



Case for Cuyahoga County Arts and Culture Funding

The Need to be Concerned

A strong and vibrant local arts and culture sector instrumentally and intrinsically strengthens Cuyahoga County's competitive advantage. It is a force for economic growth, provides good jobs, improves student learning and adds value to living and working in Northeast Ohio.

The County's nonprofit arts and culture industry is at risk of failing due to rising costs while earned and contributed income are in free-fall. Nationwide other metropolitan counties have been challenged with the same predicament. These communities have structured dedicated local public revenue streams as a solution to retain their arts and culture assets.

Cuyahoga County through an excise tax on tobacco could reverse or help solve the following deteriorating condition of its arts and culture asset base:

- **Recent economic conditions have weakened the arts and culture sector's financial health. Between 1999 and 2003 the number of non profit arts and culture organizations reporting deficits ballooned from 20 to 48, a 140% increase.**
- **Deficits are growing among organizations of all budget sizes and in the sector as a whole; in 2002 the sector based on 90 organizations studied had a collective deficit greater than \$12 million.**
- **Job loss was pronounced in the museum sub-sector. Employment grew nationally through 2000- '04 by 0.5%, however Cuyahoga's museum employment in the same time period declined by 12.1% or a loss of 135 jobs.**
- **Locally independent artist employment during the same period lost 176 jobs representing a 48.9% decline in the sub-sector since 2001.**
- **If the artist workforce had been maintained at its 2001 employment level, today the County would have the 5th highest concentration of working artists among the 50 largest counties; instead, we now rank 32nd nationally.**
- **The only constant source of public sector funding, provided by the Ohio Arts Council, continues to erode. Over \$4 million of state funding for Cuyahoga County arts and cultural organizations and projects has been lost due to cuts to the OAC's budget.**

R.O.I.

The private sector as a single financial source of support is no longer capable of maintaining Cuyahoga County's nonprofit arts and culture resources. Establishing a \$20M local dedicated public fund for Cuyahoga County's arts and culture sector produces a new pool of investment capital. Currently Cuyahoga County's arts and cultural organizations pump a combined total of \$260M annually into the local economy through payroll and the purchases of goods and services. Comparative analysis of other communities shows that on average their local public support is equal to 9% of the aggregate expenditures of their arts and culture organizations. A \$20M dedicated fund from the County would represent a 7% investment when compared to the local aggregate arts and culture sectors expenditures of \$260M.

Arts and culture organizations, groups and artists represent one of the few remaining assets that provide our community with glowing national and international reputations. This is a unique competitive advantage in the global growth of knowledge-based economies. The County as a

public investment partner can help to generate a stable yet competitive source of operating and development capital. It will assure the following instrumental public values produced by Cuyahoga County's arts and cultural industry are retained and not extinguished:

- **Cuyahoga County's nonprofit arts and culture industry annually generates \$1 billion in economic activity.**
- **One hundred and five arts and cultural organizations provide over 3,000 full-time family supporting jobs.**
- **An estimated additional 7,000 allied industry jobs are created locally. This includes visual, performing, literary, and media artists; industrial design and architectural firms; organized labor; photography, film, video, animation and sound recording studios.**
- **National research finds that students, regardless of their socio-economic situations, are significantly better learners when arts education is part of their core-curriculum.**
- **Annually the arts and culture sector invests over \$14 million to provide arts education programs that results in hundreds of thousands of arts and cultural experiences that early childhood, primary and secondary students would not otherwise receive due to public education cutbacks.**
- **When 300 regional corporate executives were asked to rank 13 qualities of living factors, they placed arts and culture at the top. They said the local arts and culture environment was an important factor in attracting and retaining highly qualified employees.**
- **Urban and suburban community developers report that strong community-based arts and culture opportunities attract new businesses, new residents and increases retail consumer trade. The supporting evidence can be witnessed in the Cleveland neighborhoods of Tremont, Detroit Shoreway, Old Brooklyn, Midtown, University Circle and Little Italy. Suburban examples include but are not limited to Cleveland Heights, Lakewood, Shaker Heights, Bay Village, Euclid, Independence, Berea, Solon and Westlake.**

Civic- Minded Application

The Board of the Cuyahoga County Commission (BOCC) has taken preparatory actions that provide clear principles and guidelines for how dedicated County revenues would be used to sustain and cultivate the County's arts and culture assets. This includes Cuyahoga County's Public Sector Arts and Culture Investment Models (IM). This set of 12 grant programs was researched and developed by a blue-ribbon panel of diverse community leaders in 11 public meetings and adopted by the BOCC through Resolution Number 040801.

A protocol from IM was used to design, test and pilot a Cuyahoga County grant program funded from its General Fund. The grant initiative, titled Arts, Culture as Economic Development (ACE) was nationally recognized as an innovative program when it recently received a National Association of Counties award.

