



# CRS Report for Congress

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## The Corporation for Public Broadcasting: Federal Funding Facts and Status

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### Summary

The Corporation for Public Broadcasting, created in 1967, receives approximately 15% of its annual funding from federal appropriations. In turn, the CPB, acting as an umbrella agency, is required to spend 89 percent of the appropriations in grants to members of Public Broadcasting Service (PBS), National Public Radio (NPR), Public Radio International (PRI), and other affiliated public television and radio broadcasters. The CPB has historically received two-year advanced appropriations. On June 9, 2005, the subcommittee on Labor, Health and Human Services, Education and Related Agencies of the House Appropriations Committee considered the Labor, Health and Human Service and Related Agencies Appropriations Act for FY2006 (H.R. 3010). The subcommittee voted to reduce CPB's FY2006 appropriations (which had been passed as part of the FY2004 appropriations) from \$400 million to \$300 million. In addition, the subcommittee voted to eliminate advanced federal appropriations for CPB by FY2008. On June 16, 2005, the full House Appropriations Committee voted to restore \$400 million in federal funding for CPB in FY2008; it also approved funding of \$300 million for FY2006. (H.Rept. 109-143). This legislation will likely go to the floor of the House of Representatives either June 23 or June 24. This report will be updated as events warrant.

### Background

The Corporation for Public Broadcasting (CPB) was created out of the Public Broadcasting Act of 1967 (P.L. 90-129). The CPB was intended to provide a funding mechanism for individual public broadcasting stations, but not subject these stations to political influence or favoritism. Therefore, the CPB receives an annual appropriation, and then uses this money, in addition to foundation, corporate, individual memberships, and other funding sources, to provide grants to individual public television and radio broadcast entities. The Public Broadcasting System (PBS), National Public Radio (NPR), and Public Radio International (PRI) do not receive any direct appropriations from CPB; all of the appropriated money goes directly to member stations of these organizations.

The number of radio and television public broadcasting stations supported by the CPB increased from 270 in 1969 to approximately 1,100 as of August 2003, of which 356 are television stations. Public broadcasting stations are mostly run by universities, nonprofit community associations, and state government agencies.

Public broadcasting is regarded as a public service. To serve most Americans, public television reaches approximately 99% of the population and public radio, 91%. With regard to programming, the public broadcasting system observes the principle of local autonomy. That is, public broadcasting stations make decisions independently of the CPB as to what programming will be available to their viewing or listening audience as well as on their programming schedule.<sup>1</sup>

## **The Corporation for Public Broadcasting**

The CPB serves as an umbrella organization for public television and radio broadcasting. The CPB is a nonprofit private corporation and is guided by a 9-member board of directors (including its president) who are appointed by the President with the advice and consent of the Senate. The directors serve for staggered six-year terms. Although its creation as a private nonprofit corporation was motivated by the desire to eliminate political influence, it is required to make reports to Congress and submit to audits. The CPB's principal function is to receive and distribute government contributions (or federal appropriations) to fund national programs and to support qualified member radio and television stations based on legislatively mandated formulas. The bulk of these funds are to provide Community Service Grants (or CSGs) to member stations that have matching funds. By law, the CPB is authorized to exercise minimum control of "program content or other activities" of local member stations. The CPB is prohibited from owning or operating any of the primary facilities used in broadcasting. In addition, it may not produce, disseminate, or schedule programs. In 2004, W. Kenneth Tomlinson was named Board Chairman of CPB.

Overall, 14.9% of all public television and radio broadcasting funding comes from the federal appropriations that CPB distributes. However, among individual members of PBS, NPR, and PRI, the amount of federal dollars that contributes to a station's annual budget depends on the size of that station's budget, the type of broadcast content developed or purchased, and the specificity of individual grants awarded to these stations.

## **Public Broadcasting: PBS**

The PBS was created by the CPB in 1969 to operate and manage a national interconnection (or satellite) system and to provide a distribution channel for national programs to public television stations. The PBS is owned and operated by the local public television stations. Although the PBS does not produce programs for its members, it funds the creation and acquisition of programs for the stations and distributes them through its satellite program distribution system. The current acting president and CEO of PBS is Ken Feree, appointed in April 2005.

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<sup>1</sup> For data on CPB, see [<http://www.cpb.org/about/>].

## Public Radio: NPR and PRI

For radio, a different division of responsibilities was established. The CPB created NPR in 1970 as a news-gathering, production, and program-distribution company owned by its member public radio stations. Unlike its public television counterpart, NPR is authorized to produce radio programs for its members as well as to provide, acquire, and distribute radio programming through its satellite program distribution system, with regional “up-links” available across the nation for public radio stations and other producers to distribute their programs. Public Radio International (PRI) was created to provide global broadcast of public radio content. Kevin Klose, former director of the U.S. International Broadcasting Bureau, the government’s non-military worldwide radio and television network, is president and CEO of NPR. He was appointed in 1998. Stephen Saylor is President and CEO of PRI.

