

**OHIO ARTS COUNCIL
BOARD MEETING
JANUARY 16, 2014**

In attendance: Jeff Rich, chair, Ginger Warner, vice chair, Sara Vance Waddell, secretary, Juan Cespedes, Jim Dicke, Jane Foulk, Sharon Howard, Monica Kridler, Emma Off, Neal Zimmers, Senator Eric Kearney, Kailyn McGowan for Senator Manning, Rachael Carl for Representative Stautberg. Absent: Robb Hankins, Darryl Mehaffie Representative Armond Budish. Staff attending: Julie Henahan, Mary Campbell-Zopf, Missy Ricksecker, Elizabeth Weinstein, Dan Katona. Also in attendance Donna Collins, executive director of Ohio Citizens for the Arts; Angela Sullivan, assistant attorney general; and Carrie Arblaster, administrative aide for Senator Kearney

Board Chair Jeff Rich welcomed everyone to the winter board meeting and reminded members that all board meetings were open to the public and that this meeting was being audio-streamed via the Web. All board meetings are audio recorded for documentation purposes and as such are part of the public record. He asked members to speak clearly and not rush the making of motions. To further promote transparency in the agency's work, the meeting agenda is posted to our website under the tab, "About OAC." After the meeting, the minutes from the full board meeting are added. Mr. Rich reminded the members to direct their questions through him to help the quality of deliberations and allow staff to more easily record the discussions.

Mr. Rich welcomed new board member Neal Zimmers and introduced him to the board, and shared that Mr. Zimmers was president of NFZ & Associates, a governmental affairs consulting company and was a former OAC board member who served from 2004 to 2009. Mr. Rich stated that during his 20 years as a state senator, Mr. Zimmers chaired several committees and served a term as president pro tem, and continued that Mr. Zimmers currently serves as a member of the Granville Arts Commission and was a director of the Eichelberger Foundation, which has provided more than one million dollars to Dayton area arts and cultural organizations in recent years.

APPROVAL OF MINUTES

MOTION by Sharon Howard, seconded by Monica Kridler to approve all minutes from the meetings on September 17 and November 14, 2013. **Motion carried.**

APPROVAL OF EXECUTIVE COMMITTEE SLATE

Nominating Committee Chair Sharon Howard informed the board that the Nominating Committee had met at 10:00 a.m. and presented the committee's proposed slate for consideration: Jeff Rich, chair, Ginger Warner, vice chair, Jane Foulk, secretary, Monica Kridler, Sharon Howard and Robb Hankins.

Mr. Rich called for nominations from the floor.

MOTION by Neal Zimmers, seconded by Juan Cespedes, to close the nominations.

Motion carried.

OAC WORK FORCE PLAN

Deputy Director Mary Campbell-Zopf reviewed key topics from the agency's 2013 Work Force Plan (WFP), including leadership transitions, succession planning, improving the agency's supervisor span of control, documentation of major business processes and ongoing professional development of staff to ensure, to the degree possible, a transfer of institutional knowledge in the following areas—development of the National Endowment for the Arts grant proposals and the Office of Budget and Management biennial budget proposal, facilitation and oversight of agency rule-making through the Joint Committee for Agency Rules and Revisions (JCARR), and compliance with relevant federal and state statutes, including ethics and Sunshine Laws (i.e., Open Meetings and Public Records).

Ms. Campbell-Zopf further explained that workforce planning is overseen by the Ohio Department of Administrative Services (DAS). Their staff works closely with all state agencies to ensure a consistent and thorough approach to workforce planning and development. Once DAS approves a WFP it is sent to the Governor's Office for final approval. The agency's workforce planning activities are overseen internally by the Executive Office with assistance from the OAC Fiscal Assistant Carla Oesterle.

In the future, the agency can expect that each year DAS will introduce new training agendas. During the last two years, for example, there has been a much stronger focus on IT optimization, and supervisor span of control and succession planning issues. While IT optimization and succession planning issues can be addressed in a straightforward manner, the supervisor span of control issues (i.e., each supervisor is required to have at least two direct reports) will need to be improved over time through reclassification of supervisor positions. The OAC's current supervisor span of control issues were a direct result of budget reductions that occurred during the Great Recession when 52 percent of staff—through layoffs and other forms of attrition—were lost. This created a situation in which some supervisors did not have the appropriate number of staff to supervise. In the agency's 2013 WFP, staff identified a range of approaches to correct this situation for each incumbent supervisor—whether it be reclassifying the position immediately, reclassifying the position when someone retires, or eliminating the position upon retirement.

Staff professional development will remain a priority because of retirements and new hires. The agency has identified "content masters" and established study groups to accelerate learning. Recently there has been in-depth study and training around rule filing through JCARR. The JCARR study group includes: Brianna Dance, Dan Katona, Ms. Ricksecker, Jim Szekacs and herself, to ensure broad agency understanding of the importance of the rule-revision process. The draft rules will be reviewed by a number of committees, first by the JCARR committee and then by Legislative Service Commission (LSC) and other entities, as necessary.

Ms. Warner asked Ms. Campbell-Zopf to explain what JCARR was.

Ms. Campbell-Zopf replied that JCARR was an acronym for the Joint Committee for Agency Rules and Revisions. She stressed JCARR's importance, stating that every five years agencies have to review and update their rules depending on changes in procedures or because of changes in federal laws and other requirements. She continued that JCARR was critical to state government, and provided the example of the Governor's Common Sense Agenda, which guides a portion of the JCARR process to ensure that the rules that are implemented are clear, make sense and do not put an undue economic burden on schools, townships and cities, etc. The OAC content masters and various study groups will be of great assistance when the new leadership team is established during the transition process.

Ms. Foulk asked for clarification on the study groups and content masters. Ms. Campbell-Zopf answered that one of the concepts in the WFP was to have content masters in critical work processes, and if there weren't content masters then study groups were convened to ensure several staff members had mastered the necessary content to advance the agency's daily work activities, such as the OBM budget proposal, and the NEA proposal writing and final report filing.

Ms. Kridler emphasized that it was critically important that institutional knowledge was passed along, because the 16 people who were on staff were prepared to carry on the important work of the agency after key retirements this summer.

Mr. Rich thanked Ms. Campbell-Zopf for her report.

Mr. Cespedes left the room 11:00 a.m.

UPDATE ON EXECUTIVE DIRECTOR SEARCH

Mr. Rich then turned the board's attention to the progress on the search for a new executive director. He stated that, in accordance with what the board had decided at the November 14 Executive Search meeting, he had sent board members an email with a spreadsheet, and added for the public's knowledge that he had received 68 applications, and the spreadsheet shows what were, in his mind, the 16 best of the group. He explained that those 16 were selected using the five specific characteristics and skills that had been determined at the November 14 meeting: 1) management experience, 2) proven arts leader, 3) planning and implementation experience, 4) Ohio state government experience, and 5) communication skills, and stated that any candidate whose application materials demonstrated strength in two of these areas made the cut for the list of 16.

He noted that he found the individuals coming in through the state's careers website to be very disappointing, yielding only one viable candidate. He continued that the bulk of applicants had submitted their credentials in this way: of the 68 probably 40 came through the state. He stated that in contrast, the majority of people who came through the Americans for the Arts website, where the agency had placed an ad, were qualified people and were on the list of 16. He reminded the board that the nominations did not close until January 31, and assured them that he would certainly be getting more

applications and recommendation letters, which he would forward to them on February 1, the day after the closing deadline for submission of applications. He stated that he would be more than happy to forward the other 52 applications to anyone on the board who wished to review them, but that most of those people appeared to be applying for their first job. He surmised that because the posting was listed under “administration” on Careers Ohio, people who had just gotten out of college and were looking for a \$25,000 job submitted their applications and told me how many words they could type per minute. He conceded that a lot of those people were likely wonderful people, and there were many of them, but they didn’t have at least two of the characteristics the board was looking for.

