

**PUBLIC  
MEDIA  
CO.**

5277 Manhattan Cir. Ste. 210  
Boulder, CO 80303  
publicmedia.co

T. 720 304 7274  
F. 720 304 8923  
info@publicmedia.co

## **Assessment Report and Change Recommendation Public Radio Station:**



**Licensee: Pataphysical Broadcasting Foundation, Inc.  
Submitted to the KUSP Board as Confidential and Final September 25,  
2015**

**This Edited Report to the KUSP Community is not Confidential**

Prepared by:  
Marc Hand, Chief Executive Officer  
Dennis Hamilton, Managing Director  
Evran Kavlak, Director of Consulting and Research

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## EXECUTIVE SUMMARY

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The Public Media Company (PMC) findings follow:

- KUSP 88.9 FM (“KUSP” or the “Station”) is close to having no operating capital;
- The Station is burdened by debt; and
- The Station offers a radio format that is not appealing to a sufficient audience to enable KUSP to maintain its current operations financially. KUSP’s news programming audience is significantly lower than that of KAZU.

The KUSP Board has taken steps to better understand the challenges that KUSP faces and seek recommendations from community and staff. There has been considerable miscommunication surrounding the Station’s status and future.

As a result, the KUSP Board hired PMC to review all aspects of the Station’s public service, business, staffing and governance. Our findings, detailed below, include recommendations to substantially reorient the Station toward a locally-curated noncommercial music format (the “Music Format”) by initially downsizing staff, hiring interim management, and quickly reestablishing the Station in a new format iteration.

The findings and recommendations are dependent on raising operating capital and/or getting some debt relief. If the following recommendations cannot be implemented in accordance with or close to the timeline outlined below, it is PMC’s recommendation that the Station license and broadcast assets be sold and assigned to another entity that is qualified to operate a public radio station, the creditors be paid back with the proceeds from the sale of the KUSP license and business assets, staff laid off, operations discontinued, and the governing body dissolved.

### I. BACKGROUND

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KUSP 88.9 FM (the “Station”) is owned and operated by the Pataphysical Broadcasting Foundation Inc. (the “Foundation”) and governed by the KUSP Board of Directors (the “KUSP Board” or the “Board”). A description of the Station and history is found on the KUSP website at: <http://www.kusp.org/story.shtml>.

KUSP has been generating a consistent cash deficit from its operations for more than six fiscal years. Historically the Station has sold assets, borrowed money and not paid program providers (primarily NPR) to cover the gap between operating expenses and operating revenues. Despite the sale of assets, the continued losses and borrowing have increased the Station’s debt to an unsustainable level. The financial problems were also highlighted in the various audit reports stating that the financial results had raised “substantial doubt about the Station’s ability to continue as a going concern.” As a result, the KUSP Board engaged in fact finding and an internal working group was formed to examine KUSP’s service options and business model. In addition, a group of concerned civic leaders were convened by the Community Foundation Santa Cruz County and the Arts Council Santa Cruz County as the Community Leadership Planning Group (“CLPG”) to examine the station’s condition and make recommendations.

Both the CLPG and the Internal working group made recommendations to the KUSP Board, including possible future market/service orientations for KUSP. While helpful, they did not make definitive recommendations on immediate direction or actions the Station might take to create a more stable public service and financially secure local asset. The recommendations essentially proposed some slight changes in programming but projected continued substantial losses with the assumption that outside funding would be raised to sustain the annual losses. These strategies essentially continue the money losing practice of the past 6 years.

On September 3, 2015, the KUSP Board hired Public Media Company (PMC) to assess the Station's operations, business model, financial condition, staff, and programming, and make recommendations regarding how the Station might regain financial and service footing in the Santa Cruz/Monterey Bay region.

PMC committed to the following deliverables:

- On Site Assessment to include:
  - Review programming and staffing options with Station personnel and Board members
  - Resolve any follow up questions related to the documents supporting the Request for Proposals
  - Obtain any other internal information needed for recommendations concerning Station operations and governance
  - Consult other stakeholders for input if requested
  - Prior to the site visit, PMC commissioned a Santa Cruz broadcast market analysis with the following objectives:
    - Understanding the existing radio market and formats
    - Analyzing the KUSP format niche(s) options in that market and the current KUSP audience metrics
    - Developing a pro forma news and a variety music schedule to guide management and governance in creating a competitive and appealing audience service.
- Reporting and Recommendations:
  - Create an implementation plan for recommended programming changes
  - Update budget and business model
  - Create a change calendar and operating benchmarks
  - Follow up with management on recommendations, directions and decisions
  - Advise management on actions related to the change plan
  - Advise the Board regarding the implementation progress or lack thereof
  - Create a case narrative for supporting the change and funding requests
  - Make recommendations to the Board regarding staffing, management, operations, fund development, and governance, including specific Board and staff action items
  - Make recommendations to the Board regarding board leadership and board member roles and responsibilities, including recommendations regarding bylaws amendments, and improving Board leadership and agenda setting, board/ management communications and protocols, committee charters and assignments
- Final Evaluation and Report to be delivered by September 25, 2015
  - Based upon the Services listed above, PMC will present a final report with items concluded, underway, still requiring action, and recommendations, and a timeline to resolve or conclude outstanding issues, staffing, operations, or board actions.

PMC's CEO, Marc Hand and Managing Director, Dennis Hamilton have undertaken the work. PMC's Director of Consulting and Research, Evran Kavlak has been responsible for developing pro forma financials and projections.

In addition, PMC, with approval by the KUSP Board, contracted with Kim Grehn, Media Research and Solutions, Hartford, Connecticut, to examine the Station's audience service profile and report findings and recommendations.

Dennis Hamilton did a site visit review that entailed interviews with KUSP Board, staff, community advisory group members, foundation executives, concerned community members, et al. His visit schedule is found in **Attachment A**.

The following are the PMC findings and recommendations.

## II. FINDINGS

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- KUSP is financially broke. As of September 28, 2015, the unrestricted cash was zero. This is despite two substantial donations in the last fiscal year that totaled over \$250,000. The unrestricted cash as of each fiscal-year end between FY2011/12 and FY2014/15:

June 30, 2012	\$40,442
June 30, 2013	(\$16,209)
June 30, 2014	(\$9,267)
June 30, 2015 (unaudited)	\$142,000

See **Attachment B** for details.

At this point, the history of the Station's financial crises is not relevant. It is a fact that must be dealt with.

- The continuing losses and borrowing have built an accumulated debt of approximately \$860,000 as of August 31, 2015. See **Attachment B** for details.
- KUSP's program schedule is not generating sufficient audience to maintain cash flow from underwriting, membership and other traditional public media lines of business. The programming and audience analysis is found in **Attachment C**.
- The Station is not viable as currently programmed and staffed.
  - KUSP must immediately downsize station staff (prior to this report, Terry Green, KUSP General Manager was laid off). See recommendations for additional staff changes in **Attachment D**.
  - KUSP must change programming per the recommendations that follow and those found in the programming and audience analysis (**Attachment C**).
- KUSP's governance needs more structure with better-established operating policies, processes, and protocols.
- There is strong desire in the community to keep the Station local and operating as an essential community asset.
- There is agreement that if the Station cannot find new operating and financial footing soon, that the financial burden will force the station to be sold. This is consistent with the statement that was included in the audit report for the fiscal year ending June 30, 2014 by KUSP management: "If this strategy (signing a Public Service Operating Agreement -PSOA- with another public broadcasters to merge with KUSP) proves unsuccessful, the Foundation will seek to assign its business assets and FCC licenses to another entity qualified to operate a public radio station. Assignment of substantially all of the Foundation's assets would require approval of the FCC and, under California law, approval of a majority of voting members of the Foundation."

### III. RECOMMENDATIONS

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The following recommendations are predicated on the KUSP Board making the decision to change the KUSP format to the Music Format and that sufficient bridge funding as described in **Attachment B** is found to keep the Station operational through the change and to fund the work described below. If those conditions cannot be agreed to or met, then the only option will be to sell the Station to avoid bankruptcy and to satisfy outstanding financial obligations.

#### Programming

PMC sees potential in a programming/format shift to a local, professionally programmed and hosted music format that would be described, in radio format terms, as Triple-A (or "AAA"). However, it must be done quickly with minimal staff initially until it begins to generate audience, loyalty and revenue with the transition supported by bridge funding from area foundations and major donors (see **Attachment B**) or through a loan arrangement if one can be obtained. As noted in the programming/audience analysis (**Attachment C**), KUSP's news and information audience and loyalty is low and, for the most part, secondary to KAZU's news and information audience. While there have been suggestions that improving or adding additional local content might improve audience, our analysis is that it will not. Therefore, we recommend a format change that we believe will drive audience, membership, underwriting and other revenue. The Music Format, if done right, will share audience rather than compete for audience with KAZU. It will also be connected to the Santa Cruz/Monterey Bay region and residents by programming regional music and musicians, convening and partnering with local events and with community and cultural groups.

