was sufficiently knowledgeable to respond to the question. To encourage candor, participants were assured that their perspectives and comments would be summarized and reported fairly in a collective manner, without personal attribution or value judgments.

A summary of the results of these interviews was communicated to the Regents leadership and presidents. Highlights of the key ideas included:

Personal Importance

When asked why public radio was important to them personally, all four groups mentioned its national and local news and public affairs programs. Three of the station stakeholder groups listed public radio's music and cultural affairs programming. Most of those responding said

they were longtime listeners to the stations. Some had listened to the stations their entire lives.

One Regent, who was not a regular listener, questioned how or if public radio contributed to the intellectual vitality of Iowa.

Mission of the university

All four groups said they thought the stations were consistent with the nonacademic missions of the universities, especially those missions related to service, outreach and continuing education. They also agreed that the stations were excellent promotional tools for the universities, and showcased the talents of its faculty. Two station groups and the regents also mentioned the value of the stations for training students.

One group mentioned – but disagreed with – a study (The Carlson Report) that concluded public radio was not part of the core mission of the university, and two Regents questioned the value of the stations to the universities and what they contributed to the core mission of the universities. Two of those in the station groups said they were not convinced that the stations were valued by the universities because of threats to cut funds.

Quality of life in Iowa

All four groups agreed that public radio contributed to the quality of life in Iowa chiefly because of its local news and event coverage which brings communities together.

Internal Strengths

All four groups pointed to the national and local news and public affairs programs on the stations, their association with the universities, and their local presence as their greatest strengths. The three station groups listed their staffs, their music and arts programming, their fundraising capabilities, and their relationships with their audiences among their strengths.

Internal Weaknesses

Most of the weaknesses listed varied from station to station. As might be

expected, all three station groups pointed to a lack of financial resources as a significant weakness. All three also identified management and staffing problems, although the specifics differed from station to station. The *Talk of Iowa* program was criticized by all three groups. Some criticized the segment produced by WOI, others criticized the segment produced by WSUI, and others criticized the entire program. Problems were also reported by each of the three station groups with their universities, but again, the problems differed by location. Two of the station groups and the Regents criticized overlapping program schedules and the lack of coordination among the stations.

External Opportunities

There were many areas of agreement when asked about opportunities for collaborative activities. All four groups expressed interest in sharing programs, especially in the areas of news, public affairs, and legislative coverage. There was also agreement the stations should work together to develop a plan for increased coverage of the state.

The three station groups were interested in sharing staff, locally produced programs, programs in the music and arts, and in exposing the resources and talents available in their respective universities and communities. They also agreed they could benefit from some types of joint fundraising activities other than membership.

Two groups thought that music libraries could be shared. One station group and the Regents thought administrative overhead could be reduced.

External Threats

The greatest threat identified by all four groups was loss of funding. While the Regents focused primarily on the loss of tax revenue, the other three groups expressed concern that funding could also be lost from contributors if this process is not handled effectively. They all expressed the belief that maintaining a local presence in their communities and a close working relationship with their universities was critical to their future. All four groups were also in agreement that the Iowa Public Television model was inappropriate for public radio because of the different relationship that radio has to its listeners, communities, universities, and programs.

All three groups had questions about how jointly raised funds would be distributed and how decisions would be made. They also expressed

concern that the process could be driven by issues and forces outside a concern to make public radio more effective.

There were strong differences of opinion about whether collaboration or consolidation was needed, although most seemed to favor a collaborative model. Strong opinions were voiced about whether enough money could be saved or raised through this process to reduce the need for tax support. Some thought that improving programming and providing coverage for the entire state would cost much more than could be saved by cutting some staff, sharing some programs, and increasing the stations' collective fundraising capabilities.

Hopes and Expectations

In discussing their hopes and expectations for the future of public radio, all four groups once again agreed that they hoped for greater coordination and cooperation, the sharing of resources, improved programming, and greater coverage of the state. The three station groups reiterated the importance of maintaining their local identities and relationships with their audiences.

Comparative Studies

In September 2004, B&A contacted a number of public radio stations that had undertaken consolidation or coordination attempts with other organizations. Following is a summary of the experiences of those seven stations including their recommendations to other stations that might be contemplating similar initiatives.

Colorado Public Radio (CPR)

Contact: Jenny Gentry: 303-871-9191

In 1992, KCFR-FM (Denver/Boulder) and KPRN-FM (Grand Junction), both of whom were community licensees, decided to join forces to create Colorado public radio. They did so to increase the quality of their services to their listeners. At the time of the merger, both organizations were providing a mix of news and classical music. KPRN had volunteer announcers and music hosts on the weekend that often played their personal favorites.

When the two stations were combined they created a much tighter classical music format, supplemented by *Morning Edition* and *All Things*

Considered. The merger allowed them to set up a satellite distribution system to serve the two stations and their translators. This eventually made it possible to provide services to other parts of the state. Today there are nine stations in the network. Next year, there will be eleven.

The organization is primarily a centralized model with senior management in Denver and limited staff (reporters, development and engineering) in the communities they serve. Each transmitter is able to provide local insertions.

The benefits of the merger were the development of a better service to listeners as well as a significantly better distribution system that enables CPR to share programming statewide. Membership has doubled since the merger.

The downsides of the merger were some negative public reactions in the Grand Junction area where a number of listeners thought they would lose local programming – especially programming that was produced by volunteers. Some felt the station was being taken over by Denver. One volunteer announcer, who was also a semi-retired attorney, took the merger to court contending that, even though the two boards of directors were in unanimous agreement about the change, the membership should have been given an opportunity to vote on the merger. This lawsuit took two years for resolution. CPR eventually prevailed but costs associated with fighting the lawsuit were significant. By-laws were revised to help guard against future litigation.

CPR recommendations to others interested in pursuing similar mergers:

- Get as much buy-in from as many of your constituents as possible.
- Bring staff into the process early on and enlist their support. If there are “loose cannons” on staff, know who they are and develop a plan to deal with them.
- Work with the editorial boards of your local newspapers to educate them about what you are doing and why.
- Have a clear plan and stick to it.
- Do it to serve your audience more effectively, not to save money. You can do the former, but not the latter.

Ideastream (Cleveland, Ohio)

Contacts:

Kit Jensen (216) 432-3700 x 210

Jerry Wareham: (216) 739-3850

In 2001, two independent public radio and television organizations (Cleveland Public Radio and the Educational Television Association of Metropolitan Cleveland) merged to create a new organization called Ideastream. The driving force behind the merger was to create more local programming and to have a greater impact in the community. There was no motivation to reduce costs; in fact, costs increased.

