

# Ohio Arts Council

- A flat budget to maintain operations
- No increase in program subsidies (grant funds)
- Emphasis on Arts in Communities
- Forego required computer hardware and software upgrades

## OVERVIEW

**Overall budget funding recommendation:** The FY 2002-FY 2003 Executive recommended budget for the Ohio Arts Council (ART) limits the agency to essentially no increase in annual funding over the FY 2001 estimated level. The biennial increase for the agency will be 4.0 percent, compared to an analogous increase of 14.4 percent for the FY 2000-FY 2001 biennium.

The following table summarizes the Arts Council budget, including the four major line items. A complete listing is provided in the following section, Analysis of Executive Proposal.

Ohio Arts Council: Budget Summary					
Fund	ALI	Description	FY 2001 est.	FY 2002	FY 2003
GRF	370-100	Personal Services	\$2,307,463	\$2,192,197	\$2,266,700
GRF	370-200	Maintenance	600,342	538,784	535,098
GRF	370-502	Program Subsidies	13,332,576	13,332,576	13,332,576
FSRF	370-601	Federal Programs	929,600	862,000	862,000
GRF and GSF	All other (3 ALI's)	Equipment, gifts, donations, Percent for Art Acquisitions	243,684	442,394	453,975
		Total ART	<b>\$17,416,655</b>	<b>\$17,367,951</b>	<b>\$17,450,349</b>
		Change from prior year	8.4%	-0.28%	0.47%

Under the Executive recommendation, the agency's main line item, 370-502, Program Subsidies, will be maintained at the FY 2001 level for each of the two fiscal years. In addition, the items 370-100, Personal Services, and 370-200, Maintenance, will be held below the FY 2001 level for each year. Given this flat funding for the main line item and the recommended declines in several other line items for FY 2002, the net effect on the agency's total budget will be a slight decline of 0.28 percent) in that fiscal year, followed by a slight increase of 0.47 percent for FY 2003.

**Budget issues:** Several issues arise from the Executive recommended budget for The Arts Council:

The budget will be sufficient to maintain the council's essential operations. The agency will attempt to maintain program fundings at their current levels in the three major program grant divisions. Any necessary program reductions will be taken across the board as needed. The agency will not start major new programs, although it will emphasize certain popular and recently begun programs at the expense of others.

The Personal Services appropriations might be unable to accommodate the two contracted wage increases during the biennium. In addition, the desired replacement of obsolete copiers and computer hardware and software are not funded. Finally, the Maintenance appropriation will limit the funding of the agency's public information office, which has a significant communications budget and a backlog of projects.

In an accounting change, in future the expenses associated with the management of the Riffe Center Gallery will be supported by the Gifts and Donations line item, which receives the revenues for that purpose. This will provide funds for the management of the gallery, freeing up Personal Service and Maintenance funds currently used for that purpose.

These issues are covered in more detail in the section Analysis of Executive Proposal.

**Description of the agency and its operations:** The Ohio Arts Council was established in 1965 to foster and encourage the development of the arts across Ohio and the preservation of the state's cultural heritage. With funds from the state of Ohio and the federal National Endowment for the Arts (NEA), the agency administers grant programs that provide financial assistance to artists, to arts organizations and to communities; the agency also provides services that enhance the growth of the arts.

The council consists of 19 members, with two each appointed by the House and Senate and 15 appointed by the Governor. The agency's executive director is appointed by and reports to the council. The administrative, clerical, and program staff of 42 employees reports to the agency's executive director.

The agency operates under the provisions of sections 3379.01 to 3379.09 of the Ohio Revised Code. The Percent for Art Acquisition program operates under section 3379.10.

The Arts Council administers approximately 16 grant programs and five service programs (vs. 22 and five programs, respectively, in 1999). The council's activities comprise three main program divisions: Services to Artists, Support for Organizations, and Arts in Communities. These divisions' programs are described in the section Catalog of Budget Line Items; and a recent history of the programs' funding is provided by Table 2 in the section Facts and Figures.. The Arts Council receives more than 1,800 grant applications per year; it is currently funding more than 900 grants. The council's current operations and subsidy programs are based on a master plan the agency began in April 1995 and completed in FY 1997.