Mr. Rich emphasized that the February 13 Executive Search meeting was very important. He shared that his first meeting had been in the summer of 2006 at then-chair Susan Sofia’s dining room. He recalled that at that time Barbara Robinson had hired a search committee, and the search committee had gone out and spent the council’s money and made recommendations that the board had refused, and the board had gone back to the drawing board and at that meeting Ms. Henahan had been selected as the board’s choice to become the new executive director.¹ He continued that eight years later the board was in the same process, and shared that he viewed this process as the most important thing they did as a board. The board doesn’t handle the daily things that the organization does; they set the policy and give the vision, hire the best person to carry that out, and finally, make sure the job they were supposed to do was getting done. He stated that the board had been fortunate to get Ms. Henahan eight years ago, and they did a national search and—right under our nose was the right person. He urged board members to make every effort to be at the February 13 meeting, and offered that while everything the board does was important, to his mind nothing he had done during his last eight years on the board was more important than the selection of this person. He declared that the person they hire person will then select a deputy director, will manage the staff, and will carry out the board’s vision and policy.

¹ *Point of clarification:* In July 2005, Ohio Arts Council Chair Susan Sofia created the Executive Director Search Committee and named Barbara S. Robinson, Chairman Emeritus of the OAC, as its chair. The committee was comprised of: Susan Sofia (Columbus), Shelia Markley Black (Canton), Martha Appel Burton (Portsmouth), J. Joseph Hale (Cincinnati), Raymond Tymas Jones (Athens) and Mary T. Wolfe (Toledo). The search committee held a series of meetings to develop the job posting, review applications, conduct phone interviews and face-to-face meetings with the search committee and the OAC staff before entering into final deliberations. The agency re-opened the search process in March 2006 when two leading candidates (one the executive deputy director of a large state arts council, and the other the chairman of a large state arts council and director of the Lockheed Martin Foundation) withdrew their applications from consideration. An executive search firm, Adele Silver New York City and Washington, D.C., was secured to find qualified candidates at a national level. The consultant was paid for through a private donation; no state funds were used. The second process followed the format of the first process. Three finalists went through two interviews with the board and a meeting with staff. The board hired OAC Deputy Director Julie Henahan in August 2006.

Senator Kearney asked if there would be more than 16 candidates. Mr. Rich replied that there could be; by the time the end of the month comes up, there may be more people who have at least two qualifications.

Ms. Off inquired if the group were comfortable that they wouldn't need to hire somebody to conduct a national search. Mr. Rich replied that they had talked about that at the November 14 meeting. He continued that nobody so far had all five characteristics that the board was looking for; several people have four of them; several people in that group have run major organizations. They have four of the five; what they didn't have was Ohio government experience.

Jim Dicke inquired whether colleagues in other state arts agencies (SAAs) were aware of the opening. Mr. Rich asserted that they were, and that the announcement had been posted nationally. He pointed out that the top 16 were from across the country.

Ms. Kridler stated that she had quickly scanned through the resumes, and that nobody had jumped off the page as a winner. She continued that the idea of hiring someone to canvas the country and help identify talent was a very important and serious conversation to have right then. She expressed concern that most of the 16 who came through the Americans for the Arts site, which, while broad, was limited and had not yielded the kind of candidate she had hoped to see. She continued that she would like more discussion on this topic.

Mr. Rich interjected that while he appreciated Ms. Kridler's comments, the board had talked about this issue at the November 14 meeting. He added that although nobody jumped off the page, it was probably because those who have great experience—the people who came to us through the Americans for the Arts—were in other states and were the same people that any headhunter would call.

Ms. Kridler reminded the board that at that meeting, the board had also declared a desire to attract candidates from other sectors and not just people from the arts who were already working in this field. She suggested it was that kind of candidate who a headhunter could unearth and bring forth for consideration.

Ms. Warner shared that her recollection was that the board had discussed the issue at the November 14 meeting and had decided to lead the search, because the last time, when Ms. Henahan had been the successful candidate, the board had actually launched two national searches and the search committee had been disappointed in the result. She continued that she was hopeful someone would yet apply and recommended that the board wait and see what comes through by February, and if the pool of candidates doesn't include someone that everyone can agree on, then that would be the time to discuss having a national search. She advised that search firms were not cheap, and they were very much criticized by the legislature, because the board went through two and then hired someone from within. She added that she was happy with what the board was doing this time around, and expressed surprise that many more applications had come through this time than had come in for the last search. Mr. Rich suggested that the reason more

people applied was that the criteria were different.

Mr. Zimmers asked Mr. Rich if he had weighted the five characteristics he had described earlier, and if any one of the categories received higher weight than the others, for example, the Ohio experience that Ms. Henahan had, which he felt was obviously important.

Mr. Rich stated that he had not, and he wanted the board members to examine the candidates' qualifications and have a weight in their own heads of what's more important. He emphasized that the February 13 meeting was of the utmost importance, because at that point the board will all be able to discuss intelligently what qualities were more important, and they would have the complete list of candidates and their resumes. He urged the board to wait and see what happened when January 31 deadline passes.

Ms. Howard asked if there were any other arts channels available to advertise the job.

Mr. Rich stated that at the November 14 meeting, the board had gone through a long list of potential venues and had selected the ones that they thought were the best and weren't going to charge any money. He repeated his suggestion that the board wait and see what has come in when the nominations close, and then at the meeting on the 13th they would see what happens.

Robb Hankins arrived at 11:08 a.m.

Mr. Cespedes returned at 11:10 a.m.

EMERGENCY SUCCESSION PLAN

Ms. Campbell-Zopf presented an overview of the staff's recommendation to develop an Emergency Succession Plan for the two senior manager positions: executive director and deputy director. The purpose of having an emergency succession plan is to ensure that an organization's board and employees have a well-defined plan of action in the event that a senior manager was temporarily unable to do his/her job because of an illness, family emergency or extended administrative leave. She advised that having a succession plan in place for senior leadership positions is simply a good business practice, so that everybody knows the protocol and the chain of command when an executive was absent for whatever reason

Ms. Campbell-Zopf then directed the board's attention to a sample succession plan provided in their materials, and added as a caveat that the sample had been developed for a nonprofit organization and there were some approaches while useful for a nonprofit could not be used not in a state government situation. She continued that staff had consulted with State Auditor Dave Yost, the agency's Assistant Attorney General Angela Sullivan and the personnel division at DAS, and found that generally a board member cannot come in and assume the duties or the work of a state employee because of liability issues.

She emphasized that while this plan was typical for a nonprofit, in state government the

authority to act on behalf of an agency would rest solely with the person who is employed by the state. She further explained that this was because of the kinds of authorizations and sensitive situations and information that a senior manager handles, such as authorizations of payments in the state's financial system; sensitive and confidential personnel information, such as FMLA forms and other confidential medical information; labor disputes and union grievances; and accusations of wrongdoing by boards, employees, contractors and volunteers. An emergency succession plan just makes good business sense and would be an important internal tool to use in both times of transition and relative stability when individuals face one of life's naturally occurring surprises, or when a sudden opportunity surfaces.

Mr. Zimmers shared that he had reviewed the plan and didn't understand why the Attorney General or the State Auditor would say that the chair of the board could not serve.

Ms. Campbell-Zopf responded that staff had approached Mr. Yost in 2013 at a conference for government boards and commissions regarding another matter, namely the ways the board could be involved in the agency's budgeting process. She reviewed that at that time a draft description of the Finance Committee's duties was on the table for board discussion and it stated that the chair of the Finance Committee would come in and participate in the preparation of the OBM budget proposal. Mr. Yost had reviewed that the board's authority was *only* as a deliberative body. Mr. Yost had emphasized that board involvement at that level was not advisable, and stated that the board's authority was only as a group; an individual board member should not direct staff, adding, along with Ohio Supreme Court Justice Robert Cupp, that such a situation would present liability issues on a number of fronts.