The process began with conversations between the two organizations in 1997 following a collaborative program that was considered “a disaster” in terms of staff relationships, but a great success within the community. This led to a study of how the process could be institutionalized. Initially, merger was not considered an option, but the study committee recommended the creation of a new, freestanding non-profit organization that would be a multi-media public service organization. Today, the organization provides programming on television, radio, the web, the largest interactive distance education learning system in Ohio, a statewide cable channel, a statewide news bureau, and an audio-visual service for the Ohio statehouse.

There are no station managers for specific media such as radio or television. There is a director of content for all content. There is a programmer who has responsibility for radio, television, web, and other media. Staff members with expertise in specific technologies are hired only when appropriate.

The benefits of the merger from a community perspective are that the stations now provide content that is relevant and important to the community that is seen, heard, and on the web in a way that it had not been done before. The merger has also changed the status of the organization within the community. It is now considered a major community institution more worthy of collaboration and involvement by community leaders.

There were many difficulties during the process because change is hard to embrace for some people. The downsides were confusion and difficulty trying to teach people how to communicate with one another. It took a lot longer than originally assumed for staff to figure out how to create and promote multiple media effectively. The move from the organization’s original vision to its practical implementation took much longer than originally planned.

One of the things that management believes it did right was that it “burned all of its bridges” and restructured in a way that did not allow prior institutional beliefs or systems to persist. Management’s recommendations to others:

- If you are going to change, change dramatically, and do it completely. You can’t do it just a little bit.
- If you are going to keep all the same backroom operations and three program directors and not add more content, then you will not realize your potential.
- Don’t focus on efficiency; focus on the impact of your service. “Think about the role of public broadcasting in state government and the university. It’s a great opportunity. Ask yourself if you are really relevant in the 21st century.”

Maine Public Broadcasting Corporation (MPBN)

Contact: Kate Casparius: 207-783-9101

In 1992, the Maine Public Broadcasting Network (MPBN) in Bangor and the Colby, Bates, Bowdoin Educational Telecasting Corporation (WCBB) in Lewiston merged to form a statewide public broadcasting network called Maine Public Broadcasting Corporation. MPBN consisted of 6 public radio stations and four public television stations. WCBB was the primary public television station in Portland.

The driving force behind the merger was the desire to become more efficient. Prior to 1992, the two organizations were offering competing services and it was decided that everyone would be better served by developing a single coordinated effort. At the time of merger, MPBN was licensed to the University of Maine and WCBB was operated by a private non-profit community organization. A new non-profit community organization was created by the legislature and all assets and licenses were transferred to the new organization. The organization’s main headquarters are located in Lewiston, with middle management at each of the organization’s satellite stations.

The process of consolidation took approximately one year for completion. It was management’s belief that if the process had taken longer it might not have succeeded. Therefore, when the merger took place there were still many unanswered questions. This caused several internal problems, mostly related to staff dissatisfaction. MPBN lost approximately one-

quarter of its staff during the process. Other problems related to setting up effective communications systems between the locations. This was eventually resolved through increased use of technology such as teleconferencing and videoconferencing. In retrospect, MPBN believes it could have done a better job of developing and creating a unified message and ensuring that the staff was more supportive of what was happening.

On the positive side, MPBN was able to reduce overhead costs over time, especially in administration, and was able to provide more coordinated and improved public broadcasting services to the state.

MPBN's recommendations to others pursuing similar efforts:

- Understand that many people resist change and they will react negatively. You probably won't hear from your supporters until all of the smoke has cleared.
- Have a clear vision and stick to it.
- Remember that the people of your state are your main concern. If you can serve them better then you should do it. If it only saves money, you are doing it for the wrong reasons.

Michigan Public Media (formerly Michigan Public Radio)

Contact: Donovan Reynolds (734-764-9210)

Michigan Public Radio was conceived in 1996 following receipt of a letter from the Corporation for Public Broadcasting indicating that the criteria for receiving future Community Service Grants were being changed and stations would have to meet minimum audience and revenue criteria. WUOM-FM (Ann Arbor), WFUM-FM (Flint) and WVGR-FM (Grand Rapids) did not meet the new criteria. At that time the stations were collectively raising \$60,000 a year in underwriting and \$150,000 from on-air fundraising.

The stations' general manager decided to change the stations' format from classical music to news and public affairs. He streamlined the staff and challenged the development department to either meet higher goals or leave. Most chose to leave and new staff were hired to replace them. Even though the initial reaction of classical music listeners was very unfavorable, new listeners were attracted to the news and public affairs service and the stations are now very successful. Last year, they raised over \$1.2 million in underwriting and over \$600,000 from on-air

fundraising. The organization also moved out of a fifty-year old building into new facilities off campus. The building cost was paid by increased operating funds and a \$1.5 million grant from the university.

The three stations are licensed to the Regents of the University of Michigan. The University was so pleased with the success of the operation that in 2002 it merged WFUM-TV (Flint) within the organization, and this year it is moving the campus video production unit under Michigan Public Media as well. These changes resulted in a name change from Michigan Public Radio to Michigan Public Media.

The television station has operated at a deficit since 1996. The television underwriting department was disbanded and responsibility for fundraising was placed under the existing radio development director. This has proven to be very successful. The stations have been able to share programming, cross-promote on their respective media, and have obtained increased underwriting for “package deals” consisting of underwriting recognition on both radio and television. It remains uncertain whether television can be sustained because of its tie to national public television programming and the inability to make the same kind of drastic changes in programming as was done on radio.

In addition to one general manager there are now only two station managers – one for television and one for radio. They are primarily responsible for being in the community focusing on public relations and contacting potential funders. All radio production is done in Ann Arbor.

When the change was made, it was necessary to lay off four staff members. Others left voluntarily. Additional staff was hired to produce local news and public affairs and the stations’ programming costs increased because new syndicated programming was purchased. These costs were covered by increased fundraising during the first year of operation.

There was significant initial adverse reaction to the move when it occurred. A local group collected signatures in the community to preserve classical music, and a petition was presented to the Regents. A new president of the university had been hired in the interim and he was hostile to the changes that had been made. The general manager was criticized extensively in the press. The staff was concerned that membership contributions would drop off sharply and they debated whether the fall membership drive should be cancelled. It was conducted as planned and the stations received the largest number of contributions in the organization’s history.

Michigan Public Media's recommendations to those contemplating similar changes:

- You can't make significant changes by making minor adjustments to the organization.
- Develop a careful plan about what is to be done and make sure that all your key constituents sign off on it before you implement it.
- Be prepared for the firestorm that will inevitably occur, and have a plan for dealing with it.
- Have confidence in your plan and stick to it.

