ONTARIO ARTS COUNCIL
CONSEIL DES ARTS DE L'ONTARIO

an Ontario government agency
un organisme du gouvernement de l'Ontario

2017-18 Final Business Plan

Submitted to the Ministry of Tourism, Culture and Sport
January 2, 2017

The mandate of the Ontario Arts Council (OAC) is
to foster the creation and production of art for the benefit of all Ontarians

The arts are essential to the quality of life, cultural identity, social well-being and economic prosperity of Ontario. Access to and participation in the arts enhances lives, fosters creativity and innovation, and strengthens communities. OAC is committed to ensuring equitable access for everyone, with particular emphasis on the following six priority groups, and the organizations that serve them and the public:

- Artists of Colour
- Deaf Artists and Artists with Disabilities
- Francophone Artists
- Indigenous Artists
- New Generation Artists (18-30 year olds)
- Artists living in Regions outside Toronto

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As an agency of the Ministry of Tourism, Culture and Sport, the Ontario Arts Council (OAC) was pleased to participate in the Ministry's consultation process for development of Ontario's first Culture Strategy. The Culture Strategy provided an important and historic opportunity for the government of Ontario to establish a clear vision for arts and culture in the province, and re-affirm the essential role that professional artists and arts organizations play in Ontario's success.

OAC appreciates the faith the government has placed in OAC for the past 53 years. Since 1963, Ontario Arts Council has always been a "model agency", operating fairly, transparently and wisely on behalf of the government, as Ontario's primary funder of the professional not-for-profit arts sector. OAC also appreciates the financial support the Ministry has provided over the years. This funding has allowed OAC to make careful investments in thousands of Ontario's artists and arts organizations, while delivering tremendous value and handsome returns to the people of Ontario.

Indeed, public funding of the arts, through the Ontario Arts Council, makes a vital economic, social and cultural contribution to all Ontarians. The sector provides not only economic benefits, including strong contributions to Ontario's tourism industry, but also social benefits, including quality of life, community building, and helping build Ontario's identity at home and abroad. And the creation and production activities that OAC invests in are crucial to the success of Ontario's thriving cultural industries sector.

The four goals of OAC's current strategic plan, *Vital Arts and Public Value*, are to:

- Invest in Ontario's vital artists and arts organizations
- Strengthen skills and share knowledge
- Support public engagement in the arts
- Build public awareness of the value of the arts

OAC is particularly grateful that the Ministry has found ways to maintain OAC's funding during the difficult financial times Ontario has been facing. And the government's recent decision to entrust the new ***Indigenous Cultural Fund*** (ICF) to OAC to deliver on its behalf is particularly welcome – the ICF will be nothing short of transformative for Ontario and Canada in the years ahead, particularly for the Indigenous community. OAC is also delighted to be in a three-year partnership with the Ontario Women's Directorate to deliver the ***Creative Engagement Fund to Stop Sexual Violence and Harassment in Ontario***. This is an important and unique initiative, intersecting art and social justice, one we hope will be continued and expanded in future.

However, OAC's base funding has been frozen at the same level for eight years now. The $60 million annual allocation will be worth $10 million less by next year, than it was in 2009, due to inflation. At the same time, OAC has faced a significant growth in demand, with a 61 percent increase in applications over the past decade.

All other large provinces in Canada invest more per capita in the arts through their respective arts councils than Ontario:

- At $4.29 per capita, OAC's budget ranks the lowest among Canada's six large provinces; only the Atlantic provinces are lower
- In comparison, the budget of OAC's provincial counterpart in Quebec is $13.33 per capita – three times that of OAC.

The federal government is doubling the Canada Council for the Arts' budget by 2021 to over $362 million, and the first installment was a $40 million/year increase in 2016-17. The Toronto Arts Council's budget has increased by 57% since 2009.

OAC has always done an excellent job of managing limited resources and living within its means. In 2016-16, for example, OAC implemented 5% across-the-board reductions to all of the approximately 550 organizations that receive OAC operating grants, and similar reductions to all OAC project program funding envelopes. These cuts were necessary to balance the budget in the face of rising costs and demand, but they also allowed for an increased allocation towards new and emerging arts activity, and modest increases to a small number of very highly-assessed operating organizations that had seen no increases of any kind from OAC for many years.

This is not a sustainable strategy. Continuing to "hold-the line" will require further decreases in future, while also reducing opportunities to support new and emerging activity, as well as OAC's six priority groups (Artists of Colour, Deaf Artists and Artists with Disabilities, Francophone Artists, Indigenous Artists, New Generation Artists, and Artists Living in Regions Outside Toronto) – at a time when Ontario is facing unprecedented population growth and demographic change.

And while further reductions resulting from flatlined funding would be clearly detrimental to artists and arts organizations, the real consequences would be felt by Ontarians. Across the province, communities large and small would suffer from the loss of their local symphony orchestra or community art gallery, reduced opportunities to experience and enjoy music, theatre, books and film by local and visiting artists, further reductions in arts education activities for their children, and fewer opportunities for at-risk youth to connect with their creativity and potential. Ontario communities would see a reduction in the artistic activities that generate employment, tourism and economic growth.

As outlined in its Memorandum of Agreement with the Ministry, OAC has a duty to inform the government of significant issues affecting the sector. In this regard, OAC believes that Ontario will have difficulty reaching its goals of economic growth, job creation, building the Ontario brand and making Ontario more competitive if funding for the arts remains at current levels.

OAC Mandate

Mandate
The Ontario Arts Council's mandate is to foster the creation and production of art for the benefit of all Ontarians.

Historical Mandate
The Ontario Arts Council mandate, as outlined in the Arts Council Act (1963), is to "promote the study and enjoyment of and the production of works in the arts" and to such end may:
- Assist, co-operate with and enlist the aid of organizations whose objects are similar.
- Provide through appropriate organizations or otherwise for grants, scholarships or loans to persons in Ontario for study or research in the arts in Ontario or elsewhere, or to persons in other provinces or territories of Canada or any other countries, for study or research in the arts in Ontario.
- Make awards to persons in Ontario for outstanding accomplishments in the arts.

Vision
OAC envisions an Ontario where:
- People of all ages and communities experience, feel connected to and value the arts
- The arts sector is resilient and healthy
- Ontario artists and arts organizations are recognized locally, nationally and internationally for their work
- The arts reflect the diversity of stories of all of Ontario's people and communities

OAC is inspired by and values Ontario's artists, who help shape our thriving and diverse society and express the richness of our stories, histories and cultures. Therefore, as a public agency, funder and employer, OAC will lead and be responsive and inclusive in supporting diverse artists, artistic practices, arts communities and our own organization.

Beliefs
OAC believes that:
- The arts are essential to the quality of life, cultural identity, social well-being and economic prosperity of Ontario
- Access to the arts enhances lives, fosters creativity and innovation and strengthens communities
- Works of artistic merit are created by artists from all communities, regions and cultural backgrounds

Values

The values that guide OAC's work are:
- Leadership and responsiveness to the evolving needs of the arts community and the public
- Transparency and accountability to the arts community, the government and the public
- Equity and accessibility
- Integrity, fairness and professionalism

OAC's Equity Values are:
- **Leadership:** OAC will integrate equity principles into its policies, practices, programs, partnerships and services; continue to address systemic barriers and historical challenges and develop and adequately resource annual equity plans within the context of the current strategic plan.
- **Inclusiveness:** OAC will foster a welcoming, barrier-free environment and build relationships with communities not traditionally involved with OAC.
- **Responsiveness:** OAC programs and services will meet the varied needs of diverse artists and arts organizations from across the province.
- **Diversity:** OAC board, staff, applicants and assessors will reflect the diversity of the public as defined by the Ontario Human Rights Code and Section 35(2) of the Constitution of Canada.

OAC Supports Government of Ontario Priorities

OAC's mandate, strategic plan and activities directly align with, and strongly support, the government of Ontario's objectives.

This section[1] provides examples which demonstrate some of the ways OAC supports the Ministry's and government's priorities[2] through its role as Ontario's flagship agency for the professional, not-for-profit arts sector, including support for both individual artists and organizations. For the most part, this section is organized in the same format as the Ontario Culture Strategy. (The logic model, developed as part of OAC's performance measurement process, also illustrates how OAC's activities lead to short-term and mid-term outcomes, as well as long-term impacts which are aligned with broad government priorities relating to a stronger Ontario economy and thriving communities. See Appendix 4)

PROMOTE CULTURAL ENGAGEMENT AND INCLUSION

Reduce barriers and encourage greater participation in culture

OAC funding provides opportunities for Ontarians to enjoy and engage with the arts
- About 45,800 public arts activities were offered by OAC's annually-funded arts organizations in 2013-14, reaching audiences and attendees totaling 21.2 million.
- Over 72,000 Ontarians volunteered 1.8 million hours with OAC annually-funded arts organizations in 2013-14 – a value equivalent to $30.4 million worth of hourly labour.
- OAC continually advocates for public participation in the arts at the local level through activities such as Ontario Culture Days, and by fostering hands-on public engagement of the arts through OAC's Arts Education and Community Arts offices.

Inspire the next generation and help youth build careers in the culture sector

OAC has played a leadership role in arts education for over 50 years, based on our belief that engaging new generations is integral to a healthy arts sector and society in general
- OAC provided its first arts education project grants in 1963 and, since then, has continually prioritized arts education activity. In 1973, OAC implemented Canada's first visiting artists in classroom program, which continues today as the Artists in Education Program. In 2008, OAC launched the Artists in Residence – AIR (Education) Program, which supports year-long residencies in partnership with Ontario school boards and educators.
- OAC's annually-funded arts organizations offered over 71,700 arts education activities in 2013-14, reaching 4.8 million participants of all ages – including 2.4 million children and youth.
- Supporting the new generation of artists (18-30 years old) is also one of OAC's priority groups. In naming this priority, OAC is investing in the long-term sustainability of

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[1] All statistics cited in this section are the most recent available.
[2] The Ministry and Government priorities noted here are based on: the Ontario Culture Strategy released by MTCS; the Premier's September 23, 2016 mandate letter to the Minister of Tourism, Culture and Sport; and the Minister's mandate letter to the OAC Chair

Ontario's arts sector by focused funding on emerging artists and the arts organizations that serve them. In 2014-15, OAC provided $2.9 million in grants to new generation artists and arts organizations.
- OAC also provides support to world-class professional arts training organizations, including the National Ballet School and the Royal Conservatory of Music.

Strengthen our relationships with Indigenous communities and work toward reconciliation

OAC has long been acknowledged as a leader in the funding and support of Indigenous artists and organizations and shares the government of Ontario's commitment to building a new and stronger relationship with Indigenous peoples
- OAC has had dedicated Indigenous programs since 1982 and an Indigenous Arts section (formerly Aboriginal Arts) since 1995, which is now administered by Indigenous staff members. In addition, Indigenous artists and arts organizations receive grants through general grant programs across the Ontario Arts Council. Indigenous artists are one of OAC's priority groups.
- In 2015-16, OAC provided $2.9 million in support to Ontario's Indigenous artists and arts organizations.
- In addition to grants, OAC has a track record of consultation and collaboration with Indigenous people and communities that extends across all disciplines. OAC staff members frequently attend events, provide outreach and collaborate with First Nations communities across Ontario.
- Over the years, OAC has also developed a number of resources and communications specific to the needs of Indigenous communities. For example, we recently created a short video on Indigenous protocols and cultural appropriation, produced in partnership with an Indigenous media production company, and made available on OAC's website.
- OAC welcomes the opportunity to partner with the Ministry of Tourism, Culture and Sport on the design, implementation and delivery of the new Indigenous Cultural Fund, launching in 2017-18.

STRENGTHEN CULTURE IN COMMUNITIES

Help build strong community-based culture organizations

OAC supports arts activities in communities large and small – urban and rural – right across Ontario
- In 2015-16, OAC awarded 3,586 grants to individuals and organizations in 209 communities.
- In 2015-16, OAC grants directly supported arts activity in all 107 ridings and 49 counties in Ontario.

OAC makes strategic investments in Ontario's arts sector

- OAC allocates public funds to the arts in a responsible and accountable manner, using a rigorous peer assessment process. Grant applications are evaluated on artistic merit and impact, administrative viability and contribution to the arts and public in Ontario.
- OAC grants to individual artists contribute directly to artists' incomes, provide recognition and validation of professional practice, and help make possible careers, as

well as the creation and production of work. As the only provincial agency in Ontario that supports individual artists, OAC protects a significant portion of its granting budget for direct support to artists.

- As the only Ontario agency that provides ongoing operating grants to arts organizations, OAC holds a unique role and responsibility. OAC is committed to providing arts organizations with operating funding to support the creativity, vitality and health of Ontario's arts organizations. Operating grants provide organizations with stability and some degree of predictability, which allows for long-term planning and an appropriate level of risk-taking.

- OAC also monitors the health and vitality of the arts sector as a whole. One sign of a healthy arts sector is the emergence of new organizations, which indicate renewal as the sector evolves to reflect new art forms, new generations, and the changing demographics of the province. As new organizations emerge and prove themselves, OAC is committed to make room for them in its operating programs. In this way, OAC continues to directly support the renewal that contributes to a healthy arts sector.

Conserve and promote Ontario's diverse cultural heritage

- In 2015-16, OAC provided operating funding to 43 Public Art Galleries across the province, most of which maintain and preserve permanent collections that are held in trust for the public.

Connect people and communities by sharing and celebrating our diverse heritage and culture

OAC is committed to supporting an Ontario where the arts reflect the diversity of stories of all Ontario's people and communities, and the richness of our stories, histories and cultures is expressed.
- OAC provided $4.5 million in support in 2015-16 to artists of colour and the arts organizations that support them.
- As noted above, OAC provided $2.9 million in support to Ontario's Indigenous artists and arts organizations in 2015-16.
- OAC supports francophone communities – including culturally diverse francophone immigrants – in all regions across the province. In 2015-16, OAC provided $3.6 million in support to francophone artists and arts organizations in Ontario.

OAC supports arts festivals across Ontario
- In 2015-16, OAC funded 188 professional not-for-profit arts festivals across Ontario through grants totaling $6.1 million. These festivals are all public gatherings that build a sense of shared engagement among participants around local regions, specific art forms and cultural communities. Many of these arts festivals also bring tourists and economic benefits and add vibrancy to their local communities. Examples include: Afrofest (Toronto), Ottawa Bluesfest; desiFEST (Markham/GTA); Festival of the Sound (Parry Sound); Hillside Festival (Guelph), Muhtadi International Drumming Festival (Toronto), Northern Lights Festival Boréal (Sudbury); Ottawa Chamber Music Festival; and Summerfolk (Owen Sound).
- Many of OAC's annually-funded arts organizations are planning specific programming or special initiatives relating to Canada's 150th, highlighting the important role of the arts in the history of the province and the country.

The arts enrich the quality of life of individuals and communities
- 95% of Ontarians believe that arts activities help enrich the quality of their lives.
- 91% of Ontarians think it is important for their community's quality of life to have arts facilities.
- 89% of Ontarians believe that if their community lost its arts activities, people living there would lose something of value.

FUEL THE CREATIVE ECONOMY

Grow the economy and create jobs

Arts and culture contribute significantly to Ontario's economy
- Ontario's arts and culture sector directly contributes $27.7 billion annually to the province's GDP – or 4.1% of Ontario's GDP. Direct employment related to Ontario's arts and culture sector is over 301,000 jobs, or 4.3% of total Ontario employment.
- The Ontario Arts Council funds artistic creation and development, the crucial first link in the "creative chain" that fuels this economic impact.
- OAC is the vehicle through which the government is able to make targeted investments in creation. For example, last year, OAC's operating grants supported the creation of over 13,000 new artistic works by the province's artists and arts organizations, as well as direct production of creative product including 2,560 works broadcast on television, internet, video or radio, over 1,260 works distributed exclusively using electronic media, and over 9,800 media arts productions available for distribution.

