

# Ohio Arts Council

**Senate Finance and Financial Institutions Committee**

*Erin Pettegrew, Budget Analyst*

*Legislative Service Commission*

*April 27, 2005*

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# LSC Redbook for the Ohio Arts Council

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*April 27, 2005*

# Ohio Arts Council

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- The executive proposal will allow just under \$8 million in Ohio Arts Council grants in FYs 2006 and 2007, through restructured grants funding categories.
- OLGA, a web-based grants management system is now operational, shortening the application process and saving an estimated \$58,000 per year.

## OVERVIEW

The Ohio Arts Council (OAC) 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, the federal National Endowment for the Arts (NEA), and the U.S. Department of Education, 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 Arts Council consists of 19 members, with 2 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 agency's executive director currently oversees an administrative, clerical, and program staff of 32 employees, though 2 additional employees were recently lost to attrition. The Arts Council is replacing those positions to maintain a staff of 34 through the FY 2006/2007 biennium. In FY 2002, the Arts Council had as many as 40 staff.

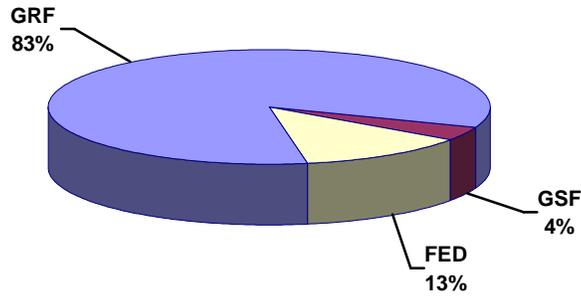
The agency's activities can be separated into two program series: Arts Programming and Percent for Arts. The Arts Programming program series consists of three programs: Arts Programs (subsidies), Art Service, and the Riffe Gallery. The Percent for Arts program series is a legislatively mandated activity administered by the Ohio Arts Council.

In response to cuts in the Arts Council budget in recent years, the agency has curtailed services and programs. The number and size of grants given has declined: the Council funded 687 grants out of 1,527 applications in FY 2004 and funded 955 grants out of 1,827 applications in FY 2000.

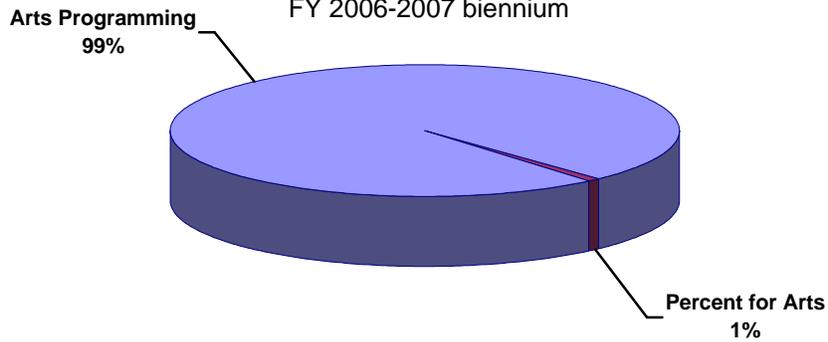
The Executive's recommendations for the upcoming biennium reduce the Ohio Arts Council funding even further. The Program Subsidies appropriation takes the largest cut, from an estimated \$8,998,912 in FY 2005 to \$7,975,480 in each fiscal year 2006-2007, an 11.5% reduction. These cuts are expected to result in further cuts to grant awards. Additional reductions in Personal Services and Maintenance will affect services for all agency arts programs currently in operation. Maintaining current staff levels will also be difficult for the Ohio Arts Council through the next biennium.

The Arts Council, in FY 2004, ranked 19th in terms of per capita funding. In FY 1998, the Arts Council ranked 12th.

