

Ohio Arts Council (OAC)
FY 2024-2025 Budget Overview
Budget – Agency Request



The Ohio Arts Council (OAC) funds and supports quality arts experiences to strengthen Ohio communities culturally, educationally, and economically and provides leadership and voice for the arts to transform people and communities. The OAC works through four strategic actions – invest, engage, innovate, and lead – to benefit all Ohioans.

Agency Biennial Budget Request Summary

State Budget Line Item	FY 2022-2023 Biennial Appropriation	FY 2024-2025 Executive Budget Recommendation	Current Ask to Meet OAC Budget Request as of 2/15/23	FY 2024-2025 Biennial OAC Budget Request	FY 2024 OAC Budget Request	FY 2025 OAC Budget Request
370502: State Program Subsidies - GRANTS	\$36,076,600	\$36,076,600	\$10,622,810	\$46,699,410	\$23,099,705	\$23,599,705
370321: State Operating Expenses - STAFF/ADMIN.	\$4,009,096	\$4,690,253	\$303,688	\$4,993,941	\$2,466,484	\$2,527,457
General Revenue Fund Total	\$40,085,696	\$40,766,853	\$10,926,498	\$51,693,351	\$25,566,189	\$26,127,162

Current asks sought in State Program Subsidies (Grants) include two items: 1) \$4.56 million for Sustainability operating support grants in each FY to accommodate newly eligible potential applicants and hold existing grantees harmless and 2) at least \$500K in FY 2024 and \$1M in FY 2025 to provide 10 additional TeachArtsOhio arts education grants in each year. (TAO applications have already outpaced even this requested increase.) This totals \$10.62 million, which is about \$5.06 million in FY 2024 and \$5.56 million in FY 2025.

The OAC is grateful that the Governor's budget recommendations in State Operating Expenses will accommodate expected/regular personnel cost increases (as negotiated and mandated by the state) and inflation-impacted expense cost increases. Current asks would accommodate the addition of staff members to aid in processing record numbers of grants and applications. This totals \$300K, which is about \$150K in each FY.

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The Arts: A Strong, Innovative Investment

- **Ohio's arts infrastructure generates economic benefits.** The arts are a proven economic driver and one of our state's greatest selling points. They attract new business and a talented workforce, support tourism, create and retain jobs, and produce tax revenue. Research from Bowling Green State University shows that, prior to COVID-19, **Ohio's creative industries supported nearly 290,000 jobs, contribute almost \$41 billion to the state's economy, and generate approximately \$4.6 billion in annual combined tax revenues.** With continued investment and support, these jobs and economic indicators will rebound and grow.
- **COVID-19 had a vast, negative impact on Ohio's arts and cultural sector, among the worst affected in terms of economic loss and unemployment. Thanks to Governor DeWine and the Ohio General Assembly, one-time funding has helped the sector rebound and recover.** The OAC proactively aided Ohio's arts economy as part of this recovery. Our agency distributed \$21.4 million in one-time federal arts relief and consulted with the Ohio Department of Development on its distribution of \$50 million in ARPA Act arts funding. In addition, the OAC is expediting grant payments to help alleviate cash flow issues among arts grantees, and provides information and resources about external grant opportunities.
- **The OAC is forward-looking. For FY 2024-2025, the OAC seeks to accommodate a record expansion of its eligible grantees and arts education efforts.** While one-time relief efforts were critical, the FY 2024-2025 budget looks to the future—toward the full recovery of in-person arts programming, expanded arts education to combat pandemic-related learning loss, and the restoration and growth of jobs for arts professionals. To this end, the OAC has dramatically boosted its outreach and funding of arts activities in all 88 counties, providing greater access and opportunity for Ohioans to experience the arts wherever they live. With hundreds of newly eligible nonprofits and schools interested in offering arts education, the OAC seeks to hold its grantees harmless from its growth during this still vulnerable time.
- **The arts strengthen education.** The arts aid success inside and outside the classroom, preparing students to succeed in an economy driven by innovation and creativity. Ongoing research confirms a **positive relationship between arts education and improved academics**—from better math and reading skills, to higher standardized test scores and graduation rates. An education that includes the arts helps to **train our workforce and produce creative, critical thinkers and problem-solvers that are attractive to employers.**
- **Ohio Arts Council grants are an investment in creative capital that flows throughout Ohio's communities.** Artistic professionals come in all stripes—architects, graphic designers, craftsmen and craftswomen, and marketing and branding teams. **Artists themselves are entrepreneurs and run businesses and galleries.** They buy local and make communities better places to live, work, play, and raise families.
- **Ohioans know their tax dollars are invested in the arts—and strongly support their continued investment.** According to a recent OAC statewide public survey, **91% of Ohioans believe public funds should be invested in the arts and 83% know that public funds support the arts in Ohio.**
- **The arts are crucial to a community's vitality, bridging divides and bringing people together.** Engagement in the arts creates an authentic shared identity, fostering a lasting sense of place and state and local pride. Incorporating the arts into areas like housing, transportation, health, parks, and schools improves the impact of other state policies and services.