South Carolina Radio

Contact: Tom Fowler, 803-737-3240

South Carolina has eight radio stations serving the state. Prior to 2000, all carried a traditional mix of classical music and news. Station management looked at the coverage pattern of the stations, as well as those in Georgia and North Carolina, and decided to create a dual service wherever possible. Their strategy was to work with the stations in overlapping markets to eliminate duplication. Today, four of the South Carolina Public Radio stations carry classical music and NPR news; three carry NPR news and talk, and one carries jazz.

The station carrying jazz, WNSC in Rock Hill/Charlotte, is probably the most relevant success story because it involved a cooperative agreement among the four public radio stations in that market: WNSC, WDAV, WFAC and WNCW. After much discussion, the managers of these stations agreed to revise their individual formats so there would be no duplication. They also agreed which station would purchase specific syndicated programs. WNSC even agreed to hire one of WFAC's jazz producers. The stations also agreed to cross-promote each other's programming. Today, WNSC is an all jazz format; WDAV is all classical music; WFAC is all news and talk; and WNCW is Album Adult Alternative (AAA). Only WFAC carries *Morning Edition* and *All Things Considered*. Despite "traditional wisdom," all three of the other stations compete very well with WFAC during drive time without these two programs. All of the stations have reported dramatic increases in their ratings and fundraising capabilities.

Changes were made incrementally – one station every two months. As anticipated, there were many audience complaints. Nevertheless, the network became increasingly adept at responding to these concerns. For example, before making a change, the technical staff did a detailed study of where there were overlapping signals. In many cases, staff was able to direct listeners to other public radio services that carried the type of programming desired by the listener.

Cross-promotion on the various stations also helped to alleviate some complaints. It was noted that FM listeners often get in a habit of listening to one station and have to be informed that by tuning up or down the dial they have other alternatives. Listeners are sometimes unaware that radio reception can be improved significantly by installing a good antenna.

The key objective behind the changes made in the South Carolina Public Radio was to offer audiences the largest number of choices possible. This has served well both audiences and the network. The cumulative audience for the network has grown from 160,000 to 334,000 since the changes were made.

Because network operations are all located in the same building these changes did not result in the loss of any staff. Everything was accomplished through digital switching.

Recommendations to others considering similar changes:

- Develop a comprehensive plan and get as much support for it as you can before proceeding.
- Expect listeners to complain. You can't prevent this. But you can be prepared to deal with their complaints, especially if you anticipate their concerns and provide them with alternatives.
- Communicate with everyone – your superiors, your staff, your audiences, the newspapers, and the community.
- Question your assumptions, such as whether or not all stations have to carry the NPR News bookends. Traditional wisdom “ain't necessarily so!”
- Focus on improving service, not on saving money. Additional funding will come if you improve your service first.

Southern Illinois University

Contact: Candis Isberner, (618) 453-6192

At that time of their consolidation in 1996 two public radio stations were licensed to the University of Southern Illinois: WSIU-FM in Carbondale; and in WUSI-FM, Olney. The original stations had separate management and staffs even though they were closely aligned and sometimes had identical program schedules with the exception of some public affairs programs unique to each geographic area.

In 1996, the Corporation for Public Broadcasting changed the rules for its Community Service Grants and informed the university it would only be receiving one rather than two grants. As a result, the University decided the stations should be merged. No licenses were transferred and no new organization was created. The WSIU-FM Friends Board serving the Olney/Effingham area was disbanded and members from those areas became members of the WUSI Friends in Carbondale.

The process took approximately two years to complete, primarily to allow the Olney staff to find new jobs. The station manager at WUSI was reassigned to oversee fundraising for a short time in Carbondale on a one-year contract, after which he left to take another job. Two engineers and two broadcast operations staff members were transferred to Carbondale. An educational outreach staff member remained in the area and worked from home, and another corporate support person worked out of an office in Olney until she identified another career opportunity.

The benefits of the change were reduced administration and staffing costs. There were no changes in the cost of programming. Following the merger another station, WVSI-FM, Mt. Vernon, was added to the group. The combined broadcast signals of the three stations now cover the southern third of Illinois. The university applied for and received studio waivers for WUSI-FM (Olney) and WVSI-FM (Mt. Vernon).

On the downside, engineers from Carbondale must now travel to Olney to check the transmitters and other equipment. This is a three-hour drive. If there is a technical problem, it must wait until an engineer from Carbondale is dispatched to address it. There was also a loss of local presence, even though the Carbondale staff continued to work with the local Chamber of Commerce, participate in community events, and run ads in the local papers. Recently, there has been an effort to produce more news and public affairs programs specifically related to the community.

Lessons learned from the experience were:

- The organization should have done a much better job of communicating with the community and the local Friends groups concerning the rationale, timeline, and details of the change.
- It should have had a better plan for keeping in touch with the community beyond its existing K-12 and Ready to Learn activities.
- There should have been a plan to do more public affairs programming at the beginning of the process rather than several years later.

Wisconsin Public Radio

Contact: Jack Mitchell, (608) 263-1740

Two organizations hold the majority of the public radio licenses in the State of Wisconsin – the Board of Regents of the University of Wisconsin System (UWS) and the Wisconsin Educational Communications Board (ECB). In 1979, the two organizations agreed to provide two different programs services on their Madison stations: news and talk on WHA-AM (licensed to the UWS) and NPR News and classical music on WERN-FM (licensed to the ECB). This concept was called Wisconsin Public Radio.

In 1984, the two organizations jointly appointed a single manager to manage the stations of both organizations. He began soliciting the participation of other radio stations throughout the state including six stations located on other university campuses, as well as those licensed to a private university, a technical college, and a high school. Today, 27 transmitters licensed to nine institutions are operated under a single manager through a variety of agreements.

The driving force behind these agreements was a desire on the part of Wisconsin Public Radio management to build larger and stronger public radio services. Individual institutions entered into these agreements because of their desire to end or reduce their financial commitment to radio in favor of higher priorities, particularly as they faced budget cuts.

No licenses have been transferred during this process, although a number of stations already licensed to the Board of Regents were transferred administratively from campus-based institutions to the University of Wisconsin-Extension (UWEX). Other campus-based stations continue as part of their traditional institutional home, but are managed by contract with UWEX.

Wisconsin Public Radio does not exist as a legal entity. It is the public identity for this multi-institutional collaboration. The system was initially centralized in Madison. As it grew, agreements with other institutions throughout the state placed staff in seven locations outside of Madison. Each has a regional manager responsible for local relationships, local programming, and local development, supervised in all but one case by the Director of Wisconsin Public Radio. The current arrangement was developed over a period of approximately fifteen years and will undoubtedly continue to evolve.

The benefits of the arrangement are improved program services and increased revenues. Wisconsin Public Radio currently provides two services, the NPR News and Classical Music Network (on 10 stations) and the Ideas Network (on 17 stations). Ideally, the two services would be carried everywhere in the state although this is not possible because of the lack of available frequencies. (Only the Milwaukee area does not have both WPR services. However, NPR is available in the region from another public radio station and classical music is on a commercial station.)

