



**Broadcast Educational Media Commission Meeting Minutes
Virtual Meeting via Zoom
June 10, 2020**

I. **Call to Order:** At 10:03 a.m., Chairman Robert Smith opened the meeting of the Broadcast Educational Media Commission.

A. **Roll Call:** At 10:03 a.m., roll call was conducted by Mrs. Gage.

Members Present:

Chairman Robert Smith
Commissioner Stephen Black
Commissioner Matt Dole
Commissioner Stephen Freeze, Esq.
Commissioner Christine Merritt
Commissioner Dr. Jan Osborn
Designee Charles See
Designee Shaun Yoder

Members Absent:

Non-Voting State Senator Michael Rulli
Non-Voting State Representative Dave Greenspan
Non-Voting State Representative Catherine Ingram
Non-Voting State Senator Teresa Fedor

Members Arriving Later:

Commissioner Curt Steiner arrived at 10:04 a.m.
Commissioner Geoffrey Andrews arrived at 10:05 a.m.
Commissioner George Sarantou arrived at 10:15 a.m.

A quorum was declared.

Also Present:

Executive Director Geoffrey A. Phillips;
Assistant Attorney General Ashley Barbone;
Chief of Engineering and Broadcast Operations Craig Stevenson;
Chief Information Officer Laura Bryson;
Chief Financial Officer Alina Gage;
interested citizens:
David Carwile, Administrator of Ohio Educational Television Stations, Inc;

Mark Jividen, Chairman of the Ohio Radio Reading Services alliance;
Kevin Martin, Chairman of the Ohio Educational Television Stations;
Mark Brewer, General Manager of WOUB;
Trina Cutter, President/CEO of Western Reserve Public Media;
Tom Rieland, General Manager of WOSU;
Dan Shellenbarger, Executive Director of The Ohio Channel;
Richard Eiswerth, General Manager of Cincinnati Public Radio
Karen Kasler, Bureau Chief of the Statehouse News Bureau
Kitty Lensman, President and General Manager of WPTD/WCET/WPTO
Alli Cole, Legislative Aide at Ohio House of Representatives

II. **FY21 Appropriations**

A. **Set-Aside Funds**

1. Chairman Smith began with an explanation of the need for the special meeting. The Office of Budget and Management (OBM) is asking for an approximately \$1.5million set-aside for Fiscal Year 2021.
2. Mr. Phillips followed with more details of the set-aside and reminded the commission that BEMC had already given back to OBM nearly \$150,000 and was successful in gaining an exemption for the remaining multi-media funds to remain whole in FY20. Mr. Phillips read an excerpt from the OBM memo from Director Murnieks. BEMC performed an extensive review of all suppliers to identify potential savings and requested reductions in services. A pay freeze and pay reduction of 3.83% legislation is expected for all exempt employees and it is unknown how this will affect union members. About \$60,000 will be saved by the pay reduction legislation, but operators taking cost-savings days will need to be replaced with another employee earning time and a half. BEMC is working with HR to determine actual savings. COVID-19 expenses are about \$3,000 for each gubernatorial briefing. A request has been submitted to OBM for full reimbursement of March, April, and May expenses, approximately \$80,000. On May 27, 2020, a letter was sent to OBM to request a full exemption from the set-aside goal. This was denied. OBM requires approximately \$1.5m set-aside from BEMC. Calls continue with OBM to understand the impacts and process. While the set-aside is not a cut, BEMC will not have access to those funds. BEMC can only allot 25% of the funds available each quarter. Annual agreements are in question; it appears BEMC will have to issue quarterly contracts and purchase orders.
3. Chairman Smith asked how the process will work. Mr. Phillips responded that conversations with OBM will continue to occur. First

step was to create the appropriation of \$9.7 million, second is the allotments, third is to set-aside 20% of the allotment, fourth is to break the allotment into quarterly portions, and the last is to create a purchase order to spend the allotments. OBM is preparing agencies if legislation acts to introduce cuts. Chairman Smith asked what flexibility exists if reserves are available at the end of the year. Mr. Phillips responded that funds that are set-aside will be virtually impossible to access. If funds become available later in the year, it is possible to reallocate, so all partners receive additional funds. On June 30, 2020, BEMC has zero funds; no money carries over to the next fiscal year. Chairman Smith asked about the deadline. Mr. Phillips responded 06/12/2020. An extension was requested of OBM. This was denied. If the allotments are not entered by 06/12/2020, BEMC will have no authority to pay for purchases or payroll.