The council's major state funding in support of its program grants comes from the General Revenue Fund (GRF) and the General Services Fund (GSF) groups (approximately \$16.1 million and \$420,000 annually, respectively). The federal NEA funds (estimated at \$862,000 per year) have been used both to support administration expenses and to provide grant awards, in approximately equal parts.

The Arts Council in FY 20000 ranked 7<sup>th</sup> among the fifty states' arts agencies in terms of budget size and 16<sup>th</sup> in terms of per capita funding. These rankings were 4<sup>th</sup> and 13<sup>th</sup>, respectively, in 1998.

**Staffing:** For the biennium, personnel FTE's will remain at 42. Staffing had been level at 38 for several years until the agency added four personnel in the FY 2000-FY 2001 biennium. A staffing table is provided in the section Additional Facts and Figures.

**Current goals and challenges:** The council's main challenge for the biennium will be to maintain its current level of program operations within the constraints of a flat budget for each fiscal year. Planned program initiatives will be revisited

Another challenge will be to continue improving the council's technology, especially computer hardware and software.

## ADDITIONAL FACTS AND FIGURES

**Staffing level:** In the current biennium the Ohio Arts Council has added four positions, to raise its staffing level from 38 to 42. This increase has occurred in accordance with the agency's current master plan, developed in 1995. It indicates that four additional personnel have "greatly increased the effective operation of the agency". The Arts Council has planned to retain its staffing level at 42 for the FY 2002-FY 2003 biennium.

No personnel are classified as supported by federal funds; however, the appropriation for salaries (ALI 370-100, Personal Services) is supplemented by a portion of the federal funds appropriated under 370-601, Federal Programs.

Recent years' staffing levels are provided by Table 1.

Table 1. Ohio Arts Council: Staffing Levels						
Source of funding	Fiscal year					
	1998	1999	2000	2001	2002	2003
GRF	37	38	40	42	42	42
Federal	0	0	0	0	0	0
<b>Total staffing level</b>	37	38	40	42	42	42

**Program Subsidies allocation:** A recent history of the allocation of the Program Subsidies expenditures among the three main program divisions is provided by Table 2 on the following page.

<b>Table 2. Ohio Arts Council: Program Subsidies</b>				
(\$ thousands)	FY 1998	FY 1999	FY 2000	FY 2001
<b>SERVICES TO ARTISTS</b>				
Individual Artists	\$602	\$726	\$744	\$790
Traditional Apprenticeships	32	33	43	36
Artists Projects	122	120	123	130
Subtotal	\$846	\$879	\$909	\$956
<b>SUPPORT FOR ORGANIZATIONS</b>				
Operating Support I	\$5,837	\$6,047	\$6,590	\$6,499
Operating Support II/Project Support	2,451	2,716	3,151	2,999
Sudden Opportunity Funds	0	0	100	75
Information/Resource Assistance	161	169	174	184
Subtotal	\$8,450	\$8,932	\$10,015	\$9,757
<b>ARTS IN COMMUNITIES</b>				
Arts in Education	\$424	\$460	\$468	\$474
YouthReach Funding	0	0	450	450
Minority Arts Program	182	188	138	146
Building Diverse Audiences	211	128	143	178
Performing Arts on Tour	623	561	543	5730
Ohio's Hill Country Heritage Program	152	155	50	0
Community Development Initiative	35	130	150	165
Ohio Appalachian Arts Program	0	0	84	48
International Program	225	236	117	200
Ohio River Border Initiative	0	0	28	0
Subtotal	\$1,852	\$1,858	\$2,171	2,235\$
<b>OTHER</b>				
Special Programs/Services, etc.	\$356	\$250	\$100	\$182
Review and Assessment	110	115	118	125
Dialogue Magazine	60	60	15	0
State of the Arts Survey Project	0	0	245	77
Subtotal	\$526	\$425	\$480	\$385
Line Item	30	0	0	0
<b>Grand total</b>	<b>\$11,704</b>	<b>\$12,094</b>	<b>\$13,575</b>	<b>\$13,333</b>

## ANALYSIS OF EXECUTIVE PROPOSAL

### OHIO ARTS COUNCIL

*Single-program agency*

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**Purpose** To foster and encourage the development of the arts and the preservation of Ohio’s cultural heritage

