

II. FY2015 Radio Station Collaboration Program

The Radio Station Collaboration Program (“SCP”) is designed to support Community Service Grant recipients that have entered into collaborative or consolidation agreements with other CSG recipients to significantly increase the recipient’s public service as described below in greater detail.

To that end, SCP funding will be provided under Multi Station Consolidations (see Part A below) or Multi-Station Operational and/or Development Collaborations (see Part B below) in the form of an increased annual community service base grant¹ (CSG) totaling \$150,000 each year for up to three years beginning CPB’s fiscal year 2015. The increased CSG base grant will be awarded to stations that engage in qualified collaborations and consolidations increasing the station’s public service as follows:

- Greater investments in direct audiences services, including local content creation, and more cost-effective investment in infrastructure
- Greater capacity and more efficient scale to maximize station resources and assets
- Effective use of technology to increase effectiveness and reduce costs
- Increased revenue and long term sustainability of the participating stations

Recipients of SCP funding are subject to the provisions in Section I of the FY2014 Radio Community Service General Provisions and Eligibility Criteria (“General Provisions”).

PART A. Multi-Station Consolidations

Multi-Station Consolidations (“MSCs”) are consolidations involving multiple stations (radio-radio or radio-TV) combining into a functional and operational organization under common management through a merger, transfer of the license(s) to the integrated organization, or a long-term public service operating agreement (“PSOA”). Subject to any necessary approvals from the Federal Communications Commission (“FCC”), an MSC must result in integration of the parties’ management, staffing, and operations. Accordingly, radio CSG grantees participating in an MSC CPB determines eligible, will receive SCP funding provided in the form of a larger community service base grant with a combined total of \$150,000 each year for up to three years beginning CPB’s 2015 fiscal year (“FY2015”).

SECTION 1. ELIGIBILITY

- A. Consolidation Agreement:** Applicants must have executed a consolidation agreement that results in the creation of a new operating entity or management structure designed to expand the quality and scope of the applicants’ services to their respective communities (“Consolidation Agreement”). The Consolidation Agreement term must be no less than six years. The Consolidation Agreement must be effective no earlier than January 1, 2014, and not later than the end of the application period.

¹ In addition to the base grant, CSG recipients may be eligible to receive other types of CSG grants, for example incentive and rural support grants.

B. Minimum Participants and NFFS: The Consolidation Agreement must include a minimum number of CSG recipients with a minimum NFFS (“MSC Eligible recipients”) as set forth in the table below.

Minimum # Of Radio CSG Recipients	Minimum Combined Radio CSG Recipient NFFS	Minimum Individual Radio CSG Recipient NFFS
2	\$6 million	All participating radio CSG recipients must have individual NFFS of no less than \$1.5 million.
3	\$3 million	All participating radio CSG recipients must have individual NFFS of no less than \$1 million.
4 or more	\$1 million	N/A

NFFS minimums will be calculated based on total NFFS as reported on each individual CSG recipient’s FY2013 Annual Financial Report or Financial Summary Report. For MSCs that include a TV CSG recipient, the NFFS minimum will be calculated based solely on the NFFS of the participating radio Grantees. Only radio participants are eligible to receive SCP funding.

CPB may consider awarding SCP funds to MSCs that do not meet the minimum criteria set forth in the table above if one radio station participating in the resulting MSC is the only public radio service provider for more than 90% of said station’s coverage area.

C. SCP Funding Cap: SCP recipients will be eligible for a maximum of three years of SCP funding. Participation in the SCP program does not limit recipient’s participation in any other programs described in Part A or Part B. However, in no event will the recipient be entitled to receive more than the \$150,000 annual base CSG grant (increased for SCP funding) during FY2015, FY2016, and FY2017.

