OHIO ARTS COUNCIL
BOARD MEETING
JANUARY 10, 2013

The meeting was called to order by board Chair Jeff Rich at 12:45 p.m. at the Ohio Arts Council office on the 33rd floor of the Rhodes State Office Tower in Columbus. Council members in attendance were: **VICE-CHAIR GINGER WARNER**, Louisa Celebrezze; Sara Jane DeHoff; Sharon Howard; Monica Kridler; Sara Vance Waddell; Representative Peter Stautberg; and Leo Almeida, Senator Eric Kearney's legislative aide. Absent members were: Karen Bell, Austin Keyser, Barbara Robinson, Representative Armond Budish, Senator Gayle Manning and Senator Eric Kearney. Also present were: Donna Collins, executive director, Ohio Citizens for the Arts (OCA); Janelle Hallett, member services coordinator, OCA; and Angela Sullivan, assistant attorney general. OAC staff members in attendance were: Julie Henahan, Mary Campbell-Zopf, Karine Aswad, Ken Emerick, and Dan Katona.

Board Chair Jeff Rich welcomed everyone to the OAC winter board meeting. He reminded the members that all board meetings are open to the public and that today's meeting is being audio streamed via the Web. Recordings are archived and as such are part of the public record. He asked members to speak clearly and not rush the making of motions. We also post the meeting agenda to our website under the tab, "About OAC." After the meeting, we will add the minutes from the full board meeting.

Mr. Rich stated that today's meeting will focus on topics that the board members suggested during their September meeting. This meeting will allow us to explore the policy implications of those topics in a more in-depth manner than is possible during our regular business meetings.

FINAL REVIEW OF OAC BOARD COMMITTEE
Mr. Rich reviewed the proposed OAC board committee descriptions and asked for a motion to approve them in order to open the topic for discussion.

MOTION by Sara Jane DeHoff, seconded by Sharon Howard, to approve the board committee descriptions.

Mr. Rich asked for questions regarding the Executive Committee description. Ms. Warner responded that the roles and responsibilities of the committee state that "the Executive Committee shall, during the interval between meetings of the board, possess and exercise all of the powers in management of the business and affairs of the board except when such matters have been reserved by resolution of the board itself." Given the restrictions associated with the quorum requirements for a board, Ms. Warner asked if the Executive Committee can in fact exercise all of the powers of the board in between meetings. Assistant Attorney General Angela Sullivan directed the board's attention to the OAC's administrative rule 3379-5-02 and responded that, yes, because of this rule, the OAC Executive Committee can exercise such power. Ms. Warner asked if the committee must give public notice before setting an Executive Committee meeting and whether we are required to record and audio stream the meeting, and Ms. Sullivan responded yes.

Mr. Rich asked if there was discussion regarding the Finance Committee description. Ms. DeHoff suggested changing the language under Frequency of Meetings to read:

> The Finance Committee ~~typically~~ meets at each board meeting or **AT LEAST** three (3) times per year.

Mr. Rich suggested the following change to Role/Responsibilities:

> The Finance Committee ~~reviews~~ **WORKS WITH THE** staff **TO PREPARE** budget recommendations before they are presented to the board. These recommendations address state and federal subsidy and administrative budgets and are typically approved by the board at its June meeting before the start of the new fiscal year. If there are state budget reductions during the fiscal year, the **FINANCE COMMITTEE WOULD WORK WITH STAFF TO PREPARE A REVISED BUDGET FOR** board **APPROVAL** ~~would approve a revised budget~~ at a regular or special board meeting.

Mr. Rich stated that it is the board's responsibility to set policy, and the most important is economic policy, which determines what the funds are and how they are distributed. The board hires staff to do the work but we set the policy of how to distribute the funds. Mr. Rich is suggesting this change to enhance the role of the Finance Committee to work with the staff as the budget is prepared instead of just approving it when it is complete. Ms. DeHoff responded that the board has hired staff that has financial expertise to prepare the budget and the Finance Committee should just review the proposal. She added that she does not expect committee members to come to the OAC office every day and spend months preparing the budget with staff. Mr. Rich stated that if he was on the committee he would expect to be at the office participating in the preparation. Ms. DeHoff expressed that this expansion of responsibility is inappropriate -- the role of a board member is to work with the director and the director's role is to work with the staff. Ms. Warner disagreed with Ms. DeHoff stating that the board's primary role is fiscal oversight. Ms. DeHoff emphasized the word "oversight." Ms. Warner added that usually the budget is given to the board at the last minute, and many times at the time when they are being asked to approve it. If the Finance Committee was working with the staff or being advised by the staff during the process they would have strong representation as opposed to the staff working on it, distributing it to the board at a meeting, and asking for approval at that time.

Deputy Director Mary Campbell-Zopf reminded the committee that if the Finance Committee met in the office to discuss the draft budget, that meeting would be seen as a special meeting and as such would need to be announced in advance to the general public and handled in the same way as all other board meetings. Ms. Campbell-Zopf also wondered how this would help the process, especially in light of the fact that only the Executive Committee is authorized to conduct business between regular board meetings. Ms. DeHoff responded that the board can provide guidelines for the staff to follow and set certain numbers of days for the staff to submit the draft proposal to the committee for approval before a scheduled meeting.

Board member Sara Vance Waddell suggested that the Finance Committee chair, who should also be appointed to the Executive Committee, meet and work with staff to prepare the budget instead of asking the entire committee to do so. This would allow the chair to relate the interests

of the committee to the staff and report back to the committee. Board member Sharon Howard agreed with the suggestion adding that she has seen boards get in trouble because they have operated at arms-length and trusted staff to manage everything. As board members, we are responsible for everything that goes wrong. Ms. Howard said that it's her experience that the Finance Committee chair on every board works with the financial team of an organization, between meetings, to assure that the board is aware of the decisions made and not surprised by any decision.

