

**PROPOSED
FY 21 FUNDING MATRIX**

JUNE 24, 2020



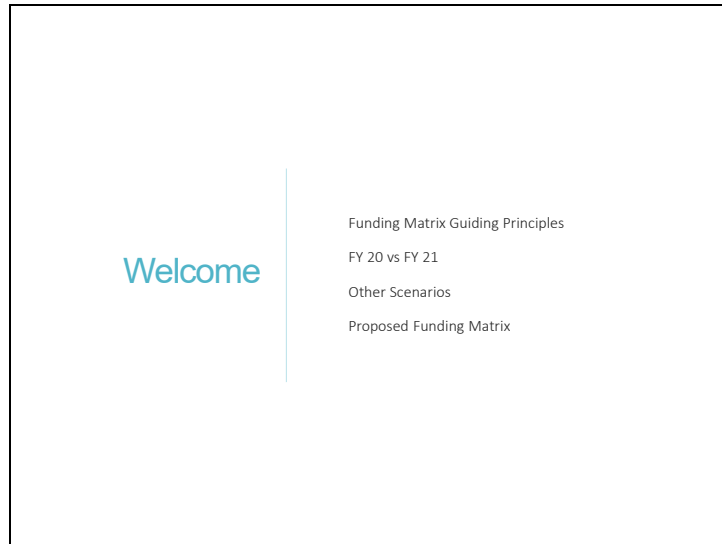
For discussion only.

A special called meeting on June 24, 1-2:30pm has been scheduled for anyone wishing to share their thoughts. Community members may **sign up to speak no later than Noon, June 23** by emailing annemarie.mckaskle@austintexas.gov.

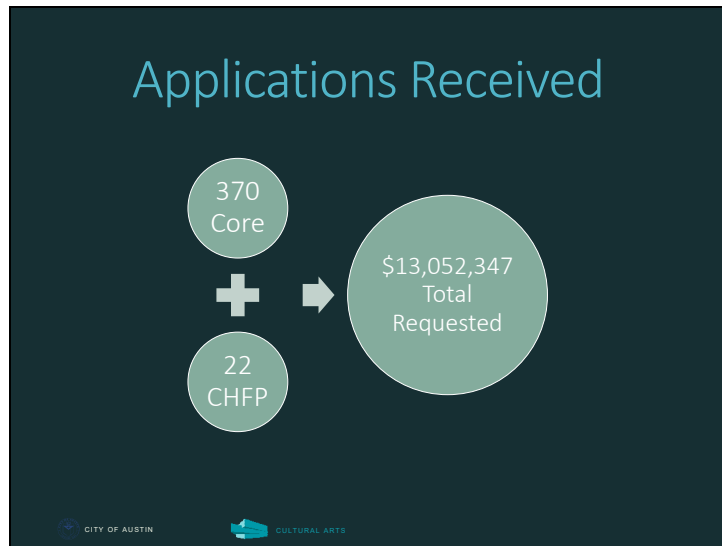
Action is scheduled to take place at the June 26 Special Called Meeting at 1pm.

6 meetings from May 14 through last Friday, June 12. We looked at over 100 scenarios as information kept changing and trying to think of as many possibilities from as many angles as possible. I ask that you hold your comments until the end.

Slide 2

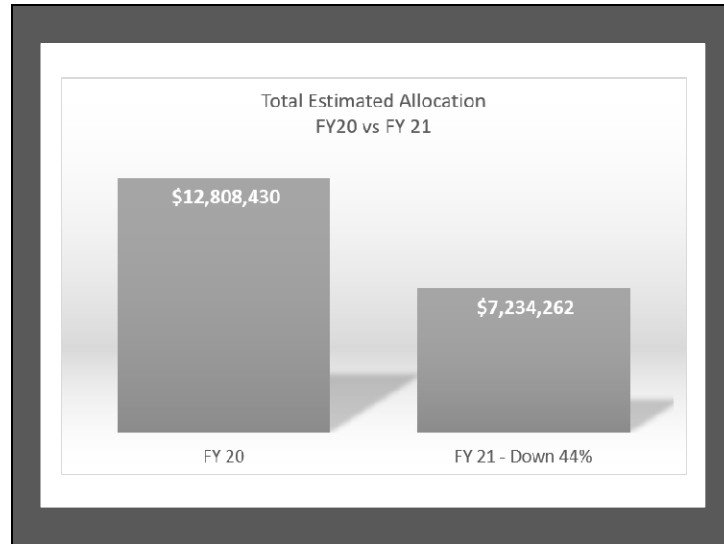


The Funding Matrix Working Group was chaired by Commissioner Flores, and comprised of Commissioners Garza, Polgar, and Zisman, and of Tammie Rubin from the Art In Public Places Panel.

