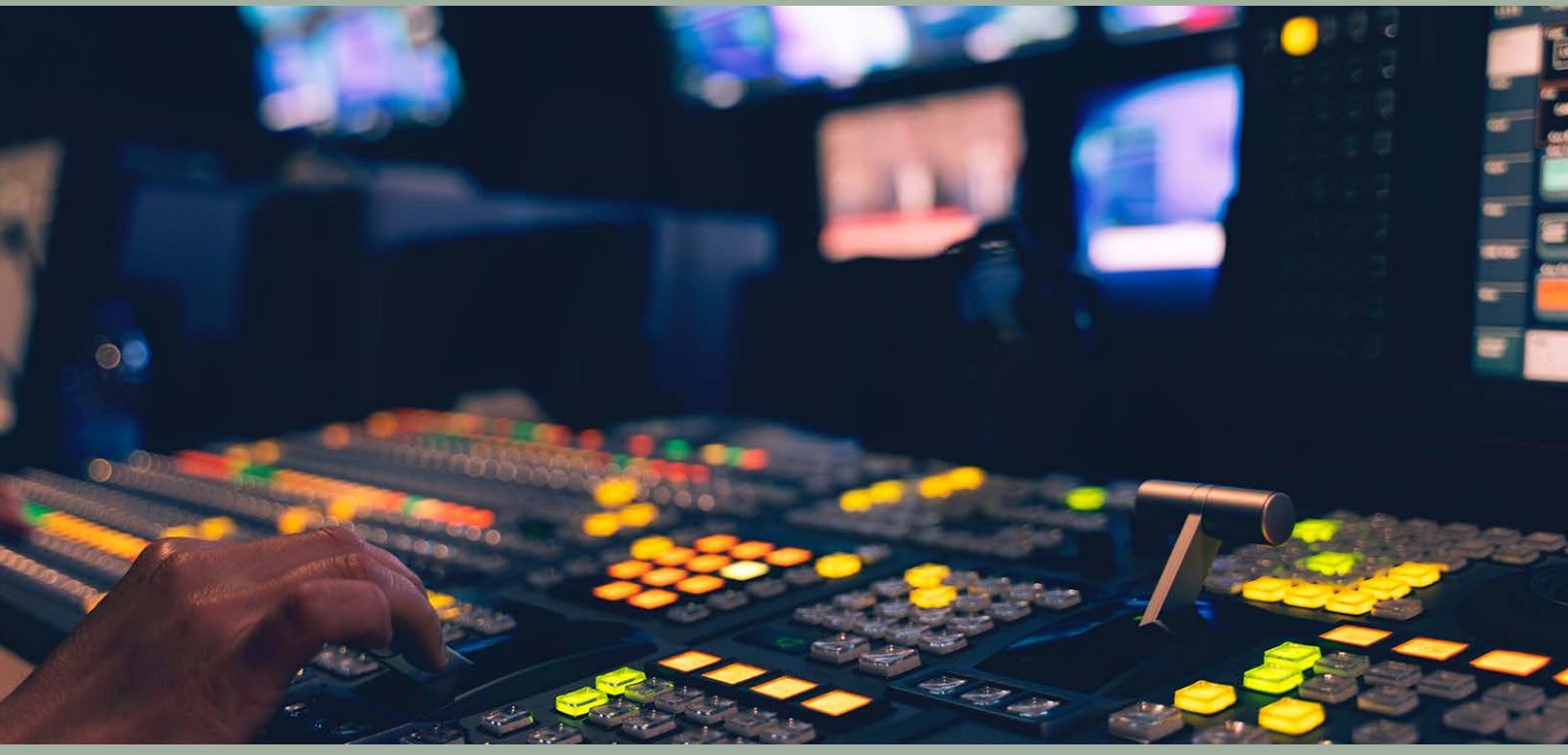


OHIO AUDITOR OF STATE
KEITH FABER



Broadcast Educational
Media Commission

Performance Audit

June 2025



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To the Governor's Office, General Assembly, Broadcast Educational Media Commissioners, Ohio Taxpayers, and Interested Citizens:

The Auditor of State's Office recently completed a performance audit of the Broadcast Educational Media Commission (the Commission). This service to the Commission and to the taxpayers of the state of Ohio is being provided pursuant to the Ohio Revised Code § 117.46.

This audit report contains recommendations, supported by detailed analysis, to enhance the overall efficiency, effectiveness, and transparency of the Commission's operations. This report has been provided to the Commission, and its contents have been discussed with appropriate staff and leadership. The Commission is reminded of its responsibilities for public comment, implementation, and reporting related to this performance audit per the requirements outlined under Ohio Revised Code § 117.461 and § 117.464. In future compliance audits, the Auditor of State will monitor implementation of the recommendations contained in this report, pursuant to the statutory requirements.

It is my hope that the Commission will use the results of the performance audit as a resource for improving operational efficiency as well as service delivery effectiveness. The analysis contained within is intended to provide management with information, and in some cases, a range of options to consider while making decisions about their operations.

This performance audit report can be accessed online through the Auditor of State's website at <http://www.ohioauditor.gov> and choosing the "Search" option.

Sincerely,

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 3, 2025

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Broadcast Educational Media Commission

Performance Audit Summary

WHAT WE LOOKED AT

The Broadcast Educational Media Commission (BEMC) dates back to 1960 when it was initially created by law as the Ohio Educational Television Commission. While the name has changed, the goal of the Commission has not shifted in its 65 years of operations. BEMC is tasked with providing support and fostering education beyond the classroom. Today the goal is carried out in a variety of ways including supporting the operations of the Ohio Channel, distributing funds allocated by the General Assembly to public television and radio stations, and operating a Joint Master Control (JMC) system for the use of public television stations.

BEMC received \$10.6 million in appropriations from the State's General Revenue Fund in FY 2024. Of these funds, BEMC passed \$6.5 million to public media entities through subsidies while being appropriated \$4.1 million for operations. Nearly all operating expenditures were used in support of the JMC, this includes 21 staff spending nearly all of their time running, maintaining, or managing the JMC. In addition to the operating appropriations, BEMC received approximately \$1 million in capital appropriations in each of the past three biennia, mostly for technology needs related to the JMC.

Our audit focused on the operations of the JMC as it is the core function of the Commission. In this review, we analyzed equipment inventory, which is necessary to understand capital planning and expenditures. We also conducted several financial analyses to determine the cost and benefits of operating the JMC. Finally, we interviewed and surveyed individuals from the public television stations to understand the relationship between BEMC and the stations and provide feedback for potential improvements.

WHAT WE FOUND

A master control is the behind-the-scenes technology backbone that is necessary for any television station to broadcast programming over the air. Ohio has a joint master control system, which is a shared service that is available free of charge to all public television stations. The JMC cost approximately \$4.1 million to build and began operating in 2017. The initial concept and goal of the JMC was to provide a service to all public television stations that would utilize economies of scale to help reduce the redundancy of maintaining individual master control systems at the station level. Because BEMC and the state provide access to the JMC for free, it would allow stations to spend additional funding on programming while BEMC handles the logistics associated with ensuring uninterrupted broadcasting.

While the JMC was built to provide master control services for all eight public media entities and their stations (at that time 42 channels), today, only half that many channels have opted to

use master control services provided by BEMC. BEMC has not adjusted to this reality and therefore has for several years been purchasing equipment that is unnecessary for its operational needs. In addition, the Commission's overall inventory data is incomplete, which makes it difficult to properly plan for future purchasing needs or for oversight entities to provide checks and balances against agency requests.

The lack of participation from certain public television stations reduces the efficiency of the JMC's shared service model, however, we found that this shared service model is still the least costly method per channel as compared to the other options for provision of master control services. Eliminating the JMC would prove costly to stations that have committed to using the service, especially so for any that have since divested themselves of equipment or space necessary to operate a local master control system. At the same time, we found that Ohio is the only state to run a state provided shared service model, and the legislature should consider whether this is a policy priority.

Overall, we found several opportunities for BEMC to improve the efficiency and effectiveness of the JMC. In particular, improved inventory practices would result in adjusted capital purchasing based on current operational needs. This would reduce or eliminate the purchasing of unnecessary equipment. The recommendations contained in this report are designed to help the Commission improve the overall management of its operations. Additionally, we found several matters for consideration related to public policy that the legislature should consider.

KEY OBSERVATIONS

Key Observation 1: Ohio is the only state that operates a state provided, shared service model for Master Control Services of public television stations. Taken as a whole and based on cost estimates provided by private sector third party options and estimates of in-house master control operations, we found that this state operated shared service option is the least costly method for this provision of services of available alternatives.

Key Observation 2: BEMC primarily provides master control services to public media entities. Any educational content that is funded by the Commission is procured using pass-through dollars to other entities – primarily the public television stations themselves.

Key Observation 3: Despite being offered as a free service, five of the eight public media entities in Ohio have opted to not use the JMC provided by BEMC for all of the stations' channels, meaning only 21 of the 37 public television channels in the State use the JMC. The result of this decision by public television stations sub-optimizes the benefits of this shared service for the state. Further, usage of the provided shared service has no impact to subsidies provided by the state.

Key Observation 4: While BEMC is the parent agency and provides funding for The Ohio Channel and the Statehouse News Bureau, it primarily passes this funding to Ideastream, a public

television station in Cleveland. Ideastream manages the day-to-day operations of The Ohio Channel and the Statehouse News Bureau, and BEMC provides only master control services for the Ohio Channel.

Matter for Legislative Consideration: As Ohio is the only state operating a state run and supported joint master control for the public television stations, the legislature should consider whether this funding is aligned with their policy priorities. If the legislature decides it wants to continue funding the joint master control system in Ohio, it should consider whether the Commission structure is the most effective and responsive governance model, or whether the operations of the JMC could be absorbed by another state agency, which could potentially reduce BEMC's need for standalone finance, procurement, or IT services. Additionally, the legislature should consider whether or not they should tie public media funding to the use of the state's JMC services, in order to take advantage of the full benefits of their shared service system.