Mr. Rich reviewed that the intent to his proposed changes is to ensure the Finance Committee participates in the creation of the budget proposal. He would like the committee to advise staff as the proposal is being prepared as opposed to seeing it and approving it a few days before it is submitted to the Office of Budget and Management (OBM). Board member Louisa Celebrezze responded that she is not clear on what Mr. Rich would like the board to do as far as advising and assisting. In her experience, boards are for governance and staff is responsible for managing this work. Ms. Celebrezze added that she is aware that the budget proposal is largely programmed by OBM who sets the guidelines for all agencies to follow. She expressed concern with the timeline that OBM gives the staff to prepare a budget and the amount of time that the board wants to review it before it's submitted. The staff needs to focus on completing the budget proposal with as much time as possible before handing it onto OBM instead of rushing to meet a deadline that the board sets. Mr. Rich stated that he would like the Finance Committee chair to work with the staff on decisions on how to allocate funds in order to assure that the board's interests are being addressed. Ms. Celebrezze stated that she would not like to see the board begin to micro-manage the staff. Ms. Howard agreed that the chair of the Finance Committee should have a background in finance to be able to assist the staff. Ms. DeHoff expressed that board members might have differing opinions about how the money should be spent and an individual is not the full representation of the board. The OAC staff has years of financial expertise. Mr. Rich suggested that at least the chair of the Finance Committee be more involved in the process, make recommendations, make suggested adjustments, and report to the committee and board.

Ms. DeHoff stated that based on the suggestions made, it doesn't seem like there needs to be any changes made to the description of the roles and responsibilities for the Finance Committee. Bylaws are written in general turns and the description for that committee already addresses what Mr. Rich had suggested; we just have to exercise it. Ms. DeHoff recommended that we shouldn't change the language to make it more detailed. The description currently states:

> The Finance Committee reviews staff budget recommendations before they are presented to the board. These recommendations address state and federal subsidy and administrative budgets and are typically approved by the board at its June meeting before the start of the new fiscal year. If there are state budget reductions during the fiscal year, the board would approve a revised budget at a regular or special board meeting.

Ms. Henahan reviewed that the OAC board approves several steps before and during the budget process. The board will remain informed as the governor's budget is issued this spring and as it goes through the House and the Senate. The board will receive information from the OAC staff about what those numbers look like overlaid on the programs and the guidelines that have been

approved by the board during previous meetings. If the information is available, the Finance Committee will review it at the spring board meeting before reporting to the full board. If not, the Senate or Conference Committee budget will be presented to the board at the summer meeting. Ms. Henahan added that the problem with the budget preparation, specifically this biennium, is the tight deadline that OBM issues to all state agencies. We need to think about how to best work with the Finance Committee when the staff is working to meet the deadlines that have been set. Ms. Henahan stated that, as mentioned in previous communications with the board, the staff was still receiving information from OBM about the budget tables required five calendar days before budget was due. OBM had to train fiscal staff of state agencies on how to use those tables. OAC staff was working on weekends for many hours leading up to the deadline.

Ms. Henahan added that another component that informs the preparation of the budget is the programs in the *OAC Guidelines*. We need to make sure we don't mix the two types of decision-making as the purview of grant programs falls under the Programs and Public Policy Committee. Those are intertwined decisions that need to be taken into consideration when the board is making decisions on how to distribute funding; what programs need to be sunsetted; are there new initiatives or programs; etc.

Ms. Warner wanted to know when the board meets to make those decisions. She added that she would like to feel like more than a "rubber stamp" for the budgetary process. It is important for someone from the board to have an ongoing knowledge of these things. We understand the budgetary constraints and tight deadlines from OBM but someone from the board, whether it's the Finance Committee or its chair, should have the opportunity to meet with staff so they have the knowledge of what is in the budget and can speak to these things. It's important that the board know what is in our proposal when we go to meet with legislative members in order to speak knowledgeably. Ms. Warner added that most of the legislative members that we meet with know what is in our budget and she would like to have the same type of knowledge. Knowing before a scheduled meeting of the board is an advantage to the members.

Board member Representative Peter Stautberg asked if the OAC is on a two-year budget cycle like the rest of the state agencies. Can't the staff preparing the budget make assumptions of what the agency will receive from the state and go with it? He added that the legislature doesn't know what is going to happen in the future but they have a budget in place and if the tax revenues are not what was expected then they have to adjust the budget. Similarly, the OAC can plan for a conservative budget and make adjustments, as needed. Ms. Henahan responded that that's how the agency currently operates.

Ms. Campbell-Zopf emphasized that the board reviews the OBM budget proposal at its fall board meeting, which is nine months before a new budget goes into effect. The proposal is approximately 100 pages and details budget figures and tables required by OBM, four program areas (i.e., Grants, Services, Percent for Art and Riffe Gallery), etc. Ms. Henahan added that this year's FY2014/2015 budget proposal was due on September 17, 2013.

Ms. Warner re-stated that the OAC board only sees the budget proposal a few days before it is submitted to OBM. She suggested that the board receive a copy of the preliminary budget 100 days before it is due to allow ample time for the board to review. Even if we don't have the latest

numbers or requirements, it would be good for the board to know what direction the agency is moving before the budget submission date.

Ms. Howard added that the current process we follow is not broken. Staff is doing what they are required to do to submit the budget but the Finance Committee wants information in advance. The Finance Committee chair should play a more active role in communicating with staff and making sure that the flow of information is coming back to the board. It sounds like the leadership of the board wants more information.

Ms. DeHoff stated that the Finance Committee chair can act without changing the language in the description of the Roles and Responsibilities of the Finance Committee. The committee description already states that the committee will review the staff budget recommendation, that does not need to change, we just need to change how it's being reviewed. How we structure the review is what needs to be determined.

Mr. Rich reviewed that there is a motion to approve the board committee descriptions as amended.

> *The Finance Committee* ~~*typically*~~ *meets at each board meeting or **AT LEAST** three (3) times per year.*

> *The Finance Committee* ~~*reviews*~~ ***WORKS WITH** staff **TO PREPARE** budget recommendations before they are presented to the board. These recommendations address state and federal subsidy and administrative budgets and are typically approved by the board at its June meeting before the start of the new fiscal year. If there are state budget reductions during the fiscal year, the **FINANCE COMMITTEE WOULD WORK WITH STAFF TO PREPARE A REVISED BUDGET FOR THE** board**'S APPROVAL*** ~~*would approve a revised budget*~~ *at a regular or special board meeting.*

Mr. Rich asked the board to approve the changes to each paragraph separately.