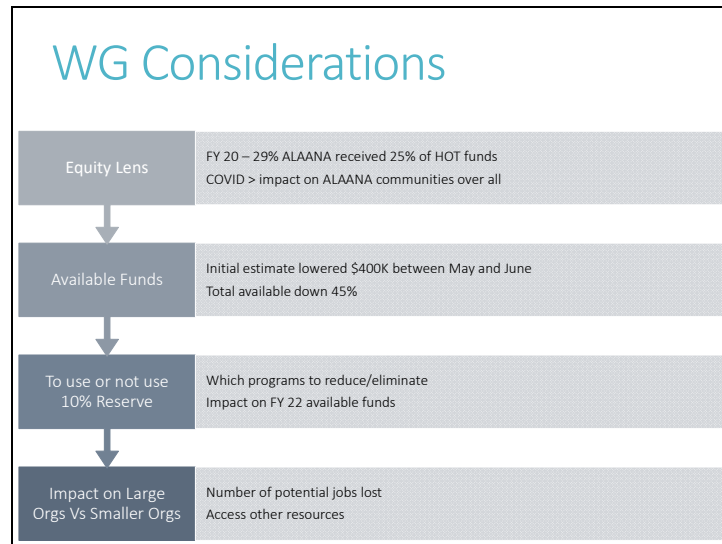


10 applications less than last year:
7 less in Core
3 less in CHFP

Slide 4



These totals are the TOTAL HOT allocation, not just the amount awarded through Core and Cultural Heritage Festivals.



- Equity lens
 - FY 20 - 29% ALAANA Contractors; received 25% of HOT Fund
 - Impact of COVID-19 has had a greater impact on ALAANA community
- Available funds
- Funding programs we can and cannot add or eliminate
- Reduction in available funds estimate
- To maintain 10% reserve or use it all
- Potential relief funds available

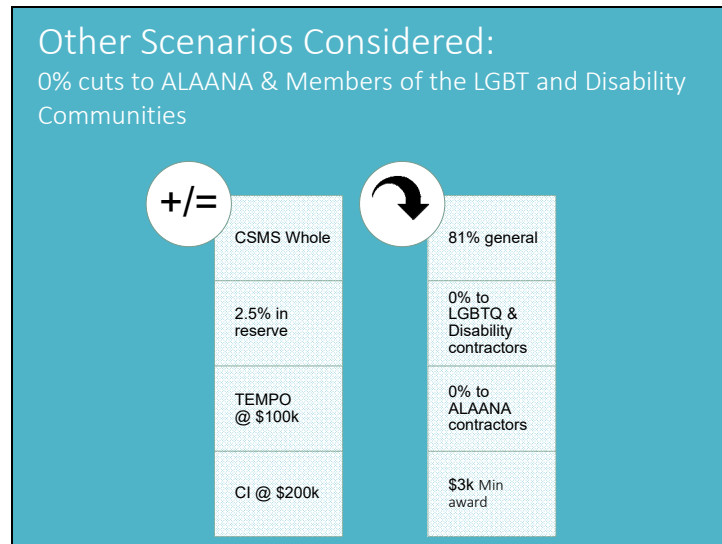
Commitment to Equity

"Acknowledge that the while this is a moment of deep distress, Black and Indigenous people and people of color (BIPOC) are often in distress due to systemic white advantaging and that this fund's commitment to equity means that it will address this inequity."

- Justin Laing, Hillombo Consulting, "Four Criteria for More Justice in COVID-19 Response Funds", March 21, 2020