Overall costs did not go down; indeed, they grew. However, costs shifted from tax-based institutional budgets to listener and underwriting support because the two services became strong enough to attract voluntary support.

Some listeners objected to specific program changes that grew out of these arrangements, but in the long term listening and contributions increased substantially. No jobs were lost. The only permanent losses were to students who, in some cases, lost a radio station on which to play their favorite alternative music, or students who might have sought professional radio training as part of a curricular offering at the universities. In most cases, however, the universities no longer required the stations for that purpose because of curricular changes. The process of reporting to two different organizations and maintaining the various contracts and agreements with the participating institutions can sometimes be challenging, but the process is working.

Lessons learned from the experience:

- The process should not be entered into with a belief that money will be saved or services will be cut.
- If services are improved, they will generate more private revenue and make it possible to reduce state or institutional support.

Funding Implications

The primary objective for reorganizing the stations licensed to the Iowa Board of Regents should be to provide improved public radio services to the residents of the State of Iowa. Secondary objectives should include improved efficiency; increased support from underwriting, major gifts, and membership dollars; and decreased dependence on tax revenues. B&A and the station managers believe that if the first objective is realized, the secondary objectives will follow.

As details of the restructuring process proceed, it will be necessary to work closely with the Corporation for Public Broadcasting and National Public Radio to ensure that the new structure maximizes the amount of money received from the Corporation for Public Broadcasting and minimizes the cost of National Public Radio dues and program acquisitions.

In addition, agreements will have to be reached with the existing university foundations and the Friends groups concerning the funds collected and held by these organizations. There was consensus that some funding could probably remain in the foundations to be expended as needed. But, the existing Friends group would have to be expanded to a statewide organization, and new arrangements will have to be made with regard to receipt and distribution of funds collected through the various fundraising methods.

It is anticipated that in the long term membership and fundraising capabilities will increase significantly and there should be some cost savings through more efficient use of existing resources. However, start up costs such as hiring an executive director and creating a statewide News Department will absorb any immediate savings and might increase costs in the short run. These costs must be shared among the three organizations or paid for through grants. B&A has discussed start-up costs with Corporation for Public Broadcasting executives. They have indicated a willingness to consider possible support of some of the initial implementation costs if the final plan is sufficiently transforming to serve as a national model for other public radio stations.

Recommendations

Recommendations to Regents

Based on its review of the three Iowa public radio stations, the comments and suggestions of its stakeholders, and the experience of other public radio collaborative efforts around the country, B&A makes the following recommendations to the Board of Regents for their action.

The recommendations do not suggest ways to provide the same public radio service at lower costs. Instead, they suggest how Iowa can improve its service, attract more listeners, and increase its level of private support. If implemented, the changes should change significantly the ratio of private to institutional support in favor of private support and allow the universities to gradually lower – but never eliminate – vital institutional support for public radio in Iowa.

The recommendations are advanced with the following caution. The Regents and the three universities should prepare themselves for resistance to any meaningful changes. Few university services are more meaningful to the daily lives of some constituents than public radio. Public radio is often the first voice people hear in the morning and the last voice they hear at night. In the long run, this sense of personal importance generates tremendous loyalty to the service. In the short run, this sense of personal importance means change may disrupt traditional rhythms of life for many listeners. They may take any change personally, and sometimes negatively.

While initial adverse reactions from staff and listeners to any significant shifts in services should be anticipated, the Regents and universities should not be deterred from change that will help public radio make better use of its resources, improve its program quality and relevance, serve more listeners, and better position public radio for the future. Without instituting appropriate change, Regents and the three universities will, at best, likely witness modest incremental improvement of the status quo.

1. Create an Executive Council to oversee all public radio facilities and operations of Regents' universities. The Executive Council should consist of one appointee of the president of each of the Regents' universities, a non-voting member from a statewide "Friends" citizen support organization to represent individual listeners and contributors, and the Iowa Public Radio Executive Director.

Only a central authority can eliminate the duplication and competitiveness that plagues public radio in Iowa. The three university operations seek to reach the same pool of listeners and generate income from them. Recent years have seen territorial disputes as KUNI has established competitive services with WOI in Des Moines, as KSUI has pushed its service into Dubuque, and as WOI has added facilities throughout central Iowa and into southeast Iowa. Currently, KUNI and WOI have competing applications to add stations in Ottumwa, a community closer to Iowa City than to either Cedar Falls or Ames. While each service pushes into the territory already served by others, the three stations have no plan, and certainly no coordinated plan, to extend service where it is most needed, the western third of the state.

To make the most of the considerable facilities built through the years, the three public radio organizations in the state must operate as if they were a single organization, and that requires a central authority.

At the same time, it is most appropriate that the three universities maintain a strong and controlling role in this highly integrated organization. Universities nurtured public radio in Iowa, as elsewhere in the country, and gave public radio its values and much of its content. Listeners love public radio precisely because it reflects the interests and values of the academy. Public radio draws much of its content from university resources. It would be a disservice to public radio and to the three universities to remove them from university control, but that control must be unified to properly serve the state's broader public interest. Therefore, we recommend a single board to provide the unity required consisting of representatives of the three presidents to retain the essential academic link. Recognizing that listeners must play an increasing role in financing public radio, we recommend that a Friends group representing listeners appoint or elect a non-voting member to the Executive Council.

2. Designate the combined activities overseen by this Executive Council as "Iowa Public Radio," identified in print and in periodic on air announcements as a service of (rotate order) Iowa State University, the State University of Iowa, and the University of Northern Iowa." Stations with heritage call letters (WOI, KUNI, WSUI, KSUI) can retain their identification with specific universities.

Designating the combined operation "Iowa Public Radio" follows the pattern used almost universally by similar statewide systems in other states, some operated by universities (Wisconsin Public Radio), and some by other entities (Minnesota Public Radio.) Each of the three universities should continue its identification with the individual broadcast service it built and continues to help finance. At the same time, each of the three

universities needs to take partial ownership of the overall service. Over time, the public and the institutions themselves should come to regard each university as one-third owner of a strong statewide service rather than the sole owner of a smaller, weaker service.

3. Adopt the following statement as the mission for Iowa Public Radio:

Iowa Public Radio reflects and enhances the civic, cultural, and intellectual life of Iowa, statewide and regionally, making the state a better place to live and work.

The stations contribute to the outreach missions of the three Regents' universities and foster communication between the universities and Iowa residents.

Reflecting and enhancing the civic life of Iowa involves original news reporting from the state capital, the three university communities, and other regions of the state. It includes public discourse on state, national, and international issues from an Iowa perspective in interview and call-in forums, and news and discussion from National Public Radio and other national and international sources.

