

# Frequently asked Questions about Public Broadcasting

## Where Does the Money Come From?

*Q: Other broadcasters don't ask me to contribute. In what ways are PBS and NPR different from the commercial networks and stations?*

**A: In addition to being non-commercial, PBS, NPR and local public broadcasting stations are organized differently than commercial broadcasters.**

PBS and NPR are not broadcast networks in the same sense as the commercial television broadcast networks such as NBC, CBS and ABC. Local commercial broadcast affiliate stations give up portions of their local advertising airtime in exchange for network programming. PBS and NPR local stations pay substantial membership dues for the rights to broadcast programming acquired and distributed by the national organization. As membership organizations, the boards of directors of both PBS and NPR are made up largely of the general managers of local stations from throughout the country.

The amount of money that member stations must pay in dues to PBS or NPR varies by market size, service area and the amount of non-federal financial support (NFFS) that stations generate on their own. Dues are proportional, based largely on market size and local fundraising success. For funding purposes, statewide networks like NET Television and NET Radio are considered by PBS and NPR to be an individual "member station."

### **What is the relationship between PBS/NPR and member stations?**

The "membership" relationship means that, for example, PBS stations have greater latitude in local scheduling than their commercial counterparts. However, PBS has a policy of "common carriage," requiring most stations to air the national prime time programs on a common schedule, so that they can be more effectively marketed on a national basis. NPR feeds many of its daily national programs on a "rollover" basis, repeating programs on a satellite system throughout the day so that stations can carry them "live" in their time zone or record them for later broadcast.

Unlike its counterpart National Public Radio, with headquarters and production facilities in Washington, D.C., PBS has no centralized program production. (The PBS administrative headquarters is located in Alexandria, Va., but houses no program production facilities.) All of the programming carried by PBS, whether news, documentary or entertainment, is created by (or in most cases produced under contract and sub-contract with) individual member stations, including NET Television. Many of NET's national productions have been broadcast by PBS under sub-contract agreements with other member stations like WGBH Boston and Thirteen/WNET New York, the producers of national PBS series like "American Experience," "NOVA" and "American Masters."

Once a program is delivered to PBS, the organization (not the member station that supplied it) generally retains all rights for rebroadcasts; the suppliers retain some rights to sell the program material in non-broadcast media such as DVDs, books and licensed merchandise.

In addition to income from membership dues, PBS and NPR each receive some federal money specifically for program and project development through the Corporation for Public Broadcasting (CPB). CPB, a private corporation, receives an appropriation from the federal government. By law, 95% of this money goes to support local public television and radio stations, programming and improvements to the public broadcasting system as a whole.

(Some information from: [wikipedia.org](http://wikipedia.org), [cpb.org](http://cpb.org), [current.org](http://current.org).)

## Where does local stations' funding come from?

"CPB-qualified" local stations that meet certain minimum staffing and organizational criteria receive Community Service Grants (CSGs) from CPB. Stations also raise money through membership, major giving and endowments, grants and production contracts, the sale of program underwriting and institutional support.

Each public television station's CSG includes a base grant – a flat sum of about \$400,000 that goes to every station – and a variable incentive grant based on the amount of non-federal financial support the stations raise themselves. Public radio CSGs are also made up of a base grant and additional service incentive grants, and are affected by the amount of non-federal financial support raised by stations.

The amount of each station's CSG is determined in part by how much non-federal support is raised locally by fundraising. For every dollar NET raises in Nebraska, we qualify for approximately 10 cents of additional federal support. In short, private contributions earn a significant return for Nebraskans.

## How do local stations pay for PBS/NPR programming?

Stations generally use their CSGs to offset their PBS or NPR dues. CSG funding covers a large percentage, but not all, of the fees that member stations owe to PBS or NPR each year. Stations pay for three categories of services from PBS: membership dues, program fees and the interconnect fee that entitles stations to receive programming over the PBS satellite system. NPR member stations pay membership dues and an interconnect fee and in return gain access to program packages ("News," "Arts and Performance," etc.) that include popular programs like "Morning Edition" and "All Things Considered." NPR stations pay extra fees above and beyond the basic packages for programs like "Fresh Air."