A vibrant arts and culture sector can be a major driver for communities to attract and retain employees
- 65% of Ontario business leaders agree that a thriving arts and culture scene is something that makes it easier to attract top talent to their community.
- Similarly, 65% of skilled workers agree that a thriving arts and cultural scene is something they look for when considering moving to a new community.

The arts revitalize communities and build local economic development
- The Federation of Canadian Municipalities' Policy Statement on Social-Economic Development states that "arts, culture and heritage improve the ability of municipal governments to influence local economic development by attracting and retaining a skilled and talented workforce."
- In a 2010 survey of 18 mid-sized Ontario cities (populations of 50,000 to 349,000), all municipalities reported using cultural and recreational amenities (i.e. operation of cultural facilities, museums and galleries) as a tool for downtown revitalization – and 83% deemed this strategy to be an effective tool.

Make Ontario a culture leader at home and internationally

Arts and culture play an important role in building Ontario's brand and international reputation for creativity, innovation and excellence
- 95% of Ontarians believe that the success of Canadian artists like singers, writers, actors and painters gives people a sense of pride in Canadian achievement.

- 43% of OAC regularly-funded arts organizations toured within Ontario, nationally, or internationally in 2013-14, reaching an audience of 3.2 million people with performances, exhibitions or screenings of Ontario arts activity.
- OAC regularly-funded arts organizations reached 1.2 million people through tours outside Ontario in 2013-14 – building Ontario's brand in North America and overseas as a creative and innovative place in which to live, work, visit and invest.
- OAC provides operating support to many world-class organizations and training institutions in Ontario; for example, the Stratford Festival, Shaw Festival, Canadian Stage Company, Canadian Opera Company, National Ballet of Canada, National Ballet School, Toronto Symphony Orchestra, Harbourfront Centre, Royal Conservatory of Music and Soulpepper Theatre, as well as international festivals such as Toronto International Film Festival, Ottawa Bluesfest, and Luminato.

Strengthen Ontario's culture workforce

OAC's support of the province's artists and not-for-profit arts organizations forms part of the R&D for the cultural sector, and helps provide training for the creative sector workforce, whose members work back-and-forth across the not-for-profit and commercial sectors
- The not-for-profit arts sector often serves as a training ground for artists who also apply their skills and experiences in the commercial sector. For example, a study of U.S. artists found that 80% of artists who work in the not-for-profit arts community also work in the commercial arts sector, and OAC believes this to be the case in Ontario also.
- The professional, not-for-profit arts organizations funded annually by OAC play a key role in training this "crossover" workforce by providing work for 39,000 artists, and professional development and training for over 100,000 creative sector workers each year.

Supporting a dynamic tourism industry

Professional not-for-profit arts organizations funded by OAC support Ontario's tourism strategy
- MTCS provides direct support to a small number of agencies and attractions, but the large majority of Ontario's key cultural attractions are funded through OAC. Many of the organizations that OAC supports are key tourist attractions and economic drivers in communities throughout all parts of Ontario – not just in large population centres.
- OAC provides operating support to over 500 professional not-for-profit arts organizations across the province. Large and small, many of these organizations are key attractions within their own communities, and contribute to the positioning of their region as one with varied tourist offerings and experiences. Artists and local arts organizations play an important role as "destination enhancers", by helping provide the variety of experiences that OTMPC research shows today's tourists are seeking.

Arts/culture is a key part of Ontario's tourism industry
- 9.5 million overnight tourists participated in arts and culture activities while visiting Ontario in 2010 – representing over one-fifth (22%) of all Ontario's overnight visitors.

Arts and culture tourists spend more, and stay longer
- The average Ontario arts/culture tourist spends twice as much per trip as a typical tourist – $667 per trip versus $374.
- On average, arts/culture tourists spend 4.4 nights in Ontario – over one night longer than the typical tourist at 3.1 nights.

Ontario's arts/culture tourism has a substantial economic impact
- Arts/culture <u>tourist</u> spending generated:
  - $3.7 billion in GDP province-wide in 2010
  - 67,000 jobs and $2.4 billion in wages
  - $1.7 billion in taxes

Arts/culture is a primary motivator for consumer travel among Ontario's tourist market
- 44% of North American tourists who have visited Ontario among other trip destinations over a two-year period said that arts/culture was the main reason for at least one of their trips.

PROMOTE THE VALUE OF THE ARTS THROUGHOUT THE GOVERNMENT

Inspire greater integration of the arts into public policy and programs
- Due to OAC's strong connections with and knowledge of Ontario's artists and the professional not-for-profit arts sector, OAC is extremely well-placed to assist the Ministry in the development of its Arts Policy Framework.
- In 2008, OAC launched the Artists in Residence – AIR (Education) Program, which supports year-long residencies in partnership with Ontario school boards and educators.
- OAC's Artist in the Community/Workplace (ACW) program supports partnerships between professional artists or arts organizations and organizations in a range of sectors including for example, social services agencies, senior citizens centres, youth services, women's organizations, labour unions and neighbour centres. In addition, the program includes a specific funding component for arts and wellness/health care collaborations with hospitals, community health centres, long-term care facilities and mental health and addictions services. In 2015-16, the program supported 40 initiatives through grants totaling over $320,000.
- OAC's Outreach Office facilitates relationships with communities across Ontario and builds connections between the arts and other sectors, such as education, social services, tourism, business and health.
- OAC is partnering with the Ontario Women's Directorate to deliver OWD's Creative Engagement Fund to Stop Sexual Violence and Harassment in Ontario. This unique initiative, intersecting art and social justice, was developed through extensive collaboration with the government of Ontario.

Minister's Mandate Letter to the Ontario Arts Council
As noted above, OAC's mandate and activities align well with its mandate letter from the Minister, with only one exception: OAC does not specifically support the delivery of Ontario 150 programming, because none of the government's funding in celebration of Canada's 150th anniversary was directed to OAC, but went to other agencies. However, many OAC-funded artists and arts organizations are creating 150th anniversary programming with support from the Canada Council for the Arts, Canada 150 and other funding sources.

OAC Governance

The Ontario Arts Council was established in 1963 under an act of the legislature of Ontario. OAC is accountable to Ontarians through its board of 12 volunteer members, including a Chair and Vice-Chair. Board members are appointed by the Lieutenant Governor in Council for a three-year term and may be re-appointed. Board members come from a variety of backgrounds and from across the province. The Board establishes OAC's policies and is responsible for approval of large grants and the fiscal health of OAC. Board members are spokespersons for the arts in Ontario and act as OAC ambassadors in communities across the province.

OAC's Board functions through a system of standing committees that meet as required to discuss policies and issues and make recommendations to the full Board when appropriate. The current standing committees are:
- Governance
- Finance & Audit
- Human Resources
- Public Affairs

OAC is an arm's-length agency of the Ontario government. To ensure that its initiatives meet the needs of Ontarians in general and the artistic community in particular, OAC conducts extensive research and consults with members of the arts and business sectors, community leaders, educators and policy-makers at all levels. Through the many advisors, arts experts and community representatives who sit on panels and juries, and assess applications for funding, OAC is responsive to, and has the confidence of, Ontario's arts community.

The Director & CEO is appointed by the Board and is assisted in his responsibilities by a senior leadership team consisting of a Director of Granting, Director of Communications, Director of Research, Policy & Evaluation, Director of Finance & Administration, and Director of Human Resources.

Ontario Arts Council Board of Directors as of November 7, 2016:

	Member	Location	Term
1	Rita Davies, Chair	Toronto	July 22, 2015 to July 21, 2018
2	Judith Gelber, Vice-Chair	Toronto	March 4, 2015 (appointed Vice-Chair) to March 3, 2018 Feb 20, 2013 (appointed as Board member)
3	Marie-Élisabeth Brunet	Ottawa	April 24, 2016 to April 23, 2019*
4	Mark V. Campbell	Pickering	January 15, 2016 to January 14, 2019
5	David General	Oshweken	January 4, 2014 to January 4, 2017*
6	Karim Karsan	Toronto	August 24, 2016 to August 23, 2019
7	Jill Reitman	Toronto	August 24, 2016 to August 23, 2019
8	Harvey A. Slack	Ottawa	May 27, 2015 to May 26, 2018*
9	Mary Alice Smith	Kenora	April 27, 2016 to April 26, 2019
10	Janet E. Stewart	London	September 8, 2014 to September 7, 2017
11	Sean White	Windsor	August 25, 2015 to August 24, 2018
12	Vacant		

(* indicates second 3-year term)

OAC Strategic Directions

Vital Arts and Public Value – A Blueprint for 2014-2020

OAC's Strategic Plan
In April 2013, OAC embarked on a strategic planning process which led to OAC's new strategic plan, *Vital Arts and Public Value*, being approved by OAC's Board of Directors in February 2014. The new plan, which was launched publicly in September 2014, contains many of the principles and underlying values of OAC's previous Strategic Plan. However, knowing that the environment has changed for OAC, for the arts sector, and for society and the economy in general, OAC developed the new plan following intensive research and stakeholder consultation, which included over 1,800 Ontarians who responded to a comprehensive online questionnaire.

OAC chose the word 'vital' to reflect the qualities most essential to a healthy arts sector, including artistic merit, relevance, impact, risk-taking and effectiveness. The new plan provides a coherent, values-based blueprint for OAC in the years ahead. *Vital Arts and Public Value* also encompasses OAC's Equity Plan, which focuses on Leadership, Inclusiveness, Responsiveness and Diversity.

The plan focuses on the **two themes** of OAC's mandate:
- To serve both the **arts community** and the **public**.

The **four goals** of the plan are to:
- Invest in Ontario's vital artists and arts organizations
- Strengthen skills and share knowledge
- Support public engagement in the arts
- Build public awareness of the value of the arts

The chart on the following pages identifies new activities, or new activities that are being carried forward, that most specifically support the implementation of the Ontario Arts Council's Strategic Plan. It does not include all of the numerous ongoing activities carried out the by OAC in the context of its mandate.

THEME 1: FOSTER THE CREATION, PRODUCTION AND PRESENTATION OF ART

Goal 1: Invest in Ontario's Vital Artists and Arts Organizations			
Strategy	Activities/Initiatives: Launch thru 2015-16	Activities/Initiatives to end of 2016-17	Activities/Initiatives for 2017-18
a) Ensure the distribution of OAC's funding reflects the current and evolving state of Ontario's professional arts sector and society	• Identified factors to consider vis-à-vis funding distribution	• Analyzed current allocation of funding against benchmarks • Introduced mechanism to allow organizations in the Annual funding stream to be eligible for increases if highly-assessed	• Gather community feedback on proposal for revised funding redistribution • Reallocate funding based on analysis for implementation in 2018-19 • Implement New Funding Framework (six priorities, four streams and streamlined programs)
b) Provide fair and equitable access to OAC funding programs and processes, with particular emphasis on OAC's identified priority groups	• Created resource video about OAC programs/services for Deaf artists/artists with disabilities • Launched Deaf and Disability Arts Projects Program • Established funds for Deaf artists and artists with disabilities who require accessibility support to (1) prepare applications and (2) complete an OAC-funded project • Established Deaf and Disability Materials Arts and Supplies Assistance program that provided artists with funds to buy what's necessary to make work. • Hosted professional development, information and networking events for Deaf artists and artists with disabilities • Tangled Art + Disability added as a recommender for the Theatre Creators' Reserve program	• Expanded Artists in Education program to include francophone cultural and community centres • Engaged Northern Francophone Outreach Consultant to ensure service during staff transition • Established Deaf and Disability Arts Advisory Committee of community representatives • Completed two-year initiative supporting two Media Arts Centres to develop creation programs for artists who are Deaf or have a disability • Delivered two information sessions specifically for artists who are Deaf or have a disability with ASL translation • Design and launch of new accessible OAC website with information pages and search functions for	• Conduct review of Northern Arts support • Develop equity training module for OAC staff, assessors, applicants and board members to ensure common understanding of equity and diversity principles • As part of the existing Equity Plan, develop an Equity Policy that applies to OAC's internal and external activities • Create ASL video on the application and assessment process, accompanied by a podcast + transcript

		each priority group • Revised granting documents to reflect updated information on the Ontario Human Rights code, gender pronouns, cultural appropriation, the UN Declaration on the Rights of Indigenous Peoples, and support for OAC priority groups • Coordinated training to OAC staff on equity issues: mental health, accessibility, Indigenous rights, racial equity in granting • Released Indigenous Protocols video on cultural appropriation and respecting Indigenous practices in art	
• Hired Equity, Access and Disability Coordinator to initiate equity plan activities			
c) Reallocate funding to ensure balance between existing and emerging arts activity, promoting both renewal and stability	• Implemented 5% across the board reductions to all organizations receiving operating grants, of which 1% funded new/emerging activity within each sector and 1% recognized high achievement based on assessment	• Continued implementation of funding mechanism providing 1% of previous reduction to new/emerging activity within each sector and 1% to recognize high achievement based on assessment	• Develop principles for funding reallocation to improve balance and equity
d) Support new ways of creating and working, as well as new organizational models	• Developed on-line grants management system (Nova) • OAC, in partnership with the Metcalf Foundation and other arts funders, funded an exploration of shared charitable platform models in the arts sector • Completed a research project providing an overview of funders' use of micro grants and multi-year project grants as mechanisms to address	• Tested and launched on-line grants management system (Nova) • Created new Funding Framework and re-designed granting program structure to make it easier for applicants to match their activity with OAC funding opportunities; four new funding streams allow for more flexible and responsive programs	• Implement on-line grants management system (Nova) • Implement new Funding Framework

	specific needs • Introduced new Comic Arts component of Writers' Works in Progress program		
e) Support opportunities for artists and arts organizations to present their work locally, nationally and internationally	• Coordinated *Travelling Light – Views of Ontario,* a website project showcasing Ontario's photographic art which was developed at the request of MTCS as part of its partnership with the Jiangsu Tourism Bureau (China) • Establishing a modest Market Development Initiatives fund to provide strategic investments to assist Ontario artists and arts organizations in reaching new markets	• Partnered with NDN Talent Collective to run the Aboriginal Musicians Travel Assistance Program, which supports provincial, national and international travel to significant artistic and career development engagements for Indigenous artists • Continued Market Development Initiatives fund • Partnered with Harbourfront Centre to support the presentation of five Ontario artists and groups at CINARS, the bi-annual international marketplace in Montreal	• Continue Market Development Initiatives fund • Explore partnership opportunities for Ontario artists and organizations at international marketplaces
f) Within programs that provide operating funding, prioritize the most vital arts organizations	• Implemented 5% across the board reductions in 2015-16 to all organizations receiving operating grants of which 1% funded assessment-based re-distribution/ increases to vital organizations • Implemented new ratings system to allocate increases to the most vital arts organizations • Increased assessment weighting (from 10% to 20%) of contribution to OAC priority groups • Established new Major Organizations program including full assessment and scoring (potential increases/decreases)	• Continued new ratings system to allocate increases to the most vital arts organizations • Continued with increased assessment weighting (from 10% to 20%) of contribution to OAC priority groups	• Prepare for funding redistribution to be implemented in 2018-19