SUMMARY OF RECOMMENDATIONS

Recommendation 1: Operating a master control system requires the use of complex technology while consistently coordinating broadcast programming to stations. BEMC owns and maintains millions of dollars of equipment that is required to operate the JMC at the expected service level of its clients. We found that BEMC does not consistently track key datapoints that are necessary to make data-driven decisions about future purchases. Without key data, an organization cannot systematically and efficiently plan for the replacement of equipment items. BEMC should work to more consistently track key inventory data on its equipment in line with Government Finance Officers Association (GFOA) best practices. Doing so will provide an opportunity for BEMC to improve its operational efficiency by ensuring purchases are necessary and timely.

Recommendation 2: As a service provider, it is important that BEMC can address the concerns of its users in an efficient and effective manner. We found through a survey our team designed and sent to public television stations that BEMC has known technical issues with the JMC that have remained unresolved. BEMC should conduct a regular, consistently applied customer satisfaction survey to better understand the needs of its JMC clients. BEMC should also work closely with their JMC clients to ensure that the needs and expectations of public television stations are being met. In doing so, BEMC may be able to address issues that have caused some of the public television stations to leave the JMC and potentially begin to take the necessary steps to onboard these stations in tandem with ensuring that the level of service being provided to its current clients is at the expected level.

Recommendation 3: Public television stations in Ohio receive funding from the State via subsidies (see [Financial Background](#)). One of the subsidies, known as the TV and radio subsidy, is distributed to all eight public media entities and their stations to generally support their operations. The subsidy funds are allocated in the biennial State budget and distributed by BEMC to stations according to a formula. The subsidy formula predates the JMC and does not take into account whether stations use this service or not. Because of this, it is possible that stations are using State funding to pay for in-house master control systems already available to them for free, either directly or indirectly. A review and adjustment of the TV portion of the TV and radio subsidy formula could help to prevent State funding from being spent inefficiently.

Recommendation 4: BEMC designed and built the JMC to serve all public TV stations in Ohio; however, as discussed throughout the report, several stations opted out of the JMC and chose to continue operating in-house master control systems. This has resulted in BEMC maintaining excess capacity for several years as it relates to the JMC. BEMC should allow stations a limited timeframe to rejoin the JMC. Once this deadline has passed, BEMC should reduce its excess capacity to fit the demand from public TV stations. By taking these two actions, BEMC will be able to operate the JMC in a more cost-effective manner without reducing its capacity. Additionally, BEMC should create a plan of action for if a public TV station would like to join the JMC after this deadline; this plan may include covering any necessary onboarding costs for adding any additional channels.

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Introduction

Public television stations have provided educational programming for decades. The Public Broadcasting Act of 1967 established the Corporation for Public Broadcasting (CPB) and began the support for public broadcasting at a national level. This support included the founding of the Public Broadcasting Service (PBS) in 1970, which still produces and distributes public education shows such as Sesame Street, Mister Rogers' Neighborhood, and Nova for public television stations across the country.

In Ohio, WCET began broadcasting over 70 years ago in 1954. Today, there are 8 independent public media entities in Ohio with a total of 37 public broadcast channels. These entities operate either independently as private non-profits or as part of public State universities; both structures receive support from state and federal funding sources. In addition, the entities are subject to oversight from the Federal Communications Commission (FCC). While the methods for delivering educational programming have changed over the decades, the goal and mission of these entities continue to remain focused on fostering education beyond the classrooms.

Ohio supports public television both through financial and technical means. The Broadcast Educational Media Commission (BEMC, or the Commission) is an independent state agency established in 1960. The Commission connects Ohio public television stations under the umbrella of a statewide public television network. It is the state funding source to all of these entities, provides them with access to the statewide fiber network known as OARnet, and serves them as a joint master control, or JMC (see the following page for more details). The Commission is also responsible for the distribution of the Ohio Channel and the Statehouse News Bureau, which provide comprehensive coverage of legislative proceedings and other activities of the Ohio General Assembly, Ohio Supreme Court, and the Governor's Office. Coverage from the Ohio Channel and the Statehouse News Bureau are made available to and broadcast by public television stations in Ohio.

Federal Communications Commission

The Federal Communications Commission (FCC) is the federal regulatory authority for television broadcasting in the United States. The FCC issues licenses for either commercial or noncommercial educational stations. Title 47 in the Code of Federal Regulations (CFR) contains the rules and regulations of the FCC. Title 47 lists additional rules and regulations for noncommercial educational television stations.

According to the FCC, a non-commercial educational television license (NCE) is a specific license for broadcasting entities. These entities must be nonprofit educational organizations that serve educational needs of the community; advance educational programs; and furnish a nonprofit and noncommercial television broadcast service.

Ohio's public television stations must follow the regulations set forth for noncommercial educational television stations.

BEMC operates the Joint Master Control (JMC) system that provides public television stations the engineering and technical capacity necessary for broadcasting programming. Although JMC services are offered free of charge to public television stations in Ohio, BEMC currently provides full master control services to only 21 of the 37 public television channels in Ohio while maintaining 24-hour monitoring and redundancy responsibilities for all 37 channels. Those stations not using the JMC for broadcasting services maintain and operate independent master control systems.

In 2024, BEMC was chosen for a performance audit¹ by the Ohio Auditor of State. This audit was conducted by the Ohio Performance Team under the guidelines of Ohio Revised Code (ORC) § 117.46, which requires the Auditor of State to complete at least four performance audits of state agencies or institutions of higher education during each biennium. The results of this audit are intended to provide the Commission and the General Assembly with detailed information regarding the efficiency and effectiveness of BEMC's operations.

Joint Master Control System

A Master Control is the technical hub of a television station. It requires equipment such as monitors, servers, satellite receivers, and video and audio recording devices.

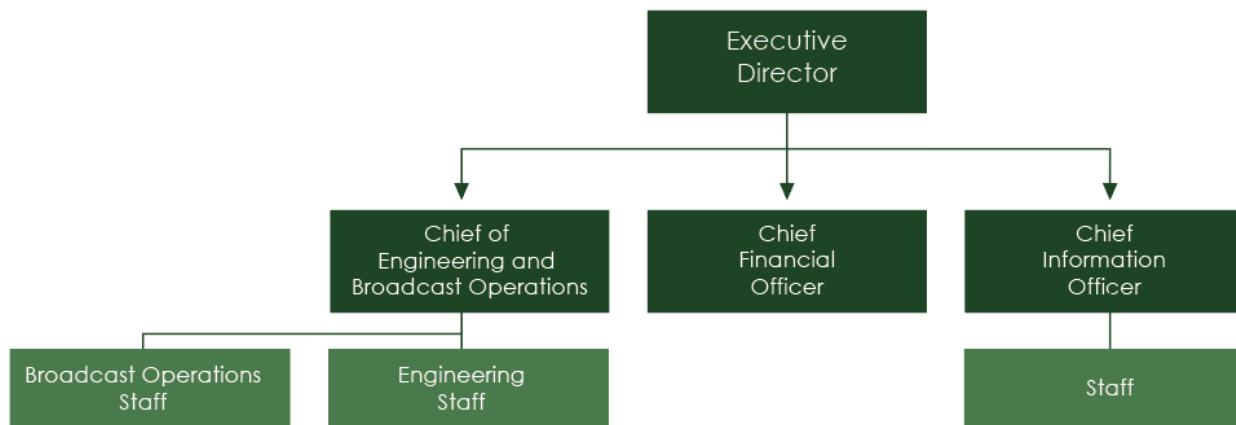
A station uses its master control to schedule programming for each of its channels and put those programs in place, readying the stream of content that is fed to a transmitter and broadcast to viewers. Once aired, a station then uses this system to monitor the quality and accuracy of the broadcast. This information must be maintained and reported to meet standards set by the Federal Communications Commission.

Individual stations may operate a singular master control. However, it is possible to consolidate efforts and provide master control services to multiple stations via a single control system. In 2017, BEMC completed the development of a Joint Master Control (JMC) that is capable of providing service to all public television stations in Ohio. The JMC is one of the primary aspects of BEMC operations and is one of the focal points of this audit.

¹ Performance Audits are conducted using Generally Accepted Government Auditing Standards, see [Appendix A](#) for more details.

Broadcast Educational Media Commission

The Commission was established in 1960 and operates under ORC Chapter 3353. Its purpose is to expand the knowledge of Ohioans through the promotion and broadcasting of educational materials, funding of public television, and collaboration with key stakeholders. BEMC is overseen by a board with 11 members that are appointed pursuant to ORC § 3353.02.² The Board is responsible for hiring and overseeing the executive director, who in turn, oversees the staff. The organization chart below shows the structure of the Commission.



In 2024, the Commission had 21 total employees, not including board members, with 16 of those falling under the supervision of the Chief of Engineering and Broadcast Operations, as seen in the organization chart. These individuals are responsible for overseeing and managing the JMC. In addition to the JMC, the Commission also provides technical support to public television and radio stations and manages the distribution of operating subsidies to these entities. BEMC is the parent agency for the Ohio Channel and the Statehouse News Bureau, however, the operation of these channels is contracted out to a public media entity.