Mr. Cespedes offered that his experience sitting on transition teams for incoming elected officials might provide some insight and precedent on this matter.²

Ms. Campbell-Zopf acknowledged Mr. Cespedes' experience but wondered if serving on a transition team was a bit different than assuming responsibility for daily operations performed by state employees (as noted above). Perhaps, the question could be posed to Assistant Attorney General Angela Sullivan and others working in the Department of Administrative Services.

Mr. Zimmers insisted that the board chair would be a natural temporary replacement for the executive director until a more permanent replacement could be found, and cited as an example that the Department of Education regularly hired outside consultants who worked onsite without being covered by workers compensation.

Ms. Sullivan clarified that the distinction was that the consultants were paid. She added that she did not know if someone could simply volunteer and be considered to be doing a

² Ohio Ethics Commission Information Sheet #6 "Board Members Seeking Employment with the Board," sections VII and VIII addresses some aspects of this discussion.

state job, nor did she know if a board member can be paid without raising conflict of interest issues. She added that independent contractors generally do not have policy-making authority or power. Mr. Dicke suggested that if it were the case that a volunteer would not be permitted assume these duties could not the plan include a technique by which this board or the chair could provide some oversight to a junior-level person who was trying to fill in.

Ms. Warner offered that 2014 was going to be a difficult year in which the agency must submit its NEA application and OBM budget. She stated that prioritizing all the work that has to be done before they leave, in addition to conducting the search for a new executive director, was a tall order, and suggested that while a succession plan was important, it was not a priority at that time.

Senator Manning's aide Kailyn McGowan left the meeting at 11:22 a.m.

Ms. Henahan introduced a tentative leadership transition timeline, which was in the board's materials. She explained that the timeline demonstrated why she and Ms. Campbell-Zopf were proposing that the board give them direction between now and the April meeting, to develop at least a modest succession plan. Even with all the best-laid plans, and even if everything works like clockwork, there could still be some gaps in the agency's executive leadership. The timeline was based on prior board discussions and illustrates possible times where gaps in leadership might occur.

Ms. Henahan reviewed that state agencies are no longer permitted to—without special permission from the Governor's Office and budget verification that they can cover overlapping salaries—to have an incoming employee overlap for training purposes.

She added that the date of Ms. Campbell-Zopf's retirement preceded hers by nearly a month, which would create a gap in the deputy director position. She repeated that staff was working on the issue to see what they could find out, but wanted to share this information with the board so they consider how best to handle the situation. She summarized that there was the potential for this June and July to be challenging, especially with all of the work that Ms. Warner has cited that was coming up.

Senator Kearney left the meeting at 11:24 a.m.

Ms. Warner agreed and shared that she hoped that, most of that work would be completed before the two of them leave. She conceded that all of the work could not be completed, and stated that a new executive director and the staff certainly would not be able to accomplish the work by themselves. Ms. Henahan stated that what can be prepared was going to be prepared. She added that during the upcoming budget tutorial, part of the discussion will cover the part of the budget proposal that can be completed this winter and spring by the OBM Study Group.

Ms. Campbell-Zopf reviewed that for at least seven years, it has been the agency's standard business practice to detail task timelines for all major activities that the agency

undertakes, such as the OBM budget proposal or the NEA grant. She emphasized that each proposal was a team effort and that timelines have been created in such a way to reveal how all of the agency's work fits together in terms of labor deployment across departments. She added that she and Ms. Ricksecker would adjust the existing timelines to reflect that these two major projects have nearly simultaneous deadlines this year, and staff teams will begin work on these projects in February. Each study group will have a team leader so that after she and Ms. Henahan leave, the board will know who to contact with their questions. She added the caveat that the NEA does not issue its grant guidelines until April and the OBM Guidance will not be released until July, so staff will not know until they are released, if any critical information has been changed. She added that the goal was to prepare as much of this work as possible ahead of time, and then staff would need to review existing work against the new information provided by the NEA and OBM.

Ms. Warner asked for clarification on what the board was being asked to vote on, inquiring if they were simply voting on whether to give staff permission to rough out the plan. Ms. Henahan replied that the recommendation was for staff to develop a succession plan that would help the board navigate June and July if the agency did not have either the next executive director or deputy director in place.

MOTION by Robb Hankins, seconded by Sara Vance Waddell, to approve the staff's recommendation to develop an Emergency Succession Plan for the Executive Director and Deputy Director. **Motion carried.**

Mr. Rich thanked Ms. Henahan and Ms. Campbell-Zopf for the great job they were doing on helping us make the transition as smooth as possible.

TUTORIAL ON 2016/2017 BIENNIAL BUDGET PREPARATION

Ms. Henahan directed the board's attention to the tutorial on the 2016/2017 Biennial Budget preparation. She stated that staff was getting ready to prepare the agency's FY2016-2017 budget proposal this summer, and added that this year's process, as Ms. Campbell-Zopf had mentioned, would be particularly challenging because the agency's NEA Partnership application was due at approximately the same time, generally within two weeks of each other. She continued that she had developed a tutorial on the OBM budget proposal specifically so that the board was clear about what the OBM's expectations were of state agencies as they go through this process, and how the board might support staff as they work on the proposal this summer.

Ms. Henahan began with a description of what the board's role would be during the preparation the budget proposal, and what OBM's expectations were. She stated that the agency's 2015 budget was \$11.3 million, and added that in the last three biennia, state agencies have been required to use *only* 90 percent of their current budget as the basis for their request. She projected that based on that expectation the amount of the agency's budget request would be \$10.2 million, or 90 percent of the \$11.3 million.

She then stated that the OBM budget has four aggregate program budgets included under

the heading of "Activity A": first was the Programs budget (the agency's total grant request); the second was the Services budget (the agency's administrative operating budget); the third was the agency's administration of the state's Percent for Art program; and the last was the agency's operation of the Riffe Gallery. She referred to the agency's prior budget proposal, where board members could find Activity A narratives for all of those areas, and explained that OBM asked a standard set of questions for each program.

She then highlighted the various places in the proposal where budget tables were included, and explained that these tables were not created by the agency, but were populated by data and calculated through the COGNOS Business Intelligence System from OBM and the Ohio Administrative Knowledge System (OAKS).

Ms. Henahan then returned to the Activity A narratives, explaining that they described what the agency was doing currently, namely what the agency's current practice and grant programs were.

She then stated that one of the most important pieces of the proposal was the Executive Director's Letter, in which the case was made for using public dollars for the agency's activities in supporting the arts in Ohio. She continued that the letter typically has shown how the agency was addressing the current administration's priorities as described by OBM Director Timothy Keen in the budget guidance from OBM, which the agency would receive sometime between late June to mid-July. She continued that in that guidance, Director Keen would inform agencies how OBM wanted to see the ways in which they were addressing those priorities in their proposals for the next biennial budget. She added that in the last biennial budget, the priorities had been job creation, economic development, and education.

Ms. Henahan then directed the board's attention to policy changes that they may want to make that would affect the agency's FY2016/2017 budget proposal, and stated that these policies must be addressed and approved by the board at its June meeting this summer if the board wanted them to appear in the proposal to OBM for the FY2016/2017 biennial budget. She continued that in particular, if there were going to be any funding guidelines policy changes that the board would like to see considered, they would need to be discussed at the April 3 board meeting and then approved no later than the June 19, 2014 meeting. She emphasized that this timeframe would allow the OAC staff to update the program guidelines and alert the field of the changes.

Ms. Campbell-Zopf interjected that one of the things that the board had discussed in the past, the threshold for the Sustainability (over \$1.5 million) needed to be considered, because if that threshold changed, and some organizations in the (overs) were no longer in that category and were now in the Sustainability (under) category, this would have a huge impact on their budgets, and early notification was crucial.

Mr. Hankins suggested for the record that discussion about the threshold for the Sustainability (over) program be on the agenda for the next board meeting.

