



ONTARIO ARTS COUNCIL
CONSEIL DES ARTS DE L'ONTARIO

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

2015–16 Business Plan

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The Ontario Arts Council (OAC) was established in 1963 as the agency through which the Government of Ontario invests in the province's artists and arts organizations, for the enjoyment and benefit of all Ontarians.

OAC believes that the arts contribute significantly to the quality of life, cultural identity, social well-being and economic prosperity of Ontario's people and communities.

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OAC 2015-16 Business Plan Executive Summary

Ontario Arts Council (OAC) has been engaged in considerable research, analysis, consultation, and planning for the past two years, working hard on several large projects that will collectively transform and modernize the institution in the years ahead. This has included: development of OAC's new multi-year Strategic Plan, ***Vital Arts and Public Value***, which will serve as a values-based blueprint for the organization in the years ahead; development of a new funding framework for 2015-16, including a more coherent way of funding and interfacing with the province's largest arts organizations; development of ***Nova***, a major IT project which will allow for on-line grant submission and administration, and transform how OAC conducts business; development of a space plan, which will pave the way to relocation of OAC's office premises, after more than 50 years at 151 Bloor Street, Toronto; and continued negotiations with AMAPCEO towards a first collective agreement with OAC staff.

Balancing Priorities

OAC has to constantly find the right balance between competing priorities – for example: between organizations and individuals; between creation of art and presentation; between large organizations and small; between one region of Ontario and another; and between one arts discipline or practice and another.

But, with no increase in OAC's \$60 million base funding since 2009-10, during which there has been a huge growth in demand (as evidenced by a 53% increase in applications), one of OAC's biggest challenges is to balance the needs of existing arts organizations – especially those which continue to be the most vital – with the need to support new and emerging arts activity that represents the future.

OAC is proud to have nourished, and indeed made possible, the extraordinary cultural infrastructure that exists in Ontario today. Not just through OAC's own direct financial support, but by using OAC funding to leverage support from other levels of government, the corporate sector, private foundations, and individual donors. Public support through OAC is often recognized as a "Good Housekeeping Seal of Approval", which encourages others to come aboard.

But OAC is equally committed to identifying and nurturing the new artists and organizations that will comprise Ontario's cultural infrastructure 10, 20 and 30 years from now.

OAC is deeply concerned about the health and sustainability of the sector. While recognizing the importance of growth and development, OAC also believes that arts and culture are an ecosystem, and that in order for new activities to incubate, grow and flourish, older activities that are no longer vital and contributing to the life cycle, must make way for the new.

To that end, the new strategic plan's focus on ***Vital Arts*** will help OAC identify where to place the greatest priority, when difficult decisions are required.

As a first stage in implementing the strategic plan, OAC has developed a new funding framework for 2015-16, which includes 5% across-the-board reductions to all organizations which receive

OAC operating grants – OAC’s first across-the-board reductions in six years – as well as a 5% reduction to all project program funding envelopes.

These reductions will be to all 550+ organizations that receive OAC operating funding, large and small, across the province. They will apply to everyone, and are in no way related to how well-assessed, or perhaps less well-assessed, each organization is.

Second, in addition to OAC having had no across-the-board decreases in operating grants for the past six years, unfortunately there have been no increases either, regardless of how high the quality is of an organization’s work, how much it’s grown, or how well funded an organization is in comparison to similar organizations.

Third, OAC has always been committed to a balanced budget, but after five years of temporary reductions, use of reserve funds to fund certain ongoing granting expenses and, for the past two years, special one-time support from the government, which is no longer available to us, OAC would now have a **\$1.6 million funding gap** between revenues and expenses next year, if we were to continue funding at the same level as this year.

The 5% reduction will actually yield **\$2.6 million**. Of this amount, \$1.6 million will be used to close the funding gap, but \$500,000 will be used to fund **new and emerging arts activity**, and the final \$500,000 will be used to **begin rewarding excellence and rebalancing funding** through modest increases – up to 10% – for some highly-assessed organizations, when they are in Year 1 of a three-year funding cycle. So the 2015-16 funding framework isn’t just about reductions to balance the budget, but is also about making deliberate decisions to redirect some of OAC’s existing support.

OAC recognizes that the reductions are not good news for many people in the arts community, but we believe this is the only fair and equitable way to proceed, under the circumstances. We are also pleased to be able to set aside funds specifically for new and emerging arts activity, and for modest increases to some of the organizations that have had no increases for many years. And we have also taken great care in communicating these decisions, including personal meetings with the leadership of Ontario’s 12 largest arts organizations, a personal letter to all 550+ organizations that receive operating funding, and town hall meetings in nearly 20 communities across Ontario.

MTCS’s faith in OAC, as a model agency which operates with the highest degree of integrity, efficiency and effectiveness, continues to be well-placed. The Government of Ontario’s investment in the arts sector, through OAC, provides a tremendous return on investment, not only through economic benefits, including strong contributions to Ontario’s tourism sector, but also in terms of quality of life, community building and helping to build Ontario’s identity, at home and abroad. Furthermore, the creation and production support that OAC provides to Ontario’s artists and not-for-profit arts organizations is crucial to the success of the cultural industries sector.

Finally, OAC recognizes the fiscal realities currently faced by the Government of Ontario and, for that reason, has not requested increased operating funding for 2015-16, no matter how compelling our arguments about increased demand and the effects of inflationary erosion.

However, OAC has developed a proposal for a new ***Ontario Arts Council Market Development Fund***, which has been presented to the Ministry, and would – we believe – do an excellent job of meeting the government’s own priorities in terms of economic development, job creation, helping make Ontario more globally competitive, and promoting the Ontario “brand” to make the province more attractive as a place to live, work, visit, study and invest in.

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.

Supporting the Government of Ontario's priorities

This section demonstrates the ways in which OAC supports the Ministry's and Government's priorities¹ through OAC's work of supporting Ontario's professional not-for-profit arts sector, for the benefit of the public.

Priority: Supporting and promoting a strong Ontario tourism sector

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 in more than 200 communities across the province. Large and small, many of these organizations (as noted) 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.

¹ The Ministry and Government priorities noted here are based on MTCS' *Published Results-Based Plan 2014-15* and the Premier's September 25, 2014 mandate letter to Minister Coteau.

Substantial economic impact of Ontario's arts/culture tourism

- Arts/culture tourist 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.

Priority: Enhancing the culture sector and fostering a sustainable and prosperous creative economy that supports a dynamic cultural environment and Ontario's economic vitality and quality of life (supported by strategic investments in the talent and skills of our people)

Arts and culture contribute significantly to Ontario's economy

- Ontario's cultural products directly contribute \$22 billion annually to the province's GDP – representing 3.7% of Ontario's GDP.
- Direct employment related to Ontario's cultural products is over 280,000 jobs, or 4.2% of total Ontario employment.
- Both Statistics Canada and The Conference Board of Canada recognize creators (e.g. independent artists, writers and performers) and creative producers (e.g. theatre companies, arts festivals, etc.) as key first steps in the "creative chain" that produces the sector's economic impact.
- Artists create the content or product used by the cultural industries to generate this impact through the subsequent steps of production, manufacturing, distribution and sale of cultural goods and services.

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

- OAC is the vehicle through which MTCS is able to make targeted investments. For example, last year, OAC's grants supported the creation of over 15,000 new artistic works by the province's artists and arts organizations, and direct production of creative product including 2,200 new works for broadcast on television, internet, video or radio, and 9,000 media arts productions for distribution.
- The not-for-profit arts sector often serves as a training ground for artists who then apply these 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 regular work for over 36,000 artists, and professional development and training for over 64,000 creative sector workers in 2011-12.
- OAC provides support to world-class professional arts training organizations, including the National Ballet School and the Royal Conservatory of Music.

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.

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.

Priority: Support festivals and events that build a strong economy and vibrant communities, attract tourists and contribute to job creation

OAC supports arts festivals across Ontario

- OAC funds over 150 professional not-for-profit arts festivals across Ontario through grants totaling \$6 million. Many of these arts festivals – large and small – bring tourists and economic benefits and add vibrancy to their local communities. Examples include: Blyth Festival; Ottawa Bluesfest; Brott Music Festival (Hamilton); Elora Festival; Festival of the Sound (Parry Sound); Ottawa Chamber Music Festival; Shaw Festival (Niagara-on-the-Lake); Stratford Festival; Sunfest (London); and Summerfolk (Owen Sound).

Priority: Building a dynamic business climate that thrives on innovation, creativity and partnerships (including promoting Ontario's global competitiveness and attracting international investment and showcasing Ontario's talent and expertise)

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.
- Over 40% of OAC regularly-funded arts organizations toured within Ontario, nationally, or internationally in 2011-12, reaching a total audience of 2 million people with performances, exhibitions, or screenings of Ontario arts activity.
- OAC regularly-funded arts organizations reached over 1.4 million people through tours outside Ontario in 2011-12 – building Ontario's brand in North America and overseas as a creative and innovative place in which to live, work, visit and invest.
- In addition, in 2011-12, OAC directly supported national and international tours by Ontario artists and arts organizations that reached every province across Canada, and 35 other countries, including 36 American states.
- OAC provides operating support to many world-class organizations and training institutions in Ontario; for example, 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 to international festivals such as Toronto International Film Festival, Ottawa Bluesfest, Luminato and Sunfest.

Priority: Supporting and providing oversight to major tourism and cultural agencies and attractions that are not only world class travel destinations but also showcase the province's rich history, heritage, culture and arts/Continuing to support a vibrant arts sector

- ***Through the Ontario Arts Council continue to provide strategic investments and other services to develop Ontario artists and arts organizations, and promote art in communities across the province***

OAC's strategic investments in Ontario's arts sector

- The government's investment in OAC as the flagship agency that supports Ontario's arts sector ensures that MTCS can continue to focus on core business.
- 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, and 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.

OAC supports arts activities in communities large and small – urban and rural – right across Ontario

- In 2013-14, OAC awarded 3,571 grants to individuals and organizations in 223 communities.
- In 2013-14, OAC grants directly supported arts activity in 105 ridings and in all of the 49 counties in Ontario.

OAC funding provides opportunities for many Ontarians to enjoy and engage in the arts

- Over 39,000 public arts activities were offered by OAC's annually-funded arts organizations in 2011-12, reaching audiences and attendees totaling 18.1 million.
- In addition, OAC's annually-funded arts organizations offered over 64,000 arts education activities in 2011-12, reaching 5.7 million participants of all ages – including 2.7 million children or youth.

- Over 66,500 Ontarians volunteered 1.7 million hours with OAC annually-funded arts organizations in 2009-10 – a value equivalent to \$27 million worth of hourly labour.
- OAC continually advocates for public participation in the arts at the local level through activities such as Culture Days, and by fostering hands-on public engagement of the arts through OAC's Arts Education and Community Arts offices.

Preserving and showcasing Ontario's cultural and heritage resources

- **Cultural Diversity:** OAC provided over \$4.2 million in support to culturally diverse artists and arts organizations in 2013-14.
- **Aboriginal Arts:** OAC has created an Aboriginal Arts Development Plan to support and engage aboriginal communities throughout Ontario. In 2013-14, OAC provided \$3 million in support to Ontario's Aboriginal artists and arts organizations.
- **Francophone Arts:** OAC supports francophone communities – including culturally diverse francophone immigrants – in all regions across the province. In 2013-14, OAC provided \$3.4 million in support to francophone artists and arts organizations in Ontario.
- **Cultural Resources:** In 2013-14, 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.

Priority: Develop an Arts Policy Framework to help maximize the economic benefits of arts and culture to individuals and communities

Priority: Work with Ontario artists, educators and communities to develop an Ontario Culture Strategy, so that we are better able to tell our stories and help a new generation tap their artistic potential

- 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 and Ontario Culture Strategy.
- OAC has played a leadership role in arts education for the past 50 years, in support of its belief that engaging new generations is integral to a healthy arts sector. 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 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.
- Collecting and sharing stories about the diversity of Ontario artists and their work is a key strategy of OAC's new strategic plan.

