

September 26, 2007

TO: David Hodge, President, Miami University

FROM: The Committee to Review the Future of WMUB

RE: Final Report

In response to your charge to the committee in late January 2007, please accept our final report on the future of WMUB.

Richard Campbell, Committee Chair

Adolph Haislar

Chris Kelly (replaced Peyton Stanforth)

Howard Kleiman

William McKenna

Cathy McVey

Adrienne Rexroad

Kay Snavelly

Justine Stokes

Bill Triick

Allan M. Winkler

Richard Little, ex-officio

The Future of WMUB – Report to the President

Executive Summary

In late January 2007 Miami University President David Hodge charged the WMUB Review Committee to map out alternatives that address technological change and budgetary challenges. The committee reviewed the current situation and sought input from the station staff, listeners, regional media representatives and public radio consultants to prepare a series of options and recommendations.

WMUB faces specific hurdles stemming from its geographic location and signal strength. Miami's subsidy is significantly higher than the national average for university public radio licensees. The station is located between two major markets (Cincinnati and Dayton) and its signal does not fully penetrate either. As a result, WMUB faces serious challenges in raising funds through underwriting and membership.

The committee, working with Walrus Research, the Station Resource Group, and Public Radio Capital, developed options that fall into four main categories: **(1)** remain an independent or “stand-alone” station; **(2)** sell the license; **(3)** develop a Local Management Agreement with another radio station, or **(4)** develop dynamic partnerships with both commercial and noncommercial media and appropriate university academic programs.

The committee does not recommend option **(1)** – remaining independent. As an independent station, WMUB's potential for income growth is limited. While underwriting and membership have the potential to grow, the current university subsidy cannot realistically be replaced or significantly reduced through this option.

The committee does not recommend option **(2)** – selling the station. The current market value of the WMUB license does not appear to offset the public relations and community outreach value that the station offers the university.

The committee recommends that serious consideration be given to option **(3)** – creating a Local Management Agreement. An LMA would entail identifying potential partners (most likely other noncommercial radio stations) and/or a nonprofit entity to run the station(s). An agreement to consolidate some operations would be negotiated. Given current market conditions, the most likely partners would be in the Dayton area. The cost savings and income growth for each partner would be a function of the negotiated terms of the LMA.

The committee strongly recommends pursuing option **(4)** -- developing the regional connections with existing noncommercial radio stations and adding significant connections with appropriate Miami University academic programs. Starting with the development of a regional “public media” model, featuring a news network, WMUB would leverage its news staff and develop active partnerships with Journalism, Communication and Interactive Media Studies. Working with its partners, WMUB could provide enhanced regional news and public/cultural affairs coverage, support a public media Internet site, and develop its new HD side channels. This venture would also seek grant monies and commercial media partners.

WMUB Committee – Report to the President

September 26, 2007

Introduction

WMUB has served Southwest Ohio and Southeast Indiana for more than 50 years. Part of that history, until about 10 years ago, involved an affiliation with the communication department that helped train Miami students for careers in radio or news related fields. Originally a student-operated carrier station in the 1940s, WMUB began broadcasting as an FM station in 1950. Today the station provides 35,000 to 45,000 listeners each week with a mix of news, music, entertainment, and conversation. WMUB combines programming from National Public Radio, Public Radio International, and Minnesota Public Radio, along with an array of locally-produced programming, and – as the nearly 200 emails received in support of the station attest – has long provided public service and community outreach for the university. The station’s broadcast tower is located on Taylor Road in Butler County, just outside of Oxford. WMUB-FM is licensed to the President, whose office oversees the station, and the Trustees of Miami University.

Across the United States, most public radio stations face a growing list of challenges. While recognizing WMUB’s fine history serving Miami University and the region, on January 29, 2007, President David Hodge appointed a committee to review the future of WMUB (see [Appendix 1](#)) because “the convergence of two forces makes it now necessary to reconsider the relationship between the radio station and the University.” Specifically he was concerned about technological developments changing the industry and about Miami’s tight fiscal picture, which meant reexamining all expenditures. He asked the committee to investigate WMUB’s role, to reflect on possible future developments, and to examine a range of alternatives.

To meet the charge, the committee began a series of weekly meetings from February through May 2007. The committee also continued regular email communication and various committee members continued work on specific tasks during the summer. In his charge, President Hodge asked the committee to “consult widely with all of the relevant stakeholders and bring in selected and appropriate expertise to advise the committee on business models and the general state of public radio.” To that end, the committee met with Cleve Callison, general manager of WMUB, who prepared an extensive binder of information for the committee that offers material on the station’s formats, core values, news audience, governance, revenue and expenses, and a useful glossary of terms (see [Appendix 2](#)). The committee spoke to WMUB staff members collectively and individually to hear their ideas and to listen to their concerns (see [Appendix 13](#) for a report from the June 2007 WMUB staff retreat). It also interviewed students who worked for the station (see [Appendix 5](#) and [Appendix 6](#)). And it read and analyzed a wide range of listener responses to Cleve Callison’s call for feedback on the future of the station (see [Appendix 7](#)).

To help the committee better understand WMUB’s current situation in a regional and national context and to provide an outside independent overview, the committee also commissioned a report from George Bailey of Walrus Research, who conducted “a secondary analysis of syndicated audience data to provide the review committee with solid

+information as a basis for strategic planning” (see [Appendix 3](#)). Bailey also provided answers to a specific list of follow-up questions raised by the committee regarding public radio (see [Appendix 4](#)).