MOTION by Sara Vance Waddell, seconded by Sara Jane DeHoff, to approve the changes made to the Finance Committee description under "Frequency of Meeting" to read "*The Finance Committee meets at each board meeting or at least three (3) times per year.*"

Ms. Warner stated that if we are going to have the Finance Committee review staff budget recommendations, hopefully, that means that the committee will have the opportunity to meet with the staff in between the board meetings and that sentence should be amended to indicate that they have the option of meeting between the board meetings. Ms. Howard stated that the statement says "at least three times" which implies that the committee could meet more than three times a year, if need be.

Motion carried without dissent.

Mr. Rich asked if there was a motion to approve the changes made to the Finance Committee description under "Roles/Responsibilities" to state: "*The Finance Committee works with the staff*

to prepare budget recommendations before they are presented to the board. These recommendations address state and federal subsidy and administrative budgets and are typically approved by the board at its June meeting before the start of the new fiscal year. If there are state budget reductions during the fiscal year, the Finance Committee would work with staff to prepare a revised budget for board approval at a regular or special board meeting."

Ms. Howard responded that the way it reads indicates that the entire Finance Committee is going to be working with the OAC staff on the budget preparation. She stated that she prefers that only the Finance Committee chair, who would also be a member of the Executive Committee, would serve in the role Mr. Rich is suggesting. Ms. DeHoff stated that it would be hard for only that board member to make suggestions and corrections to the budget proposal. Ms. Howard responded that it was her understanding from the prior discussion that the Finance Committee chair would not be making corrections to the budget; he/she would review what staff has prepared, in its entirety, ask questions and report to the board.

Ms. Warner noted that everyone knows what the thought behind the amendment to the description is. There is a lack of communication between the staff and board as far as the budget is concerned. She suggested that we table this discussion until the next board meeting and have the Finance and Executive Committee members come together and think about appropriate language. Mr. Rich agreed.

Mr. Rich asked if the board had any suggested changes for the Nominating, Panel Selection, and Programs and Public Policy Committee descriptions. Ms. DeHoff suggested that the word "typically" be removed from each committee description under Frequency of Meetings, if it is present. Ms. Howard and Ms. Vance Waddell suggested that the language remain the same. There were not motions to amend the committee descriptions.

Discussion about changes to the Finance Committee roles and responsibilities was postponed until next board meeting.

MOTION by Sara Jane DeHoff, seconded by Sharon Howard, to approve the board committee descriptions with the amendment made to the Finance Committee description under "Frequency of Meeting". **Motion carried without dissent.**

SUPPLEMENTAL FUNDING
Mr. Rich stated that in the summer of 2009, the OCA and OAC began to investigate ways in which state arts agencies supplement their general revenue funding. This topic was an important part of our strategic planning process and is addressed in the agency's current strategic plan under goal one, objective four. Work on supplemental funding for arts and culture through the OAC has been addressed through OCA. Mr. Rich added that OCA was part of a statewide coalition that explored the viability of seeking a tax initiative for arts and culture, historic sites, and parks and outdoor resources. Unfortunately, this work was put on hold because of the persistence of the state's economic downturn and the difficulty in raising funds for the effort. As Ohio's economic environment has begun to improve, discussion about potential supplemental funding sources for arts and culture through the OAC have begun again. Mr. Rich asked Ms. Henahan to provide a summary of recent activities associated with this effort.

Ms. Henahan stated that during this morning's professional development session with Kelly Barsdate, chief program and planning officer, National Assembly of State Arts Agencies, Washington, D.C., OAC members reviewed several supplemental funding initiatives from around the country. She restated that, because of the economic downturn and the lack of funding to conduct preliminary research and polling, the effort was tabled. As the economic environment improved OAC and OCA convened a discussion group in late July 2012 to meet with Greg Browning, a former director of OBM, and hear his opinion and ideas on the feasibility of pursuing supplemental funding. Those in attendance included members of the OCA's Supplemental Funding Committee as well as OAC board members Karen Bell, Louisa Celebrezze and Jeff Rich, and Ms. Henahan. Following the July meeting, Donna Collins, OCA executive director, Marc Folk, OCA board president, Ms. Henahan, and Ms. Campbell-Zopf worked to craft a shared policy statement on supplemental funding. Ms. Henahan directed the board's attention to the statement in the Council Book and asked for approval.

Ms. DeHoff responded that when the OAC, OCA and several other organizations began investigating the feasibility of establishing another source of funding support, OCA raised around $50,000 to contribute to the research. Did any other organizations, at the time, raise money or was it only OCA? Ms. Collins responded that funds were also raised through arts advocates and a couple of the natural resources groups and the historical society. Both the arts folks and the Historical Society led that fundraising effort and the funds were used to engage the consultants. Ms. DeHoff suggested that OCA send letters to the individuals who donated to the effort informing them of the progress. Ms. Collins stated that she will take that suggestion to Marc Folk, OCA board president and Supplemental Funding Committee chair. She added that the coalition has not disbanded; there have been some changes since the initial meeting but not many. Currently, the coalition is trying to re-group but waiting until the election season is over.

Mr. Rich read the OAC and OCA supplemental funding position statement:

> Ohio Citizens for the Arts will continue to seek public funding for the arts through the biennial state budget appropriation process for the Ohio Arts Council. Additionally, Ohio Citizens for the Arts, in partnership with the Ohio Arts Council, will explore ways to supplement this funding through standard and innovative revenue sources with the ultimate goal of strengthening and diversifying Ohio Arts Council funding for arts and culture.

MOTION by Sharon Howard, seconded by Sara Vance Waddell, to approve the Ohio Arts Council and Ohio Citizens for the Arts Supplemental Funding Position Statement on supplemental funding. **Motion carried without dissent.**

ONLINE GRANT SYSTEM
Mr. Rich introduced Dan Katona, research and program development director, and asked him to provide a status report on the agency's transition to the new online grants management system.

Mr. Katona reported that the OAC staff remains in contact with two vendors that offer products closely aligned with agency needs: Smart Simple and Good Done Great, and will make a

recommendation on which to pursue after the calls are complete. Each offers a hosted online system that would provide a substantial upgrade to the agency's current WESTAF-hosted system at a lower price, while allowing for greater staff control, and significant technological upgrades.

