

FY 2017 Radio Station Collaboration Program

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

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 CSG base grant¹ of \$150,000, which includes SCP funding, for up to three years beginning in CPB's fiscal year 2017 (FY 2017). The increased CSG base grant will be awarded to stations that engage in qualified collaborations and consolidations increasing the stations' public service as follows:

- greater investments in direct audience 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; and
- increased revenue and long-term sustainability of the participating stations.

Recipients of SCP funding are subject to the provisions in the FY 2016 Radio Community Service Grant General Provisions and Eligibility Criteria (General Provisions). The terms defined in Section 1 of the General Provisions are incorporated herein by reference, unless otherwise defined below.

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.

PART A. Multi-Station Consolidations

Multi-Station Consolidations (MSCs) combine multiple stations (radio-radio or radio-television) 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 FCC, an MSC must result in integration of the parties' management, staffing, and operations. Accordingly, radio CSG grantees participating in an MSC that CPB determines eligible will receive SCP funding provided in the form of a larger annual CSG base grant of \$150,000, which includes SCP funding, for up to three years beginning in CPB's FY 2017.

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).
- B. Consolidation Agreement Term:** The Consolidation Agreement term must be no less than six years. The Consolidation Agreement must be effective no earlier than January 1, 2016, and not later than the end of the application period.
- C. 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 reported on each radio CSG recipient's FY 2015 Annual Financial Report (AFR) or Financial Summary Report (FSR). For MSCs that include a television CSG recipient, the NFFS minimum will be calculated solely on the NFFS of the radio Grantee participants. Only radio CSG 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 percent of said station's coverage area.

- D. 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 B. However, in no event will the recipient be entitled to receive more than an increased \$150,000 annual CSG base grant, which includes SCP funding, during FY 2017, FY 2018, and FY 2019.
- E. 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. SCP funding is not available to Collaboration Agreements involving multiple stations of one Licensee.
 - 2. Withdrawing Participant:** A CSG recipient participating in an MSC that either voluntarily withdraws from any radio CSG program, or becomes ineligible to receive CSG funding under the applicable year's 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. If this occurs, the MSC may be entitled to all or a portion of the withdrawing participant's increased CSG base grant for a limited period of time as set forth in Section 3, SCP Funding.
 - 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 awarded SCP funding in FY 2017 that apply for funding in FY 2018 and FY 2019, must certify each year that the Consolidation 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 Andrew Charnik, Director, Radio CSG Policy & Administration at: acharnik@cpb.org (or the other individuals CPB may subsequently designate), 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 require the return of SCP funding provided to date.

SECTION 2. APPLICATION

- A. Application Period:** Radio CSG recipients may submit one shared SCP application by **August 12, 2016** for SCP funding in FY 2017.
- B. Application Submission:** Applicants must submit applications via email to acharnik@cpb.org and send two print and bound copies via mail to:

Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004-2129
Attn: Andrew Charnik, Director, Radio CSG Policy & 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 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 at a minimum 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 station communities (i.e. service areas of the stations) involved and the 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:
 - identify the changes in board, staff, and reporting responsibilities that will occur as a result of implementation; and
 - 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:** SCP applications submitted on or before August 12, 2016 must include a copy of any application or other documents filed with the FCC if the FCC has not yet approved the same, along with a certification that any required application(s) are pending before the FCC.

Applicants must notify Andrew Charnik, Director, Radio CSG Policy & Administration at: acharnik@cpb.org (or the other individuals CPB may subsequently designate) 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 A, Section 4, Return of Funds below.

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 including SCP funding (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, provided they maintain their CSG eligibility.

If the station withdraws from the radio CSG program in FY 2017, 100 percent of the withdrawing station's increased base grant, including SCP funding, for FY 2017 will be reallocated in equal portions to the remaining MSC participants. The following year, FY 2018, 80 percent of said station's increased CSG base grant, including SCP funding, will be reallocated in equal portions to the remaining MSC participants. And in FY 2019, 60 percent 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 FY 2018 or FY 2019, 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 Grantee withdraws from the CSG program, and as CPB determines. Grantee's withdrawal from the CSG program will not invalidate an MSC, provided the remaining SCP eligible recipients otherwise maintain their CSG eligibility.

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

- Station X qualifies for a \$150,000 increased CSG base grant, which includes SCP funding, in FY 2017 and withdraws from the CSG program in FY 2017;
- Station X's CSG base grant is \$50,000 in FY 2020 - FY 2021. Station X does not qualify for any increase in its CSG in FY 2020 - FY 2021 for any incentive or rural station support grants; and
- After the station withdraws from the radio CSG program, the remaining MSC Grantees will receive a percentage of Station X's increased CSG base grant, including SCP funding, for

three years (i.e. FY 2017 - FY 2019) and a percentage of Station X's CSG base grant for two years thereafter (i.e. FY 2020 - FY 2021).

Base Grant Reallocation					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Increased CSG base grant (including SCP) reallocated to remaining stations:					
Percentage	100%	80%	60%	-	-
Amount	\$150,000	\$120,000	\$90,000	-	-
CSG base grant reallocated to remaining stations:					
Percentage	-	-	-	40%	20%
Amount	-	-	-	\$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 provided at any time to the participants of the Consolidation, whether spent or unspent, must be immediately returned to CPB.

Additional CSG funding refers to the difference between the original and increased CSG base grant due to SCP funding as detailed in CPB's grant offers. 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 a participating radio CSG recipient withdraws from the MSC and meets all other MSC eligibility criteria, only the withdrawing radio 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 withdrawing station's removal.

