

MEMORANDUM

To Board of Regents
 From: Board Office
 Subject: Consultant's Report on the Public Radio Study
 Date: December 1, 2004

**Recommended
Actions:**

1. Receive the report.
 2. Approve the Consultant's recommendations to consolidate the three Regent university public radio stations into a statewide public radio network.
 3. Direct the university presidents, in consultation with the Board Office, to review the consultants' recommendations regarding an implementation plan and timetable, consistent with whatever additional direction is provided by the Board during their discussion of this report.
 4. Direct the university presidents, in consultation with the Board Office, to prepare a report on an implementation plan with timetable expectations for the March 2005 Board meeting.
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**Executive
Summary:**

As part of their educational and service missions, Regent universities operate public radio stations for the benefit of the citizens of Iowa. The stations endeavor to provide programming that enriches and gives meaning to people's lives, recalls and transmits the history of people, and explores and analyzes the problems and experiences of contemporary society.

Special Report to
the Board of
Regents

In a special report to the Board of Regents in February 2004, the Regent university public radio stations identified collaborative efforts undertaken by the radio stations, including program co-production, news and information program exchanges, and on-air fund drive assistance. The report also described that the Regent university public radio stations and the Board Office intended to engage in strategic planning efforts with a focus on enhancing efficiencies and collaborations.

Consultants Hired

In July 2004, Bornstein & Associates LLC (B & A) was engaged to conduct a comprehensive management, programming, operations, and planning study related to the collaboration between the public operations at the Regent university public radio stations.

Consultant
Recommendations

After conducting numerous interviews with internal and external stakeholders as well as with comparable public radio organizations that have undergone similar processes, the Consultants developed a set of recommendations. The recommendations do not simply 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.

1. Create an Iowa Public Radio Executive Council to oversee all public radio facilities and operations of the Regent universities.
2. Designate the combined activities overseen by this Executive Council as "Iowa Public Radio," identified in print and on air as a service of the University of Iowa, Iowa State University, and the University of Northern Iowa.
3. Adopt the following statements 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 mission of the three Regent universities and foster communication between the universities and Iowa residents.
4. Direct the Executive Council to evaluate continuously the performance of Iowa Public Radio and to report to the Board of Regents annually using established criteria.
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 at the three universities.
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 gradually to 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.

Link to Strategic Plan:

This report addresses the following strategies in the Board's Strategic Plan:





- 3.1.1 Increase collaborations that enhance the Regent enterprise's economic impact.
- 3.2.1 Provide, support, and evaluate outreach services and opportunities that benefit Iowans.
- 4.2.1 Advocate for adequate support and optimize funding for Regent institutions from all sources for high-quality educational opportunities accessible to Iowans, research and scholarship, service activities, and economic development efforts.

Background:

Regent University Radio Station Licenses

The licenses awarded by the Federal Communications Commission (FCC) for the operation of non-commercial stations at the Regent universities are held by the Board of Regents, State of Iowa. According to FCC rules, the airwaves over which radio waves are transmitted belong to the people. Broadcast licenses granted to Iowa's Regent universities require that the stations be operated in the public's interest, convenience, and necessity.

Corporation for Public Broadcasting (CPB) Grants Eligibility Requirements

-  Stations owned by the grant recipient must be on-the-air (AM or FM) stations operating as non-commercial, educational radio stations under a renewable non-commercial license granted by the FCC.
-  The daily broadcast schedule must be devoted primarily to quality programming that serves demonstrated community needs of an educational, informational, and cultural nature and such programming is intended for a general audience. A campus station managed and operated by and for students does not meet the definition of this criterion.
-  A significant, locally produced program service must be designed to educate and serve the community.
-  Stations must have a minimum operational schedule of 18 consecutive hours per day, seven days per week, 52 weeks per year.

Analysis:

Project
Overview

- ☞ During Phase I, B & A conducted a series of “environmental scan” interviews with internal and external key stakeholders of the three universities. A mission statement and measures of success were drafted and endorsed, after revisions, by the Board Leadership, the university presidents, and the Executive Director.
 - ☞ During Phase II, B & A proposed a configuration for public radio services in Iowa that was endorsed by the station managers and the Board and universities Leadership.
 - ☞ During Phase III, B & A conducted interviews with comparable public radio organizations that underwent similar processes; it also discussed the project with the Corporation for Public Broadcasting (CPB) executives to determine possible CPB interest in funding for implementing study results.
 - ☞ Phase IV was designed to generate discussion among the radio stations on how best to implement strategies identified earlier in the project. However, the consultants and the station managers concluded that such discussion was premature; therefore, a decision was made to eliminate Phase IV from this project.
 - ☞ Phase V included presenting the consultants’ report to the Board of Regents for their review and approval.
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Environmental
Scan

- ☞ 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 frequently 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.
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Comparative
Studies

Seven public radio organizations that have undertaken similar consolidation or coordination efforts were contacted by the consultants. The stations interviewed included Colorado Public Radio, Ideastream (Cleveland, Ohio), Maine Public Broadcasting Corporation, Michigan Public Radio, South Carolina Radio, The University of Southern Illinois, and Wisconsin Public Radio. The following are common themes identified by the stations:

- ☞ Focus on improving service, not on saving money. Additional funding will come if service is improved first. If there is going to be a change, the change needs to be dramatic and complete.
 - ☞ Understand that many people may resist change and they will react negatively. There may be lack of communication from supporters until “all the smoke as cleared.” A plan for dealing with these issues needs to be in place.
 - ☞ 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.
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Funding
Implications

- ☞ The primary objective for reorganizing the stations licenses to the 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.
 - ☞ As the restructuring process proceeds, it will be necessary to ensure that the new structure maximizes the funds received from the Corporation for Public Broadcasting (CPB) 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 through grants. CPB 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.
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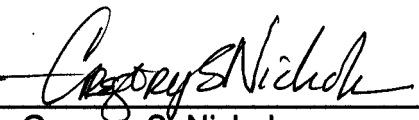
Conclusions

- The consultants' report does not suggest that the three Regent university radio stations are unsuccessful. Each does a good job within its resources and each has developed a loyal following. However, each has probably reached its full potential as a totally independent university stations. On the other hand, public radio in Iowa has not reached its full potential. Implementation of the recommendations should allow public radio in Iowa to reach its full potential.
- While initial adverse reactions from staff and listeners to any significant shifts in services should be anticipated, the Board of 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.

Consultants' Report

A copy of the consultants' report is available in the Regents' docket books as well as on the Board of Regents' website.


Diana Gonzalez

Approved: 
Gregory S. Nichols