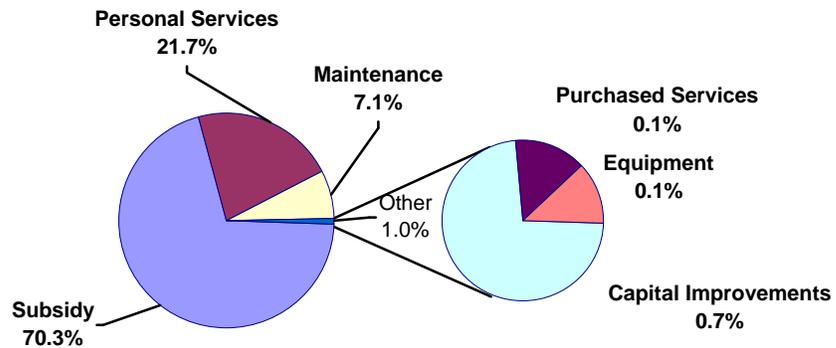
**Total Budget by Fund Group**  
FY 2006-2007 biennium



**Total Budget by Program Series**  
FY 2006-2007 biennium



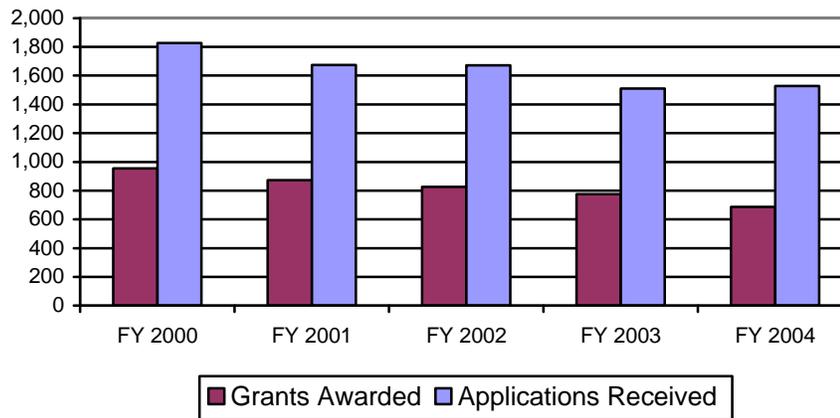
**Total Budget by Object Code**  
FY 2006-2007 biennium



**Summary of FYs 2006-2007 Budget Issues**

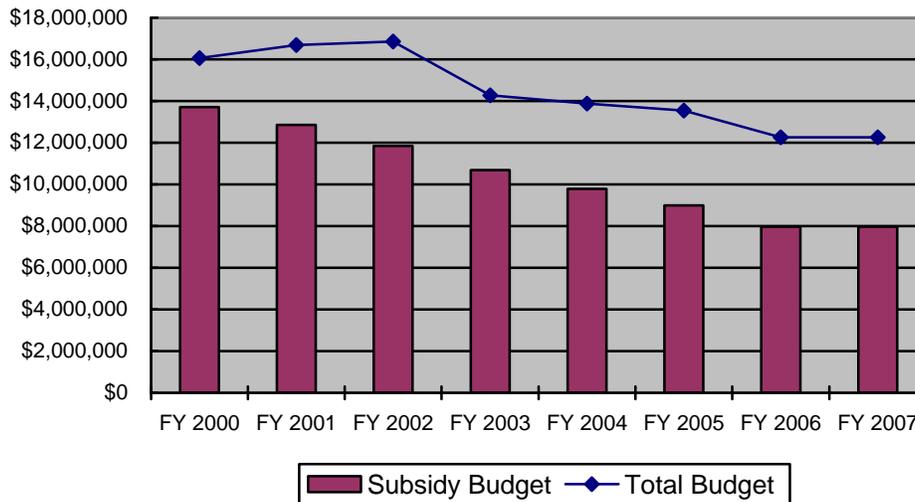
Reduction in funding for the Ohio Arts Council has had effects both on the services offered to support the arts and on the grants program, the Council's largest monetary support to local arts organizations. As the total budget appropriated to the Ohio Arts Council declines, the number of applications received from grant applicants is also affected, as shown by the chart below. The Council reasons that potential applicants are dissuaded from applying with the knowledge that their application is less likely to be approved and that the possible funding amounts are diminished.

**Ohio Arts Council Grant History**



The following chart presents the Ohio Arts Council budget over the last six fiscal years. As shown, the subsidies budget has decreased along with the total agency budget.

**Subsidy Spending and Total Budget**



**Staffing Levels**

Pursuant to collective bargaining contracts, state employees will receive a 4% raise on July 1, 2005. Paired with an increase in benefit costs, staffing costs will increase for the FY 2006-2007 biennium.

