

**Arts Council
FY2012/2013 Biennial Budget**

**Senate Finance Committee
Senator Chris Widener, Chairman**

**Wednesday, May 4, 2011
3:30 p.m.**

**Testimony submitted by:
Julie S. Henahan, Executive Director
Ohio Arts Council**

Good afternoon, Chairman Widener and members of the committee. I'm Julie Henahan, executive director of the Ohio Arts Council.

On behalf of the entire Ohio Arts Council board, some of whom are here today, I want to express our continuing gratitude for the funding you and your colleagues in the General Assembly provide to our agency.

My testimony today will illustrate how support for the arts is a sound investment of public dollars that supports Governor Kasich's stated goals for Ohio—creating jobs and reviving Ohio's economy.

Your investment in the Ohio Arts Council enables us to fulfill our mission of funding and supporting quality arts experiences that strengthen Ohio's communities culturally, educationally and economically. We accomplish this mission through two primary means: first, through grant programs that support arts organizations, schools and artists, and make arts activities available to a *wide* segment of Ohio's public; and second, by providing services that create broad public value for Ohio's citizens and contribute to the overall success of the state.

The agency's funding has supported job creation and strong public/private partnerships that have initiated downtown revitalization efforts, invigorated community development projects, supported arts education in our schools, and ensured that Ohio's quality of life is maintained. Given the governor's priorities, we're placing greater emphasis on grant programs and services that will support these efforts *and* help attract new

business to the state, train and retain a skilled workforce, and help our children succeed in a new economy.

I would like to share how these priorities are advanced through the arts and the agency's work.

Attracting Business and Job Creation

The arts are a critical economic driver in Ohio, from Lake Erie to the Ohio River and everywhere in between. According to recent data from Bowling Green State University, Ohio's creative industries contribute more than \$25 billion to the state's economy each year.

To put this in perspective, if this \$25 billion in economic activity was produced by a *single* company, it would be the fourth-largest company in Ohio, and would rank 95th on the Fortune 500 companies list.

According to data from the U.S. Bureau of Labor Statistics, there are 231,000 people in Ohio who work in the creative industries. If all of those people lived in one city, it would be the fifth-largest city in the state. And if they were employed by a single company, it would be *the* largest employer in the state.

An industry of this magnitude is worthy of consistent, focused attention and investment at the state level. It's also important to note that the *nonprofit* arts and culture organizations funded by the Ohio Arts Council often serve as anchors in their communities and their turnaround efforts, providing jobs, attracting investments and stimulating local economies through tourism, consumer purchases and tax revenue.

The Arts and Public-Private Partnerships

The Gordon Square Arts District in Cleveland is a perfect example of this, where three nonprofits raised millions of public *and* private dollars to revitalize Cleveland's West Side.

Led by the grassroots Detroit Shoreway Community Development Organization and two annual recipients of Ohio Arts Council grants—the Cleveland Public Theatre and the Near West Theatre—the Gordon Square Arts District is their vision of how a city neighborhood can be transformed by the arts. Featuring galleries, public art, theaters, well-lit sidewalks, new trees, and unique bus shelters designed by a Cleveland architect, the area is attracting new businesses and sparking the development of new jobs for residents.

Since 2006, the district has attracted 42 new businesses, created 520 new jobs, and stimulated housing activity in the area.

By 2013, the district will create 950 permanent jobs in Ohio and is expected to generate \$317 million in economic output in Cleveland alone.

Our state is full of similar examples. From Springfield's Westcott House to Dayton's Oregon District, the Arts Corridor on Montgomery Road in Cincinnati, Arts Place in St. Mary's and Columbus' Short North district, numerous arts-driven projects have received support from the Ohio Arts Council that has helped reinvigorate local economies.

These examples are all testaments to the power of the arts in community revitalization, and to the importance of culture in enhancing the quality of life and creating the sense of place which we cherish in our communities. These districts are cornerstones for the energized neighborhoods that attract and retain the young, creative class of workers who are essential to Ohio's return to prosperity and our success in the global economy.

The Arts and Workforce Development

Ohio's future will hinge on young people's ability to use their discipline experience, as well as 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 in a vacuum. They are the products of schools and communities that consistently afford students an environment supportive of creativity and inquiry.

Through artist residencies and arts education grants, the OAC supports work in STEM academies, vocational schools, detention centers, arts and cultural organizations, historic houses and neighborhood elementary schools. We have captured these powerful experiences through our *Arts Part of the Solution* stories, which are included in your packets.

We have hundreds of examples of how state funding is putting the arts to work across the state to advance the priorities of the governor, legislature and our citizens. And we do *all of this* with a very modest investment from the state. The arts council's current budget is less than 1/27th of 1 percent of the entire state budget.

Ohio's current per capita spending on the arts is just \$0.52 per year.

We at the Ohio Arts Council have undertaken aggressive cost-saving measures and become ever more efficient stewards of public funds. With a 47 percent budget decrease in the last biennium, we have eliminated a number of grant programs and made significant layoffs—with just 18 full-time employees, the arts council's staffing is at its lowest level in 30 years, a 45.5 percent reduction in the last three years.

In November of last year, our agency also completed a major relocation to the state-owned Rhodes Office Tower saving tens of thousands of dollars per year in rent. Several other cost-savings steps have also been taken, all saving the OAC thousands of dollars each year.

Even as we have worked to economize, we made it a priority to thoroughly re-examine our work and the ways in which we meet

the needs of our citizens and the state. Thousands of Ohioans from all walks of life participated in our strategic planning process. The resulting plan, which is in your packet, reorients the agency toward a Creative Economy model in partnership with local arts and cultural organizations and economic development corporations. Our board and staff have also sharpened their focus on arts education so that Ohio has the kind of creative and inventive workforce it needs.

The OAC is committed to using its expertise to work with Governor Kasich, the General Assembly and other state agencies to restore Ohio's prosperity by strengthening our economy and education system and by preserving our unique cultural heritage.

Conclusion

We in state government have been faced with a seemingly unending array of difficult choices and competing priorities over the last three years. There *has* been discipline; there *has* been

sacrifice. But the opportunity to use every means at our disposal to bring Ohio to a new day still remains.

Chairman Widener and members of the committee, connecting Ohioans to the arts has been at the heart of our work for 46 years. Now, more than ever, communities across Ohio need the arts for the multitude of economic, educational and quality of life benefits they offer.

If we are truly serious about jobs, economic development and education then the arts must be a powerful partner in your work.

The arts are part of the solution.

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.