D. Other Eligibility Criteria: Below are additional eligibility criteria applicable to SCP recipients.

- 1. CSG Qualifications:** Each CSG recipient participating in an MSC must separately qualify as a CSG Grantee under the General Provisions. Accordingly, SCP funding is not available to Collaboration Agreements involving only one licensee’s stations.
- 2. Withdrawing Participant:** A CSG recipient participating in an MSC that either voluntary withdrawals from any radio CSG program, or becomes ineligible to receive CSG funding under the applicable year General Provisions because of overlapping signals, will not invalidate an MSC, provided said Grantee and the other stations in the MSC continue to participate in the MSC. However, the MSC may be subject to phase out funding as set forth in Section 3.

3. **Excluded Participants:** Any CSG recipient joining an MSC following the SCP award, is not eligible for SCP funding.
4. **MSC Participants:** An MSC must contain the minimum number of MSC Eligible recipients to be considered for funding, regardless of the number of stations participating in the MSC.
5. **Annual Certification.** Stations participating in an MSC applying for funding in FY2016 and FY2017, must certify each year that the Collaboration Agreement, participating stations, and resulting structure remain in effect without any revisions thereto.

In the event any substantive change is made to the MSC, or a station participating in the MSC is removed, the MSC must immediately notify Deborah Carr, Director, CSG Radio Administration at: carrd@cpb.org (or the individuals CPB subsequently designates), of the same. If the above changes are deemed substantive by CPB, CPB reserves the right to disqualify said MSC from receiving SCP funding, and/or return SCP funding provided to date.

- E. **Eligibility Period:** Stations participating in an MSC will be eligible to receive funding for up to three years beginning FY2015.

SECTION 2. APPLICATION

- A. **Application Period:** Radio CSG recipients may submit one shared SCP application by **August 15, 2014** to receive SCP funding in FY2015. In the event CPB determines additional SCP funds are available, the application deadline for the next grant round is tentatively set for May 15, 2015.
- B. **Application Submission:** Applicants must submit applications via email to carrd@cpb.org and six print and bound copies via mail to:

Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004-2129
Attn: Deborah Carr, Director, CSG Radio Administration

The application materials must include the following information in the order indicated:

1. **Cover Sheet:** A completed application cover sheet, which can be found under “additional information” on the right hand side of the following website:
<http://www.cpb.org/stations/grants/radio/collaboration.html>.
2. **Ratified and Implemented Agreement:** A copy of the Consolidation Agreement, ratified by each radio CSG recipient’s governing body and signed by each station’s Board Chair, University President or the most senior institutional official authorized to enter into such agreements.

3. **Local Service Plan (“LSP”):** An agreed upon plan detailing the MSC’s goals, budgets, costs, benefits, organizational structure, and roles for key staff. In addition the LSP must include the following.
- a. A narrative that states and explains the goals of the MSC and the benefit(s) that implementation of the Consolidation Agreement will provide to the service areas of the stations involved and to the overall public radio system.
 - b. Pro forma budgets for the first five years of the MSC.
 - c. An explanation of the financial costs and benefits to each participant before and after the MSC that demonstrates its expected sustainability.
 - d. Staff and board organizational charts of each participant before and after the Consolidation Agreement is implemented, which:
 - (i) identify the changes in board, staff and reporting responsibilities that will occur as a result of implementation; and
 - (ii) demonstrate that the implementation will result in the creation of a new operating entity or management structure.

4. **FCC Approvals:**

- a. **Evidence of Approval:** Applicants must promptly provide evidence that all required FCC approvals have been obtained (*or a certification that no such approval is required*) and a copy of any applications, agreements, or other documents filed with the FCC pertaining to the Consolidation Agreement.
- b. **Certification:** For SCP applications submitted on or before **August 15, 2014**, station’s applications must include a copy of application or other documents filed with the FCC if the FCC has not yet provided their approval of the same, along with a certification that any required application(s) are pending before the FCC.

Applicants must notify Deborah Carr, Director, CSG Radio Administration at: carrd@cpb.org (or the individuals CPB subsequently designates) in writing within five business days of the FCC’s approval or denial of any such application(s).

In the event that the FCC denies an application necessary to implement the Consolidation Agreement, the applicants will be deemed ineligible for SCP funding and required to return to CPB the disbursed SCP funding (i.e. the amount the recipient’s CSG was increased for SCP funding) pursuant to Part I, Section 11 of the General Provisions.

