

**Ohio Arts Council  
FY2010/2011 Biennial Budget**

**The House Finance and Appropriations Subcommittee on Higher Education  
Representative Ted Celeste, Chairman**

**Thursday, March 5, 2009  
9:30 a.m.**

**Testimony Submitted by:**

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Good morning, Chairman Celeste and members of the committee. I'm Julie Henahan, executive director of the Ohio Arts Council. Before I begin, I'd like to introduce a few people in the audience: Council Board members Susan Saxbe, Martha Burton and Louisa Celebrezze, and Bill Blair and Donna Collins from Ohio Citizens for the Arts. I'd also like to acknowledge Lynette Santoro-Au, Arts Manager for the City of Upper Arlington Cultural Arts Division and Tom Brady, CEO of Plastic Technologies, who have joined us today to describe how support from the Ohio Arts Council has enabled them create a diverse, lively and accessible arts community, and how the arts are a potent force for economic development across the state.

On behalf of the entire 15 member Ohio Arts Council Board and four legislative members, I want to tell you how thankful we are for the state funding that you and your colleagues in the General Assembly provide to the Ohio Arts Council.

Today, I will provide testimony to support the Ohio Arts Council's proposed budget for FY2010 and 2011. It illustrates the ways in which support of the arts is a sound investment of public dollars that will:

- **expand the state's economic arsenal** to achieve direct and indirect economic goals
- **contribute to the state's "innovation" environment**
- **protect Ohio's distinct artistic and cultural assets**
- **help Ohio's young people develop their imaginations** to enhance all fields of study and career pursuits

We have one end in sight – a state that is educationally, culturally and economically healthy and a good place to live for citizens from all walks of life and in all corners of the state.

We know that the state is facing unprecedented financial challenges. We have done our due diligence in preparing the biennial budget proposal:

- We have examined every grant program and service to ensure they advance key state priorities and we will place greater emphasis on arts strategies that provide immediate economic and education gains

- while positioning the state for future prosperity and success. Three OAC grant programs will be reoriented to provide greater support for economic development through the arts and excellence in education.
- We have scrutinized all expenditures and taken significant cost-saving measures—through layoffs, early retirements and attrition, our staff has been reduced by seven people, or 22 percent of our full-time equivalent employees (FTEs) since April of last year.
- We have used current information gathered through our statewide Listening Tour<sup>1</sup>, Constituent Economic Impact survey, *Quilt Barn Impact Study*, and reports on the state's creative industries and jobs to craft a budget proposal that focuses on: economic vitality; education; positioning Ohio as a great place to live, work and visit; and support for individuals who are most at risk and vulnerable during this economic crisis, especially young people living in rural and urban areas.

Through my testimony, I want to make a clear connection between the economy of this state and the arts. The OAC and its grantees are powerful agents of change. The arts must be part of the state's tool kit for economic development so that we are recognizing what knowledge-based and creative economies need to flourish, and we are not undercutting the many innovative economic development strategies currently underway in our cities, towns and rural areas.

### **Expand Ohio's Economic Arsenal**

The arts are emerging as a potent force in the economic life of communities statewide. The recent study by the Center for Regional Economic Development at Bowling Green State University that Dr. Tom Brady will discuss, demonstrates that the arts and creative industries have an impact on our state that few can match. During our statewide Listening Tour, we heard repeatedly that communities were creating economic activity based on their regional artistic assets and cultural traditions. Major cities and many smaller towns and communities across Ohio can talk with pride about their artists, arts and cultural institutions, and arts initiatives that have created jobs, generated tax revenues, stimulated consumer spending and unified communities.

The arts also help improve the state's economic conditions through their role in community development and revitalization efforts. Every major city in Ohio and many smaller communities have at least one initiative that seeks to diversify local economies and revitalize downtowns through the arts and culture.

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<sup>1</sup> The fall 2008 Listening Tour was in: Archbold, Chillicothe, Coshocton, East Liverpool, Kent, Marietta, Toledo and Youngstown. The summer 2009 tour is in: Cincinnati, Cleveland, Columbus, Dayton, Kent, Mansfield, and Wapakoneta.

When we visited Youngstown during our Listening Tours we heard about the recent effort to revive the Federal Plaza Corridor, once the thriving retail hub of downtown Youngstown, by using the arts and culture as a cornerstone. Arts and cultural organizations are being positioned at the center of this recovery. Important to this effort are major institutions like the Butler Institute of American Art which receives operating and project support from the Ohio Arts Council. The Wean Foundation is spearheading a project that will employ adaptive re-use of existing buildings and feature an artist live/work space, studios and shops. Nearby more than \$12 million has been invested in a Tech Block business incubator for technology companies and other startups.