Audit Methodology

The primary scope of this audit was related to the Commission's interactions with public television stations. We analyzed the costs associated with the JMC, reviewed the appropriateness of the operational subsidy provided to public television stations, and worked to understand the

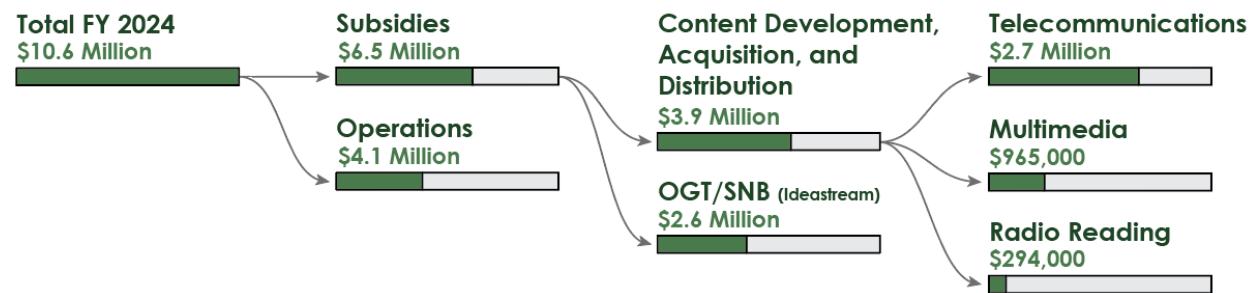
² Nine of the board members are appointed and are representatives of the public; of these members, three are appointed by the Governor, three by the Speaker of the House of Representatives, and three by the President of the Senate. The remaining two board members are the Director of the Ohio Department of Education and Workforce and the Chancellor of the Ohio Department of Higher Education or their designees. The Governor appoints the chairperson of the Commission from among the Commission's appointed members.

working relationship between the Commission and the public television stations. To complete this audit, we conducted interviews with individuals from BEMC, Ohio public media entities, and a third-party service provider. We also conducted satisfaction surveys with the public media entities. Finally, we utilized governmental best practices to ensure the effectiveness of BEMC operations.

Financial Background

As a state entity, BEMC receives funding from the State's biennial budget. In the most recent budget, the Commission received approximately \$10.6 million in appropriations for Fiscal Year (FY) 2024. This funding came primarily from the State's General Revenue Fund and is both spent on internal operations and passed through to public media entities in the form of subsidy grants. The following graphic shows the distribution of the Commission's allocated funds.

Flow of FY 2024 Appropriations



Source: Ohio LSC Greenbook

Of the approximately \$10.6 million total dollars appropriated, only \$4.1 million is appropriated for operations, with approximately \$6.5 million being passed on to public media entities. \$2.6 million of the pass-through amount is provided to Ideastream, a public media entity located in the Cleveland area with the call sign WVIZ, whom BEMC contracts with to operate the Ohio Channel (OGT) and the Statehouse News Bureau. The remaining \$3.9 million is divided into three subsidy grants and provided to Ohio's public media stations to subsidize operations and fund the development of educational programming. More details on these subsidies can be found in [Recommendation 3](#).

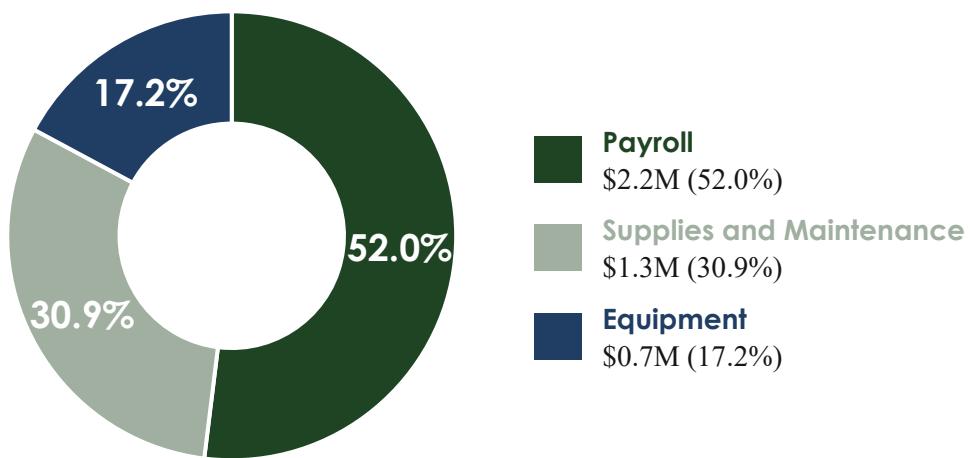
In addition to funding from the State's operating budget, BEMC can also request funding from the State's capital budget. Capital funding is used for large purchases or expenses, such as a new building. The Commission routinely requests capital funding for the purchase of technology, such as servers, that is necessary for its operations. Public television and radio stations may also request capital funds from the State. When a public media entity requests capital funding, the request is funneled through BEMC.

Operational Expenditures

In FY 2024, BEMC spent \$4.3 million on internal operating expenditures. \$2.2 million, or approximately 52.0 percent, of the Commission's internal operating expenses were payroll expenses, which included staff salaries and benefits. The majority of the Commission's staff have job functions that are tied to the JMC operations. The JMC requires large pieces of technological equipment, such as servers, as well as complex fiber connections to ensure continuous operations. This equipment can be costly to maintain, which is seen in the breakdown of operating expenditures below.

BEMC Operating Expenditures by Account, FY 2024

Total: \$4.3M



Source: GL-0028, OAKS BI

Note: In addition, there were contract service expenses of \$1,989 that amount to less than 0.1%.

Note: Due to rounding, percents do not add up to 100.

An additional \$1.3 million, or 30.9 percent, were for supplies and maintenance. Within this, \$454,000 consisted of payments to service providers for network and communication services, and \$348,000 consisted of miscellaneous payments to vendors for services and parts. Finally, \$741,000 of the Commission's internal expenses were for equipment. Within this, \$201,000 was for the purchase of security equipment and \$188,000 was for the purchase of perpetual IT software licenses. An amount too small to be seen in the visual was also paid for contract services.

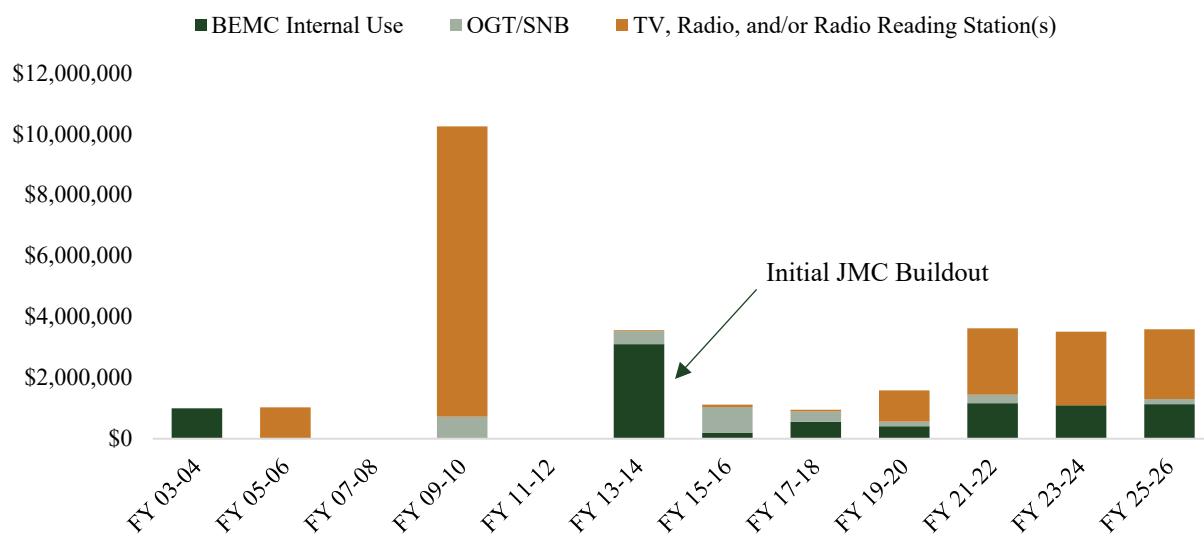
Capital Appropriations

BEMC and public television, radio, and radio reading stations may request and receive capital funds from the State. Station requests for capital funds are not made directly to the State; instead, these requests are funneled through BEMC. If appropriated, BEMC receives these funds and

then passes them down to the public media entity. For highly technical entities such as BEMC and public media entities to operate smoothly, capital resources need to be acquired on a regular basis. This way, existing equipment can be replaced before it fails to maintain the organization's service levels, and new equipment can be purchased (or existing equipment upgraded) to meet ever-evolving technology standards. Notably, public media entities do not exclusively use State funds to support their capital expenditures; for example, WOSU's new headquarters, completed in Spring 2022, was funded with proceeds from an FCC spectrum auction, a capital campaign (i.e., local donors), and a loan by its university license-holder.

The chart below shows capital appropriations provided to BEMC across the State's capital budgets dating back to the FY 2003-2004 capital budget; it shows whether the appropriation was for BEMC's internal use, for OGT and SNB, or for a public media station to use.

BEMC Capital Appropriations by Purpose, FY 2003-FY 2026



Source: LSC

Note: Capital appropriations for the first two biennia seen in the visual were for the Ohio Educational Telecommunications Network Commission (OET). OET was thereafter merged with the Ohio SchoolNet Commission (NET) to become eTech Ohio, which later was renamed and reconstituted as the Broadcast Educational Media Commission (BEMC).