Public radio's Triple-A stations are less mainstream than their commercial counterparts and offer broader, deeper, and more diverse music. Stylistically, Triple-A stations may play acoustic rock, blues, roots, Americana, folk, bluegrass, and world music. The station's image is local, friendly, informative and personality (DJs) driven. These stations are very rooted in their local communities.

There are over 151 rated AM, FM, HD Radio, and streamed stations airing a noncommercial Triple-A format<sup>1</sup>. The following stations and links are provided as examples of noncommercial Triple-A across the country:

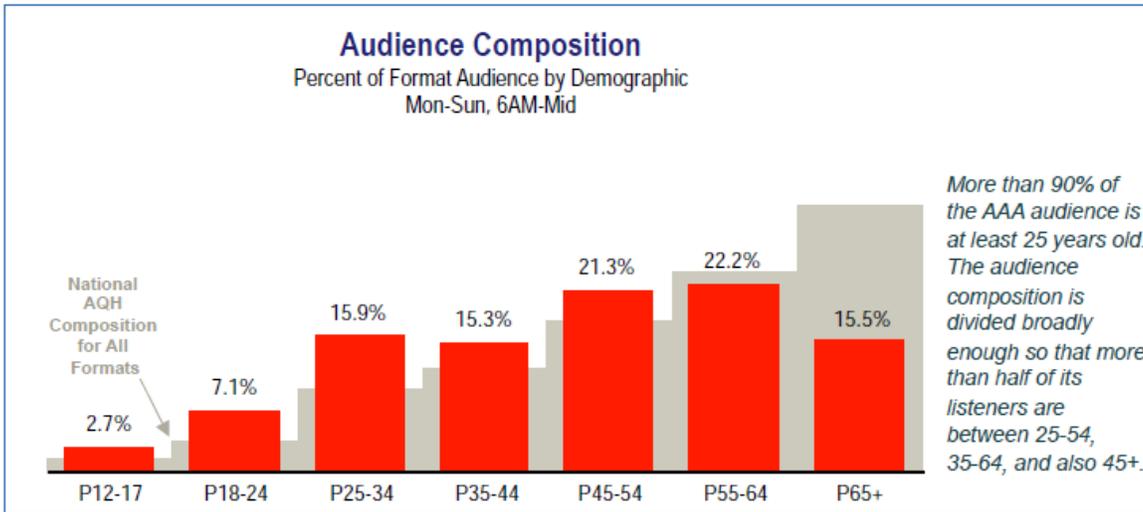
KUTX, Austin, TX: <http://kutx.org/>  
WXPB, Philadelphia, PA: <http://www.xpn.org/>  
WYEP Pittsburgh, PA: <http://www.wyep.org/>  
WFPK Louisville, KY: <http://wfpk.org/>  
KUNC: Greeley, CO: <http://www.kunc.org/>  
KCMP: Twin Cities, MN: <http://www.thecurrent.org/>  
WTMD: Baltimore MD: <http://www.wtmd.org>

Also see VuHaus for a collection of performance videos and interviews from leading Triple-A public radio stations from markets across the U.S. <http://www.vuhaus.com/>

Triple-A appeals to more of a younger audience than a typical public radio format. The following chart shows Triple-A audience composition in comparison to the national average.

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<sup>1</sup> Source: "Public Radio Today – 2013", Arbitron, Inc., released on July 25, 2013



Source: "Public Radio Today – 2013", Arbitron, Inc., released on July 25, 2013

More information about Triple-A: [https://en.wikipedia.org/wiki/Adult\\_album\\_alternative](https://en.wikipedia.org/wiki/Adult_album_alternative). Also see [www.Vuhaus.org](http://www.Vuhaus.org) for examples of artists and public media stations that air Triple-A style formats.

A sample KUSP Triple-A format might look something like this:

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
5am	World	World	World	World	World	KCRW	KCRW
6am	Cafe	Cafe	Cafe	Cafe	Cafe	Music stream	Music Stream
7am	Mornings	Mornings	Mornings	Mornings	Mornings	Folk	E-Town
8am	With	With	With	With	With	Alley	
9am	TBD	TBD	TBD	TBD	TBD	Acoustic	Acoustic
10am							
11am	Mid Day	Mid Day	Mid Day	Mid Day	Mid Day	Mix	Mix
Noon	Music	Music	Music	Music	Music	Car Talk	Ask Me Another
1pm	Mix	Mix	Mix	Mix	Mix	Wait, Wait...	Car Talk
2pm	Voice Track	Voice Track	Voice Track	Voice Track	Voice Track	TED Radio	Studio 360
3pm	Afternoon	Afternoon	Afternoon	Afternoon	Afternoon	Saturday	Sunday
4pm	Drive	Drive	Drive	Drive	Drive	Music	Music
5pm	TBD	TBD	TBD	TBD	TBD	Mix	Mix
6pm	World	World	World	World	World	Voice	Track
7pm	Cafe	Cafe	Cafe	Cafe	Cafe	Soul	Latin
8pm	An (This American Life)	Evening (TED Radio Hour)	Of (The Music)	Ideas (This American Life)	(Bullseye)	Shack	Quarter
9pm	Jazz	Jazz	Jazz	Jazz	Jazz	Sky	Crescent City
10pm	til	til	til	til	til	Larking	Shuffle
11pm	Midnight	Midnight	Midnight	Midnight	Midnight	KCRW	KCRW
Midnight	Jazz	Jazz	Jazz	Jazz	Jazz		
1am	KCRW	Music	Stream	From	L.A.	Music stream	Music Stream

## Staffing

The existing KUSP staff has been loyal and very hard working in spite of the financial challenges. However, some are not suited to the challenges ahead in light of the need to change format and, in essence, create a new station in place of the old one.

One PMC staff recommendation has already been adopted by the KUSP Board in response to the need to act quickly to reengineer the Station. Lee Ferraro was hired as interim manager by the Board on September 28, 2015. His resume is found in **Attachment E**. At this writing, Lee is already onsite with the KUSP Board and staff.

For other confidential staffing recommendations, see **Attachment D**.

## Fundraising

To accomplish the format change, transition operations and retire debt KUSP will need to engage in a capital fundraising campaign. Our findings show the need to raise \$1.1 million over the next three years. The first \$350,000 of which will be need to be raised in the remaining months of 2015. The viability of the Station and the new format, as well as the ability to eliminate debt, relies completely on a successful capital campaign. Without a successful campaign the Station will not be able to build audience, revenues and address the substantial debt issues.

## IV: Triple-A FORMAT IMPLEMENTATION

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As described in various places in this report, Triple-A is a public media format that, when programmed well, appeals to public media listeners. It is the fastest growing format in public media and is a significant local resource that develops loyal audience and forms community bonds through partnerships with music venues, local musicians, regional arts and cultural organizations etc.

The implementation of this plan can be managed in ways described below. Prior to that, the KUSP Board should undertake discussion and action to permit and document the recommended change.

The “recipe” for Triple-A is specific and requires professional skills to implement and operate. It is a format that relies on developing bonds between the music hosts and listeners and on creating a “go to” resource for the community to discover music and local and regional arts and culture events.

The Triple-A staff makeup follows this general outline:

General Manager – hired by the Board and reports to the Board President. The general manager provides vision and leadership in addition to being a primary fundraiser for the organization. This person spends a great deal of time interacting in the community developing relationship with donors, foundations, arts and culture organizations, other media etc.

Program Director - hired by the General Manager, the program director manages all aspects of the Triple-A format flow, station imaging, external program producer and vendor relations and programming staff including the music director and local on-air hosts. This person strategizes and schedules all “stop set” (content between music sets or station identifications etc.) content.

Music Director – critical to the station’s sound this position has established and good relations with music labels that service Triple-A stations, understands and has relationships with local musicians, has experience in creating music mixes that are rooted in the region and makes use of a wide ranging musical genre.

Music Hosts – hosts are the personality of a Triple-A station. They follow the “rules” as determined by the PD and music as prescribed by the MD. They are friendly, warm, and enthusiastic about their role in sharing music and information. They are external ambassadors who emcee local events, and station concerts.

Development Director – working hand in hand with the general manager, this position sets all revenue strategies and benchmarks for the operation. The DD hires the underwriting sales person(s), the membership staff, manages major donor relations and establishes and maintain regular contact with the philanthropic community.

Operations Director – manages all things technical including contract personnel who manage any outsourced technical maintenance (transmission, studio plant, IT etc.). This position also provides technical management and support for events outside the station.

Volunteers – volunteers may provide programming or program assistance as determined by the PD. They are critical in helping to develop localized content for the station and in work on remote events and concerts, as well as working with the membership director on membership drives.

The KUSP Board has already taken an important step by hiring Lee Ferraro as interim manager. Lee is skilled and experienced in the building and growing of Triple-A formats. His outline of immediate implementation steps include the following:

- Assess current on-air staff for potential music hosting and voice tracking.
- Purchase music scheduling software i.e. Music Master in use at many Triple-A stations.
  - Find a database “geek”
  - Train staff to use the software
- Obtain music library server with songs.
  - A music library donation has been secured by Lee Ferraro
  - Acquire a music server
- Work out all the technical logistics of installing the music server and getting it to “talk” with KUSP’s ENCO automation system.
- Reestablish [KUSP.org](http://KUSP.org)
  - New home page briefly explaining the need for the program change - Live Stream, stream song titles
  - A playlist page
  - A concert page
  - Membership page
  - Assess current site for relevant existing pages: About Us, Board, Staff, etc.
- Develop a new graphic identity to go with new station identity and imaging.