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	370-100	Personal Services	\$2,192,197	\$2,266,700
GRF	370-200	Maintenance	538,784	535,098
GRF	370-300	Equipment	22,753	22,597
GRF	370-502	Program Subsidies	13,332,576	13,332,576
GSF: 4B7	370-603	Percent for Art Acquisitions	84,672	86,366
GSF: 460	370-602	Gifts and Donations	334,969	345,012
FSRF: 314	370-601	Federal Programs	862,000	862,000
<b>Total funding: OHIO ARTS COUNCIL</b>			<b>\$17,367,951</b>	<b>\$17,450,349</b>

### OHIO ARTS COUNCIL (a single-program agency)

**Program description:** The Arts Council’s operations are centered on its administration of a program of grants and fellowships to help fund the arts in Ohio. The major line item is 370-502, Program Subsidies, by far the budget’s largest line item. The programs supported by this line item are organized into three divisions, Services to Artists, Support for Organizations, and Arts in Communities. A detailed description of the line item and the individual grant programs is provided in the section Catalog of Budget Line Items (COBLI), in this Redbook.

**Line Items:** The table above lists all of the line items that fund the Arts Council’s budget.. Descriptions of all seven line items are provided in the Catalog of Budget Line Items (COBLI), in this Redbook.

**Funding Sources:** The state’s General Revenue Fund (GRF) supports approximately 93 percent of the agency’s \$17.4 million total annual agency budget. This includes the \$13.3 million line item for the program subsidies, which alone comprise some 77 percent of the total budget. A second major source of funds is the federal National endowment for the Arts (NEA), which is expected to provide an estimated \$862,000 each year (or 5 percent of the total budget). A small amount of GSF funds (approximately \$340,000) is gained from fees and gifts, as well as the revenues for the agency’s management of the Riffe Center Gallery. Finally, the GSF also provides approximately \$80,000 under the Percent for Art Acquisitions program.

**Implications of the Executive Recommendation:** As shown in the Overview section, the Executive recommended budget for the agency is essentially a flat one: funding for each of the two fiscal years 2002 and 2003 remains close to the FY 2001 level.

**Overall:** The Arts Council's main objective under the recommended budget will be to maintain the agency's operations; no major initiatives are anticipated. The use of increased Gift and Donations appropriations will reduce the need to use Personal Services and Maintenance funds to pay management expenses for the Riffe Center Gallery. The freed-up funds could, in turn, pay for necessary administrative items. Flat program funding will limit grants and fellowships to current levels.

Specific budget issues are as follows:

**Programs:** The budget will be sufficient to maintain the council's essential program operations. The agency will attempt to maintain program fundings at their current levels in the three major program grant divisions. Any program reductions will be taken across the board as needed, with a possible reduction in the percentage of applicants' desired dollars that are funded. The agency will begin no major new programs, although it will emphasize certain popular and recently begun programs at the expense of others. Among the programs receiving emphasis will be three Arts in Communities programs: YouthReach Funding, Community Development Initiative, and the Ohio Appalachian Arts program. In particular, the YouthReach program is intended to be funded and extended, as it has become quite popular at many school districts, especially in those that have incurred budget cuts in their arts programs.

**Personal Services:** The lower Personal Services appropriations for the two fiscal years might be unable to accommodate the two contracted wage increases during the biennium. The contract calls for 3.5-percent and 4.0-percent increases in fiscal years 2002 and 2003, respectively. The agency normally uses approximately half of its federal funds appropriation to supplement Personal Services and Maintenance appropriations, including salaries. Such utilization might have to increase in order to meet the additional salary requirements.

The GRF Personal Services line item will also be helped by the greater use of Gifts and Donations line item funds to pay personnel (e.g., the Riffe Center Gallery), although some personnel attrition in fiscal year 2002 will be required. The Personal Services appropriation declines by 5.0 percent in fiscal year 2002 and the total personal services funds (including the non-GRF sources) are projected to decline by 7.5 percent, according to the Executive Budget (see page E-38). However, the 4.0-percent expected increase in total personnel costs in fiscal year 2003 (Executive Budget, page E-38) should cover the second contracted wage increase of 4.0 percent, so that no additional attrition should be required that year.