Priority: Coordinating the province's involvement in the 2015 Pan and Parapan American Games

- OAC has supported Ontario's role in the 2015 Pan and Parapan American Games (PPAG) by including PPAG links on OAC's website, highlighting the cultural component of the PPAG in OAC communications, and accepting applications for PPAG-related projects through OAC's existing project programs. In addition, a number of organizations receiving OAC operating grants are engaged in PPAG-related initiatives as part of their ongoing activities.

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, the Ontario arts community.

The Director & CEO is appointed by the Board and is assisted in his responsibilities by a senior leadership team consisting of the Director of Granting, Director of Communications, Director of Research, Policy & Evaluation, Director of Finance & Administration, and Director of Human Resources. (See OAC’s organizational chart on page 41).

Ontario Arts Council Board of Directors - as of October 2014:

	Member	Location	Term
1	Martha Durdin, Chair	Toronto	Feb 10, 2012 to Feb 9, 2015**
2	Albert Alexanian	Hamilton	Feb 4, 2012 to Feb 3, 2015*
3	Marie-Élisabeth Brunet	Ottawa	April 24, 2013 to April 23, 2016
4	Verlyn Francis	Toronto	June 2, 2013 to June 1, 2016*
5	Judith Gelber	Toronto	February 20, 2013 to February 19, 2016
6	David General	Oshweken	January 4, 2013 to January 4, 2017*
7	Angelina Maltese	Thunder Bay	Nov 2, 2012 to Nov 1, 2015*
8	Hugh O’Neil	Trenton	April 24, 2013 to April 23, 2016*
9	Harvey A. Slack	Ottawa	May 27, 2012 to May 26, 2015*
10	Janet E. Stewart	London	September 8, 2014 to September 7, 2017
11	Vacant		
12	Vacant		

(* indicates second 3-year term; ** indicates third 3-year term)

OAC Strategic Directions

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

OAC's new 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 has chosen 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 will provide 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

Goal 1 – Invest In Ontario's Vital Artists and Arts Organizations

Underlying OAC's mandate as a public funder of artists and arts organizations is our responsibility to ensure the long-term sustainability – and vitality – of Ontario's arts sector. This includes recognizing the diverse and changing nature of the arts sector and embracing the need for OAC funding to reflect and support this evolution. In doing so, OAC's role is to find a balance across the many and varied needs of the sector, in a way that contributes to a vital, flourishing and sustainable arts sector. In support of this goal, OAC has identified strategies that will support existing artists and arts organizations who continue to be active and vital contributors and, at the same time, nourish emerging artists and arts organizations and support new ways of working, creating, producing and presenting art.

Strategies:

- Ensure the distribution of OAC's funding reflects the current and evolving state of Ontario's professional arts sector and society.
- Provide fair and equitable access to OAC funding programs and processes, with particular emphasis on OAC's identified priority groups.

- Reallocate funding to ensure balance between existing and emerging arts activity, promoting both renewal and stability.
- Support new ways of creating and working, as well as new organizational models.
- Support opportunities for artists and arts organizations to present their work locally, nationally and internationally.
- Within programs that provide operating funding, prioritize the most vital arts organizations.

Goal 2 – Strengthen Skills and Share Knowledge

Strengthening skills, building capacity and sharing knowledge among Ontario’s artists and arts organizations will help meet OAC’s vision of a resilient and healthy arts sector. This is increasingly important in today’s environment of rapid change, competing challenges and emerging opportunities, including new technologies and ways of working. The community consultations undertaken as part of the development of this strategic plan reinforced the sector’s needs for professional development, capacity building and increased connections among artists and arts organizations. In support of this goal, OAC has identified strategies that reaffirm its role in addressing these needs and our role as a convener in bringing the arts community together to share information, build relationships and encourage collaboration.

Strategies:

- Ensure artists and other arts professionals have access to learning opportunities.
- Enhance capacity of arts organizations, in particular new and emerging organizations.
- Convene, connect and promote collaboration within the arts community.

Goal 3 – Support Public Engagement in the Arts

Ontario’s quality of life is enriched by arts experiences that are widely available, diverse and of high quality. These societal benefits are greatest when more people engage directly in the arts. To achieve this goal, artists and arts organizations need to further develop and deepen their relationships with audiences in innovative ways – particularly in response to changing demographics (such as an aging population and increased cultural diversity) and the new ways that people, especially young people, are seeking to engage with the arts. Arts education for learners of all ages also plays an important role in building engagement. In support of this goal, OAC has identified strategies that connect people to arts experiences, build audiences and support public participation in the arts.

Strategies:

- Support opportunities for the public to experience the arts throughout the province.
- Support activities that increase, broaden and diversify arts participation and audiences, including attendees, visitors, viewers, listeners and readers.
- Encourage arts organizations to include board members, staff and volunteers from OAC’s identified priority groups.
- Facilitate arts education and learning for people of all ages.

Goal 4 – Build Public Awareness of the Value of the Arts

The public benefit that results from supporting Ontario’s arts sector is a fundamental part of OAC’s mandate as a provincial government agency. However, in today’s complex and fast-changing environment, the value of the arts to society often gets lost. There is a need to

highlight the strong contribution of Ontario's dynamic arts sector in terms of intrinsic impacts, quality of life, economic growth, attracting tourism and investment, social cohesion and community building. In addition, there is a need for increased awareness that public funding makes possible the wide range of artistic activity enjoyed by Ontarians across the province. OAC's leadership role in building public awareness of the value of the arts was reinforced and affirmed in the community consultations undertaken as part of the development of the strategic plan. In support of this goal, OAC has identified strategies that promote awareness of Ontario's rich artistic identity, document the value of the arts and demonstrate the reach and impact of public funding of the arts.

Strategies:

- Promote Ontario's identity through the arts.
- Collect and share stories about the diversity of artists and their work.
- Gather, analyze and share research on the contribution of the arts to Ontario.
- Demonstrate the crucial benefit of public funding of the arts to Ontarians.

During the fall of 2014, OAC conducted 17 Town Hall meetings to present the new strategic plan, answer questions about it, and receive informal feedback. Sessions were conducted in the following communities: Sudbury, Nipissing First Nations, Windsor, London, Kitchener/Waterloo, Brantford Six Nations, Hamilton, Kingston, Thunder Bay, Mississauga, 2 sessions in Ottawa (one for the Anglophone community and one for the francophone community), Peterborough, Barrie, Toronto (all three Toronto sessions were in English, however one had simultaneous French translation and one had simultaneous ASL translation). In February 2015, a video recording of the presentation will be posted on OAC's website. The tour was a great success, with an average of approximately 40-50 people per session (and several much larger). It gave OAC a chance to present and explain the new Strategic Plan, as well as the 2015-16 funding framework, which includes the 5% reductions. On the downside, it was noted that some communities continue to be segmented, e.g. the Sudbury session at Théâtre du Nouvel-Ontario (which was meant to be for the entire Sudbury arts community, and conducted with simultaneous translation) was attended almost entirely by Francophones, with almost no attendees from the Anglophone community. The Nipissing First Nations session was attended almost entirely by Aboriginal artists, some of whom had traveled three or more hours to get there, but by very few people from the non-Aboriginal arts community in North Bay, which is only five minutes away. It is clear that OAC must do more work in terms of promoting collaboration and convening.

Implementation of the strategic plan has already begun, with integration into OAC's 2015-16 business planning of initiatives that support specific goals/strategies (e.g. the new 2015-16 funding framework, as described on page 17, and the new Majors Program, as described on page 18). OAC will continue to identify and refine additional key initiatives to support the new goals and strategies over the six-year timeframe of the strategic plan.

Overview of Granting Programs and Activities – Current and Future

For more than 50 years, OAC has fostered stability and growth in Ontario's arts communities. In 2013-2014, Ontario Arts Council OAC received 11,821 applications and funded 1,737 individual artists and 1,095 organizations in 223 communities across Ontario.

OAC's programs serve individuals and organizations working in a broad range of disciplines and practices, as well as communities across the province. OAC is committed to ensuring equitable access for all Ontarians, with particular emphasis on the following priority groups: Aboriginal artists; artists and arts organizations located in regions across Ontario; artists of colour; Deaf artists and artists with disabilities; francophone artists; and new generation artists. OAC's services are available in English and French.

OAC Current Programs

Most OAC programs are organized into 12 offices, defined by the arts sectors they serve:

- Aboriginal Arts
- Arts Education
- Arts Service Organizations
- Multi and Inter-Arts, Community Engaged Arts
- Dance
- Franco-Ontarian Arts
- Literature
- Media Arts
- Music
- Theatre
- Touring
- Visual Arts

In addition, specialized programs support professional development of individual artists, organizational capacity-building, and targeted funding for OAC priority groups. To respond to the needs of the province's arts communities, OAC regularly consults with artists and arts organizations. A list of OAC granting programs follows this section.

Central tenets

OAC's work is based on two important principles. **Arm's-length** defines its relationship with government, while **peer assessment** defines its relationship with the arts community. An arm's-length relationship with government means that OAC has the authority to establish its own priorities, policies and programs and to make specific funding decisions. This relationship ensures that granting decisions are based on artistic, rather than political criteria; it also protects the government by providing an important buffer from potentially contentious funding decisions.

Peer assessment means that artists and other arts professionals (and, in the case of programs that provide operating funding, community representatives) are involved in 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 grants to artists and arts organizations are dispensed with integrity, transparency and fairness. Peer assessment is governed by policies, processes and procedures that are clearly and consistently communicated and applied, including strict conflict of interest policies.

Types of support

OAC offers two basic 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. Approximately two-thirds of OAC granting dollars support operating grants.

Project grants provide assistance to individuals, collectives or organizations for a specific activity such as creation, production, presentation, or professional development. Together, OAC's operating and project grants over the past 51 years have made an enormous contribution to the ongoing success and vitality of Ontario's vibrant arts infrastructure.

Peer assessors evaluate applications for **operating** funding based on several criteria in two broad categories: Artistic Quality & Contribution, and Organizational Effectiveness. Each of these two categories has equal weight in their assessment. Applications are reviewed by a panel and then scored. Scoring determines whether the organization's grant amount, compared to its previous grant level, will be maintained (subject to the 5% across-the-board reductions in 2015-16), reduced, or increased (after six years of no increases, there will be the possibility of small increases to certain very highly-assessed organizations commencing in 2015-16).

Project programs are peer-assessed according to fewer criteria (usually Artistic Merit, Impact and Viability). Applications to project programs are scored by the peer assessors and ranked. The number of applications that can be funded at any given deadline is determined by the program budget. On average, the success rate for applicants to OAC project programs is 27%, though this number can be considerably higher for programs developed to support OAC's priority initiatives.

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.

Funding Framework

To ensure ongoing vitality of the field, in the context of stable or diminished resources, guiding principles in **operating programs** will promote **renewal** and, where possible, reward excellence, while remaining committed to OAC's strategic priorities. As previously noted, for 2015-16, base funding for all operating program applicants will be reduced to 95% of their 2014-15 grant amount. For programs entering Year 1 of a three-year granting cycle, funds will be reallocated through assessment. Granting programs in Years 2 or 3 of a multi-year cycle will reduce all organizations to 95% of their previous grant amount. Applicant organizations will next be assessed for reallocation when their program is in Year 1.

In 2013-14, OAC launched a new system whereby operating organizations in Year 1 were ranked A, B, C or D based on assessment scores. Commencing 2015-16, the ranking system **for organizations in Year 1 only**, will be as follows:

- "A" level organizations could be maintained at **95%**, or potentially increased up to 105%, depending on various factors, including whether or not they are from OAC's priority groups and/or current funding level relative to similar organizations

- “B+” level organizations could be maintained at **95%**, or increased up to 100%, depending on the same factors
- “B” level organizations will be maintained at **95%**
- “C” level organizations will receive further modest reductions below the **95%**
- “D” level organizations will receive larger reductions below the **95%**

Savings resulting from “C” and “D” reductions will be redirected to fund new and emerging arts activity.

