

Redbook

LBO Analysis of Executive Budget Proposal

Broadcast Educational Media Commission

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Attachment:

Appropriation Spreadsheet

LBO Redbook

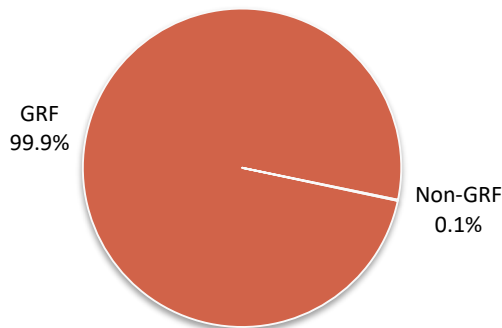
Broadcast Educational Media Commission

Quick look...

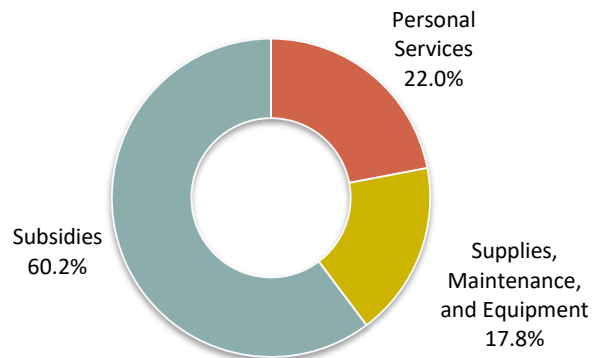
- The Broadcast Educational Media Commission (BEMC) is responsible for the state’s educational broadcasting services, including educational television and radio and radio reading services.
- BEMC provides financial assistance and technical services to six radio reading services, eight public television stations, and 15 public radio stations.
- As of February 2023, BEMC employs 21 full-time permanent employees.
- Total budget recommendations: \$10.4 million in each of FY 2024 and FY 2025.
 - Nearly all (99.9%) of the total funding over the biennium comes from the GRF.
 - GRF funding proposed to increase 1.2% in FY 2024 and remain flat in FY 2025.
 - About 60% of budget is spent on subsidy payments to outside entities.

Fund Group	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
General Revenue (GRF)	\$9,937,991	\$10,225,381	\$10,346,789	\$10,346,789
Dedicated Purpose (DPF)	\$23,100	\$85,100	\$6,700	\$7,900
Internal Service Activity (ISA)	\$4,000	\$4,400	\$4,000	\$4,000
Total	\$9,965,091	\$10,314,881	\$10,357,489	\$10,358,689
% change	--	3.5%	0.4%	0.0%
<i>GRF % change</i>	--	2.9%	1.2%	0.0%

**Chart 1: BEMC Budget by Fund Group
FY 2024-FY 2025 Biennium**



**Chart 2: BEMC Budget by Expense Category
FY 2024-FY 2025 Biennium**



Biennial total: \$20.7 million

Agency overview

The Broadcast Educational Media Commission (BEMC) is responsible for the state's educational broadcasting services, including public television and radio and radio reading services. BEMC also manages the K-12 and public broadcasting networks and serves as the primary support agency for statewide video conferencing services for K-12 schools, state agencies, and institutions of higher education.

BEMC's governing authority consists of 15 members, 11 of whom are voting members. Of the 11 voting members, nine are required to be members of the public selected from among citizens in the state who have an interest in educational broadcast media demonstrated through service on boards or advisory councils of educational television and radio stations, educational technology agencies, or radio reading services. BEMC members serve four-year terms. As of February 2023, BEMC employs a staff of 21 full-time employees, led by the Executive Director, who is appointed by BEMC.

Analysis of FY 2024-FY 2025 budget proposal

Summary of executive recommendations

The executive proposal recommends BEMC appropriations totaling \$20.7 million over the FY 2024-FY 2025 biennium, of which 99.9% is supported by the General Revenue Fund (GRF) and 0.1% by three non-GRF funds.