4. Dr. Osborn provided an overview of the Finance Committee meeting 06/08/2020. Items of consideration were which entities had already given money back (\$150,000 BEMC returned in FY20 and BEMC FY21 payroll cuts), how to keep the critical services of BEMC, and what services are crucial to perform the mission. BEMC is a state agency, so there is no carry over of funds, unlike other entities.
5. Mr. See stated he supported the comments from Dr. Osborn. The focus was how to keep the high standard of operation and BEMC functioning 24/7/365.
6. Mr. Dole contributed that entities BEMC supports have other fund-raising apparatus, whereas BEMC, Ohio Government Television (OGT), and Statehouse News Bureau (SNB) do not. This was a contributing factor to the proposal. He explained further that there was a suggestion at committee to determine how a 10% cut would impact OGT and SNB operations and asked for an update on those conversations. Mr. Phillips offered that OGT and SNB were contacted and deferred to Kevin Martin, Chairman of the Ohio Educational Television Stations. Mr. Martin stated that the cut would result in a reduction in force for OGT and SNB. Most of their budget is payroll, and there would also be an impact on services. BEMC provides a great service to Ohioans, and what exists in Ohio is unique and special. During the special broadcastings, the best of OGT, SNB, broadcasters, and BEMC was on display.

Resolution 20-07: Motion to Approve Budget Set-Aside Recommendation

10:31 a.m. – Dr. Osborn moved for approval of the Finance Committee set-aside recommendation as presented by Mr. Phillips in Attachment A, which includes suspending Multi-Media Projects for FY 21. Mr. See seconded.

7. A chart of the proposed reductions was presented (Attachment A). Mr. Black asked about the rationale for not making an across-the-board reduction. How does BEMC justify not cutting its budget by a larger number? Chairman Smith stated that the payroll cuts are not listed in that reduction and the need for reserves for replacement of failed equipment. Mr. Phillips explained that the capital budget plan for FY21 has been set aside by the legislature. Mr. Stevenson detailed that some of the equipment was included in the capital request, mainly the primary switch, which is at end-of-life. Replacements were hard to come by in the past and may not be available at all now. Failure of this equipment would impact all broadcasts and interactions with all media stored at BEMC. Additional costs include a transcoder at end-of-life, facility repairs, and other logging systems. Chairman Smith asked about costs. Mr. Stevenson stated that the switch replacement may be as much as \$300,000. OARnet can obtain discounts, which may reduce the cost to approximately \$150,000. Chairman Smith asked what kind of funds can be used for the switches. Mr. Phillips replied that operating funds can be spent on day-to-day purchases and capital.
8. Mr. Dole stated that line 3 of the proposal (content development, approximately \$1.2 million) is mostly multi-media reduction since that is elective and not operational. Mr. Phillips explained the split between TV-Radio, Radio Reading Services, and Multi-Media (Attachment A). Mr. Dole continued with a sense of responsibility to OGT and SNB: to exempt them from the set-aside.

Resolution 20-28: Motion to Amend Motion 20-27 for Budget Set-Aside:

10:45 a.m. – Mr. Dole moved for amendment to the set-aside motion of the Finance Committee set-aside recommendation as presented in Attachment A for \$1,482,762 as a reduction to Content Development with the remainder - \$45,453 – as a reduction from BEMC’s Operating Funds. Dr. Osborn seconded. A voice vote was conducted at 10:54 a.m. The motion passed with eight (8) yes and two (2) no votes with Mr. Sarantou not voting (could not be heard).

9. Prior to the vote, Ms. Merritt verified that OGT and SNB would not incur the set-aside in funds, and TV/ Radio/RRS would absorb the deficit. Mr. Dole confirmed. Mr. Freeze asked if the commission is intending to have the affiliates to shoulder 98% of the set-aside. Mr. Dole said essentially yes, due to their ability to raise funds. Mr. Freeze expressed concerns that the stations could not cover the loss of the funds and that each entity should shoulder some burden and stated that the motion may not be representative of the citizens of Ohio. Chairman Smith stated that this is the intersection of non-profit work and

government support of that non-profit work; this is where the challenge lies. Agencies have no working capital nor foundation support and acknowledgment was made that contributions to stations is declining. Mr. Andrews stated that most reductions proposed are for educational content development. While those are quality content, those will not shut down the operations if not funded. Because most of the funds proposed to be set-aside are not mission critical, the comparison of operational versus elective spend is not necessarily equal.

