



Ohio Arts Council
House Bill 33: FY 2024-2025 Biennial Operating Budget

Senate Workforce and Higher Education Committee
Senator Jerry Cirino, Chair

Thursday, April 27, 9 a.m.

Testimony submitted by Donna S. Collins, Executive Director

Good afternoon, Chair Cirino, Vice Chair Rulli, Ranking Member Ingram, and members of the committee. My name is Donna Collins, and I am the executive director of the Ohio Arts Council (OAC).

On behalf of the OAC's Chair Ginger Warner, and our board members, staff, grantees, and partners—as well as artists living and working in every Ohio community—I want to express my deep appreciation for the General Assembly's past and present support.

Despite pandemic-induced challenges, your timely and longstanding support of public funding for the arts has immensely strengthened the creative economy. Working with Governor DeWine's Administration, the General Assembly funded the OAC at an all-time high of \$40 million in General Revenue Funds in the last operating budget—and, in addition, has allocated one-time federal relief for arts nonprofits through our agency and the Department of Development.

The Arts: A Strong, Innovative Investment

Today, I am proud to report that the resilience of the nonprofit arts community is demonstrated throughout Ohio. Your investment and faith in the arts are working, our resolve is strong, and our recovery is well underway. In total, your GRF investment in the arts through the OAC comprises less than 0.05% of the state's total GRF appropriations, but it produces a big return on investment.

Our staff works hard—and with our board's support, the OAC is mission-focused. Our agency makes grant awards, supports arts education for children, elevates the profiles of Ohio's artists and arts organizations, and carefully stewards public funds. In doing so, we leverage our unique position within state government—to be a champion for Ohio's cultural assets, to bolster the economy, and to inspire growth and learning for people of all ages. Through expanded outreach and judicious fiscal management, since FY 2016 we have funded the arts in all 88 counties, served more students through arts education, and worked to ensure our state's cultural institutions serve all communities.

Ongoing research indicates the economic impact of the arts in Ohio is immense—and had grown steadily before the pandemic. A recent study by Dr. Michael Carroll, formerly of Bowling Green State University, demonstrates that Ohio's arts sector supported nearly 290,000 jobs, contributing nearly

\$41 billion to the state's economy and generating about \$4.6 billion in annual tax revenues at the local, state, and federal levels. Due to COVID-19, we know the economic data being collected may tell a different story, but with continued investment and support, we will see these jobs and economic indicators return and grow.

The legislature's investment in the arts through the OAC has great value with far-reaching economic, educational, and cultural benefits. The arts strengthen our state and nation and lead to our renewed prosperity. Funding for the arts creates jobs directly and supports jobs in other industries. As just one example, consider how Ohio's many nonprofit arts organizations contract for services—accountants, engineers, highly skilled laborers and craftsmen, and others—to support their endeavors.

Related to the economy, arts education has a significant impact to help students achieve better learning outcomes and develop our workforce. An education that includes the arts produces critical thinkers, innovators, and problem-solvers—attractive attributes for employers. It is also an equalizer. The National Endowment for the Arts (NEA), our federal counterpart, indicates that low-income students who earn arts credits are five times more likely to graduate high school than those earning no arts credits.

Ohioans appreciate, understand, and prioritize ongoing investment in the arts as a critical role of the public sector. Our most recent 88-county survey revealed that 91% of Ohioans believe public funds should go toward the arts, with 83% already aware that public funds support the arts in Ohio. In short, Ohioans know their tax dollars are invested in the arts—and strongly support their continued investment. In an era of increasing accountability and transparency in government spending, our agency is humbled that Ohioans continue to authorize and support its public mission and purpose.

COVID-19: Impact on the Arts and OAC Response

Looking back for a moment, the onset of the pandemic ravaged the national and state economy, inflicting disproportionate damage on Ohio's creative industry, among the worst in our state's economic subsectors. Today, challenges linger, particularly for small and mid-sized nonprofits, as audiences have yet to fully return, but the arts and cultural sector has generally persevered. For our part, the OAC responded swiftly and proactively. While economic relief has been critical, our constituents have also reported that nonfinancial OAC aid has mattered significantly—such as sharing resources and best practices, making connections, providing professional development opportunities, and offering flexibility through our grants. In short, the OAC stepped in and stepped up to confront the tests of our time—for example, by expediting and automating partial grant payments to alleviate cash flow pressures on grantees, distributing tens of millions of dollars in federal aid, presenting informational sessions on unemployment assistance and budgeting, and more.