Statehouse News Bureau and Ohio Government Telecommunications Operations (ALIs 935401 and 935402)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
GRF ALI 935401, Statehouse News Bureau					
\$355,000	\$355,000	\$382,893	\$382,893	\$382,893	\$382,893
% change	0.0%	7.9%	0.0%	0.0%	0.0%
GRF ALI 935402, Ohio Government Telecommunications Services					
\$1,783,526	\$1,708,526	\$1,919,526	\$2,009,526	\$1,947,255	\$1,947,255
% change	-4.2%	12.3%	4.7%	-3.1%	0.0%

These items provide operating subsidies for the Statehouse News Bureau (SNB) and Ohio Government Telecommunications (OGT). As the sole dedicated news outlets for Ohio government, SNB and OGT provide coverage of governmental activities for Ohio's citizens. SNB provides news reports of legislative and other activities for broadcast on SNB's website and Ohio's 15 public radio stations and their affiliates. In addition, SNB produces a weekly half-hour video program, which focuses on the latest statewide news and events and is made available for broadcast on Ohio's public television stations.

While SNB is primarily responsible for news reports of state government events, OGT broadcasts activities of the executive, legislative, and judicial branches of government and other

public affairs programming through the Ohio Channel. The broadcasts are aired on cable access channels and Ohio's public television stations. In addition to archiving these broadcasts, OGT makes the footage available on its website for Ohio's citizens. OGT produces educational documentaries on Ohio civics, history, government, and culture for use in Ohio's schools as well as for broadcast on public television stations. OGT is also responsible for coordinating all media events for members of the General Assembly and events at the Statehouse.

OGT's recommended funding in FY 2024 decreases by about \$62,300 (3.1%) compared to the FY 2023 estimate and remains flat in FY 2025. H.B. 45 of the 134th General Assembly increased OGT's funding by \$90,000 in FY 2023 to handle expanded coverage of state government events. OGT is using the funds to employ two temporary full-time staff in response to increased demand for broadcasts of state government activities and to pay for increased data storage. OGT currently provides coverage of all House and Senate sessions and legislative committees. OGT also covers live events for other government agencies, including addresses from the Governor, State Board of Education and Controlling Board meetings, live coverage of Ohio Supreme Court sessions, and more. BEMC reports that demand for live coverage of events has increased substantially in recent years. OGT's capability to cover events depends on the amount of staff available, with each event requiring two people. One individual operates cameras, adds graphics identifying speakers, and adjusts audio. Another handles broadcast engineering and other duties.

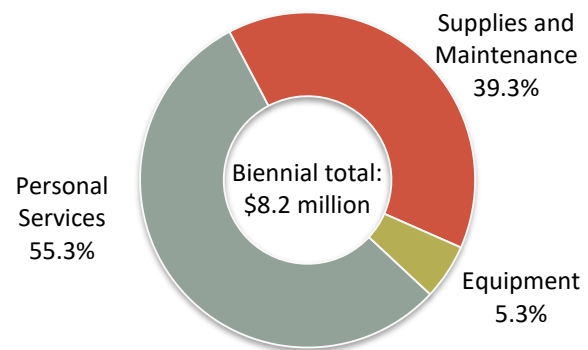
The executive proposal recommends flat funding for SNB. At these funding levels, SNB will be able to maintain its existing staff of three positions.

Broadcast Education Operating, Media Services, Facility Rental, and Affiliate Services (ALIs 935430, 935608, 935650, and 935603)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
GRF ALI 935430, Broadcast Education Operating					
\$3,454,982	\$3,470,385	\$3,726,341	\$3,923,731	\$4,107,410	\$4,107,410
% change	0.4%	7.4%	5.3%	4.7%	0.0%
Fund 5FK0 ALI 935608, Media Services					
\$47,057	\$250	\$700	\$61,500	\$500	\$500
% change	-99.5%	180.0%	8,685.7%	-99.2%	0.0%
Fund 5VB0 ALI 935650, Facility Rental					
\$20,000	\$21,200	\$22,400	\$23,600	\$6,200	\$7,400
% change	6.0%	5.7%	5.4%	-73.7%	19.4%
Fund 4F30 ALI 935603, Affiliate Services					
\$4,000	\$4,000	\$4,000	\$4,400	\$4,000	\$4,400
% change	0.0%	0.0%	10.0%	-9.1%	0.0%

