



Ohio Citizens for the Arts

**Testimony
of
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Before the House Finance Subcommittee on Higher Education

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Chairman Cross, Ranking Member Howse, members of the Committee, thank you for allowing me to testify today on the proposed budget appropriation for the Ohio Arts Council.

My name is Angela Meleca, and I serve as Executive Director of Ohio Citizens for the Arts.

Ohio Citizens for the Arts is a statewide grassroots organization whose purpose is to advocate on important issues to the well-being of the arts and creative economy in Ohio. It is our mission to not only increase public support and funding for the creative industry through advocacy, engagement, and education but to promote Ohio as the Arts and Creative Capital of the Midwest. Our more than 300 members include world-renowned institutions such as the Cleveland Orchestra, the Rock and Roll Hall of Fame, Karamu House, and the Wexner Center for the Arts, to name a few. Also, community-focused groups such as the Marathon Center for the Performing Arts, the Lima Symphony Orchestra, Harmony Project, individual artists, and civic and community champions of creatives.

Ohio is blessed with world-class and historically recognized arts and culture institutions. These organizations, and many more, contribute not only to the vibrancy and quality of life in communities across Ohio but also comprise a \$41 billion industry for the state, according to a 2018 Bowling Green State University study funded by the Ohio Arts Council. Ohio is home to hundreds of entrepreneurial, creative organizations that have spent years building strong customer bases and stable revenue streams. Under normal circumstances, our creative community is responsible for the nearly 300,000 jobs, tens of billions of dollars in economic activity, and roughly \$4.5 billion in tax revenue.



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Unfortunately, the Covid-19 pandemic and accompanying restrictions have resulted in catastrophic revenue losses for most organizations. Through no fault of their own, many venues have had to forfeit a year's worth of revenue while they have been unable to operate in any capacity. While we fully understand the swift actions that had to be taken to curtail this deadly pandemic, we also must be frank in our assertion that it will be nearly impossible for many of our organizations to survive as a result of them.

Ohio's Creative Industry continues to suffer from the highest unemployment rate among all sectors in the state. According to the December 2020 Ohio Labor Market Information, Ohio's highest unemployment rates:

- Arts and Entertainment 24.85%
- Leisure, Hospitality 22.02%
- Accommodation and Food at 21.55%

COVID-19 has severely impacted Sixty-four percent of Ohio's creative businesses. According to a Brookings Institute Study (August 2020), an estimated one-third of Ohio's creative economy jobs were lost in 2020. That's more than 80,000 jobs lost and equals approximately \$1.8B in total loss of revenue for creative workers.

According to the Americans for the Arts, 53% of Ohio's creative workers now have no savings.

Though 70% of the creative industries' impact is in Ohio's seven metropolitan areas (Cleveland, Columbus, Cincinnati, Dayton, Toledo, Akron, Youngstown), the economic impact is not just found in urban areas. Rural Ohio made up nearly 30% of the creative economy, with more than **\$12B** in annual activity.

The Ohio Arts Council is a lifeline for many arts and culture organizations in Ohio. The State Programs Subsidies line item is the primary source for the grants awarded to organizations across Ohio. A significant part of that is the Sustainability Grant Program that provides crucial operating support. The Executive's proposed appropriation for the State Programs Subsidies reduced what was enacted two years ago. Given the challenging times we all face, it will probably be no surprise to learn that we are here today to ask for more.

We would urge the Committee to consider recommending an increase in the State Program Subsidies line item from its current \$28.9 million. During the current budget cycle, the Arts Council received an aggregate request of about \$47 million across all programs, federal and state. It was only able to fund **\$31 million** of those requests. That demonstrates \$16 million -34%- in unmet need. While we recognize the state's ongoing budget uncertainty, an increase in the State Program Subsidies appropriation is necessary to stabilize and sustain an industry devastated by the pandemic.

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We are incredibly grateful to live in a state that is so supportive of the arts. Last year, Governor Mike DeWine and this Legislature allocated \$20 million in CARES act funding distributed to arts organizations throughout the state. This funding kept many of our organizations alive in the short term.

We had surveyed our members last year and asked what the minimum financial need was to survive without being open or only partially open until this fall. We identified over **\$70 million** would be needed to bridge the gap until they can fully re-open. The \$20 million in CARES funds was welcomed, but it only has kept our institutions afloat for a few more months. So, as you also consider the Governor's proposal for economic relief, we urge you to include meaningful one-time funding for arts and culture to help sustain this vital industry.

Finally, I would like to take just a moment to talk about the economics of the arts. While many of our member organizations are the beneficiaries of generous donors and patrons, all of them, some more than others, are equally reliant upon earned revenue. They may be organized as not-for-profit corporations because of their missions, but they operate like any other major corporation or business enterprise. For example, two of the four largest performing arts centers in Ohio have budgets and generate more revenue than professional soccer in Ohio. Those four performing arts centers have combined budgets of over **\$200 million** and many multiples of economic activity benefiting their communities. But, through no fault of their own, not because of some wrong business decision, they have generated zero earned revenue for nearly an entire year because they were ordered to close. Ask yourself, how long can any business enterprise continue to exist without earning a single dime.

We know that we are not alone in facing challenging times. Our partners in the restaurant and bar, travel and tourism, and small retail have also suffered. We are one of the few industries that are still almost wholly closed and probably will be for some months to come. Arts and creativity make us stronger. They are a backbone of innovation, prosperity, and thriving people and places. Public funding for arts and creativity is a high-return investment that benefits every Ohioan in every city, town, and rural community statewide. We are merely asking for a necessary, stabilizing increase in the recurring appropriation to the Ohio Arts Council and considering one-time funding when you, as members of the full finance committee, scrutinize the Governor's proposed economic relief package.



In closing, as we have tried to point out today, the arts are an integral part of Ohio's economic and cultural makeup. They provide people with the foundation for creativity, equipping an innovative workforce, generating new ideas in every field, and keeping our state nationally competitive. Arts and creativity strengthen economic health by creating jobs in multiple industries, driving tourism, and providing young people opportunities. They provide educational experiences for all ages, promote diversity and inclusion, and immerse our citizens into different cultural backgrounds. Public support for the arts is as valid and wise an investment as any other economic development program the state funds. Continued and increased public support will employ Ohioans, generate tax dollars, and strengthen our communities.

Thank you again, Mr. Chairman, and I would be pleased to answer any questions you may have.

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