Ms. Henahan stated that when the board approves the FY2015 budget at its June meeting that will be the last piece staff will need to start the final steps for developing the FY2016/2017 biennial budget. She emphasized that it would be very important at that point, if there were any changes that might affect funding or grant programming that the FY2015 budget reflected this so staff would be able to translate that into the FY2016/2017 submission. She stated that it was staff's intention to have a draft of the biennial budget ready to send to the board at least two weeks prior to the final due date for the board's review.

Ms. Campbell-Zopf added that staff may still be fine-tuning the proposal at that point, and Ms. Henahan cautioned that the board may be reviewing a rough draft of a proposal, but she was confident that, with the work that she, Ms. Campbell-Zopf and the rest of the staff were going to prepare early, the board should receive a draft proposal that clearly shows what the final submission will look like. She noted that the staff would have to be ready for any last-minute changes OBM might ask them to make. Ms. Henahan shared that she had recently asked the agency's OBM analyst if he had any idea when the actual due date for the budget might be this year. She stated that four years ago, when it was a gubernatorial election year, they had moved the due date from mid-September to November 1st. She continued that the analyst had reported that at that time their staff hadn't even talked about it, but that it was good to ask.

She continued that, as Ms. Campbell-Zopf had reported earlier, the agency would be developing and using a study group to ramp up the staff's skills and knowledge about how to prepare this budget for OBM, and added that certain people on staff had worked on parts of the budget, and that the study group would help them clarify their roles and increase their comfort with some things that they had not done directly before. She added that the study group for the OBM budget would consist of Ms. Campbell-Zopf, Individual Artists and Percent for Art Director Ken Emerick, Grants Office Director Dia Foley, Riffe Gallery Director Mary Gray, Fiscal Office Assistant Carla Oesterle, Public Information Office Director Elizabeth Weinstein and herself.

Mr. Rich asked if the study group would be submitting numbers for the budget, and asked for clarification on the difference between how the paper flow goes, and when the agency decides what numbers ultimately go into its recommendation. Ms. Henahan answered that the agency does not decide what numbers go into the proposal; that information comes from the data that was given to us by OBM. She offered that the only time the agency has—and this board can make decisions about where the money goes—was in the "By Program" line, which shows how the agency is spending the money by grant program. She continued that the board gets the whole allocation, then decides where that money is going to go in terms of what policy has been decided in the OAC *Guidelines* and where the board's priorities are in the grant programming. She concluded that this was why staff needed to know by the June meeting, if there were any changes in grant programs that the board would like to see reflected in the OBM proposal for FY2016/2017.

Mr. Rich asked what specifically the study group would be studying. Ms. Henahan

replied that they would be conducting the research that would answer some of these questions in the Guidance, and learning where to find things and how to appropriately respond to questions such as what the agency's programs were, how the agency plans to keep within its budget, how many fulltime employees the agency has and how it was going to manage keeping them, and if the agency intends to keep that many employees during the next biennium. She added that the narrative was fairly straightforward, but care must be taken to ensure that it was thorough and explains everything the agency does as far as grantmaking and operationally as well. Ms. Campbell-Zopf added that this budget isn't about what the agency wants; OBM runs all the budget projections. Ms. Henahan stated that the agency would be able to talk about what it wants (level of funding appropriation) during the legislative part of the process, which takes place after the budget comes out of the Governor's Office about four or five months after the submission to OBM.

Ms. Off asked who was the next longest-tenured staff person at the OAC after herself and Ms. Campbell-Zopf, and how long they had been at the agency. Ms. Henahan answered that Ken Emerick and Kathy Cain had been with the agency for 30 years. Ms. Campbell-Zopf added that when she and Ms. Henahan leave, Grants Office Director Dia Foley would be the point person for the budget process. Ms. Foley oversees all state and federal subsidy and that is where the majority of the agency's budget is expended.

Ms. Henahan stated that staff would be starting budget work sessions in February, and would have a detailed task timeline laid out through September that would help them get through this. She continued that staff would base its initial work on the standard questions that were asked in the last OBM proposal and get those things written up, and when the guidance comes out in June/July, they would check to ensure that the new proposal aligned with the 2016/2017 OBM Guidance.

Ms. Foulk left the room at 11:57 a.m.

Ms. Campbell-Zopf offered that staff would share the NEA and OBM timelines at the April meeting.

Ms. Warner initiated a conversation about the "Big Four" arts organizations, who received a fixed amount each year based on 36 percent of the Sustainability (over \$1.5 million) budget. She shared that several of the organizations had been complaining and would eventually come in and ask for an increase. Ms. Henahan confirmed that two organizations from Cincinnati had called her because they didn't understand why they didn't get a 30 percent increase when our budget went up by 30 percent. She continued that she had explained that the 30 percent increase was over a two-year period, and the agency's budget from FY2013 to FY2014 only increased 18 percent, and added that that was only part of the reason the allocation to the top four had not increased as much as they thought it should have. She continued that the other part of it was that six new organizations had come into the Sustainability (over \$1.5 million) program last year.

She stated that, as Mr. Hankins had just suggested, the board needed to resolve the issue

of whether or not to raise the eligibility threshold for the Sustainability (over 1.5 million) program in preparation for the FY2016/2017 budget in a timely way because for FY2016/2017 there were seven more organizations that might be eligible for the Sustainability (under \$1.5 million) program.

Ms. Foulk returned at noon.

Mr. Dicke suggested that perhaps the organizations should submit proposals next year for 90 percent of what they got the year before, as state agencies are required by OBM to do.

Mr. Zimmers asked when the \$1.5 million threshold had been established. Ms. Henahan stated that it had been established ten years ago in 2004, and that there used to be a more regular review and discussion by the board of whether or not to increase the threshold. She continued that the last time had been in 2008-2009, when it had been decided not to change the eligible income because the country was in the throes of the recession. She offered that now that economy was stronger, a lot of organizations who, because it's been so long since the eligibility was raised, have gradually expanded their budgets and now comprised a fairly large contingent that could potentially come in FY2016/2017.

Mr. Rich stated that it was a good time to talk about whether or not they wanted to raise the \$1.5 million eligibility threshold, and if they did they should discuss what level the threshold should be raised to. He added that this was an important issue to address as the board gets ready for the budget process. Mr. Hankins shared that he was delighted that the issue had been raised and suggested that as part of the discussion about the \$1.5 million threshold, the board should consider the funding formula for the Big Four. He noted that this was the kind of decision in which the board could make a significant impact.

Mr. Rich asked Mr. Hankins to share his thoughts on the Big Four and the \$1.5 million threshold. Mr. Hankins stated that he thought the \$1.5 million threshold needed to be raised because there were too many organizations coming in and the agency couldn't sustain it, but that the process had to be addressed in a way so that people understand it. He shared that he didn't have enough information about why the Big Four receives 36 percent of the Sustainability (over \$1.5 million) budget to have an opinion on that issue.

Mr. Rich shared that the establishment of the Big Four had been a major historical event. Ms. Henahan stated that this discussion had begun in 1998, when she was the Grants Office director, and that the discussion had transpired between the OAC Executive Director Wayne Lawson and Bill Blair, legislative consultant for Ohio Citizens for the Arts, who had discussed this option because the top four institutions had budgets that were significantly larger than the next largest institution and group. She continued that at the time there were serious concerns that these largest institutions were interested in securing a line item in the state budget rather than coming through the OAC. Historically the OAC had taken a position against line items because they usually end up becoming a line item within the agency's budget, not somewhere else, so a much larger percentage of the agency's budget might have ended up going to a handful of organizations, leaving

very little funding for all the other programs and constituencies that the agency serves. Mr. Rich asked what the policy for the largest institutions had been up to that point. Ms. Henahan answered that they had been treated the same as the other organizations in the program.