Goal 2: Strengthen Skills and Knowledge			
Strategy	**Activities/Initiatives: Launch thru 2015-16**	**Activities/Initiatives to end of 2016-17**	**Activities/Initiatives 2017-18**
a) Ensure artists and other arts professionals have access to learning opportunities	• Created an Aboriginal Music Market Development Plan, as part of OAC's Aboriginal Music Strategy, to focus on market and creative development for Indigenous musicians in Ontario • Updated the Community Arts workbook as a resource for Community Arts professionals	• Added new component to Compass program for organizations receiving OAC operating grants to host an arts management intern who is Indigenous, of colour, Deaf and/or have a disability • Contributed to a Work in Culture research project to identify and explore models of business skills training hubs relevant to the arts sector • Convened a professional development panel for emerging and mid-career Indigenous writers and writers who are of colour	• Implementation of new Funding Framework with one of four streams devoted to 'Developing Careers and Arts Services' • Develop Skills/Careers/Mentorship program to be launched in 2018-19
b) Enhance capacity of arts organizations, in particular new and emerging organizations	• Implemented 5% across the board reductions to all organizations receiving operating grants, of which 1% funded new/emerging activity within each sector and 1% recognized high achievement based on assessment	• Added new component to Compass program for organizations receiving OAC operating grants to host an arts management intern who is Indigenous, of colour, Deaf and/or have a disability • Partnered and supported professional development symposium for Arts Service Organizations	• Prepare for funding reallocation to be implemented in 2018-19
c) Convene, connect and promote collaboration within the arts community	• Hosted professional development, information and networking events for Deaf artists and artists with disabilities	• Convened leaders of projects funded through Creative Engagement Fund to Stop Sexual Violence and Harassment in Ontario to share learnings	• Convene emerging Visual Arts leaders from Northern regions for professional development and network-building • Explore other convening opportunities

| | | • Convened emerging Visual Arts leaders from Northern regions for professional development and network-building
• Facilitated Arts Day at Queen's Park with arts representatives to raise awareness and appreciation of the arts among MPPs | |

THEME 2: FOSTER PARTICIPATION IN, AND APPRECIATION OF, THE ARTS

Goal 3: Support Public Engagement in the Arts			
Strategy	**Activities/Initiatives: Launch thru 2015-16**	**Activities/Initiatives to end of 2016-17**	**Activities/Initiatives 2017-18**
a) Support opportunities for the public to experience the arts throughout the province	• Continued support to Ontario Culture Days • Extended the Cultural Animator Pilot Project to Mississauga to help support the development of community-engaged arts projects and partnerships with other sectors	• Continued support to Ontario Culture Days • Launched Cultural Animator position in Central Ontario (Barrie) • Developed framework for Indigenous Culture Fund activities	• Implement Indigenous Culture Fund activities • Continue Cultural Animator position in Central Ontario (Barrie)
b) Support activities that increase, broaden and diversify arts participation and audiences, including attendees, visitors, viewers, listeners and readers	• Partnered with the Ontario Women's Directorate (OWD) to administer the Creative Engagement Fund to Stop Sexual Violence and Harassment in Ontario	• Continued partnership with OWD on Creative Engagement Fund program • Developed framework for Indigenous Culture Fund activities	• Continue partnership with OWD on Creative Engagement Fund • Implement Indigenous Culture Fund activities
c) Encourage arts organizations to include board members, staff and volunteers from OAC's identified priority groups	• Supported equity planning for major organizations to develop more equitable programming, policies and practices in their institutions • Explored partnership with Maytree Foundation's DiverseCity on Board to	• Continued support of equity planning for major organizations to develop more equitable programming, policies and practices in their institutions • Contributed to a theatre sector review of existing studies, data,	• Partner with Maytree Foundation by funding Board member training opportunities for priority organizations

	support capacity -building through diversifying boards and providing board training for board members, convening arts organizations around capacity building, and exploring funding for such initiatives	and programs related to equity inclusion initiatives, as part of a major equity, diversity and inclusion initiative lead by Professional Association of Canadian Theatres • Continued working with Maytree Foundation's DiverseCity on Board initiative	
d) Facilitate arts education and learning for people of all ages	• Hosted a series of webinars for artists and arts organizations working in schools and community settings • Maintained partnerships with 18 school boards on OAC's Artists in Residence – Education (AIR-E) initiative including program components to build partners' capacity for ongoing sustainability	• Expanded Artists in Education program to include francophone cultural and community centres • Maintained partnerships with 18 school boards on OAC's Artists in Residence – Education (AIR-E) initiative including program components to build partners' capacity for ongoing sustainability	• Maintain partnerships with 18 school boards in OAC's Artists in Residence – Education (AIR-E) initiative including program components to build partners' capacity for ongoing sustainability

Goal 4: Build Public Awareness of the Value of the Arts			
Strategy	Activities/Initiatives: Launch thru 2015-16	Activities/Initiatives to end of 2016-17	Activities/Initiatives 2017-18
a) Promote Ontario's identity through the arts	• Coordinated *Travelling Light – Views of Ontario,* a website project showcasing Ontario's photographic art which was developed at the request of MTCS as part of its partnership with the Jiangsu Tourism Bureau (China) • Establishing a modest Market Development Initiatives fund to provide strategic investments to assist Ontario artists and arts organizations in reaching new markets	• Partnered with NDN Talent Collective to run the Aboriginal Musicians Travel Assistance Program, which supports provincial, national and international travel to significant artistic and career development engagements for Indigenous artists • Continued Market Development Initiatives fund • Organized and hosted an Arts Day at Queen's Park, where members of the arts community met with MPPs to	• Continuation of Market Development Initiatives fund • Explore partnership opportunities for Ontario artists and organizations at international marketplaces

		promote value of the arts • Partnered with Harbourfront Centre to support the presentation of five Ontario artists and groups at CINARS, the bi-annual international marketplace in Montreal	
b) Collect and share stories about the diversity of arists and their work		• Initiated social media campaigns about OAC funded priority group artists for National Aboriginal History Month and Black History Month	• Launch new feature on OAC's new website to profile diverse artists, projects and organizations
c) Gather, analyze and share research on the contribution of the arts to Ontario	• Launched study, in partnership with Canada Council for the Arts (CCA), on the social impact of dance as part of the Canada Dance Mapping Study • Participated as a partner of the Culture Statistics Strategy Consortium to support the development of the Cultural Satellite Account (CSA) • Continued partnership with the Department of Canadian Heritage and the Canada Council for the Arts to guide and co-fund the *Statistical Insights on the Arts* (SIA) series • Continued partnership with the Canada Council to co-fund the *Arts Research Monitor*	• Completed study on the social impact of dance in partnership with the CCA as part of the Canada Dance Mapping Study • Continued participation as a partner of the Culture Statistics Strategy Consortium to support the development of the CSA • Continued partnership with the Canada Council to co-fund the *Arts Research Monitor* • Contributed funding to Business for the Arts' surveys on the role of arts and culture in employee engagement and retention • Contributed funding to research related to the Arts, Culture & Belonging PulseCheck project that explored how cultural participation can strengthen people's sense of belonging; the project is a partnership between CAPACOA and Community	• Undertake research on arts and the quality of life in Ontario • Continue participation as a partner of the Culture Statistics Strategy Consortium to support the development of the CSA • Continue partnership with the Canada Council to co-fund the *Arts Research Monitor*

		Foundations of Canada.	
d) Demonstrate the crucial benefit of public funding of the arts to Ontarians	• Supported livestreaming of The Arts Advocate's *Reframing Culture* symposium, a discussion of cultural policy frameworks in the current public context	• Created logic model linking OAC activities with societal impacts	• Undertake research on arts and the quality of life in Ontario • Explore approaches to measuring the value of public funding of the arts

Overview of OAC Granting Programs and Activities

For more than five decades, OAC has fostered stability and growth in Ontario's arts communities. In 2015-16, OAC received 12,027 applications and awarded 3,586 grants totaling $50.5 million; 2,172 were grants to individual artists and 1,414 were grants to arts organizations, in 209 communities across Ontario.

OAC's programs serve a broad array of disciplines, practices and communities in every corner of the province. OAC is committed to ensuring equitable access for all Ontarians, with particular emphasis on the following six priority groups and the organizations that serve them and the public: artists of colour, Deaf artists and artists with disabilities, Francophone artists, Indigenous artists, new generation artists (18 to 30 years old), and artists living in regions outside of Toronto. OAC's services are available in English and French.

Central Tenets

OAC's work is based on two central principles. **Arm's length** defines OAC's relationship with government, while **peer assessment** defines its relationship with the arts community.

The arm's length relationship with government means that OAC has the authority to determine its own policies and programs and, in particular, to make all funding decisions. This relationship with government ensures that granting decisions are based on artistic, not political criteria; it also protects the government by providing an important buffer from funding decisions that may turn out to be contentious or unpopular with some people.

Peer assessment is an effective and internationally recognized decision-making mechanism whereby artists and other arts professionals (and, for some programs, community representatives) participate by assessing grant applications, advising on priorities, and making recommendations on the awarding of grants. Through peer assessment, OAC involves the arts community directly, and ensures that decisions surrounding grants to artists and arts organizations are made with integrity, transparency and fairness. OAC's peer assessment process is governed by policies and procedures, including stringent conflict of interest policies, all of which are clearly and consistently communicated and applied.

Types of Support

OAC offers two types of grants. **Operating grants** provide ongoing, annual assistance to arts organizations to help pay for artistic and administrative expenses and provide stability and predictability. **Project grants** provide assistance to individuals, collectives and organizations for a specific activity such as creation, production or presentation of artistic work, or professional development. Approximately 80% of OAC granting dollars support operating grants and contribute to the arts infrastructure across the province; the remaining 20% are invested in project grants.

Advisors evaluate applications for all **operating** funding based on specific criteria in two categories: Artistic Quality & Contribution, and Organizational Effectiveness. Each of these two categories has equal weight in assessment. Applications are reviewed by a peer panel and then

scored and ranked. Ranking determines whether the grant amount, compared to an organization's previous grant level, is decreased, maintained or, in rare cases, increased.

Project programs are peer assessed according to fewer criteria (usually artistic merit, impact and viability). Applications to project programs are scored by a peer jury and ranked. The number of applications funded is determined by the program budget. In OAC's most highly competitive project programs, the ratio of projects funded, compared to applications received, is as low as one out of 10. For programs developed to support priority initiatives, the success ratio can, and should be, much higher.

OAC does not fund capital projects, activities that are part of an accredited college or university program, fundraising events, or projects that have already taken place.

Developing OAC's new Funding Framework
For many years, OAC programs have been organized into 12 main programs areas defined by the sectors they serve:

• Arts Education	• Literature
• Arts Service Organizations	• Media Arts
• Community-Engaged Arts	• Music
• Dance	• Theatre
• Francophone Arts	• Touring and Residencies
• Indigenous Arts	• Visual Arts

These areas, along with specialized programs supporting the professional development of individual artists, organizational capacity-building, and targeted funding for OAC priority groups, are currently offered through 89 different granting programs.

In order to ensure the maximum efficiency and cost-effectiveness of program delivery, OAC has undertaken a comprehensive analysis of its current granting program structure. This followed public consultations in 2013 leading to OAC's current strategic plan, and a research study that OAC commissioned in 2015, which included analysis of and interviews with 17 major arts granting agencies around the world, in order to capture changing trends in program design and delivery, as well as motivation for change.

In 2016, OAC completed a major re-design of all granting programs, streamlining its services into a new Funding Framework to be implemented in 2017. The new Funding Framework includes 51 granting programs categorized under four funding streams: **Creating and Presenting**; **Building Audiences and Markets**; **Engaging Communities and Schools**; **and Developing Careers and Arts Services**. A list of OAC's 51 programs under the new Funding Framework, along with the corresponding previous 89 programs is below.

The program re-design and new Funding Framework will achieve the following goals:
- supports OAC's strategic plan and priority groups
- improves the applicant experience by making it easier to find and understand relevant granting programs
- clarifies and makes program names consistent across sectors

- provides more opportunities for applicants to access funding (by combining programs, some that previously had only one annual deadline now have two)
- provides increased eligibility; more flexible programs fund a broader range of activities
- centralizes and simplifies activity currently funded in several sectors (for example, skills and career development)
- reduces the number of granting programs and deadlines
- reduces the number of assessment panels and assessors
- lowers overall assessment costs (reduced travel and accommodation costs)
- reduces administrative workload

Mapping Document for OAC's New Funding Framework:

These programs:	Are now part of these programs:
Aboriginal and Culturally Diverse Dance Training	Indigenous and Culturally Specific Dance Practices: Training Projects
Aboriginal Artists in Communities	Indigenous Artists in Communities
Aboriginal Artists in Schools	Indigenous Artists in Schools
Aboriginal Artists Material and Supplies Assistance	Indigenous Visual Artists Materials
Aboriginal Arts Projects	Indigenous Arts Projects
Aboriginal Curatorial Projects	Curatorial Projects: Indigenous and Culturally Diverse
Aboriginal Presenters in the North – Music Events	Indigenous Presenters in the North: Music Projects
Access and Career Development	Skills and Career Development: Indigenous Arts Professionals and Arts Professionals of Colour
Aide à la diffusion artistique	*Aide à la diffusion artistique*
Aide à la diffusion artistique – projets	*Aide à la diffusion artistique – projets*
Artistes visuels et des métiers d'art	*Artistes visuels et des métiers d'art*
Artists in the Community/Workplace	Artists in Communities and Schools Projects
Artists in Education	Artists in Communities and Schools Projects
Arts Education Organizations	Arts Organizations in Communities and Schools: Operating
Arts Education Projects	Artists in Communities and Schools Projects
Arts Service Organizations	Arts Service Organizations: Operating
Arts Service Projects	Arts Service Projects
Arts visuels, arts médiatiques et métiers d'art – organismes et centres d'artistes autogérés	*Arts visuels, arts médiatiques et métiers d'art – organismes et centres d'artistes autogérés*
Avance medias	*Avance médias*
Block Grants to Book Publishers	Publishing Organizations: Operating (Book Publishers)
Chalmers Arts Fellowships	Chalmers Arts Fellowships
Chalmers Professional Development Grants	Chalmers Professional Development Projects
Chanson et musique	*Chanson et musique*
Choirs & Singing Groups	Music Production and Presentation Projects
Choral Organizations	Music Organizations: Operating
Classical Music Recording	Music Recording Projects
Community Arts Councils	Arts Service Organizations: Operating
Community-Engaged Arts Organizations	Arts Organizations in Communities and Schools: Operating
Compass	Compass
Craft Projects – Connections	Craft Projects
Craft Projects – Creation and Development	Craft Projects
Création littéraire	*Création littéraire*
Culturally Diverse Curatorial Projects	Curatorial Projects: Indigenous and Culturally Diverse
Dance Initiatives	Dance Projects
Dance Organizations	Dance Organizations: Operating
Deaf and Disability Arts – Materials and Supplies Assistance	Deaf and Disability Arts Projects: Materials for Visual Artists
Deaf and Disability Arts Projects	Deaf and Disability Arts Projects
Édition	*Édition*
Exhibition Assistance	Exhibition Assistance
Jets de théâtre	*Jets de théâtre*
Literary Festivals and Organizations	Literary Organizations: Operating
Literary Festivals and Organizations Projects	Literary Organizations Projects
Magazines – Operating	Publishing Organizations: Operating (Magazine Publishers)
Magazines – Projects	Publishing Organizations Projects
Major Organizations	Major Organizations: Operating
Media Artists: Emerging	Media Artists Creation Projects
Media Artists: Mid-Career and Established	Media Artists Creation Projects
Media Arts Organizations	Media Arts Organizations: Operating
Media Arts Projects	Media Arts Projects
Multi and Inter-Arts Organizations	Multi and Inter-Arts Organizations: Operating
Multi and Inter-Arts Projects	Multi and Inter-Arts Projects

Music Commissioning	Music Creation Projects
National and International Residency	National and International Residency Projects
National and International Touring	Touring Projects
Northern Arts	Northern Arts Projects
Ontario Arts Presenters	Ontario Arts Presenters Projects
Ontario Dances	Ontario Dances
Ontario Touring	Touring Projects
Opera	Music Organizations: Operating
Opera Projects	Music Production and Presentation Projects
Orchestras	Music Organizations: Operating
Orchestras Projects	Music Production and Presentation Projects
Organismes francophones de service aux arts	Organismes francophones de service aux arts
Playwright Residency	Theatre Projects
Popular Music	Music Creation Projects
	Music Recording Projects
Premier's Awards for Excellence in the Arts	Premier's Awards for Excellence in the Arts
Presenter/Producer Projects	Music Production and Presentation Projects
Projets de service aux arts francophones	Projets de service aux arts francophones
Projets d'édition	Projets d'édition
Public Art Galleries	Public Art Galleries: Operating
Public Art Galleries Projects	Visual Arts Projects
Théâtre	Théâtre
Theatre Creators' Reserve	Recommender Grants for Theatre Creators
Theatre Organizations	Theatre Organizations: Operating
Theatre Organizations (Summer Theatres Only)	Theatre Organizations: Operating
Theatre Projects	Theatre Projects
Visual Artists: Emerging	Visual Artists Creation Projects
Visual Artists: Established	Visual Artists Creation Projects
Visual Artists: Mid-Career	Visual Artists Creation Projects
Visual Arts Projects	Visual Arts Projects
Visual Arts: Artist-Run Centre and Organizations	Visual Arts Artist-Run Centre and Organizations: Operating
Word of Mouth	Literary Creation Projects
Writers' Reserve	Recommender Grants for Writers
Writers' Works in Progress	Literary Creation Projects
Writers' Works in Progress – Comic Arts	Literary Creation Projects
Writers' Works in Progress – Northern Competition	Literary Creation Projects

Program Evaluation

Program Evaluation was suspended during this period of Program Redesign.