**Maintenance:** The appropriation decrease in this line item continues its return toward the appropriation levels existing before the FY 1998-FY 1999 biennium, which saw annual Maintenance funding more than double as compared to the previous biennium. The additional funds have been used for travel to constituents, coordination with national arts organizations, and web site development. The declining appropriation might limit the funding of the agency's public information office, which has a significant communications budget and a backlog of projects.

**Equipment:** The reduced budget for equipment might preclude the desired replacement of copiers and computer hardware and software. In particular, \$130,000 is indicated as needed for replacement computers.

**Gifts and Donations:** In a financial management change, the expenses incurred by the agency's operation of the Riffe Center Gallery will henceforth be paid from appropriations in the same line item (0370-602, Gifts and Donations) that receives the council's revenues from the Ohio Building Authority under the agencies' agreement for the management of the gallery. These revenues are contained in fund 460. This change will, in turn, free up a certain amount of administrative funds (especially Personal

Services and Maintenance) that have recently been used to support the gallery's management expenses. To meet this Gifts and Donations line item's new expense requirement, the appropriation has been increased significantly to utilize the moneys that have accumulated in fund 460. The freed-up administrative funds might then become available for the support of wage increases, equipment purchases, etc.

***Federal funds:*** The Arts Council anticipates the receipt of \$862,000 in each fiscal year under the National Endowment for the Arts (NEA) Basic State Plan Grant program. This is roughly the same level as in recent years. Continuing its usual practice, the agency will use approximately half of these funds to support its administrative operations, including salaries; the balance would be used for grant awards. This use of federal funds for administrative purposes, rather than solely for grants, has been questioned upon occasion by the NEA; however, that agency has not acted to restrict funding usage.

## PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

### **Permanent Law Provisions**

No changes in permanent law are proposed.

### **Temporary Law Provisions**

#### **Section 18. of H.B. 283 (123<sup>rd</sup> General Assembly)**

The Executive Budget would eliminate current temporary law regarding museums' eligibility for program subsidies. The current language was created for the FY 1998-FY 1999 budget (Am Sub. H.B. 215 of the 122<sup>nd</sup> General Assembly) in order to limit the amount of Operating Support I program funds taken up by large organizations.

The language, under the title Program Subsidies, reads, "A museum is not eligible to receive funds from appropriation item 370-502, Program Subsidies, if \$8,000,000 or more in capital appropriations were appropriated by the state for the museum between January 1, 1986, and December 31, 2000".

#### **Section 18. of H.B. 283**

Under the section entitled Percent for Art Acquisitions, the second paragraph will be eliminated because it is just a restatement of current permanent law (section 3379.10 of the Revised Code), which will be retained.

## REQUESTS NOT FUNDED

Following are the line items whose Executive recommended appropriations are significantly less than those requested by the agency:

PERSONAL SERVICES						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 370-100	\$2,796,867	\$2,192,197	(\$604,670)	\$3,107,296	\$2,266,700	(\$840,596)

Requested items that would not be funded under the recommended budget:

- **FY 2002 and FY 2003: GRF salaries.** The line item's fund availability will increase because it will no longer be funding Riffe Center Gallery expenses. In addition, the agency will use some of the federal funds to fill the salary gap, including inflation; but that will mean less money for grants.

EQUIPMENT						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 370-300	\$34,126	\$22,753	(\$11,373)	\$151,453	\$22,597	(\$128,856)

Requested items that would not be funded under the recommended budget:

- **FY 2002 and FY 2003: Computers.** The agency had requested funds for replacement chairs, tables, telephones, etc., as well as \$144,800 for new computers and peripherals.

PROGRAM SUBSIDIES						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 370-502	\$14,509,520	\$13,332,576	\$(1,176,944)	\$15,817,920	\$13,332,576	\$(2,485,344)

Requested items that would not be funded under the recommended budget:

- **FY 2002 and FY 2003: Grants.** The agency will provide fewer and/or smaller grants across the three main program divisions. No major new programs will be initiated

## LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

Fund	ALI	ALI Title	2000	Estimated 2001	Executive 2002	% Change 2001 to 2002	Executive 2003	% Change 2002 to 2003
<b>ART Arts Council, Ohio</b>								
GRF	370-100	Personal Services	\$ 2,244,107	\$2,307,463	\$ 2,192,197	-5.0%	\$ 2,266,700	3.4%
GRF	370-200	Maintenance	\$ 593,758	\$603,342	\$ 538,784	-10.7%	\$ 535,098	-0.7%
GRF	370-300	Equipment	\$ 44,000	\$36,304	\$ 22,753	-37.3%	\$ 22,597	-0.7%
GRF	370-502	Program Subsidies	\$ 12,276,866	\$13,332,576	\$ 13,332,576	0.0%	\$ 13,332,576	0.0%
<b>General Revenue Fund Total</b>			<b>\$ 15,158,731</b>	<b>\$ 16,279,685</b>	<b>\$ 16,086,310</b>	<b>-1.2%</b>	<b>\$ 16,156,971</b>	<b>0.4%</b>
460	370-602	Gifts and Donations	\$ 119,480	\$124,368	\$ 334,969	169.3%	\$ 345,012	3.0%
4B7	370-603	Percent For Art Acquisitions	\$ 15,061	\$83,012	\$ 84,672	2.0%	\$ 86,366	2.0%
<b>General Services Fund Group Total</b>			<b>\$ 134,541</b>	<b>\$ 207,380</b>	<b>\$ 419,641</b>	<b>102.4%</b>	<b>\$ 431,378</b>	<b>2.8%</b>
314	370-601	Federal Programs	\$ 774,870	\$929,600	\$ 862,000	-7.3%	\$ 862,000	0.0%
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 774,870</b>	<b>\$ 929,600</b>	<b>\$ 862,000</b>	<b>-7.3%</b>	<b>\$ 862,000</b>	<b>0.0%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 16,068,142</b>	<b>\$ 17,416,665</b>	<b>\$ 17,367,951</b>	<b>-0.3%</b>	<b>\$ 17,450,349</b>	<b>0.5%</b>

## General Revenue Fund

### GRF 370-100 Personal Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,052,177	\$2,074,408	\$2,244,107	\$2,307,463	\$2,192,197	\$2,266,700
	1.1%	8.2%	2.8%	-5.0%	3.4%

*Source:* GRF

*Legal Basis:* ORC 3379

*Purpose:* This line item provides GRF-funded payroll and fringe benefits for the agency's employees. The line item also provides for training, purchased services, and the council's travel expenses.

### GRF 370-200 Maintenance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$732,001	\$675,023	\$593,758	\$603,342	\$538,784	\$535,098
	-7.8%	-12.0%	1.6%	-10.7%	-0.7%

*Source:* GRF

*Legal Basis:* ORC 3379

*Purpose:* This line item provides funds for the operation and maintenance of the agency's offices. It includes staff travel, systems development, the Public Information Office, the Riffe Center Gallery, and other items such as office supplies, telephone costs, and postage.

### GRF 370-300 Equipment

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$72,560	\$33,500	\$44,000	\$36,304	\$22,753	\$22,597
	-53.8%	31.3%	-17.5%	-37.3%	-0.7%

*Source:* GRF

*Legal Basis:* ORC 3379

*Purpose:* This line item provides funds for equipment, including copiers, computers and peripherals, chairs and tables, telephones, etc.

**GRF 370-502 Program Subsidies**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$10,185,825	\$11,733,986	\$12,276,866	\$13,332,576	<b>\$13,332,576</b>	<b>\$13,332,576</b>
	15.2%	4.6%	8.6%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** ORC 3379.04(D) authorizes the council to award and administer grants. It was originally established in 1965 by the 106th G.A.; it received its first appropriation in FY 1969, through Am. Sub. H.B. 531 of the 108th G.A.

**Purpose:** Funds from this line item provide grants to various individuals, orchestras, dance companies, radio stations, theater groups, art groups, publishers and other organizations. Approximately one-half of the line item is distributed to Ohio's 48 large arts institutions -- those with operating budgets over \$1 million. The balance of the line item is awarded to organizations and individuals on a competitive basis. Quality of work is the principal consideration in determining recipients of these grants.

The line item funds the agency's three main program divisions, Services to Artists, Support for Organizations, and Arts in Communities. These divisions' programs are as follows:

(A) Services to Artists: This division has three programs: (1) The Individual Artists program assists artists in the creation of new works by means of fellowships (\$5,000 and \$10,000) and professional development assistance. (2) The Traditional Arts Apprenticeships program assists in the continuity of art forms by providing grants (up to \$2,000) to match apprentices with recognized masters. And (3) The Artists Projects program provides funds to individual artists or collaborations to help them create new work with a strong public component.