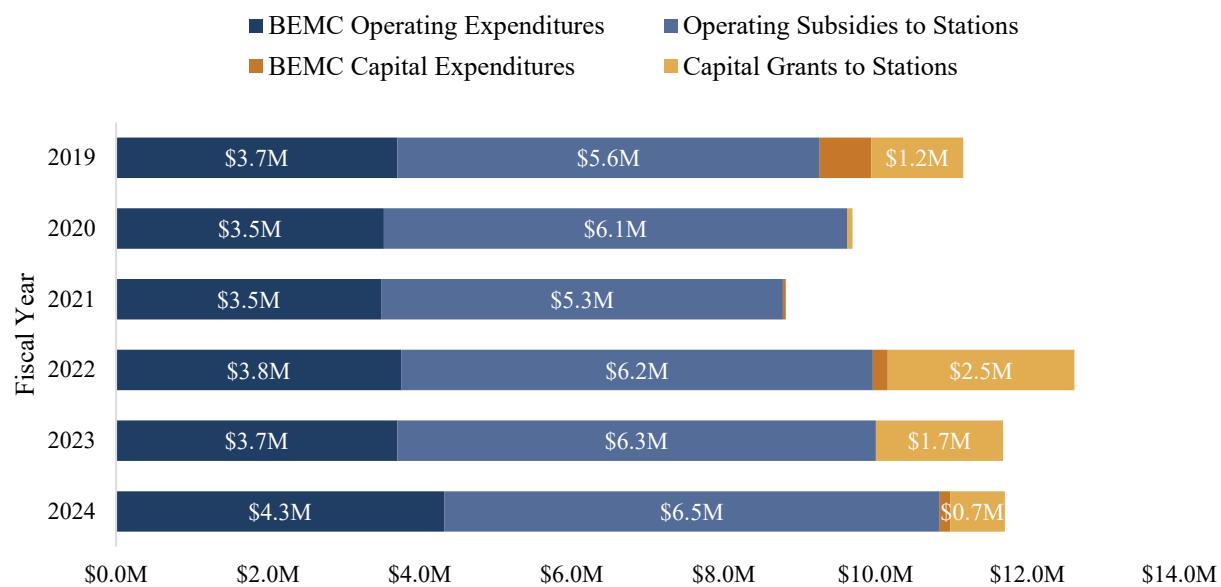
Public television stations received \$9.5 million in the FY 2009-2010 capital budget; these funds were used to match local and federal funds in support of the final phase of the conversion of Ohio's public television stations from analog to federally mandated digital broadcasting technology. In FY 2013-2014, BEMC was appropriated \$3.1 million for internal use, \$2.7 million of which was used for the startup of BEMC's JMC. In the FY 2021-2022 and FY 2023-2024 budgets, public television and radio stations received a total of \$4.2 million to purchase new equipment and upgrade existing out-of-date or obsolete equipment to meet new technology

standards and maintain current services. BEMC has received approximately \$1.0 million in capital appropriations in each of the three most recent biennial capital budgets for its own use.

Historic Expenditure Pattern

There are four main categories that BEMC expenditures can be divided into: internal operating expenditures, internal capital expenditures, operating subsidies to stations, and capital grants to stations. The visual below shows the spending in these categories over a six-year period from FY 2019 through FY 2024. Operating subsidies to stations include funds provided to Ideastream for the operation of the Ohio Channel and the SNB, and capital grants to stations include those expenditures made on equipment for the Ohio Channel.

Expenditures by Type, FY 2019-FY 2024



Source: GL-0028, OAKS BI

BEMC's operating expenditures and operating subsidies to stations remained relatively consistent year-to-year. Capital expenditures and grants varied year-to-year, as equipment purchases and building renovations are not expected to occur every year.

Over the past few years, BEMC requested that the Controlling Board release capital funds to purchase the following items: a monitor, a network attached storage system, a compliance logging system, a server system, a data storage system, a fire alarm and security system, an HVAC cooling system, and a network video delivery platform. Additional capital funds were requested to be released for various projects and equipment for OGT and for individual stations.

Ohio Public Television

Throughout Ohio there are 11 public television licenses, which are held by 8 public media entities. These 11 licenses equate to 8 primary channels, 2 secondary channels, and 1 satellite channel. The eight public media entities are shown in the map to the right, a table with call signs and entity names can be found in [Appendix B](#). The map identifies two types of licenses the FCC may issue for a non-commercial educational station. The license type refers to the license type of the station; the noncommercial license type does not impact BEMC operations. In addition, the map shows which stations use all services provided by BEMC through the JMC and which use only a portion of the technological support provided by the Commission.

While every public television station in Ohio receives financial support from the State, they are independent entities. This means that operational decisions are not subject to oversight by BEMC. The State budget bill does not place a restriction on stations' use of subsidy funds beyond specifying that the stations spend the funds on operations. However, the stations must provide BEMC with a plan for use of the subsidy funds, and BEMC must approve it. Each fiscal year, BEMC requests stations to provide an accounting of how subsidy funds are used. In FY 2024, all stations spent at least part of their subsidy funds on administrative activities (e.g., salaries); some stations spent part of their funds on supplies, maintenance, and equipment. State subsidy funding is typically a low percentage of a station's total revenues; for instance, in FY 2023, only 11 percent of Ideastream's revenue was sourced from State subsidies.

Primary regulatory oversight for the public television stations comes from the FCC and is tied to the broadcast license issued. Rules and regulations set by the FCC include the types of programming and broadcast content that are allowed on air, allowable fundraising activities, and core hours of programming. Stations themselves are responsible for obtaining and scheduling programming within the confines of regulations set by the FCC. Further, each station is responsible for ensuring the uninterrupted broadcasting of programming to its service area.

BEMC, as a partner to these public television stations, has worked to develop tools and resources to promote access to quality educational programming throughout Ohio. One such tool is the JMC. Generally, in television broadcasting, a master control system is the technological hub for connection, coordination, distribution, and monitoring of content. Master control systems ensure that a specific program is delivered accurately and on-time to a specific channel. This simple



Note: While considered separate for this audit, ThinkTV, which contains WPTD and WPTO, and CET which contains WCET, fall under one umbrella organization, Public Media Connect.

sounding process requires complex equipment and can become difficult when managing multiple channels simultaneously. Historically, each public station in Ohio maintained its own master control system; however, in 2015 the decision was made to build a state owned and operated master control system that could be used by any public television station free of charge.

Joint Master Control

In 2017, BEMC completed the JMC, creating a technologically advanced shared master control system with capacity to serve all of Ohio's public television stations. Under its current model, the JMC appears to be the largest state-run joint master control system in the country with most states not offering a JMC model option for independent public television stations. We were unable to find any examples outside of Ohio where a state offers similar joint master control services without cost to independent public television stations in a similar model to the JMC.

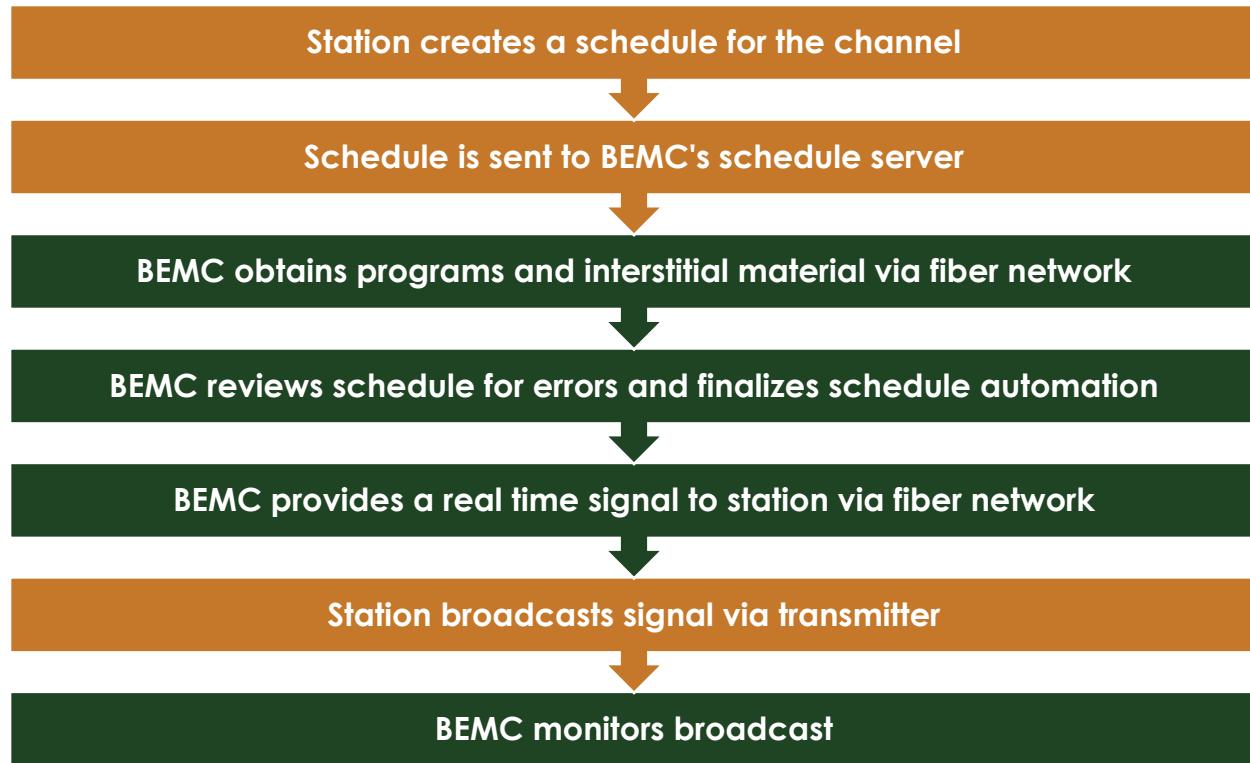
At a high-level, a joint master control system is performing the same tasks as the internal master control systems described above but for multiple public television stations and multiple channels at the same time. The JMC is connected to 8 different public media entities, or up to 42 channels, that can be connected, coordinated, and monitored with specific programming going to each individual channel at a prescribed time. JMC operations can be broken down into seven steps and is visualized below. Process steps taken by the station are in orange; steps taken by BEMC are in green.



Matter for Legislative Consideration

As Ohio is the only state operating a state run and supported joint master control for the public television stations, the legislature should consider whether this funding is aligned with their policy priorities. If the legislature decides it wants to continue funding the joint master control system in Ohio, it should consider whether the Commission structure is the most effective and responsive governance model, or whether the operations of the JMC could be absorbed by another state agency, which could potentially reduce BEMC's need for standalone finance, procurement, or IT services. Additionally, the legislature should consider whether or not they should tie public media funding to the use of the state's JMC services, in order to take advantage of the full benefits of their shared service system.

Joint Master Control Process for an Individual Channel



Note: For this process, the station creates a schedule of programming per channel for use on air and provides any relevant media not yet delivered to BEMC.

