

Maintaining Federal Funding to the Corporation for Public Broadcasting

The Problem:

In early March, President Trump revealed his preliminary budget for the 2018 fiscal year. The budget included billions of dollars in cuts to numerous federal programs to compensate for increases in military and homeland security spending. While many programs and organizations were significantly downsized, others were completely eliminated. One such eliminated organization is the Corporation for Public Broadcasting.

This issue brief will argue that it is paramount that the Corporation for Public Broadcasting be allowed to continue operating at the current status quo and that any budget cuts will have a severely negative impact on America as a whole. However, before delving into why it is so important to preserve the CPB, it is appropriate to briefly discuss what the CPB is, what its current role is, and how well it is fulfilling that role.

What is the Corporation for Public Broadcasting?

The Corporation for Public Broadcasting was created by the Public Broadcasting Act of 1967. The act tasked the CPB with using funds to help local stations grow and produce innovative content. In the words of President Lyndon B. Johnson, "It announces to the world that our nation wants more than just material wealth; our nation wants more than a 'chicken in every pot.' We in America have an appetite for excellence, too. While we work every day to produce new goods and to create new wealth, we want most of all to enrich man's spirit."

According to www.cpb.org, the official website of the Corporation for Public Broadcasting, the organization's mission is to "ensure universal access to non-commercial, high-quality content and telecommunications services. It does so by distributing more than 70% of its funding to nearly 1,500 locally owned public radio and television stations."¹

Where does CPB funding go?

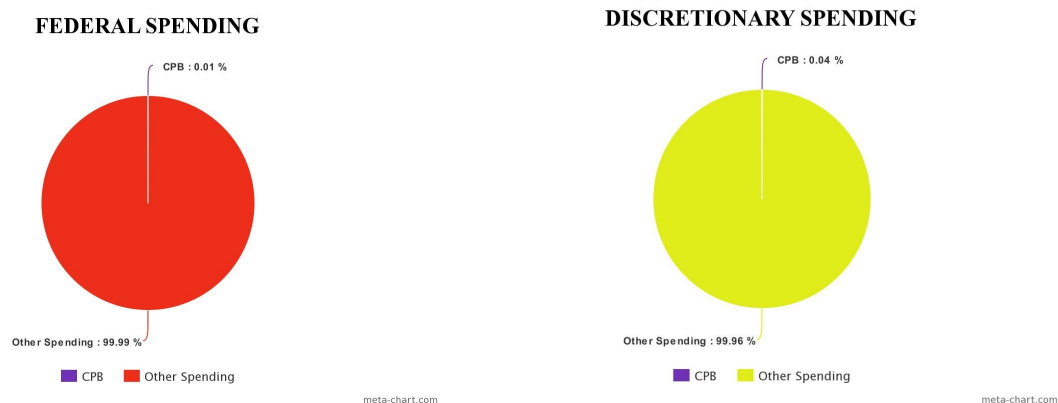
According to www.cpb.org, funding is distributed as follows:²

- 408 grantees, representing 1,136 public radio stations
- 167 grantees, representing 362 public TV stations
- 248 of the total 575 grantees are considered rural

- More than 70% of CPB’s federal funding goes directly to local public media stations
- Less than 5% of funding is spent on CPB operations

Current Funding:

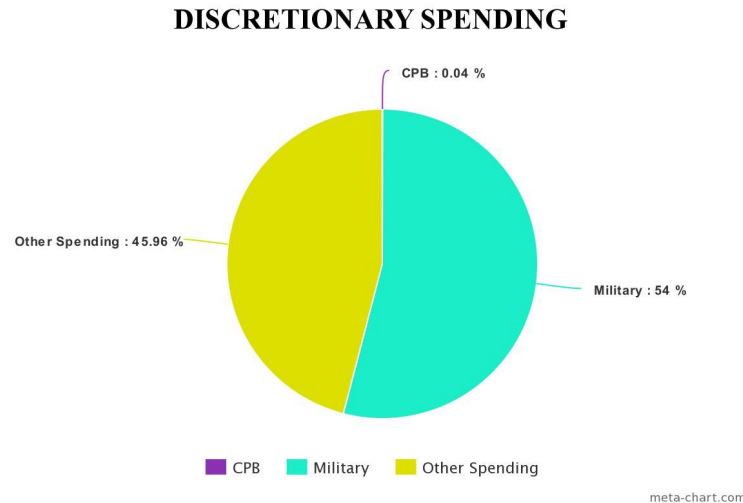
Currently, the federal government allocates approximately \$450 million to the Corporation for Public Broadcasting. The CPB then distributes this funding to local TV and radio stations, as well as news and entertainment programs. For context, in 2016, total federal expenditures neared approximately \$3.8 trillion. Of that \$3.8 billion dollars, approximately \$1.15 trillion was allocated towards discretionary spending. Discretionary spending is money that can be used wherever the government sees fit, whereas the remainder of the \$3.8 trillion dollars goes towards mandatory spending programs. Therefore, the \$450 million dollars currently supplied to the CPB makes up 0.0001% of the total federal budget and 0.0004% of the discretionary spending budget.



Now that we’ve established the relative size of CPB funding compared to other funding, it is prudent to examine where the money cut from the CPB budget is being moved to. The main recipients of additional funding are the United States military, the Department of Homeland Security, and other related departments.

As President Trump put it in his budget proposal, “The core of my first Budget Blueprint is the rebuilding of our Nation’s military without adding to our Federal deficit. There is a \$54 billion increase in defense spending in 2018 that is offset by targeted reductions elsewhere. This defense funding is vital to rebuilding and preparing our Armed Forces for the future. We must ensure that our courageous servicemen and women have the tools they need to deter war, and when called upon to fight, do only one thing: Win. In these dangerous times, this public safety and national security Budget Blueprint is a message to the world—a message of American strength, security, and resolve.”³

Currently, the federal government allocates approximately \$600 billion to the military. As established earlier, approximately \$1.15 trillion is allocated towards discretionary spending. Therefore, the \$600 billion dollars currently spent on the military makes up almost 54% of federal discretionary spending.



While it is beyond the scope of this brief to discuss the merits of increasing military spending, it is important to ask whether the military or the CPB will gain more marginal utility from \$450 million. In general, marginal utility per unit decreases for each additional unit added. Therefore, due to the comparative size of the military budget and CPB budget, it can be concluded that the CPB would get more marginal utility from the \$450 million.

To rephrase in simpler terms, the military already has a lot of money, so the small amount of money being siphoned from the CPB is not going to drastically change the way in which the military operates. However, since the CPB operates on so little money, small adjustments in available funds will drastically change the way in which the organization operates.

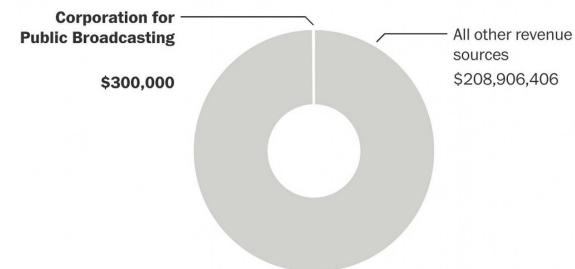
While this establishes that the CPB will get more bang for their buck with the available \$450 million, we must also consider whether that “bang” is something that will positively affect American society.

How reliant are PBS and NPR on CPB grants?

The main criticism of the CPB is that it, and consequently the American taxpayer, supposedly provides funding to the liberally-biased organizations PBS and NPR. This criticism raises the question: “How much funding does the CPB provide to these organizations?”

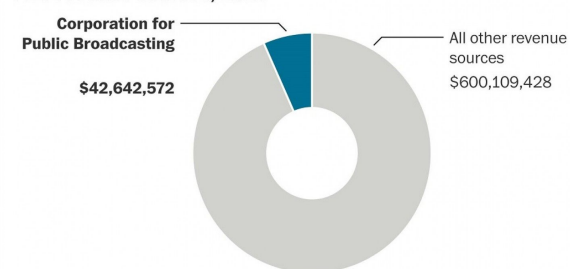
In 2014, the CPB provided \$300,000 and \$42,642,572 to NPR and PBS respectively. NPR raised \$208,906,406 from all other revenue sources, while PBS raised \$600,109,428 from all other revenue sources. As such, CPB's contribution makes up only 0.14% of NPR's total revenue and only 6.63% of PBS's total revenue. The majority of the remaining funds raised by these organizations is done through private donations. These donations come from various corporations, grant foundations, and, as PBS puts it, "viewers like you." As such, while eliminating public funding to these organizations would have some effect, it would not be a fatal blow to said organizations.