## V. TIMELINE

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### October:

- Hire interim manager (this position will also serve as program director for the first year of the Music Format)
- Enact the draft Board resolutions
- Organize the Station's internal staffing and operations to begin Triple-A format on November 1<sup>st</sup>
- Hire public relations consultant and implement communications plan.
  - Begin repositioning of [www.KUSP.org](http://www.KUSP.org)
- Conduct a final news and information membership drive in October that appeals to listeners and encourages them to help pay programming costs to date and use airtime to preview the new Triple-A format
- Convert technical operations to accommodate new content (music library) software, servers etc.
- Negotiate debt payments to NPR and others
- Raise a minimum of **\$150,000** in operating (unrestricted) capital through major donors and/ or foundations

### November:

- New format inauguration
- Raise a minimum of **\$100,000** in operating (unrestricted) capital through major donors and/ or foundations
- Hire as funds are available in this order:
  - General Manager (or continue with interim)
  - Development Director
    - Sales personnel (may be contracted)
    - Membership manager (may be contracted to Contributor Development Partnership: <http://cdpcommunity.org/> – at this writing under study)
  - Music Director
  - Hosts as needed
- Develop on-air appeal for funding as part of the Station's stop set strategy
- Continue building community relationships with community leaders, concert and performance venues, local philanthropy and creative community producers to build more depth in content and strengthen community connections.

### December:

- Stabilize operations
- Hire as needed and affordable
- Begin Board/Governance Training (see below)
- Raise a minimum of **\$100,000** in operating (unrestricted) capital through major donors and/ or foundations

### January – March, 2016:

- Finalize staff hiring
- Begin community event partnerships and sponsorships
- Establish relationships and partner where appropriate with other public media Triple-A stations
- Strengthen community content ties.
- Refine sound, refine on-air imaging, refine host performance, strive for excellence in all levels of operation
- Hold first Triple-A membership campaign

### April – June, 2016

- Operate the new KUSP with professionalism, great skill, with dedication to local service and local content through creative and appealing programming that generates audience loyalty, excitement and contributions from all sectors – membership, underwriting, major donors, grants and events
- Begin to reduce outstanding debt
- Prepare and approve the FY2017 budget with enough surplus to payback some of the outstanding debt
- Continue to build community engagement

## VI. GOVERNANCE

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The KUSP Board is nominated and elected by the Foundation. Foundation members are station staff, volunteers, interested parties, et al. According to the bylaws the membership is certified each year by the station manager.

The Board to date, while strong in membership and participation, lacks some processes and protocols with which to conduct their fiduciary oversight and station management supervision and evaluation. Prior to this PMC study, the Community Leadership Planning Group (“CLPG”) prepared a report on KUSP. Their observations and recommendations included advice to the KUSP Board. PMC’s recommendations echoes the CLPG findings:

- Undergo a board/governance evaluation. This can be done by an outside entity and there are resources for doing this on a pro-bono basis (Stanford Law Clinic could be a resource for a governance overview).
- Identify and set up a board training process, with a particular emphasis on financial responsibility.
- Clarify expectations of the Board and of each individual member of the Board.
- Develop clear reporting responsibilities coming from the staff to the board and from the board to the Community Advisory Board (“CAB”), Foundation members and ultimately to the subscribers and KUSP supporters.
- Better utilize the CAB by focusing the work of the CAB more closely on program planning and testing, fundraising and development, and by inviting some or all of the CAB to a joint meeting with the KUSP Board once or twice a year.
- Create needed committees on the Board. Examine the scope of responsibility for key current committees, including the personnel committee, audit committee and finance committee. During a transition period it might be helpful to bring in outside advisors to work with these key committees.
- Over the next year identify and engage an outside entity that can monitor the financial status of KUSP and the reporting of the financial status to the Board and to other stakeholders.
- Identify and recruit people with specific skills onto the Board including financial, legal, fundraising and overall governance.
- Complete a review of the overall voting and election structure for KUSP. Currently the Board is elected by Foundation members who are mostly members because of volunteer or programming roles. This structure should be reviewed to determine if it supports the ability of KUSP to change or if the voting structure tends to support the status quo on the content side for KUSP. If the Board determines that changes make sense a set of recommended changes in the bylaws should be developed for presentation to the Foundation members. One option might be simply to empower the Board to directly elect a limited number of members to bring specific skills (accounting, legal, etc.) onto the Board.
- Review the audit procedures and reporting to the Board.

In addition to the above recommendations, PMC has provided a draft KUSP board Governance process and procedures document to assist the Board in organizing and developing processes. That guideline is found in **Attachment F**.

**\*\*REPORT ATTACHMENTS FOLLOW\*\***

## ATTACHMENT A: PMC KUSP Site Visit Schedule

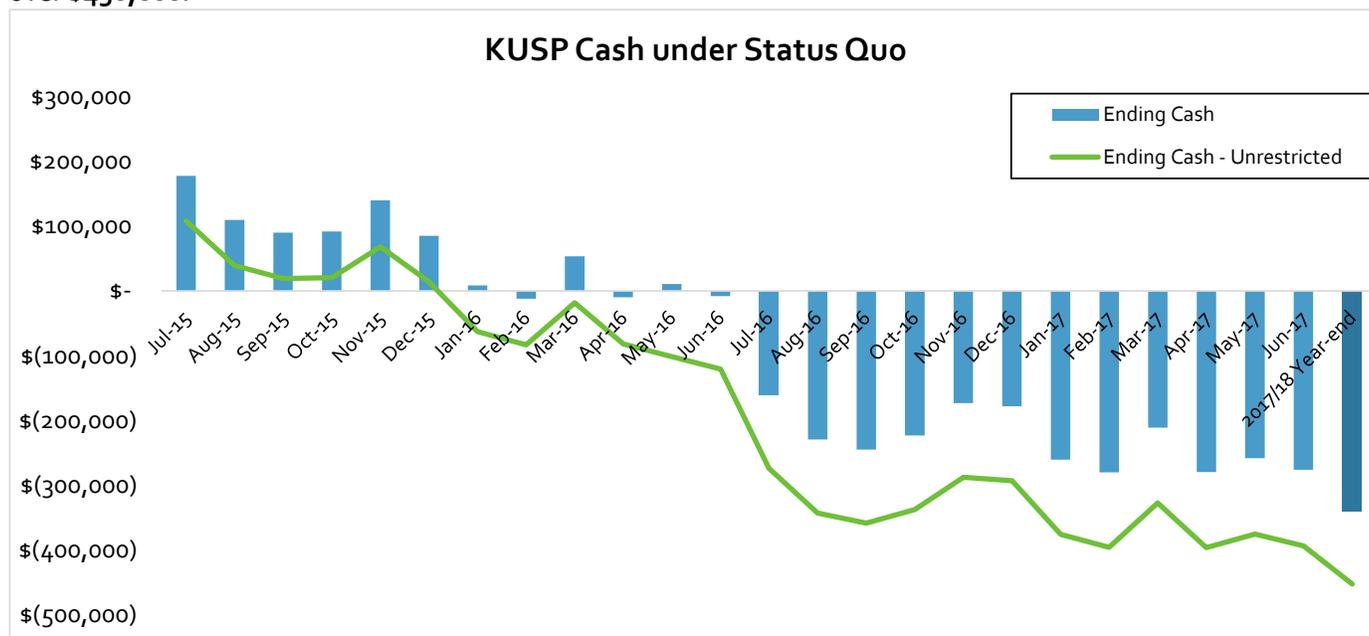
Monday September 7		Tuesday September 8	
8:00		8:00	
9:00	Dennis Hamilton travel day	9:00	Terry Green, KUSP General Manager
10:00		10:00	Johnnie Simmons, Alex Burke Steve Laufer KUSP staff
11:00		11:00	Jennifer Switzer, KUSP staff
12:00		12:00	Terry Green, KUSP General Manager
1:00		1:00	Geo Warner, KUSP staff
2:00		2:00	Lea Haratani, KUSP staff
3:00		3:00	Lola Brice, KUSP staff
4:00		4:00	J.D. Hilliard, KUSP staff
5:00		5:00	
Wednesday September 9		Thursday September 10	
8:00	Greg Becker & Matt Farrell Board	8:00	Michael Bryant CLPG
9:00	Jeffrey Werner CLPG	9:00	9:15 Rachel Goodman, Steve Coulter & Tim Folger (KUSP Forward)
10:00	Staff Meeting	10:00	10:30 Emily DuBois Board
11:00		11:00	11:30 John Morrison Board
12:00		12:00	
1:00	Nikki Silva CAB, CLPG	1:00	
2:00	Bob Reid CAB	2:00	Dan Baldwin, Community Foundation of Monterey
3:00	Lance Linares Community Foundation of SC	3:00	
5:00	Jane Doyle Board	4:00	
6:00	Bennett Williamson Volunteer	5:00	5:30 Guy Lasnier Former Board 7:00 Steve Reed formerly KAZU
Friday September 11		Saturday September 12	
8:00		8:00	
9:00	Brant Herrett Engineer	9:00	
10:00	Mary Adams CAB/CLPG	10:00	Cathie Royer, Sabrina Eastwood, Katie Roper Board
11:00	Kate Kurz Board	11:00	Autumn Antal Staff
12:00		12:00	Lyle Troxell Programmer/ CLPG
1:00	Michelle Williams Arts Council/CLPG	1:00	
2:00	Bill Maxfield Communications	2:00	Kelly O'Brien, KUSP Board President, Marc Hand, PMC CEO
3:00	Charlie Eadie Board	3:00	
4:00	Terry Green General Manager	4:00	

## ATTACHMENT B: PMC Financial Assessment/Analysis

KUSP has been generating a consistent cash deficit from its operations for more than six fiscal years. Historically the station has sold assets and borrowed money to cover the gap between operating expenses and operating revenues. Despite the sale of assets, the continued losses and borrowing have built an accumulated debt of approximately \$860,000 as of August 31, 2015.