Nova: The Move to Online Granting

For the past four years, OAC has been developing **Nova**, a new online grant application and management system. Nova will be implemented in January 2017. It will enable applicants to apply online without submitting multiple photocopies, incurring delivery costs, and sending in copies of support materials (examples of applicants' previous work) on outmoded disks and USB keys. Applicants will have ongoing direct access to their history with OAC, including previous applications, due dates for reports, and draft applications.

OAC peer assessors will receive applications to review through an Assessors' Portal. For the first time, they will be able to review complete applications, including both written submissions and support materials at the same time. OAC will no longer have to ship boxes of paper to assessors, in order for them to prepare for assessment meetings. Assessors will now be able to review complete applications in advance of meetings and submit initial scores, from which shortlists will be determined. This will lead to less time spent in assessment meetings, reduced costs, and more fully-informed discussion and analysis of applications.

OAC is also investing in new technology to enable the use of videoconferencing for some assessment meetings. This will further facilitate the inclusion of artists and arts professionals from around the province.

In fall 2016, five OAC granting programs, including both operating and project, were tested as Nova pilot projects. This live testing was designed to ensure that Nova is ready for full rollout for all 2017 programs and that all issues of user experience, accessibility and support had been fully tested.

Along with the redesign of granting programs, OAC is also working on a staff-led analysis and re-design of granting business processes. In preparation for the implementation of Nova, the goal will be to:
- simplify and standardize work flows
- find efficiencies by reducing overlap and duplication of administrative duties
- simplify and standardize eligibility criteria and definitions.

Between OAC's new streamlined Funding Framework and introduction of the Nova online granting application and management system, the following efficiencies will be realized effective 2017-18:
- no. of Granting programs – reduced by 43%
- no. of Granting deadlines – reduced by 39%
- no. of Assessment panels – reduced by 32%
- no. of Assessors – reduced by 27%
- no. of Assessment days (panel meetings) – reduced by 36%

Funding Context
In 2016-17, the ranking system **for organizations in Year 1 of a Multi-year cycle or in the Annual funding stream**, was applied as follows:
- "A" level organizations are eligible to be increased to a maximum of 105% of their new base grant, depending on various factors, including whether or not they are from the priority groups identified in OAC's strategic plan, and/or current funding level relative to similar organizations
- "B+" level organizations are eligible to be increased to a maximum of 100%, depending on the same factors
- "B" level organizations are maintained at their base grant
- "C" level organizations receive modest reductions below their base grant (based on a standardized matrix)
- "D" level organizations receive larger reductions.

Funds resulting from "C" and "D" reductions are redirected to fund new activity; both new operating grants and projects.

From 2009-10 to 2016-17 to date – the period in which OAC's base budget has not been increased – more than 194 organizations have been added to the operating stream. The ongoing impact of adding these organizations totals over $3.7 million per year.

Organizations seeking operating support for the first time may apply only in the next Year 1 of an OAC operating program multi-year cycle. In the interim, organizations can usually find a fit with OAC project programs to which they may apply in the interim.

2017-2018 OPERATING PROGRAM SCHEDULE			
LAUNCHING MULTI-YEAR	**MULTI-YEAR 2**	**MULTI-YEAR 3**	**MULTI-YEAR 4**
Aide à la diffusion artistique	Dance Organizations: Operating	Arts Organizations in Communities and Schools: Operating	Music Organizations: Operating (Orchestras, Presenter/Producer)
Arts visuels, arts médiatiques et métiers d'art – organismes et centres d'artistes autogérés	Literary Organizations: Operating	Arts Service Organizations: Operating	
Media Arts Organizations: Operating	Music Organizations: Operating (Opera, Choral Organizations)	Édition	
Visual Arts Artist-Run Centres and Organizations: Operating	Public Art Galleries: Operating	Major Organizations: Operating	
	Théâtre	Multi and Inter-Arts Organizations: Operating	
	Theatre Organizations: Operating	Organismes francophones de service aux arts	
		Publishing Organizations: Operating (Book Publishers)	
		Publishing Organizations: Operating (Magazine Publishers)	

Audience Engagement

In fall 2015, OAC entered into an agreement with the Ontario Women's Directorate to deliver the new *Creative Engagement Fund to Stop Sexual Violence and Harassment in Ontario*. This project program is an important tool to help the government of Ontario deliver on its action plan. Ontario arts organizations and artists will work with experts in the prevention of sexual violence and harassment on one- to three-year projects that will engage communities and individuals, and help them change attitudes and take action on these important social issues. OAC's unparalleled expertise, particularly in terms of peer-assessment-based decision-making, made it a natural partner for the Ontario Women's Directorate on this program.

In the first year of the Creative Engagement Fund to Stop Sexual Violence and Harassment in Ontario, 11 out of 125 applicants were awarded a total of $675,000 in funding. Of the successful proposals, eight projects received multi-year grants, to a maximum of $75,000 per year. Fifteen percent of the fund was awarded to Indigenous-led projects.

> *One example of a highly-successful project:*
> In October 2016, Red Dress Productions, in partnership with the Women's Sexual Assault Centre of Renfrew County, unveiled four monuments recognizing the strength and courage of survivors of sexual violence. Four communities in the region – Pembroke, Eganville, Pikwakanagan First Nation, and Killaloe – collaborated in the design and construction of pebble mosaics for the Countdown Public Art Project.

For the second and final deadline of the program, only those applicants to the December 15, 2015 (Year 1) deadline who submitted proposals that met all program criteria and scored highly in assessment (but were not awarded funding, due to the limited program funding availability) will be invited to apply to a January 24, 2017 deadline. Returning applicants are invited to revise and re-submit their existing proposals for one-year or two-year projects, with a maximum request of $30,000 per year (this maximum was because the majority of 2017 and 2018 funds were already committed to multi-year projects beginning in 2016).

One of the objectives of OAC's Strategic Plan is to support artists and arts organizations to build actively engaged audiences. OAC has demonstrated its commitment to helping arts organizations develop audience engagement through publishing the 2011 *Ontario Arts Engagement Study.* A key approach to growing public participation in the arts has been to encourage long-term relationships between arts presenters, arts organizations and audiences in

Ontario. As an example, *Ontario Dances,* now in its ninth year, is a province-wide initiative that supports dance companies and multi-disciplinary presenters across the province to deliver participatory dance activities in their communities, in advance of performances by professional Ontario dance companies that would otherwise not be booked by these presenters.

Inspired by the Ontario Dances model, two additional audience engagement initiatives were launched in 2013-14. *Connexions théâtres* builds relationships between francophone theatre companies and centres culturelles*,* a province-wide network of organizations that are centres of francophone community life. *Theatre Connects* fosters connections between arts presenters and anglophone theatre companies. These initiatives aim to increase audience engagement with the work of French and English language theatre companies in Ontario. These pilot programs were established with budgets of $200,000 each over two years, funded by OAC reserve funds. Based on the successes of the first two years OAC maintained the investment through a third and fourth year (subject to the same 5% across-the-board reductions as other OAC programs). With no increase to OAC's base budget, the future of these initiatives will depend on available funds.

A third initiative designed to increase public participation in the arts is a program, started in 2011-12, called *Aboriginal Presenters in the North: Music Events.* The aims of the program are to support artistic growth in Indigenous communities through the presentation of live music; to strengthen and develop a northern network of Indigenous presenters; to develop and engage northern audiences; and to enhance programming options for northern Indigenous communities and presenters. The annual program budget is $30,000. The program was funded for a fifth year in 2016. Based on the impact of this small but important program, plans are for the program to continue in 2017. The benefits and impact could be considerable with increased investment.

Indigenous Cultural Fund
In the fall of 2016, OAC was named as the Province's partner to deliver a new granting program to support a broad range of Indigenous cultural projects including arts, heritage and language. The *Indigenous Cultural Fund* (ICF, working title) will be Ontario's largest public fund dedicated to supporting Indigenous community-engaged cultural activity. Created as a response to the Truth and Reconciliation Commission's Calls to Action, the Fund is part of Ontario's Action Plan for Reconciliation ("The Journey Together"), announced by the government on May 30, 2016. The purpose of the initiative is to support Ontario Indigenous communities to continue fostering and sharing their rich cultural practices and activities.

Although the exact structure of the granting programs is yet to be determined, it is anticipated that there will be at least two funding streams; one with project grants up to $20,000 and another with grants up to $75,000.

The initial phase of the project will be structured around community engagement; gathering responses to proposed program design. Beginning later in 2017, OAC will launch the new funding programs and will undertake enhanced communications and outreach. All of this will be accomplished with additional staff, supported through the administrative budget for the ICF. The length of the program is not yet confirmed, but it is hoped that it will be permanent.

The fund will support new activity and will in no way replace or diminish OAC's existing and ongoing funding of Indigenous artists and organizations.

Indigenous Music Strategy

Following a 2013 community consultation with Indigenous musicians and industry representatives, the next stage of OAC's Indigenous Music Strategy was the creation of an Indigenous Music Market Development Plan. OAC's Indigenous Arts and Music offices worked in collaboration with Alan Greyeyes, a nationally-renowned Indigenous music industry consultant, to create the plan. This is intended to be a blueprint for OAC, with a strong focus on market and creative development for Indigenous musicians in Ontario. The plan identifies industry access points for Indigenous musicians to showcase and develop industry connections, and maps existing Indigenous market development initiatives along with potential national and international partners for program development. As the Canada Council for the Arts is increasing its focus on Indigenous Arts and market development, OAC is working closely with these colleagues for maximum benefit and effectiveness.

Indigenous Arts Protocols

In 2016, OAC completed an Indigenous Arts Protocols video as a tool to be used by all artists and arts organizations working to partner with and engage Indigenous organizations and audiences. The video has added to the growing list of media tools available on OAC's website.

OAC will continue to implement our Indigenous Arts Development Plan by:
- Disseminating the Indigenous Arts Protocols video
- Continuing to present the OAC Indigenous Arts Award
- Continuing the Indigenous Presenters in the North initiative through grants and professional development
- Continuing to disseminate *Shapeshifters,* the OAC-produced Indigenous Arts video series
- Launching the Indigenous Cultural Fund.

Arts Education Initiatives

Artists in Residence – Education (AIR-E)

In 2016-17, OAC maintained partnerships with 18 school boards representing each Ontario region with plans to add one new school board to the program by year end. These partnerships are supported with a Canada-Ontario Agreement on French Language Services (CANON) contribution, a program sustainability funding strategy (scaling support as partners move through the program), and reallocation of OAC funds from other arts education programs and special initiatives.

Program enhancements for 2016-17 include continued development of a program framework for school board partners to understand the different stages of partnership, the continued development of school board networks and training for Francophone artist-educators in Northeastern Ontario. Development to the AIR-E program website will begin in 2016-17, after OAC's new website has been launched.

Royal Conservatory of Music (RCM) Artist Educator Course – RCM is no longer offering artist educator training and OAC is no longer in a sponsorship relationship with RCM for this activity. Arts education and community-engaged organizations have begun to seek support for training activity through OAC's granting program Arts Services Projects.

Support to Francophone Artists and Organizations
From 2011 through 2013, the Department of Canadian Heritage (PCH) contributed to an OAC pilot program supporting grants to francophone visual artists. In 2014, with no PCH funding, OAC committed to sustaining the program, though at a reduced overall level, for one more year. In 2014-15, a new partnership was struck with PCH through the Official-Languages Support Program Community Cultural Action Fund. OAC and PCH have each committed a total of $270,000 over four years, from 2014-15 through 2017-18, to build capacity for Francophone visual arts organizations and Francophone visual artists in Ontario. This builds on the success of the earlier support to individuals by creating stronger organizations that connect artists and their work to larger communities.

OAC has renewed an exchange agreement with the Conseil des arts et des lettres du Québec (CALQ) to co-fund Ontario/Quebec artists' residencies from 2015-16 through 2017-18. These opportunities build careers through creative exchange and network-building.

Support to Local, Regional and Rural Arts Activities
OAC's strategic plan maintains artists and organizations in regions outside Toronto as one of six priorities. Continued investment in two Northern Representative staff positions; one in the Northeast (based in Sudbury) and one in the Northwest (based in Thunder Bay), provides in-person service to northern applicants. In addition, OAC offers a multi-disciplinary Northern Arts program that offers additional funding opportunities to applicants from the Northeast, Northwest and the Far North.

Outreach and Development
The Outreach and Development office was established to deliver on OAC's strategic goal of improving outreach and access to programs and services. The office coordinates OAC's development initiatives in collaboration with other OAC staff to ensure that support and services are made available to all Ontario artists and arts organizations, with particular emphasis on priority groups. As mentioned above, in order to deliver outreach activities and support, OAC has two Northern representatives. The Northeast Representative position is currently being filled through a part-time contract while options for the best structure to serve the diverse needs of the area are explored. In this position, from October 2015 to February 2017, the Northeast Representative will further develop and strengthen OAC services in the Northeast.

OAC continues to improve access to programs, resources and services through convening, education, information and professional development activities including:
- Professional development session or emerging and mid-career writers who are Indigenous or of colour.
- Professional development for Francophone visual artists of colour.
- Professional development for Deaf artists and artists with disabilities.
- Professional development for Northern visual arts directors and emerging leaders.

In particular, OAC continues to support and develop priority group artists and organizations through partnerships, infrastructure development, liaison and professional development opportunities.

OAC continues to facilitate relationships and connections among artists and arts organizations, and with the education, health and social services sectors. In 2015-16, OAC re-focused its

Community and Multidisciplinary Arts program and created the Community-Engaged Arts program to better serve artists and organizations partnering with these previously mentioned sectors.

OAC is increasing its capacity to use webinars, podcasts and social media as vehicles to improve its reach and increase efficiencies. OAC's website now includes the following video tools and resources:
- *New to OAC* – web page for first-time applicants.
- *Boundless: Deaf Artists, Artists with Disabilities and OAC* – captioned in English and French and with American Sign Language (ASL) and Langue des Signes Québécoise (LSQ). This video was developed through a partnership with Ryerson University's Inclusive Media and Design Centre.
- ASL video of *Vital Arts and Public Value: A Blueprint for 2014-2020* – OAC's new strategic plan.
- ASL video of OAC's accessibility support for Deaf artists and artists with disabilities.
- *OAC Grant Survival Guide* – tips and must-dos for preparing a grant to OAC.
- *OAC Simulated Jury Process.*
- *Preparing Effective Support Material for Visual Arts and Craft Grant Applications.*
- *Preparing Effective Support Material for Theatre, Dance and Performance-Based Multi and Inter-Arts Applications.*
- *Framing Community: A Community-Engaged Art Workbook.*
- *Shapeshifters* – profiles of Ontario Indigenous artists and organizations.
- *Indigenous Arts Protocols* – guidance on how to engage with Indigenous arts.
- As well as numerous podcasts focusing on frequently asked questions about various OAC granting programs.

