APRIL 2, 2014 TESTIMONY OF BILL CALLAHAN, DIRECTOR, CONNECT YOUR COMMUNITY TRANSITION INITIATIVE, TO THE FINANCE AND APPROPRIATIONS COMMITTEE, OHIO HOUSE OF REPRESENTATIVES, ON HOUSE BILL 483

Mr. Chairman and Committee Members:

My name is Bill Callahan. I live at 3100 Archwood Avenue in Cleveland. I'm currently the director of a nonprofit collaborative called the Connect Your Community Transition Initiative (CYC 2.0), composed of organizations that participated in a Federally funded Internet training and adoption program called the Connect Your Community (CYC) Project. The CYC Project was created and managed by OneCommunity in cooperation with fifteen community-based partners in Cleveland, Akron, Lorain County, central Appalachian Ohio, and four non-Ohio cities. I served as the overall director of this effort, which was one of the largest and most successful broadband adoption initiatives funded by the U.S. Department of Commerce's Broadband Technologies Opportunity Program, sometimes called the "broadband stimulus program." Between September 2010 and February 2013, the CYC Project provided basic computer and Internet classes and home broadband adoption support to help more than 26,000 disconnected lower-income adults to become Internet subscribers and users, including about 15,000 Ohioans… roughly 5,000 in Cleveland and East Cleveland, 3,500 in Akron, 2,000 in Lorain County and 4,500 in Muskingum, Coshocton, Guernsey and adjacent counties in east central Ohio. [1]

Thank you for the opportunity to appear today and comment on House Bill 483 -- specifically the proposed language in Section 4141.28(A), which would require almost all Ohioans seeking

---

[1] See http://www.connectcommunity.org for more information.

unemployment compensation after July 1, 2015 to submit their applications and claims online.

I want to share with the Committee some findings from survey research carried out for the CYC Project, which together with parallel data from other sources – notably Connect Ohio and the Federal Communications Commission – raises serious questions about the practicality and fairness of legislating a drop-dead date for unemployed Ohioans to become competent and connected Web users, without taking steps to help thousands of them accomplish that.

Members of the Committee are probably already aware of Connect Ohio's annual Residential Technology Assessments, the latest of which (in 2013) found 72% of Ohio households with home broadband access – indicating that more than two and a half million adult Ohioans still do not have mainstream Internet access in their homes. While Connect Ohio's polling shows this percentage rising significantly over the past six years, it also shows rural Appalachian Ohio residents still far behind other Ohioans, with household broadband penetration of only 63%.[2]
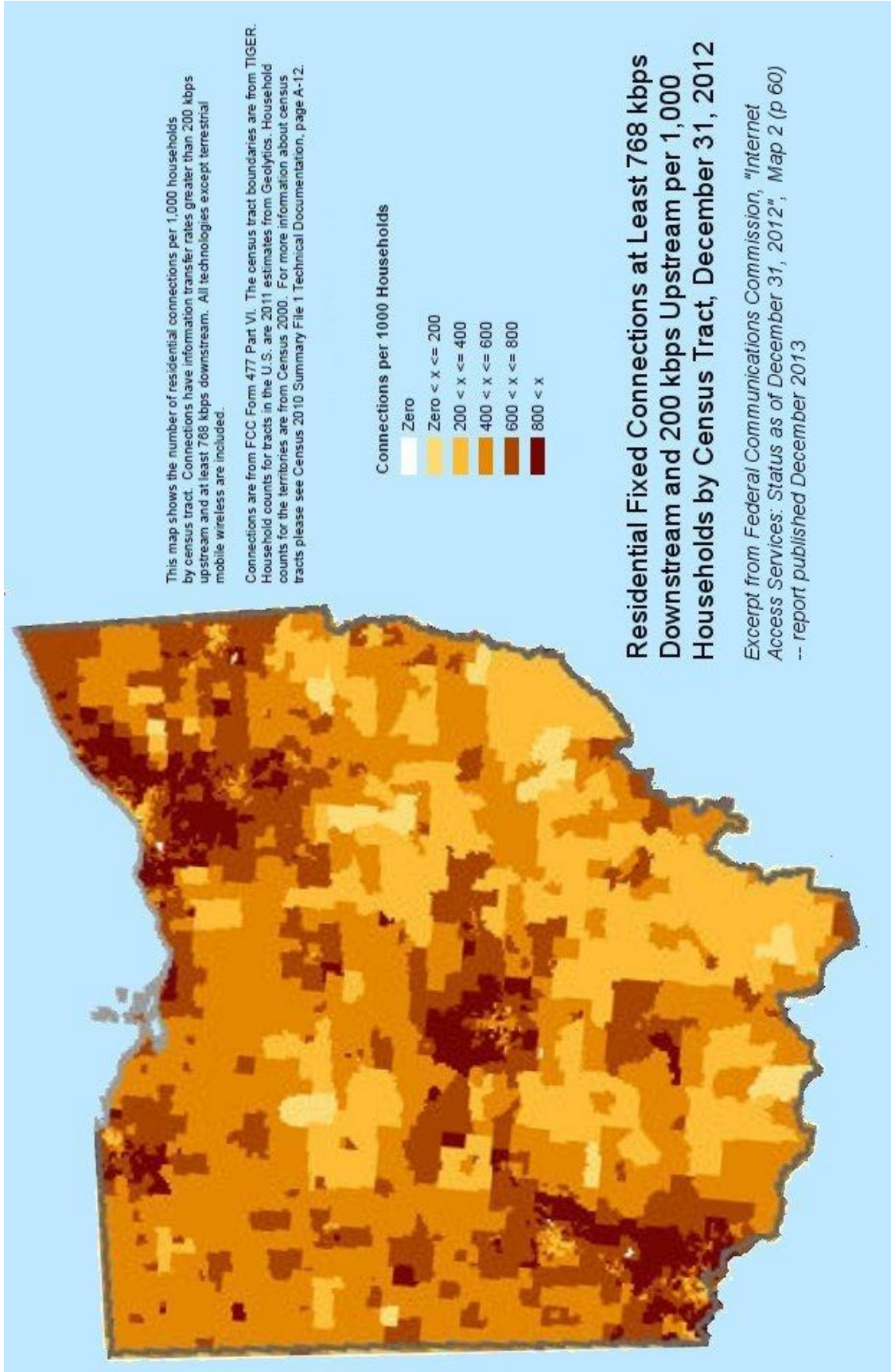
Connect Ohio's statewide findings are reinforced by a recent Federal Communications Commission report[3] providing December 2012 data on residential fixed broadband connections as a percent of households by Census tract, based on Federal Communications Commission Form 477 reports filed by Internet providers. Released by the FCC in December 2013, the report includes several national tract-level maps. On the following page I've reproduced an excerpt from one of these maps showing the state of Ohio, with the original legend and references. As you can see, the broadband providers' own data shows large areas of the state, including rural

