

**OHIO ARTS COUNCIL
SPECIAL BOARD MEETING
AUGUST 17, 2009**

CALL TO ORDER

The meeting was called to order by Chair Susan Saxbe at 10 a.m. in the O'Keefe Conference room at the Rich and Gillis Law Group office building, Columbus. Council members in attendance were: Vice-Chair Sheila Markley Black, Secretary Jeff Rich, Karen Bell, Martha Appel Burton, Louisa Celebrezze, Sara Jane DeHoff, Barbara Gould Sharon Howard, Charlotte Kessler, Mary Lazarus, Charles McWeeny, Barbara Robinson and Tom Schorgl. Absent: Ginger Warner, Neal Zimmers, Speaker of the House Armond Budish, Representative Josh Mandel, Senator Kevin Coughlin and Senator Teresa Fedor. Also present were: Donna Collins, executive director, Ohio Citizens for the Arts (OCA); Todd Nist, assistant attorney general, Attorney General's Office; Michael Hays, artist; and Charles Saxbe. Staff members in attendance were: Julie Henahan, Mary Campbell-Zopf, Karine Aswad, Peter Beyer, Katherine Eckstrand, Ken Emerick, Dia Foley, Jami Goldstein, Mary Gray, Jeff Hooper, Kathy Cain, Pat Henahan, Shannon Ford, Jim Szekecs, Megan Laurent, Dan Katona and Carolyn McClaskey.

CHAIR'S REMARKS

Board Chair Susan Saxbe welcomed everyone to the special meeting and thanked the Board members and the OAC staff for their hard work and commitment through these tough times. She added that at the June 29, 2009 Board meeting, we focused on the legislative budget deliberations and tackled a full business agenda. Naturally, we were deeply disappointed with the significant cuts to the agency's funding.

In July, the Executive Committee along with four outside panelists, and OAC staff reviewed 137 grant applications to the *Ohio Arts Jobs Preservation Grants* program. This review included three weeks of reading and preparation for the two-day panel meeting that was held on July 27th and 28th, which was open to the public. The panel awarded a total of \$395,000 in federal stimulus funding to 21 diverse organizations from across the state.

Ms. Saxbe summarized that the purpose of today's special session is to consider the ways in which the agency's mission could be advanced while adapting to the significant reduction in our legislative appropriation. More than any other time in the OAC's history, dedication and strong leadership are needed. Governor Strickland has entrusted us to guide the arts in Ohio through these difficult times. He relies on us to be creative, to develop prudent policies that address Ohio's current financial circumstances, and to direct the agency's operations in ways that make sense with the needs and expectations of our citizens.

Ms. Saxbe stated that we are about to lay a new foundation for the OAC's future success. The challenges we face will demand a lot from each Board member. Executive Director

Julie Henahan will begin today's meeting by presenting some background information to help us in this work.

Ms. Henahan thanked the Board members for their attendance at this very important meeting and she recognized Board member Jeff Rich for arranging such a great space for our meeting.

BACKGROUND INFORMATION

In preparation for today's meeting, staff worked with the National Assembly of State Arts Agencies (NASAA) to prepare customized research on Ohio that was also benchmarked with similar or "neighboring" state arts agencies (SAAs) in Michigan, Pennsylvania, Indiana and Illinois. This research was entitled, OAC Funding and Grant-making Profile (August 2009). The research contained topic-specific profiles on legislative appropriations; grant-making summaries (total number of grants, median grant award, median operating grant award, and median project grant award); distribution of grant awards by recipient organizations (artists, education, arts organization, community organizations and other); general operating support grants; arts education grants; and grants to artists.

Other NASAA reference documents included:

- Legislative Appropriations Preview Fiscal Year 2010
- State Arts Agencies Staffing Trends
- OAC Staffing

Legislative Appropriations Preview FY2010 (NASAA)

The Legislative Appropriations Preview FY2010 report detailed the financial commitment of state government to the arts as budgets for FY2010 were being finalized and national funding trends were beginning to emerge. Ms. Henahan explained that, as reported in the NASAA Legislative Appropriations Preview, experts predict a \$121 billion deficit for states in FY2010. In an effort to reduce deficits, states have enacted numerous strategies including: tax measures, expense reductions, revenue increases, withdrawals from reserves, etc. and still budget gaps remain. According to the Center of Budget and Policy Priorities, budget deficits are already projected in 46 states for FY2010, and the National Conference of State Legislatures reports that at least 31 states and Puerto Rico have already forecasted budget gaps in FY2011. The report also stated that 32 SAAs predict decreases in legislative appropriations for FY2010; 13 states report that their appropriations will increase; and the national per capita legislative spending on SAAs is expected to be \$0.98 in FY2010 (which is a \$0.08 decrease from total per capita spending in FY2009, and only \$0.03 higher than the most recent low in FY2004). Ms. Henahan walked the members through the charts presented in the Appropriations Preview report (which are available in the Council Book).