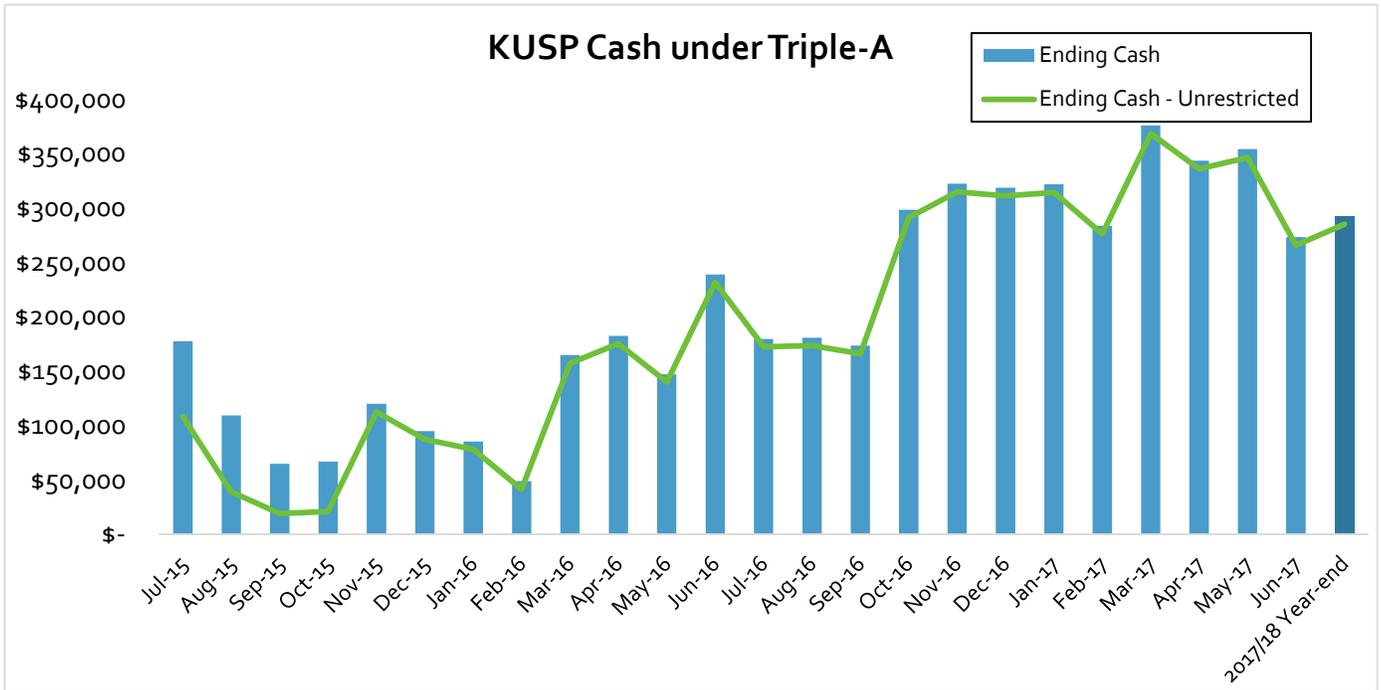
KUSP lost approximately \$213,000 in fiscal year 2012/2013, \$175,000 in 2013/2014, and \$78,000 in 2014/2015. The losses in 2014/2015 were reduced through the benefit of a one-time bequest of approximately \$153,000 in December and a donation of \$100,000 in June. As of September 28, 2015, KUSP had no unrestricted cash remaining and the Station could owe approximately \$44,000 in staff severance and vacation costs (in addition to the total outstanding debt listed above).

PMC's scenario analysis concentrated on two mutually exclusive scenarios: (1) Status Quo and (2) Triple-A. The Status Quo scenario is not sustainable. The following chart shows the monthly cash flow for FY2015/16 and FY2016/17, and the FY2017/18 year-end numbers. Note: Unrestricted cash excludes restricted grants, severance and accrued vacation from total cash. At the end of FY2017/18, KUSP will have accumulated unrestricted cash deficits of over **\$450,000**.



The Triple-A model shows a sustainable financial picture with enough cash to pay a portion of the outstanding debt. The following chart shows the monthly cash flow for FY2015/16 and FY2016/17, and the FY2017/18 year-end numbers. KUSP maintains a sufficient reserve to support the ebbs and flows of its monthly cash flows.

Note: This scenario will require significant foundation and major investment. See the notes following this chart.



The key assumptions under the Triple-A model are as follows:

- KUSP switches to a Triple-A format starting in November;
- Note: We also modeled around a phase-out scenario where the Station transitioned its programming (including Morning Edition and All Things Considered) into the Music Format gradually over a 5-month period, but this model was not sustainable or practical as it might create confusion on the banding and messaging of the Station, and therefore we do not recommend it.
- Overall, the membership revenues are projected to decrease by approximately 35% in FY2015/16 compared to FY2013/14. In FY2016/17, annual membership revenue stabilizes and shows a modest 5% increase before bouncing back up by 10% in FY2017/18. Membership revenue grows to \$496,000 in FY2017/18, in line with the comparable AAA station median of \$490,000<sup>2</sup>, but still 23% below the membership revenues generated by KUSP in FY2014/15 as a news and information service.

While it is hard to predict the exact impact on audience and membership with the programming changes, recent audience numbers might help. In Spring 2015, 41% of KUSP weekly listeners made the station their first choice, listened to the Station more than any other station. Additionally, 31% of the KUSP listeners made KAZU their first choice, these are potentially those that will migrate to KAZU<sup>3</sup>. We believe a 35% decrease in membership within the first fiscal year (November 2015 - June 2016) following the format change is a conservative assumption. As the new format is established, we expect KUSP to attract new music listeners and recoup a portion of the loss in membership in the later years.

- The impact of the programming changes on underwriting is expected to be minimal. This is an area with the greatest potential to grow. Historically KUSP underwriting performance has been poor with limited staff effort. It is projected that KUSP underwriting revenues will be slightly below the budget goals for FY2014/15

<sup>2</sup> Based upon FY2013 data. Comparable Triple-A stations include KNBA-FM in Anchorage, Alaska; KRVM-FM in Eugene-Springfield, Oregon; WAPS-FM in Akron-Ohio, WFPK-FM in Louisville, Kentucky; WNKU-FM in Cincinnati, Ohio; WMTD-FM in Baltimore, Maryland; WUMB-FM in Boston, Massachusetts; WYMS-FM in Milwaukee-Racine, Wisconsin; and WYEP-FM in Pittsburgh, Pennsylvania.

<sup>3</sup> Listener Behaviors Report, Arbitron Inc.

even with the format change, totaling \$158,000. Underwriting revenues grow by 38% in FY2016/17 and a further 40% in FY2017/18 to reach the comparable median of approximately \$330,000.

- KUSP initiates a **\$1.1 million capital campaign** to raise unrestricted funds to cover its operating deficits (\$184,000 in FY2015/16 and \$133,000 in FY2016/17) and pay back outstanding debt (~\$700,000) over a 3-year period. It is also assumed that some of the major donors that support the campaign become regular contributors giving **\$200,000/year starting in FY2017/18**.

If the operating and capital campaign assumptions hold true, KUSP will be able to maintain a stable cash flow between FY2015/16 (November-June) and FY2017/18, while paying severance and paid vacation costs due to the staff positions that do not continue (\$38,000), and pay back \$700,000 on the past due debt or other liabilities. **It should be noted that the outcome of this financial analysis relies heavily on a well-executed capital campaign that meets or exceeds the fundraising goals.**

## ATTACHMENT C: Kim Grehn, Programming/Audience Analysis

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235 North Main St.  
West Hartford, CT 06107

[www.linkedin.com/in/kimgrehn](http://www.linkedin.com/in/kimgrehn)

**KIM D. GREHN**  
**Media Research & Solutions**

(860) 233-8054 (H)  
(860) 490-8122 (C)  
kim.grehn@gmail.com

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### The Revenue and Programming Connection

There is a direct correlation between programming and fundraising. Listeners choose to listen to a station because of the programming on that station. If the programming choices made by KUSP consistently matches the values and lifestyle of its listeners, the more likely those listeners will continue tune in and become loyal to KUSP. Listener loyalty is the determining factor in converting listeners into givers.