### **Contribute to Ohio's "Innovation" Environment**

Collaborations like Youngstown's—between arts and culture and business incubators—are appearing across the state as municipalities begin to establish policies and plans that support cultural districts, live/work spaces for artists, and dynamic public spaces for citizens to gather, socialize and enjoy the arts and other activities. There is growing recognition that the arts are part of the solution as local governments and citizens seek to attract and retain businesses and young people, and to increase the overall prosperity and quality of life of their communities.

During our Listening Tours elected officials, city and regional planners and other community leaders acknowledged, "...The arts and culture draw talented people to our communities. Talented people, in turn, attract or help create new industry and jobs."

Rural areas also use the arts and culture to boost their economies and advance civic agendas, and these tactics are particularly useful in areas that lack economic strength. One of the most notable projects in recent years has been the Quilt Barn Trail. The Ohio Quilt Barn project began in Adams County in 2001. Now in 19 counties<sup>2</sup>, the Quilt Barn Trail, illustrates how communities can use their cultural heritage as a resource for regional economic development.

The Quilt Barn Trails have not only expanded across Ohio and the nation, but have become a cultural phenomenon that has generated publicity and tourism dollars for Ohio as documented in the 2008 roll-out of the *Appalachian Driving Trail Map*, an insert in the April issue of the National Geographic Society Traveler magazine. It features four Ohio trails, including the *Clothesline of Quilts Trail*.

A recent report by the National Governor's Association on *The Arts and Economy: Using Arts and Culture to Stimulate State Economic Development* cited the unique role creative industries have in providing benefits to citizens in these areas—primarily because at the heart of creative industries are artists who are typically well-connected and involved in the communities in which they reside.

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<sup>2</sup> Counties include: Adams, Athens, Belmont, Brown, Carroll, Champaign, Coshocton, Fayette, Gallia, Harrison, Highland, Miami, Monroe, Morgan, Pike, Ross, Summit, Vinton, and Washington.

Clearly, investments in arts and culture are among the most important economic development tools at the disposal of state and local governments.

### **Protect Ohio's Distinct Artistic and Cultural Assets**

Ohio's non-profit arts and cultural organizations connect citizens of all ages, abilities and backgrounds with experiences in everything from theatre to dance, media to music, visual art to literature and all forms of traditional art. In addition these organizations are a crucial component of the state's economy, providing jobs and creating significant economic returns for the state.

We saw first-hand during our Listening Tour how Ohio communities were positioning their arts and cultural assets to be the "jewels in the crown" of their community as they sought to attract knowledge-based jobs and businesses. The Ohio Arts Council supports many of those local assets through grants, services and programs. They are essential components of Ohio's arts and cultural ecology and provide millions of arts experiences each year to Ohio's citizens. Through this support we fulfill our important legislative mandate to foster the continued development of the arts and the preservation of Ohio's cultural heritage.

As you would imagine, there is understandably a great deal of concern in the Ohio arts and cultural community due to the current economy. In December of this past year, we conducted a survey of our constituents on the ways in which the recent economic downturn has impacted their organizations and communities. An executive summary of those findings is in your packet, and I will tell you the results were of great concern. An overwhelming 77 percent had seen a downturn in contributions and 69 percent reported a downturn in ticket sales. In addition, the survey revealed that when public funds, such as Ohio Arts Council grants, are cut it is often underserved populations, especially children living below the poverty line, court-involved youth and the homeless, that suffer.

Arts and cultural organizations throughout Ohio understand the importance of, and their unique role in, lifting the human spirit during difficult times—many have started offering pay what you can programs, free days on weekends for families or through partnerships with social service organizations, are accepting canned goods in lieu of a paid ticket.

Protecting Ohio's arts and cultural ecology is critical work for us today so that individuals and communities can continue to reap the benefits of the arts.

### **Develop Young People's Imaginations and Creativity**

The future of our country and our state hinges on our students' ability to use their imaginations and creativity to fuel innovation in all fields of study and career paths—both current and those yet to be imagined. However, creative problem-solving individuals do not appear overnight. They are the products of an education system that consistently affords its students an

environment supportive of creativity and inquiry. Sustained engagement with the arts both in and out of school contributes substantially to building that supportive environment.

While the arts are essential to igniting young people's imaginations and invigorating learning in other fundamental school subjects, the arts also foster student success by increasing student engagement and school attendance, promoting global understanding, and enhancing empathy and social development.