Starting in 2012-13, OAC began accepting new applications to operating programs only in Year 1 of each program’s multi-year cycle, in order to reduce the pressure on a fixed budget. Notwithstanding this constraint, from 2010-11 to 2013-14 – the period during which OAC’s base budget has not been increased – 100 new organizations have been added to the operating stream. The ongoing impact of adding these organizations totals over \$1.9 million per year.

New organizations waiting to apply in the next Year 1 of a multi-year operating program can generally find a fit with OAC project programs, which they can apply to in the interim.

2015-16 Operating Program Schedule:

LAUNCHING MULTI-YEAR	MULTI-YEAR 2	MULTI-YEAR 3	ANNUAL OPERATING
Arts Education Organizations	Aide à la diffusion artistique	Choral Organizations	Block Grants to Book Publishers
Arts Service Organizations	Arts visuels, arts médiatiques et métiers d'art	Dance Organizations	Magazines - Operating
Community Arts Councils	Media Arts Organizations	Literary Festivals & Organizations	
Community-Engaged Arts Organizations	Orchestras	Opera	
Édition (2 yr)	Presenter/Producer	Public Art Galleries	
Major Organizations	Visual Arts: Artist-Run Centres	Théâtre	
Multi and Inter-Arts Organizations		Theatre Organizations	
Organismes franco-ontariens de service aux arts			

Granting programs and initiatives

Anchors program becoming ‘Major Organizations’

After considerable analysis and discussion, OAC has developed a new **Major Organizations** program to be implemented in 2015-16, which will include the following 10 organizations:

- Canada’s National Ballet School
- Canadian Opera Company
- Harbourfront Centre
- National Ballet of Canada
- Ottawa Bluesfest
- Royal Conservatory of Music
- Shaw Festival
- Stratford Festival
- Toronto International Film Festival
- Toronto Symphony Orchestra

The 10 organizations listed above are all large, complex organizations (with annual budgets of at least \$15 million) that are of national or international significance and profile, and are major employers of artists and other arts professionals. They also have large boards of directors and audience bases.

The new program replaces OAC's previous 'Anchors' program, which funded all of the above-listed organizations (plus Canadian Stage, which currently has a budget of just over \$8 million; and *except* for Ottawa Bluesfest, which has recently been added to the program as it meets the budget eligibility requirement). Under analysis, the Anchors program was seen by some to be somewhat arbitrary with regard to which large organizations were funded through this program, and which were not. It was also seen by some to be unfair, as the Anchors were peer assessed but not scored, and had their grant amounts increased or decreased only in direct relation to OAC's own overall budget. All other operating applicants are subject to a full assessment process, in which their score is a determining factor in their grant amount.

The biggest difference with the new program is that the Majors will now be fully assessed and scored through peer assessment, and will be subject to the same increases/decreases as all of OAC's 550+ operating organizations.

The Major Organizations will now have a two-tiered assessment process, comprising:

- Tier 1 – written assessment within the discipline, but no score (i.e. the Majors will be compared to smaller organizations within their artistic discipline);
- Tier 2 – scored at a separate panel for the 10 Major Organizations (i.e. the Majors will be compared to each other).

In recognition of OAC's significant and ongoing investment in the 10 Major Organizations (\$11 million/year), OAC's expectations for Major Organizations will be somewhat higher than for other operating organizations. In particular, Majors will be expected to share resources and mentor smaller organizations, as well as help meet OAC's strategic priorities.

Audience engagement

One of the objectives of OAC's Strategic Plan is to support artists and arts organizations in building actively engaged audiences. OAC has demonstrated its commitment to helping arts organizations develop audience engagement by 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 seventh year, is a province-wide initiative that supports dance companies and presenters across the province to deliver participatory dance activities in their communities, in advance of performances by professional Ontario dance companies.

Inspired by the *Ontario Dances* model, **two new audience engagement initiatives** were launched in 2013-14:

- *Connexions théâtres* builds relationships between francophone theatre companies and centres culturels, 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 theatre companies in Ontario. They are two-year pilot programs, each with budgets of \$200,000 over the two years. These theatre audience development pilots were funded by OAC reserve funds. Early response to these programs indicates successful gains in audience engagement and OAC hopes to be able to provide continued funding for the program in 2015-16.

A third initiative aimed at increased public participation in the arts is a three-year pilot program started in 2011-12 called **Aboriginal Presenters in the North: Music Events**. The purpose of the pilot program was to:

- Support artistic growth in aboriginal communities through the presentation of music
- Strengthen and develop a northern network of Aboriginal presenters
- Develop and engage northern audiences
- Enhance programming options for northern Aboriginal communities and presenters.

The annual program budget is \$30,000. The program was funded for a fourth year in 2014. Based on the impact of this small but important program, current plans are for the program to continue.

Aboriginal Music Strategy

Following a 2013 community consultation with aboriginal musicians and industry representatives, the next stage of OAC's Aboriginal Music Strategy is the creation of an Aboriginal Music Market Development Plan. OAC's Aboriginal Arts and Music offices will work in collaboration with a consultant to create the plan. This is intended to be a blueprint for OAC, with a strong focus on market and creative development for Aboriginal musicians in Ontario. The plan will identify industry access points for Aboriginal musicians to showcase and develop industry connections and will map existing indigenous market development initiatives, along with potential national and international partners for program development. An RFQ for a consultant to develop the plan was issued in November 2014 and Alan Greyeyes, a nationally-recognized leader in the Aboriginal music field, will submit a report by the end of March 2015. OAC will dovetail the release of the draft plan at an upcoming national Aboriginal music consultation to be hosted by the Canada Council for the Arts in February 2015.

Aboriginal Arts Development Plan

OAC will continue to implement its Aboriginal Arts Development Plan by:

- Continuing to present OAC's Aboriginal Arts Award
- Continuing the Aboriginal Presenters in the North initiative through grants and professional development
- Continuing to disseminate *Shapeshifters*, an OAC-produced Aboriginal arts video series.

New program structure for Community and Multidisciplinary Arts

The programs in what is currently called the Community and Multidisciplinary Arts (CMA) office will be renamed and restructured in 2015-16 in order to better serve applicants searching for programs relevant to their practice. At present, programs that fund multi-disciplinary arts activity are grouped together with those that support specific community-based arts activities. These unrelated activities being listed together under one heading make it difficult for applicants to recognize which programs best fit their needs.

Without adding any additional operating expenses, programs will be reorganized into two distinct sets: 1) Multi and Inter-Arts and 2) Community-Engaged Arts. Each set of programs will

have an operating program and a related project program, and will represent distinct artistic forms, practices and communities of interest. Streamlining and restructuring the programs into two sets will provide greater clarity to the public regarding funding opportunities at OAC, offer better service to applicants, and create more coherent assessment parameters for juries and advisory panels. The program names will be updated and more relevant, reflecting the current terminology related to each sector.

Arts Education initiatives

Artists in Residence – Education [AIR (E)]

This partnership program engages artists, teachers, and students in creative and collaborative arts learning. As of October 2014, OAC is partnering with 18 school boards representing each Ontario region. Although OAC has so far been unsuccessful in securing expansion, or even renewal, of the original \$500,000 funding from the Ministry of Education received in 2011-12, it has, over the past year, grown the number of partners from 14 to 18 through the following measures: by securing a Canada-Ontario Agreement on French Language Services (CANON) contribution over 5 years (2013-18); implementing a program sustainability strategy; scaling up funds for new partners and scaling down funds of existing, longer-term partners; and reallocating funds from other OAC arts education programs and initiatives.

In support of the AIR (E) program, OAC has created a website that is used by teachers and artists seeking resources for creative teaching and learning. Program enhancements for 2014-15 include migration of the public AIR (E) website to a more user-friendly platform, creation of a mapping tool for the website to help school boards find artists and arts organizations in their region, continued development of a program framework for school board partners to understand the different stages of partnership, and the development of local networks focused on supporting arts education in the following communities that have recently joined the program: Kenora, North Bay (French and English) and Sudbury (French and English). These enhancements are being supported by CANON and funds from OAC's Arts Education office.

In addition to the above,

- OAC's short-term goal is to secure an additional \$1.5 million from the Ministry of Education (MoE) to increase the total number of participating Ontario school boards to 32 (seven OAC-funded boards and 25 MoE-funded boards).
- The longer-term goal is to secure \$3.5 million annually from MoE to offer the AIR (E) program in all 72 boards and 11 school authorities in Ontario.
- If MoE funding is renewed, OAC will continue to manage the AIR (E) website for school boards, teachers and artists.
- Without MoE funding, the number of school boards participating in the program will have to be significantly scaled back, and the website will be archived for reference only, with no updates or interactivity. Maintaining even reduced activity will necessitate reductions to other arts education granting programs.

The Royal Conservatory Artist Educator Foundations Course

In 2014-15, OAC continued to work with the Royal Conservatory of Music (RCM) to provide a 30-hour training course in five communities, oriented to artist educators. This course supports skill development for effectively engaging learners in the arts. To date, OAC and RCM have reached 22 communities across the province and 733 artists, the majority of whom did not have a previous funding relationship with the Ontario Arts Council. This year, the course will be hosted

in North Bay (in French), Toronto, Ottawa, St. Catharines, and Owen Sound. The intention is to continue this course offering in 2015-16.

Support to francophone artists and organizations

For the past three years, the Department of Canadian Heritage (PCH) has contributed to a pilot program **supporting grants to francophone visual artists**. This year, with no PCH funding, OAC committed to sustaining the program, but at a reduced overall level. A new request was submitted to PCH for a contribution in 2014-15 and was successful. \$270,000 has been committed over four years from PCH's Community Cultural Action Fund. This amount will be matched by OAC for a total of \$540,000 over four years, and will be used to develop and implement a program to support Franco-Ontarian visual and media arts. Because news of the funding was received late in 2014-15, OAC has requested and received approval for an amendment to the first year's (2014-15) budget in order to ensure funds are spent as per the agreement.

In 2015-16, OAC will also:

- Renew its agreement with Conseil des arts et des lettres du Québec (CALQ) to co-fund Ontario/Quebec artists' residencies for three years.
- Continue workshops and information sessions for francophone artists wishing to access OAC's provincial, national and international touring programs.

Last year, OAC convened a professional development gathering attended by more than 30 culturally diverse Francophone literary artists. A similar event this year offered development opportunities for culturally diverse Francophone musicians. Approximately 30 artists attended this event.

Support to local, regional and rural arts activities

In 2015-16, a Northern Arts program evaluation aimed at measuring the impact of this nine-year old program that funds artists and organizations in Ontario's Northeast, Northwest and Far North will be conducted. These applicants are also eligible to apply to OAC's other programs. The evaluation will extend beyond OAC's Northern Arts program and will look at a broader range of programs and service support to the North, including the roles of OAC's two Northern Consultants, one based in Sudbury and the other in Thunder Bay.

Outreach and Development

OAC's Outreach and Development Office was established to deliver on OAC's strategic goal of improving outreach and access to programs and services.

This office coordinates OAC's annual development initiatives in collaboration with other OAC offices to ensure that support and services are made available to all Ontario artists and arts organizations, with particular emphasis on OAC's priority groups. In order to assist in delivering outreach activities and support, OAC has two Northern Consultants, one based in Thunder Bay (serving the Northwest and Far North) and one based in Sudbury (serving the Northeast). The Northeast Consultant position became vacant in May of 2013 and 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.

OAC improves access to programs, resources and services through convening, education, information and professional development activities.