Contributors are drawn from the core audience. That's the audience that listens to KUSP more than any other radio station. The Radio Research Consortium<sup>4</sup> defines the core as a combination of Exclusive Listeners and First Choice Listeners. By looking at year over year metrics, it is clear this group of listeners has remained stable over the past four years at KUSP. Other audience metrics have remained stable over that period including average audience, cume audience, time spent listening and loyalty.

### The Effect on Revenue

CPB funded research published by Walrus Research on converting listeners into givers demonstrates the relationship between listening and giving. The results were published in 2003. The executive summary of the report outlines the journey a listener takes from passive listening to active support.

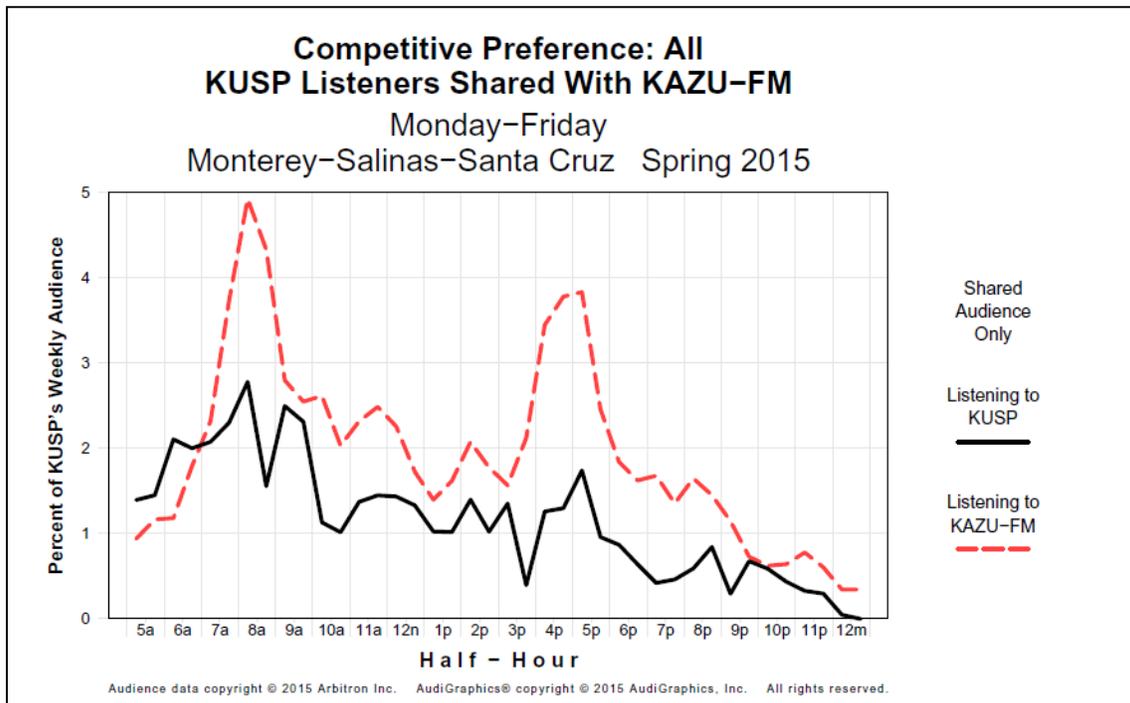
- We confirmed that public radio givers can be predicted primarily from patterns of listening. Reliance may be measured by purely behavioral variables like loyalty to a public station and becoming a core listener.
- Personal importance is an internal realization. Individuals who not only listen but also sense that public radio has become important in their lives are more likely to become givers.
- Education adds predictive power to our model. Half of public radio givers have earned an advanced degree, an indicator of their socially responsible values and upscale lifestyles.
- Belief that public radio depends on listener support adds some predictive power to our model, but the strong predictors are behavioral reliance upon public radio along with a sense of personal importance.
- Public service causes public support. Producers and program directors, by designing valuable programming that encourages loyal listening, establish the potential for givers among public radio listeners.
- As public radio continues to expand its audience, stations and networks must reinforce the critical message that public radio depends on listener support. Listeners who do not believe that are unlikely to give.

### Listener Preference

An analysis of the KUSP's audience reveals that the Station's position as a news and information service is perceived by the public radio audience in its market as secondary to that provided by KAZU. The relationship between the two stations is graphically demonstrated through Audigraphics. The graphic below shows audience preference for KAZU and KUSP.

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<sup>4</sup> Radio Research Consortium, Inc. is an independent, not-for-profit research firm committed to providing audience data to non-commercial radio stations. RRC contracts with Nielsen, Inc. to produce local market audience estimates.



## Size Matters

Loyalty is important. The benchmark for healthy loyalty figures is 35% for total loyalty and around 70% for core loyalty. The most recent AudiGraphics<sup>5</sup> pegs total loyalty for KUSP at 31% and Core Loyalty at 66%. Loyalty figures from the Listener Behavior Report published by The Radio Research Consortium reveal deep fissures in Core Loyalty middays, Monday through Friday, and for long stretches on Saturday.

### Benchmarks

Total Loyalty 35% or above  
Core Loyalty 70% or above

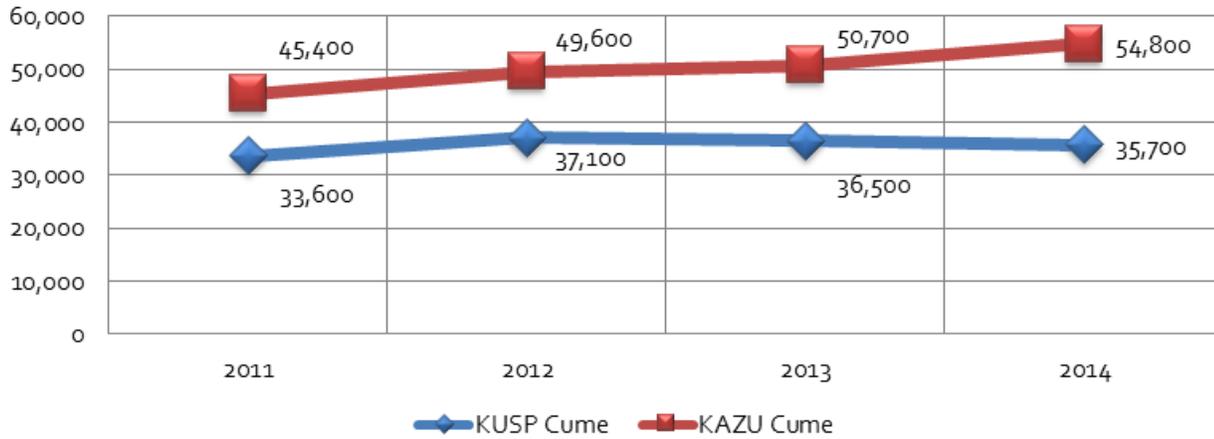
### The Danger Zone

Total Loyalty below 20%  
Core Loyalty below 50%

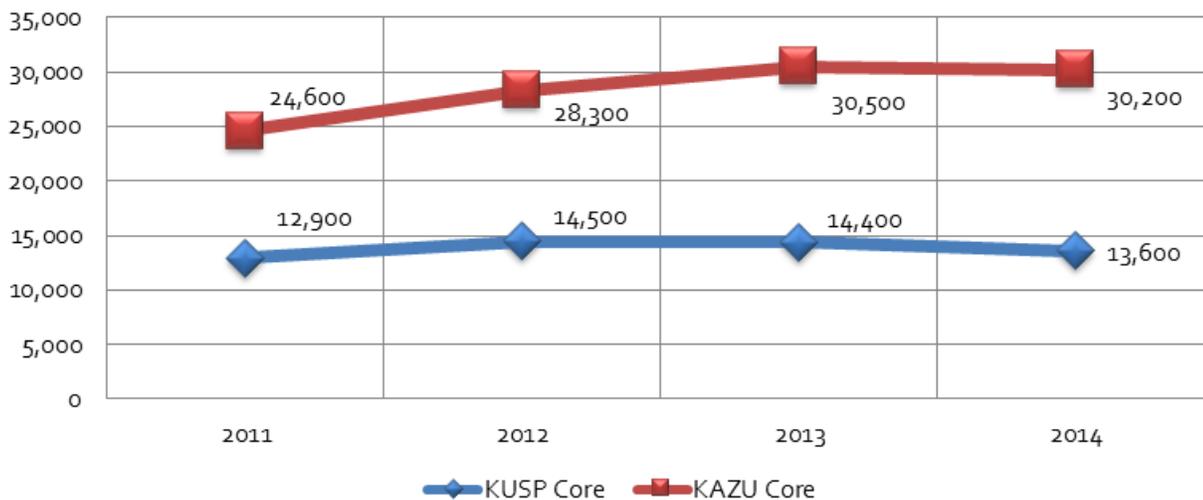
Essential to the growth of listener sensitive income for KUSP is the ability of the Station to grow the core audience. KUSP's ability to grow its core audience is limited by the clear preference of the public radio audience for KAZU programming. KUSP is essentially going head-to-head with KAZU for audience. The stability of KUSP's audience indicates that Station has reached its full potential with its current programming choices. In order to compete directly would take an intensive infusion of resources. KUSP's core audience has not grown sufficiently over the past four years to generate revenue growth, and the gap between KUSP and KAZU for the same audience has widened.