Mr. Katona has had an initial meeting with representatives from the Department of Administrative Services Office of Information Technology (OIT), which manages the state's information technology and telecommunication services needs. OIT will help ensure that the agency complies with all state policies and standards associated with the development of the new system, as well as privacy and security management concerns.

Mr. Katona then reviewed the project timeline stating that once the research phase concludes and a vendor is selected, the agency will move into a planning and design phase in the spring of 2013, which will coincide with grants season. Staff will use the winter months to prepare for the concentrated 90-day build period beginning in early summer, with a soft launch of a majority of the system by September 2013.

Ms. Campbell-Zopf added that OIT helps all state agencies comply with privacy statues in the Ohio Revised Code. Every time a new system is purchased, agencies are required to adhere to strict guidelines for protecting personably identifiable and confidential information. Determining who has access to what information and making sure we have set the highest levels of security will be an important step in the process of building and transitioning to the new system. Mr. Katona reported that the security measures available through Smart Simple (many of whose clients are associated with the health field) are strong, which will be of great benefit to us.

Mr. Rich informed the members that the OAC has received a check from the Ohio Arts Foundation, Inc. for $24,000. As approved by the board, those funds will be used to implement this new system.

OAC GRANT PROGRAMS AND AWARDS
Mr. Rich stated that per a request made for a presentation on the OAC grant programs, including the application and reporting process, eligibility requirements and funding amounts, Ms. Henahan will review the agency's current grant programs and updated guidelines.

Ms. Henahan directed the board's attention to the overview of the grant programs listed in the *OAC Guidelines.* These programs support the board's priorities, which were identified during the special budget meeting held in August of 2009.

Ms. Henahan highlighted the purpose and funding parameters of each program:

Sustainability
The Sustainability program provides general operating support to arts and cultural organizations across Ohio that make important contributions to the health and vitality of our communities. It provides four-year grants for organizational operating support. There are two types of Sustainability grants: Sustainability (over $1.5 million) and Sustainability (under $1.5 million). All Sustainability grants require a 1:1 cash match. Arts, cultural, community-based and social

service organizations doing arts programming may apply to the Sustainability (under $1.5 million) program. All applicants must possess nonprofit status.

Eligibility requirements for the Sustainability (over $1.5 million):
- Have received at least two OAC grants in the last four fiscal years.
- Be nonprofit arts organizations in any discipline (e.g., community arts, literature, performing arts, folk and traditional arts, visual arts, etc.).

Eligibility requirements for Sustainability (under $1.5 million):
- All applicants must have received at least two OAC grants in the last four fiscal years.
- All applicants' last fiscal year income must be at least $30,000.

Arts Access

The Arts Access program supports recurring arts and cultural activities that broaden opportunities for Ohio citizens to participate in the arts. Arts Access grants provide general operating support for nonprofit organizations with annual budgets under $30,000 to support their ongoing programming. The Arts Access program provides two-year grants for organizational operating support. Arts, cultural, community-based and social service organizations doing arts programming may apply to the Arts Access program.

Eligibility requirements:
- All applicants must have received at least two OAC grants in the last four fiscal years.
- All applicants' last fiscal year income must be less than $30,000.

Project Support

The Project Support program provides flexible funding to help organizations complete short-term projects addressing a wide variety of goals and objectives through two types of project grants—**General Project** and **Creative Economy Project**. General Project grants support a broad range of activities including the routine programming of first-time applicants, one-time special events or initiatives, agency-wide capacity building endeavors and unforeseen opportunities for new work over and above organizations' regular programming. More ambitious projects may be funded through a Creative Economy Project grant at either the planning or implementation stage. These highly competitive grants support projects that create jobs and income, revitalize communities or downtowns, and draw cultural tourists.

Eligibility requirements for General Project Support:

- Nonprofit arts and cultural organizations in any discipline (community arts, literature, performing arts, traditional arts, visual arts, etc.); OR
- Other nonprofit organizations that provide arts programming (government entities, social service agencies, etc.); OR
- Educational organizations (colleges, universities, etc.) that demonstrate a commitment to arts programming in a larger community setting.

Eligibility requirements for Creative Economy Project Support:
Organizations that are eligible for funding include: not-for-profit entities incorporated in Ohio and public sector entities.

Funding Restrictions
- Organizations are eligible to apply for only one Project Support grant per fiscal year.
- Organizations that receive support through the Sustainability (over $1.5 million) program are not eligible to receive support through the General Project category, but may apply for a Creative Economy Project grant.

Ms. Warner asked about funding amounts for Project Support. Ms. Campbell-Zopf responded that General Project applicants may request up to $5,000 and Creative Economy Project applicants may request up to $5,000 for planning grants and up to $20,000 for implementation grants. In the past, a typical award for a comprehensive implementation project is around $12,000. Ms. Campbell-Zopf added that we have a lot of great community development examples related to the Creative Economy grants and the staff is working on writing *Arts Part of the Solution* stories on a few.

Ohio Artists on Tour
The Ohio Artists on Tour fee support program enables Ohio's presenting organizations to tap into the creative potential of these artists in order to enrich their programming and the vitality of their communities. To receive fee support, applicants must first be awarded an OAC grant in the Sustainability, Arts Access or Project Support programs in the fiscal year the artist or ensemble's performance is scheduled to occur; no additional application is required.

Building Cultural Diversity
The Building Cultural Diversity program provides support to arts and community organizations whose mission, programs, staff and board are rooted in culturally specific communities and that offer Ohio citizens the opportunity to experience a full and vibrant cultural life. Culturally diverse arts, cultural, community-based and social service organizations doing arts programming whose mission, programs, staff and board are representative of the Black/African, Appalachian, Asian/Pacific Islander, Hispanic/Latino, American Indian, or other culturally specific populations may apply to this program. All applicants must have nonprofit status or nonprofit intent.

Eligibility Requirements:
- At least 50 percent of their staff and 50 percent of their board comprised of individuals from one or more culturally specific populations.

Arts Partnership
The Arts Partnership program is designed to provide a flexible source of support for arts learning projects that address the needs of individual learners and their communities, particularly underserved populations. Arts Partnership funds may be used to:
- Enhance the skills and knowledge necessary for learners of any age to engage in, interpret or understand the arts;

- Assist professional development efforts that prepare educators or artists to engage arts learners;
- Conduct research that advances the depth and breadth of knowledge about best practices in arts education;
- Undertake planning efforts that aim for greater access to arts learning in schools and communities.