The committee also engaged Tom Thomas from Station Resource Group (SRG), who is among the nation’s leading consultants on public radio (see SRG’s recent 6-year analyses of 228 public radio station formats with regard to listening and financial patterns at www.srg.org). Responding to a list of questions and concerns raised in the president’s charge letter, Thomas met with the committee for more than three hours on Wednesday, May 2, 2007 (and later with the staff at WMUB). Providing overview and context, Thomas helped the committee think through various options for the report given the station’s signal strength, location and funding challenges. The basic outlines of the options laid out in this report grew out of that May meeting and subsequent email and phone conversations with Thomas and other consultants and contacts.

Along with Cleve Callison, two committee members—Richard Little and Richard Campbell--attended a Public Radio Capital Conference held on May 15-16, 2007, in Denver. PRC was founded in 2001 -- as a 501(c)(3) organization -- “to strengthen and expand public radio services in communities nationwide.” PRC had already been involved with WMUB, which had participated in two rounds of PRC’s “More Stations More Service” consulting initiative. The first round included advising the university on the feasibility of buying another license to expand the station’s audience reach. In 2005, this option was rejected as too costly. In 2005 PRC brokered the \$15 million sale of seven Xavier University-held licenses to Cincinnati Public Radio. At that May conference, Callison, Little and Campbell met with Dennis Hamilton, senior consultant for PRC, about various options regarding the station’s future (see [Appendix 8](#)). A follow-up discussion with Callison, Little and Campbell occurred July 24, 2007, when Hamilton visited Miami to further advise the station on additional partnership ventures and possibilities. Under the option sections that follow, this report will cite PRC reports which are also catalogued in the appendices.

Finally, the committee engaged in discussions with additional consultants and journalists about news programming options for WMUB (see Option 4 for further discussion and more detail).

Problem

The report from PRC ([Appendix 8](#)) outlined the challenge faced by WMUB. It referred to a “balancing act” between parent institution and community. It articulated the programming consequences for a major loss of funding. And it spoke about the possible loss of good will if significant change occurred.

The specific revenue problem facing WMUB hinges on the high subsidy Miami provides the station in comparison with other public radio stations licensed to universities. In 2006 this included \$617, 293 in university salary support, \$92,000 in non-salary cash (which reached a high of \$115,000 in 2005 but was cut to \$44,000 in 2007), and \$341,517 in “in-kind” support (see [Appendix 2](#)). This subsidy covered approximately 62 percent of the total WMUB \$1.7 million budget in 2006. Of the 185-plus public radio stations licensed to U.S. universities,

the average subsidy is lower, approximately 37 percent – 23 percent for university salaries and cash, 14 percent for in-kind support. In WMUB’s case, university salary outlay and in-kind support represented 42 and 20 percent respectively. To eliminate or reduce these university subsidies, Miami could sell the license or WMUB could cut staff lines and/or switch to less expensive program formats (2006 salary and programming costs were \$793,841 – or 47 percent of station expenses – which included approximately \$500,000 in salaries and \$167,775 in NPR program costs – see [Appendix 2](#)). But as public radio research demonstrates, a switch away from the daytime NPR-based news talk format would also lead to a subsequent drop in membership and underwriting, which accounted for revenue streams for WMUB of \$230,227 and \$74,801 respectively in 2006.

SRG’s Tom Thomas argued that maintaining the more popular national news-talk format while reducing university subsidies would require increasing membership and business underwriting/sponsorship. Analyzing comparison data with other similar sized markets or stations, Thomas said that WMUB is currently in the median range in terms of raising revenue from membership drives -- \$230,000 – but has the potential to raise this to approximately \$350,000. He noted the station, however, was below average in terms of underwriting (hampered in part by its remote location), with the possibilities for growth at the \$150,000 level. So under a best-case scenario, the station – on its own -- might have the potential to raise its combined membership and underwriting revenue by another \$200,000-\$250,000 annually. But Thomas also noted that achieving this best-case scenario would be difficult. He explained that the current reach of the WMUB signal means that – without acquiring an additional license to extend that reach – the station’s potential for becoming the main NPR news-talk format in either the Cincinnati or Dayton market is very unlikely. Currently, WMUB is duplicating some NPR programming being carried by WYSO, the dominant public radio station in the Dayton market, and WVXU, the dominant NPR station in the Cincinnati market (see Walrus Research, [Appendix 3](#), for specific information about audience size). The majority of WMUB’s audience resides in Montgomery County in the Dayton area, and WYSO’s key audience reach is about twice that of WMUB’s. In Cincinnati, the Walrus report shows WMUB’s audience reach is about one-tenth that of WVXU.

Mission

At the beginning of our deliberations – and with our major consultant -- the committee spent significant time talking about whether the university’s and WMUB’s missions were consonant and whether this was a desirable expectation since the university holds the license and provides a large subsidy to maintain the station. Still, many public stations with university affiliations do operate more or less independently from their universities. For example, professional staff members at the station – as they should -- currently make all programming and news coverage decisions. (Both WMUB managers and the committee, however, believe that should the station continue as a Miami operation there would be a benefit to establishing some kind of advisory committee--which most public radio stations have--that would, in part, assess ways in which station and university goals might align for mutual benefit.) While mission is a crucial consideration, the committee decided that some of the options we prepared for the president – i.e., selling the license or cutting the station back to operate less expensively with a music format – would have little to do with

reconciling the university's and the station's missions. Still, a discussion of the relevant sections of the university mission is pertinent to at least one of our options and follows here.

