

# EQUITABLE CHAMBER FUNDING CIUR 1955/2111

ECONOMIC DEVELOPMENT DEPARTMENT

JANUARY 2021



# History

**FY2011** – Chamber contracts totaling \$285,416 (amounts below) were transferred from the Austin Convention and Visitors Bureau to EDD and were restructured with an economic development focus:

- Greater Austin Hispanic Chamber - \$125,000
- The Capital City African American Chamber - \$90,000
- Texas Asian Chamber - \$30,000
- Austin Asian Chamber - \$30,000
- Austin Gay & Lesbian Chamber initiated - \$10,416

**FY2014** – Greater Austin Economic Development Corporation/Opportunity Austin contract (\$350,000) transferred to EDD.

## **FY2018 - CIUR 1955 (now 2111)**

Direction was given in the form of a Budget Rider to read:

To provide recommendations on methods to equitably fund the chambers including the Small Business (AIBA) was accepted without objection.

# Initial Feedback and Improvements

**October 2019** – Equitable Funding Model Report initially delivered to Council and one-on-one meetings conducted

**2020 Improvements** – in response to feedback from Council and the MECA chambers, EDD made the following updates to the Report and contracts:

- Contracts extended for one year to serve as transition year
- Contracts restructured to align with other EDD contracts
- Updated scope of work (business engagement, workforce development, chamber-specific, and capacity building)
- Performance-based deliverables with monthly reporting requirement
- Updated demographic data in Report
- Updated forms of economic discrimination in Report
- Updated model adjustment scenarios (intersectionality) in Report

# Equitable Funding Overview

The project's goal was to develop a framework and methodology to allocate City of Austin funds to local nonprofit, business and economic development organizations that will result in an equitable allocation and provide a mechanism to engage with new organizations.

There is no industry standard for developing an equitable allocation. For this project, an equitable allocation considers the target population that each funded organization represents and aims to identify the critical factors that comprise equity from an economic development perspective.

- Council transcripts, Strategic Direction 2023, and the Equity Office provided initial direction.
- The stakeholder engagement process and self-assessment was produced to gain an understanding of each organization and the issues that their constituents face.
- National best practices research was conducted to identify major U.S. cities that have engaged in equitable funding or equity-based economic development programming, in addition to contracting with local chambers.
- Data was collected from the U.S. Census Bureau and other sources to further define the recommended factors that comprise equity.

# RECOMMENDED EQUITABLE FUNDING FACTORS

## RACE/ETHNICITY

“SD23 Definition: To advance equitable outcomes, the City of Austin is leading with a lens of racial equity and healing. Race is the primary predictor of outcomes and it is time to recognize, understand, and address racism at its various levels.”

Black	Asian	Hispanic	LGBT
Qualifies	Qualifies	Qualifies	N/A

## POPULATION

Best practices research found that the City of Portland uses a per-person measure for equitably funding its neighborhood initiatives.

Black	Asian	Hispanic	LGBT
73,390	68,608	320,562	49,595

## EDUCATION & INCOME

The link between education (Edu) and household income (HHI) is very strong. Research displayed the differences in income and educational attainment by race and ethnicity.

Austin Avg Edu %	Black	Hispanic	Asian	LGBT
50.4%	27.5%	24.4%	76.1%	Above Avg
Austin Median HHI	Black	Hispanic	Asian	LGBT
\$67,462	\$42,422	\$50,332	\$87,597	Above Median

# RECOMMENDED EQUITABLE FUNDING FACTORS (cont'd)

## ECONOMIC DISCRIMINATION

Economic discrimination is experienced across each of the populations that the MECA Chambers represent. Research shows that economic discrimination in any form is detrimental to both those that are being discriminated against, and the employers and markets that are attempting to maximize productivity.

## CAPACITY BUILDING

Based on best practices research, it was determined that organizational capacity building was an important component to achieving more equitable outcomes. On average, the City funds 32.95% of the chamber's total operating budget.

GAED C	AIBA	AYC	Hispanic	Black	Asian	LGBT
10%	26%	14%	23%	53%	45%	59%

# Base Equitable Funding Model

RCA December 2020	\$ 1,150,850
EDD Chamber Contract Budget	\$ 1,220,850
Equity Base Budget	\$ 739,750
Equity Dial	61%

	Black	Hispanic	Asian	LGBT	AIBA	GAEDC	Young	Total
2019 Contract	\$ 171,000	\$ 212,500	\$ 202,500	\$ 153,750	\$ 70,000	\$ 350,000	\$ 61,100	\$ 1,220,850
2019 Contract %	23%	29%	27%	21%	14%	73%	13%	
Equity Budget			61%	\$ 739,750	Non-Equity Budget		\$ 481,100	\$ 1,220,850

Equity Factors			Black	Hispanic	Asian	LGBT				
Race	20.0%	\$ 147,950	\$ 49,317	\$ 49,317	\$ 49,317					
Population	20.0%	\$ 147,950	\$ 21,201	\$ 92,603	\$ 19,819	\$ 14,327				
Edu/HHI	20.0%	\$ 147,950	\$ 73,975	\$ 73,975						
Econ. Discrimination	20.0%	\$ 147,950	\$ 36,988	\$ 36,988	\$ 36,988	\$ 36,988				
Capacity Building	20.0%	\$ 147,950	\$ 49,317		\$ 49,317	\$ 49,317				
Total	100%	\$ 739,750	\$ 230,797	\$ 252,882	\$ 155,440	\$ 100,631	\$ 70,000	\$ 350,000	\$ 61,100	\$ 1,220,850
Equity %			31%	34%	21%	14%				

# Recent Council Action

On December 10, 2020, Council approved the following 2021-22 chamber contract amounts:

- Greater Austin Hispanic Chamber - \$252,882
- Greater Austin Black Chamber - \$230,797
- Greater Austin Asian Chamber – \$202,500
- Austin LGBT Chamber - \$153,750
- Greater Austin EDC (Opportunity Austin) - \$350,000
- Austin Young Chamber (EDD/ARR) - \$61,100

# Staff Recommendations

At the February 4 Council Meeting:

- Approve Resolution that adopts the Equitable Chamber Funding Report and its findings
- Provide any further Council direction including specific changes to the equitable funding model and methodology for contracting and funding the local chambers of commerce



QUESTIONS?