

# Redbook

## LBO Analysis of Executive Budget Proposal

### Ohio Arts Council

Shaina Morris, Legislative Fellow  
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Attachment:

Appropriation Spreadsheet

# LBO Redbook

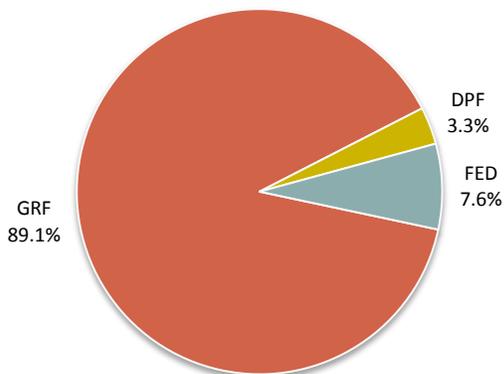
## Ohio Arts Council

### Quick look...

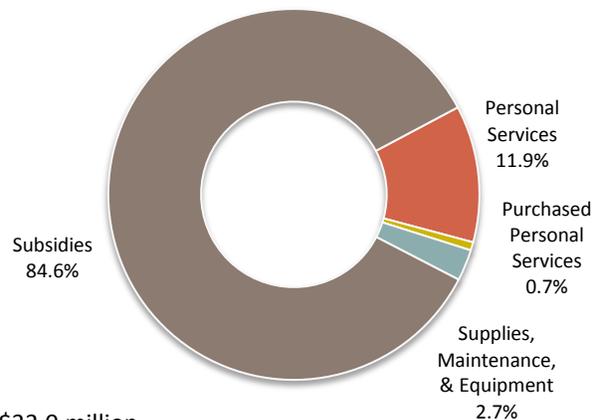
- The Ohio Arts Council receives 89.1% of its funding from the GRF. The remaining funding comes from the Dedicated Purpose and Federal fund groups.
- The Council’s governing body consists of a board of 19 members, 15 of whom are appointed by the Governor and four of whom are nonvoting legislative members.
- The executive budget recommends \$16.5 million for FY 2020 and \$16.6 million for FY 2021.
  - GRF funding is flat in FY 2020 and increases slightly in FY 2021.
  - Federal funding is expected to be flat over the biennium.
  - Uses of the budget are: 84.6% for subsidies; 11.9% for personal services; 2.7% for supplies, maintenance, and equipment; and 0.7% for purchased personal services.

| Fund Group          | FY 2018 Actual      | FY 2019 Estimate    | FY 2020 Introduced  | FY 2021 Introduced  |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Revenue     | \$14,991,914        | \$14,677,781        | \$14,677,781        | \$14,773,578        |
| Dedicated Purpose   | \$256,063           | \$490,000           | \$542,942           | \$550,000           |
| Federal             | \$990,938           | \$1,250,000         | \$1,250,000         | \$1,250,000         |
| <b>Total</b>        | <b>\$16,238,915</b> | <b>\$16,417,781</b> | <b>\$16,470,723</b> | <b>\$16,573,578</b> |
| % change            | --                  | 1.1%                | 0.3%                | 0.6%                |
| <i>GRF % change</i> | --                  | -2.1%               | 0.0%                | 0.7%                |

**Chart 1: ART Budget by Fund Group  
FY 2020-FY 2021 Biennium**



**Chart 2: ART Budget by Expense Category  
FY 2020-FY 2021 Biennium**



Biennial total: \$33.0 million

## Agency overview

The Ohio Arts Council (OAC) promotes the visual and performing arts in Ohio through cultural and educational activities and by providing economic assistance in the form of competitive grants to artists, art organizations, and communities. OAC is governed by a board consisting of 19 uncompensated members, 15 of whom are appointed by the Governor and four of whom are nonvoting legislative members, two appointed by each chamber. The board meets four times per year. OAC's daily operations are managed by an executive director. As of January 2019, including the Executive Director, OAC has a staff of 17 full-time employees, including program coordinators, grants coordinators, and other administrative and support staff. OAC awards grants that support arts learning and education, long-term community vitality, and cultural diversity, among other purposes. It also operates the Riffe Gallery in Columbus and oversees acquisitions for the state's Percent for Art Program, which places artwork in buildings financed by state capital funds.