SAA Staffing Trends

The SAA Staffing Trends report provides details about staffing trends, which are based on a NASAA survey that was conducted early in FY2009. Ms. Henahan stated that the

report indicates that SAAs rely on a number of revenue streams to cover personnel-related expenses. The two most common sources are appropriations from state legislatures (excluding line items) and state arts plan funds from the National Endowment for the Arts (NEA) Partnership Agreement grants. Fluctuations in these funding sources affect the ability of SAAs to support personnel, but changes in financial resources are not always proportional to changes in human resources. For example, appropriations and state arts plan funding between FY2005 and FY2009 increased by 16 percent, while aggregate staff size essentially stayed the same. The report stated that trends in state arts agency staffing differ from other state government staffing trends overall. Between 1998 and 2009, full-time staff for SAAs decreased by six percent. Over a similar period (1997 to 2007) full-time staff for state government excluding education increased by three percent. Full-time state arts agency employees comprise 88 percent of all SAA staffing. Part-time agency employees account for another six percent. SAAs have maintained staff support across a wide spectrum of programmatic and administrative functions. Arts education and grants management continued to be the functions for which most states (44 and 38 respectively) reported a dedicated staff position.

OAC Enabling Legislation

Next, Ms. Henahan reviewed the OAC's Enabling Legislation and noted that the intent for the establishment of the OAC in 1965 is still accurate to this day.

Mr. Schorgl noted that the Enabling Legislation, section 3379.03 states that:

The Ohio Arts Council shall:

- A. Conduct a survey of the cultural and artistic resources and needs of the state and maintain a continuing inventory of such resources;
- B. Develop a plan for better and fuller use and enjoyment of the state's cultural and artistic resources by all the people of the state;
- C. Assess the role of the arts in the growth and development of the state;
- D. Report at least biennially to the governor and the general assembly on the state of the arts; such report may include recommendations based on the council's surveys.

Mr. Schorgl added that these tasks seem more like priorities and if they are then it looks like a lot of surveys, assessments and reports to the governor. He noted it was interesting that grant-making, which is a core function area, is but a small part of the picture.

OAC Mission and Vision Statements

Ms. Henahan reviewed the OAC mission and vision statements:

Mission: The Ohio Arts Council is a state agency that funds and supports quality arts experiences to strengthen Ohio communities culturally, educationally and economically.

Vision: Providing leadership and voice for the arts to transform people and communities.

Funding Policies

Ms. Henahan noted that the materials under the Funding Policies tab in the Council Book were discussed in great detail during the June 29, 2009 Board meeting and were sent to members via e-mail last Friday. Ms. Henahan asked members if they had any questions regarding the History of Funding Major Institutions document. To focus the discussion, she highlighted a few key provisions: In 1979, the OAC Board approved a policy establishing that 50 percent of the OAC subsidy budget be allocated to general operating support every year. This historical report documents various changes, primarily those increasing the eligibility requirements for the major institutions. The most recent change occurred in February 2009, when the OAC Board voted to remove language from the FY2010/2011 budget language that prohibited the Rock and Roll Hall of Fame from applying for funding from the OAC.

Ms. Henahan then reviewed organizational implications of decreasing the amount of money allocated from the OAC subsidy line towards funding major institutions from 50 percent to 48 or 46 percent.

Board member Sara Jane DeHoff noted that some organizations might drop out of the Sustainability (over \$1.5 million) program as they try to be more efficient with the smaller amount of money they have available during these tough times. If that is the case, do you penalize those organizations for working hard to make sure they remain in existence? Mr. Rich agreed stating that this might be a good time to re-examine the eligibility levels; as these organizations shrink in size maybe we need to lower our eligibility level. Board member Schorgl stated that we need to look at the buying power of our grant dollars.

Board member Karen Bell shared that it might be the time to re-examine our funding requirements. What exactly do we want? Do we want organizations to be more entrepreneurial, or do we want them to work cooperatively in partnerships? Ms. Henahan stated that yes, the kinds of services and programs that the OAC offers can certainly direct or influence organizations to start thinking about their operations in terms of partnerships with other nonprofit or for-profit entities.