Today, we look forward, so it is important for me to distinguish between the one-time funding provided to date, and what your ongoing investment through the OAC's state appropriation will mean in the upcoming biennium. COVID-19 relief efforts generally looked backwards, toward helping arts nonprofits sustain themselves despite pandemic-related losses. These investments have been significant and critical, as negative economic effects and high unemployment in the arts loomed large for some time.

That said, the OAC is a forward-looking agency, as is our FY 2024-2025 budget, and we are optimistic. Going forward, we believe the future holds the full recovery of in-person arts programming, expanded arts education to combat pandemic learning loss, continued demand for digital experiences, and the restoration and growth of jobs for arts professionals.

Advancing Our Mission and Aligning Priorities: Invest, Engage, Innovate, and Lead

Our state appropriation is a direct investment in our mission—to strengthen Ohio’s communities culturally, educationally, and economically in every county. Developed with input from the arts sector, our strategic plan is designed to live our mission and align with our FY 2024-2025 priorities through four action areas: Invest, Engage, Innovate, and Lead.

At the core of the OAC’s work is our investment and grant-making activities to serve artists, arts organizations, schools, and nonprofits. Each of our grant programs annually go through a top-to-bottom review to respond to the field’s needs.

To give you a few examples, the OAC:

- provides reliable grant support for nonprofit arts organizations through our flagship Sustainability program;
- funds opportunities for artists to teach their skills to Ohio’s preK-12 students;
- rewards excellence in artistic disciplines and innovative program delivery;
- offers career development funding for emerging artists and artists with disabilities, helping them maintain their independence and pursue a livelihood;
- develops and trains the workforce through apprenticeships in the traditional arts, preserving Ohio’s heritage;
- puts funding to work in every county, expanding our statewide impact and presence.

The agency also continues to focus on assessing and improving itself to achieve new efficiencies, making the application process more streamlined and efficient over the last decade. That has become evident through dramatic increases in grant applications. Over the past few funding cycles, applications rose from 40-75% within some programs, flattened during the onset of the pandemic, and have now begun to rise again.

We believe applications have increased for several reasons. For example, we have cut red tape, bolstered online application platforms and review processes, and conducted outreach to listen to constituents and help them explore funding opportunities. Our priorities align with accommodating these application increases, as outlined below.

Priority A: Sustainability Grants. In addition to higher overall application levels, FY 2024 is an on-year for our agency’s major operating support grant program, Sustainability, which currently provides four-year general operating support for 343 arts and cultural organizations of all sizes in all arts genres. Because the OAC has dramatically boosted its outreach and efforts to fund all 88 counties, a groundswell of organizations will be newly eligible for operating support in FY 2024.

Accordingly, an agency priority this biennium is to hold grantees essentially harmless from the OAC's successful outreach efforts and growth. The OAC seeks to maintain or increase grant amounts at a time when arts organizations—especially smaller and mid-sized nonprofits—seek to be resilient from COVID-19, but face vulnerability on several fronts (i.e., audience levels remaining below pre-pandemic baselines, earned and ticketed revenue remaining under pressure, philanthropic giving returning to its lower baselines, and inflation negatively impacting nonprofits' costs and discretionary income for arts consumers). Compared to the Executive version of the budget, we have calculated that an increase of \$4.56 million would be required in FY 2024 (with the increase maintained in FY 2025) if all eligible organizations enter into the Sustainability grant program, inclusive of a one-time inflation adjustment.¹ We thank you for your consideration of this priority.

If investment is the core of our work at the OAC, then innovation is our heart—whether we're encouraging it in our grantees or embodying it ourselves. Like the governor's emphasis on children's initiatives, much of our work in this area has concentrated on arts education for Ohio's students.

Priority B: Arts Education Grants. Most notably in arts education, the agency renewed its approach to funding teaching artist residencies in Ohio schools through a program we designed in FY 2016, called TeachArtsOhio (TAO). This nationally-lauded program provides Ohio students with in-depth and impactful arts learning experiences, connecting high-quality Ohio teaching artists with students for a grading period, semester, or full academic year. OAC teaching artists' lessons and experiences with students are aligned with academic content standards. The program applicants have typically focused on students residing in districts with higher than average child poverty rates, whether rural or urban. Anecdotally, no other state awards yearly grants to as many schools to support as many arts education artist residencies as the OAC.