---

[2] Preliminary findings, not yet published. 2012 Residential Technology Assessment Results can be found in "Ohio's Broadband Landscape 2013" at http://connectohio.org/sites/default/files/connected-nation/Ohio/files/oh_bb_landscape_2013_full_doc_final.pdf

[3] http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-324884A1.pdf

Southeast and East Central counties as well as inner cities, where there are fewer than four

hundred cable Internet or DSL connections for each thousand households.

This map shows the number of residential connections per 1,000 households by census tract. Connections have information transfer rates greater than 200 kbps upstream and at least 768 kbps downstream. All technologies except terrestrial mobile wireless are included.

Connections are from FCC Form 477 Part VI. The census tract boundaries are from TIGER. Household counts for tracts in the U.S. are 2011 estimates from Geolytics. Household counts for the territories are from Census 2000. For more information about census tracts please see Census 2010 Summary File 1 Technical Documentation, page A-12.

Connections per 1000 Households

Zero

Zero < x <= 200

200 < x <= 400

400 < x <= 600

600 < x <= 800

800 < x

Residential Fixed Connections at Least 768 kbps Downstream and 200 kbps Upstream per 1,000 Households by Census Tract, December 31, 2012

Excerpt from Federal Communications Commission, "Internet Access Services: Status as of December 31, 2012", Map 2 (p 60) -- report published December 2013

Obviously the Connect Ohio and FCC data raise a broad concern about the ability of many Ohioans, especially rural residents, to manage an Internet-only unemployment compensation without undue hardship. But now let's look at the state's most urban county, and the one accounting for more than 10% of Ohio unemployment claims – Cuyahoga.

In Fall 2012, the Connect Your Community Project engaged Dr. Caroline Tolbert of the University of Iowa and Dr. Karen Mossberger of the University of Illinois, two of the nation's most respected researchers on digital divide issues, to carry out a major telephone survey of household Internet access and use in Cuyahoga County. Their survey was conducted in October 2012 and the results, based on completed interviews with 1,261 randomly selected adults, were released in April 2013.[4] Here's some of what they found:

- Countywide, the percentage of adults who had access to broadband Internet service in their homes was just 63%. Another 6% who lacked broadband reported accessing the Internet with smart phones. This left **almost 30% of Cuyahoga County adults with neither home broadband nor mobile Internet access**.

- Among respondents from the city of Cleveland and nine inner-ring suburbs with Ohio Directions Card participation of 25% or more, just 55% reported home broadband access, with an additional 8% using mobile Internet… **leaving more than 35% of all adults in these poorer communities with neither broadband nor mobile access.**

- Countywide, *majorities* of the following groups had neither home broadband nor mobile Internet: 58% of those with household incomes below $20,000, 65% of those who lack high school diplomas or GEDs, and 54% of those aged 65 or older. The percent of those with only a high school diploma lacking broadband or mobile access was 47%.

---

[4] http://www.connectcommunity.org/research/cuyahoga-county-Internet-survey/

For purposes of this legislation, perhaps our most interesting survey respondents were those who characterized their employment status as "unemployed" or "laid off". Since many of these individuals had recent histories of work and income, and they were not particularly older or less educated than average, it's not surprising that their level of access was higher than the countywide average. But not much higher: **21% of self-identified unemployed or laid-off respondents said they had neither home broadband nor mobile Internet access, and 15% said they never use the Internet anywhere.**

In her testimony to this Committee last week, Director Dungey mentioned that about 20% of weekly unemployment compensation continuing claims are filed through the phone system. Perhaps the similarity of these percentages is not a coincidence.