NPR revenue sources, 2014



Source: NPR, Corporation for Public Broadcasting
THE FIX

PBS revenue sources, 2014



Source: PBS, Corporation for Public Broadcasting
THE FIX

Since we've established that the majority of CPB funding isn't going to NPR and PBS, it is appropriate to ask the question: "If the majority of CPB grants aren't going directly to NPR and PBS, where are they going?"

Most of the CPB's funding (approximately 65 percent) goes toward keeping rural PBS and NPR stations alive. These stations only continue to operate due to funding from the federal government. Stations located in rural America, and other stations serving underserved populations, are heavily reliant on appropriations from the CPB for their continued existence. In fact, for most rural stations, these appropriations make-up 50% or more of their annual budget. Therefore, these stations would have to raise approximately 200 percent more in private donations or other external revenue to replace the federal investment. For stations the size of those located in rural areas, this simply isn't feasible.

The CPB itself echoes this argument, stating that "Numerous studies have looked at how a loss of federal funding would affect stations. For example, a 2007 U.S. Government Accountability Office (GAO) report on public television financing examined several alternatives to the current funding structure, including expanded program "underwriting" by corporations and foundations and generating more of a return from business ventures associated with its programs and concluded that "substantial growth of non-federal funding appears unlikely." For the vast

majority of stations, losing CPB support would mean a drastic and immediate cutback in service, local programming, and personnel, and in many cases, stations would “go dark.” Beyond station grants, CPB funding supports initiatives — such as the development of national programming; music copyright fees; and the “interconnection” system between stations and national distributors — that stations would struggle to replace if federal funding were to go away. In fact, CPB estimates that when considering the cost of replicating the full spectrum of activities currently supported by federal funding, and factoring in fundraising costs, it would cost the average public television station 216 percent of its annual direct CPB funding to replace what federal funding provides today (the figure is 182 percent for public radio).⁴

As a result, if Trump’s proposed budget becomes law, PBS and NPR themselves will continue to exist, as will local affiliates in major urban areas. However, many rural stations will be closed down.

Arguments for Eliminating CPB:

Donald Trump’s proposed budget cuts to the CPB is only the most recent of countless attempts to cut funding to the aforementioned organization. In fact, for the better part of five decades, Republican lawmakers have sought to eliminate or severely downsize the Corporation for Public Broadcasting, citing concerns with elitism and liberal-bias. President Reagan, Nixon, and George W. Bush all attempted to push Congress to pass legislation that would remove funding from the CPB. All three were ultimately unsuccessful.

While NPR has never labeled themselves as a member of the liberal media, a study by the Pew Research Center for People and the Press found that 61 percent of NPR's audience describes itself as progressive, while only 15 percent described themselves as tea party supporters. Furthermore, 40 percent of NPR listeners described themselves as Democrats, while only 14 percent called themselves Republicans.⁵ As such, it is fair to say that these media platforms hold greater appeal to those of a more liberal persuasion. However, it must also be noted that a majority of viewers (around 46%) do not label themselves as either Democrats or Republicans.

In 1995, Newt Gingrich, the then Speaker of the House, argued that the Corporation for Public Broadcasting should be stripped of funding because it forces American taxpayers to involuntarily pay for what he labeled “biased media.” “As far as I am concerned, there's nothing public about it; it's an elitist enterprise,” argued the Speaker.

While we’ve established that NPR listeners are generally more liberal, the CPB supports a large number of more conservative stations. In fact, in 2014, local stations in states that voted for President Trump in the 2016 Presidential election received almost \$186 million from the CPB.

\$186 million is approximately 41% of the CPB's \$450 million budget. Therefore, while it can be accurately stated that blue, liberal areas are receiving a majority of funding from the CPB, it can also be accurately stated that this majority is not an overwhelming majority. It is demonstrably false to say that the CPB only provides funding to liberal areas, as we've just established that a large minority of funding goes to conservative areas with conservative listeners.