In the current biennium, TAO benefits nearly 70,000 Ohio students and educators. Even at the pandemic's peak, its popularity and application levels endured. In fact, in February 2023, we had the highest number of applications in the program's history—103— indicating that arts education remains an essential component to a complete education. This is a 51% increase from the prior year and not fully fundable without additional resources.

Accordingly, a clear priority at our agency this biennium is to continue to meet the larger scale and demand for this highly valued program. We aim to reach at least 10 new schools, and hopefully many more, in each of FY 2024 and FY 2025. In turn, we anticipate adding 10 schools will require at least \$500,000 in FY 2024 and \$1 million in FY 2025, compared to the Executive version of the budget, to accommodate TAO's growth and help fight learning loss. Again, we thank you for your consideration of this priority.

Priority C: Agency Right-Sizing. All of our work on behalf of Ohioans is dependent on a qualified and dedicated workforce at the agency to meet increased demand for OAC grants. To put it in context, the OAC's staff of 18 anticipates processing nearly 3,100 applications and 2,200 grant awards in all 88

¹ Also note that in HB 45 of the 134th General Assembly, which appropriated \$50 million in one-time American Rescue Plan Act arts funding, priority must be given to nonprofits who did not receive CARES Act funding from the Ohio Arts Council, that is, existing OAC Sustainability grantees. Thus, support through the OAC's regular appropriations for Sustainability grantees stands apart from the ARPA appropriation.

counties in the current biennium. This is an extraordinary increase from a decade ago, when a larger staff of 26 processed only 2,200 applications resulting in 1,100 grants in about 50 counties. Frankly, this means 30% less staff than ten years ago now processes 33% more requests, and twice as many awards to all Ohio counties. We appreciate the executive budget's inclusion of a small administrative appropriation increase averaging 1.99% over the biennium to help our agency accommodate inflationary pressures and state-negotiated, regular personnel cost increases.

Even with this increase, the OAC does not anticipate adding staff, which poses difficulties. Good grantmaking is labor-intensive. It consists of outreach to historically underserved communities and smaller nonprofits that lack experience in grant-writing or working with government. It ensures tax dollars are properly awarded and stewarded. It means our staff goes "beyond the grant" to add value to the ability of Ohio's arts and cultural sector to succeed and compete nationally for recognition, awards, private grants, tourism dollars, and more. Accordingly, we believe now is the right time to increase our constituent services by rounding out our professional staff from 18 to 20 full-time equivalents. We deeply appreciate your consideration of our administrative request to aid our success in serving more Ohioans.

State and Federal Appropriations

Looking at the full picture, the executive version of the FY 2024-2025 budget recommends GRF appropriations at \$40.8 million to support and strengthen the arts in Ohio. This reflects a small administrative increase and flat funding for state-source OAC grants, which are held at the FY 2023 level. I want again to express my enduring gratitude to lawmakers and to Governor DeWine for your continued faith and investment in the arts in Ohio—in the past, now, and in the future—across governors, political beliefs, and legislative chambers. Given that state-source OAC grant funding is held flat, again, we hope you are able to meet the needs of the arts in Ohio by accommodating our agency's priorities in keeping Sustainability funding strong for arts nonprofits and growing our TeachArtsOhio arts education grants to benefit Ohio students.

In addition to the state's investment, the National Endowment for the Arts has awarded the OAC one of the top three largest grants in the nation for state arts agencies for 13 consecutive years, recognizing the excellence of Ohio's arts nonprofits and creative individuals and building on Ohio's appropriation. No NEA funds are used on our administrative expenses. NEA funding is estimated to total around \$2.85 million biennially for Ohio, reflecting growth in the NEA's budget, which also stands at a record high thanks to bipartisan support in Congress.

In closing, Ohio's artistic community is one of our state's greatest selling points. The arts create jobs, improve our competitiveness, and anchor our communities. Arts learning opportunities educate, inspire, and equip our children with the creative skills they need to compete in today's economy. Your support for the arts remains a sound investment that yields significant returns, particularly for a state like Ohio with a powerful arts economy.

Thank you for the opportunity to testify before you. I would be happy to answer questions.