- OAC continues to support and contribute to the development of priority group artists and organizations through partnerships, infrastructure development, liaison and professional development opportunities; the current focus of these regional efforts is on the north, the southwest and the 905 regions.
- OAC continues to facilitate relationships and connections among artists and arts organizations, and with the education, health and social services sectors.
- OAC continues to produce print and online tools and resources to support artists and arts organizations in the application process.
- OAC is increasing its capacity to use webinars, podcasts and social media as vehicles to improve its reach and increase efficiencies. New OAC video projects in 2014-15 include: 'New to OAC,' for first-time applicants; an American Sign Language video of 'Vital Arts and Public Value' (OAC's new strategic plan); 'Preparing Effective Support Material for Visual Arts and Craft Grant Applications,' and, coming soon, 'Disability Arts at the OAC' and 'Preparing Effective Support Material for Performing Arts Grant Applications.'
- Windsor and Kingston areas are receiving support for a model of local arts development with regional Community Arts Animators. In 2015, this activity will move from Windsor to the Mississauga area.
- OAC will continue to work with the Maytree Foundation to develop tools and opportunities to help arts organizations further enhance cultural diversity on governance boards.

Outreach and access for Deaf artists and artists with disabilities

- In response to the addition of Deaf artists and artists with disabilities as a priority group in OAC's new strategic plan, OAC will continue to develop supports and services responding to the needs of these communities. In 2014-15, OAC designated funds to cover the extra costs to Deaf artists and artists with disabilities associated with completing grant applications, and endeavored to increase the number of Deaf artists or artists with a disability who serve on peer assessment panels.
- In 2015-16, OAC will pilot a new granting program dedicated to Deaf artists and artists with disabilities. This new multi-disciplinary project program will support individuals, ad hoc groups, collectives and not-for-profit Deaf and disability arts organizations, all of whom will be able to apply for up to \$10,000 per deadline. The program will have three grant categories: creation, production and professional development (PD). Applicants will be able to apply in only one of the three categories per deadline.
- Through a partnership with Ryerson University's Inclusive Media and Design Centre, OAC will develop video and online resources for Deaf artists and artists with disabilities.
- In 2014-15, OAC partnered with Tangled Arts + Disability to commission projects and reports from five disability artists. These reports have informed the specifics of the new Disability Arts granting program to be introduced in 2015-16.
- OAC has committed to professional development for staff on issues around disability arts. In November and December 2014, OAC hosted presentations on this topic for OAC's staff and board of directors.

Access to OAC Granting Programs

OAC will improve access to its granting programs by:

- Increasing OAC's capacity to offer pre-deadline webinars and podcasts for project programs.
- Developing a new online application process, while also continuing to produce print and online tools and resources to support artists and arts organizations in transitioning to new online grant application processes.
- Continuing to disseminate a handbook for Aboriginal Presenters in the North.
- Producing and disseminating a 'New to OAC' video for first-time applicants.

OAC granting programs and services will be guided by the Vision and Values of the **Equity Plan**, by:

- Beginning to implement a series of strategies to better support Deaf artists and artists with disabilities.
- Based on consultations with culturally diverse artists, continuing an outreach strategy to increase access to the Visual Arts Exhibition Assistance program.
- Analysing and implementing results from the Access & Career Development program evaluation, and planning any program changes in accordance with these results.
- Continuing the Critical Dialogues series, a program aimed at connecting culturally diverse curators, artists and galleries with each other and with new audiences.
- Assessing the need for, developing the role of, and drafting a job description for a part-time OAC Equity/Access Co-ordinator to research and plan advancements resulting from approval of OAC's Equity Plan.

In implementing its new 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 writing sessions, workshops, etc.
- Convening the province's Arts Service Organizations (PASOs) to promote dialogue between them and other organizations serving Ontario's arts communities regarding mutually beneficial ideas, including approaches to professional development, resource sharing, training, advocacy, etc.
- Building on the success of the Community Arts Animator contracts with Windsor and Kingston arts councils, OAC will continue this initiative for another year in Kingston, while shifting this activity to the Mississauga area after winding up two years in Windsor. These part-time positions promote connections between artists working in community-engaged practices and a wider public. As these projects have thus far been funded out of surplus without any increase to OAC's budget, the future of these programs will depend on available funding.
- Partnering with the Metcalf Foundation to explore efficient and effective models for emerging arts activities. Possibilities include the 'Shared Platform' approach in which smaller, emerging organizations share administrative structures and raise funds using shared overhead expenses.
- Continuing participation in facilitating and promoting Culture Days, through a cash contribution, plus donation of office space, equipment and services.

Proposed Ontario Arts Council Market Development Fund

OAC has developed a Market Development Fund proposal, which is currently before the government, with the aim of helping the province deliver on goals in a number of key areas including economic development, job creation, strengthening the Ontario brand, and making Ontario more internationally competitive.

While preparing for the development of this fund which, if funded, would support Ontario artists and arts organizations to increase their access to national and international markets, OAC has invested in a \$20,000 pilot project grant to Harbourfront Centre to support its presence at CINARS, a renowned biennial international marketplace in Montreal. In November 2014, Harbourfront will present eight Ontario productions to international buyers at CINARS.

OAC also partnered with the Canada Council for the Arts in November 2014 to host a meeting with the Australian Council for the Arts and a delegation of Australian Aboriginal artists to explore strategies and potential partnerships for market development for aboriginal musicians.

OAC Granting Programs – 2015-16

ABORIGINAL ARTS

Aboriginal Artists in Communities
Aboriginal Arts Projects
Aboriginal Presenters in the North: Music Events

ACCESS AND CAREER DEVELOPMENT

ARTS EDUCATION

Artists in Education: Program for Individuals
Arts Education Organizations
Arts Education Projects

ARTS SERVICE ORGANIZATIONS

Arts Service Organizations
Arts Service Projects

AUDIENCE DEVELOPMENT

Theatre Audience Development (English)
Theatre Audience Development (Francophone)

COMMUNITY AND MULTI-ARTS

Artists in the Community/Workplace
Community & Multidisciplinary Arts Organizations
Community Arts Councils
Multi and Integrated Arts

COMPASS

Compass

DANCE

Aboriginal and Culturally Diverse Dance Training
Dance Initiatives
Dance Organizations
Ontario Dances

FRANCO-ONTARIAN ARTS

Aide à la diffusion artistique
Aide à la diffusion artistique - projets
Artistes visuels et des métiers d'art
Arts visuels, arts médiatiques et métiers d'art : organismes
et centres d'artistes autogérés
Avance médias
Chanson et musique
Création littéraire
Édition
Jets de théâtre
Organismes franco-ontariens de service aux arts
Projets d'édition
Projets d'arts visuels, d'arts médiatiques et de métiers d'art
Projets de service aux arts franco-ontariens
Théâtre

MAJOR ORGANIZATIONS

LITERATURE

Block Grants to Book Publishers
Literary Festivals and Organizations
Literary Festivals and Organizations Projects

LITERATURE (cont'd)

Periodicals - Operating
Periodicals - Project
Word of Mouth
Writers' Reserve
Writers' Works in Progress

MEDIA ARTS

Media Artists: Emerging
Media Artists: Mid-Career and Established
Media Arts Organizations
Media Arts Projects

MUSIC

Choirs & Vocal Groups
Choirs & Vocal Groups Projects
Classical Music Recording
Music Commissioning
Opera
Opera Projects
Orchestras
Orchestras Projects
Popular Music
Presenter / Producer Projects
Presenter/Producer

NORTHERN ARTS

Northern Arts

THEATRE

Playwright Residency
Theatre Creators' Reserve
Theatre Creators' Reserve Adjudication
Theatre Organizations
Theatre Projects
Theatre Training Projects

TOURING

National and International Residency
National and International Touring
Ontario Arts Presenters
Ontario Touring

VISUAL ARTS

Aboriginal Artists Materials and Supplies Assistance
Aboriginal Curatorial Projects
Craft Projects - Connections
Craft Projects – Creation and Development
Culturally Diverse Curatorial Projects
Exhibition Assistance
Public Art Galleries
Public Art Galleries Projects
Visual Artists: Emerging (\$5,000)
Visual Artists: Established (\$15,000)
Visual Artists: Mid-Career (\$7,500)
Visual Arts Artist-Run Centres and Organizations
Visual Arts Projects

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 new 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 Research Office monitors 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, the following initiatives are underway in 2014-15:

- Undertaking a range of specific internal analyses as part of implementing OAC's new strategic plan.
- Beginning to identify and explore research initiatives in support of the strategic plan, with a focus on the economic and social contribution of Ontario's artists and not-for-profit arts organizations.
- Continuing to partner with the Canada Council for the Arts and others on the *Canada Dance Mapping Project*, a landmark study that will help develop a better understanding of the scope of dance activity in Canada, through a variety of research and consultation initiatives. A report will be released presenting the results of 'Yes I Dance' – a public engagement survey to quantify and profile individual Canadians who dance, from amateurs to professionals – including their geographic and demographic characteristics, as well as the range of genres and motivations/reasons for involvement in dance. In addition, development work on a companion study of dance organizations has begun.
- Continuing to partner with the Department of Canadian Heritage and the Canada Council for the Arts to co-fund the *Statistical Insights on the Arts* (SIA) series, and with the Canada Council to co-fund the *Arts Research Monitor* – two important vehicles for getting research findings into the hands of the arts community. This year's SIA reports will include an analysis of artists and cultural workers in Canada, the provinces and territories, and at the municipal level, based on the National Household Survey (NHS) and Labour Force Survey (LFS).
- Building on the SIA report, OAC will request additional data on Ontario arts occupations from the NHS/LFS and related sources of information in order to begin to develop an economic and demographic profile of Ontario artists. The NHS data will also provide OAC with benchmark data to track our progress vis-a-vis priority groups and other strategic indicators.
- Continued participation with the Department of Canadian Heritage, and others, as a partner on the Culture Statistics Strategy.

In 2015-16, OAC plans to continue to partner with Canadian Heritage and Canada Council on the *Statistical Insights on the Arts* series, and 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.

Building on the work begun in 2014-15, research initiatives focusing on the economic and social contribution of Ontario's artists and not-for-profit arts organizations will be completed. The

identification of other specific research initiatives for 2015-16 will be informed by the new strategic plan – including initiatives focused on public benefit and the value of public funding of the arts.

As a member of the Canadian Public Arts Funders (CPAF) network, OAC will collaborate with other provincial and national public arts funders in 2015-16 to build on CPAF's recently released report, *Making a Holistic Case for the Arts: Canadian Evidence regarding the Relationship between the Arts and the Quality of Life, Well-being, Health, Education, Society, and the Economy* and, as resources allow, conduct further research to quantify the specific benefits of public support of the arts.

In addition, OAC's Research Office will be involved in developing approaches to track OAC's progress on both its equity plan, and new strategic plan – including the identification of revised corporate performance measures.

OAC hopes to work closely with the Ministry of Tourism, Culture & Sport on the Ministry's development of an Ontario Culture Sector Strategy, and Arts Policy Framework, as set out in the Minister's Mandate Letter from the Premier.

Program Evaluation

Report on 2014-15

- In 2014-15, OAC will confirm changes to the **Access & Career Development** program as a result of an earlier evaluation.
- **Northern Arts** - Evaluation of the Northern Arts program, along with the related Regional Consultant role, will take place beginning in March 2015.

Plans for 2015-16

- Evaluation of the **Northern Arts** program and the related Regional Consultant role will continue into 2015-16.

Risk Identification, Assessment and Mitigation Strategies

OAC has recorded on its **Risk Assessment Worksheet** all risks that have been identified as potentially having an impact on OAC's achievement of its objectives. Risks have been listed under the risk categories identified by the Ministry, with an assessment of likelihood and impact, mitigation strategies in place and the overall risk assessment. Risk owners have also been identified to ensure that the identified risks are properly managed.

The Governance Committee of the Board of Directors annually reviews the assessment worksheet prepared by management and makes changes, if required, to ensure that issues that have occurred over the past year are properly reflected in the worksheet. The committee has agreed that this material will be part of the orientation for new board members and that the register will be updated continuously as circumstances change throughout the year. The Governance Committee reviews the worksheet annually and any updates or changes are brought forward to the board for approval on a regular basis.