Board member Charles McWeeny noted that after reviewing the figures presented to the Board, it does not seem like a lot of money will be saved by reducing the percentage of money taken out of the subsidy budget. We need to look at more significant changes.

SAA Funding Practices Related to Colleges and Universities

At the February 26, 2009 OAC Board meeting, during the discussion of the Wexner Center for the Arts' (The Ohio State University) request that the OAC Board change its eligibility policy for the Sustainability (over \$1.5 million) program, the OAC took a look at how other state arts agencies fund colleges and universities and their divisions and what their restrictions and eligibility requirements are. Ms. Henahan posed the question to her colleagues around the country via the NASAA listserv for executive directors and received 14 responses (Arizona, Delaware, Florida, Georgia, Hawaii, Idaho, Michigan, Montana, Nebraska, New Jersey, New Mexico, North Dakota, Oklahoma and

Pennsylvania). In general, in those states that do fund colleges and universities, the funding practices can be categorized under three headings: Operating Support, Project Support and Program Specific.

Ms. Henahan found that, overwhelmingly, college and university applicants are restricted to SAA project support programs. Overall, basic eligibility requirements tended to be the same for this group as they were for nonprofit applicants. In addition to the basic eligibility requirements, nearly all of the respondents noted a special requirement for college and university applicants that asks them to clearly define how the proposed activity reaches beyond the campus-based population and includes the general public.

Georgia mentioned specifically the issue of “double-dipping” by state universities that are already substantially supported through the state higher education funding, i.e., they are not in favor of it. They recognized, however, that in many of their rural counties the local two- or four-year university or college is the only arts venue and, therefore, if the applicant can show that they have outside sources of income to meet the match requirement, then they allow them to apply.

Ms. Henahan added that Oklahoma draws a clear distinction in its guidelines in the prioritization of its funding to colleges and universities; i.e., if there are arts organizations active in the same community, direct funding to academic institutions will be considered a lower priority.

New Mexico has developed a specific program that is open only to colleges, universities and government entities, but arts council funding is limited only to the support of artistic fees and salaries, and staff time spent specifically on the funded project. They are instituting a new restriction on this policy that will limit the amount of arts council funding that larger government entities can use for administration to five percent to keep most of the arts council money going to the artistic components and not supplementing city or university budgets.

Mr. McWeeny stated that the OAC needs to encourage colleges and universities to partner with arts organizations in their communities instead of separating them into two different categories. He suggested that the OAC have a conversation with the colleges and universities, and let them know that they will not be funded unless they partner with other arts organizations in their community.

Subsidy and Administrative Budget 2010/2011

Ms. Henahan discussed the OAC’s 2010/2011 projected subsidy and administrative budget. The staff is recommending putting the International and Capacity Building programs on hiatus due to the severe reductions in the subsidy line. The Community Development, Building Cultural Diversity (BCDP), Artists with Disabilities Access (ADAP) and Appalachian Arts programs will be supported solely with federal funds.

OAC Funding by Region

Ms. Henahan reviewed the OAC Funding by Region tables found in the Council Book. These tables sort funding data from FY2009 and FY2010 in a variety of ways: County Aggregate by Region (Central/Southeast, Northwest, Southwest, Northeast) by highest to lowest; County Aggregate by highest to lowest; Alphabetical by County; and Counties that receive no funding from the OAC.

OAC Programs and Services

A complete listing of OAC Programs and Services was provided to members in their Council Books. Ms. Henahan highlighted a few major activities that the OAC provides to its constituents and the citizens of Ohio.

1) OAC Programs

- a) The OAC operates a 4,000 square-foot **Riffe Gallery** to showcase the work of Ohio artists and curators and exhibitions developed by the state's museums and galleries. The gallery is located in the Vern Riffe Center for the Government and the Arts, across from the Statehouse on High Street in downtown Columbus. The Riffe Gallery is operated with support from the Ohio Building Authority.
- b) Ohio's **Percent for Art** legislation, in effect since July 1, 1990, provides funds for the acquisition, commissioning and installation of works of art for new or renovated public buildings that receive state appropriations of more than \$4 million per biennium.
- c) The **Ohio River Border Initiative (ORBI)** is the result of a strategic partnership between the West Virginia Commission on the Arts and the OAC to support the arts community in the Ohio River Valley.