The benefit of the JMC is that public television stations can reduce their operational footprint while maintaining control of content. Specifically, because it is free to public television stations, joining and using the JMC can reduce operational expenditures, allowing for more funding to be spent on programming.

In addition to master control services, BEMC also provides support for redundancy, ensuring that if a station is no longer able to broadcast, a secondary feed can be provided to ensure continuity of service. There is also storage available on the BEMC servers to save programming content for re-airing at a later date. Finally, BEMC provides 24-hour daily monitoring of broadcasting for public television stations and will alert them if there is an issue. These benefits, and others, are also provided at no cost to the public television stations in Ohio by the Commission.

Summary of Audit Results

Public television programming is available throughout Ohio with broadcasting provided by eight independent stations. These stations rely on some financial support provided by the state through a formula administered by BEMC. In addition, broadcasting is available through the use of OARnet, the state-owned fiberoptic network. In 2017 the Joint Master Control (JMC) was built by BEMC with the initial support of all public television stations. The JMC centralizes the technology used to broadcast television streams and eliminates the need for each station to maintain individual master control systems. However, despite the initial agreement to use the JMC for broadcast purposes, several stations ultimately backed out and decided to maintain existing master control systems. As a result, the JMC currently operates with excess capacity and maintains equipment and hardware that is unnecessary. Our audit of BEMC and the JMC operations identified four recommendations that can assist with the overall efficiency, effectiveness, and transparency of the Commission's operations.

Recommendation 1: Improve Inventory Management

Operating a master control system requires the use of complex technology while consistently coordinating broadcast programming to stations. BEMC owns and maintains millions of dollars of equipment that is required to operate the JMC at the expected service level of its clients. We found that BEMC does not consistently track key datapoints that are necessary to make data-driven decisions about future purchases. Without key data, an organization cannot systematically and efficiently plan for the replacement of equipment items. BEMC should work to more consistently track key inventory data on its equipment in line with Government Finance Officers Association (GFOA) best practices. Doing so will provide an opportunity for BEMC to improve its operational efficiency by ensuring purchases are necessary and timely.

Impact

Complete and accurate inventory data is necessary for an organization to strategically conduct technology life cycle planning. Rectifying its inventory data will allow BEMC to create these plans, which will allow the Commission to better understand the type and quantity of items that are expected to be replaced within a certain number of fiscal years and more accurately budget for these expenditures. Additionally, if BEMC were to adjust its JMC capacity as recommended in [Recommendation 4](#) having a thorough understanding of its current inventory and the expected lifespan of its assets will be necessary to phase out equipment items appropriately.

Methodology

We assessed the current state of BEMC's inventory. ORC § 125.16 requires that State agencies maintain current and accurate records of their property. To help agencies be compliant and record their assets, the Department of Administrative Services (DAS) provides the OAKS Asset Management module, or OAKS AM, for State agencies to use. We viewed the assets that BEMC has recorded in OAKS AM (or "OAKS inventory"), including the data points recorded for each of these items. BEMC's OAKS inventory was then compared to GFOA best practices for asset management.

Analysis

Inventory Completeness

The GFOA recommends that local, state, and provincial governments establish a system for assessing their capital assets and then appropriately plan and budget for any capital maintenance and replacement needs. To begin, GFOA recommends that governments "develop an accurate and comprehensive asset inventory".

BEMC does maintain an inventory of assets in the OAKS AM module. However, in interviews, BEMC stated that the assets in its OAKS inventory data do not represent an accurate or complete list of the items the Commission possesses. According to BEMC, the inventory initially became

inaccurate due to inadequate training in past years. BEMC leadership emphasizes that they are actively working to update the inventory to make it accurate.

In addition to OAKS AM, records of items BEMC has purchased since roughly 2020 can be found in a third-party task management application; BEMC uses this application to manage its processes for purchasing and capital budgeting. After reviewing this third-party application, we determined that the application does not contain records of the full set of equipment items possessed by BEMC; further, the application's functionality was not designed for and is not sufficient for inventory management, and it does not show asset information in a such a way that BEMC could use it to create a usable lifecycle plan for its major pieces of technology.

Inventory Data Points Present

The GFOA recommends that 14 data points be recorded for each item in the inventory, as seen in the table on this page. We assessed BEMC's OAKS inventory to determine if each of these data points is recorded. The results of this assessment are found in the table below.

Inventory Data Point	BEMC OAKS Inventory
Asset Description	✓
Location	✓
Physical Dimensions <i>(if needed)</i>	✗
As-Built Documents <i>(or link to where those are stored)</i>	✗
Warranties <i>(or link to where those are stored)</i>	✗
Condition Rating	✓
Maintenance History	✗
Replacement Costs <i>(if available)</i>	✗
Operating Costs <i>(if needed)</i>	✗
Usage Statistics	✗
Date Placed in Service	✓
Original Value	✓*
Original Useful Life	✗
Impairments	✗

*Recorded for some items but not all

BEMC's OAKS inventory contains the asset description, location, condition rating, and date placed in service of every item, as well as the original value of certain items. However, the physical dimensions, as-built documents, warranties, maintenance history, replacement costs,

operating costs, usage statistics, original useful life,³ and impairments of items cannot be found in the OAKS inventory. After analyzing OAKS AM fields available to State agencies, we found that barring physical dimensions, none of the missing data points mentioned are fields available for BEMC to use in OAKS AM.⁴ However, given BEMC's relatively small size compared to other State agencies (and proportionally small inventory), BEMC could use a spreadsheet outside of OAKS to incorporate these data points into its inventory.

The original value (i.e., the purchase price) of an item is technically present for all items in the inventory, in that no cells in the field are blank. However, we found that 190, or 26.1 percent, of the 728 items found in BEMC's Asset Physical Inventory by Location Report have a recorded cost of \$1. Items with this recorded cost include servers, monitors, and decoders—items known to have a significantly higher cost than \$1.

According to the client, a previous practice included grouping items together into a single project with a total cost for inventory assigned to one item, with other items in the group assigned a cost of \$1. This is not an acceptable practice according to DAS Asset Management, and BEMC officials indicated that it is no longer followed by the Commission. However, items previously entered as \$1 have not been adjusted, resulting in several items having inaccurate purchase costs.⁵

Notably, the useful life of equipment items is not found in the OAKS inventory.⁶ When asked if this information is tracked, BEMC leadership stated they know an item's service life (i.e., when the vendor will end support for the item) upon purchasing it, which informs them as to when it will need replacing. For instance, the Commission recently purchased a multitude of servers from Dell. The Commission told us that they know to replace them in seven years, which is the expected service life for the servers purchased. Still, this information is not recorded in the OAKS inventory. Having the useful life of all items aggregated in one location would allow BEMC to systematically plan for what items will need to be replaced and mitigate the chance of an item's upcoming expiration going unnoticed.

Conclusion

The GFOA recommends that governments develop an accurate and comprehensive asset inventory, and that 14 data points are recorded for each item in the inventory. BEMC does not currently have a complete and accurate inventory of its equipment. Further, only four of the

³ BEMC informed us there is an original useful life column in OAKS AM that agencies are required to use, but it is calculated based on an asset's profile ID. Profile IDs are item categories that DAS sets and assigns a general expected life to; for instance, any asset that is given the profile ID 3874 is categorized as a server, which DAS expects to have a life of three years. Profile ID expected life values are not specific to the exact equipment items BEMC is purchasing, rendering them of very limited use for the purposes of life cycle planning.

⁴ BEMC informed us that a replacement costs column is available in OAKS AM but is restricted to DAS use.

⁵ During the course of the audit, BEMC indicated that it updated its inventory to reflect correct purchase costs.

⁶ See previous footnote regarding the OAKS AM original useful life column calculated based on profile IDs.

recommended data points (asset description, location, condition rating, and date placed in service) are recorded for every item in BEMC's OAKS inventory; one additional data point (original value) is properly recorded for only some items. The remaining data points, notable among them, the useful life of an item, are not recorded for any items at all. BEMC should update its inventory database to be in line with GFOA best practices. Doing so will allow BEMC to systemically plan for the replacement of equipment items.

Recommendation 2: Develop and Conduct a Consistently Applied Quality Assurance Process to Ensure BEMC is Meeting the Needs and Expectations of its Clients

As a service provider it is important that BEMC can address the concerns of its users in an efficient and effective manner. We found through a survey our team designed and sent to public media entities that BEMC has known technical issues with the JMC that have remained unresolved. BEMC should conduct a regular, consistently applied customer satisfaction survey to better understand the needs of its JMC clients. BEMC should also work closely with their JMC clients to ensure that the needs and expectations of public television stations are being met. In doing so, BEMC may be able to address issues that have caused some of the public television stations to leave the JMC and potentially begin to take the necessary steps to onboard these stations in tandem with ensuring that the level of service being provided to its current clients is at the expected level.

Impact

BEMC is the service provider for the JMC, which is offered without cost to public television stations. The services provided by the JMC include channel coordination as well as channel redundancy and channel monitoring services. Three of the public media entities in Ohio use the JMC as their primary master control for all channels and do not have an in-house master control. This means that if there are issues within the JMC service, BEMC has the responsibility to its clients to fix these issues in a timely manner. By developing a consistently applied quality assurance process, BEMC will be able to ensure that the JMC is meeting the needs and expectations of its clients. A potential impact of an improved client service may be an opportunity to onboard stations that have left the JMC due to perceived poor customer service during the roll out of the JMC. Furthermore, the JMC will be most cost effective if it's able to serve all stations (see [Recommendation 4](#)).

Methodology

To understand the client services being offered by BEMC and the perception of the JMC by the public media entities, we developed a customer survey in consultation with BEMC. This survey was then provided to the managers of Ohio's public media entities. The survey was grouped into three sections: station information & general satisfaction questions, Likert scale questions, and open-ended response as to provide context to any answers provided throughout the survey. We analyzed the survey responses to identify any common trends or areas of concern that the public media entities had with the services being provided by BEMC. Any issues brought forward by the public media entities within the survey were given to BEMC to immediately address or provide an explanation for next steps.