## Analysis of FY 2020-FY 2021 budget proposal

### Summary of executive recommendations

Chart 2, above, displays OAC's recommended budget by expense category. Nearly 85% of its recommended appropriations are for subsidies in the form of competitive grants to artists and art organizations. Expenses for wages and benefits are second highest at nearly 12%. OAC added two full-time employees over the last biennium. Supplies, maintenance, and equipment (e.g., expendable goods, postage, travel, and interagency service costs) are 2.7% of the budget, and purchased personal services (e.g., contracts) are 0.7%.

### Funding for operating expenses

#### Operating Expenses (ALIs 370321 & 370602)

| FY 2016<br>Actual   | FY 2017<br>Actual | FY 2018<br>Actual | FY 2019<br>Estimate | FY 2020<br>Introduced | FY 2021<br>Introduced |
|---|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| <b>GRF ALI 370321, Operating Expenses</b>                 |                   |                   |                     |                       |                       |
| \$1,800,350   | \$1,830,445       | \$1,899,871       | \$1,947,031         | \$1,947,031           | \$2,042,828           |
| % change  | 1.7%              | 3.8%              | 2.5%                | 0.0%                  | 4.9%                  |
| <b>Fund 4600 ALI 370602, Arts Council Program Support</b> |                   |                   |                     |                       |                       |
| \$170,443   | \$234,375         | \$227,846         | \$325,000           | \$377,942             | \$385,000             |
| % change  | 37.5%             | -2.8%             | 42.6%               | 16.3%                 | 1.9%                  |

These two line items support OAC's operating expenses including payroll, fringe benefits, rent, supplies and maintenance, and equipment costs. Most of these administrative expenses are associated with OAC's grant programs, communications to and professional development for the arts community, development of partnerships with local and statewide arts and cultural organizations, research, and executive leadership, which includes oversight and fiscal management.

DPF Fund 4600 receives revenue from intrastate transfer vouchers from the Department of Administrative Services to pay for the operation of the Riffe Gallery, as well as contributions and revenue from other sources that are tied to specific programs. The Riffe Gallery in the Vern Riffe Center for Government and the Arts in downtown Columbus showcases the work of Ohio artists and curators, exhibitions produced by the Riffe Gallery and other Ohio institutions, and the collections of the state's museums and galleries. In the FY 2018-FY 2019 biennium, the Gallery offered eight main exhibitions.

### Percent for Art Acquisitions (ALI 370603)

| FY 2016<br>Actual   | FY 2017<br>Actual | FY 2018<br>Actual | FY 2019<br>Estimate | FY 2020<br>Introduced | FY 2021<br>Introduced |
|---|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| <b>Fund 4B70 ALI 370603, Percent for Art Acquisitions</b> |                   |                   |                     |                       |                       |
| \$69,010  | \$49,142          | \$28,217          | \$165,000           | \$165,000             | \$165,000             |
| % change  | -28.8%            | -42.6%            | 484.8%              | 0.0%                  | 0.0%                  |

This line item is used to pay for OAC's costs related to the Percent for Art Program, which provides for the purchase, commission, and installation of original artwork in new or renovated public buildings. This program sets aside up to 1% of state capital funding for new and renovated public buildings with state capital appropriations of more than \$4 million, to purchase, commission, and install original works of art. Of this 1% set aside, 7% may be used for OAC's administrative costs with respect to the program. Eligible expenses for this line item include costs associated with the selection of artists for specific projects, such as travel and other expenses.

Ohio's Percent for Art Program is one of 28 state programs in the country. Since the program's inception in 1990, over 293 state building projects have been included, featuring over 178 Ohio artists. According to OAC, the number of Percent for Art projects per biennium varies based on the amount of capital appropriations in each capital budget act. In recent acts, there have been between 14-20 Percent for Art designed projects totaling between \$1.3 million and \$1.9 million in each biennium.