2) OAC Services

The following activities and services support all OAC programs and provide relevant resources for OAC constituents and the general public.

a) OLGA (OnLine Grant Application)

OLGA allows organizations and individuals to apply for grants via the Web and, if funded, manage them on this system throughout the entire grant period.

b) Ohio Online Visual Artist Registry

In partnership with the Humanities, Fine Arts and Recreation Division of the Columbus Metropolitan Library, the OAC created an online registry of works from nearly 1,100 artists. Partnering with the library boosts accessibility to the registry and increases promotional opportunities for both organizations. The wide range of art represented is a substantial tool for the Ohio Percent for Art Advisory Selection committees, collectors, designers, architects, curators, journalists, juries, gallery owners and others interested in visual arts.

c) Professional Development and Conferences

- For many years the OAC has sponsored a variety of professional development opportunities for its constituents including statewide annual conferences. Often these opportunities were targeted to special constituencies such as artists, arts organization, educators, school decision-makers, etc. but the agency has not been able to fund an annual statewide conference since 2000. The agency had proposed holding a statewide conference in FY2010 in its biennial budget proposal to the Office of Budget and Management. The proposed statewide conference is entitled, “**The Arts, the Economy and Building Community.**” The conference would have focused on leading research, as well as best and promising practices for diversifying local economies, revitalizing downtowns, enhancing local pride and sense of place and strengthening public planning processes through the arts and culture.

The purpose of the conference would be to highlight important efforts by communities of all sizes and types across Ohio and the nation to strategically use investments in arts and culture to build community and advance important economic outcomes.

d) Resource Databases and Directories

The OAC currently maintains 18 different directories and databases to serve constituents. A complete listing of these resources was provided to members in their Council Books. Ms. Henahan highlighted two recent examples.

- **Arts Festivals and Competitions Directory** is the only online directory also printed by OAC. It is distributed through strategic partnerships including: 1-800 Buckeye, Ohio Department of Transportation Visitors Centers, Convention and Visitors Bureaus, AAA offices, chambers of commerce and individual requests. The directory contains more than 600 entries of community festivals and arts and crafts fairs.
- **Art\$Work** is part of the OAC’s ongoing effort to improve constituent services. Art\$Work (online at www.ArtsWorkOhio.org) is a free, searchable database of employment opportunities in the arts and cultural sector in Ohio. This site provides an easy, effective way for job seekers and employers to connect with one another and helps to ensure the strength of Ohio’s creative sector.

3) OAC Public Information Office (PIO) informs and educates Ohio’s citizens about its mission through four strands of work:

a) Public Relations and Constituent Services:

The agency makes concerted efforts to make the arts (and creative resources) more accessible to the general public. To this end, OAC program guides, press releases, bulletins, searchable databases, events calendars, public value stories and other resource information are all available through its Web site and partner projects.

- **Take pART** highlights the ways in which arts organizations, artists and other arts professionals create experiences that contribute to larger societal aims. The agency

established Take pART, a Web page that captures stories of creating public value. New stories are added regularly by artists, arts organizations and citizens revealing compelling, vivid and transformative creative experiences for individuals and communities.

- **Making the Case**

The OAC has developed this new Web page to provide access to resources that will aid in making the case for the arts at the local, state and federal levels.

- b) Marketing the Arts and Cultural Resources of the State

- *ArtsinOhio.com*, Ohio's online statewide cultural calendar of events, is a partnership with the Cleveland, Columbus and Cincinnati Convention and Visitors Bureaus. In partnership with *Ohio Magazine* an annual *ArtsinOhio.com* 48-page supplement is published that is distributed to more than 100,000 magazine subscribers and members of the public.

- c) Publications

PIO coordinates and produces all agency publications, printed and electronic. Printed materials include: 1) the agency's general information brochure, targeting members of the public and potential constituents who may be unaware of the agency's programs and services, 2) program brochures and materials, 3) workshop, conference registration materials, promotional materials for special events such as the annual *Governor's Awards for the Arts in Ohio*, the Arts Learning Fall Conference, and international symposia. *ArtPerspective*, a quarterly newsletter, is distributed to the legislature apprising them of recent projects involving the OAC and its constituency. PIO also provides arts-related articles to the legislature for content in their district newsletters, distributes district-specific arts statistics and assists in any manner possible, seeing that the legislators are adequately informed about arts-related events in their districts. Electronic publications include: the *OAC Guidelines*, which is the agency's guide to grant programs, and directories such as *Ohio Artists on Tour* and the *Arts Learning Artist Directory*.