According to the university's mission statement, "Miami's primary concern is its students." In fact, up until former President James Garland moved supervision of the station from the College of Arts and Science to the President's office in the late 1990s to -- as one explanation goes -- "professionalize" the sound of the station, WMUB was supported by production classes in mass communication that provided students with hands-on opportunities in radio. (The committee notes here that prior to the transfer of the station, a significant number of Miami undergraduates were professionally trained, tightly supervised, and won scores of awards; for a full historical timeline of WMUB, see [Appendix 9](#) and [Appendix 9a](#).) The mission statement goes on to discuss the importance of instilling values and then concludes, "Miami is committed to serve the community, state, and nation. It offers access to higher education, including continuing education, for those who can benefit from it, at a reasonable cost, without regard for race, creed, sex, or age. It educates men and women for responsible, informed citizenship, as well as for meaningful employment. It provides both disciplinary and interdisciplinary approaches to the pursuit of knowledge and to the solving of problems. It sponsors a wide range of cultural and educational activities which have significance beyond the campus and the local community." In general, the committee agrees with many of the listeners who emailed in support of the station -- that WMUB often functions as the university's surrogate "sponsor" of "cultural and educational activities which have significance beyond the campus and the local community."

While WMUB has no formal mission statement today, [Appendix 2](#) provided by Cleve Callison has a section on mission that grew out of management and programming consultancies in 1996 and 1997. Here are "three distinct mission components" articulated in that process that resonate with Miami's current mission:

- **Position Miami as a leading intellectual institution in Southwest Ohio and beyond.**
- **Provide public service to the communities of our region.**
- **Provide opportunities for student learning and enrichment.**

Considerable discussion took place about whether or not the station was consistently fulfilling the first component, especially with reference to some locally-produced talk and call-in programs. With regard to what public radio calls "localism," a 2006 Walrus Research focus-group study (commissioned by the national organization of Public Radio Program Directors in nine geographically diverse public radio markets) found that frequently local programs failed to live up to audience expectations (see www.walrusresearch.org, "A Sense of Place: The Value and Values of Localism in Public Radio," pp. 6-7).

The committee also discussed whether the station -- in order to enhance these stated mission components -- should offer more nationally-based news-talk programming in evening hours, instead of programming jazz. As George Bailey reported, the jazz audience for WMUB has a median audience age of 70, whereas the "drive-time" NPR median age audiences for programs like *Morning Edition* and *All things Considered* are a generation younger -- closer to 50 (see [Appendix 3](#)). Our consultants advised us that single format news-talk stations perform better in terms of ratings, membership, and underwriting than "dual format" stations, like

WMUB, which during the week shuttles between news-talk by day and music at night – and offers even a larger smorgasbord of format options on weekends. The committee does believe, however, that in general the station through its news, announcements, and public affairs programming does much to fulfill the public service component. Virtually all of the testimonials received from WMUB listeners (see [Appendix 7](#)) indicated satisfaction with this second mission component.

With regard to the third component, the committee noted that WMUB does provide opportunities for students, with four regular mass communication graduate students assigned to work 20 hour per week at the station -- part of the “in-kind” support provided by the university. At the undergraduate level, work-study positions and internships provide some experience to roughly 20-25 undergraduate students in an academic year (of which 3-4 receive professional training in news -- see [Appendix 5](#) and [Appendix 6](#)).

Audience

As the WMUB staff report rightly points out about its weekly 35,000-45,000 listener base, “no other campus program or service has a reach of this magnitude at this level of frequency” (see [Appendix 13](#)). The committee spent significant time discussing the importance of these widely scattered listeners, many of whom know Miami University only through its ties to WMUB. Part of the problem, of course, is that *most* listeners to WMUB live far outside the Oxford and Miami University communities. So understanding the audience for public radio in general and for our market specifically is helpful. Generally, with regard to the audience for the news-talk format in public radio, an SRG study measuring listening patterns for 228 public radio stations over a 6-year period revealed a 55 percent increase in audience between 1999 and 2004, followed by a significant shrinking or flattening of audience levels (see “The Public Radio Format Study: Listening Patterns,” www.srg.com; [Appendix 3](#), pp. 29-30; and “Audience 2010: Reinvigorating Public Radio’s Public Service and Public Support,” www.walrusresearch.com).

With this national context as background, WMUB has serious issues to deal with in terms of audience levels. It competes in both the Dayton and Cincinnati markets, but is far behind the dominant noncommercial news-talk stations in those areas in terms of audience. In 2006, for example, WMUB reached 0.7 percent of the population in the metro Cincinnati market, compared to 6.8 percent for WVXU. And in Dayton, WMUB reached 1.6 percent of that metro market, compared to 5.0 percent for WYSO. More significant, the recent audience trends for WMUB “have been flat to drifting.” Many listeners, like their counterparts across the country, turn to other channels or turn off the radio during locally produced programs. (See additional audience ratings data from 2007 in [Appendix 2](#).)

In interpreting his findings for the committee, Bailey ([Appendix 3](#), p. 22) also noted that during peak listening -- in a trend that runs counter to most other news-talk markets -- many WMUB listeners drift away. Bailey’s report (p. 25) concludes with strong advice for the committee regarding audience and format consistency, since these issues affect the station’s ability to increase its membership base and its business underwriting. He insisted that consistency in programming – a “coherent format” -- was necessary and important.

So after several key discussions of the problem, the mission, and the audience, the committee -- with the help of our chief consultant, Tom Thomas – proceeded to lay out several options for the President’s consideration.

