

Greenbook

LBO Analysis of Enacted Budget

Ohio Arts Council

Shaina Morris, Budget Analyst
August 2021

TABLE OF CONTENTS

Quick look.....	1
Agency overview	1
Analysis of FY 2022-FY 2023 budget	2
Operating Expenses (ALIs 370321 and 370602)	2
Percent for Art Acquisitions (ALI 370603)	2
Grants (ALIs 370502 and 370601).....	3

Attachment:

Appropriation Spreadsheet

LBO Greenbook

Ohio Arts Council

Quick look...

- The Ohio Arts Council, created in 1965, assists in the development of the arts and the preservation of Ohio’s cultural heritage by providing financial assistance and services to Ohio artists and arts organizations.
- The Council’s governing body consists of a 19-member board, with day-to-day operations managed by the equivalent of 18 full-time staff.
- COVID-19 funding spiked the Council’s FY 2021 expenditures.
- The budget provides \$21.8 million in FY 2022 and FY 2023.
 - 92% appropriated from the GRF.
 - Projected expense allocation: 89% for subsidies; 11% for operating costs.

Fund Group	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
General Revenue	\$20,147,980	\$13,078,515	\$20,000,000	\$20,000,000
Dedicated Purpose	\$371,170	\$20,327,853	\$550,000	\$550,000
Federal	\$661,726	\$2,779,728	\$1,250,000	\$1,250,000
Total	\$21,180,876	\$36,186,096	\$21,800,000	\$21,800,000
% change	--	70.8%	-39.8%	0.0%
<i>GRF % change</i>	--	-35.1%	52.9%	0.0%

Agency overview

The Ohio Arts Council promotes the visual and performing arts in Ohio through cultural and educational activities and by providing economic assistance in the form of competitive grants to artists, art organizations, and communities. The Council awards grants that support arts learning and education, long-term community vitality, and cultural diversity, among other purposes. It also operates the Riffe Gallery in Columbus and oversees acquisitions for the state’s Percent for Art Program, which places artwork in buildings financed by state capital funds.

The Council is governed by a board consisting of 19 uncompensated members, 15 of whom are appointed by the Governor and four of whom are nonvoting legislative members, two appointed by each chamber. The board meets four times per year. Day-to-day operations are managed by the equivalent of 18 full-time employees, including the Executive Director, program and grant coordinators, and other administrative and support staff.

Council expenditure highlights from FY 2021 include:

- \$20 million appropriated from Fund 5CV1 to line item 370503, Coronavirus Relief – Arts and Cultural Organizations, to provide assistance to nonprofit organizations whose primary mission is cultural, artistic, or performing arts.
- \$517,200 received as Ohio’s share of the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided to the National Endowment for the Arts (NEA) to make grants to prepare for, prevent, or respond to coronavirus.

Analysis of FY 2022-FY 2023 budget

Operating Expenses (ALIs 370321 and 370602)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 370321, Operating Expenses					
\$1,899,371	\$2,006,396	\$1,961,093	\$1,939,972	\$1,961,700	\$1,961,700
% change	5.6%	-2.3%	-1.1%	1.1%	0.0%
Fund 4600 ALI 370602, Arts Council Program Support					
\$227,846	\$321,635	\$320,464	\$284,092	\$385,000	\$385,000
% change	41.2%	-0.4%	-11.3%	35.5%	0.0%

These two line items support the Council’s operating expenses, including payroll, fringe benefits, rent, supplies and maintenance, and equipment costs. Most of these administrative expenses are associated with grant programs, communications to and professional development for the arts community, development of partnerships with local and statewide arts and cultural organizations, research, and executive leadership, which includes oversight and fiscal management.

Line item 370602, Arts Council Program Support, is supported with money appropriated from the Gifts and Donations Fund (Fund 4600), which consists of revenue from intrastate transfer vouchers from the Department of Administrative Services to pay for the operation of the Riffe Gallery, as well as contributions and revenue from other sources that are tied to specific programs. The Riffe Gallery in the Vern Riffe Center for Government and the Arts in downtown Columbus showcases the work of Ohio artists and curators, exhibitions produced by the Riffe Gallery and other Ohio institutions, and the collections of the state’s museums and galleries.

