

SENATOR JOE SCHIAVONI
33rd District



SENATOR EKLUND
18th District

Senate Finance Committee
Senate Bill 225
March 6, 2018

Good afternoon Chairman Oelslager, Vice Chair Manning, Ranking Member Skindell, and members of the Senate Finance Committee. Thank you for allowing us to give sponsor testimony on Senate Bill 225. Senator Eklund and I have written a thorough, bipartisan bill that will help expand broadband across the State.

This bill is based on a successful grant program in Minnesota. As of November 2017, the Minnesota program has invested a total of \$85 million, which has expanded broadband access to 33,852 households, 5,189 businesses, and 300 community institutions since 2014. In one round of funding, their investment of \$26 million was able to leverage an additional \$34 million in private and local funding.

Ohio needs this bill for several reasons. Right now, 300,000 rural Ohio households do not have access to high-speed internet. Many of our state services, including the OhioMeansJobs program, operate online making them inaccessible to those 300,000 constituents. In addition, 88,500 Ohio businesses do not have access to broadband, making it harder for them to succeed in a competitive marketplace.

Another important thing to keep in mind is that four out of every five children are expected to complete school work online. Many Ohio children cannot rely on their internet at home. This could mean falling behind in school, putting them at a disadvantage to others across the State.

This bill would not only improve quality of life but also expand access to healthcare. By increasing access to broadband we would also be creating more capacity for telemedicine. Rural hospitals can use technology to speak with specialists and see patients remotely. However, without reliable internet, telemedicine is not possible.

We were able to find a way to fund this initiative without raising taxes or increasing the State's debt. There is available funding through the Third Frontier program within the Development Services Agency (DSA). The bill establishes appropriations of \$50 million in fiscal years 2018 and 2019 to be used for broadband development grants. The Third Frontier Commission supports the technology and R&D industry in Ohio making it the perfect fit to fund Ohio's broadband initiatives.

We know this is not going to bring broadband immediately to everyone currently without access but we need to get started somewhere. This program will provide results and give us data so we know what else needs to be done. The bill requires \$1 million in each fiscal year to be used towards contracting with independent organizations to collect and analyze state broadband data regarding broadband service.

In order for Ohio to stay competitive nationally, this bill ensures that broadband will be built-out at speeds of at least 25 megabits per second (Mbps) download and 3 mbps upload, which is the current definition of broadband from the Federal Communications Commission (FCC). Minnesota aims to have 100% of its residents connected to broadband at this speed by 2022 and 100% of its residents connected to 100 Mbps by 2026. New York anticipates that its broadband grant program will have 100% of the state connected by the end of this year. In total, 13 states have a broadband infrastructure funding program for unserved or underserved areas.

As you may know, Finance Chairman Ryan Smith and Finance Ranking Member Jack Cera introduced HB 378 as companion legislation. HB 378 had its 7th hearing this morning. Since its introduction, there has been no opponent testimony. Below you can find a list of organizations that have testified in support of this initiative.

Thank you again for the opportunity to speak on SB 225. At this time, we would be happy to answer any questions you may have.

Proponents:

Ohio Farm Bureau, Ashtabula County Board of Commissioners, Connected Nation, Purdue University Center for Regional Development, University Hospitals Conneaut and Geneva Medical Centers, County Commissioners Association of Ohio, Ashtabula County Airport Authority/Northeast Ohio Regional Airport, Grand River Rubber and Plastics ,Hocking College, Consolidated Electric Cooperative, Connect Ohio, Ohio University, Ohio University College of Health Sciences and Professions, Ohio University, Ohio Municipal League & Ohio Township Association Buckeye Hills Regional Council Ohio Mid-Eastern Governments Association, Mid-Ohio Regional Planning Commission , Ohio Valley Regional Development Commission