The Arts Partnership program provides one- or two-year grants to schools and organizations for activities that enhance the quality of and access to arts learning for people of all ages, backgrounds, experience levels and abilities.

Ms. Warner inquired about the amount allocated to the Arts Partnership program. Ms. Henahan responded that the program received $488,000 this year.

Ms. DeHoff asked if only schools were eligible to apply to this program. Ms. Campbell-Zopf responded that, no, there is a wide range of organizations that apply to this category.

Artist in Residence: Sponsors
The Artist in Residence program brings schools and community organizations together with artists to share in-depth, engaging, personal and sustained arts learning experiences for learners of all ages. The Artist in Residence program provides one- or two-year grants to place accomplished professional artists in a variety of education and community setting to facilitate learning in, through and about the arts. Residencies may be planned for a minimum of two weeks to a maximum of eight weeks in length.

Artist Express
The Artist Express program was created to provide an opportunity for schools or community organizations to collaborate with an artist for one, two or three days in order to explore an arts discipline or to see what it might be like to host an artist for the first time.

Ms. Warner asked if the $488,000 figure that Ms. Henahan noted earlier goes to all Arts Learning programs or just the Arts Partnership program. Ms. Henahan responded that the $488,000 is just for the Arts Partnership program. Ms. Warner asked if we use federal funds for our Arts Partnership, Artist in Residence and Artist Express programs. Ms. Henahan informed the board that federal funds support the Artist in Residence and *Poetry Out Loud* programs, and some federal and state money funds the Arts Partnership program.

Individual Excellence Awards
The Individual Excellence Awards program provides grants to Ohio artists for the exceptional merit of a completed body of work. These awards recognize creativity and imagination that exemplify the highest level of achievement and advancement of the art form for a particular discipline. With this support the OAC encourages the growth and development of individual artists.

Eligibility Requirements:
All applicants must:

- Be an Ohio resident for one year prior to the September 1 deadline. The OAC defines an Ohio resident as someone who lives and works in Ohio at least eight months of the year.
- Not be a student enrolled in any degree- or certificate-granting program.

Traditional Arts Apprenticeship Program
The Traditional Arts Apprenticeship program provides awards that allow dedicated apprentices to work with master artists in a time-honored method to acquire an understanding of and proficiency in valued art forms. The Traditional Arts Apprenticeship program supports study and collaboration between qualified apprentices and master craftspeople, musicians, dancers and other traditional artists. The program pairs a master artist with a dedicated apprentice in an intensive, year-long learning experience. The apprenticeship must be conducted for a substantial part of the year, preferably 12 months, and include a minimum of 50 hours of direct instruction.

Representative Stautberg inquired how much the OAC spends on the Traditional Arts Apprenticeship program and where those funds come from. Ms. Henahan responded that we allocated $31,600 for this program this year. It's funded through state revenue funds and a $25,000 folk art infrastructure grant from the National Endowment for the Arts.

Ms. Warner inquired about the funds for the Individual Excellence Awards program. Ms. Henahan stated that we budgeted $230,000 for that program. Ms. Warner asked if that includes scholarships for individuals to attend conferences. Ms. Henahan said, no, that's the budget for fellowships only. Individual Excellence Awards are $5,000. Ken Emerick, director, Individual Artist Grants and Services, stated that this year we had 535 individuals apply and 47 of those applications were recommended for funding.

Artists with Disabilities Access Program
The Artists with Disabilities Access Program (ADAP) provides funding that gives artists with disabilities the resources they need to further their artistic development. ADAP provides support to individual artists with disabilities, allowing them to engage in activities that will help them advance their artistic practice, further their career, or move to a higher level of artistic development. Funds are available for a variety of activities, materials and services.

Eligibility Requirements:
All applicants must:
- Be an Ohio resident. The OAC defines an Ohio resident as someone who lives and works in Ohio at least eight months of the year.
- Remain in Ohio during the grant period.

Ms. Henahan reported that the Artist with Disabilities Access Program will undergo an evaluation to ensure the effectiveness of the program. Ms. Warner requested that the staff keep the board updated on this evaluation process. Ms. Campbell-Zopf informed the members that the protocol for evaluating the program will be similar to the one we used during the evaluation processes for the Arts Learning programs. Board members will be interviewed and there will be constituent focus groups.

Ms. Campbell-Zopf added that Kim Turner, grants associate, and Erin Hoppe, executive director, VSA Ohio, were invited by the NEA to present a webinar about how the two agencies have partnered on several project including ADAP. They have been recognized as a strong partnership. Staff will e-mail the board the PowerPoint presentation that Ms. Turner and Ms. Hoppe presented, when it becomes available.

Ohio Heritage Fellowship
The Ohio Heritage Fellowship program was created to honor and celebrate these living cultural treasures, and to ensure that those who are working in the folk and traditional arts have an essential place in the present and future of Ohio. Award recipients are recognized within their communities as exemplary practitioners of a folk or traditional art form with work of the highest quality and authenticity. Ohio Heritage Fellowship awards are $5,000.

Ms. Henahan added that the master artists have performed at the Ohio State Fair for the last three summers on the Ohio Department of Natural Resources stage. This program was created in partnership with Dayton's ThinkTV, who has now competed eight- to 10-minute video profiles of the Heritage winners.

Ohio River Border Initiative
The Ohio River Border Initiative (ORBI) is a joint project of the West Virginia Commission on the Arts and the OAC to support the arts community in the Ohio River Valley. ORBI's **Accessibility Mini-Grant** program is designed to increase the participation of people with disabilities in arts programming by expanding the capacity of the region's organizations to make their programs more accessible to everyone, regardless of physical or developmental ability.

Ms. Henahan provided an overview of the programs and stated that staff would be interested in hearing whether the board would like to put any of these programs on a future meeting agenda for discussion.

Mr. Rich thanked Ms. Henahan for her presentation and stated that he is always amazed with all the great things and programs that we have available for our constituents around the state and in underserved areas.

BREAK – The board adjourned for break at 2:20 p.m. and reconvened at 2:45 p.m.

