



**House  
Legislative  
Analysis  
Section**

Manufacturer's Bank Building, 12th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

**PUBLIC BROADCASTING DEVELOPMENT FUND**

House Bill 4445

Sponsor: Rep. Dominic J. Jacobetti

Committee: Appropriations

Complete to 7-31-89

**A SUMMARY OF HOUSE BILL 4445 AS INTRODUCED 3-14-89**

The bill would create a new public act to establish a revolving fund, to be called the Michigan Public Broadcasting Development Fund, to provide grants to public television and radio stations. The fund would be financed with annual appropriations from the general fund and would consist of three accounts. Separate accounts for television and radio stations would fund operations grants and incentive grants under a formula set by the bill. A third account, the program account, would be used for grants to public television and radio stations for programs and program projects. Program grants would be distributed by a public broadcasting council to be created under the bill, and would have to meet the approval of both the council and the Michigan Corporation for Public Broadcasting (MCPB). The bill would apply only to public broadcasting stations that were Michigan-owned, were operating in Michigan, and were qualified with the Corporation for Public Broadcasting. A more detailed explanation follows.

Television, radio accounts. Sixty percent of the money appropriated to the fund would go into the account for public broadcasting television stations, and 30 percent would go into the account for radio stations. Sixty percent of the money in each account would be allocated for base operating grants; television account money would be divided equally among the television stations, and radio account money divided equally among radio stations. The money remaining in each account would be used for incentive grants to improve the capabilities of all public broadcasting television and radio stations. A television or radio station would use an incentive grant for innovative programming, capital outlay, statewide interconnections, program productions, and general operations. A station would receive an annual incentive grant equal to the amount of incentive money available in the account multiplied by the nongovernmental financial support received by the station in the previous fiscal year divided by the total amount of nongovernmental financial support received by all public broadcasting stations of that type (i.e. television or radio) in the previous fiscal year.

Program account. The program account would receive ten percent of the annual appropriation to the fund. It would be spent on grants for programs or program projects that met the approval of both the MCPB and the council to be created by the bill. To receive funding, a program or program project would have to be unique and innovative and fulfill an identifiable need for the state, and it would have to be an undertaking that could not be presented without a program grant. The MCPB would annually prepare a list of programs and projects for the council to review, and the council could accept or reject all or part of the list. Program grants would not be distributed until the council and MCPB agreed on a list of programs and projects that were qualified and deserving of a program grant.

Upper limit on grants. A station could not receive in any year grants under the bill that exceeded one-half of the station's operating cost in the

House Bill 4445 (7-31-89)

previous fiscal year. Money not distributed to a television or radio station because of this limit would be added to the pool of money for incentive grants.

Conditions on grants. A station applying for a grant would have to certify to the House and Senate Committees on Appropriations that the grant would not supplant or be used to reduce any other funding for the station, and that the grant would be used for the benefit of the station and not for the general institutional overhead expenses of the parent organization. A station receiving a grant could not provide preferential treatment to any public figure based on his or her support or opposition to public financing. A grantee would have to carry out station purposes, functions, and activities so as to prevent interference with the station's program content or other activities. A grantee would have to afford a reasonable opportunity for the discussion of conflicting views on issues of public importance.

Public Broadcasting Council. An eleven-member Public Broadcasting Council for Michigan would be created within the Department of Management and Budget. Council members would be appointed by the governor with the advice and consent of the Senate; three members would be selected from a list provided by the MCPB, and eight members would be selected from the general public and include persons representing the cultural arts, education, business, labor, and the field of communication technologies. Members would serve three-year terms. The governor would appoint a council chairperson.

Council business would be subject to the Open Meetings Act and the Freedom of Information Act. Council members would not receive per diem compensation, but would be entitled to reimbursement of expenses. The council would meet at least twice each year.

The council would distribute program grants and make an annual report to the governor and the Senate and House appropriations committees.