Analysis

The JMC is ultimately both a service and tangible technological system provided by BEMC to public television stations in Ohio at no direct cost to the stations. As a service provider, it is important to engage with stakeholders and be responsive to customer needs and inquiries. This is vital for the public television stations that are totally reliant on the JMC for its master control services. As noted above, several of the public media entities no longer have the operational capability to host an internal master control service without significant reinvestment in both staffing and technology.

In 2022, BEMC sent a survey to all the Ohio public media entities, both users and nonusers of the JMC. This survey was able to provide additional insight into the then current state of BEMC and how the entities felt about the JMC. Of note, the stations not using the JMC were very critical about the roll-out of the JMC. From the survey, the main reasons for not using the JMC include perceived technological incompatibilities, legal responsibilities as an FCC license holder, and perception of state control.

We designed a new survey to be sent to the public media entities with added input from BEMC. This survey was designed to provide a more thorough understanding of how BEMC works with the public media entities in Ohio and note any changes from the 2022 survey results. The Likert scale results of the survey can be found in [Appendix B](#). Questions 23 and 24 asked the public media entities to provide examples of issues faced with the JMC and if those issues had been resolved. Of the two responses for questions 23 and 24 indicating that there were issues, one JMC client provided four instances of issues with the JMC that had not been resolved and were known issues to BEMC. The second client provided an example of an issue that has since been resolved but expressed concerns about the resolution being permanent. Generally, the issues that were identified were regarding communication and technology or software issues.

Ongoing issues relating to service delivery can be problematic because it can result in distrust in the service being provided. While BEMC offers the JMC at no cost to the public television stations, it is possible that stations opt out at some point in the future such as what occurred during the initial roll-out of the JMC. BEMC should work to ensure technical issues are addressed in a timely manner and continue to develop positive working relationships with all public television stations in Ohio.

Conclusion

Fixing technical issues and addressing customer concerns should be one of the primary goals of any public service provider, such as BEMC. It is important that BEMC continues to develop capacity to address issues that are identified by public media entities in a timely manner. This can be done through various means, however a regular, consistently applied customer satisfaction survey has been shown to be an effective tool to providing insight into potential issues that BEMC can address going forward.

It should be noted that during the performance audit the survey results, including the documented issues shown above, were shared with BEMC leadership at their request. BEMC provided an explanation for each issue that was noted as to whether BEMC has resolved the issue, is attempting to fix the issue, or is engaging in ongoing communication with a public television station to find a resolution. It was indicated by BEMC that each issue has been resolved or is in the process of being resolved.

Recommendation 3: Adjust the TV Portion of the TV and Radio Subsidy Formula

Public television stations in Ohio receive funding from the State via subsidies (see [Financial Background](#)). One of the subsidies, known as the TV and radio subsidy, is distributed to all eight public media entities and their stations to generally support their operations. The subsidy funds are allocated in the biennial State budget and distributed by BEMC to stations according to a formula. The subsidy formula predates the JMC and does not take into account whether stations use this service or not. Because of this, it is possible that stations are using State funding to pay for in-house master control systems already available to them for free, either directly or indirectly. A review and adjustment of the TV portion of the TV and radio subsidy formula could help to prevent State funding from being spent inefficiently.

Impact

The JMC provides a high-quality joint master control service at no cost to public television stations. However, the State has and continues to financially support duplicative master control services at public television stations through the TV and radio subsidy. By adjusting the TV portion of the subsidy formula, BEMC can ensure that State funds are not being used to financially support any duplicative services, such as internal master control systems at public television stations.

Methodology

Utilizing information from BEMC's most recent budget and documentation from BEMC, we analyzed the formulas by which these subsidies are distributed. For those subsidies distributed to public television stations, we assessed whether spending restrictions around the subsidy allows for a station to spend it on an in-house master control system and whether receipt of the subsidy depends on use of the JMC. Based on this information, we determined whether State funds can be used on duplicative master control services and whether opportunity exists for BEMC to adjust the subsidy formula to eliminate this duplicative State spending.

Analysis

BEMC distributes three different subsidies to Ohio's public media stations on an annual basis; in FY 2024, these subsidies totaled \$3.9 million.⁷ Below is a brief description of each subsidy's recipients and spending rules, as well as the amount BEMC distributed under the subsidy in FY 2024.

⁷ Ideastream, one of the public television entities, received an additional \$383,000 in FY 2024 for the operation of the Statehouse News Bureau and \$2,233,000 for the operation of the Ohio Government Telecommunications Service, or the Ohio Channel; those subsidies are not included in this total.

- TV and Radio Subsidy: \$2,650,000
 - Distributed to Ohio's 8 public television entities and 15 public radio entities.
 - Funds must be used on operations; there are no further spending rules.
- Multimedia Subsidy: \$965,000
 - Distributed to Ohio's 8 public television entities.
 - Funds must be used on production of interactive instructional programming.
- Radio Reading Subsidy: \$294,000
 - Distributed to Ohio's radio reading service operators.
 - Funds must be used on operations; there are no further spending rules.

Only two of the subsidies are awarded in part or in full to television stations—the TV and radio subsidy and the multimedia subsidy. The multimedia subsidy can only be spent on the production of programming, while the TV and radio subsidy can be spent on operations generally. Therefore, the only subsidy that public television stations receive, that has the possibility of being spent on an in-house master control system, is the TV and radio subsidy. As such, the TV and radio subsidy is the focus of this recommendation.

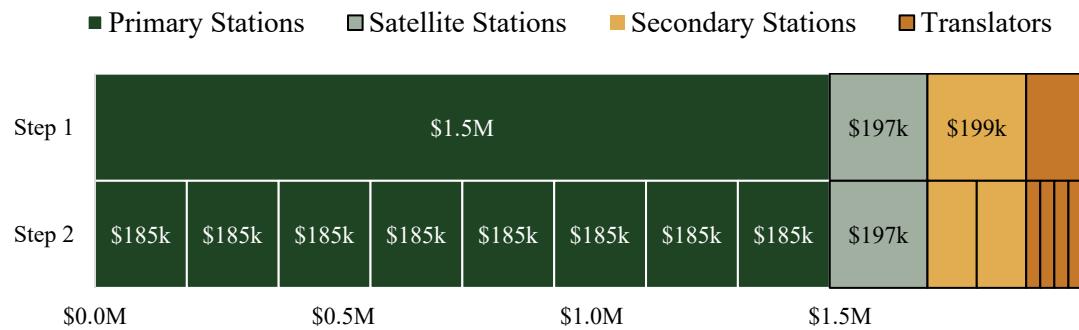
Of the approximately \$2.6 million distributed under the TV and radio subsidy, nearly \$1.9 million, or 75 percent, is distributed to public television entities (the remaining 25 percent is distributed to public radio entities). There are four variables in the formula that dictate a public television entity's funding amount: the entity's ownership of 1) a primary station, 2) a satellite station, 3) a secondary station, and/or 4) a translator. All public television entities have a primary station, meaning all eight entities receive a base amount. However, some have a satellite station, secondary station, and/or translator to extend their signal. Entities with this additional infrastructure receive more on top of their base amount. Of the \$1.9 million distributed to television entities:

- 74.4 percent (\$1,478,700) is reserved and split equally among the eight primary stations (resulting in \$184,837 for each).
- 9.9 percent (\$196,762) is reserved for the one secondary station.
- 10.0 percent (\$198,750) is reserved and split equally among the two satellite stations (resulting in \$99,375 for each).
- 5.7 percent (\$113,287) is reserved and split equally among the four translators (resulting in \$28,321 for each).

Primary Stations, Satellite Stations, Secondary Stations, and Translators

All eight public television entities have a primary station (i.e., the organization's headquarters), but some also have a "satellite station" that repeats the signal from the primary station. They may also have a "secondary station" that duplicates the signal from the primary station or a satellite station. Finally, they may have a "translator" that re-broadcasts a signal from a primary, satellite, or secondary station on a different frequency. These satellite stations, secondary stations, and translators help to extend a signal to a larger geographical area. Some public radio entities have secondary stations and/or translators for the same reason.

TV and Radio Subsidy Formula, Public TV Stations, FY 2025

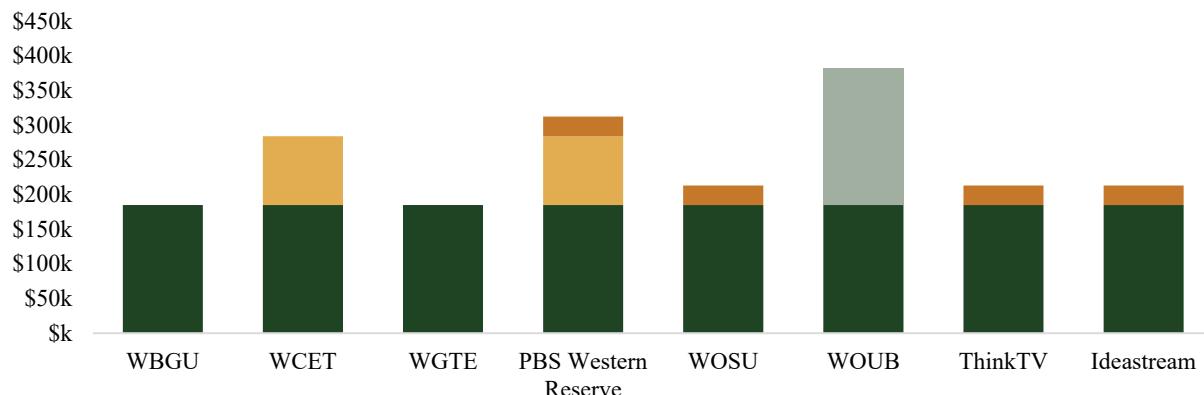


Source: BEMC

The final subsidy amounts for each of the eight public television entities can be seen below. Notably, WOUB received the most money due to its satellite station, and PBS Western Reserve received the second-most due to its secondary station and translator. Neither of these entities use the JMC as their primary master control system.