The majority of the agency's hard-copy publications have been eliminated in the interest of saving money but all resources continue to be available at OAC Web site.

- d) Conferences, Seminars, Workshops and Meetings

PIO assists in the planning and implementation of agency workshops, seminars and meetings including OAC Board meetings, panel meetings, regional meetings, program workshops and conferences, as well as major events such as statewide conferences for OAC constituents, international symposia and the annual *Governor's Awards for the Arts*.

Mr. Schorgl suggested looking at some of these databases and services as a source of income; maybe start charging a small fee. Ms. Campbell-Zopf noted that some organizations charge a small administrative fee for submitting and processing a grant. She added that the OAC is conducting research on SAAs and their entrepreneurial

approaches and what has been successful and what lessons have been learned over the years.

National Endowment for the Arts (NEA) Priorities

Ms. Henahan informed the members that as recipients of funding from the NEA, SAAs are responsible for meeting standards of accountability that call for:

- Inclusive planning
- Responsive plans
- Evaluation of performance in relation to plans
- Fair decision-making
- Leadership in arts education, access to artistic excellence, and partnerships for the arts
- Reporting on funded activities, in accordance with the National Standards of Arts Information Exchange

SAAs Unique Role

Ms. Campbell-Zopf shared information from NASAA about the unique role of a state arts agency. There are four areas that are critical and define the OAC and other state arts agencies, and the unique role those agencies play at the state level.

1. **SAAs provide an arts policy voice to every resident in every community in every state.** Through the OAC's work we try strive for inclusivity in our planning, involving extensive public input and consultation with the field.
2. **SAAs broaden support for the arts at all levels.** In addition to working with the most influential messengers, our messages, themselves, are the ones with the greatest traction. Since the early 1990s, state arts agencies have led the way in integrating the arts into the public policy agenda, connecting the arts to the most compelling public benefit and value rationales. The arts as an essential element of education, the arts as part of the state's economic development agenda, the arts as part of the state's cultural tourism strategy, the arts as a positive alternative for youth at risk, the arts as a critical aspect of community development, in many states as a component of parks, recreation and land management activities—making these cases and building support for arts activities from these non-arts agencies and constituencies are a high priority for SAAs.
3. **SAAs are an essential resource base for the arts at the local level.**
 - a. State arts agencies fostered the local arts agency movement, offering the leadership of dedicated community development coordinators and now funding more than 4,000 grants annually—in excess of \$60 million dollars—to local arts agencies and statewide assemblies of local arts agencies. State arts agencies are often a basic source of funding for other statewide networks as well, such as statewide presenters groups, alliances for arts education and artist service associations.
 - b. State arts agencies are one of the rare sources of funding for individual artists through such categories as fellowships, commissions, public art programs, project completion awards, travel and professional development grants, apprenticeships and residency opportunities. State arts agencies

make thousands of grants to individual artists each year, and they make the case for how the artists' extraordinary gifts benefit all of us.

- c. State arts agencies are one of the few remaining sources of grant support for general operating expenses. More than a third of state arts agency grant funds go out in this category. Grantee arts organizations use these dollars for critical expenses such as personnel, marketing and equipment that are very difficult to fund from other sources.
4. **Advancing the quality and availability of arts education at the local level.** As important as arts education grants are, they alone cannot guarantee quality arts education for every American child. NASAA co-manages the Arts Education Partnership (AEP), which is the nation's forum for advancing arts education. Funded by the U.S. Department of Education and the NEA, and serving as the strategic forum for more than 140 national groups involved in education policy, the AEP is the leading source of credible research that advocates use to influence policies and practices that advance arts education.

OAC Leadership Activities

Ms. Campbell-Zopf directed the Board's attention to the leadership activities report in the Council Book. These descriptions were also included in the June 29, 2009 Council Book as part of the letter that Ms. Henahan wrote to the Ohio Arts Foundation (OAF), Inc. The foundation had asked us for activities for which the OAC would like additional support. Ms. Campbell-Zopf asked the Board to look at the list and consider what work should be a priority at this time.

Ms. Howard inquired about the Statewide Conference 2011 and whether it was a done deal or a proposed idea. Ms. Henahan noted that we would like to conduct the conference and would need to look at identifying financial partners.

Cost-saving Measures

Ms. Henahan directed the Board's attention to two documents: Agency Operations: Proposed Cost-saving Measures, Efficiencies and Supplemental Funding from OAC Staff, and Agency Programs: Ideas for Discussion from OAC Staff. The two documents were ideas offered by staff members about possible changes to programs and operations.