Ohio Arts Council Staffing Levels*						
Program Series/Division	2002	2003	2004	2005	Estimated	
					2006	2007
Board Members	19	19	19	19	19	19
Arts Programming	40	37	34	32	34	34
Percent for Arts	0	0	0	0	0	0
<b>Totals</b>	59	56	53	51	51	51

\* Full-Time Equivalents

Budget cuts in the last two biennia have reduced the Arts Council staff from 40 to 34. In FY 2005, two positions were lost through attrition but are being replaced to return the full staff to 34 FTEs. The Arts Council staff hopes to maintain the agency's current staffing level in the upcoming biennium but may face reductions.

## FACTS AND FIGURES

### On-Line Grant Applications (OLGA)

To increase efficiency and reduce costs, the Ohio Arts Council has begun to utilize the OLGA, an electronic, web-based grant application and grant management system. Development of the system was done in conjunction with the Western States Arts Federation. Savings from printed guidelines and applications are approximately \$58,000 per biennium. The program reduces data entry time and will save the Grants Office an estimated 2,800 staff hours. The Arts Council anticipates a streamlined grant decision-making process and a faster payment timeline. Staff members held training sessions with arts organizations around the state and report a warm reception to the new process.

### New Grant Application Categories

Along with the new grant application process, the Ohio Arts Council recently implemented seven new grant funding categories to replace the previous 21 categories.

The new categories are: Arts Learning, Individual Creativity, Arts Access, Arts Innovation, Capacity Building, Sustainability, and International Partnership. The Arts Council believes these funding categories will more closely coordinate with grantees' public functions, rather than their organization type. Grants for each category vary in size and whether they require a match:

- Arts Learning – Arts Learning grants range from \$4,000 to \$25,000, cannot exceed 50% of the program budget, and require a 100% match.
- Capacity Building – Capacity Building grants range between \$500 and \$5,000 and require a 50% match.
- Individual Creativity – Individual Creativity grants are given in three areas to individual artists: Excellence Awards of \$5,000 or \$10,000, no match required; Traditional Arts Apprenticeships up to \$2,500, no match required; and Artists and Communities grants of up to \$12,000 with a 100% match required, of which 50% could be in kind.
- Arts Innovation – Innovation grants are awarded for \$5,000, \$10,000, \$15,000, and \$20,000 and require a 100% match.
- Arts Access – Arts Access grants range from \$500 to \$3,000 and cannot exceed one-third of the program budget. Applicants must have a 100% match.
- Sustainability – Grants are formula based and dependent on the size of the organization's budget and its application score. Sustainability grants require a 100% match.

Most grants require a match and the Ohio Arts Council states that most grantee organizations provide more than required in matching funds. Ohio Arts Council grants are matched by private dollars on an average of ten private dollars to one OAC dollar.

The table below displays the breakdown of grants funded through the Program Subsidies line item over the last four fiscal years. Cuts ordered in FY 2002 were taken out of grants that were already awarded, but with end dates after October 31, 2001. Cuts ordered in FY 2003 were taken out of the funds before the grants were awarded. Grant awards in FY 2005 were reduced. Though new funding categories have since replaced those shown, the FY 2005 grants are arranged below by the previous categories.