<sup>5</sup> AudiGraphics/ AraNET is a research firm that provides detailed audience analytics to public broadcasting organizations.

**KUSP/KAZU Cume Comparison P12+  
Mon-Sun 6a-Mid Monterey/Salinas/Santa Cruz  
Source:RRC**



**KUSP/KAZU Core Comparison P12+  
Monterey/Salinas/Santa Cruz  
Source: RRC**



KUSP’s audience has been relatively stable. The size of the total audience and core audience has not grown much since 2011. During that entire period the public radio audience has viewed KUSP’s service to be secondary to KAZU. KAZU is considered to be the primary source for NPR news and information in the Monterey/Salinas/Santa Cruz market. Since the majority of public radio listeners make the choice to go to KAZU first, their choice when it comes to funding lies primarily with them and not KUSP.

**Opportunity**

*"Change creates new opportunities for KUSP to service the incredibly rich and diverse arts and cultural communities in this region - to bring you stories and experiences that we never had the resources or the time to bring you before."*

## Looking Forward

Analysis of the public media market in Monterey/Salinas/Santa Cruz and elsewhere shows a lot of upside potential for stations that focus their programming toward Variety Music Formats (Triple-A) in markets where other stations have already staked out their territory for the NPR news and information audience. The analysis provided by Public Media Company indicates that, compared to KUSP, the noncommercial News/Talk/Music stations serving relatively similar markets generate a modest audience and convert a relatively large portion of their weekly audience into contributing members. These stations generally have a higher membership and underwriting revenue per person covered.

Here's why:

- The cohort for news and information matches the cohort for Triple-A.
- The median age for NPR news is around 55. The median age for Triple-A is about 45. The music will offer KUSP the ability to reach a broader swath of generations.
- The gender appeal for Morning Edition is fairly evenly split as is the gender appeal for Triple-A.
- Race appeal is similar, but the variety in the music may offer the ability for KUSP to reach a slightly more diverse audience.
- Both formats appeal to a highly educated audience which is the most important cohort for public radio.

## Affinity

Stations that have a mix of NPR news and Triple-A are finding the two formats have an affinity with their audience. AFFINITY indicates the degree to which programs APPEAL to the type of people who listen to the station. KUSP's audience is unlikely to be well-served by programs that attract different types of listeners. However, affinity between a station's and a program's audience doesn't guarantee that the program is right for the station; it indicates only that the audiences are demographically similar. Programmers should also consider a program's quality, power, and fit with the station's format.

## Brilliant on the Basics

Changing program offerings when people are likely to listen has the potential to grow KUSP's core audience. Triple-A programming will draw listeners from KUSP's tent poles, KAZU and KPIG. In order to make this decision work, KUSP will need to devote resources to their decision. KUSP will need to have control over music selection and how the air talent presents the music to make sure there is a consistent appeal. A cohesive break structure and promotional strategy are essential. Music selection guidelines and announcer guidelines with talent evaluations through air checking will help guarantee the success of the programming. For more information on what is meant by being Brilliant on the Basics, see "Thinking Audience" and scroll down to "Five Short Term Audience Building Actions" ([follow the link provided](#)).

They are:

1. Set Goals – Understand Metrics
2. More Brilliant on the Basics – Air checking and Promotion
3. Better Promotion = More Listening
4. A Fresh Look at Schedule and Programming
5. The Web from the Users View

## Focus Resources

Focus your resources on what really matters. News and information programming is expensive to purchase and to produce. Marshaling the resources to engage the audience around a news and information format is challenging. Stations that focus all their efforts toward informing the public radio audience have success. These stations usually have the market to themselves. Stations that have successfully sustained themselves are Oregon Public Broadcasting, WNYC, Milwaukee Public Radio, WNPR, KPCC, KUT and Colorado Public Radio. Once another format is introduced to the mix, resources tend to be spread. Stations that focus exclusively on Triple-A have done well. They include, but are not limited to:

KUTX <http://kutx.org/>

WXPB <http://www.xpn.org/>

WYEP <http://www.wyep.org/>

WFPK <http://wfpk.org/>

KUNC <http://www.kunc.org/>

KCMP <http://www.thecurrent.org/>

Also see VuHaus for a collection of performance videos and interviews from leading Triple-A public radio stations from markets across the U.S. <http://www.vuhaus.com/>

## Music Clocks

Music clocks should include anywhere from three to five breaks an hour including the ID break at the top of the hour. Regular breaks should fall within what used to be called the Arbitron Windows. Those windows are from :05 to :10, :20 to :25, :35 to :40 and :50 to :55. You do not have to take a break in all windows. The breaks should be concise. Full breaks should run from 60 seconds to two minutes. Anything that is longer will draw away audience.

Break structure would look like this:

- Back Sell
- Liner ID (Call Letters included)
- Forward Promote/Tease
- Underwriters
- Promo
- Frontsell with Liner ID.

The top of the hour ID should be short. Ten to 15 seconds should be enough.

If you run longer sweeps of music, make sure you run liner ID's after three songs.

Announcers are curators...sharing music. Their content should never get in the way of the music, but enhance the listener experience. When presenting music, it is all about the music for the listener.

Think Audience!

## ATTACHMENT D – KUSP Staffing Recommendations

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The makeup of KUSP's operating staff is consistent with a public radio news and information format. Some employees lack in skill sets necessary to fully execute their duties while others exceed. Rather than delineate existing staff skills or lack thereof, this report will make recommendations regarding how current staff may be retained and repurposed and how others be laid off in order to provide flexibility as the station converts to the Music Format. The staffing decisions will be the responsibility of KUSP's recently hired interim manager, Lee Ferraro.

Redacted for public version

## ATTACHMENT E: Lee Ferraro Resume

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### Lee Ferraro

1309 N. 42nd Street  
Milwaukee, WI 53208  
(412) 916-4616  
[lee@LeeFerraro.com](mailto:lee@LeeFerraro.com)

*Public radio general manager with a track record of transforming mid-sized radio stations into professionally run, financially secure, and much-loved media destinations.*

### EDUCATION

B. A., Cognitive Psychology & Fine Art. St. Olaf College, Northfield, MN

### EXPERIENCE

#### **Public Radio Consultant, Milwaukee, WI (September, 2012 to present)**

Expertise in planning, fundraising, financial management, HR and Board Development.

#### **General Manager, WYEP 93.1FM, Pittsburgh Community Broadcasting; Pittsburgh, PA (1996 – August, 2012)**

Over the course of 16 years developed WYEP from a small, overlooked public radio station into an indispensable cultural institution in the Pittsburgh market.

#### **Responsibilities**

- Responsible for all operations including analyzing and implementing organization's mission; organization development, strategic planning, fundraising, marketing, budgeting; compliance with all FCC regulations.
- Senior manager of staff of 14 – 20 media professionals. Responsible for supporting 200 volunteers.
- Develop working partnership with the Board of Directors in fulfilling all fiduciary responsibilities: policy development, strategic planning, finances & annual audit, and capital acquisition.
- Create and administer an annual budget of \$1.4 million.
- Senior representative of the organization in local, regional and national communities.

#### **Accomplishments**

Together with Board and staff developed a vision to grow the station into the "leading public media organization in SW Pennsylvania" through the following management and strategic initiatives:

- Doubled the station's weekly audience growth from 45,000 to 95,000 listeners.
- Increased the organization's net worth ten-fold, from \$850,000 to \$9M.

- Led a \$3.7M capital campaign and facility development project to create the WYEP Broadcast Center – the first LEED-certified “green” station in the country.
- Created WYEP’s youth media education program, hired, trained and supervised the program’s Education Director.

### **Strategic Initiative**

In 2011, teamed with the WYEP Board Chairman and Public Media Company to acquire the organization’s second public radio station, WDUQ in Pittsburgh. Subsequently led the re-formatting and re-focusing of WDUQ into a full-service NPR news and information station that serves as an effective sister station to WYEP. Together with the merger and acquisition team:

- Collaborated in the development of the new station’s editorial guidelines, branding, and program schedule.
- Hired program, technical, sales and administrative staff.
- Co-developed the new station’s first annual budget and funding plan.
- Developed strategic vision for a complementary all news web site.
- Create vision and funding for a new local public affairs program – Essential Pittsburgh.
- Raised \$3.75M from local Foundations to purchase the license.

### **General Manager, WYCE Public Radio—88.1FM**

#### **Grand Rapids, MI (1989 – 1995)**

Established WYCE as a respected and valued public radio station serving Grand Rapids and West Michigan.