OAC's commitment to building awareness of and access to professional Community-Engaged Arts began with two years of support to a contract with Windsor Arts Council for a model of local arts development with a part-time regional Community Arts Animator. This continued with two years in Kingston and now Mississauga. In 2016-17, OAC has similarly invested in the Central-Ontario area (Barrie) by funding the costs associated with a local community animator.

Access and Outreach for Deaf Artists and Artists with Disabilities
OAC will continue to develop supports and services in response to the needs of Deaf artists and artists with disabilities.

In 2015-16, OAC created its first Deaf and Disability Arts Program to support projects by artists who are Deaf or have a disability. The program creation was informed by a report commissioned by OAC from disability arts organization Tangled Arts + Disability. The program supports creation, production and professional development. The Deaf and Disability Arts Materials and Supplies component of the program supports visual and craft artists to purchase materials required to create work.

In September 2015, OAC entered into a one-year contract with its first Equity, Diversity & Accessibility Coordinator contract staff position. This position guides policy development, staff education and training on related issues, and works to continually improve overall accessibility of OAC programs and services. The contract has been extended into 2017.

In 2016, OAC established a standing advisory group of Deaf artists and artists with disabilities to contribute to advancing OAC's capacity with regards to accessibility.

A designated Deaf and Disability Arts Access fund provides support to complete grant applications to Deaf artists and artists with disabilities, and for extra accessibility costs associated with successful project applications.

OAC has increased the number of peer jurors and advisors who are Deaf or who have disabilities serving on assessment panels. OAC provides supports to enable all assessors to participate fully. In 2015 and 2016, OAC provided both ASL and QSL interpretation for assessment panels, as required.

OAC staff communicate via email and Skype with Deaf artists. OAC arranges meetings and provides follow-up with Deaf individuals in person, and arranges for ASL interpreters to be at OAC offices as required. ASL interpretation is provided at OAC information sessions for Deaf artists and artists with disabilities, and subsequent communications about such events have ASL versions. In 2016-17, several OAC staff delivered and/or participated in information, networking and professional development sessions for Deaf artists and artists with disabilities, both at the OAC offices and in community settings.

OAC will continue to improve access to OAC granting programs by:
- Increasing OAC's capacity to offer information sessions, such as pre-deadline webinars, grant application writing workshops, mock assessment panels and podcasts for project programs.
- Developing a new online application process, while also continuing to produce print and online tools and other resources to support artists and arts organizations in transitioning to the new online application process.
- Continuing to disseminate a handbook for Aboriginal Presenters in the north.
- Developing accommodation policies relating to OAC application and assessment processes.
- Encouraging artists and other arts professionals to serve on peer assessment panels

Partnerships
In implementing its strategic plan, OAC will continue to **build partnerships both within the arts and with other sectors** in order to maximize impact and efficiency. This will be done by:
- Building and maintaining relationships with staff from various Ontario government ministries, funders' networks, business enterprise centres, business development networks, the Committee of Agencies and Ministries serving Northern Ontario (CAMNO) and others through information sessions, grant application writing sessions, and workshops.
- Working with the province's Arts Service Organizations to promote dialogue between arts service organizations (ASOs) and other organizations serving Ontario's arts communities, regarding mutually beneficial ideas including approaches to professional development, resource sharing, training, advocacy, etc.
- OAC has partnered with the Metcalf Foundation, Ontario Trillium Foundation, Toronto Arts Council and Canada Council for the Arts to invest in a three-year pilot project for a Shared Charitable Platform model for the arts. This will explore a new way of working

that will benefit smaller, emerging organizations and explore efficient and effective models for lean administrative structures, shared overhead expenses, and increased ability to fundraise by being able to issue charitable receipts.

National and International Market Development
OAC has a strong interest in national and international market development for Ontario artists and arts organizations, and has developed a planning model for a proposed **Ontario Arts Council Market Development Fund**. Thus far, however, OAC has been unsuccessful in obtaining dedicated funding to make this fund possible.

In the meantime, OAC has invested $40,000 per year for the past three years in pilot projects to support Ontario arts participation at national and international marketplace events. In November 2014, for example, support from OAC allowed Harbourfront Centre to present eight Ontario performing arts productions to international buyers at CINARS, a biennial event held in Montreal, which showcases Canadian (primarily Quebec) performing arts groups. Participating arts groups attested to their success in connecting with international presenters in this marketplace due to Harbourfront's program of mentoring, developing pitches and networking. A number of successes have arisen from this event, including Governor General's Award-winning Jordan Tannahill's *Concord Floral* which went on to acclaim at the National Arts Centre, Magnetic North Festival and Canadian Stage. In November 2016, OAC will repeat its support of Ontario artists through a second grant to Harbourfront Centre to ensure an Ontario presence at CINARS 2016.

Resources Needed to Meet Goals and Objectives

In order to carry out the activities outlined in this plan, OAC's base funding of $60 million per year must, at absolute minimum, be maintained at the current level. This would allow OAC to continue operating at approximately the same level as last year, subject to ongoing minor reductions and cost saving measures. For current and forecasted staffing resources needed to meet our goals and objectives, please see pages 49 - 50 (*Succession Planning*, *Recruitment* and *Summary of Staff Numbers*).

However, flatlined funding for eight years means that OAC's $60 million annual allocation will be worth $10 million less by next year, than in 2009, due to inflation. OAC is also facing increased demand, with a 61% increase in the number of applications over the past 10 years. This means that OAC has to constantly make very difficult decisions, and cut an ever-shrinking pie into ever finer slices.

OAC's current strategic plan focuses on the most "vital" arts, that is, those artists, arts organizations and arts projects that are most highly assessed. For organizations receiving operating grants, only those that are assessed at "B" (very good) or higher are maintained at the same funding level as the previous year. Those assessed at "C" (average) or lower face reductions. For project grants, the average success rate across all OAC programs is only 27%, meaning that many projects, even ones that are very highly-assessed, are denied funding.

In addition to these assessment-based measures, OAC had to impose 5% across-the-board reductions in 2015-16 to all organizations receiving operating grants, as well as all project funding envelopes. Even if funding is maintained at the same level, further cuts will be inevitable in future.

Should OAC's funding be increased, additional activities would be possible in pursuit of OAC's strategic goals, with emphasis on increased investments in the following seven areas (not prioritized):
- Diversity and inclusion
- National and international market access
- Enhanced technology
- Northern and regional communities
- Operating grants to underfunded organizations
- Funding more projects that are highly assessed but for which funding currently isn't available
- Arts education and community engagement

Research

Producing and sharing valid and credible research is an important part of OAC's commitment to advocate for the value of the arts in people's lives. In fact, OAC's strategic plan identifies gathering, analyzing and sharing research on the contribution of the arts to Ontario as a key strategy to address the goal of building public awareness of the value of the arts. Ontario Arts Council research supports OAC's own work, as well as assisting the planning and advocacy efforts of artists and arts organizations across Ontario.

The following initiatives are either underway in 2016-17, or have been completed:

- Providing input to the Ministry of Tourism, Culture & Sport on the development of a first Ontario Culture Strategy, including an Arts Policy Framework.
- Complying with the government of Ontario's Open Data Directive, including posting a data inventory and initial datasets on OAC's website, as required, by July 27, 2016.
- Undertaking a range of specific internal analyses as part of implementing OAC's new strategic plan.
- Completing a partnership with Canada Council for the Arts and others on the *Canada Dance Mapping Project*, a landmark study to develop a better understanding of the scope of dance activity in Canada, through a variety of research and consultation initiatives. The final component was a survey to explore the social impact of dance organizations. The report was released in the spring of 2016.
- Contributing to Business for the Arts surveys undertaken by Nanos Research on the role of arts and culture in employee engagement and retention.
- Contributing to research related to the *Arts, Culture and Belonging PulseCheck* project, that explores how cultural participation can strengthen people's sense of belonging. The project is a partnership between CAPACOA and Community Foundations of Canada.
- Co-funding, with Ontario Media Development Corporation, a Work in Culture research project to identify and explore various models of hubs that are providing business skills training to assess their relevance to the arts and culture sector.
- Contributing to a research project to identify and review existing studies, data, programs and delivery mechanisms related to equity inclusion initiatives, as part of a major equity, diversity and inclusion initiative in Canadian theatre. The project is being led by the Professional Association of Canadian Theatres, in partnership with a number of other theatre-related art service organizations across Canada.
- Continuing to partner with the Canada Council for the Arts to co-fund the *Arts Research Monitor* – an important vehicle for getting external arts research findings into the hands of the arts community.
- Continuing participation with the Department of Canadian Heritage, and others, as a partner on the Culture Statistics Strategy/Cultural Satellite Account.
- Monitoring of external arts research on an ongoing basis to identify credible findings relating to the personal, social and economic impacts of the arts in society.

In addition, OAC's Research unit is the lead for tracking implementation of OAC's strategic plan – and for the development of revised corporate performance measures. The department is also the lead on ensuring that OAC is prepared for compliance with FIPPA as of February 1, 2017.

Research staff have also been involved in the development of Nova, OAC's new online granting system to ensure it meets OAC's statistical data needs vis-à-vis grants.

In 2017-18, OAC's research staff will continue to spend a significant amount of its time on FIPPA compliance and Open Data Directive requirements. An additional major undertaking will be developing an approach to data analysis under Nova, including the conceptual design and testing of queries in order to replicate, and improve on, our current capacity to produce grant statistics. The Research unit will continue to undertake analyses in support of OAC's strategic plan, and to track progress on the corporate performance measures.

The focus of specific research initiatives for 2017-18 will continue to be informed by the strategic plan – including projects focused on public benefit and the value of public funding of the arts.

In addition, OAC will continue to partner with Canada Council on the *Arts Research Monitor*. OAC will also continue as member of the consortium on the Culture Statistics Strategy to support continuation of the Cultural Satellite Account economic impact data.

Risk Identification, Assessment and Mitigation Strategies

OAC maintains a comprehensive risk register which includes all risks which could have an impact on OAC's achievement of its objectives. In the Risk Assessment Worksheet, risks have been listed under different risk categories, with an assessment of likelihood and impact, mitigation strategies in place and an overall risk assessment. Risk owners have also been identified to ensure that the identified risks are properly managed.

Two high-impact risks included in the risk assessment worksheet are related to the amount of funding OAC receives from the Ministry of Tourism, Culture and Sport.

In 2016-17, with funding having been maintained at $60 million for eight consecutive years, OAC has identified continued flatlined funding as a high risk. If the same funding is continued into 2017-18, OAC's $60 million/year allocation will be worth $10 million less than in 2009, due to inflation. At the same time, OAC has faced a large increase of demand over the past decade. In 2015-16, OAC was already forced to reduce all operating grants, and all project funding envelopes, by 5% across-the-board. If OAC's funding continues to be flatlined, more decreases will be required in future. Fewer and smaller grants will be directed to Ontario artists and arts organizations, at the same time as their own operating costs have continued to increase significantly. Ontario will lose the many benefits of a thriving arts sector.

An even larger risk would be an actual reduction in OAC's funding. A reduction to OAC would require significantly reduced funding to Ontario artists and arts organizations, including elimination of some funding programs altogether, and considerably weakened supports for the entire sector, including OAC priority groups.

To mitigate both of these risks, OAC maintains communication with the Ministry and with MPPs to ensure awareness of the importance of public support to the not-for-profit arts sector, and the strong returns on investment. OAC has also maintained strict control over administrative costs, so that support of Ontario's artists and arts organizations can be maximized within its budget.

Other risks have also been identified by OAC, which reflect the business environment and the internal operations of OAC. The Governance Committee annually reviews the Risk Assessment worksheet, and updates or changes are regularly brought to the Board of Directors for approval.

Please see attached Appendix 3 – OAC Risk Assessment Worksheet.

Environmental Scan

This scan provides a brief summary of key issues or factors in OAC's external and internal environment that are anticipated to affect OAC's work over the coming year, either directly or indirectly (due to impacts on OAC's client base).

EXTERNAL ISSUES/FACTORS

While Ontario's arts sector overall did not experience major upheaval over the past year, the cumulative impact of stagnant revenues is being felt – with negative implications for staff resources, artistic programming, and the ability to address rising costs and new needs and opportunities. This is increasing pressure for support – for both existing and emerging organizations – that OAC is not able to meet within its current funding envelope. Within this context, the significant policy developments and funding re-structuring underway at the federal level make for a very uncertain environment for Ontario's arts sector, and therefore for OAC.

Issues/Trends Affecting Ontario's Arts Sector

Based largely on information arising during the assessment process on 2016-17 OAC operating grant applications, the following issues/factors are affecting the operations of Ontario's professional, not-for-profit arts sector.

Economic Environment

Arts organizations across all sectors continue to struggle to maintain revenues in the context of static or decreasing funding along with increasing costs. Sales revenue was down for many organizations and fundraising is tough. Many reference the challenge of securing private support at a time when the corporate sector is gravitating toward other important causes such as health and social services, competition is stiff for local business support, and many organizations have tapped out existing donors and sponsors. This is particularly true for regional and rural organizations with smaller pools of potential support. The independent book and magazine publishers experience additional specific challenges including the softening of reprographic rights revenue and narrower profit margins on sales through large retailers. Slim profit margins are affecting authors as well, with author advances continuing to decline – a de facto transfer of more of the risk in publishing to the author. Overall, arts organizations report that they are experiencing an economic environment that is precarious and unpredictable.

In response, organizations are engaging in a variety of activities to help stabilize their financial situations. These include attempts to diversify revenue sources, undertaking feasibility studies for fundraising campaigns, exploration of dynamic pricing models, implementing deficit retirement plans (for example imposing overall reductions of 10% across the organization), restructuring plans, streamlining staff and reducing programming – including dropping riskier programming in favour of more conservative choices.

Staffing Pressures: Retention and Succession
This unstable fiscal environment is resulting in a variety of pressures related to staffing. These include reducing staff and/or combining positions. For example, replacing a full-time Executive Director with a part-time administrator, or combining fundraising and marketing functions in a single job position (which can further strain private and earned revenues where staff don't have the expertise to excel in both functions). Also related to budgetary constraints is the problem of staff retention due to the low salaries and fees. Turnover is high, including at leadership levels. High staff turnover is also related to the stresses of running an organization on very limited resources. This lack of continuity makes it difficult to build organizational capacity.

The issue of succession continues to pose a serious challenge for the art sector. Many organizations will be facing retirements at their leadership level; fewer have viable succession plans in place. Succession is an opportunity for the field – a chance for the next generation of leaders. Active succession plans can include experienced senior staff giving opportunities to emerging artistic and administrative leaders – building the pool of Canadian talent for these top roles.

Audience Development
Closely aligned to the financial issues noted above is audience development – being used by arts organizations as both an immediate way to increase earned revenues and as a long-term strategy for organizational stability and relevance. Expanding audience bases continues to be an issue for all, but is a particular challenge for arts organizations located in small, rural or isolated communities, as well as those whose work is oriented toward specific cultural or artistic communities.

In general, with more competition from technology and other entertainment/leisure opportunities, many arts organizations are finding that attracting audiences is an increasing challenge. In some sectors, regular audiences (e.g. subscribers in the performing arts sector) are risk-averse to newer and unfamiliar works. Organizations must walk a delicate tightrope between retaining existing audiences and attracting new and more diverse audiences through public education and more adventurous programming. To bring more people in, organizations are engaging in a range of strategies such as cross-cultural programs and the incorporation of multiple art forms. For example, some orchestras are presenting screenings of classic or blockbuster films with a live music soundtrack. Many organizations are rethinking the traditional audience/visitor experience. For example, public art galleries are transforming exhibition visits into exploratory experiences; orchestras are offering new concert designs with multi-media explorations of a single composition including the historical context, composer bio, deconstruction of the piece itself, followed by performance of the complete work.