<b>Program Subsidies</b>				
	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005*</b>
<b>Services to Artists</b>				
Individual Artists	\$701,164	\$575,090	\$521,255	\$511,058
Traditional Apprenticeships	\$32,031	\$23,627	\$23,160	\$39,462
Artists Projects	\$76,162	\$51,563	\$50,000	\$45,466
<i>Sub-total</i>	<i>\$809,357</i>	<i>\$650,280</i>	<i>\$594,415</i>	<i>\$595,586</i>
<b>Support for Organizations</b>				
Operating Support I	\$6,007,365	\$5,256,438	\$4,878,822	\$4,499,456
Operating Support II/Project Support	\$2,674,476	\$2,560,427	\$2,402,760	\$2,263,998
Sudden Opportunity Funds	\$40,204	\$48,550	\$48,710	\$48,404
Information Resources Assistance	\$73,971	\$37,133	\$41,681	\$37,901
<i>Sub-total</i>	<i>\$8,796,016</i>	<i>\$7,902,548</i>	<i>\$7,371,973</i>	<i>\$6,849,759</i>
<b>Arts in Communities</b>				
Arts in Education	\$421,237	\$339,132	\$289,121	\$285,636
YouthReach Ohio	\$329,315	\$263,832	\$245,254	\$252,677
Minority Arts Program	\$129,734	\$83,545	\$89,402	\$62,893
Building Diverse Audiences	\$135,362	\$86,890	\$70,000	\$36,321
Performing Arts on Tour	\$522,427	\$433,455	\$402,886	\$397,820
Ohio's Hill Country Heritage Program	\$0	\$0	\$0	\$0
Community Development Initiative	\$193,370	\$149,663	\$119,725	\$75,000
Ohio Appalachian Arts Program	\$56,400	\$47,600	\$44,302	\$40,284
International Program	\$152,424	\$66,127	\$20,207	\$77,138
Ohio River Boarder Initiative	\$28,000	\$0	\$28,000	\$29,000
<i>Sub-total</i>	<i>\$1,968,269</i>	<i>\$1,472,244</i>	<i>\$1,308,897</i>	<i>\$1,256,769</i>
<b>Other</b>				
Special Programs/Services	\$136,675	\$266,491	\$103,300	\$187,280
Review and Assessment	\$100,000	\$75,000	\$75,000	\$109,118
Dialogue	\$0	\$0	\$0	\$0
State of the Arts Survey Project	\$35,000	\$0	\$0	\$0
<i>Sub-total</i>	<i>\$271,675</i>	<i>\$341,491</i>	<i>\$178,300</i>	<i>\$296,398</i>
<b>Total</b>	<b>\$11,845,317</b>	<b>\$10,366,563</b>	<b>\$9,453,585</b>	<b>\$8,998,912</b>

\*Estimates

## **MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2006 AND FY 2007**

The following table provides a comprehensive presentation of the Executive's recommendations for each of the agency's line items and the programs each line item supports. Please note that some line items may provide funding for multiple program series and/or programs. See the Analysis of Executive Proposal section for more information on specific program funding.

Legislative Service Commission-Redbook

<b>Executive Recommendations for FY 2006 and FY 2007, By Line Item and Program</b>				
<b>Fund</b>	<b>ALI</b>	<b>Title</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>General Revenue Fund</b>				
<b>GRF</b>	<b>370-100</b>	<b>Personal Services</b>	<b>\$ 1,798,235</b>	<b>\$ 1,798,235</b>
		Program Series 1: Arts Programming	\$ 1,798,235	\$ 1,798,235
		Program 1.02: Arts Services	\$ 1,781,235	\$ 1,781,235
		Program 1.03: Riffe Gallery	\$ 17,000	\$ 17,000
<b>GRF</b>	<b>370-200</b>	<b>Maintenance</b>	<b>\$ 459,746</b>	<b>\$ 459,746</b>
		Program Series 1: Arts Programming	\$ 459,746	\$ 459,746
		Program 1.02: Arts Services	\$ 387,760	\$ 387,760
		Program 1.03: Riffe Gallery	\$ 71,986	\$ 71,986
<b>GRF</b>	<b>370-300</b>	<b>Equipment</b>	<b>\$ 4,700</b>	<b>\$ 4,700</b>
		Program Series 1: Arts Programming	\$ 4,700	\$ 4,700
		Program 1.02: Arts Services	\$ 2,820	\$ 2,820
		Program 1.03: Riffe Gallery	\$ 1,880	\$ 1,880
<b>GRF</b>	<b>370-502</b>	<b>Program Subsidies</b>	<b>\$ 7,975,480</b>	<b>\$ 7,975,480</b>
		Program Series 1: Arts Programming	\$ 7,975,480	\$ 7,975,480
		Program 1.01: Arts Programs	\$ 7,975,480	\$ 7,975,480
<b>General Revenue Fund Subtotal</b>			<b>\$ 10,238,161</b>	<b>\$ 10,238,161</b>
<b>General Services Fund Group</b>				
<b>GSF</b>	<b>370-603</b>	<b>Percent for Art Acquisitions</b>	<b>\$ 86,366</b>	<b>\$ 86,366</b>
		Program Series 2: Percent for Arts	\$ 86,366	\$ 86,366
		Program 2.01: Percent for Arts Admin	\$ 86,366	\$ 86,366
<b>GSF</b>	<b>370-602</b>	<b>Gifts and Donations</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>
		Program Series 1: Arts Programming	\$ 400,000	\$ 400,000
		Program 1.02: Arts Services	\$ 400,000	\$ 400,000
<b>General Services Fund Subtotal</b>			<b>\$ 486,366</b>	<b>\$ 486,366</b>
<b>Federal Special Revenue Fund Group</b>				
<b>Fund 314</b>	<b>370-601</b>	<b>Federal Programs</b>	<b>\$ 1,537,200</b>	<b>\$ 1,537,200</b>
		Program Series 1: Arts Programming	\$ 1,537,200	\$ 1,537,200
		Program 1.02: Arts Services	\$ 1,537,200	\$ 1,537,200
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$ 1,537,200</b>	<b>\$ 1,537,200</b>
<b>Agency Total Funding</b>			<b>\$ 12,261,727</b>	<b>\$ 12,261,727</b>