Ms. Warner stated that the top four institutions had been receiving an increasing share of the money that was going for the Sustainability program, and the 36 percent was devised to cap their awards. She added that now these institutions were bursting at the seams and they wanted more money. Mr. Rich stated that the other institutions in the group were the Cleveland Symphony, Cleveland Museum of Art and Playhouse Square. Ms. Henahan added that their budgets were currently twice as much as the next largest organization's.

Ms. Howard suggested that since there were a lot of new council members, there would be value in going over more of the history and some data so that when they came to the next meeting they would all be on the same playing field.

Ms. Warner shared that the decision to cap the top four institutions at 36 percent had been controversial and the top four had not liked it, and there was almost a huge public hearing. Ms. Henahan stated that at the time it had been set that they each would receive \$600,000, and it turned out that each of them getting \$600,000 added up to 36 percent of the budget at that time. She continued that this arrangement had only lasted about a year, and then the agency started experiencing budget cuts, and over time the agency had maintained that 36 percent of the major institutions budget, which the top four institutions receive pretty much evenly. She added that a small portion of their award was based on their score, but for the most part, the top four currently had grant awards of \$440-something; it was \$390-something last year. Mr. Rich asked what the top four institutions were receiving in the peak years, Ms. Henahan replied that they had received \$600,000 each, but that had been only for one year, when the agency had \$32 million for the biennium.

Mr. Dicke asked if, in light of state priorities, the agency should be asking in this coming cycle, for all of the grant recipients—including the top four—to address their impact on the amount of jobs, education and the economy, so that there was no question that there was alignment with the state's current set of priorities. Ms. Henahan stated that organizations currently submitted an application on four-year submission cycles, submitting updates in the years in between, and that some of those questions were asked—how they impact their community, etc. She added that they could certainly hone some new questions.

Ms. Henahan stated that Ms. Howard had made a great suggestion that if the board would direct staff to do, they would be happy to prepare some information and historical documents about the history of the Sustainability program, where it's been, and at what junctures decisions had been made about increasing the eligible income levels. She suggested that staff could also provide information about how the current formula works, and that they would like to send this information to the board before the next board meeting so that they would have plenty of time to absorb it and come to the table on April

3rd and have a meaningful discussion about this issue.

Mr. Zimmers asked if it would be too much to ask staff for a chart of how changes in eligibility would affect the numbers. Ms. Henahan replied that staff could prepare a document for the board to look at, and added that she could give the board a rough idea of the numbers immediately. She stated that considering the current members of the Sustainability (over) grant program, if the level were to be raised to \$1.75 million there would be five organizations who would drop out; if it were moved it up to \$2 million, 14 organizations would drop out, which was an additional nine who would drop out if the level were raised to \$2 million.

Mr. Rich asked what the percent of the total grants that was awarded to the organizations in Sustainability (under \$1.5 million) was. Ms. Henahan stated that she didn't know the percentage of the total budget that group receives because they received about \$2.5 million of the state money, and some federal money too.

Mr. Rich asked if it were true that organizations couldn't receive over \$40,000 if they were in the Sustainability (under \$1.5 million) category. Ms. Henahan replied that he was correct. Ms. Off asked if Sustainability (under \$1.5 million) awards were based on a percentage as well. Ms. Henahan replied that the awards were strictly based on a formula that was based on a number of factors, including their base operating income and how they scored in the panel process.

Mr. Rich asked if staff could prepare projections for the 36 percent group as well, showing what would happen to the budget if the percentage were raised to 38 or 40 percent or lowered to 34 percent. Ms. Henahan suggested that they decide on three options that they would like to see and emphasized that this was an important issue that needed the board's attention, and it needed to be worked on over the next couple of months.

Mr. Rich asked if there were any other questions or comments about this budget proposal presentation. Ms. Off shared that she was shocked that in 10 years the \$1.5 million eligibility threshold hadn't been increased to account for different economic factors. Mr. Cespedes suggested that the situation probably reflected the economics of the state as well, and added that the economy going down was probably what had kept it at a lower level, and compared it to freezes in pay. Ms. Henahan added that raising the eligibility threshold had been discussed by the board in 2008-2009, but because the economy had dropped so much the board did not want to inflict further punishment on arts organizations who were suffering already. Ms. Off suggested that it would be prudent to revisit the eligibility threshold on a biennial basis.

Ms. Henahan stated that it had been the practice to conduct a review roughly every other year, but that for the last four or five years the state had been climbing out of economic recession, but now the state seemed to be on a better path and it was a timely discussion. Ms. Campbell-Zopf reflected that this had been a big focus of the planning process last time, and the board had done a lot of work around this topic before they reached the

decision to keep it the same.

Mr. Rich asked Ms. Henahan if she were optimistic about the state's tax revenues. Ms. Henahan replied that there had been nothing that had come into the agencies from OBM about any concerns. She added that of the indicators the board might keep an eye out for was changes in the mid-biennial budget review that was coming out in mid- to late-February. She added that the review would reveal one of the early warning signs, if there was anything the agency had to be concerned about, but that right now she felt fairly secure about where the agency was in terms of its chances of being funded at the current level.

Mr. Rich thanked Ms. Henahan for her informative presentation, and adjourned the meeting for lunch.

PRESENTATION OF JACK EARL SCULPTURE

Mr. Dicke shared that he was donating a sculpture by Jack Earl, the 2013 Governor's Award recipient for individual artist. He explained that Mr. Earl had completed the piece after he received the award, and had brought it to Mr. Dicke and said, "I thought maybe you might like to buy this," and Mr. Dicke had agreed to buy it with the intention of donating it to the OAC. He continued that Jack Earl had lived in Mr. Dicke's hometown of New Bremen, Ohio, for roughly 10 years, and had been his grade-school art teacher. He expressed his delight that Mr. Earl had been an award winner last year.

Ms. Campbell-Zopf remarked that Mr. Earl was a true icon in ceramic arts in Ohio, and she and Ms. Henahan thanked Mr. Dicke for his generous gift.

Mr. Rich reconvened the meeting at 1:00 p.m.

UPDATE ON STRATEGIC PLANNING PROCESS

Ms. Campbell-Zopf shared that Ms. Kridler, as the chair of the Programs, Panels and Public Policy committee, had met with her and Ms. Henahan the previous week to look at some of the information gathering tools that were used during the last strategic planning process, so that she knew exactly how and why the data had been collected and what the tools looked like. She then described the tools they had reviewed in the meeting, including the Ohio Statewide Arts and Culture Opinion Survey, which was a short, online survey housed on a proprietary website. The survey sought to determine the extent and nature of citizens' arts and cultural activities. It also looked at frequency of child involvement in arts and cultural activities, identified preferences in cultural needs and explored perceptions of the role of Ohio state government in meeting citizens' cultural needs.

Ms. Campbell-Zopf emphasized that this was a statistically valid representation of all Ohioans. The survey's design and analysis was handled by a research firm to ensure that it was a statistically valid measurement of Ohio residents' arts and cultural activities. The research firm reported that the agency's survey had one of the highest response rates they had seen. The strong response rate was a result of the agency's aggressive promotion

efforts through Facebook and other social media avenues. The agency partnered with a wide range of state agencies, including Parks and Recreation, and the Department of Aging to promote the survey as widely as possible. She noted that this had been a first for the agency, because the survey really got outside “the choir,” and had a valid sample of Ohio citizens giving their responses.

In addition to the citizen survey, a priority-setting instrument was developed for the board and staff. She stated that the instrument had two components: 1) an educational component, which endeavored to raise board members’ understanding of all agency grant programs and services, and 2) a rating component that asked members to rate the degree to which they thought those programs and services were a priority for the agency. The staff used the same instrument to capture their thoughts. The objective was to systematically collect individual information that would create a picture that included both board and staff perspectives.

Ms. Campbell-Zopf concluded that all responses had been tabulated and shared with the board members and staff who thought it was an easy tool to use. All tools and resulting data are available as resources for the board and the new executive director to use. She recommended that the board and staff approach planning in an incremental way to ensure that staff workload would be manageable. There are tasks that can be accomplished in advance of hiring a new director.