<http://hillombo.net/blog/4-criteria-for-more-justice-in-corona-response-funds/>

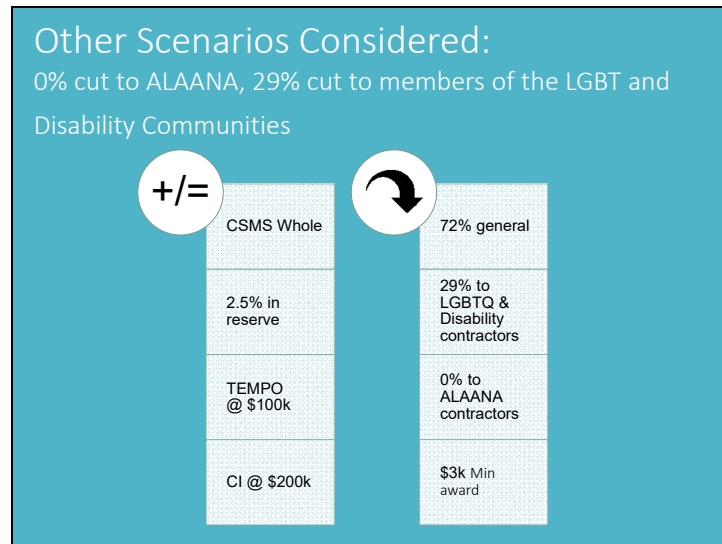
What other funders are thinking about in funding in this time of COVID-19. Justin used to be with the Heinz Endowments in Pittsburgh.



We ran the numbers based on Commissioner Fonte's request from the last meeting

- No cuts to the CSMS (Culturally Specific Marketing Supplement)
- Minimum 2.5% in the reserve
- TEMPO - \$100,000 – was at \$20k in FY 20
- CI - \$200,000 – same as FY 20
- Out Come for the cuts would be:
 - 81% cut
 - 0% cut to LGBTQ/Disability
 - 0% cut to ALAANA
 - \$3,000 Minimum Award – was \$4k

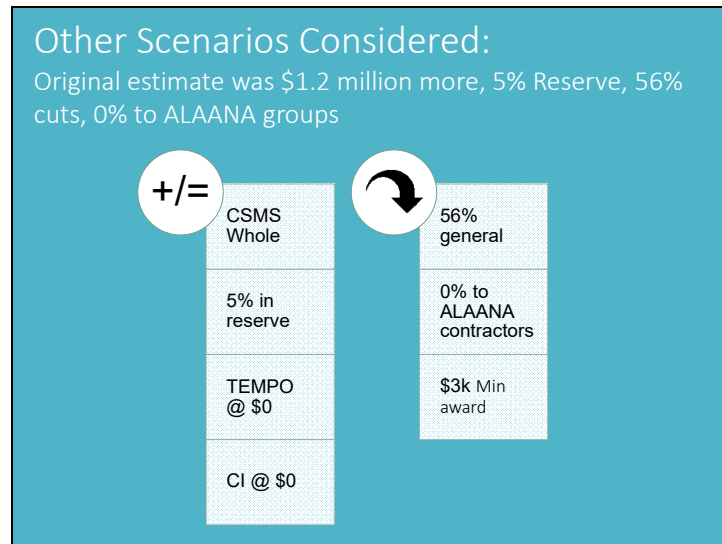
INSERT REASONING:



Also tried a scenario where:

- No cuts to the CSMS (Culturally Specific Marketing Supplement
- Minimum 5% in the reserve – City ordinance requires 10%, AC additional 5% requirement will be used
- TEMPO - \$100,000 – was at \$20k in FY 20
- CI - \$200,000 – same as FY 20
- The results of the scenario:
 - 72% cut
 - 29% cut to LGBTQ/Disability
 - 0% cut to ALAANA
 - \$3,000 Minimum Award – was \$4k

INSERT REASONING:



To provide more context on the deliberations of the working group here are some early scenarios that were considered but were ultimately deemed unworkable. This was based on the higher available funding estimate

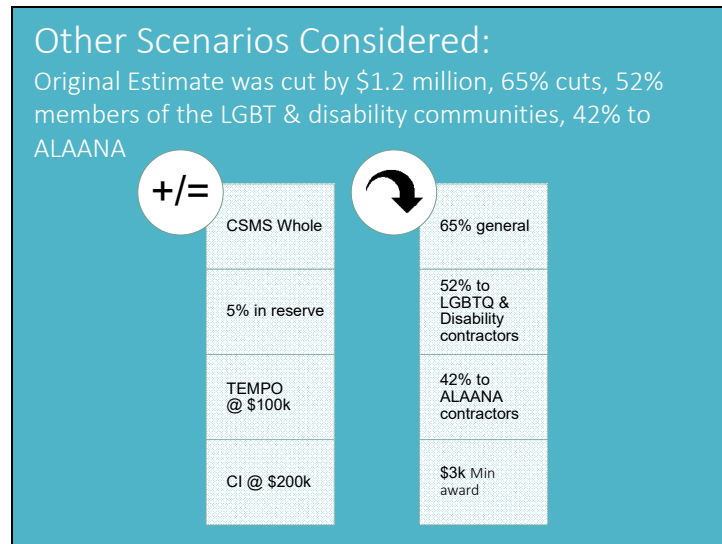
- No cuts to the CSMS (Culturally Specific Marketing Supplement)
- Minimum 5% in the reserve – City ordinance requires 10%, AC additional 5% requirement will be used
- TEMPO - \$0 – was at \$20k in FY 20
- CI - \$0
- The result:
 - 5% reserve
 - 56% cut
 - 0% cut to ALAANA
 - \$3,000 Minimum Award – was \$4k

