



Memorandum

TO: EXECUTIVE COMMITTEE

FROM: Kerry Adams Hapner

**SUBJECT: Cultural Funding Portfolio
Grant Guideline Revisions**

DATE: November 4, 2022

RECOMMENDATION

To forward the recommendation to the Arts Commission to review and approve the revisions to the FY 2023-2024 Cultural Funding Portfolio grant guidelines.

BACKGROUND

Through the Office of Cultural Affairs (OCA), the City of San José provides a limited number of grants through the Cultural Funding Portfolio. The Cultural Funding Portfolio consists of three annual grant programs that are awarded through a competitive application process:

- **Festival, Parade and Celebration (FPC) Grants** support San José community festivals, parades and celebrations presented by nonprofit organizations.
- **Operating Grants (OpG)** support professionally-managed San José arts organizations that operate year-round arts programs.
- **take pART Grants** support publicly accessible arts activities produced by San José organizations.

Funding is granted through a competitive process and applications are weighed each year by a review panel for their responsiveness to the evaluation criteria and guidelines published in the program information booklet.

Historically, the OCA has high funding rates for the Cultural Funding Portfolio. For the FY 2022-2023 cycle, 94% of the applications were awarded grant funding. In this year, the FPC program received 45 applications and 40 were funded (88%), the OpG program received 30 applications and 30 were funded (100%), and the take pART grant program received 21 applications and 20 were funded (95%). This is summarized in the following table.

FY 2022-2023 Funding by Grant Program

Program	Number of applications	Average award amount	Funding rate
FPC	45	\$12,000	88% (40)
OpG	30	\$104,000	100% (30)
Take pART	21	\$12,400	95% (20)

FPC Grant Applications received per year since FY 2007-2008

The FPC grant program has trended towards an increasing number of grant applications over the last 15 years. For example, the OCA received 34 applications in FY 2007-2008 and 54 applications in FY2019-2020, which is a 64% increase.

While the number of first-time applicants to the program has increased, the majority of recent FPC grantees have received funding for many years. For the current fiscal year, 42 of the 44 grantees have received FPC grant awards previously.

As follows are the number of FPC grant applicants per fiscal year for the last 15 years:

Fiscal year	Number of FPC applications received
2007-2008	34
2008-2009	34
2009-2010	37
2010-2011	29
2011-2012	37
2012-2013	37
2013-2014	31
2014-2015	32
2015-2016	35
2016-2017	38
2017-2018	46
2018-2019	49

2019-2020	54
2020-2021	6*
2021-2022	45
2022-2023	42

* The OCA designated CARES Act Coronavirus Relief Funds (CRF) in the amount of \$2,393,000 for FPC and take pART grants. Seventy-one grants were disbursed to San Jose arts and culture organizations as a pass-through from the City to the Silicon Valley Community Foundation (SVCF). The City entered into an agreement with SVCF to manage CRF disbursement in order to quickly distribute funds in response to the unprecedented crisis.

OpG Grant Applications received per year since FY 2007-2008

Operating Grants (OpG) provide essential unrestricted financial support for selected San Jose arts organization. OpG requires a financial review and/or audit by which organizations must demonstrate they are fiscally stable. OpG award percentages are designed to result in a decreasing proportion of City cultural funding as organizations' budgets grow, defined as the principle of inverse proportionality. The larger the organizational budget, the smaller percentage the grant amount represents relative to that budget.

As follows are the number of grant applications over the last 15 years:

Fiscal year	Number of OpG applications received
2007-2008	30
2008-2009	30
2009-2010	28
2010-2011	27
2011-2012	28
2012-2013	27
2013-2014	27
2014-2015	28
2015-2016	30
2016-2017	30

2017-2018	30
2018-2019	30
2019-2020	34
2020-2021	34
2021-2022	37
2022-2023	30

Take pART Grant Applications received since FY 2012-2013

Take pART grants support arts activities offered by non-professional non-profit arts organizations and community service organizations with continuing arts programs, as well as small semi-professional and professional arts organizations seeking to secure City support for specific arts activities, rather than general operating support. Previously called Project and Program Grants, in FY 2012-2013 the program was redefined as take pART to emphasize the participatory nature of these projects and grantees.

Since FY 2012-2013, the number of take pART applications are as follows:

Fiscal year	Number of take pART applications received
2012-2013	23
2013-2014	23
2014-2015	26
2015-2016	26
2016-2017	23
2017-2018	26
2018-2019	34
2019-2020	33
2020-2021	1*
2021-2022	36
2022-2023	22

* The OCA did not accept new take pART grant applications for FY 2021-2022 but did designate CARES Act Coronavirus Relief Funds (CRF) in the amount of \$2,393,000 for FPC and take pART grants. Seventy-one grants were disbursed to San Jose arts and culture organizations as a pass-through to the Silicon Valley Community Foundation (SVCF). The City entered into an agreement with SVCF to manage CRF disbursement in order to quickly distribute funds in response to the unprecedented crisis.