Many organizations are changing how they engage with audiences by redefining themselves as community hubs (i.e. public art galleries positioning themselves as gathering places) and/or moving programming into the community in non-traditional venues including libraries, parks, malls, hospitals, seniors' residences, etc. Some of these community-based activities in undertaken in partnership with non-arts sectors such as health and wellness, education, and social services. Organizations are also expanding opportunities for distribution of their programming to new (and existing) audiences through, for example, online streaming, and digitizing gallery collections. Some groups are describing a growing community of "followers"

through internet distribution and networking, which provide opportunities to reach a much wider (and global) audience.

Communications channels are also changing as many organizations are using multiple tools to connect with current and potential audiences. While print materials continue to reach certain core audiences effectively, organizations have embraced online communications strategies as well – although there's no consensus at this point about which online strategies are most effective.

For some sectors, lack of access to adequate distribution or sales networks limits audience development. For example, Francophone publishers in Ontario face very limited availability of retail space. And the dearth of independent English-language bookstores has boosted reliance on literary festivals as a means by which independent publishers can connect their artistic product with potential readers/audiences.

Technology

As noted above, digital technology is presenting opportunities for reaching both existing and new audiences in the area of communications/marketing as well as for disseminating/experiencing programming. One challenge posed by the latter is the issue of how to monetize the work for the artists as well as for the added costs to the producing/presenting organization. Similarly, organizations interested in filming or recording their productions for television broadcast or release in electronic media (DVD/Blu-ray or streaming formats) face union restrictions, high (often prohibitive) costs, and competition for distribution partners/opportunities.

The book and magazine publishing sectors continue to adapt to the opportunities and challenges presented by changing technology. For example, electronic reading trends for magazines change regularly. While the majority of digital reading now happens on mobile devices, fashion and practice have swung away from app-based content delivery. Apps require installation whereas websites are easier to integrate with social media. Adaptive websites that display and function appropriately on any device are now de rigeur. In fact, a good website is so important for a viable magazine publishing program that viewing of applicants' websites is now an important part of OAC's assessment process. Podcasting is beginning to make a comeback. However, the sale of digital subscriptions through bookselling platforms remains a small incremental revenue stream for many magazines. Also on the revenue front, subscription crowdfunding platforms are becoming popular among new magazines, particularly online-only publications.

Beyond communications and programming opportunities, digital technologies are also resulting in fundamental changes to some art forms. For example, notions of media art are expanding to include practices such as audio/sound art, bio art (the intersection of art, technology and science), gaming (in the sense of artists subverting the conventions of commercial video games to produce independent games that express a creative vision), and virtual reality (VR) – which is expected to revolutionize media art as it shifts from being simply a platform for watching movies or gaming to becoming a new artistic medium involving immersive experiences.

Facilities/Infrastructure

Access to adequate space/facilities continues to be a sector priority. Facility-based organizations including public galleries and theatres continue to invest a lot of time and financial resources into the management of their buildings, including ongoing operating costs and regular upkeep. In addition, many of these organizations are facing aging and deteriorating infrastructures and have identified the need for renewal of capital infrastructure in the short- to medium-term – along with the challenge of financing, or paying off financing, of the costs of capital projects. Organizations that have recently built or significantly expanded their facilities are struggling to meet the increased operating costs given the static public funding environment. For artists and organizations without their own facilities, access to adequate and affordable rehearsal, performance and exhibition space remains an issue.

There are numerous capital projects for new arts and culture facilities either planned, underway or recently completed – most involving partnerships among multiple arts organizations or a mix of arts and other not-for-profit and private sector partners. While these projects will result in much-needed new arts spaces, they are typically long-term and costly undertakings that put intense pressure on the staff and resources of the organizations involved. On the other hand, the impact of new arts-specific facilities can have a major positive impact on the participating arts organizations and their communities. For example, new performing arts centres in St. Catharines and Kingston have had immediate positive impacts on the sales and visibility of their respective resident orchestras.

Touring and National/International Market Development

Touring continues to be a key element of the operating business model of many arts organizations. Touring increases and diversifies revenue, builds organizational capacity, provides jobs and earnings for artists, extends the life of the art work, increases accessibility of arts for regional audiences across Ontario, builds Ontario's national and international presence, and creates connections that strengthen the province's overall trade and business opportunities. Raising revenues for touring poses a challenge for many organizations that have exhausted private sector support for their home seasons, and is a costly proposition for those operating under union agreements. Organizations continue to flag the need for increased resources to capitalize on touring opportunities.

Changing Operating Models and Ongoing Pressures

Artists and organizations are working in new ways, exploring more informal and flexible models and approaches to creating, producing and presenting art. These include shared platforms, "pop-up" initiatives, and small DIY enterprises that are artist-led. In addition, there is a proliferation of new activity in smaller and rural areas across the province undertaken by organizations that don't qualify for OAC operating funding because they lack the required revenue level or year-round administrative activity. OAC's project programs are accommodating to these new approaches, models and art forms, limited only by available funds.

While many artists and organizations prefer to work in informal ways, many others continue to be intent on maintaining more traditional organizational structures. Most of the operating programs at OAC are anticipating increased pressure on program budgets as numerous organizations that have received project funding will be in a position to apply for operating funding at the next intake opportunity.

Equity/Accessibility

The topic of equity and accessibility for diverse board, staff and audiences was raised frequently in assessment discussions this year. Organizations in many sectors have acknowledged the importance of work on equity issues and have identified the need for planning, programming, services, and training in this area. For some organizations, this work is just beginning; others are well advanced in this area. In addition, many art services organizations (either singly or in groups) are tackling equity issues at the sector-level. Often, arts organizations that have become active in this area are working in partnership with other arts organizations whose mandates focus on equity groups.

The issue of accessibility of both programming and physical facilities was also raised, with several organizations exploring innovative initiatives such as ASL-interpreted performances, sensory-friendly or tactile performances and exhibitions, personal attendant programs, audio descriptions, state-of-the-art hearing assist systems, etc. Discussion in several sectors highlighted the need for increased opportunities for women, particularly in artistic leadership roles.

OAC has initiated a variety of activities in this area including providing special project support to large organizations for the development of equity/diversity plans, and for several sector-specific initiatives to address accessibility barriers for deaf artists and artists with disabilities.

Policy/Legislative Environment

Consultations on Canadian Content in a Digital World

On April 23, 2016 the Minister of Canadian Heritage announced a broad review of the federal government's support for the "content creation sector" including funding mechanisms, legislation, national institutions and policies. According to a government of Canada media release, the review will encompass "information and entertainment content as presented in television, radio, film, digital media and platforms, video games, music, books, newspapers and magazines." An online pre-consultation survey was available between April and the end of May to gather public feedback on "issues of importance to Canadians surrounding content creation, discovery and export in a digital world." A discussion paper was prepared and formal consultations were launched on September 23, 2016, with a November 25, 2016 deadline, including live social media events, online web portal and social media engagement, and a series of by-invitation meetings with the Minister. A "What we heard" report is targeted for late December or early January, 2017. The Minister also established an Expert Advisory Group to provide ongoing feedback to the Minister throughout the consultation period. The 12–person membership of the Advisory Group was criticized by the arts community for over-representation of the broadcast, media and film industries. A group of 30 organizations representing artists and arts organizations published an open letter to the Minister critical of the lack of representation of the full range of artistic disciplines, artists and diversity. The Association of Canadian Publishers and others expressed concern about the lack of representation of publishers. Subsequently, three members were added to the Advisory Group – a writer, a filmmaker/writer and a choreographer/artistic director. The "everything is on the table" language used by the federal government suggests that the review will result in fundamental changes to how it supports arts and culture in the future. Artists, individual arts organizations and arts service organizations are among the many stakeholders seeking input into the review process.

Arts in a Digital World
The Canada Council for the Arts (CCA) is developing a strategy to support the arts sector in its ongoing adaptation to the digital transformation. As part of this initiative CCA undertook a review of strategies and studies designed to support and promote digital capacity in the arts and culture, as well as an online survey of the Canadian professional arts sector to learn how the arts sector is making use of digital tools. The results will be shared publically in autumn 2016 and will serve to inform the development of CCA's first digital strategy in 2017.

Copyright
Expansion of the fair dealing provisions in the *Copyright Modernization Act*, along with the education sector's broad interpretation of the provision, continue to affect the revenues of book publishers. Reprographic rights revenue is also an important part of authors' incomes with the current situation making the position of professional writers even more tenuous. A review of the impact of the changes will take place in 2017. In the meantime, the educational sector continues with its extensive free use of copyrighted material. Citing a recent Supreme Court decision that ruled that copying "short passages" was fair, in February the federal Copyright Board set a new, much lower tariff for education ministries to pay Access Copyright (which licenses copying of works for creators and publishers). The matter is also before the courts in the form of a lawsuit between Access Copyright and York University, but no resolution is imminent.

Artists' Income and Benefits
Two issues relating to artists' rights to income and access to benefits were raised by multiple groups in submissions to the Standing Committee on Finance's Pre-Budget Hearings:
- Artists Resale Right: In briefs to the Committee, arts organizations called for the implementation of the Artists' Resale Right, which would entitle visual artists to receive payment each time their work is resold publicly through an auction house or commercial gallery. The specific proposal was for artists to receive 5% from the public sale of their work in the secondary market. This recommendation was supported by organizations including the Canadian Arts Coalition, CARFAC and CAPACOA.
- The Healthy Artists' Trust requested a $10 million fund to subsidize artists' premiums under existing health insurance/benefits programs. The Healthy Artists' Trust represents over 50 Canadian arts organizations and more than 200,000 artists.

Consultation on Phase II of Infrastructure Plan
In May 2016, the federal government launched an infrastructure plan to invest over $120 billion over the next 10 years, to be delivered in two phases. With Phase 1 already underway, public consultation on the development of Phase 2 of the plan took place between July and September. The Canadian Arts Coalition's recommendations included: extend funding to the Canada Cultural Spaces Fund with an additional investment of $490 million over eight years – with particular focus on rural and underserved communities; maintain tourism, culture and recreation as eligible categories in future provincial-territorial agreements during Phase 2 to ensure the sectors' access to support for large-scale projects; design guidelines for future provincial-territorial agreements to allow culture projects of diverse scope to emerge amid competing priorities and to receive adequate funding (i.e. by allowing municipalities to submit more than one project per category and/or ensuring that a certain number of culture projects be funded in each jurisdiction); and construct more affordable housing, including mixed live/work infrastructure for Canadian artists.

Policy Framework for Certified Independent Production Funds (CIPF)
In August 2016, the Canadian Radio-Television Commission (CRTC) released its decision to reduce from eight to six the minimum number of Canadian content certification points required for television productions to obtain CIPF funding. (CIPF's are the independent production funds comprising 1% of the annual gross revenues of broadcast licensees that were created to support Canadian programming.) Points are accorded for the number of Canadians filling key creative roles. Organizations including the Directors Guild of Canada, ACTRA, Writers Guild of Canada, and others are concerned that the decision will result in fewer work opportunities for Canadian artists/creative talent.

Standing Committee on Canadian Heritage Study of Museums
In February 2016, the House of Commons Standing Committee on Canadian Heritage announced a major study of the state of museums in Canada, with special reference to issues facing local and small museums. The Committee met on this topic three times in June, but the study is currently on hold.

Truth and Reconciliation Commission Report
The December 2015 report of the national Truth and Reconciliation Commission (TRC) of Canada on the abuses at residential schools identified the role of the arts in the process of healing and the potential of arts-based approaches to reconciliation. The TRC's Calls to Action included numerous recommendations involving the arts. It is anticipated that the federal government's national reconciliation framework will present opportunities for the support of Indigenous arts and partnerships between Indigenous communities and arts organizations. Pre-dating the release of the TRC's report, the Canada Council's {Re}conciliation program funds projects that promote artistic collaborations between Indigenous and non-Indigenous artists.

The Journey Together action plan, the Ontario government's response to the TRC's report, will invest $250 million over the next three years on programs and actions focused on reconciliation. The action plan includes the creation of an Indigenous Cultural Revitalization Fund that will be a transformative tool for Ontario's Indigenous communities to continue fostering and sharing their rich cultural practices and languages. This Fund will be administered by OAC.

Ontario Culture Strategy and Arts Policy Framework
Ontario's artists and professional not-for-profit art organizations welcomed the launch of Ontario's Culture Strategy in July 2016 and are keenly interested in the implementation of the strategy including the development of the Arts Policy Framework, which holds the potential to have significant impact on the province's arts sector.

Ontario Disability Support Program and Arts Grants
Many Deaf artists and artists with disabilities, along with the organizations that support them, are concerned about the likelihood that receiving an arts grant will affect an individual's payments under the Ontario Disability Support Program (ODSP). Many artists report experiencing this situation; others do not submit grant applications due to the uncertainty and potential negative impacts on their incomes.

Not-for-Profit Issues
Among the public policy issues of concern to the not-for-profit sector in general, the following are particularly relevant for Ontario artists and arts organizations: not-for-profit labour force issues and "decent work" (e.g. pensions, benefits, opportunities for training and development, work/life balance); pending regulations under the *Police Record Checks Reform Act*; social procurement (e.g. community benefit arrangements linked to government infrastructure/urban development projects); access to capital financing including through the Infrastructure Ontario Loans program; access to surplus public lands; *Ontario Not-for-Profit Corporations Act* (including transitional support following proclamation); federal regulatory changes regarding shared platforms; and federal tax measures to encouraged increased charitable donations.

Funding Environment

Federal
The biggest news in the arts funding environment in Canada was most certainly the $1.9 billion increase for culture in the federal government's 2016 Budget, including the promise to double the budget of the Canada Council of the Arts (CCA) to over $362 million over five years – including a $40 million increase in the current fiscal year.

CCA has indicated that its priorities for the new funds will reflect its new funding model – including Indigenous arts, digital, and international activity, along with artistic creation. CCA plans to launch its new funding model in April 2017. At that time, all of CCA's current funding programs will be retired and six new funding programs will be introduced. As a result, the deadlines for many existing programs have been moved or cancelled. In the meantime, CCA launched a "special creation fund" called "New Chapter" with a $33 million granting budget to support public engagement projects relating to Canada's 150th. The program will provide relatively large grants – from $50,000 to $150,000 (for individuals and collectives) or up to $500,000 for organizations. While artists and arts organizations remain uncertain about how the CCA's new funding model will affect them, concerns have been greatly alleviated by the large influx of new funding to come. It's unclear what the relative impact of the CCA's increase will be on Ontario artists and arts organizations, whose proportion of CCA grant dollars has typically been significantly under-represented (especially compared with Quebec) on a provincial per capita basis.

The 2016 federal budget also announced 2-year funding for both the existing Canadian Cultural Spaces Fund (doubling the budget to $168.2 million over two years) and a new Showcasing Canada's Cultural Industries to the World fund ($35 million over two years). Arts organizations welcomed these commitments, and anticipate both will meet key needs in the sector for infrastructure projects and building international tours and markets. However, they are concerned that the two-year timeline will significantly limit the take-up for the Cultural Spaces fund to projects which were already "shovel-ready", and be too tight to develop and secure international tours under Showcasing Canada (which is still in consultation phase). In pre-budget submissions to the Standing Committee on Finance, the Canadian Arts Coalition, CAPACOA and others called for the extension of funding for both programs beyond the current two-year commitment.

At the federal level, 39 large-scale projects that are national in scope are being supported through the Canada 150 Fund as Pan-Canadian Signature Projects – over one-third involve the

arts. National, provincial or local projects requesting up to $50,000 will be funded through the regular stream of the Canada 150 Fund. Demand for support through the fund has been high; the program was closed to applications as of October 21, 2016. There are also a series of launch events on December 31, 2016 in 19 urban centres across the country. All include performances or other arts activities.

The 2016 Budget also provided an additional $150 million over two years for Intake Two of the Canada 150 Community Infrastructure Program (CIP 150), which supports cultural and recreational infrastructure projects and is open to incorporated not-for-profit organizations, as well as municipal and Indigenous governments and others. FedDev Ontario is delivering the program in Ontario with a total allocation of up to $88.8 million over two years. As mentioned, CCA is devoting much of its 2016-17 $40 million increase to the "New Chapter" program – with a $33 million grants budget.