## ANALYSIS OF EXECUTIVE PROPOSAL

### Program Series 1

### Arts Programming

**Purpose:** This program series governs the majority of the Ohio Arts Council functions, including its grants making activities and the management of the Riffe Gallery.

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

Fund	ALI	Title	FY 2006	FY 2007
<b>General Revenue Fund</b>				
GRF	370-100	Personal Services	\$1,798,235	\$1,798,235
GRF	370-200	Maintenance	\$459,746	\$459,746
GRF	370-300	Equipment	\$4,700	\$4,700
GRF	370-502	Program Subsidies	\$7,975,480	\$7,975,480
<b>General Revenue Fund Subtotal</b>			<b>\$10,238,161</b>	<b>\$10,238,161</b>
<b>General Services Fund</b>				
460	370-602	Gifts and Donations	\$400,000	\$400,000
<b>General Services Fund Subtotal</b>			<b>\$400,000</b>	<b>\$400,000</b>
<b>Federal Special Revenue Fund</b>				
314	370-601	Federal Programs	\$1,537,200	\$1,537,200
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$1,537,200</b>	<b>\$1,537,200</b>
<b>Total Funding: Arts Programming</b>			<b>\$12,175,361</b>	<b>\$12,175,361</b>

This analysis focuses on the following specific programs within the Arts Programming program series:

- **Program 1.01: Arts Programs**
- **Program 1.02: Arts Services**
- **Program 1.03: Riffe Gallery**

### Arts Programs

**Program Description:** This program supports the Ohio Arts Council grants opportunities, divided by the following categories: Arts Learning, Individual Creativity, Arts Access, Arts Innovation, Capacity Building, Sustainability, and International Partnership. These funding categories are new to the Arts Council; previous grants categories were Services to Artists, Support for Organizations, and Arts in Communities. This category change will focus more fully on the grantees' public functions, rather than the grantees' organization type.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Revenue Fund</b>				
GRF	370-502	Program Subsidies	\$7,975,480	\$7,975,480
<b>General Revenue Fund Subtotal</b>			<b>\$7,975,480</b>	<b>\$7,975,480</b>
<b>Total Funding: Arts Programs</b>			<b>\$7,975,480</b>	<b>\$7,975,480</b>

**Implication of Executive Recommendation:** The Executive recommends that the program subsidies line receive a 5.0% cut in funding from FY 2005 to FY 2006. The funding for FY 2007 would remain at the same level. The cutback will result in the number and size of arts grant awards being reduced more than they already have been in the current biennium. Many arts organizations across the state receive grants for general operating support (maintenance, equipment, etc.). The executive recommendations would reduce the level of support the Arts Council can give to these organizations. Access to the arts for smaller organizations, rural communities, educational programs for children and adults, and community development would be curtailed. Funding for projects and programs funded through the subsidy line will be cut across the board in order to manage the decrease in funding.

The last four years of GRF subsidy funding by the Arts Council is broken down in the Facts and Figures section.

**Temporary and Permanent Law Provisions:** Temporary language, unchanged from previous biennia, restricts a museum’s eligibility to receive funding from appropriation item 370-502, Program Subsidies, if \$8 million or more in capital appropriations were appropriated by the state for the museum between January 1, 1986 and December 31, 2002.

There are no permanent law changes affecting this program.