Schools integrating the arts into the curriculum are documenting positive changes in the school environment and improved student performance. Through a scientifically based research effort it was determined that creativity and other academic measures for students who participated in the SPECTRA+ program in Hamilton Ohio school districts were up to four times higher than those of their peers who did not participate in an arts curriculum.

Detailed information in your packet highlights the strong correlation between student participation in the arts and higher achievement on SAT tests. For example high school students who take art courses score up to 100 points higher on average on those tests.

In a 2006 report "Are They Really Ready to Work?" prepared by The Conference Board of Fortune 1000, U.S. employers cite "creativity and innovation" as two of the top skills essential for success in the workplace. These business owners considered applied skills such as critical thinking, communication and problem-solving that support innovation—which are all acquired through a quality arts education—as important as the traditional skills of reading, writing and math.

Results from the academic scores at The Cleveland School of the Arts (CSA) demonstrate that the arts-centered approach is working. Started in 1981, the school now has over 600 students enrolled in grades 7-12 and their creative application of culture in the classroom is having profound effects. During the 2007-2008 year, CSA outperformed other students in the Cleveland Metropolitan District, and the entire Ohio public school system, in proficiency in every subject area of the Ohio Graduation Test. This is part of a track record of academic excellence at CSA that prepares these students for college and life. Some students pursue careers in the arts, but others apply their creative talents in science, technology, engineering and math.

### **A Modest Investment with Big Returns**

At the National Endowment for the Arts (NEA) panel review of the Council's most recent application in January 2009, the Ohio Arts Council was described as "**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.**" We were vigorously praised for our work with the underserved populations of Ohio, outstanding arts education and community development programs, successful partnerships with other state agencies, inclusive public planning processes, communication with our constituents and the citizens of the state, and for our staff

experience, talent and leadership. The lead reviewer for our NEA grant stated, “Ohio is one of our most populous states with many arts organizations, and the Ohio Arts Council is to be commended for using a modest amount of state funds wisely with big returns across the state.” The returns they speak of are one of the most important features of your investment in the Council—nearly all our grants have a match requirement. This means that public dollars must be matched on at least a 1:1 basis by other resources, public or private. Ohio Arts Council grants are, in fact, matched by private and federal dollars on an average of **52 dollars to every one state dollar**. In fiscal year 2008 this investment in the arts yielded nearly a half a billion dollar return (\$430,868,428) through matching funds alone<sup>3</sup>.

The primary challenge for us in the next biennium is to maintain and use our budget in smart ways to assist the state in its economic recovery efforts, retain jobs in the arts and cultural sector, and provide the quality of service that our citizens and constituents expect, while safeguarding basic staffing levels to achieve those ends.

As you know in the last biennium the Ohio Arts Council was recognized by Governor Strickland, the House and the Senate as an outstanding state agency, in fact one of very few state agencies to receive an increase in the FY2008/2009 budget—an increase of 11 percent. Unfortunately, that increase was short-lived—faced with the reality of a state budget challenged by extreme economic adversity the Governor had no choice but to mandate a series of cuts to maintain a balanced budget for the biennium.

These reductions, combined with the recommendation for the 2010/2011 biennium, mean a 25 percent decrease for the Ohio Arts Council from our original FY2008/2009 appropriation.

The Ohio Arts Council is a modest investment for the state – **less than 1/25<sup>th</sup> of one percent** of the state’s budget – yet this investment results in returns in civic benefits that are widespread and significant – job retention and creation, economic development, improved educational outcomes for young people, stabilized downtowns, preservation of the state’s arts infrastructure, and support for disadvantaged and underserved populations.

### Conclusion

We in state government are faced with difficult decisions and competing priorities, but together we have the potential to turn the fortunes of Ohio toward prosperity.

In this effort:

- The OAC is committed to working with our grantees to create innovative approaches and forge new partnerships for economic and community development.
- We must recognize that arts and cultural organizations can help build the economy across the state—from big cities to rural communities and everything in between.

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<sup>3</sup> Ohio Arts Council Office of Grants Administration and Constituent Services OGACs, from 2008 final reports.c

- We must see and support the tremendous power of the arts to uplift the human condition and spirit, especially for those who are most vulnerable, during these challenging times.

Yes, the times demand discipline and sacrifice. But we must also be sure that decisions made today are grounded in concern for the future for they will have repercussions for decades to come. As we face, and solve, the problems that confront us, let us continue to recognize the importance and necessity of the arts in actions we take today for the good of the people of Ohio.

Chairman Celeste and members of the committee, the arts are part of the solution for our citizens, our communities and our state.

Thank you for your time and I'll be happy to answer any questions you may have about my testimony or the information you have in your packets.