Ms. Kridler shared that they had also talked about having a committee meeting in February so that Ms. Campbell-Zopf could walk the committee through this a little more carefully and help us get more familiar with the whole process. Ms. Campbell-Zopf added that during the last strategic planning process, the board had been pivotal in coming up with solutions that have helped the staff have greater agility to address rapid changes during the recessions and in the end improve the agency’s effectiveness and efficiency.

Ms. Kridler shared that she was looking forward to working with everyone to see what plans the board could put in place and what aspirations they have in common.

Mr. Rich stated that he considers strategic planning to be of primary importance to what the board does—vision and policy—this was the vision part.

Ms. Kridler added that to help visioning, dreaming and planning that the board might ask the people at the National Assembly of State Arts Agencies (NASAA) to do a webinar about what was leading the field in other agencies around the country. She continued that she was interested to read that NASAA’s October 2014 conference will focus on how agencies can support returning veterans, and also the changing landscape of rural America. And so if NASAA were invited to talk with the agency in some capacity they provide insight and inspiration for the board. Mr. Rich shared that when he and Ms. Henahan were out in Jackson Hole for the last NASAA conference, Ms. Henahan went to the sub-section meeting on returning veterans, an issue that the agency was very interested in.

Ms. Campbell-Zopf added that during a planning process, the staff works with board members about the grant programs, the process can be a great learning experience, especially for those members who have recently been appointed to the board

Mr. Rich thanked Ms. Kridler and Ms. Campbell-Zopf for their presentation.

UPDATE ON WEXNER CENTER FOR THE ARTS REQUEST

Ms. Henahan prefaced her report by saying she hoped that everybody had the chance to read the September meeting minutes, which were critical to understanding what has brought the discussion to this juncture. She stated that she had been asked by the board at the September meeting to conduct some more research in relation to the Wexner Center's request and how a change in policy might affect several factors at the arts council. She continued that the Wexner Center currently came in for funding in the Sustainability (under \$1.5 million) program because of a couple stipulations in the current *Guidelines* that prohibited them from coming in for the Sustainability (over \$1.5 million), even though they have an annual operating budget of over \$10 million. During the discussion at the September board meeting, the board reviewed the pros and cons of changing the policies that would allow the Wexner Center to apply for Sustainability (over \$1.5 million) and looked at the criteria that were used by other state arts agencies to allow arts organizations that were on the campuses of major universities to come in for major operating support. The six criteria that seem to be standard operating procedure for Georgia and New Hampshire, for example, were:

1. The organization has to have its own board,
2. They have to get at least 20 percent of their operating income from outside the college or university,
3. They cannot be an academic department,
4. They must manage their own budget,
5. They cannot present work exclusively by or for students, and
6. Their mission must be arts based.

She continued that there had been a lot of concern that if the policy were changed, it may open up the agency to a deluge of applications from other college- and university-based arts organizations from around the state. She reported that to avoid speculation on what the situation was at individual campuses, she had enlisted the help of the Board of Regents to find out directly from the colleges and universities in the state of Ohio exactly where they stand, because the agency didn't have information about the universities and community colleges who did not come to the arts council for funding. She reviewed the results of the survey, beginning with the universities. She reported that there were 14 public universities in the state of Ohio, and of those 14, five did not respond to the survey that had been sent out by the Board of Regents: Cleveland State University, Ohio State University, University of Toledo, Wright State University and Youngstown State University; three reported that they did not have arts organizations on campus: Bowling Green, Central State and Northeast Ohio Medical University; six reported that they did have arts organizations on campus: Kent State University, Miami University, Ohio

University, Shawnee State University, the University of Akron and the University of Cincinnati. However of those six that responded, none of them reported having independent boards associated with the arts organizations that they reference on this spreadsheet.

Ms. Warner and Mr. Zimmers expressed concern that the data accurately portrayed current conditions on the campuses of Ohio's public universities and community colleges. Ms. Warner shared that the Corbett Theatre and the Performing Arts Center at the University of Cincinnati received quite a bit of state funding, had their own board and received outside support, but had not been reported. She noted that there were other universities that in the study, such as Bowling Green, that also have theaters, and they seem to have just identified the art galleries. Mr. Zimmers shared the Reese Performing Arts Center at the Central Ohio Technical College received state funding and also was not listed.

Ms. Henahan stated that staff had conducted some online research on the universities that didn't respond regarding whether there were any arts-related entities on campus, and the ones that they were able to find seemed to be primarily used for student-based performances and academic programs and all of them had operating budgets under the \$1.5 million mark, or they didn't have an independent governing board. She continued that Shawnee State University operated the Vern Riffe Center for the Arts, which they reported had an operating budget just over \$680,000, and did not have money that was allocated from state dollars for the performing arts center and did not have an independent board; the University of Cincinnati only reported on the galleries that were part of the college of Design Arts Architecture and Planning, and most of the exhibition descriptions on the website for the DAAP galleries described programming of student or faculty work. She continued that the University of Akron was home to the EJ Thomas Hall, which had an annual operating budget of \$3.1 million, but did not have an independent board, and they reported that they have no state money that's going into the facility's operating budget. She added that not only was EJ Thomas Hall a venue for performances and presenting groups; it was also home to several of the local arts organizations in the Akron community. She stated that her report reflected a snapshot of what was presented to the agency and reported by the universities to the Board of Regents.

She returned to the data in the study, stating that there were currently 23 community colleges in Ohio, of which seven did not respond, fourteen reported that they did not have arts organizations on campuses, and two—Clark State and Cuyahoga Community Colleges—reported that they did. She noted that Central Ohio Tech had reported that they did not have any arts organizations on their campus. She continued that staff had researched the conditions of the seven community colleges that didn't respond, and four of them had no arts facilities on their campuses, and three did, but they seemed to be associated with academic programs, for the most part only presented student work, and had very small operating budgets. For example, the Stocker Center at Lorrain County Community College was the only one that had any size, but their operating income was well below \$1.5 million annually. She stated that of the two community colleges in the

survey that did report having arts organizations on their campuses, Cuyahoga Community College supported a jazz fest and a cultural arts series on their campus every year, and both of those had come into the OAC for funding in the Sustainability (under \$1.5 million), but both of the budgets for the jazz series and the cultural arts series were well below \$1.5 million annually, neither of them reported receiving state funds for their activities, and they did not have independent boards. She continued that Clark State Community College operated the performing arts center in Springfield, and was also currently receiving funding from the OAC in the Sustainability (under \$1.5 million) category. She noted that they were teetering on the edge of being eligible with an operating budget that was just under \$1.5 million, but they did not have an independent board. She summarized that, in terms of the discussion that the board wanted to have, the two entities that would probably come into consideration if there were a decision to change guidelines would be the EJ Thomas Hall in Akron and Clark State's performing arts center.

A discussion clarifying the definitions of "arts organization" and "independent governing board," and whether the definitions had been clearly presented in the survey followed. Mr. Dicke asked if the survey had included a definition of what an arts organization was for the purposes of answering the questions. Ms. Henahan replied that the survey had included clear criteria, and that for the purposes of the survey, an organization was considered to be an entity that was presenting or producing art similar to the way a nonprofit arts organization would do if they if they were not associated with or affiliated with a college or university campus. Regarding what distinguished an independent governing board Ms. Henahan answered that that the board had to be independent from the university board of trustees. Ms. Warner shared that it would be difficult for an organization on a university campus to have an independent board that didn't have some oversight by or responsibility to the university board of trustees, because they would be located in a university facility. Ms. Henahan stated that are two representatives of the university on the Wexner Center's board, but the rest of the board was made up of community members. Mr. Rich added that those two board members were the provost and the president.

