

Ohio Arts Council

House Higher Education Subcommittee

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Legislative Service Commission*

March 27, 2007

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LSC Redbook
for the
Ohio Arts Council

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Catalog of Budget Line Items
LSC Budget Spreadsheet By Line Item

March 27, 2007

Ohio Arts Council

- Ohio Arts Council reduced funding categories from 24 to 7, making grant funding a more efficient process
- The number and size of grants the Arts Council gives out has declined in recent years, down to 581 in FY 2006 compared to 955 in FY 2000

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 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 33 employees.

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), Arts Services, 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 in recent years: the Council funded 581 grants out of 1,285 applications in FY 2006, 687 grants out of 1,527 applications in FY 2004, and 955 grants out of 1,827 applications in FY 2000.

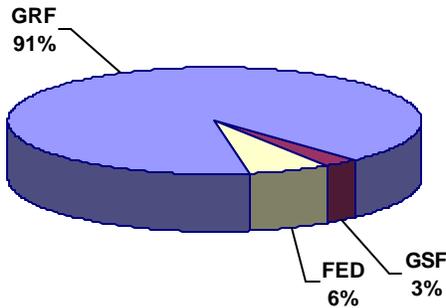
In FY 2004, the Arts Council ranked 19th in terms of per capita funding, dropping from the 12th position in FY 1998.

Executive Recommendations for FYs 2008-2009

The executive recommendation is \$12,659,527 in both FY 2008 and FY 2009. This appropriation represents a 0.3% increase over estimated FY 2007 spending levels. Funding at the recommended level will allow the Arts Council to continue its art program subsidies, services, and the operation of the Riffe Gallery. The following charts show funding by fund group and by object of expense.

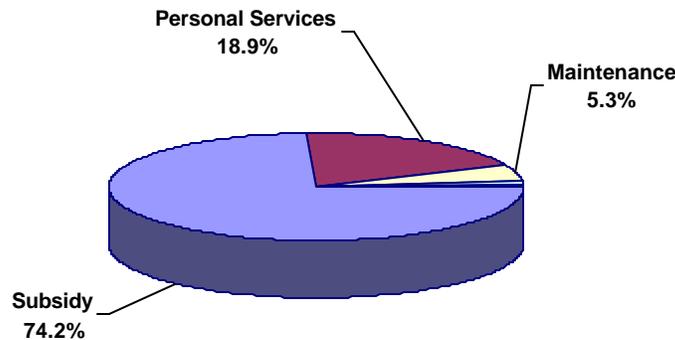
Total Budget by Fund Group

FY 2008-2009 biennium



Total Budget by Object Code

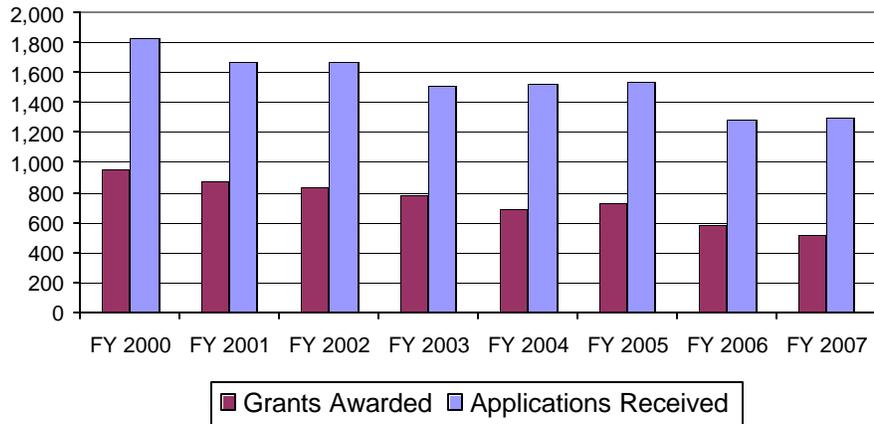
FY 2008-2009 biennium



Summary of FYs 2008-2009 Budget Issues

Reduction in funding for the Ohio Arts Council has affected both the services offered to support the arts and 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.