SECTION 3. SCP FUNDING

A. Withdrawing from Radio CSG Program: In the event a station participating in the MSC withdraws from the Radio CSG program, the withdrawing station’s increased base grant (i.e. \$150,000), will be reallocated to the remaining MSC participants in equal portions as further described below. The station’s withdrawal does not affect the remaining stations SCP eligibility.

If the station withdraws from the radio CSG program in FY2015, 100% of the withdrawing stations increased base grant including SCP funding for FY2015 will be reallocated in equal portions to the remaining MSC participants. The following year, FY2016, 80% of said station’s increased base grant including SCP funding will be reallocated in equal portions to the remaining MSC participants. And in FY2017, 60% of said station’s increased base grant including SCP funding will be reallocated in equal portions to the remaining MSC participants.

If Grantee withdraws from the radio CSG program in FY2016 or FY2017, a percentage of the withdrawing station’s increased CSG base grant including SCP funding will be reallocated to the remaining MSC participants in equal portions. The percentage will be adjusted based on the year in which the loss of Grantee status occurs, and as CPB determines. However, loss of Grantee status under these circumstances will not invalidate an MSC, provided the remaining SCP eligible recipients otherwise maintain their CSG eligibility, as provided in Section 1.

B. Example of Withdrawing from Radio CSG Program: Below is an example of how CSG funding, including SCP, for a station withdrawing from the radio CSG program, will be reallocated, This example is for illustration purposes only, and based on the following assumptions

- Station X qualifies for a \$150,000 increased base grant including SCP funds in FY2015 and withdraws from the CSG program in FY2015.
- Station X’s CSG base grant is \$50,000 in FY2018- FY2019. Station X does not qualify for any increase in its CSG in FY2018-19 for any incentive or rural station support grants.
- After the station withdrawals from the Radio CSG program, the remaining MSC Stations will receive Station X’s SCP for 3 years (i.e. FY2015-FY2017) and Station X’s CSG base grant for 2 years thereafter (i.e. FY2018-FY2019).

Base Grant Reallocation					
	FY2015	FY2016	FY2017	FY2018	FY2019
CSG(including SCP) Reallocated to remaining stations:					
Percentage	100%	80%	60%	NA	NA
Amount	\$150K	\$120K	\$90K	NA	NA
CSG Reallocated to remaining stations:					
Percentage	NA	NA	NA	40%	20%
Amount	NA	NA	NA	\$20,000	\$10,000

SECTION 4. RETURN OF FUNDS

- A. Removal From Agreement:** If (i) any participating Radio CSG recipient is voluntarily or involuntarily removed from the Consolidation Agreement during the agreement's first six years, and (ii) the total number of remaining participants is less than the minimum number of MSC Eligible recipients, then all additional CSG funding (*i.e.*, the difference between the original and increased CSG base grant including SCP funding) amounts in the years in which the SCP funds were granted, as stated on a station's CPB issued Grant Offers), whether spent or unspent, must be returned to CPB. CPB reserves the right to reduce the amount a station is required to return to CPB in the event of extraordinary circumstances.

For the purpose of this paragraph, a merger between two or more radio CSG recipients shall not constitute voluntary or involuntary removal of any of the merger parties from the Consolidation Agreement.

- B.** If, the MSC has the minimum number of MSC Eligible recipients after the station withdraws from the MSC, and meets all other MSC eligibility criteria, only the withdrawing CSG recipient will be required to immediately return all disbursed SCP funds to CPB, whether or not those funds were expended.

CPB may require the Consolidation Agreement be amended to reflect the removal of the participating station.

- C. Other Provisions:** SCP recipients are subject to the Return of Funds in Part I, Section 11 of the General Provisions.