TV and Radio Subsidy Allocations by Public TV Entity, FY 2025

Funds received for: ■ Primary Station ■ Satellite Station ■ Secondary Station ■ Translator



Source: BEMC

Neither a public television station's receipt of the TV and radio subsidy, nor the amount received, depends on whether the station utilizes the JMC. Currently, five public television entities do not use the JMC as their primary master control for all their stations' channels, instead opting to fund their own in-house master control systems. Yet, these entities and their stations receive the TV and radio subsidy, which can be spent on any operations at a public television station. Therefore, the five public television entities that have in-house master control systems, based on the current subsidy rules and formula, are annually granted a sum of money from the

State that they are permitted to spend on these systems. At the same time, BEMC's State-funded JMC currently maintains capacity for these entities to onboard their stations' channels.

Each year, the public television entities fill out a report describing how they spent the funds distributed to them under BEMC's TV and radio subsidy. After reviewing the reporting, we found that it is unclear whether stations are directly or indirectly spending this subsidy money on in-house master control systems. However, a station's dollars are fungible; even if a station chooses to spend State money on another item instead of their in-house master control, the local or federal dollars they no longer have to use on that item could then be used for in-house master control expenses. It should be noted that within the survey we sent to public television entities (see [Recommendation 2](#)), entities unanimously refused to answer the two survey questions about the capital and operational costs of any in-house master control systems they maintain.

The Government Accountability Office (GAO) publishes an annual report highlighting opportunities to reduce fragmentation, overlap, and duplication in government programs. Per the GAO, duplication occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries. Under the current funding formula, the subsidy dollars provided to stations are potentially being used on in-house master control systems at public television stations, even though the State has spent more than \$4.1 million on providing a joint master control system for all these stations to use. As such, using subsidy dollars on in-house master control systems, either directly or indirectly, would be considered duplicative use of State funds.

BEMC's TV and radio subsidy formula has not been critically re-evaluated in over ten years, beyond a small change in the formula regarding rounding of award amounts. The subsidy formula was in place before the introduction of the JMC, and the introduction of the JMC did not change the formula. The formula was developed by BEMC in consultation with Ohio's public television and radio stations; however, the Commission ultimately has the power to enact a change in the formula if it so chooses to do so.

Conclusion

Each year, BEMC distributes a subsidy to public television and radio stations in Ohio, funded by the State's General Revenue Fund. Per the formula, neither a public television station's receipt of the TV and radio subsidy, nor the amount received, depends on whether the station utilizes the JMC. Currently, five public television entities do not use the JMC as their primary master control for all their stations' channels instead opting to fund their own in-house master control systems, yet still receive the TV and radio subsidy. This subsidy can be spent on any operations at a public television station. Therefore, the five public television entities that have in-house master control systems, based on the current subsidy rules and formula, are annually granted a sum of money from the State that they are permitted to spend on these systems. At the same time, BEMC's State-funded joint master control currently maintains capacity for these entities and their stations to onboard their channels. The State of Ohio providing duplicative funding for the same service is not in agreement with GAO best practices; if stations choose to pay for their own

master control when this service is offered by the State for free, that cost can be incurred at their own expense.

Recommendation 4: Adjust JMC Operations to Fit the Demand from Public Television Stations

BEMC designed and built the JMC to serve all public television stations in Ohio; however, as discussed throughout the report, several stations opted out of the JMC and chose to continue operating in-house master control systems. This has resulted in BEMC maintaining excess capacity for several years as it relates to the JMC. BEMC should allow stations a limited timeframe to rejoin the JMC. Once this deadline has passed, BEMC should reduce its excess capacity to fit the demand from public television stations. By taking these two actions, BEMC will be able to operate the JMC in a more cost-effective manner without reducing its capacity. Additionally, BEMC should create a plan of action for if a public television station would like to join the JMC after this deadline; this plan may include covering any necessary onboarding costs for adding any additional channels.

Impact

Because BEMC offers the JMC services without cost to public television stations, any public television station that joins the JMC would reduce or eliminate spending associated with operating an in-house master control system. This could allow stations to spend the funding saved by using the JMC on programming or other areas of need. If BEMC does not increase the number of stations using the JMC at the deadline, then it will be able to utilize the equipment inventory information gained from [Recommendation 1](#) to reduce capacity, which will result in both operational and capital savings over time.

Methodology

During the course of the audit, we conducted interviews with BEMC leadership along with representatives from public media entities to better understand the costs associated with operating a master control system. Using available data and information gained from these interviews, we attempted to estimate the cost to operate an in-house master control system compared to the cost per station expense of operating the JMC. This estimate was then compared to the cost of using a private third-party master control service that is not based in Ohio.

Analysis

The JMC was designed and built to serve 42 channels; however, currently only 21 channels are broadcast using the full JMC services. Several stations backed out of the initial agreement to join the JMC due to issues with service delivery such as technical issues (see [Recommendation 2](#)). Despite having fewer channels than initially expected, BEMC has not adjusted the capacity of the JMC, meaning that it could still provide full broadcast services to all public television stations in Ohio. This has resulted in BEMC purchasing and maintaining equipment above and beyond what is required to effectively and efficiently provide services to the 21 stations that currently use the JMC.

A master control system is costly to build and maintain. In FY 2024, BEMC spent approximately \$1.4 million in salaries and wages related to the JMC, this is in addition to the more than \$4.1 million in capital funds that have been allocated to BEMC in the past decade to build and maintain the JMC. Using data provided by BEMC, a public media entity, and a third-party master control service, the annual cost of operating a master control under four different scenarios was estimated. The following table shows the estimated cost-per-channel for the JMC in its current state of 21 channels and its fully utilized state of the currently operating 37 channels. Further, two additional estimates were created and shown below, the cost to build an in-house master control systems that is an equivalent service to the JMC and an estimate of costs to use a third-party master control system located outside of Ohio.

Estimated Annual Cost-Per-Channel

	JMC 21 Channels	JMC 37 Channels	Comparative Internal MC	Third-Party Option
Estimated Cost-Per-Channel	\$126,468	\$71,779	\$187,662	\$152,483*

* Does not include fees or expenses related to fiber installation, new equipment needed to be purchased, additional staff compensation, additional third-party fees, costs for HVAC or maintenance related to equipment or services.

As seen above, it was estimated that the JMC is the most cost-efficient service model with either 21 channels or 37 channels being serviced. The estimate above shows that in its current state, the estimated average cost-per-channel is approximately \$126,000. It is important to remember that this cost is paid for by the State and is not charged to the public media entities or stations. By comparison, it is estimated that a station operating its own master control system may need to spend approximately \$187,000 annually per channel to provide itself with a JMC equivalent service. Finally, a high-level estimate for a third-party master control system that offers master control services to public television stations across the country was created. Based on information provided by the third-party, it is estimated that the annual costs of using this third-party service would be approximately \$152,000 per channel. However, it should be noted that significant costs were not included in the third-party estimate. This estimate did not include the installation of a high-speed fiber network to connect to the stations to the third-party, any new equipment needed to connect to the station, any compensation for staff, or additional service fees not indicated in the information provided by the third-party. These missing assumptions could dramatically increase the cost-per-channel estimate using the estimate created.

The JMC has been fully operational for nearly nine years. BEMC should offer a final opportunity for the remaining stations to join the JMC. While it is possible that additional stations may elect to join as BEMC begins to implement the improved quality assurance recommended in **Recommendation 1**, it should be noted that one station responded that it has no plans to ever join the JMC. After providing notice to the non-users and allowing time for them to decide whether to fully utilize the JMC provided by the state, BEMC could then reduce the capacity of the JMC to meet the actual demand based on usage. This will likely require a more detailed inventory of equipment as discussed in **Recommendation 1** as there may be opportunities to reduce equipment purchases and the costs associated.

Conclusion

The JMC currently has the capacity to offer full service for up to 42 public television channels; however, only 21 channels use the full services. The JMC is offered without cost to public television stations and current estimates show that it is also the more cost-effective way to provide master control services compared to alternatives. BEMC should set a deadline and encourage the remaining public television stations in Ohio to join the JMC to improve overall cost-effectiveness of this shared services solution provided by the state. After this deadline has passed, BEMC should adjust the capacity of the JMC accordingly to meet the actual demand based on the number of stations and channels using the full services. Additionally, BEMC should create a plan of action for if a public television station would like to join the JMC after this deadline; this plan may include covering any necessary onboarding costs for adding any additional channels.

During the course of the audit, BEMC began planning for the purchase of replacement servers that were optimized to support fewer channels. While BEMC should continue dialogue with stations that have not joined the JMC, BEMC should also continue planning for future purchases that reflect the current number of stations that have fully committed to the use of the JMC.

Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter on the following page is the Commission's official statement in regards to this performance audit. Throughout the audit process, staff met with Commission officials to ensure substantial agreement on the factual information presented in the report. When the Commission disagreed with information, and provided supporting documentation, revisions were made to the audit report.



May 15, 2025

Ohio Auditor Keith Faber
65 East State Street
Columbus, OH 43215

Auditor Faber,

Over the past 18 months, the staff of the BEMC has appreciated the professionalism and commitment of your performance audit team. We will promptly address each recommendation and note that some improvements are already underway.

We feel compelled to address the call-out box urging the general assembly to review our very existence. Ohio has a proud legacy of supporting public media. WCET in Cincinnati was the nation's first licensed public TV station. WPTD in Dayton, once a commercial station, was purchased by the state from bankruptcy, relaunched as a public channel, and transferred to Southwestern Ohio universities. Each public station maintains deep ties in Ohio communities and serves a vital mission. The Ohio Channel played a pivotal role during the COVID-19 response and amplifies transparency through its vital programming.