## Funding for grant awards

### Grant programs (ALIs 370502 & 370601)

| FY 2016<br>Actual                              | FY 2017<br>Actual | FY 2018<br>Actual | FY 2019<br>Estimate | FY 2020<br>Introduced | FY 2021<br>Introduced |
|--|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| <b>GRF ALI 370502, State Program Subsidies</b> |                   |                   |                     |                       |                       |
| \$10,885,357                                   | \$13,104,717      | \$13,092,043      | \$12,730,750        | \$12,730,750          | \$12,730,750          |
| % change                                       | 20.4%             | -0.1%             | -2.8%               | 0.0%                  | 0.0%                  |
| <b>Fund 3140 ALI 370601, Federal Support</b>   |                   |                   |                     |                       |                       |
| \$805,027                                      | \$998,805         | \$990,938         | \$1,250,000         | \$1,250,000           | \$1,250,000           |
| % change                                       | 24.1%             | -0.8%             | 26.1%               | 0.0%                  | 0.0%                  |

In the FY 2018-FY 2019 biennium, OAC awarded approximately \$26 million through more than 1,800 grants, supporting an estimated 50 million arts experiences for Ohioans. According to OAC, one of the most significant recent changes to OAC's grant making process was the launch of ARTIE (Arts Resources Through Innovation and Engagement), the agency's online grant application platform. ARTIE provides applicants the ability to submit online support materials, sign documents electronically, and other conveniences.

GRF line item 370502, State Program Subsidies, is used to support grants for artists and arts organizations. The executive budget includes a new earmark of this item that requires at least \$2.0 million in each fiscal year be used for grants for arts-related educational programming for kindergarten through 12<sup>th</sup> grade students. A portion of this line item provides a required 1:1 state match for federal funding appropriated in line item 370601, Federal Support. This federal line item is used to make grant awards funded by the National Endowment for the Arts (NEA). Funding is awarded to states based on two primary criteria: (1) consideration of each state's population and (2) a competitive merit-based award in arts education, underserved persons, and folk art. In each of the past nine years, Ohio has received the second highest NEA total award in the country behind California. Strict parameters govern how NEA funds may be used. The executive budget continues to prohibit the use of item 370601 for administrative costs unless required under the conditions of the federal grant.

## State Arts Plan

In 2017, the OAC Board adopted the agency's current State Arts Plan 2020 which acknowledges the state's priorities of promoting a climate of economic competitiveness, encouraging job growth, and improving services, programs, and operational efficiencies for arts constituents and all Ohioans. The plan has four interrelated foundational goals: invest, engage, innovate, and lead.

### Invest

This action refers to making bold, smart investments in the arts and culture. Objectives for this part of the plan include securing adequate state, federal, and other resources to support Ohio's arts and culture sector. It also includes committing public resources to invest in

and support the work of Ohio artists and organizations in an equitable, transparent, and accessible manner. One of the biggest examples of investment was the TeachArtsOhio (TAO) Program. This program went through a full review in the FY 2018-FY 2019. In its first year, TAO supported 41 schools in communities throughout Ohio through collaborations with 35 of Ohio's professional artists.

## **Engage**

This action refers to sparking authentic arts dialogue and idea sharing among the general public and the agency's constituents and stakeholders. Objectives include discovering, developing, and sharing clear and compelling messages about the agency's constituents and stakeholders. OAC frequently engages with constituents through a variety of media. The agency plans to soon launch the Ohio Arts Directory, a membership network to replace its legacy rosters of visual, touring, and teaching artists.

## **Innovate**

This action refers to driving Ohio's arts community's forward-looking creative evolution. Objectives include encouraging artist experimentation, supporting new artistic models and approaches, recognizing the impact of the creative economy, and modernizing the agency's development and use of technology. Grant criteria for programs have been rewritten to encourage applicants to pursue innovation. Specifically, according to OAC, innovation is incentivized through its ArtsNEXT grant program. OAC has also incorporated this objective through its partnership with other state agencies. In the past biennium, the Ohio Prison Arts Connection assisted the Ohio Department of Rehabilitation and Correction through statewide gatherings between artists, the re-entry community, and staff.

