



Office of the City Manager

ACTION CALENDAR  
March 29, 2016

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Submitted by: Michael Caplan, Director, Office of Economic Development

Subject: Revised Civic Arts Grants Program Legislation

RECOMMENDATION

Review additional background information related to the revisions to the Civic Arts Grants Program proposed by the Civic Arts Commission and adopt an alternative Resolution that addresses staff concerns.

FISCAL IMPACTS OF RECOMMENDATION

The Civic Arts Commission (CAC) is requesting an increase of \$150,000 to the City's annual allocation to the Civic Arts Grants Program (Grants Program), from approximately \$240,000 per year to approximately \$390,000 per year. However, there is no new source of revenue identified to offset this new proposed expenditure. Due to budget constraints and competing priorities for City funds, the City Manager's Office expects that the budgeted funding for the Grants Program will continue at \$240,000 per year. Staff's alternative resolution therefore removes the request for additional funding.

The CAC also recommends that the Grants Program, currently on a two-year grant cycle, be modified to a one-year cycle. Staff's alternative resolution maintains this change but recognizes that it will require additional staffing resources.

CURRENT SITUATION AND ITS EFFECTS

The CAC is proposing to modify the Civic Arts Grants Program Administrative Guidelines (Program Guidelines) (see current version in Attachment 2) in a way that will create three separate grant pools: one targeting mid-to large size organizations, one to small organizations and another to individual artists. This revised framework would allow for bigger grants to be awarded to large organizations as well as a larger number of small grant awards to individual artists. The CAC's recommendations follow from a recently completed assessment of the Grants Program, and reflect the Commission's laudable desire to increase the overall impact of the Grants Program.

However, staff wants Council to be clear that, absent a commitment of additional funding, the Grants Program would no longer be able to provide funding to all eligible

applicants. Under the revised framework, approximately 20 to 25 arts organizations that have received annual program and operating support from the City would no longer receive that support. This would diminish those organizations' ability to produce artistic content in Berkeley and to leverage additional funding from outside sources. Staff has heard concerns about this expressed by some leaders of small non-profit arts groups.

The algorithm that has been used in recent years to allocate grants has ensured that all eligible applicants have been awarded some level of funding, with the grant amount corresponding to the organization's budget, however small. Receipt of a City of Berkeley Arts Grant demonstrates to other funding agencies that the local arts organizations is recognized and supported by the City of Berkeley. Nonprofits applying to private foundations and State of California Arts Council grants are often asked to demonstrate the support of their local community. In this way, the City's investment in the Grants Program helps leverage additional funding from outside sources to support arts activities in Berkeley.

The CAC's proposed Resolution also includes prescriptive language regarding the number and size of arts grants to be awarded. Staff's proposed Resolution maintains that language but also adds language that would allow the CAC to change those Guidelines as may be necessary in the future to best administer the Program. As a practical matter, staff and commissioners consider a number of factors when making funding decisions e.g., the number of eligible grant applicants, the relative strength of the grant proposals, and the amount of available budget. Staff believes that the CAC would be best served to have additional flexibility in implementation depending on factors that are likely to change from funding cycle to funding cycle.

Staff believes that the alternative resolution and attachment are consistent with the goals and intentions of the CAC recommendation, but in a way that addresses staff concerns regarding budgeting and implementation. It also provides more future flexibility to the CAC when determining grant awards by allowing for them to periodically revise Program Guidelines.

#### BACKGROUND

The CAC engaged a consultant to review the current Grant Program and make recommendations for modifications to the program. The consultant's complete report is available on the Civic Arts web site at <http://www.cityofberkeley.info/ContentDisplay.aspx?id=65878>

The CAC held a public meeting at the Berkeley Art Center in April 2015 to gather community input on the proposed modifications to the Grants Program. Additionally, the Chair of the CAC Grant Subcommittee presented the proposal to the Berkeley Cultural Trust. Ultimately, Civic Arts Commissioners and representatives of the Berkeley Cultural Trust reached consensus on the revised proposal from the CAC.

### ENVIRONMENTAL SUSTAINABILITY

Due to the large amount of paper used by applicants to the Grant Program, the CAC and staff has identified an online application process which will be implemented that will save paper and staff time. This process will begin with the new grant cycle. Workshops will be available for grant applicants to learn how to apply using this new technology. Any applicant unable to complete the online application will be able to submit a hard copy.