Ms. Henahan noted that we are hoping that after we answer the questions on today's agenda, we will have prioritized the most important uses for the resources we do have. We have to discuss our priorities based on our legislation, our mandate from the legislature, and how we continue to fulfill federal requirements.

Ms. Bell stated that most of the cost-saving measures presented in the Council Book seem reasonable. She felt it was clear that we needed to look at a combination of decreasing our overhead and decreasing our grants. She added that she would like to talk a little more about the supplemental funding. What are some additional ways to increase our funds, in addition to applying to the OAF? Are there partnerships we haven't thought about yet, things like Mr. Schorgl's suggestions of applying fees to those applying for grant funding?

Ms. DeHoff shared that she feels it would be difficult to reduce the length of artist residencies. Residencies are a way of supporting education and artists, and they are also a way for us to work with the underserved counties. Ms. Henahan explained that the suggestion of reducing the length of residencies through the Individual Artist program, as suggested in one of the bullets in the Council Book, is entirely different from the school residencies awarded through the Office of Arts Learning Artists in Residence program. Ms. Henahan affirmed that the OAC does not want to see a reduction in school residencies either.

STRATEGIC DIRECTION DISCUSSION

1- Given Ohio's current economic context and the agency's mission, what are the agencies priorities for FY2010/2011?

Mr. Schorgl stated that arts and cultural funding is important in the state of Ohio and suggested we devise effective grants funding through a competitive process to award matching grants to eligible arts and cultural organizations and artists.

Mr. Rich stated that we need to determine ways of funding beyond General Revenue Funding (GRF) through the state legislature. We need to look at making the cigarette tax option available to all 88 Ohio counties if their voters decide to allow that to occur. We need to look at helping citizens find other ways of public financing for the arts within their own local communities. Mr. Schorgl added that we should require that every grant applicant show us new funding from their counties or municipalities to match the grant we award. If they can't show additional funding from their county or municipality they become ineligible. Ms. DeHoff disagreed noting that we cannot discriminate against the smaller counties that do not have the ability to do that. Mr. Rich expressed that we need to help them develop leadership that can go out and find ways to generate revenue. Board member Sheila Markley Black added that we need to enhance our Capacity Building program to include elements like this. As a Board we need to have a committee that is investigating additional ways to generate money for us or to help local communities do it themselves. Ms. Saxbe stated that due to the changing economic times our committees are going to have to change and re-evaluate their purpose. Ms. Black suggested forming new committees to get the Board members involved and use our talents to design and implement what is being discussed today.

Ms. DeHoff added that we need to work with foundations to obtain capacity building resources for local arts and cultural organizations.

Ms. Bell stated that we need to continue supporting arts education.

Mr. Rich stated that we need to learn to continue to do more with less. Ms. Bell noted the need to develop and obtain new partnerships to extend and support our core work.

Mr. Schorgl summarized that the agency has four priority funding/grant-making areas are:

1. Sustainability (operating) support
2. Project support for organizations
3. Arts education
4. Individual Artists

Ms. Henahan underscored that the four areas mentioned are where the OAC should focus its grant-making, research and strategic planning. We also need to make sure that we maintain the NEA priorities, as this federal funding is critical to the OAC and Ohio arts organizations. Ms. Black added that the agency's programs and services must remain relevant to OAC grantees and Ohio citizens within changing conditions and an uncertain funding environment. Ms. Campbell-Zopf added that research always needs to be ongoing to ensure that the agency is able to make informed decisions based on credible data.

Mr. Rich asked: When do we reach a point of reducing grants to the point that they have little to no impact? What do we do then – are we better off giving more to fewer organizations? Ms. Henahan explained that what we have seen in the past when we have had to make reductions to the caps and in the amount of funding that we give out is that there has been some self-selection within the field and the decision is made internally to apply or not to apply. This happens when the equation is out of balance in terms of the time, effort and the cost to the organization in submitting the application and what they get in return. We have seen some organizations self-select out of the application process.

Ms. Kessler stated that we need to keep advocacy in mind; we can be helpful in other ways than money. Ms. Saxbe stated that it might be good to form an advocacy committee to come up with ways to advocate and not just to the state legislature. Ms. Kessler noted that we need to maintain our reputation as an endorsement for all arts organizations around the state. We need to continue to be a strong voice and provide leadership for the arts in the state.

The OAC Board will need to develop committees to help find additional revenue streams and partnerships.