The Department of Canadian Heritage also gave $10 million to Community Foundations of Canada for the Community Fund for Canada's 150th, with individual community foundations receiving specific allocations that they are matching. Grants of up to $15,000 will be provided through the program for a range of projects including festivals, arts activities or showcases, films, etc., with the expectation that the grantees match the grant in-kind or cash.

Ontario
In addition to a number of provincially-supported events taking place across Ontario in 2017, the government of Ontario Ontario's 150 program includes three grant programs: Ontario150 Partnership Program ($5 million focused on youth); Ontario150 Community Celebration Program ($7 million); and the Ontario150 Community Capital Program ($25 million being administered by the Ontario Trillium Foundation).

Ontario's 2016-17 Expenditures Estimates included a $2.1 million decrease in arts sector support through MTCS programs; a $2 million OMDC decrease to base plus $4 million one-time (funded through reserves); and for the Ontario Trillium Foundation a shift of $25 million from its ongoing capital fund to a $25 million investment for Ontario150 initiatives, which is assumed to be one-time, and about which the Ontario Nonprofit Network (ONN) has expressed public concern. All of these changes will affect Ontario arts organizations by increasing competition for revenues from these sources.

Overall, Ontario municipalities are holding steady in their commitment to the arts. The Toronto Arts Council's budget has increased by 57% since 2009.

INTERNAL ISSUES/FACTORS

Strategic /Policy/Performance
As previously noted, OAC launched its new strategic plan, *Vital Arts and Public Value: A Blueprint for 2014 to 2020*, in October 2014. The plan provides a framework to guide OAC activities, funding programs, and services for the years ahead. As planned, OAC's funding envelope for 2015-16 saw all project program funding envelopes reduced by 5%, and all organizations receiving operating grants reduced to 95% in 2015-16, with potential increases (or further decreases) applying only to those organizations when they are in Year 1. This funding envelope will continue in the coming years. In 2016-17, OAC approved a new funding framework which

organized its arts support activities in four funding streams in the context of six priority groups. The new funding framework, which will be implemented in 2017-18 with few programs in 2018-19, will streamline the process, improve the applicant experience, and maintain effective peer assessment. The new funding framework will not alter OAC funding priorities or reduce funding to any particular areas or disciplines.

In support of OAC new strategic plan, OAC has been developing a new logic model and performance measures. The new performance measures will be implemented in 2017-18.

Governance/Organizational
A new Memorandum of Understanding between OAC and the Ministry of Tourism, Culture and Sport has been finalized and signed. OAC will ensure policies and procedures are in place to support the Memorandum.

Three new members have joined OAC board so far in 2016-17, which brought the total number of OAC board of directors to 11. OAC is working closely with the government to make sure full board complement is achieved to support strong governance and oversight.

Legal/Compliance
OAC is developing its new website in part to be in compliance with the Accessibility for Ontarians with Disabilities Act (AODA). In addition, the new OAC website will support Nova, OAC's new online grant application and management system, and provide a strong communication channel for OAC.

As a part of developing and implementing the new online grant application management system, OAC is reviewing its grant terms and conditions to make sure they are in compliance with government regulations and represent best legal practices.

To support the new Function-Based Common Records Series from the government, OAC is allocating additional resources to work with Archives of Ontario to develop its record management program. The new series will be effective in 2017-18. OAC will review its new record management program and determine the best technology solutions to support the program.

Freedom of Information and Protection of Privacy Act (FIPPA)
OAC will become subject to FIPPA in February 2017. OAC has engaged a consultant and sought legal advice to assist with OAC's FIPPA readiness process. A framework for FIPPA compliance is being developed and training is being provided to OAC staff and board. In addition to the expenses and staff time being incurred during this developmental process, it is anticipated that managing FIPPA compliance framework and handling FIPPA requests will result in increased workload for existing staff, the need for additional staff resources, and legal and other costs for OAC on an ongoing basis.

Operational /Service Delivery/Information Technology
OAC's new online grant application and management system, Nova, will transform the way OAC conducts its businesses and interacts with grant applicants. Resources will be allocated to support the staff and applicants in the transition. Helpdesk services will be provided to applicants in submitting their applications and solve technical and system issues. Nova is a

cloud-based solution, OAC will work closely with the service provider to maintain the system security and manage its performances.

In 2017-18, OAC will also review its network structure and internal systems to determine whether additional investment in the area is needed to improve service and operational performance.

Workforce and Labour Relations Issues
A collective agreement between OAC and AMAPCEO was ratified in February, 2015 with a three-year term. In 2017-18, OAC will be preparing for renewal of the agreement, which could result in additional workload for participants of the negotiation team.

Investment
As the low interest environment is expected to continue, the expected returns of OAC investment in current markets will have to be adjusted so that risks are managed properly. The potential impact of the low investment returns will be more in the restricted and endowment funds than in the operating fund. In particular, grants and fellowships supported by Chalmers' fund will be affected by the change of the expected investment returns.

OAC personnel play a very significant role in the agency's positive reputation among stakeholders. OAC's ability to achieve its mandate, vision, beliefs and values is due in large part to the experience, thoughtfulness, professionalism and engagement of OAC staff and board members, and the respect in which they are held by the arts community.

Several large and very significant projects have taken place in 2016-17, for implementation in 2017-18, which have required substantial staff involvement and investment of time, over and above ongoing activities. This has included development and implementation of the Nova online grant application and management system, development of a completely new website, re-design of all granting programs, preparation for FIPPA compliance in February 2017, new records management requirements in April 2017, development of new institutional performance measures, and implementation of a new Indigenous Cultural Fund.

Many of these large projects will significantly impact the way OAC works, and require ongoing analysis and evaluation in order to properly manage such transformative change, at a time when constraints on OAC's operating budget and staff complement, combined with a commitment to existing priorities, make it very challenging to hire additional staff as required.

Areas of Focus in 2017-18

Preparation for Negotiation of OAC's Collective Agreement with the Association of Management, Administrative and Professional Crown Employees of Ontario (AMAPCEO)
The first collective agreement with AMAPCEO was ratified February 4, 2015, with a three-year term. AMAPCEO represents all OAC staff, except those who work in management and/or in a confidential capacity with respect to labour relations. As this is the renewal of a first collective agreement, the practical experience gained over the past two years implementing the collective agreement will provide valuable context to the negotiations process.

Organizational Effectiveness and Design
Once Nova is fully implemented in 2017, the new technology will greatly impact the way OAC does its work internally, as many activities that are currently manual will become automated. It will provide increased efficiencies by eliminating paper-driven processes, thereby allowing staff to focus on more value-added, client-driven interaction. To what extent this technological change will lead to changes in staff roles and responsibilities will be evaluated in 2017-18.

Succession Planning
OAC has recently encountered several retirements of long-serving staff, which will continue in 2017-18. As with most departures, this creates opportunities and challenges, but especially with unique positions that have been staffed by one person for 20 years or more. The loss of organizational knowledge is concerning, but the bigger challenge in a small organization is that such individuals have often taken on additional responsibilities that aren't easily replaced. This requires analysis and investigation of structures, roles, responsibilities and skill sets, all in relation to market demands, and often leads to a need for significantly modified or entirely new positions, departmental restructuring and increased compensation costs.

Recruitment
With the implementation of the significant projects mentioned above, recruitment will continue to be a priority in 2017-18, in order to ensure Nova is properly supported, as well as the Indigenous Cultural Fund and other new operational demands, such as FIPPA.

Compensation and Benefits
OAC will continue to implement merit increases in accordance with the collective agreement for bargaining staff. Non-union staff are evaluated and receive merit increases comparable to unionized staff. There are no planned shifts to OAC's compensation plan for 2017-18.

OAC continues to provide healthcare benefits administered by Great-West Life Assurance, through its role as an agency of the government. OAC's plan is similar to Ontario Public Service Management and Excluded Plan.

Equity & Accessibility
Activities in support of OAC's Equity Plan will continue to be implemented in 2017-18. A particular focus next year is the formulation of an Equity Policy, implementation of a workforce demographic survey, staff satisfaction survey, an equity training program, and respect in the workplace training.

In 2016-17, OAC has implemented a Deaf and Disability Arts and Access Advisory Group, which met for the first time in October 2016 and will continue to meet twice a year to provide guidance and direction to OAC to on its accessibility and funding initiatives, as well as services to Deaf artists and artists with disabilities.

Summary of Staff Numbers
OAC has the following staff categories (with 2016-17 budgeted headcount numbers provided in parentheses): Senior Management (6) and Management (3), Unionized (57) and Non-Unionized (2). OAC's re-forecasted staff number for 2016-17 is 65.41 full-time equivalents (FTE). Included in this number are 7 special project positions that are necessary for implementation of Nova, to support AIR (education) and OAC's equity plan initiatives. OAC is forecasting an increase to 68.34 full-time equivalent (FTE) staff for 2017-18. This increase is necessary to address new operational requirements, such as FIPPA compliance and other government protocols, to support evolving information technology due to Nova, and launch of the new Indigenous Cultural Fund.

AMAPCEO is the bargaining agent for all employees of OAC, except persons exercising managerial functions or employed in a confidential capacity in matters relating to labour relations. The unionized staff include administrative support staff as well as arts professionals, such as our Program Officers.

Implementation of the Executive Compensation Framework
OAC will work with an external consulting firm to collect the required information for the Board's HR Committee to analyze, evaluate and determine the compensation framework that will apply to OAC's Directors and the Director & CEO.

OAC Performance Measures

In summer 2016, OAC launched a process to develop new corporate-level performance measures in the context of its strategic plan. OAC's current strategic plan reflects the two themes of OAC's mandate, which are to serve both the arts sector <u>and</u> the public. With this in mind, OAC identified that a key purpose of the new performance measures would be to articulate and then track the public value that OAC provides to Ontarians and Ontario.

As the first step in this process, OAC developed a logic model that links OAC's key activities clearly and logically to positive societal outcomes – from short-term and mid-term outcomes through to long-term outcomes or impacts. OAC's use of logic models as a first step in the performance measurement process is in line with the approach outlined in the Treasury Board Secretariat's document, *A Guide to Outcome-based Performance in the OPS.*

The mid-term outcomes and long-term impacts that are identified in OAC's logic model clearly align with OAC's strategic plan and its new funding framework, as well as the goals of the Ontario Culture Strategy and broader government priorities. OAC's logic model is included as Appendix 4.

Based on best practices in the field, performance measures should focus on measures that relate to organizational activities, incorporate data that are possible for an organization to collect every year, and be sensitive to change on a yearly basis. As such, measures are typically outputs (of activities) that relate to *short-term outcomes* – those outcomes that arise most directly from an organization's activities. The logic model shows how short-term outcomes lead to mid-term outcomes and long-term impacts.

For the short-term outcomes in the logic model, OAC identified a small number of relevant performance measures. The selection of measures for each outcome was based on what is actually possible to measure yearly, and what information would be most helpful in guiding decisions and understanding how OAC is achieving its outcome goals.

The next step was to identify appropriate indicators for each of the measures. Selecting a few key indicators for each measure will enable OAC to track its performance from several perspectives, while keeping the number of indicators manageable. By using a variety of indicators to describe OAC's performance, it will be possible to understand relative performance (%), as well as specific values (# and $).

Appendix 4 provides an overview of OAC's new Performance Measures Framework including the identified short-term outcomes, measures and indicators.

OAC's performance measures framework is still a work-in-progress. OAC is currently engaged in the next steps in the process, which include finalizing targets for each indicator and completing the analysis to produce the baseline data and current results. This work will be completed and released early in 2017.

Information Technology

Information Technology Enabling Business Transformation
The primary function of OAC's information technology program is to support OAC business outcomes and innovation. In 2016-17, with the implementation of Nova, OAC's cloud-based grant application and management system, and the launch of a new public facing website, the organization will completely transform its online presence.

In 2017-18, IT's focus will build on this transformation. The Nova rollout will continue through the year as each program is launched two months in advance of its deadline. To mitigate transition risks, IT will closely monitor the user experiences and address any concerns on a timely basis. IT will support system trainings for users, and manage system enhancements and updates in collaboration with the service provider. IT resources will also be allocated to supporting and providing guidance and technical support to both internal and external stakeholders.

The new website will continue to build OAC's online presence by providing a platform for OAC to tell success stories and feature recent grant recipients. The new website has been designed with the latest technologies, allowing easy navigation and streamlined content management, and meeting the defined requirements of OAC. The website will also be compliant with the Accessibility for Ontarians with Disabilities Act (AODA).

In 2017-18, OAC will also modernize the agency's intranet, and implement more internal collaboration tools to make it easier for OAC staff to collaborate and engage across departments.

With the growing adoption of cloud solutions, OAC will continue to look for ways to increase efficiency with services such as Microsoft Office 365, and other new and emerging technologies.

Business Intelligence and Open Data
With the proliferation of data, OAC will also enhance its business intelligence capacity to better use granting and other corporate data. In 2017-18, OAC will implement a business intelligence solution with capacity for all departments to use OAC data more effectively.

IT will also support the requirements under Ontario's Open Data Directive, finding new and engaging ways to allow access to publicly available datasets.

Risk Management through Building Resilience
The IT department provides OAC with full enterprise services, including email, websites, databases, desktop and server support, as well as all helpdesk functions for OAC staff. With the transformation to a cloud-based grant application and management system, IT is reviewing its network infrastructure and developing business continuity plans to manage risks of potential network failure.

OAC's IT program will also include an enhanced cyber security focus, to build resiliency in an ever-changing cyber threat environment. The enhanced program will include strong IT policy and ongoing cyber security awareness to OAC staff at all levels. The program will include installation of enhanced security infrastructure, and will utilize 3rd party providers where appropriate.

As a provincial government agency, OAC adheres to the spirit and intent of the government of Ontario Information Technology Directive and standards. In 2017-18, OAC will examine its technology environment to evaluate and mitigate risks and ensure adequate compliance to standards.

Records Management
OAC will become subject to Freedom of Information and Protection of Privacy Act (FIPPA) in February 2017 and a new record series under record management will come into effect in April 2017.

OAC has been working towards updating its Records Management Program, utilizing the Archives of Ontario's (AO) Function Based Common Records Series (FBCRS). OAC has been consulting with AO staff during this development phase to come up with a version suitable to OAC's business, while at the same time maintaining the overall framework used by AO to develop the FBCRS templates.

OAC's goal over the next two years is to fully develop and implement appropriate technology, including an Electronic Data Records Management System (EDRMS) and Information Management (IM) system, to provide staff with appropriate tools to manage records. These tools will also ensure that OAC fulfills legal, security and FOI requirements related to FIPPA.

Initiatives Involving Third Parties

Artists in Residence – Education (AIR-E)
OAC has created partnerships with Ontario school boards to set up artist residencies in schools within each board's jurisdiction. At this time, OAC is partnered with:

- Conseil des écoles publiques de l'Est de l'Ontario
- Conseil scolaire catholique du Nouvel-Ontario
- Conseil scolaire catholique Providence
- Conseil scolaire de district catholique Centre-Sud
- Conseil scolaire de district catholique de Centre-Est de l'Ontario
- Conseil scolaire de district catholique Franco-Nord
- Conseil scolaire public du Grand-Nord de l'Ontario
- Conseil scolaire public du Nord-Est de l'Ontario
- Durham District School Board
- Keewatin-Patricia District School Board
- Kenora Catholic District School Board
- Limestone District School Board
- London District Catholic School Board
- Near North District School Board
- Rainbow District School Board
- Thames Valley District School Board
- Toronto District School Board
- York Region District School Board

Detailed agreements are in place with each partner to make sure that the Transfer Payment Accountability Directive (TPAD) is followed. The long-term goal is to place artist residencies in schools throughout the province, though expansion of the program isn't possible without dedicated funding.