10. Mr. Steiner stated that he supports the amendment.
11. Mr. Yoder offered support and stated he will share more context after the vote.
12. The vote occurred.
13. Mr. Yoder reiterated that most cuts come from multi-media. FY20 had an exciting production list, but these are not essential to the operation. It is unfortunate and sad, and the feeling is that progress should not be lost. Should the economy improve, the commission can pick up where it left off and be ready to build on the momentum.
14. Dr. Osborn shared that funds from other entities were considered. He asked about funds from CARES Act. Mr. Martin confirmed that funds were received by Ohio Public TV and Public Radio stations from CARES with emphasis to stabilize stations, about \$200,000 per television station and about \$90,000 per radio station. Those funds will not bridge the reduction in funds from other sources.
15. Mr. Merritt stated that she is interested in hearing from Mr. Martin about the impact of the cuts proposed. Mr. Martin replied that each station is different and outlined some of those; an answer for each station cannot be given, but each is trying to hold on until the bottom is reached. The goal is to figure out how to provide service and stick to the mission of providing local content while also airing national content.
16. Ms. Merritt stated some concerns with the optics of the set-aside proposal and that BEMC is effectively contributing a 2% reduction.
17. Mr. Freeze stated he is aware of some stations getting CARES funds. It appears that the legislature has put some entities in the framework of, and funded by, BEMC and did not order them in importance. The pain should be felt by all participants. Chairman Smith replied that the content development is the least critical service. If BEMC created content, it would be cut, too.
18. Mr. Black stated he shared Mr. Freeze's concerns and that the governmental entities are favored.
19. Mr. Jividen, Chairman of the Ohio Radio Reading Services alliance, offered that RRS has no real money to operate. 10% reduction may be able to be absorbed, but state subsidy represents the salary of the one full-time employee (or two part-time) and a significant reduction of funds may result in the closure of one or more RRS. The funds set-aside from multi-media is also going to affect personnel.

Resolution 20-27: Vote to Accept the Motion as Amended

11:10 a.m. – A voice vote was conducted. The motion passed with seven (7) yes, two (2) no, and one “present” vote, with Mr. Sarantou’s not voting (could not be heard).

III. **Adjournment:**

Resolution 20-29: Motion for Adjournment: 11:11a.m. –Mr. Dole moved to adjourn. Mr. Freeze seconded. The adjournment motion passed via unanimous voice vote.



November 5, 2020

Robert C. Smith, Chairman
Broadcast Educational Media Commission

Date

Attachment A

Department	Fund	ALI	ALI Description	FY21 Appropriation	Finance Recommends To meet FY 21 Set Aside Reductions of:	Allotment Maximum
ETC	GRF	935401	STATEHOUSE NEWS BUREAU	\$355,000	\$ 35,500	\$ 319,500
ETC	GRF	935402	OHIO GOV'T TELECOM STUDIO	\$1,708,526	\$ 170,853	\$ 1,537,673
ETC	GRF	935410	CONTNT DEV ACQUIST, AND DISTRB	\$3,963,381	\$ 1,276,409	\$ 2,686,972
ETC	GRF	935430	BROADCAST EDUCATION OPERATING	\$3,699,224	\$ 45,453	\$ 3,653,771
				\$9,726,131	\$ 1,528,215	\$ 8,197,916
Below is detail for Content Development comparing FY 20 and proposal for FY 21						
Line Item: 935-410				For Current FY 20	For FY 21	
				\$ 3,963,381.00	Reduction	Distribution Max
Total: TV-Radio (Operations)				\$ 2,699,472.00	\$ 269,948	\$ 2,429,524
Total: RRS (Operations)				\$ 286,053.00	\$ 28,605	\$ 257,448
Total: Multimedia Project (Content Development)				\$ 977,856.00	\$ 977,856	\$ -
Allocation Cap for Subsidies & MM per HB64				\$ 3,963,381.00	\$ 1,276,409	\$ 2,686,972