2- In what ways should the agency's subsidy line be managed to best support the agency's mission and priorities?

Mr. Schorgl suggested collapsing multiple programs into project support (Arts Access, Arts Innovation, International, Capacity Building, ADAP, Appalachian and BCDP). Ms. Henahan stated that depending on whether or not this is supported strictly with a proposed project program, state funding or a combination of state and federal funding we could come up with a budget of anywhere between \$175,000 to \$250,000. Mr. Schorgl stated that we can take each of the program goals and turn them into criteria for eligible projects in project support. We need to identify base standards and concentrate on funding those programs and organizations that meet those standards. Board member Louisa Celebrezze agreed with Mr. Schorgl's suggestion of collapsing multiple programs. She emphasized the importance of what Ms. Kessler had said and affirmed that the OAC

needs to be a strong voice and provide leadership for the arts in the state, and that we needed to remember the agency's unique role within state government.

Ms. Henahan inquired whether the Board members had any further comments about the current policy stating that 50 percent of the subsidy be allocated to general operating support.

Mr. Schorgl excused himself from the conversation due to a conflict of interest.

Ms. Kessler stated that if we wanted to save dollars we would have to allocate less than 46 percent of the subsidy line to operating support. If we only do 46 percent we are not saving very much, the amount saved is not significant. Ms. Bell stated that it all depends on what we prioritize, the organizations or our emerging artists. If we prioritize the artists then it would be important to reduce the amount of funding allocated to the organizations. Ms. Burton suggested we either reduce it to 33 percent and leave the entry level at \$1.5 million; or reduce it to 40 percent and raise the entry level to \$2 million; or reduce the percentage (undetermined) and raise the entry level. Board member Barbara Gould agreed stating that we need to reduce the percentage and raise the entry level. She added that it concerns her that there is a lack of OAC presence in some counties that have bad economies. Ms. Saxbe stated that this is an issue that we would like to address and it would be beneficial to form a committee to focus on the underserved counties.

Mr. McWeeny stated that we live in an unprecedented time in terms of the arts and the major institutions need to be funded. How do we make way for new innovative projects? How do we continue to allocate 50 percent of our funding to the major institutions AND make room for innovative and emerging organizations and projects? Arts education and individual artists need to be a priority.

3- To advance our mission and priorities, what short- and long-term strategies should be put in place to guide and stabilize the agency?

Ms. Henahan would like the Board to discuss immediate short-term issues and determine the longer term issues that need to be addressed/researched for the September Board meeting in regards to future funding priorities?

Mr. McWeeny stated that when you have to make significant cuts like the ones we will need to make, it is a wasted opportunity if we don't look at everything.

Ms. Gould affirmed that we need to focus on the underserved communities. We need to provide them with a template of what the OAC has done in their community or nearby if we can't provide money. Mr. Schorgl added that regional initiatives are happening in Northwest and Northeast Ohio. We need to look at whether these regional approaches have taken place across the state. If so, we need to look at forming partnerships with these regional initiatives and ask them to match our funds and then find a partner within that region that will help us distribute that money.

Ms. Bell and other members suggested the following as a way to increase funding and receive earned income:

- Local match in return for providing a grant (i.e., require organizations to leverage money from county and city, partnerships, etc.).
- Partner requirement for grantees.
- Processing fees (i.e., fee to use OAC online resources, submitting and processing applications, etc.).
- Request portion of money/earned income back (i.e., cash match).
- OAC license plates.

Ms. Henahan stated that the OAC staff will explore entrepreneurial efforts at other SAAs and other state agencies as well as examine any potential earned-income opportunities or revenue enhancements.

Ms. Saxbe stated that as we request more research, we need to keep the staff in mind as their work load will be increasing due to these changes.

Short-Term Strategies:

Mr. Schorgl noted that in terms of providing consultancies to arts organizations, the OAC should develop partnerships with higher education business schools to provide technical assistance to artists and organizations in specific areas such as strategic planning, accounting, etc. That way we will not have to go through an adjudicated consultant process. Additionally, we can work with foundations and higher education to secure capacity building resources for arts organizations and artists.

Ms. Kessler inquired about the Governor's Awards for the Arts and whether we need to re-invent, re-examine or do differently. How much time and money goes into the event? Ms. Howard noted that we might want to consider doing the event differently but it would be a missed opportunity not to do it every year. The event opens the OAC up to potential new business partners and constituents. She added that it might be beneficial to expand the Awards Committee or the scope of the committee and include additional individuals from the OAC Board, OCA Board and Ohio citizens and leaders.