## Federal Funding

Public broadcasting reported total income of \$2.3 billion in FY2003 (the most recent data available). The federal contribution made up about 15% of the system’s total income. The remaining 85% was raised from non-federal sources (individuals, businesses, foundations, state and local governments, and educational institutions). The largest single income source (26% in FY2003) came from membership. Neither PBS nor NPR receives operating funds from the CPB; only the local member stations receive these funds directly.<sup>2</sup>

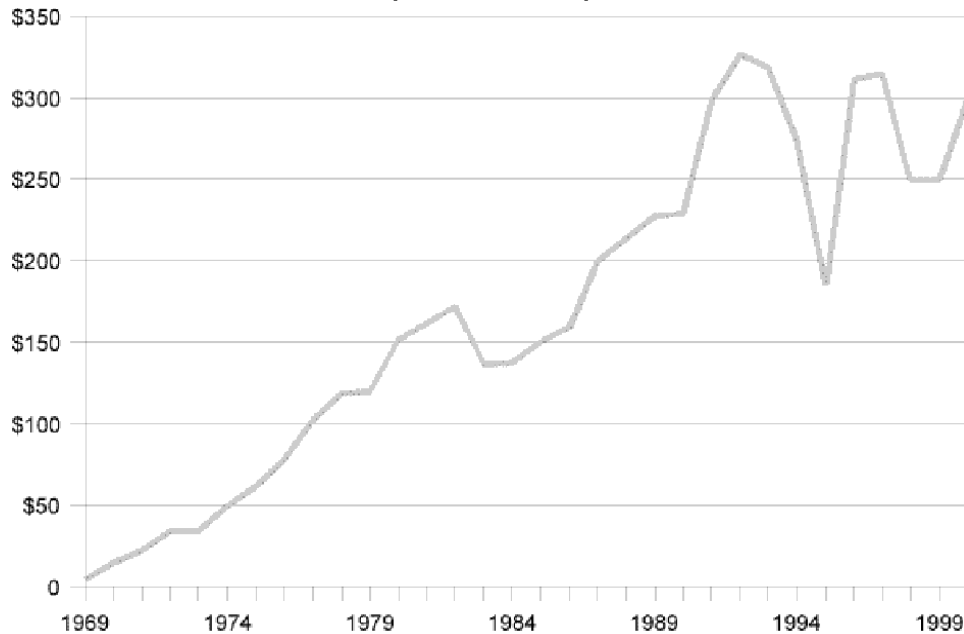
The CPB received its first federal funding in FY1969 and continued to receive annual appropriations until FY1975, when the Public Broadcasting Financing Act of 1975 (P.L. 94-192) established authorization for long-term financing. The 1975 Act authorized funding for public broadcasting over a period of five years. Advanced funding from Congress now sets actual appropriations two years in advance of stations’ receiving their funds from the CPB. The CPB was last reauthorized by Congress in 1992 (P.L. 102-356).

The CPB’s appropriation is allocated through a distribution formula established in its authorizing legislation. The uses of the CPB’s funds are broken down into four categories: grants to stations; grants for programming; system support; and administrative operations. Approximately 89% of the funding the CPB receives from the federal government, and all interest earned from federal funds held by the CPB for distribution, is required to be disbursed to television and radio broadcasters. Of that amount, about 18% is allocated to program producers in the form of grants, and not less than 5% of the total appropriation is used for administrative expenses. The remaining percentage of funds is set aside by the CPB for general system-wide needs that individual stations would have difficulty funding. A history of appropriations to the CPB is presented in **Figure 1** below; the more recent history of appropriations is in **Table 1**.

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<sup>2</sup> [<http://www.cpb.org/tv/funding>].

**Figure 1. CPB Federal Appropriations Trend Line FY1969-2000  
(\$ in millions)**



**Source:** Compiled by the Congressional Research Service from the Corporation for Public Broadcasting and The Budget of the U.S. Government, Fiscal Year 2006.

**Table 1. CPB Federal Appropriations  
FY2001-FY2007  
(\$ in millions)**

<b>Fiscal Year</b>	<b>Administration Request</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Final Appropriation</b>
2001	\$340	\$340	\$340	\$340
2002	\$350	\$340	\$350	\$350
2003	\$365	\$365	\$365	\$362.8
2004	a	\$365	\$395	\$380
2005	a	\$380	\$395	\$368.8 <sup>c</sup>
2006	a	\$300 <sup>b</sup>	\$400	\$400
2007	a	\$400	\$400	\$400
2008	a	—	—	—

**Notes:**

**a** The Bush Administration has requested that the two-year advanced appropriations funding for CPB end, and therefore has not requested advanced appropriations since 2004.

**b** The FY2006 House appropriations was set at \$400 million in FY2004; \$300 million reflects the most recent action by the House Committee on Appropriations on June 16, 2005.

**c** The President's FY2006 budget included a \$10 million rescission for CPB's advance appropriation of \$390 million.

## **Congressional Actions**

Congressional policymakers are currently addressing the FY2006 federal appropriations for CPB as well as the future of federal funding for public broadcasting. On June 9, 2005, the subcommittee on Labor, Health and Human Services, Education and Related Agencies of the House Appropriations Committee voted to reduce CPB's FY2006 appropriations (which had been passed as part of the FY2004 appropriations) from \$400 million to \$300 million. In addition, the subcommittee voted to end all federal appropriations for CPB in FY2006 (Labor, Health and Human Services, Education and Related Agencies FY2006 Appropriations, H.R. 3010). On June 16, 2005, the full House Appropriations Committee voted to restore \$400 million in federal funding for CPB in FY2008; it also approved funding of \$300 million for FY2006. (H. Report 109-143) H.R. 3010 will likely be considered on the floor of the House of Representatives is either Thursday, June 23 or Friday, June 24. There has been no action by the Senate on this legislation to date. In addition, in both FY2004 and FY2005, Senate appropriators provided additional funding for CPB to provide conversion of its analog broadcasts to digital broadcasts; for FY2006, the House appropriators have stated that funding for this conversion must come out of the CPB's existing budget.