### **Responsibilities**

- Responsible for overseeing and growing all organization operations— strategic planning, programming, budgeting, staffing, fundraising and compliance with all FCC regulations. Served as ex-officio member of Board of Directors.
- Oversight of all fund raising activities—on-air fund drives, direct mail appeals, on-air auctions, live concerts, and grant writing.

### **Accomplishments**

- Designed & directed training program for volunteers in all radio station operations: on-air programming, fund raising, committee participation and station promotion.
- Directed station budget expansion from \$35,000 to \$145,000, retired a debt of \$55,000 and established a cash reserve of \$45,000. Grew membership base from 700 to 2,500.
- Led station in its relocation—site selection, architectural review, fundraising, & studio equipment acquisition.

### **National Training Conference Organizer, National Federation of Community Broadcasters, Washington, D.C. (1987)**

Developed conference curriculum. Recruited conference workshop leaders and attendees via print media and the public radio information distribution system. During conference, served as trainer and panelist.

### **Business Manager, WEFT Public Radio—90.1FM**

#### **Champaign, IL (1983 – 1987)**

Responsibilities included financial oversight and a variety of station management activities.

### **Grantsmanship Responsibilities**

- PTFP Federal grant panel member analyzing applications for technical expertise, financial capacity, service expansion and measurable outcomes. Collaborate with public radio colleagues to make awards of \$20,000

to \$250,000 (1998 to 2010).

- Pennsylvania Council on the Arts grant panel member reviewing applications for artistic merit, community impact and financial sustainability (2001).
- Corporation for Public Broadcasting program panel member reviewing program proposals for merit, cost-effectiveness and sustainability (1999)

## **Community Involvement**

Co-chairman, Board of Directors, Eastern Region Public Media (2004 to 2010)

1st VP, Board of Directors, Community Design Center of Pittsburgh (2004 to 2010)

Board President, Milwaukee Chamber Orchestra, Milwaukee, WI (2013 to 2015)

Board Treasurer, Friends of Catalano Square, Milwaukee, WI (2013 to 2015)

Volunteer, Habitat for Humanity, Milwaukee, WI (2013 to present)

Board Treasurer of the Greater Pittsburgh Arts Alliance (2004 to 2006)

Court Appointed Special Advocate (CASA), Pittsburgh, PA (1999 to 2004)

[DRAFT]

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2. Directors' Responsibilities
3. Director Recruitment Protocol
4. Calendar of Board Work
5. Committee Charters
6. Board Evaluation Process
7. Conflict of Interest Form
8. References

### 1. Governance Principles

The following principles have been approved by the Board of Directors and, in combination with committee charters and the KUSP bylaws, provide the framework for the governance of KUSP. These principles and other aspects of KUSP governance will be reviewed annually to ensure they remain current and consistent with industry best practices.

#### Roles of Board and Management

The role of the Board of Directors is one of governance and oversight. The Board represents the interests of the public and takes primary responsibility for fulfilling the mission, achieving strategic goals, and living up to the KUSP vision and values. Management accepts responsibility for the success or failure of the enterprise, and through the General Manager works to optimize the interaction of the Board and Management, and supports the Board in the fulfillment of its governance responsibility.

Both the Board of Directors and Management recognize that the best interests of the KUSP are advanced by responsibly addressing the concerns of all stakeholders and interested parties, including the audience, grantors, donors, members, employees, partner organizations, and the community at large.

#### Functions of the Board

The Board of Directors reviews and discusses reports by Management on the performance of KUSP, its plans and prospects as well as immediate issues facing the organization. Directors are expected to attend all scheduled Board and committee meetings. In addition to its general oversight of Management, the Board also performs a number of specific functions including:

- a) Selecting, evaluating and setting the compensation of the General Manager succession planning;
- b) Providing counsel on selection, evaluation and development of key personnel and providing oversight of the compensation of key personnel.
- c) Reviewing, approving and monitoring fundamental financial and strategic plans, budgets and major organizational actions;
- d) Overseeing the development of and adherence to editorial policy that demonstrates the highest standards of locally-curated music, engenders trust, and presents complex and controversial issues with clarity, fairness, integrity and balance.
- e) Assessing major risks facing KUSP and reviewing options for their mitigation; and
- f) Ensuring processes are in place for maintaining the overall integrity of KUSP, its Bylaws, financial statements, compliance with law, public media best practices, and relationships with stakeholders.

### Qualification and Selection of Directors

Directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the best interests of KUSP. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. KUSP endeavors to have a Board that represents the diversity of its community. KUSP expects every Director to demonstrate a primary loyalty to the organization and does not appoint Directors as representatives of any particular constituency.

Directors must be willing to devote sufficient time to carry out their duties and responsibilities effectively and should be committed to serve on the Board for two or more terms. Directors should offer their resignations (a) in the event of a change in their principal job responsibilities; or (b) in the event of a significant change in their personal circumstances that impacts the ability of the Director to properly serve on the KUSP Board or reflects poorly on KUSP.

The Board of Directors shall consist of not less than ten (13) or more than thirteen (24) directors, twelve of whom shall be elected and one of whom shall be the General Manager of KUSP. All directors shall be annual donors to KUSP and make KUSP one of their top five philanthropic priorities. So that KUSP can credibly solicit contributions from foundations, organizations, and individuals, KUSP expects to have 100 percent of Board Members make an annual contribution that is commensurate with their capacity. All directors will be expected to voluntarily use their influence, time, and connections to assist KUSP in developing resources and relationships that advance the mission, scope of service and sustainability of KUSP, including but not limited to fundraising.

### Independence of Directors

All elected members of the Board shall be independent, non-management directors.

A director is independent if he or she does not have a material relationship with KUSP. A director will not be considered independent if:

- a) The director or an immediate family member is employed by KUSP; and,
- b) The director is a partner of or of counsel to a law firm that performs substantial legal services to KUSP on a regular basis.

## Financial Expert

The Board shall have two or more independent directors who each qualify as a financial expert, defined as a person who has all of the following attributes:

- a) An understanding of GAAP and financial statements;
- b) The ability to assess the general application of such principles in connection with accounting for estimates, accruals and reserves;
- c) Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by KUSP's financial statements, or experience actively supervising one or more persons engaged in such activities;
- d) An understanding of internal controls and procedures for preparation of financial reports; and
- e) An understanding of audit committee functions.

## Meetings

The Board shall have 12 regularly scheduled Board meetings per year. The Chair of the Board, in consultation with the General Manager, will be responsible for establishing agendas for each meeting, but any director by contacting the Chair or Secretary may request that a matter be placed on the Board's agenda. Visitors and presenters may only be present at meetings if their attendance is approved in advance by either the General Manager or Chair.

A portion of each regularly scheduled Board meeting shall be devoted to an executive session. The executive session may have selected management and employees present, but the non-management directors should allow time to meet at each meeting without management present.

## Annual Evaluations

- a) General Manager: At the beginning of each year the Executive Committee, meeting without the General Manager, with input from the entire Board, will recommend performance goals for the General Manager for approval by the Board. The goals may be annual or multi-year as appropriate. At year end, the General Manager will report to the Board on the progress achieved against the goals. The Executive Committee, in a meeting without the General Manager, will evaluate the General Manager, and recommend to the full Board his or her compensation. The committee may, among other things, consider feedback from audience and employee surveys and other Board members. The Board will set the General Manager compensation. The General Manager evaluation and compensation will be reviewed in a private session of the non-management directors.
- b) Directors: The Governance Committee shall conduct an annual evaluation which addresses (i) the effectiveness of the Board of Directors, and (ii) the effectiveness of all directors individually. The evaluation shall assess the Board's and individual's contributions to KUSP and identify areas that could be improved. The Governance Committee shall review the results of the evaluation of those directors whose terms expire in the year of the election following each evaluation.
- c) Committees: Each committee shall perform an annual evaluation of its effectiveness. The results of these evaluations will be discussed with the full Board.

## Board Committees

A substantial portion of the Board's oversight and governance responsibilities are carried out by committees of the Board. The chair of each committee, in consultation with the Committee staff, will determine the agenda for each committee meeting.

The Board shall have four standing committees, the Audit & Finance Committee, the Governance Committee, the Compensation Committee and the Executive Committee. Each of these standing committees will be composed exclusively of independent directors except that the General Manager shall be a member of the Executive Committee. At least one member of the Audit and Finance Committee shall be a financial expert as defined above.

#### Director Orientation and Continuing Education

All new directors shall be provided an orientation program, including personal briefing sessions from the General Manager, on KUSP's accounting policies, financial reporting, business strategies and industry issues and best practices. Directors shall participate in continuing educational programs that shall be offered from time to time.

#### Ethics and Conflicts of Interest

The Board expects directors and officers to act ethically at all times. If an actual or potential conflict of interest arises for a director, he or she should promptly inform the Chair. The Board, through the Governance Committee, shall resolve any conflict of interest question involving Directors, the General Manager or key personnel. All directors will recuse themselves from any discussion or decision affecting their personal business or professional interest.