### RATIONALE FOR RECOMMENDATION

The proposal from the CAC is reliant on additional City funding for which there are no budgeted resources. Staff's revised recommendation preserves flexibility by allowing the CAC to make future modifications to the Program Guidelines.

### ALTERNATIVE ACTIONS CONSIDERED

Staff believes its recommendation represents the best way to implement the intentions of the CAC.

Council could also choose to make no changes to the Grants Program at this time and refer the matter back to staff and the CAC for continued deliberation. Staff would then have to implement the next grant cycle in accordance with the current program guidelines. Of course, staff could continue to work with the CAC on revising the Grants Program, and bring a further revised proposal back to Council for implementation by 2018. Under this scenario, community-based arts organizations would have more time to prepare for the modifications to the Grants Program, and make corresponding adjustments to their programming, fundraising and budget planning.

### CONTACT PERSON

Mary Ann Merker, Civic Arts Coordinator, 981-7533

### Attachments:

1. Resolution Revising the City of Berkeley Civic Arts Grants Program Guidelines
  - a. Exhibit A: Civic Arts Grants Program Procedures
2. Current Berkeley Civic Arts Commission Grant Funding Guidelines

RESOLUTION NO. ##,###-N.S.

REVISIONS TO THE CITY OF BERKELEY CIVIC ARTS GRANTS PROGRAM  
GUIDELINES AND RESCISSION OF RESOLUTION NOS. 60,746-N.S. & 63,125-N.S.

WHEREAS, the City of Berkeley has administered a consistent civic arts grantmaking strategy for the past 15 years, providing general operating support to arts groups, service organizations, and arts programs within larger institutions, and project support to organizations and individual artists; and

WHEREAS, the Civic Arts Program recently completed the first formal assessment of its grants program, which included input from a number of community focus groups and interviews with stakeholders with a balanced representation of small, mid-size and large arts organizations, as well as individual artists; and

WHEREAS, the Civic Arts Commission desires to implement specific changes recommended in the Grant Program Assessment detailed in Exhibit A (attached), including: changing the current two year grant cycle into a one year cycle coinciding with the City's annual budget cycle; and creating three separate competitive grant pools targeted to a) large to mid-sized organizations b) small organizations and c) individual artists, with different funding amounts by category; and

WHEREAS, the arts are a significant part of Berkeley's identity, history and desirability as a city, and a strengthened grants program will enable the Civic Arts Program to better support those assets in the future; and

WHEREAS, final recommendations on art grant awards will be made to the City Council by the Civic Arts Commission, which receives recommendations from a Civic Arts Grant Program Review Panel comprised of four (4) Berkeley Civic Arts Commissioners and, when appropriate, additional qualified arts professionals, who shall have no affiliations with any organization applying for funds.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that Resolution No. 60,746-N.S. which specified how Civic Arts Grants were to be allocated, is hereby rescinded; and

BE IT FURTHER RESOLVED by the Council of the City of Berkeley that Resolution No. 63,125-N.S. which created a two year Arts Grant funding cycle is hereby rescinded; and

BE IT FURTHER RESOLVED by the Council of the City of Berkeley that all future arts grants awards be made as set forth in the 2016 Civic Arts Grants Program Procedures in the attached Exhibit A, along with additional criteria defined in the Civic Arts Grants Program Guidelines, which may be revised as needed by the Civic Arts Commission.

**Exhibit A: Civic Art Grant Program Procedures**

## EXHIBIT A

### CIVIC ART GRANT PROGRAM PROCEDURES

Civic Arts grant making should be used in a manner that strengthens Berkeley's arts and culture landscape.

To accomplish this purpose, the Civic Art grant program shall utilize the procedures set forth in the Civic Arts Grants Program Administrative Guidelines with the recommended changes set forth below.

1. There shall be three separate competitive grant pools:
  - a. mid-to-large size organizations
  - b. small organizations
  - c. individual artists

2. Funding amounts by category:

Organization Size	Award Size Range
Budget of \$500,000 and above	\$10-12,000
Budget under \$500,000	\$6-8,000
Individual artists	\$3,000

Allocations to each organizational category shall be within 10% of one another. As an example, based on the approximately \$230,000, we project allocations of \$110,000 to the large category, \$100,000 to the small and mid-size category, and \$20,000 to individual artists.

3. All grant awards shall be made on an annual cycle.