Please see attachment '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).

The individual and cumulative impact of the legislative and policy changes noted below will be increased obligations or demands on artists and arts organizations, resulting in upward pressures on their costs (or a concomitant decrease in activity). This may raise expectations for increased support that OAC is not able to meet within its current funding framework.

EXTERNAL ISSUES/FACTORS

Economic environment

Growth in the Ontario economy remains modest and fragile

The 2014 Ontario budget forecast provincial GDP growth of 2.1% in 2014, growing to 2.5% in 2015. Ontario artists and arts organizations are feeling the continued fragility of the economy, reporting that financial and human resource pressures are a constant source of concern. Organizations report that the fundraising environment is increasingly competitive, requiring more time and effort to maintain current corporate relationships and attract new corporate donors/sponsors. The 1.9% decline in charitable donations reported by Canadians between 2011 and 2012 illustrates the type of pressure that arts organizations face in raising donated revenues.² Many organizations also perceive that earned revenues have been increased to their full potential, as ticket prices are deemed to be at their maximum.³ With Ontarians changing the way they plan and participate in arts activities, loyalty to subscription models is seen to be shifting, with less interest in such a commitment by audience members. Rather, organizations report more last-minute purchases. Without the cash flow provided through subscription commitments, arts organizations face resource uncertainty. Taken together, these factors lead to increased demand and pressure for secure, stable funding from OAC.

Jobs: compensation, succession and training

Finding, retaining and supporting qualified human resources remains challenging in Ontario's arts sector. Salaries and compensation are seen to be low, a perception borne out by research conducted by the Cultural Human Resources Council. Arts organizations are limited in their ability to attract and retain top talent.⁴

The succession in leadership underway at many organizations, and the resultant need to invest in the next generation of leaders,⁵ is also being identified as an issue in the arts sector.

² Statistics Canada. Charitable Donors, 2012. *The Daily* (March 27, 2014).

³ Strategic Counsel. *TAPA Audience Survey: Attendance and Engagement with Arts and Cultural Activities in Toronto* (November 2013) Report findings reinforced that the cost of tickets to performances is a barrier to attendance.

⁴ Nordicity. *Labour Market Insights in Ontario's Cultural Industries, Final Report* (Work in Culture, April 2014)

⁵ Cultural Human Resources Council. "Canadian Arts Summit Widens Its Reach," Executive Director's Blog (April 2014) (<http://blog.culturalhrc.ca/blog/canadian-arts-summit-widens-its-reach>)

Compounding this is the need for investment in enhanced, constantly changing skill-sets, both within arts organizations and for individual artists. As artists and arts organizations grapple with these issues, there is increased pressure on OAC to fund more investment in training, as well as competitive salaries and compensation. Strengthening skills is one of the goals of OAC's new strategic plan, with strategies identified and initiatives to be developed to support professional development and capacity-building within the arts sector.

Changing technology consumption and use

The rapidly changing pattern of audience behavior and arts participation resulting from new technology continues to have a significant impact on Ontario's arts sector. The use of social media platforms as a source of cultural information is growing rapidly – especially among youth, with resultant implications for how audiences and participants engage in the arts.⁶

It follows that there has been a rapid increase in the use of social media by artists and arts organizations. A U.S. study by the Pew Charitable Trust reports that “97% [of arts organizations] have a social media presence on Facebook, Twitter, YouTube, Flickr and/or other platforms. In addition, 69% have individual employees who post to their own social media profiles in their capacity as a representative of the organization.”⁷ Keeping up with these technological developments requires continuous upgrading and innovation by artists and arts organizations, resulting in growing pressure for increased resources and professional development.

There is also enormous change in the way artists and arts organization produce and disseminate art, and the ways in which people consume and participate in art. Providing assistance to artists and arts organization to upgrade their technological capacity is one funding stream of OAC's proposed **Market Development Fund**.

Technology also facilitates a marked trend towards self-publishing by professional writers. This presents unique challenges to OAC with respect to program eligibility; as a result, OAC will need to consider whether any changes to its policies and granting programs are warranted.

In the increasingly dominant online world, there is also a growing trend among the public that online content is expected to be 'free.' This trend is evident in both Canada and the U.S.: Seventy-four percent of respondents to a Pew Charitable Trust study indicated that they believe technology contributes to an expectation that “all digital content should be free.”⁸ Research being undertaken in the Canadian publishing sector is further exploring Canadian attitudes in this regard.⁹ This shift in attitudes creates challenges and substantial resource pressures for artists, authors and cultural sector companies, such as publishers and music producers, to monetize their work and raise revenue from other sources.¹⁰

⁶ LaPlaca Cohen & Campbell Rinker. *Culture Track 2014* (April 2014)

⁷ Thompson, Kirsten et al. *Arts Organizations and Digital Technologies*. Pew Research Center (January 2013)

⁸ [*Ibid.*](#)

⁹ This observation also drawn from research being undertaken by Association of Canadian Publishers, and discussed at the OMDC Research Salon.

¹⁰ Castledale Inc. *Book Publishing: Current and emerging best practices in promoting and marketing digital content*, eBound Canada (August 2014)

Policy and legislative environment

Federal

Copyright and payment of artists

The Copyright Modernization Act and recent decisions by the Copyright Board of Canada place downward pressure on the revenues of artists and cultural companies. To illustrate, in May 2014, the Copyright Board of Canada set rates for the playing of music on increasingly important streaming services (non-interactive and semi-interactive webcasts) that many consider inadequate. In the words of Music Canada, “The rates set by the Copyright Board are approximately 10% of the rates negotiated by Re:Sound in its direct agreements with digital services, and less than 10% of the comparable U.S. rates.”¹¹ The publishing sector has related concerns. They note the education exemption in the copyright amendments means that output is still sought and acquired but not paid for.¹² As a result, OAC clients – both organizations and individual artists – will see their revenue from copyright royalties eroded, or greater instability in anticipated income.

In a related matter, in May 2014, the Supreme Court of Canada allowed an appeal by CARFAC and RAAV – the associations that represent Canada’s professional visual artists – who had been seeking to re-open collective negotiations with the National Gallery of Canada with respect to establishing binding minimum fees for payment of artists. (Collective negotiations had begun in 2003 under the Status of the Artist Act. The Gallery had contended that certain fees were covered by the Copyright Act, which favours individual negotiations.) The Court’s decision opened the way for resuming negotiations.

Changes to the Temporary Foreign Workers Program

Recent changes to the federal Temporary Foreign Workers Program (TFWP) make it both more difficult and more expensive for arts organizations to engage non-Canadians in specific, specialized roles. The arts sector argues that such individuals are essential for the continued development and excellence of artistic practice. The increased application fee of \$1,000 per entrant, along with the related paperwork required to apply for a temporary foreign worker visa, are onerous on arts organizations, such as dance companies, that regularly contract or employ skilled foreign workers (e.g. artists, choreographers, lighting designers). Like eroding rights revenues, the increased cost of engaging TFWs will result in pressure on operating budgets.

Canada 150

Canadian Heritage Minister Shelley Glover has undertaken cross-country consultations, inviting Canadians to share ideas on celebrating Canada’s 150th anniversary in 2017. Similarly, the Standing Committee on Canadian Heritage studied the opportunities around the sesquicentennial anniversary. The federal government has already made some investments on “The Road to 2017,” largely in the area of historical recognition. It is anticipated that further Canada 150 announcements will be made in advance of the 2015 federal election. Recognizing

¹¹ Music Canada. The Copyright Board’s Tariff 8 Decision (July 14, 2014)
<http://musiccanada.com/news/backgrounder-the-copyright-boards-tariff-8-decision/>

¹² ACP is undertaking research about what Canadians value in books. The observations above are drawn from a preliminary presentation made by ACP at the OMDC Research salon

that the federal government usually seeks to leverage resources from other partners and governments in any program, a Canada 150 program could potentially provide opportunities for Ontario artists and arts organizations while, at the same time, placing pressure on OAC to support such initiatives.

International touring and market access

Artists and arts organizations are calling for increased opportunities to tour internationally and improve their market access. In its 2014 federal pre-budget submission, the Canadian Arts Coalition recommended a \$25 million pilot program at the Department of Foreign Affairs and Trade to support greater cultural presence on the world stage. Several other organizations have echoed this call. (There is also growing pressure for enhanced international touring and promotion from municipal politicians. In a recent Toronto election debate, the importance of more international touring was a dominant theme.)

Any program to support international touring or market access would place commensurate pressure on OAC to contribute resources to ensure that Ontario artists and arts organizations can take full advantage of the partial funding available from other sources (for example, Ontario artists and arts organizations are already seriously disadvantaged, compared to other provinces, in terms of existing Audience and Market Development funding provided by the Canada Council for the Arts). OAC's proposed Market Development Fund would begin to address this challenge.

Standing Committee on Canadian Heritage Music Study

The House of Commons Canadian Heritage Committee issued a report on the music industry in June 2014. Through this study, MPs heard from witnesses about the changing landscape of the music sector in Canada. The Committee made 10 recommendations, ranging from proposed studies of the economic impact of a tax credit for the industry and the impact of digital technology generally, to more focused music marketing in tourism campaigns and changes to the structural components of the Canada Music Fund. The federal government is expected to issue its response to the Committee's report this fall. Policy changes arising from this study would have impacts on Ontario's musicians and music groups. With OAC's funding to Ontario's music sector totaling \$11.7 million in 2013-14, changes in these areas could have profound implications for OAC as well.

Let's Talk TV

The Canadian Radio-Television Commission (CRTC)'s Let's Talk TV study holds the potential to radically shift the television landscape in Canada. It is focused on four main issues: maximizing choice and flexibility (pick and pay); relationships between broadcasting distribution undertakings and programmers; ways to foster local programming, including a regulatory model for conventional television; and ways to foster compelling Canadian programming, including program production, promotion, exhibition and Canadian programming expenditures. The recommendations of this study could result in major changes in the way artists and cultural enterprises produce television and digital content. How the CRTC deals with existing Canadian content requirements – including whether such regulations or fees can be applied to new media outlets – will affect opportunities for Ontario artists and other content producers.

Canada's Anti-Spam Legislation

Canada's Anti-Spam Legislation (CASL) came into force on July 1, 2014. Any artist or arts organization that engages in electronic communication is potentially affected. In 2014-15, OAC

and many of its clients needed to invest additional resources in legal advice and upgrading communications software, programs and practices.

Ontario

The Ontario Not-for-Profit Corporations Act

The proposed Ontario Not-for-Profit Corporations Act is expected to come forward again for passage in the Ontario legislature. This legislation, when enacted and proclaimed, will modernize the governance framework for not-for-profit and charitable organizations incorporated in Ontario. It has implications for all such organizations and will likely require revisions of by-laws and governance documents – often resulting in costs for legal and other advice to assist with the transition.

Unpaid Internships

The recent crackdown by the Ontario Ministry of Labour on the practice of hiring unpaid interns has led to the cancellation of internship programs in some parts of the cultural sector. Some OAC clients – for example in the magazines sector – have traditionally used internships to provide development and training opportunities for people entering the cultural labour force. While the extent of unpaid internships is not known, these cancellations hold the potential to limit entry positions within OAC-supported organizations, add to the skilled labour shortage in the sector, and further strain arts organizations' resources.

Bill 71, the proposed Child Performers' Protection Act

The impact of this proposed legislation is currently being considered by Ontario arts organizations. It holds potential for implications in the engagement of child performers by professional performing arts companies and a resultant increase in production costs and/or limit productions engaging child performers.

Federal, provincial and municipal funding environment

Federal

Reallocation of resources within Canada Council for the Arts

The Canada Council for the Arts (CCA) has made market access and international touring a priority. Through internal reallocation, it is doubling its investment in this area from \$5 million to \$10 million over three years. As noted above, any program to support international touring or market access will place commensurate pressure on OAC to contribute resources to ensure that Ontario artists and arts organizations can take full advantage of the partial funding available from other sources. OAC's proposed Market Development Fund would begin to address this situation.