This scenario eliminated all funding for TEMPO and Community Initiatives, and did not provide reduced cuts to

This scenario was ultimately not chosen because the working group felt that it is important to provide funds in TEMPO in and in Community Initiatives, which are programs that have a focus on supporting the works of emerging ALAANA artists and arts organizations. To completely defund these programs would prevent those new comers from accessing needed resources to begin to develop their programmatic

offerings and which would result in fewer ALAANA arts leaders in the future. Keeping both programs align with the Arts Commissions 4 Pillars:

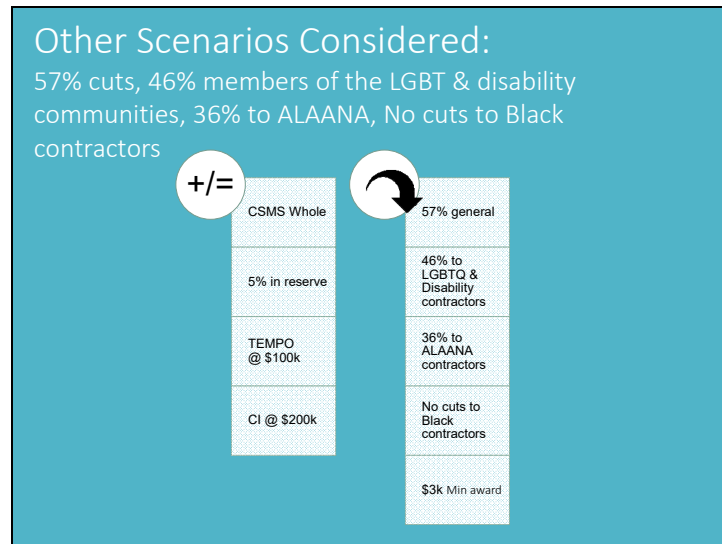
- Cultivate Leadership
- Ensure and Encourage Equity
- Foster Collaboration
- Inspire Evolution



At a later meeting the available funding amount was reduced by \$1.2 million. In this example the working group refocused on leading with equity.

- No cuts to the CSMS (Culturally Specific Marketing Supplement)
- Minimum 5% in the reserve – City ordinance requires 10%, AC additional 5% requirement will be used
- TEMPO - \$100,000 – was at \$20k in FY 20
- CI - \$200,000 – same as FY 20
- the scenario:
 - 65% cut
 - 52% cut to LGBTQ/Disability
 - 42% cut to ALAANA
 - \$3,000 Minimum Award – was \$4k

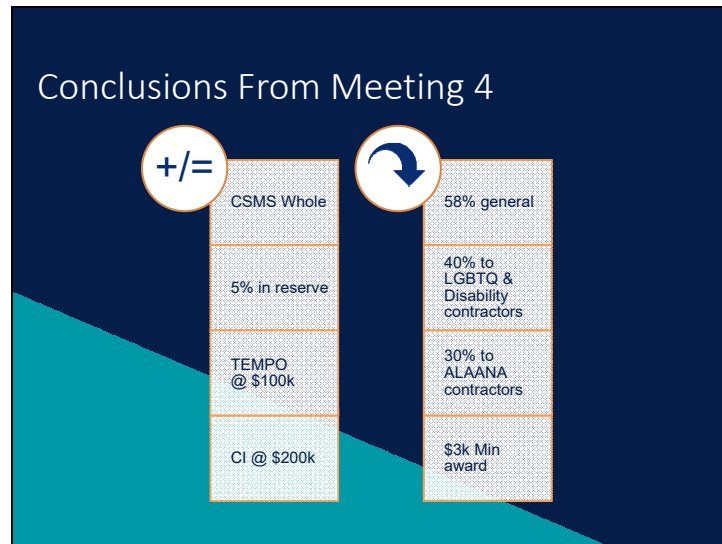
This Scenario was not ideal because of the significant cuts across the board. We were fortunate to later learn that the \$1.2 million reduction in the estimate could be spread over three years, which gave us a little more funding to work with at later meetings.



The working groups explored funding all Black Contractors at their original FY 20 levels.