OVERVIEW OF HISTORY OF SUPPORT OF MAJOR INSTITUTIONS
Mr. Rich reported that during the September 27, 2012 board meeting, a question was asked about whether or not the Rock and Roll Hall of Fame (RRHF) would be entering the Sustainability (over $1.5 million) grant category for the FY2014/2015 biennium and if so, what their initial eligible operating budget might be. Given this question about the RRHF, Mr. Rich asked Ms. Henahan to review the history of the agency's support for the state's major institutions.

Ms. Henahan informed the members that the RRHF is planning to submit an application to the Sustainability (over $1.5 million) program and in preparation for that deadline they have submitted a draft application for staff review. Their eligibility will be contingent upon a submission of their most recently completed fiscal year's audit and an extensive review process

that is conducted by the OAC staff. Income that is determined to be ineligible for the purposes of the operating income is removed before using the formula to calculate grant award recommendations. Ms. Henahan added that those audits and accompanying financial materials are not due until April 1 so we will not have an opportunity to thoroughly review the financials of either the RRHF or the other applying organizations until then.

Ms. Warner responded that the RRHF is such a large organization and their projected operating income could be around $31 million. How will that compare with the "big four" organizations? Ms. Henahan reported that if $31 million is their operating income, that is $5 million less than the next largest organization in the Sustainability (over $1.5 million program).

Ms. Warner asked how that compares with everyone else in the program. And, Ms. DeHoff asked, how the "big four" organizations were originally identified? Ms. Henahan responded that in 1999 the OAC board approved defining the "big four" as those institutions with budgets of at least $25 million. The board decided to give extra support to those top organizations because their budgets were so much larger than the other organizations in this program. Ms. DeHoff asked, how much the top four organizations were receiving in grants? Ms. Henahan responded that for FY2013, the Cincinnati Symphony Orchestra received $391,850; and the Cleveland Museum of Art, the Musical Arts Association and the Playhouse Square Foundation received $390,822 each. Ms. Warner stated that 50 percent of the funding allocated to the Sustainability (over $1.5 million) program directly goes to the top four organizations with a cap of $600,000 each and the other 50 percent is distributed to the rest of the eligible organizations. Ms. Henahan added that the top four funding was instituted in FY2000 and for one year those top four organizations received $600,000 grants. Due to the economic downturn, shortly thereafter, that award figure was adjusted downward.

Ms. Warner asked, if the top four still received 50 percent of the funds allocated to the Sustainability (over $1.5 million)? Ms. Henahan responded that, no, they do not receive 50 percent of the Sustainability (over $1.5 million) program budget, but that 50 percent of the agency's overall subsidy budget is allocated to the Sustainability (over $1.5 million) program, with the remainder used for all other funding programs. Ms. Henahan said that she would review the program's formula to determine what percentage of the agency's funds go to the top four organizations. Ms. DeHoff suggested that the board discuss this issue at the next board meeting so that everyone can be present and have a good understanding of how the money is distributed.

Ms. Warner expressed concern that if the RRHF comes into the pool of the top four, it will greatly diminish whatever the percentage is in that pool. Ms. Henahan responded that if the policy remains the same for the top four, then the RRHF will not be eligible to be a part of it because of their operating income budget. Ms. Henahan clarified one of her earlier statements saying that the adjusted income formula that was used for FY2013 shows that the Musical Arts Association had an operating income budget of $44.3 million, the Playhouse Square Foundation had $43.7 million, the Cincinnati Symphony Orchestra had $37.9 million; and just over $33 million for the Cleveland Museum of Art. Ms. Warner asked how far above the rest of the group are the top four and the RRHF. Ms. Henahan stated that the next highest budget is the Toledo Museum of Art at $15 million.

Ms. DeHoff stated that under the agency's current system, the OAC rewards poor management. When the Toledo Museum of Art started experiencing the effects of the economic downturn, they reduced their staffing, which in turn reduced their budget and funding award.

Ms. Warner interjected that, from a public relations stance, the OAC needs to be ready to address the situation of whether the RRHF is going to be eligible to compete with the top four organizations. Years ago, it was decided that the top four organizations should receive more money than the rest of the applicants to that program because their budgets far exceeded the budgets of the other organizations. The RRHF, with a budget of $31 million, is now far ahead of the rest of the organizations' budgets and that we would have to assume that they are going to come into the category with the top four and we need to start thinking about how to work with that. Ms. DeHoff stated that she would rather see the RRHF come into the top four and lower their awards than lower the rest of the applicants' funds. Ms. Warner responded that we just need to have our talking points ready before a decision is made on how they will be funded.

Mr. Rich reviewed that the OAC distributed roughly $1.6 million to the top four organizations and asked if it would be logical to presume that now we will have five institutions to share that amount. Ms. Henahan responded that under current policy, yes, we can make that assumption. Ms. Henahan added that she will ask the RRHF to provide the OAC with an audit prior to the audit deadline date. She cautioned that the $31 million figure that the OAC has is from their most recent application to the Project Support program. That number is unaudited and has not gone through an extensive review by the OAC staff. It is possible that there could be fairly large amounts of money that will be removed and will decrease their eligible amount significantly.

Ms. Henahan reviewed that the OAC has offered support to major institutions since it began to award funds in fiscal year 1970. Until fiscal year 1977, this support was only offered for specific projects. Ms. Henahan reviewed the following policy shifts and other types of changes to the OAC operating support program for funding major institutions.

- 1976
    - By 1976 interest in an operating support program was high, and the OAC held a series of meetings to invite the opinions of various constituencies on developing a General Operating Support (GOS) Program.
    - Operating income base for eligible GOS organizations was $200,000.
- 1980
    - The operating income base for eligibility to this program was raised from $200,000 to $300,000.
- 1983
    - Operating income base for organizations to be eligible for GOS was raised from $300,000 to $400,000 to become effective in the next biennium (FY1986/1987).
- 1990
    - Operating income base for organizations to be eligible for Major Institution Support (MIS) was raised from $400,000 to $500,000.
- 1991
    - Creation of bonus pool would be used to adjust funding levels for those MIS organizations with income levels above $10 million.