ANALYSIS

The following goals were identified for developing grant guideline changes. The following goals were shared with past and current grant applicants through e-mail, as part of a survey, and as part of a community meeting:

1. **More equitable distribution of funds:** Revising evaluation criteria to better align with the goal of the City of San Jose's Office of Racial Equity, which is to "improve outcomes for communities of color." (Communities of color" includes Indigenous, Native American, Black or African-American, Middle Eastern, Latino/a/x, East Asian, South Asian, Southeast Asian, Hawaiian and other Pacific Islanders.)
2. **More funding for small to mid-sized organizations:** Supporting small to mid-sized organizations that may not have comparable resources of larger organizations. Prioritizing small and mid-sized organizations is a current recommendation of the City's Community and Economic Recovery Task Force.
3. **Larger grant amounts:** Limiting the number of FPC grants to one event per organization (unless applying as a fiscal sponsor/receiver). This could result in larger maximum grant award amounts for FPC Grants and take pART Grants, as funding could be re-distributed. However, this will also depend on the number of applications received in each program as well as the funding available from the Transit Occupancy Tax (TOT) next fiscal year, which funds the three grant programs in the Cultural Funding Portfolio.
4. **Simplified application process and questions:** Reducing multi-part narrative questions with shorter, more specific questions and more "check-box" style questions whenever possible. (Check-box type questions will still allow grantees to include additional narrative if they choose.)

As the OCA is preparing for the FY 2023-2024 funding cycle, staff proposes the following administrative revisions to the FPC, OpG, and take pART grant guidelines which will be released after approval by the Arts Commission:

Festival, Parade and Celebration (FPC) Grant program:

- Allow only one FPC grant application per organization for one event (not a series of events), unless applying as a fiscal sponsor/receiver. (Note: If applying as a fiscal

sponsor/receiver, the applicant cannot be the event producer and must be applying as a true fiscal sponsor/receiver.)

Operating Grant (OpG) program:

- The minimum operating expenses to qualify for the program increases from \$50,000 to \$200,000.
- The minimum equivalent of one full time employee will be required.

take pART Grant program:

- Increase the possible maximum grant award from \$15,000 to \$25,000.
- Allow two-year application option for proposals that do not change project or program scope.

PUBLIC OUTREACH

An anonymous online survey was released on September 22, 2022 and closed on October 9, 2022. The survey was sent to all grant applicants who had applied for at least one Cultural Funding Portfolio grant in the last five years (including those that were not awarded funding). A total of 45 grantees responded to the survey. For this survey, five key questions were asked, with additional questions regarding the characteristics of the respondents. Results for the five key questions indicated that many respondents supported the changes as presented, and as summarized as follows:

1. What are your thoughts regarding a more equitable distribution of funds and the goal of improving conditions for communities of color?

- 74% Yes, in favor of this option
- 22% Not Sure
- 4% No, not in favor of this option

2. What are your thoughts about limiting the Operating Grant program to organizations with \$200,000+ budgets, and directing organizations with smaller budgets to the take pART Grant program?

- 78% Yes, in favor of this option
- 4% Not Sure
- 17% No, not in favor of this option

3. What are your thoughts to raising the maximum grant award for the take pART Grant program from \$15,000 to \$30,000?

- 65% Yes, in favor of this option
- 30% Not Sure
- 4% No, not in favor of this option

4. What are your thoughts about revising the eligibility criteria for the FPC Grant program to limit one application per organization (unless applying as a fiscal sponsor/receiver for another organization)?

- 56% Yes, in favor of this option
- 35% Not Sure
- 9% No, not in favor of this option

5. What are your thoughts to the idea of simplifying the application questions?

- 87% Yes, in favor of this option
- 13% Not Sure
- 0% No, not in favor of this option

The OCA held a community meeting via Zoom on Thursday, October 6, 2022 to go over the proposed grant revisions and receive feedback. A total of 53 people attended the meeting.

As staff does every year, once the grant guidelines are announced and the applications are available, technical assistance workshops are held during the months of November and December for FPC, Operating and take pART grant programs. Staff will continue to provide daily assistance as needed prior to the grant application submittal deadlines.

Each year, the OCA Arts Industry Support staff send an online survey to grantees to solicit feedback regarding grant programs and processes. This is done so that staff can continue to provide responsive customer service, streamline efforts, and make improvements to the process with input from our stakeholders.

/s/

KERRY ADAMS HAPNER
Director of Cultural Affairs

[Attachment A: Goals of Proposed Grant Revisions](#)

[Attachment B: Survey Result Graphs](#)

[Attachment C: FY 2023-2024 Festival, Parade and Celebration Guidelines](#)

[Attachment D: FY 2023-2024 Operating Grant Guidelines](#)

[Attachment E: FY 2023-2024 take pART Grant Guidelines](#)