Reflecting and enhancing the cultural life of Iowa involves classical and other music and entertainment, with emphasis on Iowa performers and performances. This might include interviews with performers, writers, and other artists (along with examples of their work) to inform, inspire, and promote active participation.

Reflecting and enhancing the intellectual life of Iowa involves stimulating ideas and discussion from the universities, the state, and from national and international sources.

Each of three broadcast sites should originate "statewide" programming, sharing its resources with the entire state. This programming should constitute most of the programming on Regents' licensed stations, improving efficiency, overall quality, and listener support. In addition, each of the three broadcast sites should also originate programming exclusively for its home region.

Iowa is a better place to live and work when public radio enhances the quality of life particularly important to the kind of creative, educated individuals the state needs to attract and retain as a part of a vibrant 21st century economy.

The outreach mission of the universities involves sharing ideas, performances and practical information of importance and interest to

Iowa residents, drawing heavily, but not exclusively, on the resources of the three Regents' universities. Iowa Public Radio programming, from whatever source, should represent the values of its universities, which include civility, fairness, perspective, evidence, and artistic merit.

In addition to programming that reflects the values and the resources of the three universities, the link between listeners and the universities should continue as each stations retains its heritage call letters – WOI, WSUI (KSUI) and KUNI – and its identification with its university.

4. Direct the Executive Council to continuously evaluate the performance of Iowa Public Radio and to report to the Regents annually based on the following criteria:

A. A representative sample of listeners rates the stations highly when asked if they:

- Reflect and enhance the civic life of Iowa
- Reflect and enhance the cultural life of Iowa
- Reflect and enhance intellectual life of Iowa
- Contribute to the educational outreach mission of the universities
- Foster communication between the universities and the people of the state
- Make Iowa a better place to live and work

B. An increasing number of Iowans listen to the stations and support them financially.

C. Efficiency increases, as measured by declining (institutional) cost per listener hour.

5. Direct the Executive Council to recruit, identify, and select an Executive Director for Iowa Public Radio, responsible to the Executive Council for all financial, personnel, programming and operational aspects of public radio in the three institutions.

The Executive Director could be pay-rolled by one of the three universities or the Regents' office but should be located at a "neutral" location and answerable only to the Executive Council. The Executive

Director's salary should be competitive with comparable statewide public radio organizations.

6. Authorize the Executive Council to recognize an independent statewide Friends organization to receive, invest and disburse funds on behalf of Iowa Public Radio, all underwriting support, and all individual contributions of less than \$10,000.

No single step will more effectively create a positive synergy among the three broadcast entities and unite them in pursuing success for the overall enterprise than to link their financial success. Private sector support is already substantial for the three stations and will increase significantly as the overall program service improves. The three radio operations cannot work together effectively if they must compete with one another for private donations. On the other hand, no one of the three can reasonably assume control of all private funding on behalf of the other two.

Therefore, the stations need a neutral third party to receive, hold, invest, and disperse all underwriting support and all individual contributions under \$10,000. These funds should be dispersed to the three broadcast entities, or on their behalf, according to an annual budget presented by the Executive Director and approved by the Executive Council. Any agreement with a Friends organization must follow the policies of the Federal Communications Commission, which require that any entity that uses a broadcast licensee's airwaves must spend those funds at the direction of the licensee – in this case delegated to the Executive Director of Iowa Public Radio. All funding received by the Friends should support the overall Iowa Public Radio service, irrespective of where the contributor lives or the station to whom the contributor listens most often.

At the same time, a Friends group creates an important link to the community and the private sector. The Friends should counsel – but not control – the Iowa Public Radio management. They may advocate on behalf of Iowa Public Radio. They may generate volunteers to assist stations in a variety of enterprises. To be fully effective, however, the organization should operate at the statewide level for financial functions and at the regional/local level for volunteer activities. B&A recommends, therefore, that the Friends incorporate as a statewide entity with a statewide board, but with local chapters.

7. Request that the foundations of the three universities seek major gifts and bequests in excess of \$10,000 on behalf of Iowa Public Radio or its stations. Request, further, that the foundations expend all funds currently held on behalf of Iowa Public Radio stations, and any more received by the foundations on behalf of Iowa Public Radio in the future, consistent with donor intent and at the direction of the Executive Director of Iowa Public Radio.

The three foundations can and should continue to play an important role in the financial success of the Iowa Public Radio stations. Each foundation is better able than the radio stations, or a Friends organization, to cultivate major and planned gifts on behalf of the stations of Iowa Public Radio. Some may come solely to support public radio. Others may be part of a more comprehensive gift to one of the three university foundations.

8. Authorize the three universities to gradually decrease their institutional support for Iowa Public Radio stations by a total of \$300,000 over a five-year period.

The three university stations and public radio should continue their symbiotic relationship. Confident that public radio provides a cost effective means of university outreach to the benefit of the universities, public radio, and public radio listeners, B&A has recommended that public radio continue as a function of the three state universities. The corollary of that recommendation is that the universities continue to provide significant financial support to a unified Iowa Public Radio and the individual stations traditionally associated with each university. As private contributions increase, university support for public radio will decline as a percentage of public radio's revenues, but should never fall to the point that the university provides only marginal support. As private contributions increase, university support for public radio may also decline in terms of absolute dollars, but private support should never displace university support on a dollar for dollar basis.

We recommend an initial reduction of \$300,000 over the next five years. A reduction of that size would reduce the university's percentage of the Iowa Public Radio budget from 35% to 29%, which is the state/university percentage of the budget for Wisconsin Public Radio, the most comparable, although much larger, public radio structure to what we propose for Iowa. Adjusted for the different populations of the two states, Wisconsin Public Radio provides an appropriate benchmark for Iowa Public Radio, now and in the future.

The following chart compares the current budgets of the three Iowa Public Radio stations to Wisconsin Public Radio's current budget, as well as how Iowa Public Radio's income sources would change over the next five years if this recommendation is adopted. (Inflation has not been factored into these figures.)