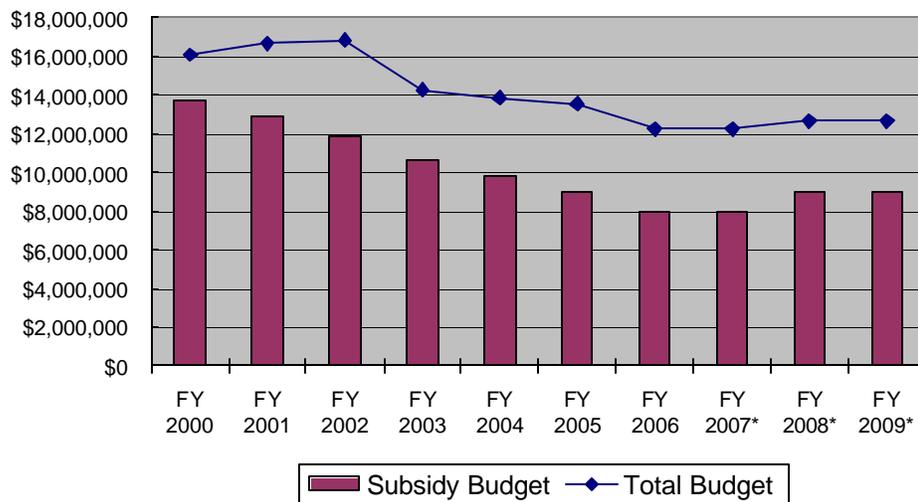
Ohio Arts Council Grant History



Note: FY 2007 numbers are accurate as of March 2007.

The following chart presents the Ohio Arts Council budget over the last eight fiscal years, along with estimated amounts for FY 2008 and FY 2009. As shown in the next chart, the subsidies budget has decreased along with the total agency budget.

Subsidy Spending and Total Budget



Note: FYs 2007, 2008, and 2009 amounts are estimates.

Staffing Levels

Ohio Arts Council Staffing Levels*						
Program Series/Division	2004	2005	2006	2007	Estimated	
					2008	2009
Board Members	19	19	19	19	19	19
Arts Programming	34	32	33	33	33	33
Percent for Arts	0	0	0	0	0	0
Totals	53	51	52	52	52	52

* Full-Time Equivalents

MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009

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.

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	370-100	Personal Services	\$1,798,235	\$1,798,235
		Program Series 1: Arts Programming	\$1,798,235	\$1,798,235
		Program 1.02: Arts Services	\$1,626,062	\$1,626,062
		Program 1.03: Riffe Gallery	\$172,173	\$172,173
GRF	370-200	Maintenance	\$459,746	\$459,746
		Program Series 1: Arts Programming	\$459,746	\$459,746
		Program 1.02: Arts Services	\$399,746	\$399,746
		Program 1.03: Riffe Gallery	\$60,000	\$60,000
GRF	370-300	Equipment	\$82,700	\$82,700
		Program Series 1: Arts Programming	\$82,700	\$82,700
		Program 1.02: Arts Services	\$80,700	\$80,700
		Program 1.03: Riffe Gallery	\$2,000	\$2,000
GRF	370-502	State Program Subsidies	\$9,147,480	\$9,147,480
		Program Series 1: Arts Programming	\$9,147,480	\$9,147,480
		Program 1.01: Arts Programs	\$9,147,480	\$9,147,480
General Revenue Fund Subtotal			\$11,488,161	\$11,488,161
General Services Fund Group				
GSF	370-603	Percent for Art Acquisitions	\$86,366	\$86,366
		Program Series 2: Percent for Arts	\$86,366	\$86,366
		Program 2.01: Percent for Arts Admin	\$86,366	\$86,366
GSF	370-602	Management Expenses and Donations	\$285,000	\$285,000
		Program Series 1: Arts Programming	\$285,000	\$285,000
		Program 1.02: Arts Services	\$285,000	\$285,000
General Services Fund Subtotal			\$371,366	\$371,366
Federal Special Revenue Fund Group				
Fund 314	370-601	Federal Support	\$800,000	\$800,000
		Program Series 1: Arts Programming	\$800,000	\$800,000
		Program 1.02: Arts Services	\$800,000	\$800,000
Federal Special Revenue Fund Subtotal			\$800,000	\$800,000
Agency Total Funding			\$12,659,527	\$12,659,527

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 2008	FY 2009
General Revenue Fund				
GRF	370-100	Personal Services	\$1,798,235	\$1,798,235
GRF	370-200	Maintenance	\$459,746	\$459,746
GRF	370-300	Equipment	\$82,7000	\$82,7000
GRF	370-502	State Program Subsidies	\$9,147,480	\$9,147,480
General Revenue Fund Subtotal			\$11,488,161	11,488,161
General Services Fund				
460	370-602	Management Expenses and Donations	\$285,000	\$285,000
4B7	370-603	Percent for Art Acquisitions	\$86,366	\$86,366
General Services Fund Subtotal			\$371,366	\$371,366
Federal Special Revenue Fund				
314	370-601	Federal Support	\$800,000	\$800,000
Federal Special Revenue Fund Subtotal			\$800,000	\$800,000
Total Funding: Arts Programming			\$12,659,527	\$12,659,527

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

- **1.01: Arts Programs**
- **1.02: Arts Services**
- **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.