***Q: NET receives state and federal funding. I pay taxes. What is the purpose of my additional investment in NET?***

**A: Funding for public broadcasting in Nebraska comes from diverse sources. The success of public broadcasting in Nebraska for more than 50 years has been the result of investments from both the public sector and private sources (see pie chart, under tab Operating Revenues and Expenses, for additional details).**

State appropriations (47.8% of total NET funding in FY 2012 – projected) are used for technological infrastructure – TV and radio transmission and satellite and distance learning technology – and toward production of a limited amount of general-interest programming, such as NET Television broadcasts of Nebraska high school sports championships and live coverage of the Nebraska Legislature on NET2. It would not be possible for NET to serve all the citizens in Nebraska (where the state's relatively small population is widely dispersed over a large geographic area) and to provide the entire state with the same high-quality signals and services, without the state's investment in infrastructure.

NET Television and NET Radio each receive Federal Community Support Grants (15.3% of the projected FY 2012 total) from the Corporation for Public Broadcasting (see explanation, above).

The University of Nebraska-Lincoln makes direct operating appropriations (8.3% of the projected FY 2012 total) to the UNL Television Department for expenses related to NET Television flagship station KUON-TV, for which the NU Board of Regents holds the license.

The NET Foundation for Television and NET Foundation for Radio administer contributions from individuals (14.6% of the projected FY 2012 total) and funding in the form of competitive grants, production contracts and underwriting (11% of the projected FY 2012 total) that together pay for most of the local programming that is broadcast on NET Television and NET Radio.

The NET Foundation for Television and the NET Foundation for Radio each make a “production grant” to NET of the monies raised for their respective networks every year. This funding enables NET to invest in producing local programming that is made by, for and about Nebraskans. Because of these funds and NET’s other non-federal financial support, NET is one of a small number of public broadcasting organizations in the U.S. that is able to provide locally originated programming and other services to viewers and listeners, rather than acting only as a “pass-through” for national programming.

NET also self-generates some of its income (3% of the projected FY 2012 total) through fee-for-service sources, such as commercial broadcasters’ rent paid for antenna space on NET towers, etc.

## Perceived Bias

*Q: Do Americans really value public broadcasting as a reliable source of news and information?*

**A: A February 2012 non-partisan poll by Harris Interactive Trust shows that Americans consider PBS the nation’s most trusted institution among nationally known organizations.**

This year’s study ranks PBS number one in public trust, with 26% trusting PBS a “great deal,” compared to courts of law (13%), commercial broadcast television (8%), cable television (6%), newspapers (6%), the federal government (5%) and congress (4%). PBS was also ranked as second only to military defense in terms of value for tax dollars, according to 2,500 randomly selected participants from across the country. PBS reaches nearly 123 million people through television and more than 21 million people online each month (source: pbs.org).

NPR member stations reach a growing audience of more than 26.4 million listeners each week, up from about two million in the early 1980s. This upward trend in the last two decades is in large part attributed to the growth of NPR News, a national service anchored by hourly newscasts and two signature newsmagazines, “Morning Edition” and “All Things Considered” (source: npr.org).

### **How do NPR, PBS and CPB oversee their objectivity?**

NPR employs an ombudsman, a position currently held by Edward Schumacher-Matos, who joined NPR in June 2011. The ombudsman is the public’s representative to NPR, serving as an independent source of information, explanation, amplification and analysis for the public regarding NPR’s programming. Typically the NPR ombudsman receives thousands of e-mails, letters and phone calls and works to resolve issues and complaints with listeners.

In October 2005, PBS appointed veteran journalist and former “Washington Post” ombudsman Michael Getler as its first ombudsman. Getler serves as an independent internal critic within PBS. He reviews commentary and criticism from viewers and seeks to ensure that PBS upholds its own standards of editorial integrity.

As the ombudsman for CPB, Joel Kaplan encourages public dialogue aimed at achieving high standards of excellence in public broadcasting, and annually prepares a written review of CPB-funded programming for its objectivity, balance, fairness, accuracy and transparency.

(sources: npr.org; pbs.org; cpb.org)