As a result of this CCA reallocation and other internal priorities, including support to new organizations, clients across many sectors are seeing reductions in their CCA operating grants, despite receiving good assessments. This reduction in Canada Council operating grants contributes to a resource strain at arts organizations and results in pressure on OAC, which faces similar challenges of flat-lined budgets, and increased costs and demand.

Ontario artists and arts organizations continue to be under-represented in Canada Council (CCA)'s support. For example, Ontario has 43% of Canada's artists and 38% of Canada's population compared to Quebec's 21% of Canada's artists and 23% of Canada's population. However, in 2013-14, Ontario artists/arts organizations received 33% of CCA's funding, while Quebec received 32% of CCA's funding. Given their relative sizes (in terms of artists and population), Ontario is therefore under-represented and Quebec is over-represented in CCA's funding.

Renewal of and making permanent Canadian Heritage programs

The 2014 federal budget renewed a series of investments at Canadian Heritage, including making permanent support to such programs as the Canada Cultural Investment Fund, the Canada Book Fund and the Canada Music Fund, and a time-limited investment of \$25 million in the CCA. This investment will support various clients of OAC, providing stability, but no new resources.

Municipal

In Toronto, the City is on track to increase cultural funding to \$25/capita by 2017. This has resulted in funding increases to the major performing arts companies and Toronto Arts Council (TAC). In addition to increasing and stabilizing support to existing arts organizations, TAC is focusing on increased support to youth and neighbourhood arts programming.

The Niagara region recently launched the Niagara Investment in Culture program, open to local municipalities and non-profit cultural organizations, with the goal of promoting increased opportunities for residents to enjoy cultural events in the region.

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 will provide a framework to guide OAC activities, funding programs, and services in the years ahead. In addition, OAC announced its funding framework for 2015-2016 in which all project program funding envelopes will be reduced by 5%, and all organizations receiving operating grants will be reduced to 95% in 2015-16, with potential increases (or further decreases) applying only to those organizations when they are in Year 1. This may create expectations and issues with key stakeholders and applicants.

Investment returns in current equity markets will affect the amount of income available over time for the restricted and endowment funds, in particular grants and fellowships through the Chalmers' program.

Governance/Organizational

There are currently two vacant positions on the 12-person board (including the position of Vice-Chair), with two more vacancies set to occur in February 2015. The current Chair's term is ending in February 2015, and no new Chair has been announced.

Legal/Compliance

Implementation of the *Accessibility for Ontarians with Disabilities Act (AODA)* concerning websites is resulting in additional costs and workload for OAC. In addition, an updated OAC website is required in order to enable the Nova portal to accept online applications, and other changes which will be required to comply with WCAG 2.0 Level AA.

New accountability directives from government concerning public disclosure of travel expenses for Board members and senior staff will also require additional work to the website, which is currently under development.

Operational /Service delivery/Information Technology

OAC's transition to the Nova online grants management system, and other changes in OAC's approach to information technology will have significant impacts on both employees and applicants. This multi-year project will transform how OAC does business and ultimately result in a better experience for applicants who have found applications processes cumbersome and time-consuming. In 2014-15, a very large amount of staff time has been devoted to User Acceptance Testing (UAT), as OAC enters the final build stage. Nova is expected to be fully implemented in 2015-16.

Workforce and labour relations issues

In February 2012, OAC staff voted to join Association of Management, Administrative and Professional Crown Employees of Ontario (AMAPCEO). The changes this unionization certification may ultimately have on OAC culture and processes is not yet fully understood, as a collective agreement has still not been finalized. At time of writing, however, an agreement has been reached between OAC and AMAPCEO, but it has not yet been ratified by the parties.

Human Resources

OAC's employees play a very significant role in its positive reputation with stakeholders. OAC's ability to achieve its strategic priorities, mission, vision and values is due in large part to the experience, thoughtfulness, professionalism and engagement of OAC staff and board, and the respect in which they are held by the arts community.

OAC's Human Resources Office is responsible for ensuring that effective programs and policies are in place to support and optimize OAC's ability to successfully deliver on its mandate through its employees. This includes training and development, health and safety, recruitment, compensation, organizational design and development, performance evaluation systems, labour relations, and implementing legislative requirements.

Several larger projects have taken place over the past two years which have required very significant staff involvement and investment to make them successful, such as the creation of OAC's strategic plan, the continuing development and implementation of Nova, OAC's new online grants management system, space planning for a possible office relocation, and negotiations towards implementation of OAC's first collective agreement.

Major changes such as those mentioned above require time for adjustment and evaluation which, in this instance, means increased demands on the Human Resources Office to create new and revised policies, review job descriptions and responsibilities, implement organizational design changes, and hire, retain and reallocate staff, as needed, to meet OAC's evolving needs.

Major priorities in 2015-16

Finalization and implementation of first collective agreement with the Association of Management, Administrative and Professional Crown Employees of Ontario (AMAPCEO)
Collective bargaining with AMAPCEO began in September 2012, after OAC staff voted for AMAPCEO as its bargaining agent in February 2012. AMAPCEO represents all OAC staff, excluding those who work in management and/or in a confidential capacity with respect to labour relations.

OAC retained the services of a labour relations law firm, Filion, Wakely, Thorup and Angelleti, to support OAC through the negotiation process, and to serve as lead negotiator. This, along with many hours spent primarily by two of OAC's Directors participating in the negotiations on behalf of management, and two Officers on behalf of the bargaining unit, has had a tangible impact on the organization.

At time of writing, agreement has been reached on all outstanding issues, but the proposed first collective agreement has not yet been ratified by OAC and AMAPCEO.

Organizational effectiveness and design

A significant change for OAC in 2013-14 was the restructuring of OAC's administrative department, which included the hiring of a Manager of IT. The Manager of IT has had the

primary responsibility of modernizing OAC's IT systems, including a new website and development/implementation of Nova.

Once Nova is fully implemented in 2015-16, the new technology will greatly impact the way OAC does its work internally, providing increased efficiencies and eliminating manual paper-driven processes, allowing staff to focus on more value-added, client-driven engagement. To what extent this technology change will lead to changes in staff roles and responsibilities and/or the need for departmental restructuring outside of IT has yet to be determined.

Equity

OAC's Equity Plan guided decision-making throughout the planning, research and content of its new strategic plan, and its influence can be seen in many of the goals and strategies outlined in the plan. Examples of this are the following strategies:

- Provide fair and equitable access to OAC funding programs and processes, with particular emphasis on OAC's identified priority groups.
- Encourage arts organizations to include board members, staff and volunteers from OAC's identified priority groups.
- Collect and share stories about the diversity of artists and their work.

In addition, one of the major outcomes of the Equity Plan and the Strategic Plan is the inclusion of Deaf artists and artists with disabilities as a new priority group, joining the five existing priority groups.

OAC will be hiring an equity professional on a fixed-term contract by the end of 2014-15 to guide and identify tangible activities that support the relevant strategies in OAC's Strategic Plan and Equity Plan objectives.

Recruitment

Hiring will continue to focus on filling vacant positions as they occur, and/or those identified as priorities as a result of the equity and strategic planning processes.

Compensation

OAC's merit increases have normally taken effect on January 1 of each calendar year. However, OAC has not yet implemented increases in 2013 and 2014 because of ongoing union negotiations. It is anticipated that there will be modest adjustments to salaries, benefits and other compensatory items as a result of negotiations.

Pay Equity

OAC is undergoing an audit with the Pay Equity Commission, which commenced in September 2014. Results of the audit have not yet been communicated, but it is expected to be received by the end of the 2014-15. Any recommendations required as a result of the audit will be implemented during 2015-16.

Accessibility for Ontarians with Disabilities Act

OAC has successfully implemented all legislated requirements of the AODA and Integrated Accessibility Standards Regulation. OAC successfully passed an audit in October 2014 by the Accessibility Directorate of Ontario.

OAC's Deaf and Disability Arts and Access Services Committee continues to focus on evaluating and implementing improved services to support Deaf artists and artists with disabilities. In 2014-15, OAC implemented recommendations that provide financial assistance to Deaf individuals and individuals with disabilities if they need support to complete an application. Individuals may also apply for additional funding as part of a projects grant application if they need accessibility supports in order to do their work.

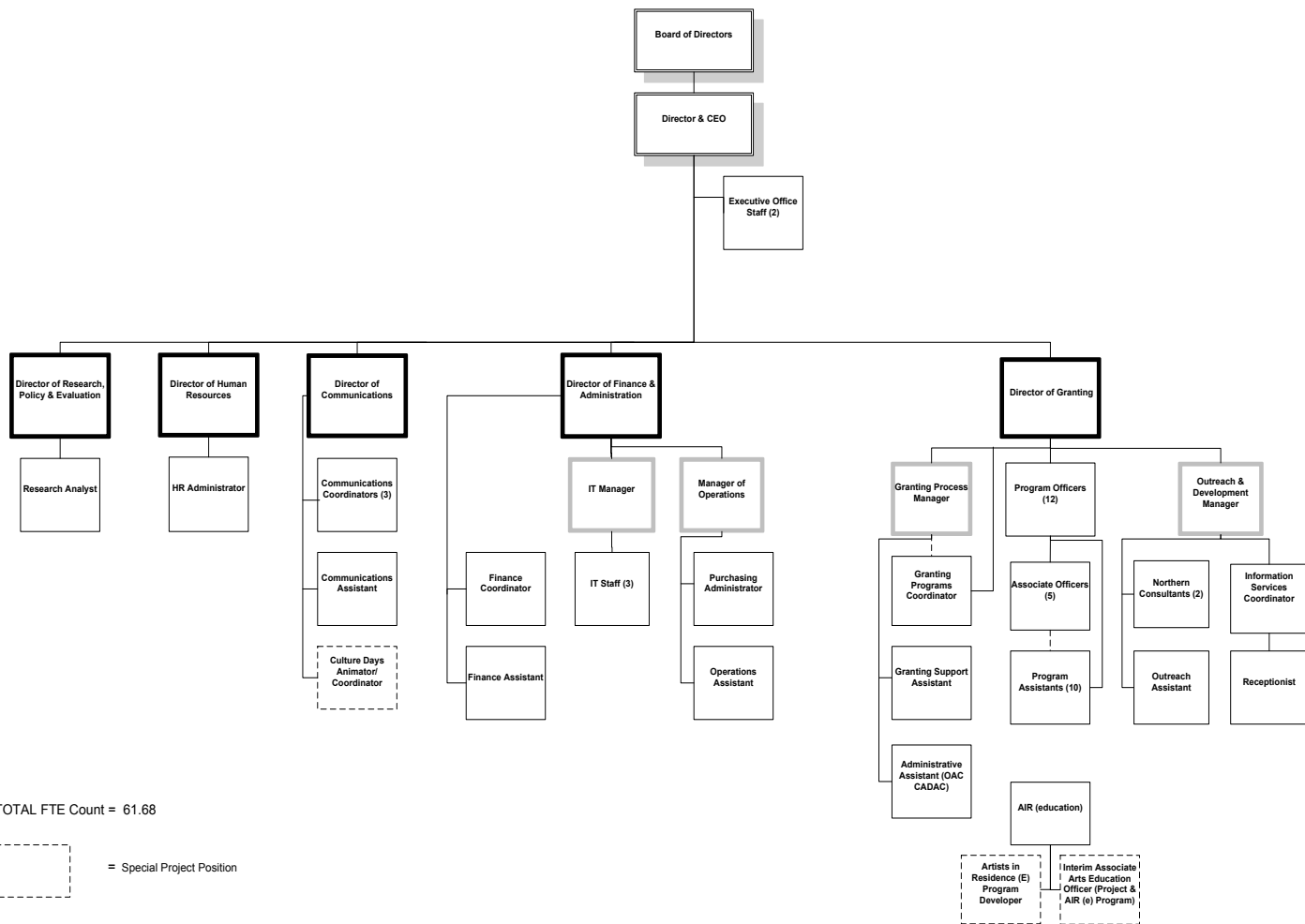
Staff Complement

The organizational chart below indicates the total number of permanent and temporary employees, expressed as full-time equivalents, as at January 2015.

