



Public Broadcasting Service Membership Dues

Background

Local Public Broadcasting Service (PBS) stations pay membership dues to the national PBS for the rights to broadcast programming acquired and distributed by the national organization. The amount of money that member stations must pay in dues to PBS varies by market size, service area, and the amount of Non-Federal Financial Support (NFFS) that stations generate independently. Sources of NFFS include credits for a station having multiple transmitters or for being a producer of national programming. Dues are proportional, based largely on market size and local fundraising success.

PBS stations are divided into two types: full-service and Program Differentiation Plan (PDP) stations. Full-service stations provide more PBS programming than the smaller PDP stations. Iowa Public Television (IPTV) is a full-service station with multiple transmitters.

PBS Dues Review Task Force

In the fall of 2009, the National PBS established the Dues Review Task Force to address concerns that the PBS dues model was too complex and unpredictable because different formulas were used to determine dues. To address these concerns, the task force established core principles for a new dues model: clarity, transparency, and predictability.

One goal of the Task Force was to preserve the financial benefit that stations receive from transmitter and national production credits. In the new model, NFFS plays a much greater role than in the previous dues model. As a result, credits for multiple transmitter stations and national producers also have a greater financial impact.

The Task Force analyzed the services that PDP stations receive relative to full-service stations and the costs incurred in delivering those services. The Task Force concluded that PDP stations, as a group, should pay approximately 15.0% more in PBS dues than previously paid. The Task Force also recommended that fundraising programming remain an optional service for PDPs and that the 25.0% surcharge for airing fundraising programming during the same pledge drive as the full-service station remain in effect (with the surcharge paid to the full-service station through PBS).

After receiving feedback from local stations, PBS began a phased implementation of the new dues model in FY 2012. It was fully implemented in FY 2014.

New Dues Model

For FY 2016, the new model was expected to generate approximately \$64.6 million for PBS in base fees from full-service stations (\$200,000 per station) and \$2.0 million in base fees from PDPs (\$75,000 per PDP). The model was expected to generate, in addition to the base fees, \$157.8 million from full-service stations based on a formula, where 70.0% of each station's share is based on its share of nationwide NFFS and 30.0% is based on its share of nationwide population.

More Information

Iowa Public Television: <http://site.iptv.org>

Iowa General Assembly: <http://www.legis.iowa.gov>

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The following chart breaks down the dues paid by IPTV to PBS in FY 2015 and FY 2016.

Components of PBS Dues Paid by IPTV

	FY 2015 Final Dues	FY 2016 Estimated Dues
Base Fee	\$ 200,000	\$ 200,000
Share of Population Served	1.06%	1.07%
Dues Based on Population	\$ 489,103	\$ 508,230
Share of Non-Federal Financial Support (NFFS)	1.56%	1.74%
Dues Based on NFFS	\$ 1,677,399	\$ 1,921,213
Total Dues	<u>\$ 2,366,502</u>	<u>\$ 2,629,443</u>

The following chart shows PBS dues paid by IPTV since FY 2012:

IPTV PBS Dues

Fiscal Year	<u>PBS Dues</u>
FY 2012	\$ 2,400,409
FY 2013	2,213,683
FY 2014	2,061,394
FY 2015	2,366,502
Est. FY 2016	2,629,443

Conclusion

IPTV began paying dues to PBS partially under the new model in FY 2012, with full implementation of the model in FY 2014. Though dues for IPTV have increased since FY 2014, the new dues model is not the cause. The increase in PBS dues paid is related to the recession of 2009 and the sharp decline in economic activity from 2007 to 2009. PBS maintained lower dues for member stations during that time and for the years following with the understanding that stations were receiving fewer donations and might have difficulty paying dues. Beginning in FY 2014, PBS increased dues to meet programming needs. The increase in dues over the past two years has been due to population growth in Iowa and an increase in Non-Federal Financial Support.