Although Gingrich was ultimately unsuccessful in eliminating the CPB, his arguments have remained a rallying cry for many Republicans in the years following.

Most recently, earlier this year, Representative Doug Lamborn, a Republican from Colorado, introduced a bill that would strip funding from the CPB. However, unlike Speaker Newt Gingrich, his argument does not bemoan the liberal-bias of the organization, but rather the relative wastefulness of said organization.

In the words of Rep. Lamborn, "I have nothing against NPR, despite what appeared to be liberal bias in their mishandling of Juan Williams. What I oppose is subsidizing an organization that no longer provides, if it ever did, an essential government service. When the federal government is now borrowing more than 40 cents of every dollar it spends, no one can justify paying for services that are widely available in the private market." He further argued, "NPR claims that less than two percent of its total annual budget comes from the federal government. If that is true, NPR has no reason to worry that pulling federal funding will cripple them."⁶

While Lamborn's statements are mostly factually accurate, they don't address the actual issue with cutting funding to the CPB. As we've previously established, ending funding to the CPB would not prove fatal to either NPR or PBS, but it would prove fatal to small, rural stations that rely on government funding. Furthermore, his argument that the government needs to cut expenses due to the overwhelming deficit, while arguably true, is somewhat misleading. Again, as previously established, the funding being cut from the CPB in Trump's budget plan is simply being shifted over to military spending. As such, this would have a net 0 impact on the federal deficit.

It can therefore be concluded that any cuts to the CPB must take the perpetuation of rural stations into account before moving forward on any drastic funding change. While PBS and NPR are discussion-worthy when discussing this topic, they should not be the main focal point. The arguments for de-funding the CPB are inherently flawed in that they don't consider, or worse, willfully ignore, all possible ramifications of taking the aforementioned action.

How do Voters Feel?

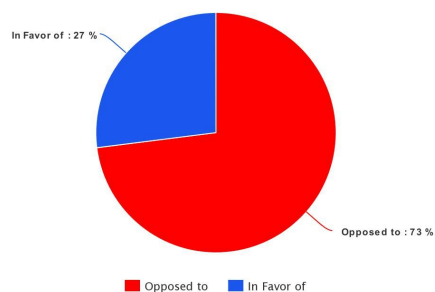
While not every issue should be examined in the court of public opinion, it is important to at least acknowledge how the average American feels about the CPB and public broadcasting in general.

Following the revelation that Republicans would be attempting to cut funding to the CPB, PBS issued a poll from Democratic pollsters at Hart Research Associates and Republican pollsters at American Viewpoint. The poll, conducted from January 4-8, asked 1,001 respondents what they thought of eliminating federal funding for public television.

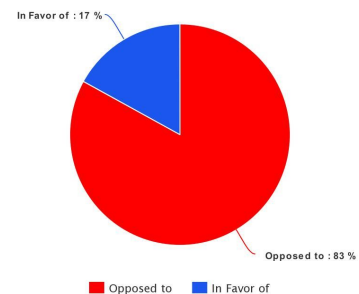
The relevant results are as follows:⁷

- 73% of respondents were opposed to the elimination of federal funding for public TV.
- 83% of Democrats were opposed to the elimination of federal funding for public TV.
- 82% of Independents were opposed to the elimination of federal funding for public TV.
- 62% of Republicans were opposed to the elimination of federal funding for public TV.
- 44% of all respondents were “strongly” opposed to the elimination of federal funding for public TV.
- 70% of Trump voters want Congress to find other ways to trim federal spending.
- 93% of Clinton voters want Congress to find other ways to trim federal spending.