Options

Although President Hodge’s written charge to the committee asked us to investigate “maintaining the status quo” with regard to WMUB, in his comments to the committee at our first meeting in February 2007 he indicated that the “status quo” was “not an option.” The university has in fact already begun to cut the subsidy to the station and, as the President’s charge states -- “alternatives to the current financial commitment” need to be examined. At that meeting the President also raised concerns about the duplication of programming in this market, given that NPR news-talk formats could also be accessed through other public radio stations in Cincinnati and Dayton.

Against this backdrop, the committee drew on its consultants to help develop the options sought in the president’s charge. These roughly fall into four categories: **(1)** Miami retains the license and supports (with reduced subsidy) the station’s independence; **(2)** Miami sells the license; **(3)** Miami retains the license, seeks a Local Management Agreement (LMA) with another public radio station or stations, and substantially reduces its financial obligation and – in one scenario -- oversight of day-to-day station operations; and **(4)** Miami retains the license, enters into multiple partnerships, reduces the station’s subsidy, and realigns WMUB’s mission with the university’s mission.

1—Independent Options

The PRC report ([Appendix 8](#)) calls WMUB a “stand alone” station. Given that situation, with a reduced subsidy, how does WMUB retain its relative independence? In his work with the committee, Tom Thomas of SRG offered two possibilities, one a "development" model and the other a "deconstruction" model.

1.1 Independent Option: Development Model

The “development” option proposes making up university cuts by intensifying efforts in membership increases and business underwriting. As pointed out in the introduction, Thomas thought that WMUB might be able to add as much as \$200,000 or \$250,000 to its revenues. But Thomas said this would take some work and that Miami would probably need to add staff to bolster its development efforts. That means that the net impact on the station’s financial situation and the replacement of the university’s current subsidy might be more limited than these gross increases suggest.

A variation on this option would be to consider a major campaign to raise the funds necessary for WMUB to acquire another signal, therefore extending its reach and generating more of its own revenue. Working with PRC earlier, WMUB explored the feasibility of acquiring and operating another station, with the PRC study suggesting that \$5 million was a likely figure for acquiring a signal that would triple the station's population base, to over 1.5 million people. Acquiring another signal would increase WMUB’s potential to develop its own resources for self-sufficiency; most of the potential donors for the station, PRC noted,

were not likely contributors to Miami generally. However, a major campaign takes many years to bear fruit and again Miami would have to add development staff for the radio station to make the campaign and continued operations successful.

1.2 Independent Option: Deconstruction Model

The second possibility is what Thomas referred to as the “deconstruction” option. Under this option, Miami would have to “change to survive.” Such change might involve dropping its NPR news-talk format, local news, and local programs, and instead program music – possibly jazz or AAA (“adult acoustic alternative”) and/or Americana (roots music including folk, country blues, bluegrass, alternative country, rockabilly, etc.). Cuts could then be made in staff; some staff positions could be combined.

In assessing the benefits/costs of the “development” option, WMUB – with increased development revenue -- might be able to maintain its current level of services and replace some of the losses in university subsidy. But even under the best case scenario, according to Thomas, the station would remain financially dependent for a substantial level of salary subsidy and in-kind university support. Under the “deconstruction” option, especially with the cutback in staff positions and more expensive NPR programming, the university would be able to decrease its subsidy even more drastically. However, this model would jeopardize the jobs of some current WMUB staff members. It would also evoke substantial negative listener and member fallout from abandoning the popular NPR news-talk format. There would also be fewer opportunities for students to work at the station. As noted earlier, under the “deconstruction” plan it would also be more difficult to increase development revenue.

1.3 Independent Options: Committee Recommendations

The PRC report ([Appendix 8](#)) offers this assessment of the benefits and costs with regard to the “stand alone” or independent model:

The reality is that there is no real status quo. If the goal of the University is to reduce the operating expense to the institution, then there may have to be additional investment initially in order for the station to ramp up its fundraising/development activities if it is to continue to offer current services. However, there is no guarantee given the market that such an investment would succeed in the long run in meeting the reduced subsidy objective.

While certainly this option offers various plans to reduce the university’s subsidy, the committee believes that some kind of revised “stand-alone” independent model is not the best option for WMUB’s future, particularly given the fundraising challenges the station faces and its relative geographic isolation.

2—Sell Option

Since 2003, about 200 non-commercial U.S. radio station sales have occurred. Relying on recent sales figures and formulas as a rough guide (see [Appendix 8](#), charts for “Non-Commercial Radio Sales”), WMUB -- with its primary coverage audience of approximately 528,000 (see [Appendix 10](#) and [Appendix 11](#)) -- may currently be worth between \$1.5 and \$2 million. For comparison, public radio station WCKZ in Fort Wayne, IN, with similar audience coverage, sold for \$1.75 million in 2006. In 2005, Xavier University in Cincinnati

sold its seven licenses – with a primary coverage area of 2.2 million -- for \$15 million. For this section of the report the committee draws on the expertise of PRC (see [Appendix 8](#)), which has brokered more than 40 public radio deals since 2001.

PRC’s memorandum to the committee offers an historical overview and economic interpretation of the growing value of noncommercial radio since the passage of the 1996 Telecommunications Act (when limits on station ownership became less restrictive). It notes the increasing pace of institutional sales of noncommercial radio stations. It also points to the “the aggressive buying of noncommercial stations by noncommercial religious broadcasters.”

