



Highlights of [GAO-04-284](#), a report to congressional requesters

Why GAO Did This Study

For fiscal year 2002 (the most recent data), the Corporation for Public Broadcasting provided about 16 percent of public television's revenues of \$1.63 billion. GAO agreed to review the statutory allocations for federal funding of public television, the Corporation's distribution of funds through its Community Service Grant and Television Future Fund programs, its distribution of funds for the Public Broadcasting Service's National Program Service and for local programming, and its grant programs for assisting public television's transition to digital technologies and services.

What GAO Recommends

We recommend that the Corporation request specific statutory authority before making further Television Future Fund awards or expenditures if it intends to continue using funds that were designated for distribution among licensees. We also recommend that the Corporation broaden the scope of its digital grant programs to include support for digital production equipment and digital content. In response, the Corporation generally agreed with our recommendation on digital grants but disagreed with our recommendation on the Future Fund. We added a matter for congressional consideration that if the Congress supports using funds designated for distribution among licensees to finance the Future Fund, it should provide the necessary authority to do so.

www.gao.gov/cgi-bin/getrpt?GAO-04-284.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Mark Goldstein at (202) 512-2834 or goldsteinm@gao.gov.

TELECOMMUNICATIONS

Issues Related to Federal Funding for Public Television by the Corporation for Public Broadcasting

What GAO Found

By statute, 75 percent of the Corporation's annual federal funding for public television is to be distributed among licensees of public television stations, and 25 percent is to be available to the Corporation for the support of national public television programming. In our survey of all 176 licensees, of which 85 percent responded, more than three-fifths favored maintaining the current allocations. Of those favoring a change, most proposed an increase in the allocation for distribution among licensees.

The Corporation uses Community Service Grants as the primary means of distributing funding to licensees. Most licensees were generally satisfied with the recent consultation process for reviewing the eligibility criteria for these grants. Another program, the Television Future Fund, awarded grants to projects designed to reduce licensees' operational costs and enhance revenues. Only about 40 percent of the licensees indicated that these projects had resulted in practical methods to help their stations, and only about 30 percent agreed with the Corporation's approach of using funds designated for distribution among licensees to partly support these projects. In our legal view, the use of such funds for this purpose is not consistent with the statutory authority under which the Corporation operates.

The Corporation provides an annual grant to the Public Broadcasting Service to help fund a package of children's and prime-time programming that make up the National Program Service. Most licensees favored continuation of the Corporation's funding, noting that this national programming helps them meet their educational and cultural missions and build community support for their stations. Licensees also indicated that local programming is important in serving their communities. However, most responded that they do not produce enough local programs to meet their communities' needs, and many cited a lack of funds as the reason.

About 85 percent of the licensees responding to our survey indicated that the congressionally mandated transition from analog to digital broadcasting will improve their ability to provide local services to their communities. The Corporation has received appropriations to help support this transition since fiscal year 2001. In consultation with licensees, the Corporation has used these funds to provide licensees with grants for acquiring digital transmission equipment. Some grantees, however, did not receive their awards in time to meet FCC deadlines for the construction of digital transmission facilities. In addition, the Corporation received only a few grant applications during the latter part of 2003. Our survey indicates that most licensees' priorities now involve other aspects of the transition, some of which (including digital production equipment and development of digital content) were not included in the scope of the grant programs. The Corporation is also seeking funds for digitally based infrastructure improvements for distributing public television programming to stations and is working with public television stakeholders to develop a strategic plan that includes the creation of digital content.