

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

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POLICY ANALYSIS REPORT

To: Supervisor Mar

From: Budget and Legislative Analyst's Office



Date: October 10, 2014

Re: Grants for the Arts Historical Funding

SUMMARY OF REQUESTED ACTION

Pursuant to your request, the Budget and Legislative Analyst has conducted an analysis of the Grants for the Arts (GFTA) program, and the funding allocations made by the program since 1989. This report (1) describes the funding allocation made to Grants for the Arts through the hotel tax, and the changes made in 2013 to the Business and Tax Regulations Code provision allocating hotel tax revenues; 2) describes the funding criteria and selection process used by GFTA to determine grantees; and (3) identifies funding allocations made to groups representing people of color and/or underserved populations over the past twenty-five years, based on criteria defined by the Budget and Legislative Analyst. This report also describes the funding criteria and selection process used by the San Francisco Arts Commission's Cultural Equity Grants (CEG) program, and discusses the relationship between CEG and GFTA. Finally, it provides an overview of the grantee selection process used by arts commissions and granting agencies in other cities.

FUNDING

GRANTS FOR THE ARTS FUNDING

The Grants for the Arts (GFTA) program was established in 1961. It received funding primarily through an administrative allocation of the City's hotel tax (also known as the Transient Occupancy Tax) until 2013. Amendments to the Business and Tax Regulations Code, which went into effect on September 1, 2013, stipulate that the majority of the hotel tax revenue will now be directed to the General Fund. Administrative Code Section 10.100-48 creates a special fund for Grants for the Arts into which hotel tax revenue may be disbursed from the General Fund during the budget process.

GFTA received 7.7 percent of hotel tax revenues in FY 2006-07, which decreased to 4.3 percent in FY 2013-14 before the revisions to the Business and Tax Regulations Code, as shown in Table 1 below.

Table 1: Hotel Tax Revenue Allocated to GFTA (FY 2006-2014)

Fiscal Year	Hotel Tax Revenue (Total)	GFTA Allocation	GFTA Percentage (of Total)
2006-07	\$182,604,000	\$13,988,000	7.7%
2007-08	\$224,482,167	\$15,386,800	6.9%
2008-09	\$219,776,946	\$15,386,799	7.0%
2009-10	\$192,082,240	\$11,541,000	6.0%
2010-11	\$215,511,978	\$11,368,000	5.3%
2011-12	\$242,843,060	\$11,368,000	4.7%
2012-13	\$257,899,000	\$11,368,000	4.4%
2013-14	\$271,613,000	\$11,774,992	4.3%

Source: San Francisco Controller's Office, Transient Occupancy Tax Summary

While hotel tax revenues have varied each year due to variations in the local economy, the percentage of hotel tax revenues allocated to GFTA have decreased each year since FY 2009-10, as shown in Table 1 above. The Mayor's budget has maintained the lower allocation to GFTA between FY 2010-11 and 2013-14.

Budget projections from the Controller's Office show the General Fund allocation to GFTA remaining at \$11.4 million over the next four fiscal years. As a result, while the hotel tax revenue directed to the General Fund is projected to increase from FY 2014-15 to FY 2017-18, the GFTA allocation as a percentage of hotel tax revenues collected by the City will decline from approximately 4 percent in FY 2014-15 to 3.5 percent in FY 2017-18, as shown in the table below.

Table 2: Projected Allocations to Grants for the Arts through 2018

Fiscal Year	Hotel Tax Revenue (Total)	GFTA Allocation	GFTA Percentage (of Total)
2014-15	\$288,494,000	\$11,368,000	3.9%
2015-16	\$303,153,760	\$11,368,000	3.7%
2016-17	\$312,248,373	\$11,368,000	3.6%
2017-18	\$321,615,824	\$11,368,000	3.5%

Source: San Francisco Controller's Office, Transient Occupancy Tax Summary

TOTAL FUNDING FOR ARTS PROGRAMMING

Neither the Mayor's Office of Public Policy and Finance nor the Arts Commission track the total funding that is allocated for arts programming across the City's departments. FY 2013-14 funding to City departments providing arts programming

was approximately \$80 million, as shown in Table 3 below. This funding includes maintenance and operations of facilities as well as arts programs.¹