- No cuts to the CSMS (Culturally Specific Marketing Supplement
- Minimum 5% in the reserve – City ordinance requires 10%, AC additional 5% requirement will be used
- TEMPO - \$100,000 – was at \$20k in FY 20
- CI - \$200,000 – same as FY 20
- Ideal final scenario:
 - 5% reserve
 - 57% cut
 - 46% cut to LGBTQ/Disability
 - 36% cut to ALAANA
 - No cuts to Black Contractors
 - \$3,000 Minimum Award – was \$4k

The working group had a lengthy discussion over several meetings regarding this and other similar scenarios. Ultimately the working group felt that due to the overall reduction in the available funds they wanted to provide the lowest cuts possible across the board, but the cost of keeping all Black Contractors whole for FY 21 would leave the other contractors carrying too high a reduction in their award amounts.



We thought we were done, so had come up with a final scenario. But then, we got updated information.

- No cuts to the CSMS (Culturally Specific Marketing Supplement)
- Minimum 5% in the reserve – City ordinance requires 10%, AC additional 5% requirement will be used
- TEMPO - \$100,000 – was at \$20k in FY 20
- CI - \$200,000 – same as FY 20
- Ideal final scenario:
 - 5% reserve
 - 58% cut
 - 40% cut to LGBTQ/Disability
 - 30% cut to ALAANA
 - \$3,000 Minimum Award – was \$4k

Final Recommendation

Maintain CSMS at current levels
Maintain CI at current levels
Fund TEMPO @ \$100k
Keep 2.5% in reserve
Tiered cuts rooted in equity
\$3k minimum award

Maintain CSMS – The vast majority of recipients are historically underserved (ALAANA/LGBTQ/Disability community) Maintaining this supplement ties into leading with equity.

Maintain CI and Fund TEMPO - The working group felt that it is important to provide funds in TEMPO in and in Community Initiatives, which are programs that have a focus on supporting the works of emerging ALAANA artists and arts organizations. To completely defund these programs would prevent those new comers from accessing needed resources to begin to develop their programmatic offerings and would result in fewer ALAANA arts leaders in the future. Keeping both programs align with the Arts Commissions 4 Pillars:

- Cultivate Leadership
- Ensure and Encourage Equity
- Foster Collaboration
- Inspire Evolution

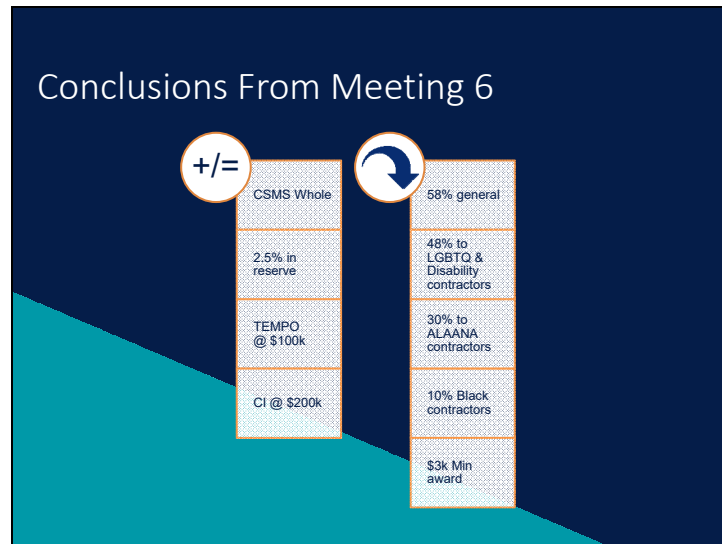
2.5% reserve – Leaving a cushion, even a small one will help provide for a smaller dip into FY 22 funds. Especially if FY 21 amounts come in less than expected.

Tiered cuts rooted in equity – The working group primarily focused their decision making on ensuring that the funding recommendation was rooted in equity. Austin is the only major growing city in the US with a declining Black population. Black, ALAANA, and LGBTQ/Disability communities are historically underserved, under-resourced, and with less disposable