Mr. Hankins asked for clarification on why Kent State University would not be a part of this discussion and pointed out that the spreadsheet provided listed four organizations with budgets over \$5 or \$6 million at Kent State. Ms. Henahan explained that Kent State had reported that they did not have arts organizations; the School of Art, the School of Fashion Design, the School of Theater and the School of Dance were not considered because they were all academic departments within the university. Ms. Warner asked if they had a performing arts center, or a theater. Ms. Henahan stated that Kent State University's Trumbull Theatre on its Trumbull campus, was part of the College of the Arts and was academic, and while they also had a museum, their budget was under half-a million dollars.

Mr. Rich reminded the board that in 2009, the last time this issue had been considered, there had been only two states that allowed for sustainability in a large category to go to state university-affiliated-type organizations, and currently there were 11, which

represented a big change in just five years. He continued that the Wexner Center had come to the board two meetings ago and asked them to reconsider the policy. At that time the board had asked the staff to gather information, which they did, and the board had reviewed it at their last meeting, and had asked them for some more information. The staff produced this report in response to that request, with the help of the Board of Regents.

Mr. Zimmers shared his recollection that when he was in the state legislature several decades ago, the Wexner Center had been built and an agreement had been reached that the Wexner Center would not seek these monies. Mr. Rich shared that he did not know and asked if the situation were similar to the Rock and Roll Hall of Fame. Mr. Zimmers stated that he thought the comparison was apt. Mr. Rich commented that now the Rock and Roll Hall of Fame...Ms. Warner interjected that the Rock and Roll Hall of Fame had been excused from that arrangement. Mr. Zimmers stated that he could be mistaken but he thought there had been an agreement at the time the Wexner Center had been built. Ms. Henahan stated that she didn't have a recollection of anything like that, and if it had happened at the legislative level, she was not aware of it.

Mr. Hankins initiated a discussion about the requirement included in the Georgia and New Hampshire guidelines that organizations must receive at least 20 percent of its budget from outside sources. Ms. Henahan stated that she thought the figure should be between 40 and 50 percent, because at that level an organization can be considered truly to have independence and the ability to raise money in the community that was separate from the annual stipend that was delivered to them through the university's usual allocation.

Ms. Warner asked what percentage of the Wexner Center's budget came from outside sources. Mr. Rich replied that they raised about 60 percent and received about 40 from the university.

Ms. Warner repeated that she felt that the information that had come from the Board of Regents was a little shaky. She continued that she thought it was a good idea for the agency to have a policy and stated that she was comfortable making a recommendation that the board adopt some guidelines to deal with this.

Mr. Rich asked what percentage she would recommend as a minimum requirement for outside funding. Ms. Warner replied that she recommended 40-50 percent. Mr. Rich asked if any other board members had opinions on the issue. Mr. Hankins stated that he was comfortable with adopting guidelines, but was concerned about how strongly it should be worded, whether it would instruct staff to start preparing the changes to the guidelines, or would it would stipulate the parameters of the changes upfront.

Mr. Rich stated that the motion would stipulate the guidelines and give staff direction to write the new guidelines, and added that the new guidelines would be consistent with the recommendation but with 40 percent rather than 20 percent.

Ms. Warner asked if, to accommodate the Wexner Center, they needed to adopt the new

guidelines by June. Ms. Henahan responded that since the next Sustainability (over \$1.5 million) deadline wasn't until February of 2015 they had time. She continued that that if the board directed staff to change this policy and made a simultaneous direction to staff to start developing draft guidelines—because there were a couple of places in the *Guidelines* that were going to need to tweak to accommodate this change—they could have a draft of changes to the guidelines to the board to consider in at the April meeting.

Mr. Rich asked if that sounded reasonable to everybody. Mr. Cespedes asked for clarification on how this process was going to proceed. He reminded the board that they had been working on this issue for the past two and a half meetings and had asked the staff to prepare a lot of work, and that earlier in the meeting they had discussed that as they look at FY2016/2017 there may be some overhaul changes that may affect it at a greater level. He suggested that it would be good to get the issue this off of the board's agenda and vote on it today, because it seemed like they just kept adding things to the calendar year and there was a lot to do as it was. He added that the issue certainly was important as far as potentially fixing or changing the percentage guidelines as it relates to institutions, but on the merits of this issue because the board has spent so much time on it, he would like to...

Mr. Rich stated that Mr. Cespedes had made a good point. Ms. Howard added that at the last meeting the people from the Wexner had been present, and she recalled that at that meeting the board had promised to go back to this meeting and be prepared to...Ms. Vance agreed, and added that the board could keep putting this off because we don't want to...Ms. Howard agreed that at some point we...Mr. Rich agreed and suggested that the board might want to vote on the issue that day.

Ms. Foulk asked if there would be any budget repercussions of making this change. Ms. Warner suggested that the changes in the restrictions would push somebody out. Ms. Henahan countered that it wouldn't push anybody out at that point. Mr. Rich stated that the actual financial implications were that the Wexner Center was currently eligible to receive a maximum of \$40,000, and with this change, they would get about \$100,000 according to the formula, which added up to a \$60,000 difference. Mr. Cespedes asked if it then would alleviate another \$40,000 in the lower category for the other organizations who apply for it. Mr. Rich replied that it would.

Mr. Hankins referred to the six parameters included in the recommended eligibility requirements and asked if there was a seventh parameter that the Wexner Center had proposed, namely that they would remove their university funding from the formula. He suggested that the board should add that parameter to the list. Mr. Rich thanked Mr. Hankins for that point.

MOTION by Robb Hankins, seconded by Jane Foulk to direct the staff to move forward amending the guidelines for how university related art centers can be allowed to apply in the Sustainability (over \$1.5 million) category, based on the following seven parameters:

1. Must have its own independent community governing board (not an advisory board)

2. Must receive at least 50 percent of its income from outside the college or university
3. Cannot be an academic department within the college or university
4. Must manage own budget
5. Must not present work exclusively by students and/or faculty
6. Must have an arts-based mission
7. Any state support will be removed from the budget before grant award is calculated

Mr. Dicke suggested an amendment to the motion, reasoning that an organization that was receiving 50 percent of its funding from someone was in essence controlled by them. Mr. Rich suggested that they raise the number to 51 percent, because that would indicate that they were more independent than they were dependent on one party. Mr. Dicke stated that he had no problem with that.

MOTION by Jim Dicke, seconded by Juan Cespedes, to amend the parameters to require 51 percent an organization's income from outside the college or university.

Ms. Vance expressed concern that if the changes were made to include the Wexner Center and others like them, they would be taking food out of other organizations' mouths.

Mr. Rich and Ms. Warner explained that the answer was not simple because there were a lot of moving parts, including whether the board would vote to change the eligibility level of the Sustainability (over) program. Ms. Henahan reminded the board that the issue that the eligibility level for this program had not been examined for 10 years. She offered that the board would probably make some kind of a decision that would, if not make an increase in one fell swoop, make some incremental steps to increasing this over a period of a couple of biennia. She added that this was what had happened every time there had been an increase in the eligible income level there were, sadly, a handful of organizations that were very close to the cutoff point, and when it gets raised, they did tend to drop out of the program. Ms. Vance shared that that made her nervous for those organizations.

Mr. Rich asked if there were any more discussion about the amendment to raise it to 51 percent. Mr. Hankins clarified that when he made the original motion, he wasn't trying to lock the number into a particular percentage; he had just been trying to get the discussion started. Ms. Warner added that it was a huge number for a university-based theater or arts group of some kind to come forward and raise even 40 percent of their budget, and suggested they not go any higher than 51 percent.

Motion passed without dissent.

Ms. Warner recommended that the board direct the executive director to work with staff to come up with this language, but that they wait until they had considered the changes to the eligibility requirements in the Sustainability (over) program and consider the effects of those changes, to finalize the decision. Ms. Henahan stated that, based on the

discussions that had transpired today, the eligible income for the Sustainability (over) as well as the recommended revised guidelines, would both be discussed at the April 3 meeting.