Table 3: Allocation for Arts Programming by Department, FY 2013-14

Department Name	FY 2013-14 Funds
Arts Commission	\$14,150,397
Public Art Program ²	4,990,000
Asian Arts Museum	8,744,439
Department of Children, Youth and Their Families	2,784,987
Economic and Workforce Development	925,000
Fine Arts Museum	17,107,968
Grants for the Arts	11,774,992
Rec and Parks	3,791,780
SF Library	532,740
War Memorial	11,934,740
Yerba Buena Center for the Arts ³	3,333,000
TOTAL	\$80,070,043

Source: City Budget System, City Departments, Yerba Buena Center Audited Financial Statement

PROJECTED IMPACT ON GFTA FUNDING DUE TO ADMINISTRATIVE CHANGES

The Business and Tax Regulations Code was revised in September 2013 to distribute hotel tax revenues to the General Fund rather than allocate these revenues to specific programs. In FY 2014-15 and future years, the amount of General Fund monies allocated to GFTA in the Mayor’s budget will be a policy decision of the Mayor. Total funding to GFTA over the long-term is difficult to predict. The Controller’s Office projects no increase in the dollar amount allocated to GFTA, thus leading to a declining percentage amount over the next four fiscal years, as shown in Table 2 above.

Further, as will be explained in detail below, GFTA does not have a specific definition of, or funding criteria for, arts organizations that represent people of

¹ City funding to the (a) Asian Art Museum pays for director, security services, facilities and engineering support, and certain management, conservator, registrar and other positions; (b) Fine Arts Museums pays for the director, certain curator positions at the Legion of Honor, security staff, and stationary engineer positions; and (c) War Memorial pays for management, administrative support, security and facility maintenance. Nonprofit foundations raise funds for the Asian Art Museum and Fine Arts Museums, comprising from 75 percent to 80 percent of the Museums’ annual budgets. The War Memorial is responsible for maintaining Louise M. Davies Symphony Hall, War Memorial Opera House, War Memorial Veterans Building, Harold L. Zellerbach Rehearsal Hall, and Memorial Court. Most funding for the San Francisco Symphony, Opera, and other cultural events are provided by nonprofit organizations.

² The Arts Commission manages the Public Art Program, which is legislatively mandated by the Art Enrichment ordinance, and funded by a 2% set aside on public capital projects.

³ The Yerba Buena Center for the Arts is funded through an Operating Agreement with the Successor Agency to the San Francisco Redevelopment Agency (generally funded through tax increment and other revenues). This funding pays for administrative and operational expenses. Funding for arts and education programs are raised directly by the Center.

color.⁴ As a result, it is difficult to predict future funding to these arts organizations.

GRANTS FOR THE ARTS GRANT- MAKING PROCESS

FUNDING CRITERIA

Grants for the Arts aims to provide a reliable, sustained source of funding to organizations that produce annual arts programming for the general public, including visitors.

Organizations must:

- Have as a primary purpose the public performance or display of art works in San Francisco;
- Have non-profit status and have been based in San Francisco for at least three full years at the time of their application;
- Be governed by a legally constituted board of directors;
- Not be the primary responsibility of a government agency;
- Produce an annual, dependable San Francisco season of activities for the public, including visitors. The season should include at least one self or co-produced San Francisco activity;
- Plan and publicize programming to attract visitors to San Francisco;
- Reach an audience appropriate to the activity and produce accurate records of patronage;
- Produce consistently professional quality work;
- Be in good-standing on previous GFTA grants and with other City departments;
- Demonstrate financial health by:
 - Receiving outside sources of funding;
 - Managing a budget size and percentage of earned revenue appropriate to the activity;
 - Having a minimum budget of at least \$35,000;
 - Not carrying an unreasonable accumulated debt; and
 - Not being overly dependent on any one source of contributed income.
- Demonstrate sound administration and fiscal management by:
 - Creating an organizational structure (staff, volunteers, artists, board) appropriate to the size and nature of the organization;
 - Having an active board of directors/advisory board;

⁴ Article I, Section 31(a) of the California Constitution (Proposition 209) provides that government entities “shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting”.

- Preparing and submitting yearly financial statements; and
- Having a reasonable plan to retire debt—if applicable.

Organizations that sponsor celebrations and parades may also apply for GFTA dollars, and they must comply by similar requirements. They must also broadly celebrate and preserve the cultural identity and/or traditional activities of the City's various populations, have significant support from a substantial segment of the community, and have a significant performance or art component.