The BEMC's mission aligns particularly well with state priorities of improving education and reaching underserved populations. The web- and broadcast-based multimedia projects produced in conjunction with the Department of Education and Workforce, combined with public TV's strong over-the-air signals, efficiently deliver educational content to every corner of Ohio.

The BEMC has gone through existential/organizational structure analysis before. Just last year, the General Assembly's Sunset Review Commission affirmed our value and utility. We agreed with those findings and do not see virtue in repeating that analysis so soon. Our model serves Ohioans well and efficiently by providing joint master control services, maintaining a central repository of recorded programming, distributing the Ohio Channel, and serving as the central point of contact between the public media partners and the state.

Finally, we appreciate your review and update of our three-year-old Joint Master Control survey. Our process generated considerable discussion, but ultimately found value in JMC, even for partners who aren't fully utilizing the system.

Sincerely,

Geoffrey A. Phillips
Executive Director

2470 North Star Rd
Columbus, Ohio 43221-3405 614-485-6000

Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit

Performance Audit Purpose and Overview

Performance audits provide objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Generally accepted government auditing standards (GAGAS) require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Scope and Objectives

In order to provide the Commission with appropriate, data driven recommendations, the following questions were assessed within each of the agreed upon scope areas:

Summary of Objectives and Conclusions

Objective	Recommendation
Asset Management	
What opportunities exist to improve the economy, efficiency, and effectiveness of BEMC's life cycle plan for their major pieces of technology?	R.1
Client Services	
What opportunities exist to improve the economy, efficiency, and effectiveness of BEMC's services to public tv stations in Ohio?	R.2, R.3, R.4

Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives. The following internal control components and underlying principles were relevant to our audit objectives:⁸

- Control environment
 - We assessed the Commission's exercise of oversight responsibilities regarding detecting improper data entry in its inventory systems and management information systems.
- Risk Assessment
 - We considered the Commission's activities to assess fraud risks.
- Information and Communication
 - We considered the Commission's use of quality information in relation to its financial, payroll, staffing, and inventory data.
- Control Activities
 - We considered the Commission's compliance with applicable laws and contracts.

Internal control deficiencies were not identified during the course of this audit.

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of Commission's operations included in the audit scope, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources, including:

- Industry Standards;
- Leading Practices;
- Statutes; and
- Policies and Procedures.

⁸ We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G

Appendix B: Survey Questions and Results

The questions for the survey are below.

Survey Questions

What is the name of the television station(s) you represent?

What is the license type of your station(s)?

How many television channels does your station(s) have in total?

Are you using the JMC as your primary master control system?

How has your station(s) benefitted from using the JMC?

How many channels at your station(s) are using the JMC as their primary master control?

How has your station(s) benefitted from using the JMC for those channels?

Briefly explain why your station(s) are not using the JMC for all channels and if BEMC could take any actionable steps to get your station(s) to use the JMC for all channels.

Briefly explain why you are not using the JMC and if BEMC could take any actionable steps to get your station(s) to use the JMC.

Are you reliant upon the JMC for redundancy purposes?

Do you have an in-house master control system?

Please list the major equipment (replacement value of \$1,000 or more) used to operate your in-house master control system, and the approximate replacement value of this equipment.

Please estimate the annual staffing cost of running your in-house master control system.

Do you review the on-air accuracy reports that are provided on a weekly basis by BEMC?

Briefly explain why you do not review the weekly reports and if BEMC could include any additional information in the reports that would provide value to your station(s).

Have these reports been useful to your station(s)?

How have these reports been useful to your station(s)?

How could these reports be useful to your station(s)?

Do you review the quarterly JMC reports posted on the BEMC website?

How often do you review these reports?

Do you use JMC services in any capacity, including for redundancy?

How would you rate your overall satisfaction with the JMC over the past 12 months?

Have you had any recurring issues with the JMC over the past 12 months, even if the issue has been resolved?

Please briefly describe the issues and if they've been resolved.

Communications from the JMC regarding on-air discrepancies...

Communications from the JMC regarding off-air issues or concerns...

Communications from the JMC regarding service-affecting updates or upgrades...

JMC staff's responsiveness to questions or concerns...

Capability of the JMC to process and execute last-minute broadcast schedule changes...

Capability of the JMC to accommodate special programming (e.g., live news, Pledge events)...

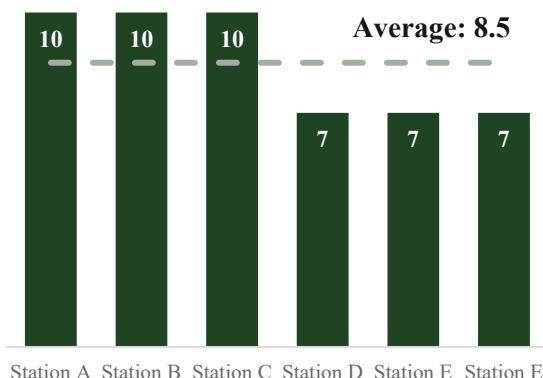
Capability of the JMC to acquire, archive, and share broadcast media...

If desired, please use this space to provide context for any of the answers in this survey.

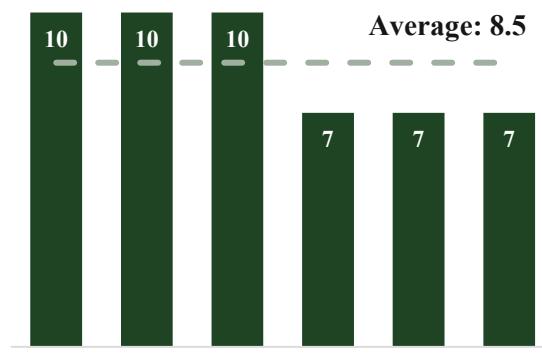
Below are the survey results pertinent to the Recommendations:

Communications from the JMC regarding **on-air** discrepancies...

Communications from the JMC regarding **off-air** discrepancies...



Station A Station B Station C Station D Station E



Station A Station B Station C Station D Station E

Efficient

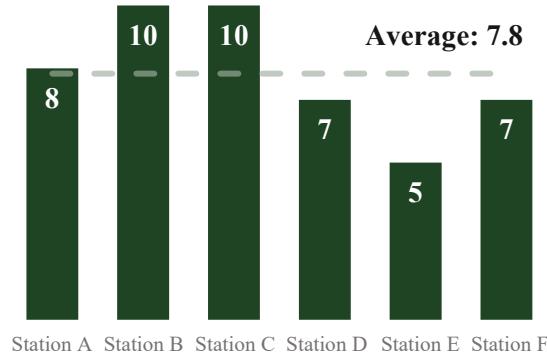
•

Effective

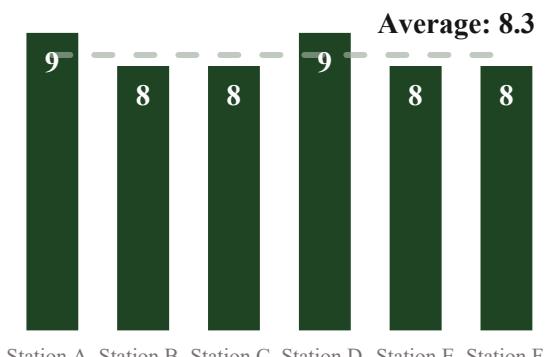
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Transparent

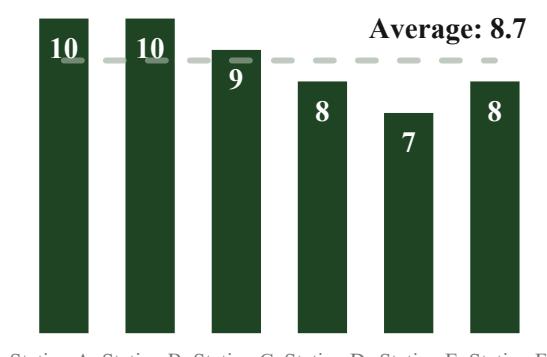
Communications from the JMC regarding service-affecting updates or upgrades...



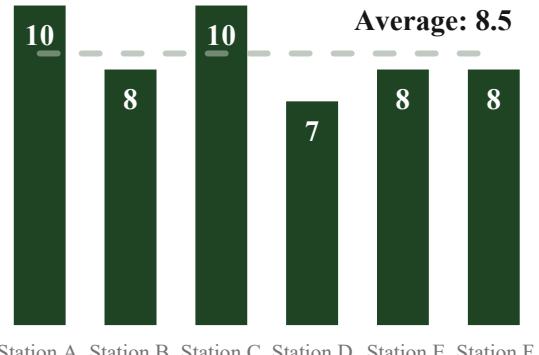
Capability of the JMC to process and execute last-minute broadcast schedule changes...



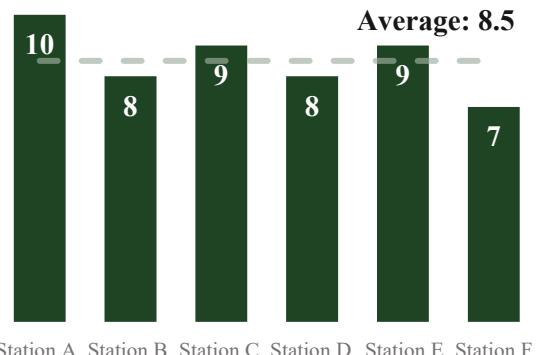
Capability of the JMC to acquire, archive, and share broadcast media...



JMC staff's responsiveness to questions or concerns...



Capability of the JMC to accommodate special programming (e.g., live news, Pledge events)...



Efficient



Effective



Transparent

Entity Name	Call Sign
Ideastream	WVIZ
ThinkTV	WPTD & WPTO
CET	WCET
WOSU	WOSU
WBGU	WBGU
WGTE	WGTE
WOUB	WOUB
PBS Western Reserve	WNEO

OHIO AUDITOR OF STATE KEITH FABER



OHIO BROADCAST EDUCATIONAL MEDIA COMMISSION

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 6/3/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov