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*Ohio Arts Council*

**Ohio Arts Council  
2012-2013 BUDGET OVERVIEW AND TALKING POINTS  
January 2011**

A team of Ohio Arts Council (OAC) staff has prepared this document to 1) provide a brief overview of the budget process, 2) frame a rationale about the ways in which support for the arts is good public policy, and 3) provide key talking points that illustrate the fundamental role the arts play in maximizing our state's recovery potential. The arts are a recovery asset that supports jobs, stimulates commerce, stabilizes property values and provides many other economic benefits. The arts also offer timely assistance with education and civic challenges that tend to escalate during tough times.

Our rationale and talking points form a "menu" from which you can pull the most appropriate ideas and points depending on the individuals and groups you are visiting. Furthermore, you should make the ideas and the expression of those ideas your own while speaking with conviction and passion for the very important arts and cultural sector work that is occurring across our state.

The OAC and Ohio Citizens for the Arts will issue regular updates on the state's budget challenges and the OAC's budget process as the news becomes available. This document may change in response to those evolving conditions.

**Budget Process Overview**

Governor Kasich's proposed budget will be introduced by March 15 at the latest. After its introduction in bill form to the Ohio House of Representatives, the bill will be referred to the House Finance Committee. Typically, the OAC testifies before the subcommittee on Higher Education, which then makes its recommendations to the full House Finance Committee upon consensus. The budget bill will then advance to the full House for consideration. Following House approval, the bill will move to the Senate Finance Committee, usually by April, and the OAC will testify again. The main operating budget is then sent to conference committee in June to resolve conflicts between the House and Senate recommendations. Once both houses agree to the conference committee report, the bill is reviewed by the governor. He can sign, veto or line-item veto any item in the bill. A three-fifths majority of both houses is required to override a veto. A budget approved by the governor and both houses will be effective July 1.



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**2012-2013 BUDGET TALKING POINTS**

**Why Should Ohio’s Government Support the Arts?**

In these challenging economic times, it is imperative that state agencies support the prosperity and productivity of Ohio’s people and communities. State government must work to restore Ohio’s economic vitality, transform our education system and cultivate the next generation of creative workers. Maintaining a strong arts and cultural infrastructure in this state is a fundamental strategy for achieving these goals.

**What Are the Primary Benefits of the Arts?**

The arts are a critical economic driver in this state. A growing body of research shows that thriving arts communities are crucial for the financial health and vitality of their regions. The arts provide jobs, attract investments and stimulate local economies through tourism, consumer purchases and tax revenue.<sup>1</sup> Communities that offer robust arts and cultural sectors are viewed as more desirable places to live, work and visit. Additionally, Ohioans place a high priority on access to arts and cultural events in their communities, as well as access to arts education, which is viewed as essential to developing the creativity and problem-solving skills students need to join the contemporary workforce.

**How Much Does It Cost Ohio to Support the Arts?**

Ohio’s current per capita spending on the arts is just \$0.57, and the OAC’s budget constitutes less than one twenty-seventh of 1 percent of the state’s entire budget. Reducing or eliminating such a modest expenditure would not appreciably affect Ohio’s budget, but it *would* damage the cultural sector’s ability to provide jobs, goods and services. Additionally, an important feature of OAC funding is that most grants are awarded on a matching basis. That means OAC funding (public dollars) must be matched on a 1:1 basis by other resources—public or private—thus requiring organizations to leverage new sources of income that results in a broadening of their bases of financial support, addressing local needs, and expanding the reach and impact of state arts funding across Ohio. OAC grants are matched by \$84 to every one OAC dollar.

**Why Can’t the Private Sector Alone Support the Arts?**

It takes a mixture of public and private funds to support the arts. That is why state arts agencies, such as the OAC, are so crucial. Funding decisions in the private sector are driven by many motivations, such as advertising exposure or organizational goals. Because of this, such funding is often inconsistent and not equally distributed. Government investment, on the other hand, serves the *public* interest and ensures that all areas of Ohio receive the benefits of the arts and fair access to arts resources. The

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<sup>1</sup> National Assembly of State Arts Agencies. “Why Should Government Support the Arts?” *State Policy Briefs*, 2010. <http://www.nasaa-arts.org/Advocacy/Advocacy-Tools/Why-Government-Support/index.php>

presence of a strong state arts agency, like the OAC, ensures that all communities—regardless of their geographic location, political affiliation or economic status—are served equally.

### **How Is the OAC a Public-Private Partnership?**

For nearly 46 years, the OAC has served as an exemplary model of a public-private partnership, directly linking state government to the organizations and individuals who play a major role in Ohio's creative industries. For a very small investment on behalf of the state of Ohio, the OAC serves as a catalyst for economic development across the state. In fiscal year 2010, the OAC awarded nearly \$5.5 million in grants to Ohio artists, schools and organizations. Because most OAC grants are awarded on a 1:1 matching basis, grantees must use public and private resources to match every state dollar. In FY2010, OAC grants were matched by \$84 to every one OAC dollar, generating an additional \$433 million for Ohio's economy. The OAC also secures and redistributes federal dollars from the National Endowment for the Arts. In fiscal year 2011, the NEA awarded the OAC \$1.14 million in funding—the second-largest NEA grant in the nation after California.

During these tough economic times, the OAC is committed to using its expertise to work shoulder-to-shoulder with Governor Kasich and the 129<sup>th</sup> Ohio General Assembly to restore Ohio's prosperity by strengthening our economy and education system and preserving our unique cultural heritage and legacy of innovation.

### **Key Talking Points & Statistics**

#### **1. The arts are an economic driver in Ohio—they attract new businesses, create and retain jobs and produce tax revenue.**

- Creative industries (both nonprofit and for-profit) generate more than \$25 billion in economic activity in Ohio every year. ([Arts & Prosperity](#), BGSU)
- Creative industries help produce nearly \$2.84 billion in federal, state and local tax revenue and support more than 231,000 jobs in Ohio annually. ([Arts & Prosperity](#), BGSU)
- By providing an enhanced quality of life and enriching local amenities, the arts play a key role in retaining a skilled, young workforce in a certain geographic place. Knowledge-based workers want to live and work in an area with quality places which attract people and businesses with a mix of vibrant neighborhoods, natural and cultural amenities and a strong sense of place. ([Restoring Prosperity](#), Greater Ohio Policy Center and the Brookings Institute)
- The arts also attract tourism revenue. More than 118 million adults participate in cultural activities while traveling each year. These cultural tourists stay longer and spend more at their destinations than other kinds of travelers. On average, cultural tourists spend \$994 per trip, compared to \$611 for all other travelers. ([Mandala Research](#))

- “The arts can bring a community to life and influence its economic development. That is why PNC has long supported creative programs and initiatives that make the arts more accessible to our employees and everyone we serve.” —James E. Rohr, Chairman and Chief Executive Officer, PNC Financial Services Group, Inc.

**2. By fostering critical thinking and imagination, the arts and arts education prepare our children to meet the workforce demands of the 21<sup>st</sup> century.**

- Business leaders concur that arts education is a critical component of preparing students to be productive contributors to the U.S. workforce. ([Ready to Innovate](#), The Conference Board)
- The most desirable, high-wage jobs require employees who possess creativity and higher order problem-solving and communications skills. ([Arts & the Economy](#), The National Governors Association)
- Arts education can help address the current shortage of creative workers in the U.S. Approximately 85 percent of business leaders say they can’t find enough job applicants with creativity and innovation skills. However, Ohio has a built-in talent pool of young artists looking for work. According to *U.S. News & World Report*, Ohio is home to four of the 60 best fine arts colleges in the nation. ([Ready to Innovate](#), The Conference Board)
- Youth who participate in the arts are more likely to excel academically and less likely to drop out of school compared to students who have little to no involvement in the arts. Data from a 2008 study shows that students who took four years of arts and music classes while in high school scored 85 points higher on the critical reading and mathematics portion of the SAT, and 52 points higher on the writing portion, than students who took only one-half year or less of arts and music classes. ([Critical Evidence: How the Arts Benefit Student Achievement](#), The College Board)
- Ohioans are committed to arts education. In the online *Ohio Statewide Arts & Culture Survey*, conducted by the OAC in early 2010, 67 percent of more than 5, 700 Ohio residents said the most important thing state government should do to meet citizens’ cultural needs is help ensure arts education for all students.

**3. The OAC is a well-run, transparent, efficient steward of public dollars and a leader in its field.**

- Over the last few years, the OAC has transformed itself in the face of significant reductions to its budget and staff—specifically, a 47 percent reduction in its budget and a 45 percent reduction in agency staffing from the beginning of the 2008-09 biennium.
- A number of cost-saving measures have been aggressively implemented. Most notably, the agency completed a major relocation in November 2010 that will ultimately save the agency tens of thousands of dollars per year in rent. After spending 27 years at 727 E. Main St. in Columbus, the OAC moved to the 33rd floor of the state-owned Rhodes Office Tower.

- Another major cost-saving measure is the revision of the OAC's grant guidelines to allow for more multi-year grants. Longer grant cycles will reduce the administrative workload of processing applications and panel reviews. Additional efficiencies include implementing the Cultural Data Project in our grant application process; using unpaid college interns to assist with activities; using only state-owned or other free spaces for panel meetings and council meetings; and making incremental steps toward accepting all grant support materials electronically by 2014.
- Across the nation, the OAC is viewed as a leading state arts agency. According to the review panel from the National Endowment for the Arts (NEA), the OAC is "a national leader among the state arts agencies and in arts education" and "an agency that works consistently at a high level and is known for its excellence." The lead reviewer for Ohio's NEA grant application stated, "The Ohio Arts Council is to be commended for using a modest amount of state funds wisely with big returns across the state."
- In FY2011, the NEA awarded the OAC \$1.14 million in funding—the second-largest NEA grant in the nation after California. This grant is awarded based on two primary criteria—1) a formula based on population, and 2) the competitiveness of the arts council's work in arts education, folk and traditional arts and underserved communities.

#### **4. Ohioans value and place a high priority on access to arts and cultural opportunities in their communities.**

- Citizens value abundant cultural opportunities for themselves and their families. In the online *Ohio Statewide Arts & Culture Survey*, conducted by the OAC in early 2010, 60 percent of more than 5,700 Ohio residents said the most important thing state government should do to meet citizens' cultural needs is help Ohio's local communities develop their own arts and cultural resources and 49 percent said the state government should fund professional arts organizations and artists.
- Citizens expect government to play a role in making the arts widely available in schools and communities. The *Ohio Statewide Arts & Culture Survey* revealed that 83 percent of Ohio residents think the state of Ohio's government should play a major role in supporting and expanding arts, culture and entertainment programs in their community.
- The *Ohio Arts & Culture Survey* also revealed that nearly every Ohio resident attends cultural events/places such as museums, live music, libraries, art galleries, films, theatres, festivals, etc.
- Grants from the OAC to Ohio cultural organizations and schools help provide more than 18 million arts experiences to Ohio citizens, nearly 5 million of which were for young people. (OAC final reports, 2010)
- Repeat iterations of the National Endowment for the Arts *Survey of Public Participation in the Arts* have shown that festivals and fairs collectively attract more unique audience members per year than most arts events. More than 917,000 Ohioans take part in OAC-funded fairs and festivals.

**5. It is essential to preserve Ohio’s cultural heritage, which serves as a legacy for future generations and a catalyst for community pride.**

- The diverse cultural landscape of Ohio has been shaped by a multitude of peoples from all over the world. From the bluegrass musicians and basket-makers who live in the state’s southern hills to glass blowers and polka bands in the northern industrial cities, the daily lives of Ohioans are affected by traditions passed from generation to generation.
- Ohio has a variety of distinct cultural products—its cultural landmarks, traditions and character—that reinforce the state’s brand identity. Examples include the Museum of Ceramics (East Liverpool), historic Roscoe Village, Hartman Rock Garden (Springfield), the Washboard Music Festival (Logan), the Asian Festival (Columbus), Zoar Village, the National Afro-American Museum & Cultural Center (Wilberforce), Little Cities of Black Diamonds and the murals in the cities of Portsmouth and Steubenville.
- The arts contribute to community vitality in every corner of the state. According to research, citizens who engage in arts and culture activities tend to participate in other types of community activities as well. This engagement also creates a strong shared identity and instills pride in a state’s cultural heritage. Additionally, the presence of cultural organizations in a neighborhood stimulates local community participation overall. ([National Assembly of State Art Agencies](#))
- In rural areas, the arts create sustainable small businesses, improve quality of life for residents, and attract visitors and investment. Heritage corridors and cultural trails, such as the Ohio Quilt Barn Trail, attract visitors to rural regions that may have otherwise been undiscovered. ([National Governors Association](#))