- C. Other Provisions:** SCP recipients are subject to the Return of Funds enumerated in Section 19 of the General Provisions.

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

The Multi-Station Operational (OC) and Development Collaboration (DC) Programs provide recipients with an increased CSG base grant of \$150,000, which includes SCP funding for up to three years beginning in FY 2017. The program is designed to support select activities that stations undertake to operate in a more cost-efficient manner. OC and DC are available to separately licensed stations (radio-radio or radio-television) that establish and operate:

- 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 FCC.

SECTION 1. ELIGIBILITY

- A. **Collaboration Agreement:** To receive an increased CSG base grant applicants must participate in an OC or DC and have executed an agreement or collaboration that results in the creation of a new administrative structure (Collaboration Agreement). The resulting structure must be designed to more efficiently provide human resources, financial services, engineering and IT services (Functional Areas identified in paragraph C below), or development services (identified in paragraph D below) to the participating stations as detailed below.
- B. **Collaboration Agreement Term:** The Collaboration Agreement must extend for a term of no less than six years. The Collaboration Agreement must be effective no earlier than January 1, 2016, but prior to the end of the application period, providing for implementation no later than March 31, 2017.
- 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, 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 (Development Activities), 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, excluding station managers, in Development Activities 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 receive more than an increased annual CSG base grant of \$150,000, which includes SCP funding, during FY 2017, FY 2018, and FY 2019.

F. Minimum Participant and NFFS Criteria: Collaboration Agreements must include a minimum number of radio 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 million.
4 or more	\$1.5 million	At least four 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 reported by each individual radio CSG recipient's FY 2015 AFR or FSR. In OCs and DCs that include a television CSG recipient, the NFFS minimum will be calculated solely on the radio CSG recipient's NFFS. Only radio CSG recipients are eligible to 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. **Excluded 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.
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 because it is ineligible to receive CSG funding pursuant to the radio General Provisions because of the restriction on overlapping signals will not invalidate an OC or DC, provided said 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 SCP funding, regardless of how many total stations participate in the OC or DC.
5. **Governance and FCC Qualifications:** Grantees participating in an OC or DC must maintain their local governance, general management, and FCC license.
6. **Annual Certification:** Stations granted SCP funding in FY 2017 that apply for SCP funding in FY 2018 and FY 2019 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 Andrew Charnik, Director, Radio CSG Policy & Administration at: acharnik@cpb.org (or the other individuals CPB may designate), 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 require the return of SCP funding provided to date.

SECTION 2. APPLICATION

- A. Application Period:** Radio CSG recipients may submit one shared OC or DC application by **August 12, 2016** to be eligible to receive SCP funding in FY 2017.

- B. Application Submission:** Applicants must submit applications via email to acharnik@cpb.org and send two print and bound copies via mail to:

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1. **Cover Sheet:** A completed application cover sheet, which can be found under “additional information” on the right side of the following website:
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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 that describes the goals, budgets, costs, benefits, and organizational structure of the OC or DC, and the roles of key staff. In addition, the LSP must include, at a minimum the following:
 - 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 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:
 - identify the changes in staff and reporting responsibilities that will occur as a result of implementation; and
 - demonstrate that the implementation will result in the creation of a new administrative structure.
 - e. Job descriptions for the highest level management positions 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 copies of any applications, agreements, or other documents filed with the FCC pertaining to the Collaboration Agreement.

- b. Certification:** SCP applications submitted on or before August 12, 2016 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 Andrew Charnik, Director, Radio CSG Policy & Administration at: acharnik@cpb.org (or the other individuals CPB may subsequently designate) 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

Withdrawing from Radio CSG Program: If one or more stations in the Collaboration Agreement voluntarily withdraws during FY 2017 from the radio CSG program or becomes ineligible to receive CSG funding under the applicable year's 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 stations' SCP eligibility.

As set forth above, if the station withdraws from the radio CSG program in FY 2017, 100 percent of the withdrawing station's increased CSG base grant, including SCP funding, is reallocated equally among the remaining Collaboration Agreement participants. The following year, FY 2018, 80 percent of said withdrawing station's increased CSG base grant, including SCP funding, will be reallocated equally to the remaining Collaboration Agreement participants. And in FY 2019, 60 percent of said withdrawing station's increase CSG base grant, including 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 if the remaining OC or DC Eligible recipients maintain their CSG eligibility.

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

- Station X qualifies for a \$150,000 increased CSG base grant, including SCP funding, in FY 2017 and withdraws from the CSG program in FY 2017.

- Station X’s CSG base grant is \$50,000 in FY 2020 - FY 2021. Station X does not qualify for any increase in its CSG in FY 2020 - FY 2021 for any incentive or rural station support grants.
- After the station withdraws from the radio CSG program, the remaining Collaboration Agreement participants will receive a percentage of Station X’s increased CSG base grant, including SCP funding, for three years (i.e. FY 2017 - FY 2019) and a percentage of Station X’s CSG base grant for two years thereafter (i.e. FY 2020 - FY 2021).

Base Grant Reallocation					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Increase CSG base grant (including SCP) reallocated to remaining stations:					
Percentage	100%	80%	60%	-	-
Amount	\$150,000	\$120,000	\$90,000	-	-
CSG base grant reallocated to remaining stations:					
Percentage	-	-	-	40%	20%
Amount	-	-	-	\$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, whether spent or unspent, provided at any time to the participants in the Collaboration must be immediately returned to CPB.

Additional CSG funding is the difference between the original and increased CSG base grant due to SCP funding as detailed in CPB’s grant offers. 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 to immediately 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 Section 19 of the General Provisions.