The PRC report also discusses in general terms the benefits and costs regarding the possible sale of WMUB. It noted that a key issue was whether or not a new station would maintain the public radio affiliation, or adopt a noncommercial, perhaps religious, format. The report concluded:

Given the history and market realities, a key decision to be made if divesting is a desired outcome will be whether to sell to a public broadcaster, a local nonprofit ... or to sell to any potential buyer, including noncommercial religious broadcasters. And although some buyers may be able to pay more than others, public radio stations are now paying at or close to the market price in acquisitions over the past year. A sale to a local community group might have more financial risk since Miami University may have to either carry a note ... or work with a local community group to find financial backers for an acquisition

On the sell option, PRC concluded its comments to the committee by assessing both the timing of a noncommercial radio sale and the uncertain valuation of public radio given the sweeping technological changes now occurring across all media industries. There would be important questions about the best market timing. There is also the question about the impact of new distribution technologies on the world of radio. It concluded that “public radio buyers for public radio properties are not guaranteed,” and noted that sale circumstances can change from year to year and market to market.

2.1 Sell Option: Committee Recommendation

While the president charged the committee to consider selling the station as one option, this is *not* an option that the committee recommends at this time. We believe that while there may be short term profit in selling the station, there are several downsides that outweigh this. First, as a public institution licensee, the university may not have full control over what entity might purchase the station. Second, with all the changes in new digital technology and Internet convergence, we agree with PRC’s view that in future technical configurations there may be added value in owning a public radio station license as “public media” initiatives emerge to conjoin newspaper, radio, TV, and Internet services (see Option 4). Third, substantial and protracted negative feedback from loyal listeners, faculty and staff, and key influential alumni and alumnae would certainly result from the university relinquishing its license and historical commitment to non-commercial radio. Fourth, as a community outreach service in our region, WMUB provides valuable benefits – from making important local announcements to covering the region’s major events and issues -- and connects

thousands of local listeners to Miami in a way no other university offerings can. Fifth, selling the station would end any possibility to reconnect the station to a reinvigorated educational mission involving Miami students.

3—Local Management Agreement Option

The third option is a Local Management Agreement (LMA). Under an LMA-driven partnership arrangement, the goal would be for the university to retain the license but substantially reduce the subsidy and perhaps gradually withdraw from the day-to-day operation of WMUB. The key assumption behind an LMA strategy is that at some point the licensee decides that another entity can make better use of WMUB than the university. Our consultants advise us that given that WMUB's signal is stronger in Dayton than in Cincinnati and because of the debt load recently incurred by Cincinnati Public Radio (and the format changes regarding WGUC and WVXU), a "Dayton strategy" is the best option for an LMA.

Under a standard LMA option, the university, its partners, and their assigned designates would need to consult civic leaders, key business people, and other influential supporters of the station to decide if such an entity could be established and, if so, how would it be configured to take over day-to-day management of and financial responsibility for the station? In a Dayton strategy, Miami University (WMUB), Antioch University (WYSO), and Dayton Public Radio (classical music station WDPR) could form a new nonprofit entity to take over programming and operating decisions for all three stations. Each licensee would be freed of financial obligations for the new operation, other than maintaining transmission facilities. Questions to resolve: What would be the optimal programming for each station? What would the staff and personnel configuration look like? What would constitute the key revenue sources for the new entity? (See [Appendix 8](#) for more details.)

The PRC report describes the broad parameters of typical LMAs and also provides several examples. There are two distinct LMA arrangements that could evolve and would depend heavily on negotiations to determine what various partners would need and want under an LMA strategy. Questions of duplicating signals, cutting staff and costs, and extending market reach would be key factors in such negotiations. For example, WMUB could approach another radio station with the offer to create an operating agreement whereby WMUB would operate both stations and consolidate some costs while generating more revenue by increasing its market reach. Or, Miami could enter into an operating agreement whereby another public radio station, or a new entity formed specifically by Miami and other public radio station owners, would assume the responsibility for the management, programming, and operation of WMUB. Under either arrangement, the university retains ownership of WMUB's license. The PRC report noted that while "financial considerations often drive the development of an LMA ... there are other considerations for a licensee." Licensees might stress that local programming concerns be taken into account. Institutional owners could weigh in on issues of "student involvement, training and internships." On this option, the PRC concluded that "owning a radio station that is operated by a LMA partner does eliminate the majority of the on-going operating costs. However, there would continue to be some minimal administrative costs including staff time and legal costs associated with some grant reporting and other Federal Communications Commission requirements."

Although not particularly relevant to WMUB's specific situation, KUOW and KEXP in Seattle (both licensed to the University of Washington and operated by two distinct community groups) offers one example of an operating agreement cited by PRC. On such agreements in general, the report notes: "Historically, radio stations that have moved from direct operation by an educational institution to an independent operating entity have stabilized and increased audiences and revenues." The current Cincinnati Public Radio entity is illustrative of the various stages that the University of Cincinnati went through with regard to its former station, WGUC. In his memo to the committee (see [Appendix 4](#)), George Bailey cites the history of WGUC, which began as a department at the University of Cincinnati but later became a separate tax-exempt non-profit organization, called Cincinnati Public Radio, Inc. (CPR). UC first contracted with CPR, Inc. to manage the station and later, in 2002, transferred ownership of WGUC's broadcast license to CPR Inc., meaning that WGUC no longer receives any financial assistance from the University of Cincinnati. Then in 2005, CPR (WGUC) worked with PRC to purchase those seven licenses from Xavier.