IOWA-WISCONSIN BUDGET COMPARISONS
(From FY 03 Audit and CPB Financial Report)

	Current Iowa Budgets		Current WPR		%	Projected Budget		Change	%	
	SUI	WOI	UNI	Iowa PR		Wisc PR				
Institutional Resources	\$760,921.00	\$828,986.00	\$406,792.00	\$1,996,699.00	35%	3,302,727.00	29%	\$1,696,699.00	-\$300,000.00	29%
Individuals	\$430,839.00	\$972,827.00	\$677,093.00	\$2,080,759.00		4,443,143.00				
Underwriting/Business	\$174,701.00	\$218,278.00	\$193,856.00	\$586,835.00		1,306,313.00				
Private sector	\$605,540.00	\$1,191,105.00	\$870,949.00	\$2,667,594.00	46%	5,749,456.00	51%	\$2,967,594.00	\$300,000.00	51%
Federal/CPB	\$251,149.00	\$374,392.00	\$255,585.00	\$881,126.00		1,177,397.00				
Other	\$30,750.00	\$176,477.00	\$33,890.00	\$241,117.00		1,084,104.00				
Federal/Other	\$281,899.00	\$550,869.00	\$289,475.00	\$1,122,243.00	19%	2,261,501.00	20%	\$1,122,243.00	\$0.00	19%
Totals	\$1,648,360.00	\$1,741,978.00	\$1,567,216.00	\$5,786,536.00	100%	11,313,684.00	100%	\$5,786,536.00	\$0.00	100%

\$1,191,105.00 regents report shows 1,363,186.00

9. Direct the three universities to reconcile differences in personnel policies, classifications, and salaries for employees performing similar functions for Iowa Public Radio stations, and to work constructively with Iowa Public Radio management to treat fairly any employee adjustments resulting from increased and more effective collaboration and coordination.

The different histories of the three stations have resulted in different salary levels and classifications for persons performing comparable functions in the three organizations. These disparities will cause morale problems as employees of the three institutions work together more closely as Iowa Public Radio. Since employees will continue to be employed by three different institutions and will work on each of the three university campuses, employment classifications, salaries and terms of employment need not be absolutely the same, but they should be "fair."

B&A believes its recommendations for the proposed Iowa Public Radio structure should yield opportunities for a staff that is smaller in size than the combined staffs of the three independent organizations. Some individuals may have the wrong skills for the new structure and may be unable or choose not to adapt. The universities will need to work constructively with the new Iowa Public Radio management to assure that it can implement necessary personnel adjustments.

10. Direct the Executive Council to extend FM service to the western parts of Iowa and any other inadequately served areas to enable Iowa Public Radio to provide a truly statewide service.

While nearly all persons interviewed by the consultants reside in regions now served by public radio, they repeatedly expressed the need to extend public radio to the western part of the state. WOI (AM) reaches much of that region during daylight hours, but the west has no FM service from Iowa Public Radio and no service at all between sundown and sun-up. Two FM services do cover parts of these regions from Council Bluff and Sioux Falls, but neither is part of the Regent's system and neither is funded at levels comparable to the stations of Iowa Public Radio nor can either provide the quality of service currently offered by the Regents' stations, let alone the service envisioned for the future. These stations should be offered the opportunity to become part of Iowa Public Radio. Failing that, management should seek to build or acquire other facilities that will provide comparable service to all regions of the state.

If Iowa Public Radio implements B&A's recommendations to achieve its potential for increased individual, corporate, and federal support, these non-tax-based sources should be able to support costs of expanded broadcast facilities and local origination for the western part of the state.

Regents Recommendations Timeline

January-March 2005

- University presidents appoint members of the Executive Council sufficiently early to complete a search and have an Executive Director in place by the end of the quarter
- Personnel departments of the three universities meet to discuss, clarify, and as necessary, reconcile, personnel policies that might lead to the perception of unfair treatment of individuals performing similar functions. Also discuss options for individuals who might not fit comfortably into the new structure. Prepare joint proposal on these matters for the Executive Director by March 31.
- Each university foundation prepares a full accounting of public radio assets held in the foundation, including any limitations of their expenditures. Each also proposes recommendations on its involvement in major and planned gifts to public radio after July 1, 2005. Both reports available to Executive Director by March 31.

- The Friends of KUNI meet to determine their willingness to reincorporate as a statewide organization in support of the entire Iowa Public Radio system, and, if so, how they propose to constitute their statewide board to represent the entire state. Proposal available to the Executive Director by March 31.

April-June 2005

- Executive Director arranges for baseline research among listeners on evaluation criteria. This research will be conducted before implementation of any changes and will contribute to report to the Regents in December 2005.
- Executive Council provides budget instructions to the Executive Director for the next fiscal year.

July-September 2005

- New financial roles in place:
 - Friends organization receive all listener support under \$10,000
 - Foundations work in major and planned gifts
 - Executive Director administers all sources of funds to Iowa Public Radio entities
- Begin use of Iowa Public Radio as primary identifier of the service on air and in print.

October-December 2005

- Executive Director presents options for expanding service to Western Iowa. Begins discussions with existing public stations in that region.
- Executive Director provides annual report to the Regents at their December meeting, including baseline research and statewide audience and giving data prior to July 1, 2005.

Recommendations to Executive Council and Executive Director

The following recommendations are directed to the top management of Iowa Public Radio rather than to the Regents. They deal with programming and operational matters rather than policy. They should be seen as one way – in the opinion of *Bornstein and Associates*, the best way – to realize the mission adopted by the Regents.

1. Build Iowa Public Radio's comprehensive program service around three networks, each delivered to as much of the state as technically feasible and each headed by a program director/content director employed by one of the universities but responsible directly to the Executive Director of Iowa Public Radio. These three services include an AM Information Network, an FM Information Network, and a Classic Network.

B&A recommends the following working titles for the three networks, working titles for the content heads, and heritage stations as the key stations in each network.

The AM Information Network

Talk Director (Program Director, AM Information Network)

WOI, WSUI

The FM Information Network

News Director (Program Director, FM Information Network)

KUNI

The Classic Network

Music Director (Program Director, Classic Network)

WOI-FM, KSUI

AM Information Network

The AM Information Network should include WOI, WSUI, and KUNI's AM station in Mason City. The network should consist totally of information programming, heavy on Iowa content. AM is an "older" (and increasingly less used) medium. As such, it attracts older and more rural listeners, an

important constituency for public radio in Iowa. This network should strive to serve them well.

As has been demonstrated in many other public radio situations, AM is not a particularly good “fit” for the younger, more cosmopolitan character of the NPR news magazines, which do best when broadcast on FM stations. The importance of FM broadcast for the key NPR news magazines is compounded in Iowa by the low power of the university AM stations during early mornings and late afternoons in the winter.

While not well suited for the national news magazine programming, the university AM stations provide an opportunity to develop Iowa content that local public radio stations will need in the future as nationally based information programs and all types of recorded music become more available to listeners through satellite radio and the internet. The future of state and local public radio depends on unique and meaningful “less than national” programming. Iowa can develop such programming on AM while maintaining music and the national flagship programs on FM.

Suggested signature programs:

- State-oriented morning show touching on issues and including considerable service information drawn from the resource strengths of three universities. Heavy use of telephones and listener participation
- Issue-centered daily topical talk show with a single strong news-oriented host. Program designed to “make news” with high profile guests and experts drawn from the three universities. Shared with FM Information Network to assure maximum statewide coverage.