- 1994
  - Operating income base for organizations to be eligible for MIS was raised from $500,000 to $550,000.
- 1996-1997
  - Operating income base for organizations to be eligible for MIS program is raised from $550,000 to $585,000.
- 1998-1999
  - Operating income base for organizations to be eligible for MIS is raised from $585,000 to $1 million grandfathering in those organizations with income that did not reach the new income eligibility level.
  - Council approved defining the "big four" as those institutions with budgets of at least $25 million (July 8, 1999).

Ms. Warner interjected that it appears that if the RRHF is operating at $31 million, and we need to get their budget information from them so we can decide which category they will fall into. A budget of at least $25 million is the defining factor and not that there are just four. Ms. Henahan stated that staff pulled the most recent application and from FY2011, it looks like they had a budget of about $26.5 million. But again, this is an unaudited figure and may also include income that we do not allow. Ms. Henahan restated that she will get an audit from the RRHF and examine it carefully. Ms. DeHoff inquired what type of income the OAC removes during the review. Ms. Henahan detailed the types of income, including in-kind revenue, forgiven debt, the OAC grant for that year, realized and unrealized gains, etc. Ms. DeHoff reported that the RRHF's form 990 shows that they received $24 million in revenue.

Ms. Henahan continued her overview of the agency milestones in providing operating support program for major institutions.

- FY2004-2005
  - Operating income base for organizations to eligible for Operating Support I program is raised from $1 million to $1.5 million.

Ms. Henahan stated that although it has been a decade since the last change, the OAC board should consider the economic climate and how that might have impacted organizations over the last four years. She reminded members that, as discussed at the September 2012 board meeting, the OAC has lengthened the Sustainability program grant cycles to be four years in length rather than two. If the board makes a decision to change the eligible operating income level, it has to be done in a way that gives us ample opportunity to communicate that change to the field and to make sure they understand the rationale behind the decision-making process and whether they remain eligible to apply in the Sustainability (over $1.5 million). Ms. Warner inquired if there are a lot of organizations that could drop out of the Sustainability (over $1.5 million) and into the Sustainability (under $1.5 million). Ms. Henahan responded that it happens occasionally; at this point, there is only one organization on the list that will drop into the Sustainability (under $1.5 million) category. But we can't confirm that until we review their audit.

Representative Stautberg inquired if the RRHF has received a grant from the OAC in the past. Ms. Henahan responded that the RRHF has received an OAC Project Support (and Arts Access)

grant and have just become eligible to apply to the Sustainability program. Ms. Warner affirmed that we need to take a look at this as soon as possible. She added that the board should also look at the change implemented in 1992, which stated that "MIS organizations are no longer permitted to apply for Project Support. They may apply for Presenting/Touring, Arts in Education, Challenge Grant, New Works and New Forms for special projects and activities" and how it affects organizations with budgets over $25 million.

BACKGROUND ON OAC GRANT RATIFICATION PROCESS
Ms. Henahan informed the members that the grant ratification process was established by the Council in 1976 to ensure the timely management and funding of primarily Arts for Communities programs, including Arts in Education, Minority Arts, Multi-Arts, Presenting/Touring, Technical Assistance, Traditional and Ethnic Arts, and Outreach Initiatives. Recognizing the amount of staff time and commitment needed for assisting communities in developing and planning activities funded under these programs, the board agreed to pre-allocated funds to the Arts for Communities programs each year and authorized staff to award specific grant amounts to applicant organizations throughout the year. The staff then submits the list of grantees to the board at the next appropriate meeting for ratification.

Ms. Warner responded that she is uncomfortable with this process because of the amounts that are being awarded. Basically, these programs have already been funded before the board's approval, and if there is an issue, how do you go back and ask for the money back. Mr. Rich stated that there are deadlines for these programs that require them to be approved this way. Ms. Warner said that some of these are for reoccurring expenses and there is no reason why the board shouldn't approve expenses at the June board meeting, if we know when these funds are going to be due. Mr. Rich asked the staff to look at these reoccurring expenses and inform the board of the reason why they are ratified rather than presented to the board for its approval at the June meeting. Ms. Henahan stated that the reason is to respond more rapidly to the needs of the field and that's what some of these programs were designed to do. Some of the proposals might not have been made at the previous board meeting.

Ms. Warner stated that all of the Individual Excellence Awards are made and the artists are informed of their award prior to the board's approval. Ms. Henahan clarified that the Individual Excellence Awards recipients are notified of their grant award after the board has approved the recommendations. Ms. Warner then asked, if that is the case, why is the board required to approve them after they have been awarded? Mr. Emerick responded that in December, the Individual Excellence panels meet and recommend several artists for awards. Currently, Mr. Emerick and Kathy Signorino, program coordinator, are writing grant descriptions that will be presented to the board at its April meeting. The artists were notified this week that they have been recommended for funding and asked to submit their residency information, and proof of non-student status. The artists do not receive a contract or any funds until the board approves the panels' recommendations at the spring board meeting. Ms. Henahan added that the notification to the artists clearly states that the panel's recommendations are only recommendations and the board is the only body authorized to make final funding decisions.

Ms. Warner stated she would like to approve some of the things that she has been asked to ratify in the past before the money is distributed. Things like the monies set aside for the $10,000 artist

residency grants to Provincetown and Headlands and the money awarded to Arts Midwest and some of the funds in which we serve as the repository.

Ms. DeHoff suggested that the board discuss this topic at the April meeting and asked the staff to provide them with a list of all the funds that have been ratified in the past. This could allow the board to approve some things without requiring us to look at them every year. This would allow the board to get past the day-to-day operations and allow for more time to become more visionary. Ms. Warner agreed stating that this would eliminate the process of having to approve some things that could have been approved at the prior meeting.

FALL 2012 OAC WORKFORCE PLAN
Mr. Rich updated that state agencies are required to submit annual workforce plans to the Department of Administrative Services (DAS). The workforce plans are meant to serve as the framework management relies on for making staffing and resource decisions that are linked to the agency's mission, strategic plan and budgetary resources. He reviewed there are a number of individuals who will be eligible for retirement over the next few years and stated that this could be something the board discusses at its next meeting to assure that the right steps are being taken to assure a smooth transition. Mr. Rich directed the member's attention to the workforce plan in the Council Book and asked Ms. Campbell-Zopf to present a brief overview of the document.