**Arts Services**

**Program Description:** The Arts Services program provides support to public, individual, and organizational efforts that encourage the growth of the arts and arts education in the state.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Revenue Fund</b>				
GRF	370-100	Personal Services	\$1,781,235	\$1,781,235
GRF	370-200	Maintenance	\$387,760	\$387,760
GRF	370-300	Equipment	\$2,820	\$2,820
<b>General Revenue Fund Subtotal</b>			<b>\$2,171,815</b>	<b>\$2,171,815</b>
<b>General Services Fund</b>				
460	370-602	Gifts and Donations	\$400,000	\$400,000
<b>General Services Fund Subtotal</b>			<b>\$400,000</b>	<b>\$400,000</b>
<b>Federal Special Revenue Fund</b>				
314	370-601	Federal Programs	\$1,537,200	\$1,537,200
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$1,537,200</b>	<b>\$1,537,200</b>
<b>Total Funding: Arts Services</b>			<b>\$4,109,015</b>	<b>\$4,109,015</b>

**Implication of Executive Recommendation:** Over the past two biennia, the Ohio Arts Council has reduced services and staff supporting initiatives of this program. The agency placed some programs on hiatus, including the Creative Writing Institute, the Summer Media Institute, the Arts Learning Professional Development Assistance Awards, and the Arts Learning Program Development grants. Agency publications have been reduced or made available strictly as on-line publications. On-site arts organization visits have been eliminated. Reductions of 5% in both the Personal Services and Maintenance in FY 2006, as recommended by the Executive, will have an impact on the staffing level and the level of services provided through the Arts Services program. When final budget deliberations are complete, Council staff will determine where reductions will be made.

**Temporary and Permanent Law Provisions:** There are no permanent or temporary law changes affecting this program.

**Riffe Gallery**

**Program Description:** This program provides for the management of the Riffe Gallery in the Vern Riffe Center for Government and the Arts, owned by the Ohio Building Authority. This gallery is free to the public and offers four to five visual arts exhibitions each year.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Revenue Fund</b>				
GRF	370-100	Personal Services	\$17,000	\$17,000
GRF	370-200	Maintenance	\$71,986	\$71,986
GRF	370-300	Equipment	\$1,880	\$1,880
<b>General Revenue Fund Subtotal</b>			<b>\$90,866</b>	<b>\$90,866</b>
<b>Total Funding: Riffe Gallery</b>			<b>\$90,866</b>	<b>\$90,866</b>

**Implication of Executive Recommendation:** With previous budget cuts, the Riffe Gallery is now closed on Mondays and the agency has not filled a Riffe Gallery Education Coordinator position. The Executive's recommendation will permit the Riffe Gallery to remain open, but it will continue to have reduced hours of operation.

**Temporary and Permanent Law Provisions:** There are no permanent or temporary law changes affecting this program.

**Program Series 2**

**Percent for Arts**

**Purpose:** State law provides funds from capital appropriations legislation for the acquisition, commissioning, and installation of works of art for any new or renovated public building with total appropriations of more than \$4 million. Revised Code section 3379.10, effective July 1, 1990, requires that 1% of the total appropriation for these buildings be provided to the Percent for Arts program.

The following table shows the line item that is used to fund the Percent for Arts program series, as well as the Governor’s recommended funding level.

This analysis focuses on the single program within the Percent for Arts program series:

■ **Program 2.01: Percent for Art Administration**

**Percent for Art Administration**

**Program Description:** The program satisfies ORC 3379.10, which requires that 1% of the appropriation for new or renovated buildings with a total appropriation of \$4 million or more be granted for the placement of art in the structure.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Services Fund</b>				
4B7	370-603	Percent for Art Acquisitions	\$86,366	\$86,366
<b>General Services Fund Subtotal</b>			<b>\$86,366</b>	<b>\$86,366</b>
<b>Total Funding: Percent for Art Administration</b>			<b>\$86,366</b>	<b>\$86,366</b>

**Implication of Executive Recommendation:** The Executive made no change in the appropriation to the Percent for Art Acquisitions line item. This program is subject to the size and funding schedule of capital projects and is based on the previous fiscal year's appropriation.

**Temporary and Permanent Law Provisions:** There are no temporary or permanent law changes affecting this program.

## REQUESTS NOT FUNDED

This section describes requests not funded in the executive budget and the effects on the Council's activities and spending decisions during the next biennium. The Arts Council received its full request in the federal and state special revenue fund groups, supporting appropriation items 370-602, Gifts and Donations; 370-603, Percent for Art Acquisitions; and 370-601, Federal Programs. The following table highlights the requests not funded from the General Revenue Fund.

