

**Ohio Arts Council  
FY2012/2013 Biennial Budget**

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

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

**Testimony submitted by:  
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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 15-member Ohio Arts Council board and its four legislative members, I want to express our continuing gratitude for the funding you and your colleagues in the General Assembly provide to our agency.

I'm here today to provide testimony in support of the arts council's proposed budget for fiscal years 2012 and 2013, and to 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, contribute to the overall success of the state, effectively use state resources and strategically advance the agency's mission.

For 46 years, Ohio Arts Council funding has essentially served as an economic development tool in our communities. 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 for Ohio, we're placing greater emphasis on grant programs—including our new Creative Economy category—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 take a moment to share how these priorities are advanced through the arts and the work of the Ohio Arts Council.

### **Attracting Business and Job Creation**

First of all, the arts are a critical economic driver in Ohio, from Lake Erie to the Ohio River and everywhere in between. According to data collected by Bowling Green State University from state and federal sources such as the Economic Development Administration, Internal Revenue Service and Ohio Department of Development, Ohio's creative industry—individuals, businesses, nonprofit organizations—contributes 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 No. 95 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 industry. 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. And it's important to note that the *nonprofit* arts and culture organizations funded by the Ohio Arts Council often serve as anchors in their communities and turnaround efforts. They provide jobs, attract investments and stimulate 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. It features galleries, public art, theaters enhanced by well-lit sidewalks, newly planted trees, and unique bus shelters designed by a Cleveland architect. As a result 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.

It is estimated that by 2013, the district will create 950 permanent jobs in Ohio, with 773 of those in Cleveland. By 2013, the district is expected to generate \$317 million in economic output in Cleveland alone, with an additional \$119 million in supply-chain effects across Ohio, and \$2.3 million in city, county and state tax revenues each year.

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. Arts districts like Gordon Square 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.

Knowledge-based workers want to live and work in an area that possesses a mix of vibrant neighborhoods, cultural and natural amenities, and a strong local identity.

### **The Arts and Workforce Development**

The nonprofit arts and cultural sector also serves as an incubator for the next generation of creative economy workers. The state's investment in this sector helps to ensure that our children possess the imagination, inventiveness and skills to renew Ohio's workforce and drive a return to prosperity. Through its arts learning programs, we have worked to ensure that children continue to have access to activities that cultivate the knowledge and skills they will need to compete in the global economy.

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 (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 community organizations that consistently afford students an environment supportive of creativity and inquiry. Arts Learning grants foster the creative talents and imaginations of thousands of young people while developing a host of higher order thinking skills that Ohio's businesses need such as the abilities to analyze, compare, synthesize and theorize.

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. It is also important to note that most Ohio Arts Council grants require a 1:1 match, therefore, grant recipients must broaden their base of financial support and leverage new sources of income to match every state dollar. In fiscal year 2010, our grants were matched \$84 to every one Ohio Arts Council dollar, generating an

aggregate \$433 million in matching funds across the state. The question may arise, “What does this signify?” Consistent feedback from our constituents over time has told us two things about the matching funds—1) our grant recipients are able to raise these matching funds because grants from the Ohio Arts Council are seen as a seal of approval on the merit and quality of their product; and 2) these arts organizations and programs across the state have substantial support and approval in their own communities.

Since 1965, when the Ohio Arts Council was created by Governor James A. Rhodes, we have diligently worked to foster and encourage the development of the arts in communities throughout Ohio so that *all* citizens have equitable access to the arts whether they live in a rural area, small town or big city. Funding from the Ohio Arts Council and the National Endowment for the Arts has made this possible and allowed the benefits of the arts to be realized by not just a few communities or individuals but by many.

In fiscal year 2010, the Ohio Arts Council awarded \$5.5 million through state and federal funding to these organizations and individuals. These grants provided support for nearly 17 million arts experiences for Ohioans. Included in this amount is \$305,000 in funding that went to 85 organizations and artists in “distressed” areas of Ohio.

We at the Ohio Arts Council understand the depth of the financial crisis our state faces and have undertaken aggressive cost-saving measures and become ever more efficient stewards of public funds in order to accommodate a 47 percent budget decrease in fiscal years 2010 and 2011. 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. This percentage reflects the loss of an additional two staff (who will not be replaced) since the publication of the Blue Book.

In November of last year, our agency completed a major relocation to the state-owned Rhodes Office Tower that will save us tens of thousands of dollars per year in rent.

We have undertaken several measures to streamline our grant-making process and are using only state-owned or other free meeting spaces. We continue to expand our use of technology through Webinars and social media to communicate with constituents more frequently and more quickly in what has become the most accepted form of contact. All of these measures save 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 public 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 primary challenge for us in this next biennium is to stay focused on the future and use our budget in ways that help the state achieve its priorities. Maintaining our current level of funding at \$13.2 million would ensure that the Ohio Arts Council leverages our powerful creative industries to create jobs, improve education and support a robust recovery.

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.

In this environment of rebuilding and recovery, it is more important than ever that the arts be part of the state's tool kit for economic redevelopment. We must recognize the arts are essential to helping knowledge-based and creative economies flourish, and we must continue to support the many innovative economic development strategies currently underway in Ohio.

### **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.