New Grant Application Categories

In FY 2004, the Ohio Arts Council implemented seven new grant funding categories to replace the previous 24 categories. In FY 2006, OAC completed their first fiscal year of grant funding under the new categories and are very pleased with the process.

The categories are: Arts Learning, Individual Creativity, Arts Access, Arts Innovation, Capacity Building, Sustainability, and International Partnership.

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 forty-five private dollars to one OAC dollar.

The table below shows grant types and the amount distributed in FY 2006 and FY 2007.

Grant funding categories, FY 2006 and FY 2007		
Category	FY 2006	FY 2007
Individual Creativity	\$594,254	\$594,254
Arts Learning	\$544,732	\$544,732
Sustainability		
Organizations w/ budgets over \$1.5 million	\$4,487,740	\$4,487,740
Organizations w/ budgets under \$1.5 million	\$2,476,451	\$2,476,451
Arts Access	\$149,783	\$149,783
Arts Innovation	\$172,246	\$172,246
International Program	\$74,583	\$74,583
Capacity Building	\$148,563	\$148,563
Other Programs and Services	\$327,128	\$327,128

The following table shows the line item that is used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	370-502	Program Subsidies	\$9,147,480	\$9,147,480
Total Funding: Arts Programs			\$9,147,480	\$9,147,480

Implication of Executive Recommendation: Recommended funding is \$9,147,480 for both FY 2008 and FY 2009. Funding at this level will allow the Arts Programs to continue at current service levels.

Temporary Law Provisions

Program Subsidies (Section 223.10). The provision specifies that a museum is not eligible to receive funds from appropriation item 370-502, State 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.

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.

OnLine Grant Applications (OLGA)

Launched in November 2004, the OnLine Grant Application (OLGA) program completed its first year of operation in FY 2006. OLGA allows organizations and individuals to apply via the World Wide Web and manage any funded grants on this system. The system has eliminated hundreds of hours of data entry by OAC staff and increased the speed with which grant decisions are made.

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 2008	FY 2009
General Revenue Fund				
GRF	370-100	Personal Services	\$1,626,062	\$1,626,062
GRF	370-200	Maintenance	\$399,746	\$399,746
GRF	370-300	Equipment	\$80,700	\$80,700
General Revenue Fund Subtotal			\$2,106,508	\$2,106,508
General Services Fund				
460	370-602	Gifts and Donations	\$285,000	\$285,000
General Services Fund Subtotal			\$285,000	\$285,000
Federal Special Revenue Fund				
314	370-601	Federal Programs	\$800,000	\$800,000
Federal Special Revenue Fund Subtotal			\$800,000	\$800,000
Total Funding: Arts Services			\$3,191,508	\$3,191,508

Implication of Executive Recommendation: Recommended funding is \$3,191,508 for both FY 2008 and FY 2009. Funding at this level will allow the Arts Services program to continue at current service levels.

Temporary and Permanent Law Provisions

None

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 2008	FY 2009
General Revenue Fund				
GRF	370-100	Personal Services	\$172,173	\$172,173
GRF	370-200	Maintenance	\$60,000	\$60,000
GRF	370-300	Equipment	\$2,000	\$2,000
General Revenue Fund Subtotal			\$234,173	\$234,173
Total Funding: Riffe Gallery			\$234,173	\$234,173

Implication of Executive Recommendation: Recommended funding is \$234,173 for both FY 2008 and FY 2009. Funding at this level will allow the Riffe Gallery to continue operation at the current level. As a cost-saving measure, the Riffe Gallery is closed Monday and has also reduced summer hours since the FY 2006-2007 biennium.