In February 2012, the Ontario Labour Relations Board certified AMAPCEO as the bargaining agent for all employees of OAC, save and except persons exercising managerial functions or employed in a confidential capacity in matters relating to labour relations. Fifty regular budgeted positions are in the bargaining unit.

OAC Organizational Chart

Ontario Arts Council – Organization Chart for Business Plan



January 2015

OAC Performance Measures

2014-15 is a transitional year for OAC's performance measures, with the launch of OAC's new Strategic Plan taking place half-way through the fiscal year in October 2014. We are currently working on developing revised performance measures based on the new Strategic Plan, and in the meantime, from OAC's current performance measures framework, which includes 17 different indicators in total, OAC has selected the following key performance measures and related indicators to highlight for 2014-15:

- Supporting the lives, careers and work of Ontario artists by protecting direct grant dollars going to individual artists.
- Supporting the creativity, vitality and health of Ontario's arts organizations by providing stable operating funding to arts organizations.
- Supporting the renewal that contributes to a healthy arts sector by making room to support new organizations in OAC's operating grant programs.
- Helping to ensure that aboriginal, francophone, culturally diverse, new generation and regional artists/arts organizations are recognized for the value they provide by supporting these priority groups through a competitive, peer assessment granting process.
- Demonstrating organizational accountability and effectiveness by committing to administrative costs of no more than 11% of OAC's total budget.

The most recent results for each of these performance measures are in the attachment 'Appendix 4 – OAC Performance Measures'.

Information Technology/Electronic Service Delivery

In June 2012, OAC initiated a project to develop and implement an electronic grants management and customer relationship management solution (now known as **Nova**). As part of the solution implementation approach, OAC leveraged common component applications and architecture standards consistent with the spirit and intent of the Government of Ontario Information Technology Standards (GO-ITS) to minimize cost, optimize the solution acuity, and future-proof the application. Based on the proposed solution potential, OAC recognized the opportunity for more than 42 component improvements over current systems with greater efficiency and accuracy, all of which will enable better service delivery to OAC and its clients.

OAC elected to follow the Government of Ontario Project Management Methodology and its recommended best practices for development and implementation of Nova. Based on the Ontario Government Project Management Methodology, OAC initiated an implementation checkpoint review of the Nova project at the completion of the requirements gathering and fit/gap analysis project phase. The implementation checkpoint process included:

- An organizational review – November 2012
- An independent project status review – February to March 2013
- A Nova project business requirements documentation and approval – April 2014
- An IT readiness assessment by the Manager of IT – July 2014

The purpose of the implementation checkpoint review process was to assess and identify any risks/challenges that may impact the success of the Nova project, as well as exploit opportunities that would allow OAC to operate more efficiently and cost-effectively, in order to continue providing the highest level of support to its stakeholders. In September 2014, the project entered its third phase - User Acceptance Testing (UAT) and Training.

The Service Level Objective of integrated on-line application capability echoes those of the Ontario Public Sector. Simultaneously, OAC is continuously addressing its readiness to launch this modern form of service delivery. This assessment looks at the organization, its processes, its workflow procedures and its IT organizational capacity, tools and service delivery frameworks.

OAC continues to follow GO-ITS and has implemented an n-tier secure technical infrastructure solution, leveraging virtualization and green technologies. The infrastructure is also designed for 99% availability. Post Nova application launch, OAC will be moving to a hybrid (internal/external co-location) data centre hosting environment.

OAC is confident that the final product will be a successful system that may serve as a model for other similar agencies in the granting business. OAC will realize significant reduction in staff effort, the establishment of more consistent processes, the ability for cross-application reporting, business intelligence and improved client satisfaction. This system will modernize OAC applications, including its contact relationship management and granting processes, by reducing overall operations costs, and will move OAC toward receiving and processing grant applications online. Beginning in April 2015, external contacts will be able to create or update

their contact profiles by creating a login in Nova. The first round of programs made available to applicants online will likely be in July for some programs with September 2015 deadlines.

Website Development Project – AODA Compliance and Nova integration

OAC initiated a project to develop and implement a new website that is fully compliant with AODA, and satisfies the requirements under section 12 & 14 of the Integrated Accessibility Standards Regulations (IASR). OAC's website accessibility compliance project has been identified as a critical component of OAC's multi-year accessibility plan. The website project will be developed on the Microsoft.NET framework technology platform which will leverage new optimized workflows and automated processes in Nova, and provide the means for:

- A fully accessible site that satisfies the requirements under AODA and section 14 of IASR
- A website that is WCAG level AA compliant
- Integration with the Nova online application processing system
- Enhanced site search functionality

In addition, OAC will continue to streamline its website processes and tremendously reduce staff effort by automating previously onerous, repetitive and time-consuming tasks through new workflows. In September 2014, the project entered its second project phase of Website Design and Content Development. The targeted completion date for the Website application is March 2015.

IT Staffing and Resources

OAC expects the IT function to become a more significant and integrated part of the overall functioning of OAC, and the complexity of IT functionality to grow significantly. Additional IT functionality that will be added at the completion of Nova implementation includes:

- **Extended Data Centre Hosting Environment** – OAC will be moving to a hybrid (internal/external co-location) data centre hosting environment. This will provide the required level of security, protection, redundant power supply, internet bandwidth capacity, and scalable computing power to facilitate online application processing.
- **Microsoft Dynamics Great Plains/Nova integrated system**- At the completion of Nova implementation, OAC will have a fully integrated system that connects OAC's website, Financial, Granting, Events and Contacts management systems across the organization. Additional support for these systems will be required to resolve any malfunctioning of applications or software systems and to analyze necessary software requirements.
- **IT Help Desk** – OAC will require an IT Help Desk during the critical launch phase of Nova implementation and roll-out. This will ensure that clients are able to have a positive experience when they initially file grant applications through Nova.

Technology Infrastructure

OAC continues to maintain and upgrade its technology infrastructure in order to support its business. OAC's network continues to be very reliable and OAC has experienced 99% uptime year over year. The infrastructure projects this past year include:

- An Infrastructure Blueprint (Technical Architecture) has been implemented for extending the current network to include an external data centre component. This new data centre will host the new grants online system. Virtualization is the emphasis for this new infrastructure and, as such, OAC has commenced the process of building its new network by:

- Procuring the services of an external data centre provider.
- Procuring all infrastructure hardware requirements according to the blueprint including:
 - Deploying redundant computing and power supply
 - Installing redundant internet services, firewalls, and internet security endpoints.
- Setting up and configuring virtual servers for a hybrid (internal/external) data centre hosting environment for web hosting and email services, starting with Ontario Arts Foundation (OAF) and Ontario Cultural Attraction Funds (OCAF) websites, which are now live.
- Setting up and configuring virtual servers for hosting the Artists in Residence-Education (AIR-E) website, as per funding provided by the Ministry of Education.
- Deploying enhanced email services to facilitate mass emailing and prevent future email blockages.
- Installing an email vault and transitory record system, which will enable document classification, safeguard retention and recovery as per corporate policy on information security and privacy classification.

Other notable Network upgrades and security:

- Implementation and deployment of a new OAC email communications systems, upgraded from Microsoft Exchange 2003 to Microsoft Exchange 2013. The new email communications systems will enable OAC to enhance Nova's ability to provide such services as email, electronic fax, and web-conferencing services.
- Deploying a secure private cloud service pilot project to provide staff with a better, more secure alternative to public services such as Dropbox and iTunes, and to evaluate the overall need for cloud services at OAC.
- Deploying an Enterprise mobility management service pilot project to enable mobile and ubiquitous computing at OAC. This pilot project will evaluate how mobile computing can increase staff productivity and improve OAC client service.

In addition, the following is planned to be completed by the end of 2014-15:

- Migration of OAC, OAF, OCAF and Artist in Residence (Education) websites to the new data centre hosting environment.
- Implementation of a Time and Attendance Management system for the Human Resources office to automate the process of requesting, approving, tracking and reporting of Time and Attendance for OAC staff.

Initiatives Involving Third Parties

Artists in Residence – Education (AIR-E)

OAC has built connections with various education partners to set up artist residencies in schools within the partners' jurisdictions. To date, OAC has 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

The long-term goal is to place artists in residence in schools across the province. Detailed agreements are in place with each partner to make sure that the Transfer Payment Accountability Directive (TPAD) is followed.

Royal Conservatory Artist-Educator Foundations Course

Since 2009, the Royal Conservatory has offered professional development courses that support artists to work more effectively in schools and community settings. The Artist-Educator Foundations Course was crafted for artists who are already engaged in arts education and for those who would like to learn more about arts education. Funding provided by OAC enables Ontario artists to enroll in the course at a significantly reduced fee of \$60 for a 30-hour course. OAC is involved in selecting the locations throughout the province for this course, and for determining where French language sessions are required.

Throughout the course, artists learn how to develop and structure arts-based lessons that effectively engage students. Topics include planning and partnering with a teacher, lesson planning, classroom management, teaching tactics and strategies. The curriculum also focuses on how people learn at different stages of life, understanding the brain and adult education. The Artist-Educator Foundations Course combines educational content and theory with a creative "laboratory" environment where artists can apply their arts practice in education. OAC staff participate at some of the locations where the course is offered.

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 11 multi-disciplinary arts presenters from across Ontario. 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.

Third-party granting (recommender) programs

The strength of the recommender program model is its regional responsiveness, its flexibility and its relatively simple application process, as compared to other 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.

There are 165 approved recommenders participating in three third-party programs in 2014-15 throughout the province. Recommenders are partially responsible for broadly disseminating information through their region about the program. 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. However, they may 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.

Current third-party granting programs include:

Literature, Writers' Reserve – annual budget \$901,500

This program provides grants of \$1,500 to \$5,000 to assist professional writers in the creation of new work, and is administered by third-party recommenders from the literary community (designated book and magazine publishers). There are 41 recommenders in 2014-15. All of the recommenders who apply to become recommenders have acceptable assessment criteria in place to judge the writers' applications. All recommenders who returned in 2014-15 had followed the program guidelines with respect to recommendations made in the previous year.

Theatre, Creator's Reserve – annual budget \$398,000

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 52 theatre recommenders in 2014-15.

Visual Arts, Exhibition Assistance – annual budget \$448,500 (includes an amount specified for Aboriginal Artists Materials and Supplies Assistance)

This program provides grants of \$500 to \$1,500 to assist individual artists with costs related to presenting their work in a public exhibition. Grants are made through third-party recommenders (public art galleries, artist-run centres and arts service organizations) throughout the province. There were 72 recommenders in 2014-15. Artists must apply directly to a recommender located in the zone in which they live.

Communications

Goals and priorities

Working within the framework of OAC's new Strategic Plan, the goals of OAC's Communications department are to:

- Raise the profile and visibility of OAC, 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.

The Communications Office 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 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 through OAC's website.
- Produce events, newsletters, news releases/newsflashes, advertising, publications and other communications products (videos, webinars) as needed.
- Use social media to maintain OAC's online presence and focus on building other online relationships for OAC.

MPP Communications Protocol

OAC's MPP relations are multi-faceted. Regular letters describing local activities taking place in individual ridings are sent to MPPs from OAC's chair approximately every eight to 10 weeks, as well as an annual roll-up letter outlining all OAC-funded activities in each MPP's riding.