(B) Support for Organizations: This division has four programs: (1) Operating Support I supports arts institutions with annual operating budgets of \$1 million or more. (2) Operating Support II/Project Support provides funds for ongoing artistic and administrative functions of arts and cultural organizations with annual operating budgets of between \$20,000 and \$1,000,000. This program's Project Support component provides funds to smaller organizations for one-time projects. (3) The Information and Resource Assistance Program helps organizations acquire special skills to strengthen them artistically, financially and programmatically. And (4) The recently established Sudden Opportunity Funds program supports appropriate projects that arise during the year but which were not previously known and planned.

(C) Arts in Communities: This division provides developmental assistance, grant awards and services to schools and other community cultural, educational and arts organizations to promote the arts in education, in Ohio's communities, among minority groups, and with international partners. The division contains ten programs, of which three were recently established: (1) YouthReach Funding supports out-of-school arts-based intervention programs for young people at risk. (2) the Appalachian Arts program promotes community development through services to artists and organizations of the 29 Appalachian counties. And (3) the Ohio River Border Initiative will plan a Tamarack, West Virginia-type arts-and-

crafts oriented rest center near the West Virginia border. Other programs in this division include Arts in Education, Minority Arts program, Building Diverse Audiences, Performing Arts on Tour, the Hill Country Heritage program, the Community Development Initiative, and the International program.

In addition to these three main program divisions, other programs include Special Programs and Services, Review and Assessment, Dialogue Magazine, and the State of the Arts Survey project.

## General Services Fund Group

### 460 370-602 Gifts and Donations

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$108,888	\$222,021	\$119,480	\$124,368	\$334,969	\$345,012
	103.9%	-46.2%	4.1%	169.3%	3.0%

**Source:** GSF: Various. Currently the major source of funds to this line item is the revenues received by the council for its management of the Riffe Center Gallery. Other sources include gifts and donations.

**Legal Basis:** ORC 3379.07. This section allows the Council to accept donations for the development of the arts. The Controlling Board created the line item on April 27, 1981 to receive gifts, donations and sales proceeds generated by the council. For example, the revenues arising under the contract for the council's management of the Riffe Center Gallery are credited to Fund 460, which supports this line item.

**Purpose:** This line item supports the Arts Council's programs to encourage and develop the arts. Mainly, the line item supports the expenses arising from the council's management of the Riffe Center Gallelry.

### 4B7 370-603 Percent For Art Acquisitions

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$35,519	\$49,849	\$15,061	\$83,012	\$84,672	\$86,366
	40.3%	-69.8%	451.2%	2.0%	2.0%

**Source:** GSF: Capital funds: One percent of the appropriation for each of certain capital projects involving the construction or renovation of public buildings, each involve state funding of at least \$4 million. The funds are transferred to the Arts Council from the institution responsible for the project

**Legal Basis:** ORC 3379.10 (Originally established by Am. Sub. S.B. 336 of the 118th G.A.)

**Purpose:** This line item is used to pay expenses for selecting artists in the Percent for Art program, which provides for the purchase, commissioning and installation of original works of art for new and renovated public buildings whose projects receive state appropriations of more than \$4 million. One percent of a project's cost is set aside for this purpose. Eligible expenses include travel, printing, honoraria, and other expenses of jurors and artists. This set-aside supports both the acquisition of art and the administration of the program. The source of revenue to this line item is the one-percent set-aside.

## Federal Special Revenue Fund Group

### 314 370-601 Federal Programs

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$408,464	\$885,970	\$774,870	\$929,600	<b>\$862,000</b>	<b>\$862,000</b>
	116.9%	-12.5%	20.0%	-7.3%	0.0%

**Source:** FED: Grants under the Basic State Plan Grant from the National Endowment for the Arts (NEA)

**Legal Basis:** ORC 3379.07 allows the Arts Council to receive and administer federal funds for the arts, originally established by the Controlling Board in May 1966.

**Purpose:** Approximately half of these federal funds are used to supplement state-appropriated funds for the agency's administration, including personal services. The remainder is used for grant awards.