FM Information Network:

This should be the “primary” network for Iowa Public Radio, the one with the widest appeal and the broadest coverage. KUNI, is proposed as the only heritage station in this lineup, but it would also include FM stations or translators in Mason City, Ft. Dodge, Mitchellville-Des Moines, Ottumwa, Dubuque, Quad Cities, Osceola, and Carroll. The prime demographic for the FM Information network should be younger and more urban than that of the AM service.

News and Information programming on FM identify public radio nationally. NPR news is recognized as the best broadcast news organization in the nation, and Iowa Public Radio should strive to

become no less than that for Iowa, in a sense taking on part of the role ceded by commercial electronic and print media in recent years. The FM Information Network should make heavy use of NPR news and talk programming and should unify and augment the disparate news efforts of the three university stations to create an Iowa equivalent of NPR news. All news reporters, wherever located, should work for this service. They should also provide some state news programming to other two networks.

Suggested signature programs:

- *Morning Edition, All Things Considered, Weekend Edition*
- Issue centered daily topical talk show produced by AM Information staff but carried on FM as well to assure maximum exposure

While maintaining its information focus during morning and afternoon drive time and daytime during the week, this network might include non-commercial music and entertainment for a younger demographic during lower listening hours. If the service includes music, it should be the music known to appeal to the kind of person most attracted to NPR news programming. That means a wide range of contemporary music in a variety of styles, none of which is “popular” enough to succeed on commercial radio, but well suited for public radio.

The Classic Network

This network is “classic” in the sense that it should carry a great deal of classical music. It is classic, too, in the sense that it employs the classic public radio formula of *Morning Edition* and *All Things Considered* each morning and afternoon, and classical music most of the times in between. It might include other elements of “classic” public radio programming such as “arts” features and talk, jazz, and *A Prairie Home Companion*. This widely used and widely successful approach to public radio programming should be heard on KSUI, WOI-FM, and other transmitters or translators in Cedar Falls, Dubuque, and the Quad Cities.

Classical music is a strong part of public radio’s heritage and the chief benefit of public radio for a sizable segment of the audience. Public radio should provide multiple hours of intelligently programmed music for these listeners and to introduce new listeners to the music. In other than the largest metropolitan areas in the country, however, the classical

music audience is rarely of sufficient size to warrant a full-time service. Moreover, a service that includes strong features other than classical music will attract more listeners, particularly more young listeners, who might stay with the station for classical music.

To make this service uniquely important to Iowa listeners and compete successfully with satellite, cable, or Internet sources of classical music, Iowa Public Radio must be an active promoter of the arts scene in the state and the different regions of the state. While most of the music and features on these stations should be broadcast statewide, each region will need at least one local program host whose responsibilities include coverage of local artists, institutions, and events.

Suggested signature programs:

- Locally hosted classical music and arts talk for specified hours of the day, and statewide programming with an Iowa focus at all other times
- National news programs carried for fewer hours and with less state material than the FM Information Network, but enough hours to assure that the key national programs are available on FM transmitters throughout the state.

2. In addition to the three networks, structure Iowa Public Radio into four regions for purposes of local programming, community relations, person-to-person fund-raising, and institutional relations. These four regions would include (1) the Northeast Region, based at the University of Northern Iowa, (2) the Southeast Region, based at the University of Iowa, (3) the Central Region, based at Iowa State University, and (4) (in the future) a Western Region, based in Sioux City with staff employed by Iowa Public Radio.

Northeast Region

Based at the University of Northern Iowa
Stations: KUNI, KHKE, Cedar Falls, plus Mason City and Dubuque

Southeast Region

Based at the University of Iowa
Stations: WSUI and KSUI, plus Quad Cities, Ottumwa

Central Region

Based at Iowa State University

Stations: WOI and WOI FM, plus Ft. Dodge, Carroll, Mitchellville-Des Moines, Osceola

Western Region (Future)

Based in Sioux City with staff employed by Iowa Public Radio

Stations: Sioux City, Council Bluffs, and Ft. Dodge (transferred from central region)

The environmental scan conducted by B&A emphasized the importance of local involvement for public radio in Iowa. Listeners feared that a centralized Iowa Public Radio would become a distant Iowa Public Radio. Listeners also valued the close link between the universities and their public radio station. Iowa Public Radio needs to strengthen those ties, not weaken them, and can best accomplish this by locating senior staff on each Regents university campus.

Each region should be led by a Regional Manager employed by the university at which the region is based, but reporting to the Executive Director of Iowa Public Radio. The Regional Manager should supervise the local staff and manage the facilities (studios, transmitters, translators) of Iowa Public Radio in the region.

The Regional Manager should maintain a strong relationship between Iowa Public Radio and the host university, assuring that university and regional resources are tapped appropriately for the statewide service and for regional programming. He or she should also participate actively in the communities of the region and bring to the overall management of Iowa Public Radio the concerns and interests of listeners in that region.

The Regional Manager should hire and supervise staff involved in functions best handled regionally instead of centrally:

- A local program host active in community relations.
- Underwriting/major gift representatives
- Engineering and operations persons
- Necessary clerical support

3. *In addition to the three network/content directors and the three regional managers, the Executive Director of Iowa Public Radio should directly supervise certain positions integral to the statewide service. Each of these persons may be employed by one of the three universities, but should report to the Executive Director. The positions include a Budget Director, Technical Director, Membership Director and an Administrative Assistant.*

Budget Director: Responsible developing budgets and monitoring income and expenditures for Iowa Public Radio at each of the three universities.

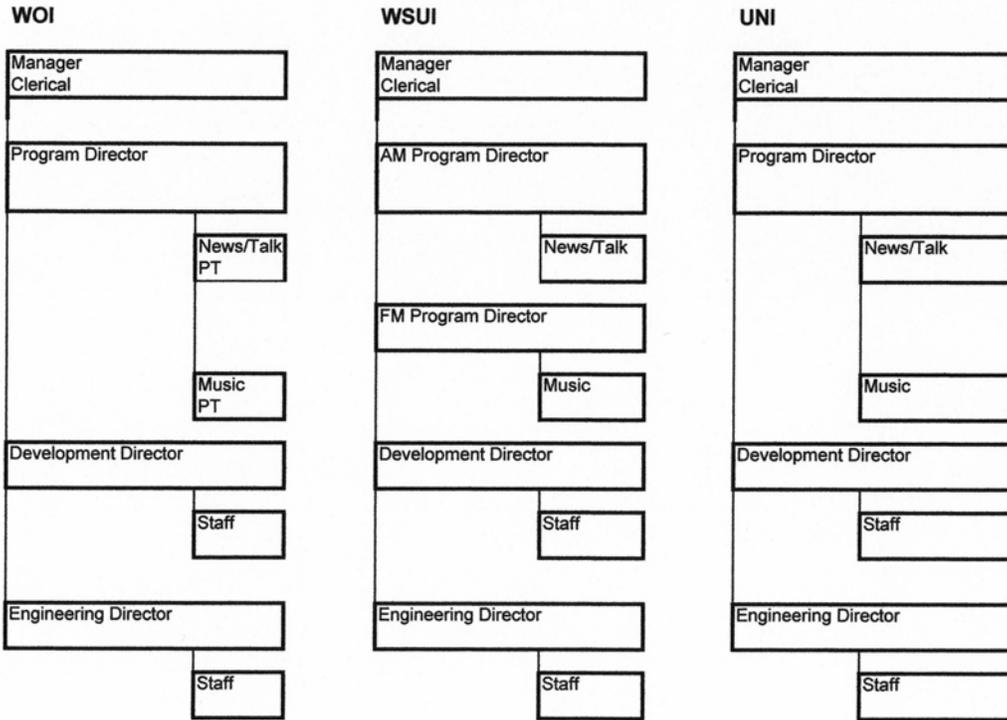
Technical Director: Responsible for maintaining technical standards and operating procedures at each of the locations and planning expansion to unserved or under-served portions of the state.