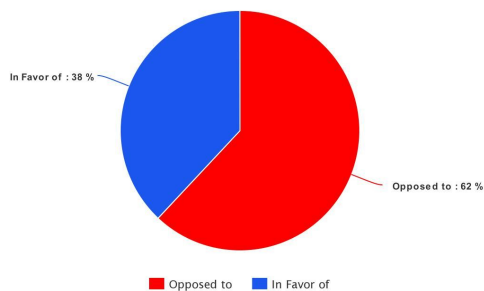
**ELIMINATION OF FEDERAL SUBSIDIES TO PUBLIC TV
(ALL RESPONDENTS)**



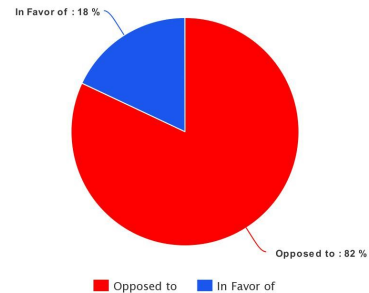
**ELIMINATION OF FEDERAL SUBSIDIES TO PUBLIC TV
(DEMOCRATIC RESPONDENTS)**



**ELIMINATION OF FEDERAL SUBSIDIES TO PUBLIC TV
(REPUBLICAN RESPONDENTS)**



**ELIMINATION OF FEDERAL SUBSIDIES TO PUBLIC TV
(INDEPENDENT RESPONDENTS)**



The results illustrate that the majority of Americans, regardless of political preference, are opposed to ending federal subsidies to the CPB. In the words of the polling companies contracted to conduct this poll, “Our survey finds that while the country may be deeply divided on many issues, the importance of federal funding for public television is not one of them.”

While we cannot extrapolate and say that every Congressional constituency reflects the statistics expressed in this poll, it can be concluded that the majority of American voters are opposed to cutting funding to public broadcasting and consequently the CPB.

Conclusion:

After considering the aforementioned evidence, it is self-evident that maintaining the status quo funding to the CPB is advisable from an economic, cultural, and practical perspective. The CPB provides funding to public broadcasting stations across America, in both rural and urban areas. America’s strength stems from the strength of our local communities. In many of these communities, public broadcasting is a fundamental part of the unique, special culture that is characteristic of America’s local atmosphere. It our responsibility, as Americans, to make every effort to preserve and further develop this uniqueness. Therefore, I call on you to reject any legislation that calls for budget cuts to the CPB and actively work with your fellow Congresspeople to build a better future for our rural communities.

Notes

¹ "CPB | A Private Corporation Funded by the American People." *CPB | A Private Corporation Funded by the American People*. N.p., n.d. Web. 09 Apr. 2017.

² "CPB | A Private Corporation Funded by the American People." *CPB | A Private Corporation Funded by the American People*. N.p., n.d. Web. 09 Apr. 2017.

³ Farrington, Dana. "Read President Trump's Budget Blueprint." *NPR*. NPR, 16 Mar. 2017. Web. 09 Apr. 2017.

⁴ *Corporation for Public Broadcasting Appropriation Request and Justification FY2014 FY 2014 201 4 and FY2016* (n.d.): n. pag. [Http://www.cpb.org/files/appropriation/justification_14-16.pdf](http://www.cpb.org/files/appropriation/justification_14-16.pdf). [Www.cpb.org](http://www.cpb.org), Apr. 2013. Web. 9 Apr. 2017.

⁵ Hagey, Keach, Ben Schreckinger, Jack Shafer, Charles Lister, and Philip Gordon. "Defunding NPR? It's Not That Easy." *POLITICO*. N.p., 23 Oct. 2010. Web. 09 Apr. 2017.

⁶ (R-Colo.), Rep. Doug Lamborn. "NPR: A Good Place to Start Cutting Federal Spending (Rep. Doug Lamborn)." *TheHill*. N.p., 03 Feb. 2016. Web. 09 Apr. 2017.

⁷ Research, Hart, and American View, comps. "PBS Voter Survey." (n.d.): n. pag. [Http://pbs.bento.storage.s3.amazonaws.com/hostedbento-prod/filer_public/PBS_About/Files%20and%20Thumbnails/Release%20Files/Public%20Television%20Voter%20Survey%20Questionnaire%20and%20Responses.pdf](http://pbs.bento.storage.s3.amazonaws.com/hostedbento-prod/filer_public/PBS_About/Files%20and%20Thumbnails/Release%20Files/Public%20Television%20Voter%20Survey%20Questionnaire%20and%20Responses.pdf). Jan. 2017. Web. 9 Apr. 2017.