Percent for Art Acquisitions (ALI 370603)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
Fund 4B70 ALI 370603, Percent for Art Acquisitions					
\$28,217	\$62,518	\$50,705	\$43,762	\$165,000	\$165,000
% change	121.6%	-18.9%	-13.7%	277.0%	0.0%

This line item pays for costs related to the Percent for Art Program, which provides for the purchase, commission, and installation of original artwork in new or renovated public buildings. This program sets aside up to 1% of state capital funding for new and renovated public buildings with state capital appropriations of more than \$4 million, to purchase, commission, and install original works of art. Of this 1% set aside, 7% may be used for administrative costs with respect to the program. Eligible expenses for this line item include costs associated with the selection of artists for specific projects, such as travel and other expenses.

Grants (ALIs 370502 and 370601)

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
GRF ALI 370502, State Program Subsidies					
\$13,092,543	\$13,179,385	\$18,186,886	\$11,138,543	\$18,038,300	\$18,038,300
% change	0.7%	38.0%	-38.8%	61.9%	0.0%
Fund 3140 ALI 370601, Federal Support					
\$990,938	\$1,001,284	\$661,726	\$2,262,528	\$1,250,000	\$1,250,000
% change	1.0%	-33.9%	241.9%	-44.8%	0.0%

For the FY 2020-FY 2021 biennium, the Council awarded approximately \$30 million through more than 1,900 grants, supporting an estimated 40 million arts experiences for Ohioans, including more than 14 million for young people and more than 3 million youth benefiting from the arts. In March 2020, the Council initiated an automatic early partial payment relief program as a means of promptly issuing nearly \$4 million in economic aid to existing grantees.

Federal line item 370601, Federal Support, is used to make grant awards funded by the National Endowment for the Arts (NEA). States are funded based on two primary criteria: (1) consideration of each state's population and (2) a competitive merit-based award in arts education, underserved persons, and folk art. In each of the past 11 years, Ohio has received the third highest National Endowment for the Arts total award in the country behind California and Texas. Strict parameters govern how National Endowment for the Arts funds may be used. The budget continues uncodified law that prohibits use of the line item's appropriation for administrative costs unless required under the conditions of the federal grant.

FY 2022 - FY 2023 Final Appropriations

All Fund Groups

Line Item Detail by Agency			Appropriations			FY 2021 to FY 2022	Appropriations	FY 2022 to FY 2023
			FY 2020	FY 2021	FY 2022	% Change	FY 2023	% Change
Report For: Main Operating Appropriations Bill			Version: As Enacted					
ART Ohio Arts Council								
GRF	370321	Operating Expenses	\$ 1,961,093	\$ 1,939,972	\$ 1,961,700	1.12%	\$ 1,961,700	0.00%
GRF	370502	State Program Subsidies	\$ 18,186,886	\$ 11,138,543	\$ 18,038,300	61.94%	\$ 18,038,300	0.00%
General Revenue Fund Total			\$ 20,147,979	\$ 13,078,515	\$ 20,000,000	52.92%	\$ 20,000,000	0.00%
4600	370602	Arts Council Program Support	\$ 320,464	\$ 284,092	\$ 385,000	35.52%	\$ 385,000	0.00%
4B70	370603	Percent For Art Acquisitions	\$ 50,705	\$ 43,762	\$ 165,000	277.04%	\$ 165,000	0.00%
5CV1	370503	Coronavirus Relief - Arts and Cultural Organizations	\$ 0	\$ 20,000,000	\$ 0	N/A	\$ 0	N/A
Dedicated Purpose Fund Group Total			\$ 371,170	\$ 20,327,853	\$ 550,000	-97.29%	\$ 550,000	0.00%
3140	370601	Federal Support	\$ 661,726	\$ 2,262,528	\$ 1,250,000	-44.75%	\$ 1,250,000	0.00%
3HR0	370504	CARES Act Arts Support	\$ 0	\$ 517,200	\$ 0	-100.00%	\$ 0	N/A
Federal Fund Group Total			\$ 661,726	\$ 2,779,728	\$ 1,250,000	-55.03%	\$ 1,250,000	0.00%
Ohio Arts Council Total			\$ 21,180,874	\$ 36,186,096	\$ 21,800,000	-39.76%	\$ 21,800,000	0.00%