PART B. Multi-Station Operational and/or Development Collaboration Programs

The Multi-Station Operational ("OC") and Development Collaboration ("DC") Programs are awarded SCP funding through an increased community service grant which includes the SCP funding will total \$150,000, each year for up to three years beginning FY2015. The program is designed to support select activities stations undertake to operate in a more cost efficient manner. OC and DC are separately licensed stations (radio-radio or radio-TV) forming:

- A. in the case of an OC, a central operations or administrative service department or organization to handle station operational functions under centralized and combined management; or
- B. in the case of a DC, a central development office to handle station membership and underwriting functions under one combined and centralized management structure, subject to any necessary approvals from the Federal Communications Commission.

SECTION 1. ELIGIBILITY

- A. Collaboration Agreement:** To receive increased CSG base grant funding as a result of participation in an OC or DC, applicants must have executed an agreement or collaboration that results in the creation of a new administrative structure (the “Collaboration Agreement”). The resulting structure must be designed to more efficiently provide human resources, financial services, engineering and IT services, or development services (each of the foregoing services referred to herein as a “Functional Area”) to the participating stations as further explained below.
- B. Collaboration Agreement Term:** The Collaboration Agreement must extend for a term of not less than six years. The Collaboration Agreement must be effective no earlier than January 1, 2014, but prior to the end of the application period, providing for implementation no later than March 31, 2015.
- C. OC Collaboration Agreement:** An OC Collaboration Agreement must combine and centralize operational and management functions in at least two of the three Functional Areas listed below:
1. Financial services and systems, including:
 - budgeting
 - accounting function and system
 - payroll function and system
 - financial reporting
 2. Engineering and IT services, including:
 - broadcast infrastructure maintenance
 - program origination/master control
 - IT infrastructure/networking
 3. Human resources, including:
 - recruitment
 - benefits administration

Each CSG recipient participating in an OC must have employed at least one FTE defined in the General Provisions, excluding station managers, in each of the two selected Functional Areas prior to executing the Collaboration Agreement. Stations not meeting this requirement will not be eligible for SCP funding based on their participation in the OC.

- D. DC Collaboration Agreement:** A DC Collaboration Agreement must combine and centralize development functions, providing the following to the stations participating in the DC:
1. Membership fundraising and systems
 2. Underwriting and sales management
 3. Common Contact/Customer Relations Management System (“CRM”)
 4. Underwriting rate cards
 5. Interoperable traffic system to schedule on-air credits

Each CSG recipient participating in a DC must have employed at least one FTE defined in the General Provisions in development activities, excluding station managers, prior to executing the

Collaboration Agreement. Stations not meeting this requirement will not be eligible for SCP funding based on their participation in the DC.

- E. **SCP Funding Cap:** Participation in hybrid, multiple or subsequent MSCs, OCs, DCs or other similar programs will not entitle any radio station participating in an OC or DC to funding beyond the \$150,000 annual CSG base grant (increased for SCP funding) during FY2015, FY2016, and FY2017.
- F. **Minimum Participant and NFFS Criteria:** Collaboration Agreements must include a minimum number of CSG recipients with a minimum NFFS (“OC or DC Eligible recipients”) as set forth in the table below.

Minimum # Of Radio CSG Recipients	Minimum Combined Radio CSG Recipient NFFS	Minimum Individual Radio CSG Recipient NFFS
2	\$6 million	All participating radio CSG recipients must have individual NFFS of no less than \$1.5 million.
3	\$3 million	All participating radio CSG recipients must have individual NFFS of no less than \$1.5 million.
4 or more	\$1.5 million	All participating radio CSG recipients must have individual NFFS of no less than \$300,000. Stations below \$300,000 may be included in the OC and DC, and their NFFS will be counted toward meeting the aggregate NFFS minimum.

NFFS minimums will be calculated based on total NFFS as reported on each individual CSG recipient’s FY2012 Annual Financial Report (AFR) or Financial Summary Report (FSR). In OCs and DCs that include a TV CSG recipient, the NFFS minimum will be calculated solely based on the radio CSG Grantees’ NFFS. In addition, only the radio participants can receive SCP funding.

