

**OHIO ARTS COUNCIL  
FINANCE COMMITTEE MEETING  
JUNE 19, 2013**

The meeting was called to order by Board Chair Jeff Rich at 9:15 a.m. in the Tiger Gallery at the Dayton Art Institute in Dayton. The Finance Committee members in attendance were: Sharon Howard, Monica Kridler and Sara Vance Waddell. Absent members: Louisa Celebrezze and Ginger Warner. Also present were: OAC board member Sara Jane DeHoff; Donna Collins, executive director, Ohio Citizens for the Arts; and Donnel Jones, executive administrator, Dayton Contemporary Dance Company. OAC staff members included: Julie Henahan, Mary Campbell-Zopf, Karine Aswad, Dia Foley, Dan Katona, Chiquita Mullins Lee, and Elizabeth Weinstein.

**Revised Biennial Budget Cycle Preparation Overview**

Executive Director Julie Henahan reported that during the April 8, 2013 board meeting the OAC staff presented a draft of a possible approach in which board members might contribute to the agency's biennial budget proposal prior to its submission to the Office of Budget and Management (OBM). The draft timeline addressed the budget development process from the setting of board policy through proposal writing. After extensive discussion, the board directed the staff to make a few changes to the proposal. Ms. Henahan walked the members through the changes made to the initial proposal.

- **Fall 2013 OAC Board Meeting**—OAC board begins discussions on any proposed programming changes for the FY2016/2017 *OAC Guidelines*. The board will also identify major activities for the next strategic planning process, such as research, outreach, priority setting, plan development, etc.
- **Winter/Spring 2014 OAC Board Meetings**—OAC board continues discussions on proposed changes to FY2016/2017 programs/ *OAC Guidelines*. At the January 2014 board meeting, staff conducts a board tutorial on the state's budget development process for FY2016/2017, and facilitates a discussion on whether there will be any major changes in policy or programming that need to be reflected in the FY2016/2017 budget proposal.

During the winter/spring of 2014, staff will use the FY2014/2015 OBM Budget Guidance as a reference to the board's tutorial and to begin the preliminary preparations for the FY2016/2017 budget proposal since the actual FY2016/2017 OBM Budget Guidance will not be issued until late June or early July 2014. This work will help the staff be ready to respond quickly to the FY2016/2017 OBM Budget Guidance once it is released in the summer.

- **June/July 2014**—FY2016/2017 OBM Budget Guidance is issued and shared with the board and staff. Using the prior board and staff budget work from the winter/spring, the OAC staff begins preparing the FY2016/2017 OBM budget proposal.

- **July-mid-September 2014**—Staff works on OBM budget proposal. If necessary, the OAC staff will also begin revisions to FY2016/2017 *OAC Guidelines* based on the board's program recommendations from the June 2014 meeting.

Ms. Henahan added that the rest of the timeline addresses the process that the OAC staff will follow through the summer while working on the OBM budget proposal, including receiving feedback from the board before submitting the budget to OBM.

Deputy Director Mary Campbell-Zopf stated that the big take away of this new timeline is making sure the board understands OBM expectations before writing the proposal. Working with the board during the winter and spring to set priorities will eliminate the need for multiple meetings in the summer when staff members are working on a number of important time-sensitive projects including, the OBM proposal, the National Endowment for the Arts grant proposal, and the fall board meeting materials.

Committee member Monica Kridler inquired if new programs or initiatives would have to be considered by January in order to be funded. Ms. Henahan stated that they would need to be determined by March or April, during the spring board meeting, so staff can develop the basic parameters for those new programs. Ms. Kridler asked if the board would need to decide if there is anything new between the June 2013 board meeting and the spring 2014 meeting. Ms. Henahan answered, yes, if there is anything the board needs to discuss, in terms of new programs or initiatives, it would be best if they would begin those discussions this fall. Ms. Henahan added that this new timeline does not alleviate the concern of how to adjust the budget, if the board creates new programming before we have a definite budget.

Board Chair Jeff Rich thanked Ms. Henahan and the staff for making changes to the proposed timeline. This will allow the board to be more involved throughout the budget process and the creation of the budget proposal.

#### **Finance Committee Descriptions**

Mr. Rich reviewed that during the January 10, 2013 board meeting, the members reviewed and voted on the proposed structure and related committee descriptions for five of the six standing committees: Awards, Executive, Nominating, Panel Selection, and Programs and Public Policy. A vote to approve the following suggestion, made by Mr. Rich, was postponed until the April 2013 board meeting where it was tabled until the summer meeting.

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.

There was no further discussion. Mr. Rich stated that he will recommend this change to the full board for approval.

**FY2014/2015 Budget Update**

Ms. Henahan directed the committee members' attention to and reviewed the FY2014/2015 budget spreadsheet. She informed the members that the grant amounts were calculated using the House version of the budget that recently came out. The Senate budget was not released until after the Council Book was mailed to the members.

Ms. Kridler inquired if the budget spreadsheet that was distributed to the board and discussed reflects the budget that staff uses to create the OBM proposal. The board must approve this budget before staff can use the money and anything that comes after the budget approval, i.e. OBM proposal, reflects the numbers that are listed on this spreadsheet. Ms. Henahan stated that, next year, the OAC staff will create the budget proposal based on a percentage of the FY2015 budget figures that are being reviewed today. OBM asks agencies to submit their proposal based on a percentage (typically 90 percent) of the last fiscal year's appropriation. Unless programs are changed internally, the OAC staff responds to the questions for the budget proposal based on the programs we are currently funding. Ms. Henahan added that the budget that is submitted to OBM does not look like the spreadsheet distributed to the board but the numbers are derived from that sheet. The proposal is a report format, run from OBM's budget portal that is programmed to run everything we have done at the percentage they ask us to submit it at. The percentage that is required by each agency is non-negotiable. The legislative action in the budget process is critical as the OBM process is the baseline of where to start.

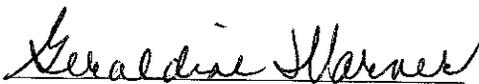
Board member Sara Jane DeHoff stated that if any changes need to be made to the budget they can be made today. Ms. Henahan agreed adding that she would like the board's approval of the FY2014 budget today as those figures will fund the grants that will be approved during the board meeting.

**OAC Quarterly Reports**

Ms. Henahan directed the member's attention to the OAC quarterly budget reports and asked for questions. She stated that the agency is spending approximately the same amount in administrative expenses as in prior quarters. We have done well managing the administrative expenses. The fourth quarter expense reports will be available from OBM by mid-July. There was no further discussion.

The meeting adjourned at 9:25 a.m.

*An audio recording of this session is available upon request.*

  
Geraldine Warner  
Finance Committee Chair

  
Sara Vance Waddell  
OAC Board Secretary