## **Lead**

This action refers to playing an active leadership role in the ongoing development of Ohio's arts and cultural sector. Objectives include networking across public, private, and nonprofit sectors; developing new partnerships and collaborations; and working to shape arts-related policies, among others. The OAC works routinely with the Department of Administrative Services, partnering with them and the Ohio House of Representatives to plan and mount student artwork in the Riffe Center.

## Listing of grant programs

The tables below detail grants that support organizations and artists, including their purpose, funding, and match amounts.

| Table 1. Grant Programs for Organizations                |   |  |
|--|---|--|
| Grant Program  | Purpose   | Funding/Matching Amount  |
| Sustainability   | Provides general operating support to arts and cultural organizations across Ohio   | Determined by panel and a formula based on the organization's operating budget size; 1:1 match |
| Arts Access  | Supports ongoing arts and cultural activities that broaden opportunities for Ohio citizens to participate in the arts                                     | Up to \$5,000; 1:1 match   |
| ArtsNEXT   | Supports innovate proposals that create new economic development and program designs or result in the creation of new work                                | Up to \$20,000; 1:1 match  |
| ArtSTART   | Provides flexible, accessible funding to help organizations complete short-term projects addressing a wide variety of goals and objectives                | Up to \$5,000; 1:1 match   |
| Capacity Building  | Supports organizations' efforts to improve business practices, or add new knowledge and skills that forward organizations' missions                       | Up to \$5,000; 1:1 match   |
| Artists with Disabilities Access Program (Organizations) | Provides support to organizations that serve artists with disabilities  | Between \$1,000 and \$3,000; 1:1 cash match  |
| Ohio Artists on Tour                                     | Provides grants to presenting institutions throughout Ohio that present artists listed in the Ohio Artists on Tour Directory                              | \$10,000 to \$15,000   |
| Building Cultural Diversity                              | Provides grants to Ohio's culturally diverse arts organizations whose mission, activities, staff, and board are rooted in culturally specific communities | Up to \$3,000; 50% match   |
| Arts Partnership   | Provides one- or two-year grants to enhance the quality of and access to arts learning  | Up to \$25,000; 1:1 match  |
| TeachArtsOhio  | Brings schools and community organizations together with artists to share in-depth, engaging, personal, and sustainable arts learning experiences         | \$300 per residency per day  |

| Table 1. Grant Programs for Organizations |   |   |
|---|---|---|
| Grant Program                             | Purpose   | Funding/Matching Amount                 |
| Creative Aging Ohio                       | Supports healthy aging through the arts   | Between \$1,500 and \$15,000; 1:1 match |
| Artist in Residence                       | Places accomplished artists in a variety of educational and community settings to facilitate learning about the arts                  | \$800 per week                          |
| Big Yellow School Bus                     | Supports transportation costs associated with educational field trips to galleries, museums, festivals, exhibitions, and performances | Up to \$500                             |

| Table 2. Grant Programs for Artists                    |   |   |
|--|---|---|
| Grant Program  | Purpose   | Funding/Matching Amount                     |
| Excellence Awards                                      | Provides grants to Ohio artists for the exceptional merit of a completed body of work   | \$5,000                                     |
| Artists with Disabilities Access Program (Individuals) | Provides support to individual artists with disabilities  | Between \$1,000 and \$3,000; 1:1 cash match |
| Traditional Arts Apprenticeship                        | Supports study and collaboration between qualified apprentices and master craftspeople, musicians, dancers, and other traditional artists | \$4,000 maximum                             |
| Ohio Heritage Fellowship                               | Recognizes Ohio folk and traditional artists  | \$5,000                                     |

## Summary of FY 2018 grant awards

Table 3 below shows the 866 grants approved by the OAC board in FY 2018.