Membership Director: Responsible for raising individual contributions from throughout the state for the overall benefit of Iowa Public Radio. The membership director in turn will supervise related staff all located at a single location determined by the executive director.

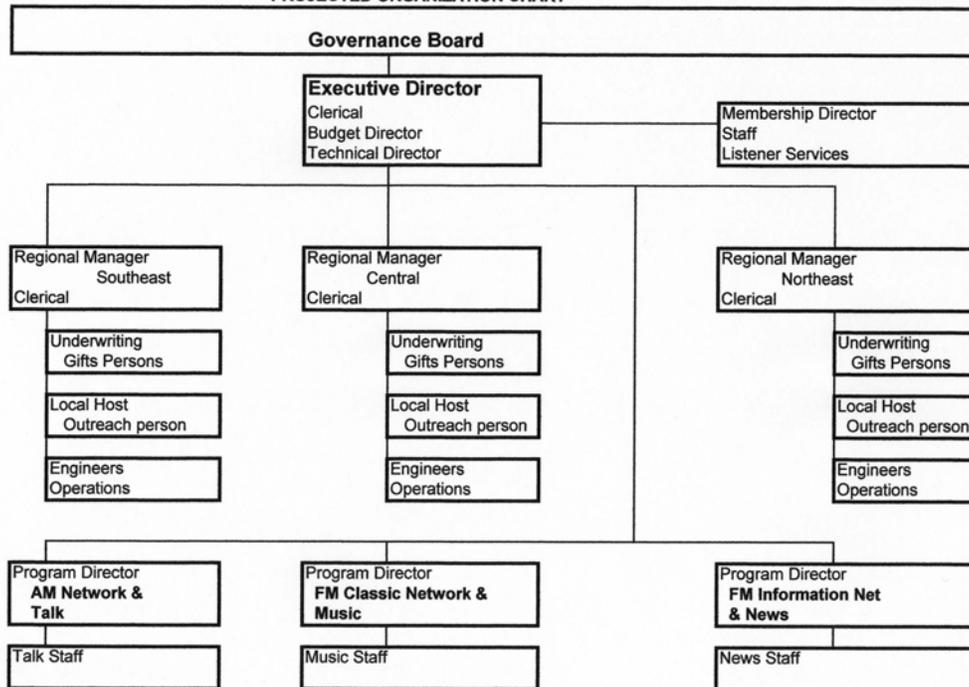
Clerical person: Support the executive director, the technical director, and the budget director.

The following organization charts summarize the changes proposed. The first shows the *current* organization at the three individual public radio operations. The second chart shows the *proposed* organization. It illustrates the proposed relationship of the Executive Director, the three Regional Managers, and the three Network Content Directors and their staffs.

CURRENT ORGANIZATION CHART



PROJECTED ORGANIZATION CHART



Executive Council/Director Recommendations Timeline

January-March

- Regional managers and technical staff identify and plan technical changes and capital purchases necessary to implement new program configuration. Prepare report for Executive Director by March 31.
- Regional managers meet with individual staff members to determine how they can fit into the new structure. Prepare recommendations on reassignment of existing personnel to the Executive Director by March 31.
- Regional managers launch intensive community education campaign to explain what is going to happen and why – continues until major changes take place

April-June

- Order equipment and implement any technical changes necessary for the new configuration
- Make decisions about personnel and reporting lines
- Make specific plans for new programming, including purchases of national programs
- Prepare a comprehensive public relations plan for dealing with listener backlash against changes

July-September

- Implement new reporting lines and budget structure
- Implement major programming realignment
- Implement new regional structure for development, community relations, and technical operations

October-December

- Conduct first major on air fund drive as Iowa Public Radio

Conclusions

Educational/Public Radio in Iowa enjoys a rich heritage. The universities of the state made major commitments to radio as a means of education and public service long before most other states and long before the phrase “public radio” symbolized a new vigor and level of service for the medium.

Its rich heritage is both a strength and a weakness of public radio in Iowa; a strength because the universities and the people of the state understand the value of public service radio, and a weakness because its strong traditions have hindered public radio in Iowa from participating fully in the broader development of public radio nationally. A leader in educational radio four decades ago, Iowa today somewhat “underperforms” public radio elsewhere in listening and private financial support.

B&A is confident that implementation of its recommendations will allow public radio in Iowa to assume its rightful role as one of the outstanding public radio organizations in the nation. Experience elsewhere demonstrates the characteristics necessary for public radio to provide the service most meaningful to the state, the universities, and above all, the listeners it serves.

Successful services build a critical mass of talent in key areas of programming, particularly news and informational programs; less successful services have limited staffing in each content area, and seldom can devote sufficient resources to produce truly distinguished work. Successful services outside major metropolitan areas attain their critical mass at the state level, but nurture relationships at the local and regional level as well; less successful services operate only locally and never attain a critical mass. Successful services build a powerful relationship with their listeners, focusing on their needs and successfully generating high levels of income from them; less successful services are insular, focusing on pleasing institutional forces or their own staffs and, understandably proving less successful at generating income from the past.

The consultants are not suggesting that the three broadcast organizations in Iowa are unsuccessful. Each does a good job within its resources and each has developed a loyal following. But each has probably reached its full potential as a totally independent university station. Public radio in Iowa has not reached its full potential, however.

B&A believes implementation of its recommendations will allow public radio in Iowa to do so. The state, the universities, and the people of Iowa deserve no less.

B&A sincerely appreciates the time, effort, candor, and cooperation, of the Regents President and President Pro-Tem, the three university presidents, their public radio station managers and staff members, and the many stakeholders that participated in this important study.