The communications protocol with MTCS has now been in place for two years. Following each board meeting, MTCS is notified of all operating grants of more than \$30,000. The protocol requires that the Minister's Office have five business days after the information is received to review the list and invite those MPPs with grants in their ridings to host an event, issue a news release, or otherwise announce each grant, prior to OAC releasing the information to successful applicants. Where possible, the social media reach with MPPs is increased through Twitter, Facebook or OAC's blog.

Arts Day at Queen's Park / Arts Day in the Ridings

These events provide an opportunity for MPPs to hear about the important work OAC does within each constituency and in Ontario.

Following the spring 2014 election, OAC has begun building connections with newly-elected MPPs. Recently, OAC has decided to alternate between holding an Arts Day at Queen's Park and an Arts Day in the Ridings events, each of which has advantages and disadvantages. OAC's Communications department will work with the Research department and the CEO to develop the necessary tools for meetings with new MPPs in early 2015.

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

While OAC's new Strategic Plan was launched in the fall of 2014, many of its strategies will only begin to be implemented in 2015-16 and beyond. OAC's communications activities will be deeply implicated in many of the strategies as they evolve. However, one goal where OAC's communications activities will play a central role is ***Goal 4: Build public awareness of the value of the arts***. Future interactive capabilities will be added to OAC's website to support this activity.

Accessibility for Ontarians with Disabilities Act (AODA)

The requirements of the AODA have significant implications for OAC and its client organizations. Communications strategies and specific tools, including production of some materials in multiple formats, will be required.

Nova

The roll-out plan for Nova will probably be the biggest focus for communications activities in 2015-16. Moving Ontario's artists and arts organizations to online grant applications will have major internal and external communications implications for OAC. In addition to the application portal, OAC is enhancing its website to meet AODA requirements.

Board support

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

Awards

The Communications Office provides considerable support for OAC's Awards office. This includes developing news releases, event strategies for award presentations and related speaking notes for OAC representatives, as well as social media components.

Premier's Awards for Excellence in the Arts

The Communications Office supports MTCS's activities to raise awareness of and increase applications for the Premier's Awards for Excellence in the Arts. Various social media channels are being employed to generate more nominations than in the past.

Ontario Culture Days (OCD)

After five years of continued growth (notably 85% growth in activities), OCD has reached a crucial stage where current funding levels are no longer sufficient to support province-wide Culture Days activities. OCD is in the process of incorporating as a not-for-profit at the provincial level, which will make it eligible to apply to a wider range of granting programs and foundations,

and to pursue sponsorships to generate the resources necessary to keep up with the extraordinary and continued growth.

With 1,671 activities taking place over one weekend in September 2014, Ontario once again accounted for over half (55%) of the country's total Culture Days events (not including those in Alberta and Quebec, whose events predate the national movement and have separate registration systems). With double the number of Ontario communities participating in Culture Days since its launch in 2010, many municipalities now recognize the significant contribution arts and culture are making to their communities' vitality, diversity and economy. As a result, several municipalities now include Culture Days in the development and/or implementation of their own municipal cultural plans.

In recognition of the importance of this annual event, OAC will continue its Culture Days commitment through 2015 with \$40,000 to support the Ontario Culture Days Animator/Coordinator position, as well as by providing office space, infrastructure support and services as the Ontario Culture Days Task Force continues to develop its road map for the future. This support is in conjunction with the continuing funding support for Ontario Culture Days from MTCS. It is in the spirit of the *Status of the Artist Legislation* that MTCS provides support to organize and promote Culture Days in every Ontario community.

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 to 2017-18 and an FTE Forecast are included as appendices (pages 54 and 55).

Budget highlights

- The operating grant from the Government on Ontario is \$59,937,400. It was increased by \$5 million to the current level in 2009-10; 2014-15 was the sixth year at this level of funding. Additional funding was received in 2012-2013 and 2013-2014 (applicable to granting programs in 2013-14 and 2014-15).
- Additional funds were received as part of the \$27 million Arts Investment Fund program over three years; \$11 million in 2010-11, \$10 million in 2011-12, and \$6 million in the final year, 2012-13.
- Additional funds of \$400,000 were received in 2011-12 from the Ministry of Education (MoE) to increase the school boards participating in the Artists in Residence – Education (AIR-E) program; these funds were deferred to 2012-13 with the approval of MoE; the total additional funds were \$500,000. These funds were spent in 2012-13. Although we have made a request for additional funds from MoE for 2014-15, the budget does not reflect this, as this funding has not been confirmed.
- 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.
- In addition, a budget is prepared to use the surplus strategically. For 2014-2015, OAC has budgeted for several projects. These include the following:
 - Nova project completion of the build phase - \$583,000
 - Artists in Residence (Education) AIR-E - \$194,000 (carryover from previous year);
 - Theatre Audience Development initiatives – year 2 of the pilot - \$177,000
 - Website changes to accommodate the portal electronic applications and AODA requirements - \$100,000
 - Equity Plan - \$50,000
 - Culture Days - \$40,000
 - Other - \$261,000
- In addition, grant commitments to be paid in the future upon specific requirements being met are not included in the statement of expenditures until paid. The balance at March 31, 2014 was \$758,000.
- OAC budgets cautiously for self-generated revenue. Actual results are expected to be better than budgeted. The most significant self-generated revenue is interest income and investment income. As interest rates are low, OAC is currently budgeting \$375,000 for 2014-15. Investment income is much more difficult to predict but does not significantly affect the operating fund activities, although it does affect the restricted funds. Of the accumulated re-measurement gains at March 31, 2014, 97% of the \$5.4 million are for restricted funds.
- OAC expenditure budgets are monitored 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 cover the expenditure. Larger expenditures are budgeted as part of the annual budget process, and the review of the accumulated surplus position. Monthly financial reports are generated for budget officers / managers for their review and to signal any budget issues.

- OAC's capital assets consist of computer hardware, software, leasehold improvements, and furniture and office equipment. The current net book value is \$794,000. Assets under development (for Nova) account for \$661,000 at March 31, 2014. With Nova becoming operational in 2015-16, we will begin amortization in 2015-16.
- OAC's office lease will expire in February 2016. OAC plans to significantly reduce its real estate footprint, but still expects increased rental costs in 2015-2016 and beyond, since the rates under our current lease are unusually low (see below).

Office Space/Lease

OAC head office is currently located at 151 Bloor Street West in Toronto and has been for the past 51 years. Ownership of the building has changed numerous times over the years, including a recent sale from GE Capital to Incore Equities and Slate Toronto Core Offices.

OAC currently leases 18,846 rentable square feet (rsf) of space at the 151 Bloor Street location. The current lease was set to expire on February 28, 2015. After negotiations with the new landlord in the summer of 2013, the lease was extended for one year to February 29th, 2016, to allow sufficient time to complete all of the various phases involved in the acquisition, design, build-out and relocation of real estate.

In accordance with the government's Realty Directive, to which OAC is subject, and in order to explore the most viable options, OAC engaged Infrastructure Ontario (IO) for Advisory Services to develop the Real Estate Options Analysis report as the first phase. This was completed and delivered on August 1, 2014. The report highlighted that OAC – which currently has 220 rsf per staff member – is approximately 40 rsf per person above IO's current recommended allocation of 180 rsf per person.

In November 2013, OAC issued an RFP to select a group of consultants to lead a space planning exercise. LGA, recently selected as a Vendor of Record by Mol for Interior Design services, emerged as the successful group, completed the exercise, and issued an Office Space Plan to OAC on August 20, 2014.

As a result of the space planning exercise, OAC will be able to reduce its total space needs in a new office to approximately 16,000 rsf, primarily by relocating most staff from private offices to work stations. This will result in an allocation of 180 rsf per staff, thus meeting the government's target. This is a significant achievement for OAC that will assist greatly in containing rental costs for whatever space is chosen as OAC's new home as of March 1, 2016. However, as noted above, overall rental costs are still expected to increase significantly, as the current base rent OAC pays was last negotiated in 1994 and, at an average of \$12.00 per square foot, is less than half of current market rates for comparable buildings.

APPENDIX 1

Financial Forecast Summary

AGENCY: Ontario Arts Council	FINANCIAL FORECAST SUMMARY						
	2012-13 ACTUAL	2013-14 ACTUAL	2014-15 BUDGET	2014-15 PROJECTED ACTUAL	2015-16 BUDGET	2016-17 FORECAST	2017-18 FORECAST
PROVINCE OF ONTARIO							
MTCS Operating (including maintenance)	60,537,400	60,537,400	59,937,400	59,937,400	59,937,400	59,937,400	59,937,400
MTCS (specify program name & funding period)							
Arts Investment Fund	6,000,000						
CANON / French Language projects (5 year funding to 2018)	165,500	111,265	80,000	80,000	100,000	100,000	98,000
Other (specify program name, ministry & funding period)							
Ministry of Education (Artists in Residence (Education))	500,000						
Office of Francophone Affairs - Cultural Development (yr 3 of 3)	50,000						
1> TOTAL PROVINCIAL FUNDING	67,252,900	60,648,665	60,017,400	60,017,400	60,037,400	60,037,400	60,035,400
OTHER GOVERNMENT							
2> TOTAL OTHER GOV'T FUNDING	0	0	0	0	0	0	0
SELF GENERATED REVENUES							
Investment Income	354,406	475,600	375,000	375,000	375,000	375,000	375,000
Other (specify source e.g. fund transfers, reserve/restricted funds):							
Fund administration	53,559	57,095	61,230	61,230	60,000	60,000	60,000
Recovery of prior years' grants	56,654	91,364	50,000	50,000	50,000	50,000	50,000
Miscellaneous	52,025	85,289	50,000	50,000	50,000	50,000	50,000
3> TOTAL SELF GENERATED	516,644	709,348	536,230	536,230	535,000	535,000	535,000
4> TOTAL REVENUE: 1+2+3	67,769,544	61,358,013	60,553,630	60,553,630	60,572,400	60,572,400	60,570,400
EXPENDITURES							
Grants / other programs	53,453,952	53,111,103	52,898,370	52,898,370	51,961,000	51,961,000	51,961,000
Grants - Arts Investment Fund	6,011,461	-	-	-	-	-	-
Services	726,427	718,926	860,399	860,399	977,000	950,000	900,000
Administration							
Salaries & Benefits	4,915,406	4,864,209	5,375,768	5,375,768	5,510,162	5,647,916	5,775,916
Occupancy/Lease	484,463	487,832	537,847	537,847	737,847	663,484	663,484
Travel	450,838	428,570	454,537	454,537	425,000	400,000	370,000
Communications	351,347	313,263	333,353	333,353	300,000	300,000	300,000
Other	583,430	953,230	693,356	693,356	661,391	650,000	600,000
5> TOTAL EXPENDITURES	66,977,324	60,877,133	61,153,630	61,153,630	60,572,400	60,572,400	60,570,400
Net Income Surplus/(Deficit): 4-5	792,220	480,880	-600,000	-600,000	-	-	-
Amortization of deferred capital contributions	-	-	-	-	-	-	-
Amortization of capital assets	174,978	116,489	200,000	200,000	325,000	325,000	200,000
Net Income Surplus/(Deficit) After Amortization	617,242	364,391	-800,000	-800,000	-325,000	-325,000	-200,000
Net assets (deficit), beginning of year	25,301,231	27,714,790	30,782,184	-	-	-	-
Net assets (deficit), end of year	27,714,790	30,782,184					

Notes:

Name the funds that comprise the Net Assets (Deficit)	2014-15	2015-16
Invested in Capital Assets	705,918	793,572
Restricted Funds	20,105,859	23,861,187
Unrestricted	4,140,058	726,080
Accumulated remeasurement gains	2,762,955	5,401,345
	27,714,790	30,782,184

APPENDIX 2

FTE Forecast

AGENCY: Ontario Arts Council								
	2011-12	2012-13	2013-14	2014-15	2014-15	2015-16	2016-17	2017-18
	ACTUAL	ACTUAL	ACTUAL	FORECAST	REFORECAST	FORECAST		
FTEs								
Total FTEs	59	60	60	61	61	61	61	61