| Table 3. Grant Awards for FY 2018 |                |                |
|-----------------------------------|----------------|----------------|
| Program                           | Awards         |                |
|                                   | Grants Awarded | Amount Awarded |
| Sustainability                    | 281            | \$10,255,264   |
| Arts Access                       | 32             | \$92,275       |
| ArtsNEXT                          | 36             | \$412,101      |
| ArtSTART                          | 139            | \$372,809      |
| Capacity Building                 | 46             | \$185,986      |

| <b>Table 3. Grant Awards for FY 2018</b>                |                       |                       |
|---|-----------------------|-----------------------|
| <b>Program</b>  | <b>Awards</b>         |                       |
|   | <b>Grants Awarded</b> | <b>Amount Awarded</b> |
| Artist with Disabilities Access Program (Organizations) | 22                    | \$80,475              |
| Ohio Artists on Tour                                    | 24                    | \$69,135              |
| Building Cultural Diversity                             | 13                    | \$35,683              |
| Arts Partnership  | 60                    | \$695,696             |
| TeachArtsOhio   | 16                    | \$243,136             |
| Creative Aging Ohio                                     | 20                    | \$110,195             |
| Artist in Residence                                     | 16                    | \$49,200              |
| Big Yellow School Bus                                   | 44                    | \$15,582              |
| Individual Excellence Awards                            | 76                    | \$380,000             |
| Artists with Disabilities Access Program (Individuals)  | 11                    | \$37,925              |
| Traditional Arts Apprenticeships                        | 29                    | \$23,000              |
| Ohio Heritage Fellowship                                | 1                     | \$5,000               |
| <b>Total</b>  | <b>866</b>            | <b>\$13,063,462</b>   |

**FY 2020 - FY 2021 Appropriations - As Introduced**

**All Fund Groups**

| Line Item Detail by Agency                            |        |                              | FY 2018                       | Estimate<br>FY 2019  | Introduced<br>FY 2020 | FY 2019 to FY 2020<br>% Change | Introduced<br>FY 2021 | FY 2020 to FY 2021<br>% Change |
|---|--------|------------------------------|-------------------------------|----------------------|-----------------------|--------------------------------|-----------------------|--------------------------------|
| <b>Report For: Main Operating Appropriations Bill</b> |        |                              | <b>Version: As Introduced</b> |                      |                       |                                |                       |                                |
| <b>ART Ohio Arts Council</b>                          |        |                              |                               |                      |                       |                                |                       |                                |
| GRF   | 370321 | Operating Expenses           | \$ 1,899,371                  | \$ 1,947,031         | \$ 1,947,031          | 0.00%                          | \$ 2,042,828          | 4.92%                          |
| GRF   | 370502 | State Program Subsidies      | \$ 13,092,543                 | \$ 12,730,750        | \$ 12,730,750         | 0.00%                          | \$ 12,730,750         | 0.00%                          |
| <b>General Revenue Fund Total</b>                     |        |                              | <b>\$ 14,991,914</b>          | <b>\$ 14,677,781</b> | <b>\$ 14,677,781</b>  | <b>0.00%</b>                   | <b>\$ 14,773,578</b>  | <b>0.65%</b>                   |
| 4600  | 370602 | Arts Council Program Support | \$ 227,846                    | \$ 325,000           | \$ 377,942            | 16.29%                         | \$ 385,000            | 1.87%                          |
| 4B70  | 370603 | Percent For Art Acquisitions | \$ 28,217                     | \$ 165,000           | \$ 165,000            | 0.00%                          | \$ 165,000            | 0.00%                          |
| <b>Dedicated Purpose Fund Group Total</b>             |        |                              | <b>\$ 256,063</b>             | <b>\$ 490,000</b>    | <b>\$ 542,942</b>     | <b>10.80%</b>                  | <b>\$ 550,000</b>     | <b>1.30%</b>                   |
| 3140  | 370601 | Federal Support              | \$ 990,938                    | \$ 1,250,000         | \$ 1,250,000          | 0.00%                          | \$ 1,250,000          | 0.00%                          |
| <b>Federal Fund Group Total</b>                       |        |                              | <b>\$ 990,938</b>             | <b>\$ 1,250,000</b>  | <b>\$ 1,250,000</b>   | <b>0.00%</b>                   | <b>\$ 1,250,000</b>   | <b>0.00%</b>                   |
| <b>Ohio Arts Council Total</b>                        |        |                              | <b>\$ 16,238,915</b>          | <b>\$ 16,417,781</b> | <b>\$ 16,470,723</b>  | <b>0.32%</b>                   | <b>\$ 16,573,578</b>  | <b>0.62%</b>                   |