3.1 LMA Option: Committee Recommendation

If the president decides that there is little substantial gain to the university from continuing WMUB in its present form, then the committee recommends that some form of an LMA option be given serious consideration. The benefits would be that Miami would not only substantially reduce its subsidy but would also retain the license. An LMA would combine administrative costs, reduce program duplication, and ultimately cut overhead. Under an LMA, the station could also extend its reach and audience. The committee believes an LMA option would also provide a transitional plan that allows the university to pursue different directions in the future, which may or may not involve student opportunities. Some of the potential negatives in an LMA would be similar to the "independent" and "sell" options: job losses for some station staffers, negative feedback from format changes, and uncertainty about student involvement at the station.

4--Dynamic Partnership Option

The final option the committee previews here is what SRG's Tom Thomas called a "dynamic" option. It is a complex option and has two strategies (and the first strategy could, in fact, exist without the development of the second). Like an LMA, WMUB would partner with another station or stations, but unlike a traditional LMA, Miami would remain involved in the day-to-day operations and the station would remake its connections to the university and align some aspects of its operation more closely with Miami's educational mission. It would also upgrade its development efforts but within a partnership arrangement.

4.1 Dynamic Option: Miami Valley Public Media

Following the "Dayton strategy" discussed above, the most likely partners would be WYSO and WDPR. WYSO is the dominant news-talk public radio station in Dayton (and is also a "dual format" station offering AAA/Americana in some daytime, evening, and weekend hours). (It is also important to note here the WYSO license is held by Antioch University, not Antioch College, whose financial problems are long standing and whose future is currently under discussion.) WYSO and WDPR have already formed an alliance called Miami Valley Public Radio that currently sells underwriting and sponsorships for both stations. Both the committee and GM Cleve Callison have had preliminary discussions with some of the

involved parties about possible partnerships, with WMUB possibly joining and expanding the scope of this alliance.

Although WMUB has a smaller audience reach than WYSO, what WMUB could bring to such a partnership – in addition to selling underwriting and sponsorships for three stations rather two -- is the development of a **regional news network**, with WMUB leveraging its current news staff and increased access to student resources (through Miami’s Journalism Program, the Department of Communication, and the Interactive Media Studies Program, among other resources). In addition to WYSO and WMUB combining news resources (WDPR features a classical music format but does not provide news), this expanded partnership could become **Miami Valley Public Media (MVPM)**, producing not only regional news but an Internet site that complements the radio news and provides increased opportunities to extend their signals, to expand underwriting/sponsorship, and also to sell actual advertising (since public radio stations do not face the same federal restrictions on Internet advertising as they do in their stewardship of the public’s broadcast airwaves).

It is important here to mention the important link between underwriting and public radio news. Currently, underwriting and business sponsorships are typically sold in categories that roughly include culture/art, education, health, and business (such categories are reflected in the current listing of underwriters at WMUB’s web site). In a meeting with the committee’s chair, the WMUB underwriting representative (who formerly sold underwriting for WYSO and knows the Dayton market well) said key topics of interest to the Dayton public radio audience include most education topics, environmental concerns, entertainment (especially fine arts, cultural events, travel, and outdoor activities), politics (especially elections and national/international issues), and health issues. In another conversation with the committee chair, the news director at WMUB agreed that the station might better balance spot news coverage of the Dayton area and Oxford/Butler County with feature stories that cover culture/arts, education, and health/science. The news director also suggested that politics and the environment are key areas that could become more regular news signatures for WMUB features -- which, as feature stories, hold more interest for a broader regional -- and national -- audience.

The committee believes that reassessing and redefining its news and public affairs focus might better match the interests of WMUB’s highly educated audience. This focus would resonate with the WMUB’s own 2005 report from news consultant Mark Moran. He argued then that “WMUB should strive to become the area’s premier source for in-depth feature stories since, remarkably, none of the stations in the region are reporting them.” He pointed out that “public radio listeners want more than just spot news stories and commercial hype; they tell us over and over again in the research that they want quality, in-depth storytelling, whether the story is global, national or local. WMUB is well positioned to fill this need and should make doing so its number one priority” (see [Appendix 12](#)—Mark Moran Report).

The committee believes the current heavy emphasis on spot news leads to “spotty” and sporadic coverage. (The station reported that in 2006 more than 350 stories focused on Oxford and Butler County and while approximately 560 spotlighted Dayton.) This is also at odds with research studies: “Public radio listeners want more from local newscasts than the typical reading of headlines. They would rather have fewer stories, in relative depth, even within a cutaway newscast” (see G. Bailey, “A Sense of Place: The Value and Values of

Localism in Public Radio,” www.walrusresearch.org, pp. 6-7). Still, what obligation does the station have to covering spot news in Oxford (which is underserved by local news media) and Butler counties, where the station is actually based and subsidized, compared to its public service responsibility to the *majority* of its audience, which resides in the Dayton area? With WMUB’s current emphasis on spot news that tries to reach rural, suburban, and urban geographic areas, the committee believes this has led to “hit and miss” coverage of political, cultural, and globally-focused academic events at Miami and in the region that might hold large appeal for both the station’s audience and its underwriters. We think that forming a wide-ranging and representative advisory group and better balancing spot news and in-depth feature stories would address this problem, better link the university and station missions, and extend Miami’s reputation in the region and the state.

The formation of a **MVPM** news service, along with the development partnership among the participating stations, would make strategic sense, the committee believes, in terms of both improving the station’s overall news product and increasing its underwriting revenue by covering those key areas highlighted above in greater depth. This has the added benefit of increasing the number of stories submitted to the Ohio public radio news service and to NPR at the national level. In 2005 the Moran report laid out strategies for WMUB “pitching” more stories to NPR (“Becoming NPR Ready”) and for a strong alliance with Miami’s new Journalism Program and other relevant academic programs. The committee recommends that in any discussions addressing the formation of a regional news service, the Moran report be consulted and reevaluated.