Royal Conservatory Artist-Educator Foundations Course
In 2009, the Royal Conservatory of Music began offering professional development for artists, to help them work more effectively in schools and community settings. OAC funding enabled Ontario artists to enroll in the Artist-Educator Foundations Course at a significantly subsidized rate, and OAC helped select locations throughout the province for the program to be presented.

In 2015-16, the Royal Conservatory decided to take a break from offering the program, and in 2016-17, discontinued it altogether. As a result, OAC has expanded its development of new training opportunities on a local level through other OAC granting programs.

Ontario Dances
This OAC-funded program helps to strengthen and develop the presentation of dance in Ontario, and to increase the range and diversity of dance that is available to communities across the province. The program also builds capacity for dance presenters, dance artists and dance organizations, and fosters audience development, thereby providing a greater number of Ontarians with access to and engagement in dance of all kinds. Currently, OAC coordinates the

partnership with nine multi-disciplinary arts presenters from outside Toronto. Ontario Presents administers this program on behalf of OAC, and a contract is in place to ensure compliance with TPAD.

Theatre Connects/Connexions Théâtres
Modeled after OAC's successful Ontario Dances program, Theatre Connects, and its parallel francophone program Connexions Théâtres, fosters connections between theatre companies, arts presenters, audiences who attend performances, and the public who participate in workshops and demonstrations. OAC has partnered with Ontario Presents and Réseau Ontario to manage this initiative, which is currently in its fourth year as a pilot program.

Third-Party Granting (Recommender) Programs
The strength of the recommender program model is its regional responsiveness, its flexibility, its cost-effectiveness, and its relatively simple application process, compared with regular granting programs. Artists in all regions of the province, at all stages of their careers and from diverse communities, rely on these programs, despite their relatively small grants. A key aspect of the success of these programs is that regional artists have the opportunity to bring their work to the attention of local galleries, publishers and theatre companies. And recommenders are able to identify artists in their regions with whom they may not be familiar, and to begin developing relationships with them.

OAC publishes guidelines and regulations for recommenders in all three recommender programs. These requirements include assessment criteria, recognition of OAC priority groups in decision-making, procedures with regard to managing the flow of applications, communication of results to applicants, and annual completion of a final report on recommendations. Recommenders are assessed on their ability to act as effective recommenders by fulfilling the programs' objectives, meeting OAC strategic priorities as demonstrated through judgment used in the previous year's recommendations, managing the allocated budget effectively, and having in place an effective process for assessment of grant applications. Recommenders are chosen annually by the relevant OAC Officer, based on a review of the previous year's grant recommendations and recommenders' final reports.

In 2016-17, OAC has 153 approved recommenders participating in three third-party programs throughout the province. Recommenders share responsibility with OAC for broadly disseminating information about each program within their regions. Applicants to the various programs then contact the various recommender(s) directly, not OAC, to submit an application.

Recommendations under these granting programs are made by approved recommenders to OAC for processing and payment. Successful applicants are required to submit final reports to OAC. Recommenders do not receive direct financial support to administer their allocation, but generally receive operating or project funding from OAC.

In all cases, approved applications are forwarded to OAC by the recommender once the decision to award a grant has been made.

OAC's current third-party granting programs include:

- **Literature, Recommender Grants for Writers – annual budget $840,000**
  This program provides grants of $1,500 to $5,000 to assist professional writers in creating new work. The program is administered by book and magazine publishers, with 36 recommenders in 2016-17.

- **Theatre, Creator's Reserve – annual budget $379,000**
  This program assists Ontario-based professional theatre creators and informal collectives of creators, by funding them to create work. Applications are made to and funding decisions are made by Ontario theatre companies. There are 45 theatre recommenders in 2016-17.

- **Visual Arts, Exhibition Assistance – annual budget $427,000**
  This program provides grants of $500 to $1,500 to assist artists and collectives with the cost of presenting their work in a public exhibition. Grants are made through third-party recommenders (public art galleries, artist-run centres and other organizations) throughout the province. There are 71 recommenders in 2016-17. Artists apply directly to a recommender located in the zone in which they live, or to one of the specialized recommenders.

- **Visual Arts, Aboriginal Artists Materials and Supplies Assistance – annual budget $24,000**
  This program provides micro-grants of $500 to First Nations, Inuit and Métis artists working in the visual arts, crafts or traditional/customary Indigenous art forms. The grants support the purchase of art materials and supplies. Artists apply through one of four Indigenous recommender organizations.

Implementation Plan

Please see Appendix 5 for OAC's 2017–18 High Level Implementation Plan, which highlights key operational milestones by quarter.

Communications

Goals and priorities

Working within OAC's five-year Strategic Plan, *Vital Arts and Public Value*, the goals of OAC's Communications unit are to:

- Raise the profile and visibility of the Ontario Arts Council, the government of Ontario's primary vehicle for supporting Ontario's not-for-profit arts sector
- Promote the value of the arts and advocate on behalf of Ontario's arts community
- Disseminate information about OAC granting programs and corporate activities – this year's focus is on OAC's program re-design and new Funding Framework.

The Communications unit continues to have the following specific priorities:

- Support the Director & CEO and OAC Board in advocacy efforts, including building and strengthening OAC's relationship with MPPs
- Support OAC's outreach activities, through tools and special activities
- Liaise with the Ministry of Tourism, Culture and Sport (MTCS) on announcements and issues, and provide support to encourage nominations for the Premier's Awards for Excellence in the Arts
- Provide communications support for OAC's programs and research activities, and be responsible for all corporate communications, including the OAC website
- Produce events, newsletters, news releases/newsflashes, advertising, publications and other communications products (videos, webinars) as needed
- Use social media to maintain OAC's presence on Facebook and Twitter and focus on building other online relationships for OAC.

Nova: OAC's Move to Online Grant Applications and Management

The roll-out plan for Nova, OAC's new online granting system, will be a major communications focus in 2017-18. We anticipate that social media will need enhanced resources to manage the community response/engagement aspect to what will be a sea change in the way OAC conducts business.

Indigenous Cultural Fund

The imminent announcement of the Indigenous Cultural Fund, which will be managed by OAC on behalf of the Ministry, will involve a significant amount of Communications support.

Accessibility for Ontarians with Disabilities Act (AODA)

Communications requirement under AODA have significant implications for OAC and its client organizations, and will require ongoing communications strategies, as well as specific tools, including production of certain materials in multiple formats.

Board Support

Communications continues to provide corporate support for board and staff members through event coordination, speaking notes for public events, and production of materials for special advocacy initiatives.

Awards

Communications provides considerable support for OAC's Awards section. This involves news releases, event strategies for award presentations, related speaking notes for OAC representatives, as well as social media components.

Premier's Awards for Excellence in the Arts

Communications supports MTCS's activities to raise awareness and increase applications to the Premier's Awards for Excellence in the Arts as well as providing considerable support at the Ministry's event to celebrate the finalists and winners.

Culture Days

OAC will continue its support to the Ontario Culture Days Animator/Coordinator position with a commitment of $40,000 for 2017/18 pending MTCS's continued funding to this province-wide activity which bolsters one of the goals, to "strengthen culture in communities" in the recently released Ontario Culture Strategy. Provincial support to Culture Days was initially established in recognition of the Celebrate the Artist Weekend and the *Status of the Artist* legislation.

French Language Services

OAC is committed to providing services to the public in French in accordance with the requirements of the *French Language Services Act*. The Act guarantees members of the public the right to communicate with and receive available services in French from all Ontario government ministries and agencies.

Financial Budget

The Financial Forecast Summary with forecasts to fiscal year 2019-20 and an FTE Forecast are included as Appendices 1 and 2.

Budget & Forecast Highlights

- The operating grant from the government of Ontario is $59,937,400, which was increased by $5 million to the current level in 2009-10. 2016-17 was the eighth year at this level of funding (additional special funding of $600,000 was received in 2012-2013 and 2013-2014 after the completion of the Arts Investment Fund program). The financial forecast assumes that this level of base funding will continue into fiscal 2019-20.
- Additional funds have been received under the Canada-Ontario agreement on the promotion of official languages. The program is currently in its fourth year and will end in 2017-18.
- Under the Canada-Ontario agreement on the cultural, artistic, and heritage activity and expression of the francophone community, OAC receives funding to support visual and applied arts. This four-year program is currently in its second year.
- Ontario launched a $2.25 million Creative Engagement Fund, which partners Ontario artists and advocates to help prevent sexual violence. They will challenge norms and change attitudes about sexual violence and harassment through artistic projects. This fund is administered by OAC on behalf of the Ontario Women's Directorate over three years. The program is currently in its second year.
- As a part of *The Journey Together*, Ontario's action plan in response to the Truth and Reconciliation Commission report, the government has established a new Indigenous Cultural Fund to support cultural activities in Ontario's Indigenous communities, with the goals of raising awareness of the vitality of Indigenous culture in Ontario and promoting reconciliation. This $5 million per year fund will be administered by OAC, with public consultation and program development in the current fiscal year, and full launch in 2017-18.
- OAC budgets cautiously for self-generated revenue. Total self-generated revenue in 2016-17 is budgeted at $456,702, with the majority coming from interest and investment income. In the context of interest rates, OAC is currently budgeting $290,000 interest and investment income per year in the operating fund. Lower than expected investment income is considered a low risk to the operating fund and programs, as most of the impact would be in restricted fund.
- OAC prepares a balanced operating budget annually with a general target allocation of 86% towards grants and programs, 12% for administrative expenses and 2% for services.
- Other than the addition of Indigenous Cultural Fund activity in the current year, there is currently no other significant variance between the forecast and the base operating budget.
- OAC monitors its expenditures closely to ensure that no large variances occur. In order to fund unplanned expenses, OAC examines under-spending in other areas to make sure it will support the expenditures in its budget. Larger expenditures are budgeted as parts of the annual budget process, including a review of the agency's modest accumulated unrestricted fund balance ($970,413 at the beginning of the 2016-17 fiscal year).

- In addition, a budget is prepared for strategic use of surplus funds for special one-time or pilot initiatives. For 2016-2017, OAC budgeted for several projects funded through a board-designated reserve fund of $1,435,000. These include the following:
  - Information technology projects including Nova online granting system development and implementation, new OAC website, and enhanced IT backup solution
  - Granting initiatives, including program re-design and new funding framework, and audience development initiatives
  - Community engagement activities
  - Market development initiatives
  - Record management and FIPPA compliance
  - Equity plan and other initiatives.
- Grant commitments to be paid in the future, once specific requirements have been met, are not included in the statement of expenditures until paid. The balance for these commitments at March 31, 2016 was $863,300.
- OAC's capital assets consist of computer hardware, software, leasehold improvements, furniture and office equipment. The current net book value is $2,820,959. Assets under development (for Nova) accounted for $654,466 at March 31, 2016. With Nova becoming operational in 2017, the amortization will begin accordingly.
- OAC completed leasehold improvements associated with a move to new office premises in January 2016. The move allowed OAC to reduce its footprint and control its rental costs, as rental costs in the previous location were set to increase dramatically. Remaining work, including accessibility measures, has been done in 2016-17. The cost of leasehold improvement was covered primarily by a landlord's inducement package, as well as by funds set aside in an internally restricted fund.

APPENDIX 1 – Financial Forecast Summary

AGENCY:	FINANCIAL FORECAST SUMMARY						
	2014-15	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20
Ontario Arts Council	ACTUAL	ACTUAL	BUDGET	PROJECTED ACTUAL	BUDGET	FORECAST	
PROVINCE OF ONTARIO							
MTCS Operating (including maintenance)	59,937,400	59,937,400	59,937,400	59,937,400	59,937,400	59,937,400	59,937,400
MTCS (CANON - French Language Services)	117,300	125,300	100,000	100,000	98,000		
MTCS (Indigenous Cultural Fund)				200,000	5,000,000	5,000,000	5,000,000
Other (Office of Francophone Affairs - Cultural Development)		75,000	75,000	70,000	65,000	60,000	
Other (Ontario Women's Directorate)		750,000	750,000	750,000	750,000		
1> TOTAL PROVINCIAL FUNDING	**60,054,700**	**60,887,700**	**60,862,400**	**61,057,400**	**65,850,400**	**64,997,400**	**64,937,400**
OTHER GOVERNMENT							
(specify program name, government & funding period)							
2> TOTAL OTHER GOV'T FUNDING	**0**	**0**	**0**	**0**	**0**	**0**	**0**
SELF GENERATED REVENUES							
Investment Income	425,026	342,933	300,000	290,000	290,000	290,000	290,000
Non-Government Grants							
Other (specify source e.g. fund transfers, reserve/restricted funds):							
Fund administration	63,229	66,610	60,000	66,702	60,000	60,000	60,000
Recovery of prior years' grants	81,689	139,149	50,000	50,000	50,000	50,000	50,000
Miscellaneous	58	106,556	50,000	50,000	50,000	50,000	50,000
3> TOTAL SELF GENERATED	**570,002**	**655,248**	**460,000**	**456,702**	**450,000**	**450,000**	**450,000**
4> TOTAL REVENUE: 1+2+3	**60,624,702**	**61,542,948**	**61,322,400**	**61,514,102**	**66,300,400**	**65,447,400**	**65,387,400**
EXPENDITURES							
Grants / other programs	53,204,148	52,439,246	52,700,000	52,559,564	56,600,000	55,825,000	55,690,000
Services	993,061	1,001,119	1,100,000	1,315,216	994,420	900,000	900,000
Administration							
Salaries & Benefits	5,110,510	5,207,969	5,733,178	5,780,579	5,953,579	6,128,579	6,303,579
Occupancy / Lease	518,850	946,701	741,540	570,640	570,640	570,640	570,640
Travel	160,693	138,329	160,000	178,329	178,329	178,329	178,329
Communications	285,307	234,761	240,000	240,000	240,000	240,000	240,000
Other	784,232	1,087,086	597,682	1,069,774	1,263,432	1,154,852	1,104,852
5> TOTAL EXPENDITURES	**61,056,801**	**61,055,211**	**61,272,400**	**61,714,102**	**65,800,400**	**64,997,400**	**64,987,400**
Net Income Surplus/(Deficit): 4-5	**-432,099**	**487,737**	**50,000**	**-200,000**	**500,000**	**450,000**	**400,000**
Amortization of deferred capital contributions							
Amortization of capital assets	75,118	550,147	250,000	400,000	500,000	450,000	400,000
	75,118	550,147	250,000	400,000	500,000	450,000	400,000
Net Income Surplus/(Deficit) After Amortization	**-507,217**	**-62,410**	**-200,000**	**-600,000**	**0**	**0**	**0**
Net assets (deficit), beginning of year	**1,655,686**	**1,718,072**	**2,548,960**	**2,548,960**	**2,148,960**	**2,148,960**	**2,148,960**
Interfund transfer	**534,859**	**929,760**	**200,000**	**200,000**			
Net remeasurement gains	**34,744**	**-36,462**	**0**	**0**	**0**	**0**	**0**
Net assets (deficit), end of year	**1,718,072**	**2,548,960**	**2,548,960**	**2,148,960**	**2,148,960**	**2,148,960**	**2,148,960**

Notes:
Funds that comprise the Net Assets (Deficit)

Invested in Capital Assets	1,020,995	1,444,232
Unrestricted	526,299	970,413
Accumulated remeasurement gains (operating fund)	170,778	134,315
	1,718,072	**2,548,960**

APPENDIX 2 – FTE Count

AGENCY: ONTARIO ARTS COUNCIL							
	2014-15	**2015-16**	**2016-17**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
	ACTUAL	ACTUAL	FORECAST	REFORECAST	FORECAST		
FTEs							
Total FTEs	61.00	63.47	64.83	65.66	68.34	66.69	66.69

Note: OAC's permanent staff complement did not change between the 2014-15 and 2015-16 'Actual' count - the increase in FTEs during this period is due to a change in method of how FTEs are counted; OAC had previously included only permanent staff in this count, however, starting with 2015-16 and moving forward, staff numbers reflect the full complement of staff including permanent, part-time and temporary employees.