GFTA SELECTION PROCESS

Organizations that are newly applying for GFTA funds must submit a written application that documents their fiscal and administrative health, while also providing evidence that their programming is high-quality. Once GFTA has received the application, a site visit is scheduled. The purpose of the site visit and written application together are to determine how the organization manages its programs, whether it is fulfilling its potential and what audience segment is being served.

The information gathered and reviewed by staff is then presented to the GFTA Citizens' Advisory Committee. The Committee recommends to the City Administrator for or against funding the organization. Members of the Committee are appointed by the City Administrator. Individuals may apply to be part of the Committee; staff from GFTA has also recommended individuals for the Committee to the Administrator. According to the Director of GFTA, the members of the Committee bring a variety of skills and perspectives to the role and consist of individuals from diverse backgrounds.

Each year, GFTA receives applications from 30-40 new organizations. Depending on the funding available, the organization makes awards to between 5 and 15 of the organizations. It is the goal of GFTA to fund every organization that meets the criteria detailed above, based on available funding.

Once an organization has received GFTA funding, they must apply annually to have their funding renewed. Organizations submit an abbreviated written application for each subsequent year that they apply. Most organizations that previously received funding receive new funds when they re-apply. The GFTA Director notes that GFTA works to help grantee organizations address organizational and programmatic challenges as they arise so that they can continue to receive funding; an organization that has received funding in the past would generally not be denied funds during a subsequent application. Denying continued funding to existing grantees is uncommon, and therefore GFTA Director said it would be very difficult to determine whether there was a pattern of people of color organizations being denied funds more frequently than other groups. When organizations disappear from the grantee roster over time, it is usually because they declined to re-apply for funds.

All grant dollars are distributed as reimbursements. Organizations must submit the appropriate paperwork and receipts before they can receive payments. GFTA

aims to provide significant support to grantees, while also preventing them from becoming overly dependent on GFTA as a sole or major source of funds, as is a best practice in arts funding. The following funding guidelines are provided for organizations. All percentages are to be based on the last completed fiscal year budget for the organization. GFTA emphasizes that these percentages are the funding goal, but that they are not guaranteed. The minimum grant size is \$5,000.

- Organizations with budgets of under \$350,000: 15%.
- Budgets of more than \$350,000 but less than \$750,000: 10%.
- Budgets of more than \$750,000 but less than \$1,000,000: 8%.
- Budgets of more than \$1,000,000 but less than \$3 million: 6%.
- Budgets of more than \$3 million but less than \$10 million: 5%.
- Budgets of more than \$10 million: no set percentage; meaningful sustaining funds will be awarded.

HISTORICAL FUNDING FOR PEOPLE OF COLOR ORGANIZATIONS

Calculation of GFTA Funding to People of Color Organizations

According to the GFTA Annual Report, the mission of GFTA is to promote “the City through support of the arts” by funding non-profit arts and cultural organizations that help promote San Francisco as a destination for regional, national and international visitors. GFTA does not have a definition or criteria for granting funds to people of color organizations separate from other non-profit arts organizations.⁵ To determine the extent to which GFTA funds have been awarded to people of color and/or other underrepresented organizations, it was necessary to first develop a working definition for this type of organization. The Budget and Legislative Analyst’s Office developed the following definition, and categorizations, for the purposes of this report.

As GFTA aims to fund organizations that provide performances and other artistic experiences to as wide an audience as possible, the definition did not focus specifically on the audience segment served. Instead, underrepresented organizations were identified by the race/ethnicity, gender, and sexual orientation of the leadership and key staff members; the analysis did not examine the background of the board members. In addition to the background of the staff involved, the mission of the organization must also be to represent the viewpoints, experiences, and/or history of people of color or underrepresented groups, and/or to provide arts programming directly to these groups⁶.

⁵ As noted above, the California Constitution restricts public funding based on race, sex, color, ethnicity, or national origin.

⁶ The definition was operationalized by reviewing the websites of the organizations in question, and by then examining their missions and staff members. For example, the Lily Cai Chinese Dance Company, which was recorded against the Asian American category, was founded by Lily Cai, a native of Shanghai. All of the company members are Asian, having either been born in China or the United States. Company performances meld ancient

The total grants made to people of color organizations were tallied by the following categories: Asian, African-American, Hispanic/Latino, American Indian, and Multi-racial. The total grants made to ethnic and cultural minorities were calculated by summing the grants made to Arab/Middle Eastern and Jewish organizations. To calculate the total allocated to underrepresented gender groups, grants made to Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ), and Women were totaled. The Asian category included Chinese, Japanese, Filipino, Indian, and Pacific Islander. The Hispanic/Latino category included groups representing the Caribbean, Central and South America. Funding for an organization was assigned to the Multi-racial group category if two or more racial groups are represented.