IM's 12 grant programs can be distilled into four important categories:

Sustaining the Core

The most critical need for non profit arts and culture organizations is a sustainable source of operating support grants. In other words, funds applied to threshold costs such as payroll and the purchases of goods and services. The IM report recommends in detail an open, competitive and inclusive procedure to make operating grant funds available to arts and culture (regardless

of organizational size) based on the quality of programs, services, management and accessibility for the County's residents.

Cultivating Concepts

Emerging arts and culture groups as well as arts and culture programs developed by non profit civic, educational, health and human service and community development groups can benefit from a project-based grant's category. Project support helps seed new arts and culture concepts and programs.

Creativity and Inventiveness

Individual artists (visual, performing, literary and media) are the center of a community's creative workforce. Not unlike the scientific and medical sectors, we can retain outstanding talent and attract new professionals to our creative workforce through Research and Development (R&D) opportunities. From this investment new products and services are produced. Our message to artists should be ...*tour the world but live in Cuyahoga County.*

Sudden potential and issues

New opportunities or emergencies are sudden and can be addressed through a small but important pool of discretionary funds. Fortuitous occurrences that are unique and happen outside the normal program and service offerings can be explored and developed. Arts and culture organizations like all organizations can encounter unexpected loss of income due to a specific yet unpredictable circumstance. Short term funding is vital when a catastrophe threatens an institution's financial stability.

It is important to note the Cuyahoga County Public Sector Arts and Culture Investment Models have a matching fund requirement. This means for every dollar invested by the County a matching amount is required from the applicant. This leverages funds from other sources, truly making the County's arts and culture grant programs model public-private partnerships.

One final important factor in the success of local public sector arts and culture funding is establishing a policy making and oversight body. The BOCC achieved this by using Ohio Revised Code 3381. The Cuyahoga Arts and Culture District (District) is a political subdivision of the state formed by the BOCC on June 16, 2005 (Resolution No. 052402). The District is governed by the Cuyahoga County Commissioners for the purpose of:

1. making grants to support the operating or capital expenses of arts and cultural organizations within its boundary
2. acquiring, constructing, equipping, furnishing, repairing, remodeling, renovating, enlarging, improving, or administering artistic or cultural structures
3. providing grant programs in accordance with IM which are consistent with the arts and culture sector's values to improve the County's quality of life, the economy, the workforce and educational opportunities .

The BOCC formed a volunteer citizen Advisory Council to provide advice and recommendations to aid the District to fulfill its purpose.

The District and the IM combined assure Cuyahoga County residents of an organizational structure and distribution system of public funds that is accountable, well-reasoned and open to the public.

Public Value and Public Purpose

Experts tell us prosperous, fulfilling and enjoyable places to live and work will emerge from communities that sustain and improve their economic, educational and civic components. The County's arts and culture sector continually demonstrates its public value through the tangible impact it has to help grow the economy and produce better educated children.

However, creating enjoyable places to live is also dependent on intangibles. The civic good that is produced by the intrinsic aspects of arts and culture can not be understated. Regardless of gender, race, age, disability and socio-economic orientation or circumstance, art and culture is the gateway to positive human experiences.

Local polling reveals that 86% of the County's population reports a high level of arts and culture interest as compared to a national level of 65%. Respondents to a Northeast Ohio survey about what art and culture meant to them said:

- **Entertainment and fun**
- **Self-improvement**
- **Improving their children and grandchildren's knowledge**
- **Exposure to new experiences**
- **Experiencing other peoples' cultures**
- **Better understanding their own culture**
- **Relief from drudgery and routine**

Arts and culture are nutrients for better living. It counters community feelings of inferiority that contribute to widespread inertia, because a healthy arts and culture sector animates and stimulates neighborhoods, towns, cities, counties, states and countries. Places and events of memorable quality and character are products of arts and culture events and destinations. A unique and beneficial type of civic interaction is produced when arts and culture become the foundation for public realm. The County's arts and culture assets help to distinguish it as a progressive place, which by definition is valuable public purpose.

The time is here for transformative action that will preserve Cuyahoga County's arts and cultural resources and legacy.

Prepared by the Community Partnership for Arts and Culture, 2006

Sources: *Cultural Budget and Economic Activity for Northeast Ohio*, Wolf Keens & Co. 1999; *Nat. Agenda: Creativity, Culture, Education and Workforce*, 2002; *NE. Ohio Culture Orgs. Assess*, AMS Planning and Research, 1998; *Revealing the Pulse of Cleveland Business*, Growth Association, 2001; *Arts and Culture in NEO*, Cypress Research, 2002; *Grant Awards*, Ohio Arts Council, 2000-'05; *United States Urban Arts Federation*, Americans for the Arts and CPAC, 2003; RAND Corp., 2004; U.S. Bureau of Labor Statistics, 2005;