This group of line items supports BEMC's operating expenses, including costs for payroll and fringe benefits, supplies and maintenance (such as rent, information technology, and other services provided by the Department of Administrative Services (DAS) and the Office of Budget and Management (OBM)), and equipment. GRF ALI 935430, Broadcast Education Operating, funds the daily operations of BEMC, including network services to Ohio's public broadcasters, agency administration, and information technology initiatives. As Chart 3 shows, over 55% of BEMC's recommended funding for operations will be used for payroll-related costs for BEMC staff while over 39% will be used for costs associated with information technology, rent, utilities, and other supplies and maintenance expenses. The remainder supports information technology equipment purchases.

Chart 3: BEMC Operating Expenses by Expense Category, FY 2024-FY 2025 Biennium



Most of GRF ALI 935430 funds BEMC's broadcast operations services, which provide various services to its affiliated public television and radio stations. BEMC operates a full-time joint master control center for public broadcasting and maintains round-the-clock monitoring of the live video feeds that are provided to affiliates. It also provides network traffic and scheduling resources for the affiliates and maintains an archive of content for rebroadcasting. The facility, located in Columbus, enables BEMC to broadcast all of Ohio's eight public television channels. BEMC connects to Ohio's public television stations in a statewide system through the Ohio Academic Resources Network (OARnet), a dedicated high speed fiber optic network for Ohio's public institutions. BEMC utilizes National Public Radio's satellite systems as a provider for distribution to Ohio's public radio stations. BEMC's facilities and broadcast and technical services reduce the burden on individual stations with respect to operations to allow more time to focus on content, enhance sharing of content between stations, and provide adequate redundancy in the case of a disaster. One of BEMC's main challenges, however, is maintaining technology. The Commission's broadcasting operations require a large amount of technology and hardware that is constantly in use, including servers, encoders, and decoders. As a result, BEMC reports that the useful life of this equipment is short, typically three to five years. In addition to funds received in the operating budget, BEMC typically receives capital appropriations to upgrade equipment.

The increased GRF funding recommended by the Governor in ALI 935430 will be used to support scheduled staff salary increases, small-scale building repairs, increased utility costs, and various other fees charged by suppliers to support its broadcasting equipment and joint master control system.

Fund 5KF0 ALI 935608, Media Services, supports statewide video conferencing services for state agencies and institutions of higher education. It is supported by subscription fees paid by state agencies and higher education institutions associated with the use of the video conferencing services. However, no new revenue is expected in this fund as many educational institutions moved to Zoom and other such connectivity services in the wake of the COVID-19

pandemic. This item will use Fund 5FK0’s cash balance to purchase goods and services related to video conferencing, including annual membership in the Ohio Distance Learning Association and Zoom licenses.

Fund 5VB0 ALI 935650, Facility Rental, pays a portion of BEMC’s building rent and is supported by payments from East Central Ohio Educational Service Center (ECOESC) to rent classroom space to provide online classes. After evaluating its classroom and office space usage following the COVID-19 pandemic, ECOESC has reduced the number of offices it leases from BEMC, resulting in lower payments to the Commission.

Fund 4F30 ALI 935603, Affiliate Services, is supported by fees charged for additional services, such as satellite connections to affiliated entities and other state, federal, and private entities. BEMC uses the funds to purchase internet address registration from the American Registry of Internet Numbers (ARIN) for broadcast operations, public broadcasting partners, and information technology centers.

