



Chairman Cupp, members of the committee,

My name is Dave Johnson and I serve as the Interim Executive Director of the Broadcast Educational Media Commission.

Thank you for this opportunity to speak with you about the Broadcast Educational Media Commission's (BEMC) Fiscal Years 2016 – 2017 operating budget

BEMC was created in the FY 2014-1025 budget from the former eTech Ohio. Unlike most state commissions, BEMC does no licensing, regulation, testing, or certification. Rather, the Commission is a service organization. We provide content distribution services to Ohio's public TV stations and provide video conferencing bridging services to K-12 schools, colleges and universities and some state and local government agencies. These services are essential to our affiliates and customers, and play a vital role in ensuring access to desired television programming and distance learning opportunities for Ohio citizens and students. For example, within the last calendar year, BEMC distributed 94,649 individual programs and acquired over 18,000 programs for distribution to Ohio's public television stations. In video conferencing the past fiscal year, the commission provided video conferencing bridging services for 10,661 conferences with nearly 85 percent benefiting Ohio's K-12 schools. More than one end point was involved in most of those conferences.

BEMC also provides financial assistance to the Statehouse News Bureau, Ohio Government Television (The Ohio Channel), Ohio's 12 public TV stations, 32 public radio stations, operated by 11 different licensees, and 6 non-profit radio reading services for the visually impaired across the State. This financial assistance works out to less than 8% of the total operating expense of the radio and TV stations. Over 53% is provided by support from the local community.

BEMC, the Public TV stations and the Ohio Emergency Management Agency are also partnering to help keep Ohioans safe with an enhanced emergency activation notification project, utilizing part of the digital spectrum of the Public TV stations.

Since its inception, BEMC's governing body, executive management, and staff, has had the exciting challenge of updating and creating operating policies and procedures; evaluating current equipment and infrastructure for reliability and functionality; reviewing ongoing programs and related customer services; and setting a strategic path for the future.

The budget-related results of this evaluation and review process can be summarized as follows:

- Much of the content distribution/broadcast services equipment at our North Star Network Operations Center (NOC) is at or beyond its intended life and the electrical infrastructure needs considerable updating and improvement --- for example, the main electrical circuit breaker dates back to the 1950s. Service interruptions for our affiliate public television broadcasting stations are occurring more frequently. No one likes a dark screen.
- The video conferencing bridging services we provide, especially to K-12 schools, are important to our Commission members. There is considerable excitement regarding the ever expanding distance learning opportunities video conferencing provides to Ohio's students. However, to help meet expected customer demand in the future, BEMC's

video conferencing bridges and software requires continual upgrading and expansion. Sufficient resources are also needed to ensure the video conferencing Help Desk, the people who address customer problems and questions, is properly staffed and trained.

We have been proactive. To begin addressing these important issues, BEMC issued a Request for Proposal (RFP) on December 22nd, 2014 to solicit bids for a \$2.7 million modernization project of our content broadcast distribution service capabilities. We are currently evaluating the proposals that have been submitted. This project, funded through a capital appropriation, will significantly upgrade segments of our current broadcast equipment, as well as offering public television stations centralized master control capability, if the stations so choose. This project will dramatically change the nature and level of services BEMC offers to Ohio's public television broadcasters, while restoring Ohio's historical leadership role in implementing state-of-the-art public broadcasting technology.

BEMC has utilized slightly more than \$290,000 in FY 2014 appropriations to expand and upgrade our video conferencing technology which had the positive impact of nearly doubling our port capacity. This expansion will help enable BEMC to meet our ever-increasing demand for distance learning opportunities across Ohio.

During BEMC's short tenure, the commission's senior leadership and staff have exhibited a strong commitment to create a well-managed, professional organization. BEMC is dedicated to ensuring taxpayers' money is well-spent and all expenditures are based upon the goal of addressing the highest priority needs. Efforts are continuing to reduce expenses wherever possible, including the elimination of unnecessary telecommunication charges, renegotiating the building lease of the North Star NOC, and closely monitoring all operating expenses.

It is also apparent the ever-increasing demands for more video conferencing and distance learning services will require further efforts to prioritize the commission's operating budget. These financial pressures are heightened by the fact that ODE has stopped providing an annual \$150,000 payment to BEMC to help finance program costs associated with the video conferencing services. Ohio's K-12 schools receive, free-of-charge, the video conferencing bridging services the commission provides. The financial assistance given by ODE played a significant role in meeting overall program costs. In FY 2015, these video conferencing program expenditures have been absorbed within other areas of BEMC's operating budget. The budget recommendations for FYs 2016 and 2017 assume the operating budget will continue to pay for these costs. It should also be noted that the service maintenance contract related to video conferencing equipment will be increasing by more than 88 percent --- \$62,060 in FY 2015 to \$116,860 in FY 2016. Therefore, at a time when there is an anticipated increase customer demand, there will be fewer resources available to purchase new equipment and software upgrades.

Similar financial pressures will apply to BEMC's content distribution and broadcasting services. Although the upcoming modernization project will upgrade a significant portion of our broadcast-related technology, there will on-going demands to expand content archive systems and upgrade satellite capability to continue the highest levels of reliability and affiliate support. These public broadcasting services are provided 24 hours a day, 7 days a week, 365 days a year. With the additional responsibilities being placed on BEMC Master Control staff, it is likely additional personnel will be required. Prioritization of limited broadcasting and engineering financial resources will definitely be an ongoing management challenge throughout the next biennium.

As you can see, BEMC is part of the education highway in Ohio. By sharing our infrastructure, Public TV, Public Radio, Radio Reading Services, Ohio's K-12 distance learning and other public entities all get to ride on our highway. Just like route 71 connects Cincinnati, Columbus and Cleveland, we connect these organizations to all Ohio, to assist in lifelong learning and save the taxpayers of the State of Ohio precious tax dollars.

It is a personal and professional pleasure to serve as the Interim Executive Director of the BEMC, and the role this commission plays in furthering educational opportunities throughout the Great State of Ohio. Thank you for your consideration. We look forward to working with you and your staff in addressing any questions and providing any additional information throughout the budget process.