Ohio Arts Council – GRF Requests						
Fund Line Item	FY 2006 Requested	FY 2006 Recommended	Difference	FY 2007 Requested	FY 2007 Recommended	Difference
370-100	\$1,892,879	\$1,798,235	(\$94,644)	\$1,892,879	\$1,798,235	(\$94,644)
370-200	\$478,943	\$459,746	(\$19,197)	\$478,943	\$459,746	(\$19,197)
370-300	\$5,000	\$4,700	(\$300)	\$5,000	\$4,700	(\$300)
370-502	\$8,998,912	\$7,975,480	(\$1,023,432)	\$8,998,912	\$7,975,480	(\$1,023,432)
TOTALS	\$11,375,734	\$10,238,161	(\$1,137,573)	\$11,375,734	\$10,238,161	(\$1,137,573)

The Executive denied the Ohio Arts Council's request to maintain the 370-100, Personal Services; 370-200, Maintenance; and 370-300, Equipment appropriation items at FY 2005 funding levels. It is possible that the reductions will result in the loss of staff and services available for the support of the arts in Ohio.

The executive recommendation support for subsidies, appropriation item 370-502, was reduced by 11.5% from FY 2005 levels. At the recommended level, the Ohio Arts Council will reduce the total grant awards by \$1,023,432. Grant awards have declined for more than seven fiscal years.

## General Revenue Fund

### GRF 370-100 Personal Services

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$2,117,941	\$2,024,585	\$1,896,848	\$1,892,879	\$1,798,235	\$1,798,235
	-4.4%	-6.3%	-0.2%	-5.0%	0.0%

**Source:** GRF

**Legal Basis:** ORC 3379; Section 17 of Am. Sub. H.B. 95 of the 125th G.A.

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

### GRF 370-200 Maintenance

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$594,475	\$574,022	\$489,060	\$483,943	\$459,746	\$459,746
	-3.4%	-14.8%	-1.0%	-5.0%	0.0%

**Source:** GRF

**Legal Basis:** ORC 3379; Section 17 of Am. Sub. H.B. 95 of the 125th G.A.

**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 Gallery, and other items such as office supplies, telephone costs, and postage.

### GRF 370-300 Equipment

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$43,941	\$21,368	\$227,788	\$0	\$4,700	\$4,700
	-51.4%	966.0%	-100.0%	N/A	0.0%

**Source:** GRF

**Legal Basis:** ORC 3379; Section 17 of Am. Sub. H.B. 95 of the 125th G.A.

**Purpose:** This line item provides funds for equipment. The FY 2004 appropriation included \$200,000 for computer system upgrades including network security, web design, printers and copiers, upgraded software, servers and cabling.

**GRF 370-502 Program Subsidies**

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$12,750,126	\$11,902,374	\$9,789,435	\$8,998,912	<b>\$7,975,480</b>	<b>\$7,975,480</b>
	-6.6%	-17.8%	-8.1%	<b>-11.4%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** ORC 3379.04(D); Section 17 of Am. Sub. H.B. 95 of the 125th G.A.

**Purpose:** The line item funds the agency's seven grant programs: Arts Learning, Capacity Building for Organizations and Communities, Individual Creativity, Arts Innovation, Arts Access, Sustainability, and International Partnerships. Funds from this line item provide grants on a competitive basis to various individual artists, orchestras, dance companies, museums, theater groups, local arts agencies, schools, literary organizations, and other nonprofit organizations. Approximately one-half of the appropriation is distributed to Ohio's 40 major arts institutions -- those with operating budgets over \$1.5 million. The balance of the appropriation is awarded to organizations and individuals. Associated temporary law bars a museum that has received \$8 million or more in capital appropriations from the state between 1986 and 2002 from receiving any of these funds.

## General Services Fund Group

**460 370-602 Gifts and Donations**

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$526,659	\$446,649	\$68,697	\$429,325	<b>\$400,000</b>	<b>\$400,000</b>
	-15.2%	-84.6%	525.0%	<b>-6.8%</b>	<b>0.0%</b>

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

**Legal Basis:** ORC 3379.07; Section 17 of Am. Sub. H.B. 95 of the 125th G.A.

**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 Gallery.

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

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$75,035	\$18,379	\$54,800	\$86,366	<b>\$86,366</b>	<b>\$86,366</b>
	-75.5%	198.2%	57.6%	<b>0.0%</b>	<b>0.0%</b>

**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; Section 17 of Am. Sub. H.B. 95 of the 125th 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.