Content Development, Acquisition, and Distribution (ALI 935410)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
GRF ALI 935410, Content Development, Acquisition, and Distribution					
\$3,963,381	\$3,222,000	\$3,909,231	\$3,909,231	\$3,909,231	\$3,909,231
% change	-18.7%	21.3%	0.0%	0.0%	0.0%

This line item funds subsidies to Ohio’s public television and radio stations and radio reading services for the development, acquisition, and distribution of information resources for educational use in the classroom and online. It is comprised of the earmarks listed in the table below. The earmarks are funded based on a set percentage distribution: the telecommunications operating subsidy receives about 68% of the line item, radio reading services receive 7%, and educational television stations receive the remaining 25% for multimedia programming. The Governor’s proposal provides flat funding for the line item. Addition details follow the table.

Earmark	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
Telecommunications Operating Subsidy	\$2,650,261	\$2,650,261	\$2,650,261
Educational Television Stations	\$964,496	\$964,496	\$964,496
Radio Reading Services	\$294,474	\$294,474	\$294,474
Total	\$3,909,231	\$3,909,231	\$3,909,231
% change	--	0.0%	0.0%

Telecommunications Operating Subsidy

The budget earmarks \$2.7 million in each fiscal year to subsidize the operating costs of Ohio's eight public television broadcasters and 15 public radio broadcasters. Funds are distributed based on a formula BEMC developed in consultation with Ohio's public television stations and radio stations and is based on the type of television and radio station. In FY 2023, payments from this earmark to television broadcasters ranged from approximately \$152,000 to over \$436,000 while payments to radio broadcasters ranged from approximately \$31,000 to \$116,000. The broadcasters then distribute the payments they receive to their individual stations.

Educational Television Stations

The budget earmarks \$964,496 in each fiscal year for educational television stations. The funds are to be divided equally among the eight television stations (each station receiving \$120,562 annually) for the production of interactive instructional programming that aligns with Ohio's academic content standards.

Radio Reading Services

The budget earmarks \$294,474 in each fiscal year to subsidize the operating costs of Ohio's six radio reading service operators. These operators provide daily broadcasts of printed materials such as newspapers, magazines, and books to visually impaired Ohioans. Payments are allocated according to the number of production hours for local programming and averaged about \$49,100 per station in FY 2023.

FY 2024 - FY 2025 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			Estimate	Introduced	FY 2023 to FY 2024	Introduced	FY 2024 to FY 2025	
			FY 2022	FY 2023	FY 2024	% Change	FY 2025	% Change
Report For: Main Operating Appropriations Bill			Version: As Introduced					
ETC Broadcast Educational Media Commission								
GRF	935401	Statehouse News Bureau	\$ 382,893	\$ 382,893	\$ 382,893	0.00%	\$ 382,893	0.00%
GRF	935402	Ohio Government Telecommunications Services	\$ 1,919,526	\$ 2,009,526	\$ 1,947,255	-3.10%	\$ 1,947,255	0.00%
GRF	935410	Content Development, Acquisition, and Distribution	\$ 3,909,231	\$ 3,909,231	\$ 3,909,231	0.00%	\$ 3,909,231	0.00%
GRF	935430	Broadcast Education Operating	\$ 3,726,341	\$ 3,923,731	\$ 4,107,410	4.68%	\$ 4,107,410	0.00%
General Revenue Fund Total			\$ 9,937,991	\$ 10,225,381	\$ 10,346,789	1.19%	\$ 10,346,789	0.00%
5FKD	935608	Media Services	\$ 700	\$ 61,500	\$ 500	-99.19%	\$ 500	0.00%
5VBO	935650	Facility Rental	\$ 22,400	\$ 23,600	\$ 6,200	-73.73%	\$ 7,400	19.35%
Dedicated Purpose Fund Group Total			\$ 23,100	\$ 85,100	\$ 6,700	-92.13%	\$ 7,900	17.91%
4F30	935603	Affiliate Services	\$ 4,000	\$ 4,400	\$ 4,000	-9.09%	\$ 4,000	0.00%
Internal Service Activity Fund Group Total			\$ 4,000	\$ 4,400	\$ 4,000	-9.09%	\$ 4,000	0.00%
Broadcast Educational Media Commission Total			\$ 9,965,091	\$ 10,314,881	\$ 10,357,489	0.41%	\$ 10,358,689	0.01%