A discussion followed regarding what actionable items the board was currently voting on. Mr. Cespedes asked whether he was correct in his understanding that, the overarching issue being FY2016/2017, the redefinition of the categories would be addressed at the next meeting, and that what was currently on the table was the change in eligibility for university-based arts organizations. Mr. Rich confirmed that they were only voting on the current issue; just the seven points, the second of which was just amended. He continued that the board was instructing the staff, pursuant to these seven things, to put together...Mr. Cespedes interjected that they had done that already. Mr. Rich stated that they didn't have the language to approve at that time, and that they were instructing staff to put the language together based on the board's guidance so they could vote at the next meeting.

Ms. Howard and Ms. Vance expressed frustration over the process and it was unclear whether they were voting on the changes at that time or putting it off until the next meeting again. Ms. Henahan suggested that the issue may be more easily considered if it were considered in two motions. The first one would be, if somebody on the board would be so moved to make the motion, that the guidelines be modified to allow the Wexner Center for the Arts to apply for Sustainability (over 1.5 million) funding. And then a separate second motion that directs the staff to prepare draft guidelines for the April 3 meeting. Mr. Dicke expressed concern that they were heading down the road of solely trying to create a desired outcome without keeping in mind that they were supposed to be even-handed in developing policies and procedures. He stated that he would be uncomfortable with the board putting on the record that it was asking the director to draft something so that the Wexner Center would be eligible. He suggested that they had been fine with the motion that Mr. Hankins had made.

Mr. Zimmers asked if they were just trying to adopt the seven guidelines. He continued that these would qualify the Wexner Center, and maybe someone else; whatever unintended consequences of other colleges trying to form boards or whatever else they can do to qualify, they can.

Motion passed without dissent.

Mr. Rich: thank you very much. And thank you Ms. Henahan, for all the time you and the staff have spent on that.

FALL 2013 NEA PARTNERSHIP REPORT & APPLICATIONS

Ms. Campbell-Zopf prefaced her remarks by stating that no voting was required on this agenda item. She emphasized that her remarks were meant only as an overview of the NEA process. She continued that, as they had been discussing, this summer, staff would be working on the full Partnership grant application to the National Endowment for the Arts (NEA), which was a three-year award. During the intervening years, the agency

supplies the NEA with several report items, including a one-page narrative update on the Partnership grant that describes what has changed from the prior year. The update report focuses on the environmental conditions (i.e., economic, political, educational, etc.) of the state, any board or staff changes the agency has experienced, and any other challenges or opportunities the agency has addressed. She continued that staff submits this narrative update every year, along with budget and a Final Descriptive Report of all grants funded from state and federal funds. She then described the programs for which the agency submits annual grant applications: 1) *Poetry Out Loud* recitation project, the application basically describes the program plan and budget for the coming year. 2) Agency Folk and Traditional Arts activities and budget for the coming year.

Mr. Hankins asked what the historical size of these grants was. Ms. Henahan stated that the current Partnership grant was \$894,600, the year before it was \$980,000, and the year before that it was \$1,018,100. Ms. Campbell-Zopf added that the amount for *Poetry Out Loud* varies between \$20,000 and \$17,000 annually, depending on how much money the NEA has, and the Folk and Traditional Arts grant varies between \$15,000 to \$25,000 annually depending on the proposed activities and the number of applications the NEA has received and its annual Folk Arts budget.

Ms. Henahan shared that the budget for the NEA had been set at \$144 million, and while this was not exactly what had been hoped for, it was a lot better than what had been recommended.

Mr. Rich added that the possibility had been \$75 million, which would have been a 50 percent decrease.

Ms. Campbell-Zopf introduced the staff members in the audience that would be working in the NEA study group in addition to her and Ms. Henahan: Ms. Ricksecker, Ms. Mullins Lee, Ms. Weinstein, Ms. Turner, Mr. Emerick, Ms. Signorino, Mr. Katona, and Ms. Foley.

PANELIST RECOMMENDATIONS

Ms. Campbell-Zopf began by reminding the board that staff had just completed a major re-engineering of the Artists with Disabilities Access Program (ADAP) based on evaluation findings in the recent program evaluation process. With the board's authorization to change aspects of the ADAP grant program guidelines, the agency needed to recommend panelists to adjudicate the grants through a public process. She noted that the agency's ADA/504 Coordinator Kim Turner had spearheaded this process; sitting down with program coordinators, consulting with Very Special Arts Ohio and other individuals to identify the well-qualified panelists. She reminded the board that there are four steps to this process: 1) staff prepares list of potential panelists; 2) board members review, discuss and consider list; 3) if the board is in agreement, they vote to approve the list; and 4) the executive director sends panel service invitations to approved panelists.

Ms. Vance remarked that the panel recommendations were diverse. Ms. Campbell-Zopf

thanked the staff for getting the list together.

MOTION by Ginger Warner, seconded by Sara Vance Waddell, to approve the slate of primary and alternate panelists for the Artists with Disabilities Access Program.

Motion carried without dissent.

PRESENTATION ON ARTS READY

Mr. Rich turned that board's attention to the Arts Ready emergency/crisis management tool for non-profit arts organizations offered by South Arts. He reminded the board that there were a number of regional arts organizations across the country, and because of where the OAC was located they were connected to Arts Midwest. He added that South Arts was the one that covers state arts agencies to the south.

Ms. Henahan directed the board's attention to a letter in their materials from Mollie Quinlan-Hayes, the deputy director of South Arts. She stated that she had been approached by South Arts about this initiative several times in the last few years, but because the agency had been rebuilding its budget, she hadn't considered it a priority. She continued that the proposal was very modest; it asks the OAC to enter into a pilot partnership with South Arts that would make their emergency preparedness business continuity initiative available to Ohio arts organizations. She added that the agency didn't currently have a tool like Arts Ready that to offer its constituents. She provided some background on the program, stating that Arts Ready emergency preparedness tool had come about and was developed in the aftermath of Hurricane Katrina, because there were so many arts organizations along the Gulf Coast in the southern United States who had been very badly impacted by that hurricane—along with hurricanes Rita and Ike and a string of other hurricanes over a couple of year period. She continued that South Arts was proposing a pilot program that would provide an opportunity for seven organizations in Ohio to try out the tool for a minimal cost that would be supplemented by the Ohio Arts Council, with the goal of them becoming fulltime subscribers to the program over the course of time. She referred to the middle section of the letter, which showed that over a three-year period that the user would pay \$50 the first year and the agency would pay \$250; the second year the users would pay \$100 and the agency would pay \$125; and in the third year \$150 by the user and \$75 by us. She concluded that the total OAC investment over the three-year period would be \$3,150.

Ms. Warner pointed out that this investment would be made solely for seven organizations. Ms. Henahan clarified that an initial group of seven organizations would pilot this and see how it works. She added that another pilot option unfolded over a four-year period to see how our organizations in the state like this, and if the program was useful and desired, the agency would work with South Arts to produce a plan to make this available to more organizations in the state. She noted that Arts Ready was an income-producing activity for South Arts, and added that all of the regional arts organizations have income-producing programs in their stables. She shared that the pilot program was South Arts' way of getting the Arts Ready tool out in the consciousness of our arts organizations around the state. She added that she would be happy to answer any

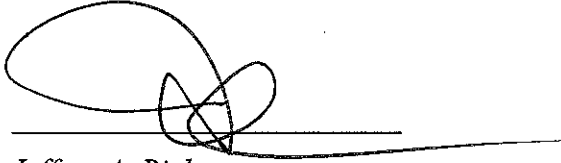
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questions to the best of my ability, and that this was a fairly modest investment over the time to see how this might work out.

MOTION by Neal Zimmers, seconded by Sharon Howard, to approve the Arts Ready emergency/crisis management tool. **Motion carried with Ginger Warner dissenting.**

MEETING was adjourned at 2:00 p.m.

An audio recording of this meeting was available upon request.



Jeffrey A. Rich
OAC Board Chair



Jane Foulk
OAC Board Secretary