- G. **Other Eligibility Criteria:** Below are additional eligibility criteria applicable to OC and DC participants.
 1. **CSG Qualifications:** Each CSG recipient participating in an OC or DC must maintain its individual CSG qualification and remain a separately qualified Grantee under the General Provisions.
 2. **Non-eligible Recipients:** SCP funding is available only to eligible radio CSG recipients participating in the OC or DC at the time SCP funding is awarded. Any CSG recipient added

to an OC or DC subsequent to such funding determination will not be eligible for SCP funding based on its participation.

3. **Withdrawing Participant:** Loss of Grantee status by an OC or DC participant after execution of the Collaboration Agreement because the station voluntarily withdrew from the radio CSG program or if it becomes ineligible to receive CSG funding pursuant to radio General Provisions because of overlapping signals will not invalidate an OC or DC, provided the former Grantee and all remaining qualifying Grantees continue to participate in the OC or DC.
4. **Eligible Recipients:** An OC or DC must contain the minimum number of OC or DC Eligible recipients to be considered for funding, regardless of how many total stations participate in the OC or DC.
5. **Governance and FCC Qualifications:** Participating stations must maintain their local governance, general management, and FCC license.
6. **Annual Certification:** Stations granted SCP funding in FY2015 that apply for SCP funding in FY2016 and FY2017 must certify each year that the Collaboration Agreement, participating stations, and resulting structure remain in effect without any revisions thereto.

In the event any substantive change is made to the Collaboration Agreement, or a station participating in the Agreement is removed, the parties must immediately notify by email Deborah Carr, Director, CSG Radio Administration at: carrd@cpb.org (or the individuals CPB subsequently designates), of the same. If the above changes are deemed substantive by CPB, CPB reserves the right to disqualify the station and/or Collaboration Agreement from receiving further SCP funding, and/or return SCP funding provided to date.

SECTION 2. APPLICATION

- A. **Application Period:** Radio CSG recipients may submit one shared OC or DC application by **August 15, 2014** to receive SCP funding in FY2015. In the event CPB determines additional SCP funds available, the application deadline for the next grant round is tentatively set for May 15, 2015.
- B. **Application Submission:** Applicants must submit applications via email to carrd@cpb.org and six print and bound copies via mail to:

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The application materials must include the following information in the order indicated:

1. **Cover Sheet:** A completed application cover sheet, which can be found under “additional information” on the right hand side of the following website.
<http://www.cpb.org/stations/grants/radio/collaboration.html>.

2. **Ratified and Implemented Agreement:** A copy of the Collaboration Agreement, ratified by each radio CSG recipient’s governing body and signed by each station’s Board Chair, University President or the most senior institutional official authorized to enter into such agreements.
3. **Local Service Plan (“LSP”):** An agreed upon plan detailing the goals, budgets, costs, benefits, organizational structure of the OC or DC, and the roles of key staff. In addition, the LSP must include, at a minimum:
 - a. A narrative that states and explains the goals of the OC or DC and the benefit(s) the Collaboration Agreement will confer to the station communities (*i.e.*, service areas of the stations involved) involved, and the public radio system.
 - b. Pro forma budgets for the first five years of the OC or DC.
 - c. An explanation of the financial costs and benefits to each participant before and after the OC or DC that demonstrates its expected sustainability.
 - d. Staff organizational charts of each participant before and after the Collaboration Agreement is implemented, which:
 - (i) identify the changes in staff and reporting responsibilities that will occur as a result of implementation; and
 - (ii) demonstrate that the implementation will result in the creation of a new administrative structure.
 - e. Job description for the highest level management position in each consolidated Functional Area, including reporting and supervisory lines for these employees, following implementation of the Collaboration Agreement.
4. **FCC Approvals:**
 - a. **Evidence of Approval:** Applicants must promptly provide to CPB evidence that all required FCC approvals have been obtained (*or a certification that no such approval is required*) and a copy of any applications, agreements, or other documents filed with the FCC pertaining to the Collaboration Agreement.
 - b. **Certification:** For SCP applications submitted on or before August 15, 2014, station’s applications must include a copy of applications or other documents filed with the FCC if the FCC has not yet provided its approval of the same, along with a certification that any required application(s) remains pending before the FCC.