## **2. Directors' Responsibilities**

#### Understand and Support the KUSP Mission

KUSP is an independent, community-based, non-profit, interactive multimedia voice serving the greater Monterey Bay Area. We inform, engage, and entertain our community by providing a thoughtful mix of news, public affairs, arts, and music programming.

For more information, please KUSP's website at [www.kusp.org](http://www.kusp.org).

#### Position

The Board will support the work of KUSP and provide mission-based leadership and strategic governance. While day-to-day operations are led by KUSP's General Manager, the Board-General Manager relationship is a partnership, and the appropriate involvement of the Board is both critical and expected. Specific Directors' responsibilities include:

#### Leadership, governance and oversight

- Serving as a trusted advisor to the General Manager as s/he develops and implements KUSP's strategic plan
- Reviewing outcomes and metrics created by KUSP for evaluating its impact, and regularly measuring its performance and effectiveness using those metrics;
- Understanding industry best practices in journalism and operations and helping KUSP demonstrate public media industry leadership;
- Overseeing the development of and adherence to editorial policy that demonstrates the highest standards of journalism, engenders trust, and presents complex and controversial issues with clarity, fairness, integrity and balance.
- Reviewing agenda and supporting materials prior to board and committee meetings

- Approving KUSP’s annual budget, audit reports, and material business decisions; being informed of, and meeting all, legal and fiduciary responsibilities
- Contributing to an annual performance evaluation of the General Manager
- Assisting the General Manager and board chair in identifying and recruiting other Board Members
- Partnering with the General Manager and other board members to ensure that board resolutions are carried out
- Serving on committees or task forces and taking on special assignments
- Representing KUSP to stakeholders; acting as an ambassador for the organization
- Ensuring KUSP’s commitment to a diverse board and staff that reflects the communities KUSP serves
- Demonstrating a primary loyalty to the organization as a commitment to value all stakeholders equitably

### Fundraising

KUSP Directors will consider KUSP one of their top five philanthropic priorities and make annual gifts that reflect that priority. So that KUSP can credibly solicit contributions from foundations, organizations, and individuals, KUSP expects to have 100 percent of Directors make an annual contribution that is commensurate with their capacity, contribute to special campaigns and capital campaigns, and support and attend fundraising events.

Directors are expected to solicit financial support from others, including personal and professional contacts.

### Board terms/participation

KUSP’s Board members will serve a three-year term to be eligible for re-appointment for one additional term. Board meetings will be held monthly and committee meetings will be held in coordination with full board meetings.

### Qualifications

This is an extraordinary opportunity for an individual who is passionate about KUSP’s mission and who has a track record of board leadership. Selected Board Members will have achieved leadership stature in business, government, philanthropy, or the nonprofit sector. His/her accomplishments will allow him/her to attract other well-qualified, high-performing KUSP Directors.

## **3. Director Recruitment Protocol**

- Establish a Governance Committee with a charter including cultivation, nomination, orientation and evaluation of Directors.
- Establish an optimal Board size (look at ideal size for candid, confidential discussions and the needs of the Board’s Committees, as well as best practices of other Boards).
- Governance Committee recommends Board turnover mechanisms (terms, term limits).
- Governance Committee analyzes competencies needed on the Board to support the mission and achieve strategic plan objectives.
- Governance Committee compares the desired skills to those possessed by current Board. Committee develops a plan and timetable for Board growth.
- Governance Committee recommends plan to the full Board.

- Governance Committee develops and executes a process to identify candidates who possess the skills and characteristics needed by the Board.
- Governance Committee develops as much background information on Director prospects as possible, through internet and media sources, as well as community sources.
- Governance Committee develops a job description and a recruiting package (for review by the full Board) that describes the expectations for Directors, including meeting schedule, Board committees and other factors that are important to a prospective Board member.
- Governance Committee decides who should approach the Director prospect. Contact is made and a meeting scheduled.
- Person(s) meeting with Director prospect determines interest level and capacity to serve. If prospect meets requirements, a background report is developed.
- Governance Committee presents background report and recommendation to the Board.
- If Board approves, a formal invitation is extended from the Board Chairman. Board orientation is scheduled prior to new Director attending his/her first meeting.

#### **4. Calendar of Board Work**

TO BE DEVELOPED AND INSERTED HERE

#### **5. Committee Charters**

TO BE DEVELOPED AND INSERTED HERE

#### **6. Board Evaluation Process**

The Governance Committee shall conduct an annual evaluation which addresses (i) the effectiveness of the Board of Directors, and (ii) the effectiveness of all directors individually. The evaluation shall assess the Board's and individual's contributions to KUSP and identify areas that could be improved. The Governance Committee shall review the results of the evaluation of those directors whose terms expire in the year of the election following each evaluation.

Each committee shall perform an annual evaluation of its effectiveness. The results of these evaluations will be discussed with the full Board.

Survey instrument

A Board evaluation survey instrument will be annually updated to reflect the needs, issues and priorities for the Board's work. A sample instrument follows.

### **KUSP**

#### **Board Self-Assessment Questionnaire**

This questionnaire was developed by the Governance Committee to provide Board members with an opportunity to reflect upon how the KUSP Board fulfills its responsibilities and indicate specific areas where Board performance can be improved. The assessment questions are organized into five sections:

1. Board Overview
2. Mission and Planning

3. Fiscal Responsibility
4. Leadership
5. Committees and Meetings

The Governance Committee welcomes your full and candid participation in this survey. All responses will be confidential and summarized for presentation to the full Board. Please fill out this survey by [ ] and return to [ ] by email or fax [number].

Thank you for your commitment to KUSP,

Chair, Governance Committee

Name: \_\_\_\_\_

<b>Board Overview</b>		
Size of the Board		
Mix of skills, experience, background		
Appropriate contribution from each individual on the Board to the dialogue at Board meetings		
Effectiveness of the Board to function as a team		
Quality of interaction between staff and Board members		
Proactive recruitment plan to find new Board members		
Board members recruited with an accurate understanding of what is expected of them		
Board provides an effective orientation to new members		
I have a good understanding of my obligations and responsibilities as a Board member		
Non-meeting related Board materials (notebook, monthly mailings) are useful and adequate		
Frequency and manner of communication with Board members is appropriate		
Do you recommend any changes to the attached Conflict of Interest Form?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Mission and Planning</b>		
The mission of KUSP is clear and accurately reflects the work of the organization		
In one sentence, describe your understanding of the mission of KUSP:	N/A	
Understanding of the organization's strategic direction and plans		
Satisfaction with the Board's involvement in developing strategic direction for the organization		
Regularity of the review of performance in the context of mission		
Discussion time about the organization at each Board meeting is adequate		
Board understanding of and oversight of journalistic and editorial standards is clear and well executed		
<b>Fiscal Responsibility</b>		
Board members' approval of annual budget is based on adequate time for review and understanding		
Board members receive clear and useful financial statements in order to monitor performance to budget		

Financial statements are received with appropriate frequency		
Board review of annual audit and discussion of auditor recommendations is appropriate		
KUSP maintains an adequate amount of liability insurance and has prudent risk management policies		
Board members have a clear understanding of the fundraising strategy of KUSP		
Board policy on individual members' responsibility to give and raise money for KUSP is clear		
Rank the effectiveness of your role as a Board member in fundraising for KUSP		
<b>Leadership</b>		
The Board has understanding of the organizational structure of KUSP		
Sufficient understanding of the organization's culture ditto		
Understanding of the job responsibilities of senior management		
Adequate communication throughout the year between the Board and senior management about expectations and concerns		
Clarity of the respective roles of the Board, senior management and staff with regard to fundraising		
Appropriate process for staff training and development (providing growth and promotion opportunities)		
Effectiveness of the process for annual review of senior management		
Appropriate process for succession planning for senior management		
<b>Committees and Meetings</b>		
Appropriate number and structure of committees		
Selection and rotation of committee members		
Board members participate on appropriate number of committees		
Frequency and length of committee meetings to allow full discussions, as appropriate.		
Full Board is kept informed of the work of each committee		
Division of assignments between Board and committees		
Satisfaction with the way that senior management communicates to the Board at meetings		
Appropriate balance between information reporting and discussion time at Board meetings		

Adequacy of staff support, meeting facilities, location of meetings		
Quality of presentation and responses to questions		
Agenda coverage of appropriate topics		
Board members' ability to have input to agenda when desired (board and committee meetings)		
Level of detail of information shared		
Timeliness and quality of pre-meeting materials, both financial and other		
Timeliness and quality of board and committee meeting minutes		
Adequate industry information is provided as necessary (e.g. able to determine the position of KUSP relative to other public media organizations)		

**7. Conflict of Interest Disclosure Form**

TO BE DEVELOPED AND INSERTED HERE

**8. References**

Governance is Governance. *This timeless commentary was originally a speech by Kenneth N. Dayton to an INDEPENDENT SECTOR Leadership/Management Forum in 1986. It was first published as a monograph in 1987, and then updated in 1998 and again in 2001.*

Governing Documents of Recreational Equipment, Inc.  
 Available at [www.rei.com/pdf/aboutrei/principles.pdf](http://www.rei.com/pdf/aboutrei/principles.pdf)

Document Prepared by Public Media Company 2015.