Ms. Campbell-Zopf reviewed that, a few years back, the Pew Charitable Trust identified the need for workforce planning in state government because of the larger number of baby-boomers who will begin to retire. To address this demographic shift, the Pew Trust began working with government leaders, including the Ohio Department of Administrative Services (DAS) to train state human resources (HR) staff to use existing data and develop plans.

At a minimum, each workforce plan must contain:
- A statement of the agency's mission and goals;
- A current table of organization;
- A summary report of the workforce indicators tracked (as outlined in the Workforce Planning Guide);
- A strategic action plan aimed at developing internal employees and/or recruiting qualified employees to avoid gaps in filling critical staffing needs;
- A statement indicating how the agency has aligned its workforce plan with its biennial operating budget request on even numbered years;
- A plan to monitor progress.

Ms. Campbell-Zopf added that the agency will be facing its biggest staffing transition in its history. Over the next five years, 38 percent of current staff become retirement eligible. Ms. Henahan and Ms. Campbell-Zopf have attended several seminars led by DAS to learn more about how HR personnel can help assist employees with Retirement System Changes and other HR-related basics. Ms. Campbell-Zopf reviewed the following HR basics on how to handle and talk about impending retirements.
- Always emphasize age equity through policies and planning.
- It's best to talk in general terms about retirement-eligible employees with a focus on the group not individuals.

- While it is permissible to encourage retirement-eligible employees to share their retirement plans if they chose to, it is not permissible to repeatedly ask employees when they plan to retire.
- All employees must be given the same opportunities for professional development, wage increases, promotion opportunities, etc.

Ms. Campbell-Zopf reported that the OAC submitted its first plan, which was approved by DAS and the Governor's Office, in the spring of 2012. The agency submitted its second plan 60 days after the submission of its FY2014-2015 budget proposal to OBM, which was a new requirement this year that helps bring an agency's workforce planning into closer alignment with the state's biennial budget process. To reduce risk, the OAC has developed a plan of action that helps lessen the impact of those impending retirements.

The agency has three broad goals for workforce planning:
1. Address impending retirements through workforce and succession planning
2. Provide critical and ongoing development experiences to ensure that OAC staff are prepared for impending retirements and ready to fully implement the agency's strategic plan.
3. Strengthen planning, documentation and technologies to ensure institutional knowledge is maintained and transmitted to existing staff and new hires.

Ms. Campbell-Zopf provided a summary of workforce indicators and data.
1. Address impending retirements through workforce and succession planning.
   a) A detailed action plan for the agency's workforce planning goals and objectives with performance targets, timelines and staff responsibilities is in place.
   b) Critical employee skill sets are identified and used in hiring decisions and planning professional development programs existing and new staff.
   c) An Employee Skills Database is completed and available to all staff.
   d) Executive leadership recruitment process is established and used in selecting the next executive director, deputy director and other positions.
2. Provide critical development experiences so that OAC staff are prepared for impending retirements and to fully implement the agency's strategic plan.
   a) A five-year program of professional development is outlined and implemented. Reorganize staff efforts and training to accommodate new work functions outlined in the strategic plan, such as creative economy initiative, research, and cultural policy and leadership development.
   b) Mentoring opportunities for staff members who will have expanded leadership roles within the agency after retirements are in place.
   c) Personal change goals are part of all employees' annual performance goals and plans.
   d) Fine Arts Specialist job descriptions are updated to reflect future needs of the agency.
   e) Organizational structure supports agency mission, function, strategic plan, and future staffing needs.

Ms. Campbell-Zopf added that after the Workforce Plan was sent to the Governor's Office, OAC senior staff met and presented the plan to a representative from the Governor's Office where it was approved. The representative commented that the OAC had an extremely low payroll line (14 percent of the agency's total operating budget) and commended the staff on their work to reduce costs.

Mr. Rich noted that this is a very important effort and is helpful for the board as they work on this over the years.

Board member Monica Kridler expressed that it is her understanding that the OAC board sets the agenda for the winter meeting. She suggested that the members spend a greater amount of time during the meetings discussing visionary planning and broader topics. As we look for new board members, it seems like the candidates interested to serve on the board would like to know that it is a creative engine for the agency. We have a staff that is incredibly equipped to handle the detailed processes and the board can stand on that solid base and address more visionary discussions. Mr. Rich agreed and stated that the hope for the winter board meeting, once a year, is to address planning and visionary. Discuss things that we are not able to discuss during the other meetings throughout the year.

Ms. DeHoff stated that the NEA awards 700 grants to organizations throughout the nation and only 13 were awarded to organizations in Ohio. Can the OAC work with our constituents, maybe through a webinar, to help them apply to these grants? Ms. Henahan informed the members that, right before the holidays, she made a call to the NEA to get preliminary information on how to invite the NEA to Ohio to provide a workshop for our citizens and organizations. In order to schedule this workshop, we need to find a date that will take place before the application deadlines to allow our constituents ample time to apply. We also have to tie it in with work the OAC is currently conducting. The NEA is willing to travel around the state to conduct these workshops.

Ms. Campbell-Zopf underscored that the *2011-2013 Strategic Plan* addresses several policy discussions scheduled for every OAC board meeting for the life of the plan (through calendar year 2013). There are several important topics related to the creative economy and economic development through the arts. There will be something on every agenda.

Mr. Rich informed the members that he and Ms. Henahan will schedule a meeting with Boards and Commissions to continue working on filling the vacancies on our board. He asked that the board provide suggestions of individuals to serve if they know of anyone interested.

ADJOURNMENT
The meeting adjourned at 4:30 p.m.

An audio recording of this session is available upon request.
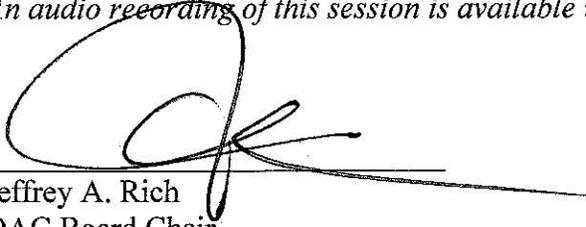
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Jeffrey A. Rich   Sara Vance Waddell
OAC Board Chair   OAC Board Secretary