Temporary and Permanent Law Provisions

None

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.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund				
4B7	370-603	Percent for Art Acquisitions	\$86,366	\$86,366
General Services Fund Subtotal			\$86,366	\$86,366
Total Funding: Percent for Arts			\$86,366	\$86,366

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

Implication of Executive Recommendation: The executive recommended flat funding for this program at estimated FY 2007 funding levels of \$86,366. 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

None

REQUESTS NOT FUNDED

The executive recommendations of \$12,659,527 in each fiscal year fully fund the Arts Council's request.

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General Revenue Fund

GRF 370-100 Personal Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,896,848	\$1,892,879	\$1,798,235	\$1,798,235	\$1,798,235	\$1,798,235
	-0.2%	-5.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3379.; Section 203.39 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides payroll and fringe benefits for the agency's employees. The line item also provides for staff training and purchased personal services.

GRF 370-200 Maintenance

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$489,060	\$483,943	\$459,746	\$459,746	\$459,746	\$459,746
	-1.0%	-5.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3379.; Section 203.39 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides funds for the operation and maintenance of the agency's offices. It includes office rent, communication costs, supplies/maintenance, and travel.

GRF 370-300 Equipment

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$227,788	\$0	\$4,700	\$4,700	\$82,700	\$82,700
		N/A	0.0%	1659.6%	0.0%

Source: GRF

Legal Basis: ORC 3379.; Section 203.39 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides funds for equipment. This amount will fund 1) replacement of all PCs for the agency (1/2 each year); 2) the purchase of a server; and 3) necessary software for all agency operations.

GRF 370-502 State Program Subsidies

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$9,789,435	\$8,897,651	\$8,832,125	\$8,975,480	\$9,147,480	\$9,147,480
	-9.1%	-0.7%	1.6%	1.9%	0.0%

Source: GRF

Legal Basis: ORC 3379.04(D); Section 203.39 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: The line item funds the agency's eight grant programs: Arts Learning, Capacity Building for Organizations and Communities, Individual Creativity, Arts Innovation, Arts Access, Sustainability, and International Partnerships and other programs and services. 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 38 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 Management Expenses and Donations

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$68,697	\$429,325	\$98,283	\$300,000	\$285,000	\$285,000
	525.0%	-77.1%	205.2%	-5.0%	0.0%

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 203.39 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$54,800	\$68,826	\$45,938	\$86,366	\$86,366	\$86,366
	25.6%	-33.3%	88.0%	0.0%	0.0%

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 for administration of the artist selection process from the institution responsible for the project.

Legal Basis: ORC 3379.10; Section 203.39 of Am. Sub. H.B. 66 of the 126th 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 Support

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,346,153	\$961,965	\$773,094	\$1,000,000	\$800,000	\$800,000
	-28.5%	-19.6%	29.4%	-20.0%	0.0%

Source: FED: Grants under the Partnership Program from the National Endowment for the Arts (NEA), 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.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
ART Arts Council, Ohio								
GRF	370-100	Personal Services	\$ 1,798,235	\$1,798,235	\$ 1,798,235	0.0%	\$ 1,798,235	0.0%
GRF	370-200	Maintenance	\$ 459,746	\$459,746	\$ 459,746	0.0%	\$ 459,746	0.0%
GRF	370-300	Equipment	\$ 4,700	\$4,700	\$ 82,700	1,659.6%	\$ 82,700	0.0%
GRF	370-502	State Program Subsidies	\$ 8,832,125	\$8,975,480	\$ 9,147,480	1.9%	\$ 9,147,480	0.0%
General Revenue Fund Total			\$ 11,094,806	\$ 11,238,161	\$ 11,488,161	2.2%	\$ 11,488,161	0.0%
460	370-602	Management Expenses and Donations	\$ 98,283	\$300,000	\$ 285,000	-5.0%	\$ 285,000	0.0%
4B7	370-603	Percent For Art Acquisitions	\$ 45,938	\$86,366	\$ 86,366	0.0%	\$ 86,366	0.0%
General Services Fund Group Total			\$ 144,221	\$ 386,366	\$ 371,366	-3.9%	\$ 371,366	0.0%
314	370-601	Federal Support	\$ 773,094	\$1,000,000	\$ 800,000	-20.0%	\$ 800,000	0.0%
Federal Special Revenue Fund Group Total			\$ 773,094	\$ 1,000,000	\$ 800,000	-20.0%	\$ 800,000	0.0%
Total All Budget Fund Groups			\$ 12,012,120	\$ 12,624,527	\$ 12,659,527	0.3%	\$ 12,659,527	0.0%