**Federal Special Revenue Fund Group**

**314 370-601 Federal Programs**

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$740,597	\$888,896	\$1,346,153	\$1,657,300	<b>\$1,537,200</b>	<b>\$1,537,200</b>
	20.0%	51.4%	23.1%	<b>-7.2%</b>	<b>0.0%</b>

**Source:** FED: Grants under the Basic State Plan Grant from the National Endowment for the Arts (NEA) as well as the U.S. Department of Education: CFDA 45.025, Underserved Communities; CFDA 45.025, Basic State Grant; CFDA 45.025, Arts Education; CFDA 45.026, Folk Arts; CFDA 45.027, Challenge America

**Legal Basis:** ORC 3379.07

**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. In the FY 2004-2005 biennium, the Arts Council received a grant from the U.S. Department of Education, to be used to underwrite international programs.

## LSC Budget Spreadsheet by Line Item, FY 2006 - FY 2007

<i>Fund ALI ALI Title</i>	Estimated 2005	As Introduced 2006	House Passed 2006	% Change Est. 2005 to House 2006	As Introduced 2007	House Passed 2007	% Change House 2006 to House 2007
<b>ART Arts Council, Ohio</b>							
GRF 370-100 Personal Services	\$1,892,879	\$ 1,798,235	\$ 1,798,235	-5.0%	\$ 1,798,235	\$ 1,798,235	0.0%
GRF 370-200 Maintenance	\$483,943	\$ 459,746	\$ 459,746	-5.0%	\$ 459,746	\$ 459,746	0.0%
GRF 370-300 Equipment	\$0	\$ 4,700	\$ 4,700	N/A	\$ 4,700	\$ 4,700	0.0%
GRF 370-502 Program Subsidies	\$8,998,912	\$ 7,975,480	\$ 7,975,480	-11.4%	\$ 7,975,480	\$ 7,975,480	0.0%
<b>General Revenue Fund Total</b>	<b>\$ 11,375,734</b>	<b>\$ 10,238,161</b>	<b>\$ 10,238,161</b>	<b>-10.0%</b>	<b>\$ 10,238,161</b>	<b>\$ 10,238,161</b>	<b>0.0%</b>
460 370-602 Gifts and Donations	\$429,325	\$ 400,000	\$ 400,000	-6.8%	\$ 400,000	\$ 400,000	0.0%
4B7 370-603 Percent For Art Acquisitions	\$86,366	\$ 86,366	\$ 86,366	0.0%	\$ 86,366	\$ 86,366	0.0%
<b>General Services Fund Group Total</b>	<b>\$ 515,691</b>	<b>\$ 486,366</b>	<b>\$ 486,366</b>	<b>-5.7%</b>	<b>\$ 486,366</b>	<b>\$ 486,366</b>	<b>0.0%</b>
314 370-601 Federal Programs	\$1,657,300	\$ 1,537,200	\$ 1,537,200	-7.2%	\$ 1,537,200	\$ 1,537,200	0.0%
<b>Federal Special Revenue Fund Group Total</b>	<b>\$ 1,657,300</b>	<b>\$ 1,537,200</b>	<b>\$ 1,537,200</b>	<b>-7.2%</b>	<b>\$ 1,537,200</b>	<b>\$ 1,537,200</b>	<b>0.0%</b>
<b>Total All Budget Fund Groups</b>	<b>\$ 13,548,725</b>	<b>\$ 12,261,727</b>	<b>\$ 12,261,727</b>	<b>-9.5%</b>	<b>\$ 12,261,727</b>	<b>\$ 12,261,727</b>	<b>0.0%</b>

**As Introduced (Executive)****As Passed by the House****(CD-288-ART) Program Subsidies****Section: 203.39**

Restricts museums which received \$8 million or more in capital appropriations from the state between January 1, 1986 and December 31, 2002 from eligibility to receive funds from GRF appropriation item 370-502, Program Subsidies.

Fiscal effect: The only museum in the state that would be ineligible for funding under this provision is the Rock and Roll Hall of Fame in Cleveland. Currently, the Arts Council funds 12 other museums.

**Section: 203.39**

Same as the Executive.

Fiscal effect: Same as the Executive.