The Board agreed that some of the items presented in the Council Book (Agency Operations and Agency Programs: Ideas for Discussion from OAC staff) are possible short-term strategies.

Long-Term Strategies:

Mr. Rich noted that if we decide to change the Sustainability formula we need to carefully consider timing, communication and potential backlash from constituents and legislators.

Ms. Bell added that as we start talking about the possibility of decentralization and pushing things out to the regions, we must consider whether there is infrastructure in each of the regions that could support our needs. Ms. Henahan responded that, yes, there is if

we look at the current geographic makeup of the four regions. You would have to find a willing and capable partner for something like that.

Ms. Lazarus suggested developing partnerships in order to realize the statewide conference, *The Arts, the Economy and Building Community*.

Mr. Schorgl reiterated what Mr. Rich noted earlier about the OAC working with local arts, cultural and economic leadership to change the Ohio Revised Code to provide more options for local and regional arts and cultural districts as far as funding.

Mr. Schorgl inquired about whether we are talking about symptoms or the cause? What is causing the funding problem (besides economy)? Where is the game in the next five to 10 years – is it at the state or local level? If it is at the local level, how do we change in order to stay relevant, stay the “go-to” agency in terms of public sector funding for the arts?

Ms. Gould noted that from what she is seeing, we need to accept that the arts are not only in the cities. How do we help our communities serve themselves and partner with each other? Ms. Bell noted that this is the paradigm shift and encouraged that the OAC, every once in a while, host a conference that moves the field forward. There are institutions that we can partner with that will make this happen.

Ms. Howard stated that we need to reach outside the normal “box” for ideas to see what other communities and states are doing to thrive and continue.

Ms. Black noted that the Board had hit on something very critical. We are talking about changing the agency in a major way to adapt to what’s happening in communities, neighborhoods, the economy (both macro and micro levels) and people’s perception of public services.

The Board and the agency are trying to find a happy marriage between local control/funding structure and OAC as a leader and provider of some grants.

Ms. Celebrezze added that this is our opportunity to live out our mission more fully. Mission: The Ohio Arts Council is a state agency that funds and supports quality arts experiences to strengthen Ohio communities culturally, educationally and economically. Ms. Gould added that support means more than financial support.

4- What are the critical grant programs and services that need to be maintained in FY2010/2011?

Ms. Burton stated that a priority is funding for organizations and individual artists.

Mr. Schorgl added that arts education as well as individual artists should be a priority. Individual artists are essential to knowledge-based and idea-based economies. They are the center of the creative work force.

Ms. DeHoff expressed that residencies in the Individual Creativity Office are a priority.

Ms. Lazarus noted that arts education has to be a priority. Mr. Schorgl added that we need to expand beyond public and private schools. We need to use our community partners to provide evening/weekend programming outside of the school and to subsidize after-school programs. Muse Machine's programming is an excellent example.

The Board posed the following questions for consideration:

- Do we address our mission with our allocation of resources?
- What is the amount of staff time spent on all aspects of grant-making?
- Are the OAC's funding allocations appropriate?
- Do we support arts education enough?
- How can we better serve rural areas?
- How do we keep our organizations and artists vital?

Ms. Kessler noted that we cannot lose sight of our reputation outside of Ohio, which is outstanding.

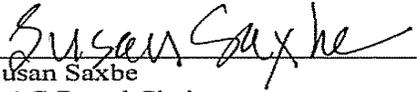
SUMMATION

Ms. Henahan noted that there is a lot more information that needs to be gathered and presented to the Board. The following is a summary of the priorities that were discussed at today's meeting:

- Explore costs and benefits of decentralization.
- Look at ways to communicate with constituents to get their input regarding any upcoming decisions that will affect funding – what do they value most about the OAC – we can't do it on our own.
- Create a timeline from today's Board meeting to "new" agency launch.
- Explore entrepreneurial efforts at other state agencies and other SAAs. The Board asked the staff to look at what other agencies have done and really think "outside the box".
- Look at potential partners – business, nonprofit and higher education's role.
- Examine reality and practicality of proposed cost-savings measures.
- Examine any potential earned-income opportunities or revenue enhancements.

Ms. Henahan noted that there might be some other things to add to the list after the staff has had a chance to review these notes.

Meeting adjourned at 3:50 p.m.



Susan Saxbe
OAC Board Chair



Sheila Markley Black
OAC Board Vice-Chair