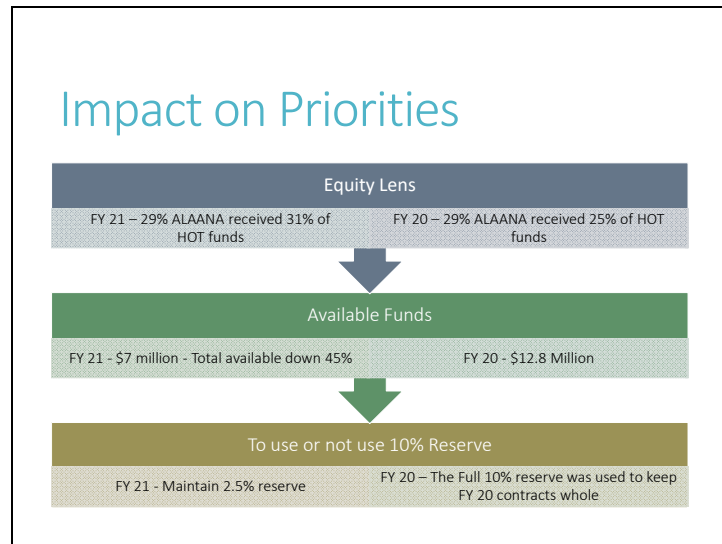
income. The impact of COVID-19 has had a greater impact on the ALAANA community. As a result the recommendation increase the percent of the total HOT funds going to ALAANA contractors from 25% to 31%. So while all received cuts, it was a balance of minimizing cuts for historically underserved communities while still trying to limit overall cuts.

\$3k minimum award amount - Nearly a third of FY 21 contractors would be at risk of receiving an award below \$3k, CI award will likely be in the \$2-3k range. Ideally, Core awards should be equal to or more than CI max award;

90% of contractors receiving \$4k Core awards in FY 20 were first time applicants and over 60% received scores above 80, and 29% received scores 90 & up; Some contractors who received \$4k awards because they had small annual budgets, and was not a reflection of a poor score. 55% of the \$4k recipients in FY 20 had an annual operating budget under \$15k; Fundraising and ticket sales will likely be limited for all contractors, awards under \$3k would make it very difficult for contractors to produce an event without those additional sources of income and would put organizations in even greater of failure.



- No cuts to the CSMS (Culturally Specific Marketing Supplement)
- Minimum 2.5% in the reserve – City ordinance requires 10%, AC additional 5% requirement will be used
- TEMPO - \$100,000 – was at \$20k in FY 20 (program was in review for FY 20)
- CI - \$200,000 – same as FY 20
- Ideal final scenario:
 - 2.5% reserve
 - 58% cut to general contractors
 - 48% cut to LGBTQ/Disability
 - 30% cut to ALAANA
 - 10% cut to Black Contractors
 - \$3,000 Minimum Award – was \$4k



- Equity lens
 - FY 20 - 28% ALAANA Contractors; received 13% of HOT Fund
 - Impact of COVID-19 has had a greater impact on ALAANA community
- Available funds (actually \$7.2 million)
- Funding programs we can and cannot add or eliminate
- Reduction in available funds estimate
- To maintain 10% reserve or use it all
- Potential relief funds available

Slide 16

Program	Scenario using FY 20 Matrix	Recommended SCENARIO
	FY 20 Approved Awards	2.5% reserve, 58%, 48% L/D, 30% ALAANA, 10% Black contractors
Organizational Support	\$3,730,426	\$1,665,173
Project Support I	\$3,808,530	\$1,895,222
Project Support II	\$1,792,376	\$1,007,645
Project Support III	\$1,616,995	\$885,355
Culturally Specific Marketing Supplement	\$376,541	\$367,541
Cultural Heritage Festivals	\$501,380	\$360,494
Community Initiatives	\$200,000	\$200,000
Adjustments	\$40,000	\$73,333
TEMPO	\$20,000	\$100,000
Faces of Austin	\$8,000	\$8,000
Cultural Arts Contracts Subtotal	\$12,094,248	\$6,561,696
Expenses that cannot be changed		
Zach Scott Maintenance	\$60,000	\$60,000
Marketing	\$40,000	\$20,000
PARD	\$50,000	\$50,000
Program Administration	\$522,499	\$522,499
Tourism and Promotion	\$20,000	\$10,000
Cultural Arts Contracts Grand Total	\$12,786,747	\$7,234,262
Estimated Allocation Amount	\$6,251,742	\$7,234,262
Allocation Difference	(\$6,535,005)	\$0

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Next Steps

June 25, 12pm

Deadline to sign up for Citizens Communication for the June 26 meeting

Email Anne-Marie to sign up - annemarie.mckaskle@austintexas.gov

June 26, 1-2:30pm

Arts Commission meeting to hear any final community feedback and will Take Action on the Funding Matrix

Recommendation sent to City Budget Office and to Council

Mid-August

Council will vote on City Budget mid-August