According to reports available through the Labor Market Information section of the Department of Jobs and Family Services website, Cuyahoga County in 2013 accounted for an average of about 5,100 initial unemployment compensation claims each month, and a weekly average of nearly 10,000 continuing claims. Applying the CYC Project survey findings to these numbers, we can estimate that:

- About a thousand Cuyahoga County residents who enter the unemployment compensation system each month (20%) have neither home nor mobile Internet access, and up to 750 of these monthly entrants (15%) lack basic digital skills or experience.

- About 2,000 Cuyahoga County residents (20%) are filing weekly claims through the ODJFS phone system; most of these individuals lack home or mobile Internet access that would allow them to file on line conveniently, and up to 1,500 (15%) lack the digital skills or experience to do so.

So what will happen in Cuyahoga County in the months following July 1, 2015, if House Bill 483 is passed into law with the current language of Section 4141.28(A) intact; all new applicants for unemployment compensation are suddenly required to get on line and go to unemployment.ohio.gov to do so; and all current beneficiaries are suddenly required to get on line and go to unemployment.ohio.gov to file their weekly claims?

Obviously the answer depends on what else ODJFS and the General Assembly do, or don't do, between now and July 2015 to support a smooth transition for the 2,000 to 3,000 digitally disconnected Cuyahoga County citizens – currently working and paying their taxes -- who will find themselves in those roles on the drop-dead day, and the several thousand more who will join them in the subsequent few months.

In her testimony last week, Director Dungey suggested that local Ohio Means Jobs offices will be ready and willing to step into the breach with staff assistance and computer training for people who need it. Respectfully, I would ask the Director and this Committee to take a step back and do the math.

If 750 new monthly applicants (15%) and 1500 weekly claim filers (15%) were to demand individual assistance from Cuyahoga County OMJ, and that assistance averaged just ten minutes an episode, it would add 1,200-1,300 hours a month – more than seven full-time equivalent positions – to the agency's ongoing staff requirements. As far as I know, there is no proposal on the table for the State of Ohio to provide funding for these positions.

What about training? This is one area in which I have significant experience, and I'd estimate (based on the same rough numbers used above) that to provide basic Internet user training for the

6,000 individuals[5] who'd need it in the first six months, Cuyahoga County OMJ would probably need three or four medium-sized training labs running full time, plus a hundred or more client-access workstations. It would be cheaper than seven additional staff, but not that much cheaper. Again, there is no proposal on the table for ODJFS to help pay for it.

Could Cuyahoga County OMJ just send people who need help and training out to other community agencies? Not likely. The Cleveland and Cuyahoga County Library systems do have a lot of public access computers. But those computers are already very busy, the librarians are seldom able to give users the individual hand-holding that's involved in filling out an application or a weekly claim, and neither system is funded or staffed to provide basic computer training on demand for several hundred trainees a month, every month. Cleveland's community computer centers, some of which participate in CYC 2.0, are similarly situated; we were able to train six thousand new adopters over the two years of the CYC Project, but only because millions of Federal dollars were available to support that effort.

So if this legislation becomes law in its present form, and if ODJFS's only plan to support tens of thousands of applicants and recipients who lack digital skills and access is to point them in the direction of local OMJ agencies and unfunded training programs at libraries and community centers, then the results in Cuyahoga County and elsewhere are likely to be very unsatisfactory for all concerned.

With respect, I'd like to suggest another approach:

- First, make July 1, 2015 a target date, not a drop-dead date.

---

[5] 750 new applicants per month X 6 months = 4,500, plus 1,500 current weekly claim filers

- Second, ask ODJFS to convene a working group that includes Connect Ohio, OMJ agencies, libraries, community technology programs and others who could contribute to meeting that goal. CYC 2.0 (which includes many of those actors in Cuyahoga County) will be happy to participate. Task ODJFS and the working group with developing a practical, collaborative plan to meet the goal.

- And third, accept the reality that in order to realize the long-term cost reductions ODJFS is seeking from reducing its reliance on call center services, the State will have to make some short to medium term investments in training and support for clients who aren't prepared for that transition.

Mr. Chairman, it's understandable that ODJFS is impatient to migrate as much of its client interaction to the Internet as possible, and eliminate the expense of its legacy systems like phone centers as quickly as possible. But that understandable impatience seems to be causing the Department to ignore a fundamental rule of IT systems management: *Never deploy a mission-critical software or hardware system without making sure that all the people who will have to use it, **can** use it.*

In the case of the proposal before the Committee today, this means coming to grips with the uncomfortable fact that many thousands of the Department's current and future clients just don't have the basic skills, equipment or fast Net access to use its Web-based systems. "Coming to grips" means ODJFS must either take serious steps to help those clients acquire the necessary skills and access, or continue to provide the human/phone alternative.

Thank you.