In creating a **Miami Valley Public Media** news service, students and faculty could again be involved more strategically in the production of WMUB news. This would work through the Journalism Program and/or the Communication department where a small capstone class would operate as a “group internship” under the planning and supervision of WMUB’s news and program directors. For example, a pilot class like this is already planned by the Journalism Program for Spring 2008 term under the editorial guidance of the *Oxford Press* and the Cox Ohio Publishing group, which includes four daily papers – the *Dayton Daily News*, *Springfield News Sun*, *Journal News*, and *Middletown Journal*, and four weeklies, the *Oxford Press*, *Pulse-Journal*, *Western Star*, and *Fairfield Echo*. (In 2006-07 alone Miami students did more than 30 internships at these various newspapers). In addition to news and radio production, we also think there are opportunities for business students and strategic communication majors to work in formal internships in promotion and development with the **MVPM** underwriting team and for the Internet site.

In our note to research consultant George Bailey (a former mass communication professor at UW-Milwaukee), the committee asked him about student-produced journalism and integrating “the station’s mission with the university’s educational mission.” Bailey’s response addressed the importance of ensuring that student work meets the kind of standard the public radio audiences expect from their NPR news-talk stations: “If the goal is to train students to do the intelligent, in-depth journalism that educated adult listeners expect of public radio, then the best model is internships.” Bailey also suggested we think more broadly in terms of new technology’s complex relationship with Miami’s mission and involve students across the university: “The future of media is not traditional FM radio stations, any more than metro daily newspapers. Train your students by setting up an integrated digital web site that is packed with audio, video and text produced by MU students. Reporters must

learn to record audio, edit video, write XHTML, set up podcasts and RSS feeds. MU's state of the art journalistic web site could include advertising sold by your marketing students, as well as social networks and blogs run by PR students" (see [Appendix 4](#)). In looking at such technological developments and their possibilities, one scenario might involve using one of WMUB's new HD digital signals as an experimental news station that would allow students to develop their journalism and media production skills and provide enhanced local coverage of the university, Oxford and Butler County. The committee also believes there may be significant opportunities – especially involving Internet partnerships -- in linking the news and production operations at WMUB with MUTV, operated by the Communication department, and the *Miami Student* newspaper.

4.2 Dynamic Option Variation: Partnering with Commercial Media

One variation of the partnership option outlined above – aimed also at reducing subsidy but improving the station – would be to attract commercial partners to the journalism part of Option 4. For example, as mentioned earlier Cox owns eight newspapers in our region in addition to four commercial radio stations in Dayton and a TV station. In addition, *USA Today* owner Gannett publishes the *Cincinnati Enquirer* (and ten other Ohio newspapers) and the Richmond *Palladium-Item* where our journalism students intern regularly and where there is also a significant WMUB audience. Either of these successful national media companies might have some interest in partnering with the **MVPM** project (as might other public and commercial TV stations in the region). Over the years, the *Dayton Daily News* has already participated in news and public affairs projects with both WYSO and WMUB. And with the WMUB signal strong in Richmond and extending into northern portions of greater Cincinnati, there may be some interest from Gannett in a public media venture that involves newspapers, public radio, and the Internet.

The committee has investigated a 3-year experiment in Miami, Florida, where the *Miami Herald* – one of the nation's largest newspapers – hired six radio reporters to produce public radio news for WLRN, the city's leading news-talk public radio station. Both the paper and station also stream the radio news on their web sites. The station pays an annual fee to the newspaper, which also shares in the underwriting revenue. One of our news contacts, former public radio news producer Rick Lewis (now president and CEO of Friends of WLRN), says there is evidence in a recent study that the newspaper also benefits from a "halo effect" through its association with public radio. In this variation, the committee imagines a commercial newspaper entity supporting one or two radio reporters who produce spot news and feature stories for public radio, a public media web site, and the various web sites of newspapers involved in this project. The newspapers could use public radio to promote their print products among the well-educated and affluent public radio audience.

Under this variation, the committee believes that Miami could play a central role in establishing new models for public media and regional journalism. We also think that it is a particularly good time to engage with "legacy media" news outlets given that the Internet and other technological developments are altering the journalism landscape at a rapid pace. We think that traditional media have much to gain in this **MVPM** experiment. First, both newspaper and public radio have a common problem: reaching a younger audience. Miami could serve as an educational "laboratory" as public radio and newspapers team up to address this problem and rethink how the old news story forms will reconfigure on the Internet – that place where our students and their cohort generation increasingly get their

news and information. Second, in terms of journalism, an opportunity exists to think more regionally in terms of journalism -- especially with Cox and Gannett's investments in this area's media outlets and their ongoing online projects and experiments. Third, the committee believes there is a "branding" benefit for commercial newspapers in this venture as they use public radio to refer listeners to those news stories and features that hold interest for the public radio audience.

4.3 Dynamic Option: Committee Recommendations

The committee believes strongly that the time is right for experiment, and the **MVPM** or similar initiative (with the newspaper piece or not) would combine the efforts of Miami University, public radio, and/or commercial media in a partnership to chart the future of journalism for our region with implications for a national model. There also may be funding available for this type of initiative, especially through Knight Foundation grants that support community journalism and new technology projects, through Cox and Gannett's own national foundations, and through public radio initiatives for experiments in journalism.

The benefits of the multi-faceted partnership we have outlined include the reduced subsidy for the university created by consolidating radio operation and staff positions, simulcasting some programming, in combination with increased revenue for underwriting partnerships which allow WMUB to better reach business sponsors. In addition the partnerships strengthen the community outreach potential for WMUB by affiliating with Dayton, Richmond or Cincinnati area media outlets. More formally linking the development of a regional public radio news service to Miami's educational mission also strengthens the bond between the station and the university.

With this option, a strong business plan would be required early to assess the feasibility of the different pieces of Option 4, to list the expenses and revenue potential, and to paint a realistic portrait that does not over-promise results or underestimate the costs. (The committee also recommends that should this option be considered too costly in the long term, as an alternative, the MVPM idea and other aspects of Option 4 be shifted to Option 3 for a newly designated LMA entity to consider.)

One downside to this option is its complexity. Another would be some dissatisfaction among current listeners in programming and format changes. In such a partnership, for example, one station might become the main news-talk NPR driven format while the other station takes on a music format identity, such as AAA or jazz, or becomes an experimental NPR news-talk format trying to appeal to a younger audience. It is important to note here that research shows and our consultants confirm that the new-talk format has the most potential for generating underwriting/sponsorship money and increasing listener contributions.

The committee believes that the "trick" to this partnership option is to reduce the university subsidy at the same time the station makes format changes and upgrades its news product. But we do think this idea is strong enough and worth some continued investment on Miami's part in WMUB and the idea of enhanced public media. (A business plan would need to take into account the possibility of grant support in the short term and a sustained funding model over the long haul.) It will not be easy, but we think the dynamic partnership option gives that station the best chance to both reduce its subsidy and to reconnect its goals

and a public radio provider with the university's educational mission. While Miami can certainly provide student and faculty resources in this enterprise, the university in these partnerships would still need to rely on established news professionals to train students and provide internship experiences. Establishing an enhanced regional news service -- without significant additional costs to Miami -- would require partnership configurations that could provide the professional journalism component needed to establish a high quality regional news network. Collaboration with a commercial newspaper would add great value here and the committee recommends that Miami pursue discussions with all possible partners. In this venture, though, we think Miami could also serve as a training and "idea" site, particularly in facilitating public media conferences and in helping traditional print journalists learn radio and experiment with online journalism.

The committee also believes that in addition to an alliance with the Journalism Program and the Department of Communication there are other internal partnership opportunities for WMUB, such as the Armstrong Interactive Media Studies program. The station could also play a role in the "Humanities and Public Engagement" project, supported by a President's Academic Enrichment Award (PAEA), which involves reclaiming the university's "public mission and drawing on our humanities core to do that." This project is designed to "translate" and disseminate humanities work to broader publics through video, radio, digital, documentary, and web-based media. Written and submitted by an interdisciplinary team of faculty from the humanities, the goal is to heighten the visibility of the humanities, both within the university and outside it. The committee believes that WMUB and a MVPFM consortium, where appropriate, could partner on some of the humanities-based projects created by the documentary unit to develop feature stories and long form radio documentaries for its audience.

Under Option 4 (as with Option 1 and 3), given the broad scope of this initiative (with the enhanced community outreach and public service mission), we agree with our consultants that the best place for WMUB in the structure of the university is "as high up" in the institution as it can be -- either under the President's or the Provost's supervision. The committee thinks that locating that station at the top levels in university administration gives WMUB the best opportunity to be integrated as part of a larger overall marketing plan for Miami that could make use of public media's ability to foster that "wide range of cultural and educational activities which have significance beyond the campus and the local community."

In sum, the committee believes that the best chance for WMUB to reduce its university subsidy but enhance its stature and its ties to Miami is through the development of dynamic partnerships -- both internally and externally. The WMUB June 2007 staff report, "Re-Fashioning a Future," also supports this position (see [Appendix 13](#)). Given the greater reach of the WMUB signal in Dayton and the debt load taken on by Cincinnati Public Radio, the committee and the consultants believe that continued discussions with WYSO, WDPR, and with commercial news media partners are the best ways to proceed in an external partnership strategy. The committee believes that this option gives WMUB the best chance of better aligning its goals with the university's mission and extending the university's reach to cultivate lifelong learning, critical reflection, community engagement, and informed citizenship in the Miami Valley area.

Appendices

- 1 -- Charge letter from President Hodge to the committee, dated January 29, 2007.
- 2 -- Background materials of WMUB committee, prepared by WMUB GM Cleve Callison.
- 3 -- Report from George Bailey at Walrus Research, Audience and Programming, WMUB, March 2007.
- 4 -- Memo from George Bailey in response to specific committee questions.
- 5 -- Report on experiences of Miami graduate students working for WMUB, prepared by committee member Justine Stokes.
- 6 -- Report on experiences of Miami undergraduate students working for WMUB, prepared by committee member Chris Kelley (who replaced undergraduate student representative Payton Stanforth on the committee).
- 7 -- Report on letters to the committee from alums, listeners, station members, faculty, staff, and students, prepared by committee member Adrienne Rexroad.
- 8 -- PRC's "confidential report" on WMUB Operating Options
- 9 -- WMUB historical overview, reported by committee member Howard Kleiman.
- 9a -- Historical addendum, reported by WMUB GM Cleve Callison.
- 10 -- PRC client list, with transaction size and primary coverage data.
- 11 -- PRC, Longley-Rice Coverage areas for WYSO, WMUB, and WDPR.
- 12 -- Mark Moran news consultant report to WMUB.
- 13 -- Report from WMUB June 27, 2007, staff retreat titled "WMUB: Re-Fashioning a Future."