State Appropriations

- The Governor recommended GRF appropriations of \$40.8 million for FY 2024-2025, holding the agency's state grants budget flat at its FY 2023 funding level. **The OAC is grateful for this support from the Governor and state legislators, although unmet GRF need remains in state-based grants, totaling \$5 million in FY 2024 and \$5.5 million in FY 2025, in order to accommodate newly eligible grantees, hold existing grantees harmless from this successful growth in OAC eligibility, and expand arts education.**
- **Begun in FY 2016, the OAC has funded arts activities in all 88 counties.** The agency appreciates support for arts funding from Governor Mike DeWine and the Ohio General Assembly, enabling the OAC to keep its promise to fund every county.
- In addition to the OAC's primary role of investing in Ohio's arts and cultural sector, and in line with the Governor's focus on children's education and well-being, **the OAC will continue its focus on arts education through its teaching artist residency program, TeachArtsOhio.** TeachArtsOhio is active in school districts across Ohio, where K-12 students directly learn from artists working in conjunction with teachers, administrators, and Ohio's academic content standards.
- Through public investment, **the OAC leverages a high match ratio** from its grantees. **\$39 in local and private funding matches every one OAC dollar in match-based grant programs** — a big return on investment.

Federal Appropriations

- **For 13 years running, the OAC has earned one of the top three largest federal grants** from the National Endowment for the Arts (NEA) for state arts agencies in the nation, exceeded only by California and Texas due to their larger populations. NEA grants typically total around \$2.5 million biennially, and **100% of the agency's federal funding is regranted. No federal dollars are used for administration of the agency.**

OAC Administration and Cost Savings

- The OAC is grateful for the administrative increase provided by Governor DeWine's executive budget, which will help the agency meet expected, regular personnel cost increases mandated by the state, and address inflationary pressures on certain administrative expenses.
- Our staff of 18 will process approximately 3,500 applications and 2,500 grant awards in 88 counties next biennium. This is a big increase from a decade ago. Back then, the agency had a larger staff of 26 that processed fewer applications (about 2,200) and fewer grant awards (only 1,100) from fewer counties (about 50). **The agency seeks an additional \$200,000 in each fiscal year to add staff to accommodate this growth.**
- The OAC continues to implement **cost-saving measures**. For example, the OAC has:
 - nearly halved its staff since FY 2004, now employing an efficient team of 18 professionals, even as grant application numbers have increased and remain steady (at this high level) despite the pandemic
 - lengthened its grant cycles, upgraded its online grant platform and website, and streamlined procedures, reducing administrative burdens on both grantees and the agency
 - developed strategic partnerships in the public, private, and nonprofit sectors to save state dollars on program, administrative, and technology costs
 - operated efficiently on a modest administrative budget and, over the last four biennia, **reduced by 4-6% the portion of its budget allocated to payroll** while remaining within state contract obligations