Applicants must notify Deborah Carr, Director at: carrd@cpb.org (or the individuals CPB subsequently designates) in writing within five business days of the FCC’s approval or denial of any such application(s).

In the event that the FCC denies an application necessary to implement the Collaboration Agreement, the applicants will be deemed ineligible for SCP funding and required to return any disbursed funds pursuant to Part B, Section 4, Return of Funds below.

SECTION 3. SCP FUNDING

- A. Withdrawing from Radio CSG Program:** If one or more stations in the Collaboration Agreement voluntarily withdraws during FY2015 from the radio CSG program or becomes ineligible to receive CSG funding under the applicable year General Provisions because of overlapping signal restrictions, a percentage of the withdrawing radio station's increased CSG base grant including SCP funding will be reallocated to the remaining radio CSG participants in equal portions as further described below. The station's withdrawal does not affect the remaining station's SCP eligibility.

As set forth above, the station withdraws from the radio CSG program in FY2015, and 100% of the withdrawing station's increased CSG base grant including SCP funding, is reallocated equally among the remaining Collaboration Agreement participants. The following year FY2016, 80% of said withdrawing station's increased base CSG grant including SCP funding, will be reallocated equally to the remaining Collaboration Agreement participants. And in FY 2017, 60% of said withdrawing station's SCP funding will be reallocated equally among the remaining Collaboration Agreement participants.

If Grantee status is lost in subsequent years, the phase out schedule will be adjusted based on the year in which the loss of Grantee status occurs. However, loss of Grantee status under these circumstances will not invalidate an OC or DC, as long as all remaining OC or DC Eligible recipients otherwise maintain their CSG eligibility, as provided in Section 1 of the General Provisions.

- B. Example of Withdrawing from Radio CSG Program:** Below is an example of how a withdrawing station's increased CSG grant including SPC funding will be reallocated. This example is for illustration purposes only, and based on the following assumptions.

- Station X qualifies for a \$150,000 CSG (including SCP funding) in FY 2015 and withdraws from the CSG program in FY2015. The remaining Collaboration Agreement participants will receive a percentage of the withdrawing participant's CSG base grant increased for SCP funding in FY2015, FY2016, and FY2017, as shown in the table below.
- Upon said station's withdrawal the remaining Collaboration Agreement participants will receive a percentage of the withdrawing station's CSG base grant (which excludes SCP funding) for 2 (i.e. FY2018 and DFY2019), as shown in the table below

Base Grant Phase Out					
	FY2015	FY2016	FY2017	FY2018	FY2019
Amount Reallocated to remaining stations:					
Percentage	100%	80%	60%	NA	NA
Amount	\$150K	\$120K	\$90K	NA	NA
Withdrawing station's CSG Reallocated to remaining stations:					
Percentage	NA	NA	NA	40%	20%
Amount	NA	NA	NA	\$20,000	\$10,000

SECTION 4. RETURN OF FUNDS

- A. **Removal From Agreement:** If (i) any participating Radio CSG recipient is voluntarily or involuntarily removed from the Collaboration Agreement during the agreement's first six years, and (ii) the total number of remaining participants is less than the minimum number of OC or DC Eligible recipients, then all additional CSG funding (*i.e.*, the difference between the original and increased CSG base grant (including SCP funding) amounts in the years in which the funds were granted, as stated on a station's Grant Offer) provided through the SCP to the participants in that Collaboration Agreement, whether spent or unspent, must be returned to CPB.

CPB reserves the right to determine smaller individual station payback amounts in extraordinary circumstances.

- B. If the OC or DC has the minimum number of OC or DC Eligible recipients after the station withdraws, and meets all other OC and DC eligibility criteria, only the withdrawing CSG recipient will be required immediately to return any disbursed SCP funds to CPB, whether or not those funds were expended.

In this situation, CPB may require an amended Collaboration Agreement.

- C. **Other Provisions: SCP recipients are subject to** the Return of Funds enumerated in Part I, Section 10 of the General Provisions.