Exceptions to this definition were made. The San Francisco Girls Chorus was counted against the total for Women, but the San Francisco Boys Chorus was not counted against the total for any underrepresented organization. An organization known as Sukay that performs the music from Bolivia, Ecuador and Peru, was not counted against the Hispanic/Latino total because its founders are Caucasian and its mission is to introduce an international art form, rather than to represent the Latino community in the Bay Area. Funding for SF Jazz was counted against the Multi-racial total, as this organization no longer represents just one racial group exclusively. Funding made to Alonzo King Lines Ballet was counted against the African-American total, although many staff members and faculty are not African-American, and the mission is not to represent the experiences of African-Americans exclusively. However, given that the majority of large ballet companies is founded and run by white individuals, the decision was made to count funding granted to Lines Ballet, which is run by an African-American man, against the African-American total.

Organizations that represent two communities, and where one of the communities is a racial group, were tallied against the total for the racial group. For example, Pomo Afro Homos is an organization representing the perspectives of gay, African-American men. This organization was counted against the total for African-American organizations, not the total for LGBTQ. For organizations that could be counted as either LGBTQ or Women, for example, a judgment was made as to which of these two groups the organization more closely represents.

The grants made to the City's cultural centers were included in the overall grant total calculated for each year, and were included in the total for the appropriate racial group. Beginning in FY 1997-98, the amount granted by GFTA to the six cultural centers - the Bayview Opera House, the African-American Arts and Culture Complex, SOMArts, the Mission Cultural Center for Latino Arts, the Queer Cultural Center, and the Asian Pacific Islander Cultural Center - is reported as a lump sum. To allocate these funds among the centers, the total was divided by six and one part was assigned to the appropriate racial or underrepresented group for that year.

Chinese forms with modern dance styles. Elements from Chinese court dances, classical Chinese movement and ballet, and Chinese music are used in performance works.

To calculate grant awards to all arts organizations each year, the grant amounts listed in the annual reports under the following categories were included: Dance, Literary Arts, Media, Multi-Arts, Music, Theater, Visual Arts, Annual Celebrations/Parades, Tourist-Support Organizations, Cultural Centers, and the Re-granting Program, in the years it existed. Funds for non-recurring events were not included, nor were grants made through the Voluntary Arts Contribution Fund. Grants for the Arts' other re-granting programs were also not considered in the analysis.

In the table below, three percentages are displayed for each year. The first percentage captures the total funding that went to organizations representing people of color, namely Asians, African-Americans, Hispanics/Latinos, American Indians, and groups with the Multi-racial designation. A second percentage displays the total funds going to ethnic and cultural minority organizations with the Arab/Middle Eastern and Jewish designations. Finally, the third percentage includes the total funding that went to organizations in the LGBTQ and Women categories.

Table 4: Historical Funding to Groups by Race, Ethnicity and Gender 1989-2013

Year	Percentage to Racial Minorities*	Percentage to Ethnic/Cultural Minorities**	Percentage to Women/LGBTQ
1989-90	20%	1%	5%
1990-91	20%	1%	5%
1991-92	19%	1%	5%
1992-93	19%	1%	6%
1993-94	21%	1%	6%
1994-95	23%	1%	6%
1995-96	22%	1%	5%
1996-97	23%	1%	5%
1997-98	24%	0%	6%
1998-99	29%	1%	7%
1999-2000	23%	1%	7%
2000-2001	22%	2%	7%
2001-2002	24%	2%	6%
2002-2003	25%	2%	7%
2003-2004	24%	2%	7%
2004-2005	24%	2%	8%
2005-2006	25%	2%	7%
2006-2007	26%	2%	9%
2007-2008	23%	2%	8%
2008-2009	21%	2%	8%
2009-2010	21%	3%	8%
2010-2011	21%	2%	7%
2011-2012	21%	3%	7%
2012-2013	21%	2%	8%
AVERAGE	23%	2%	7%

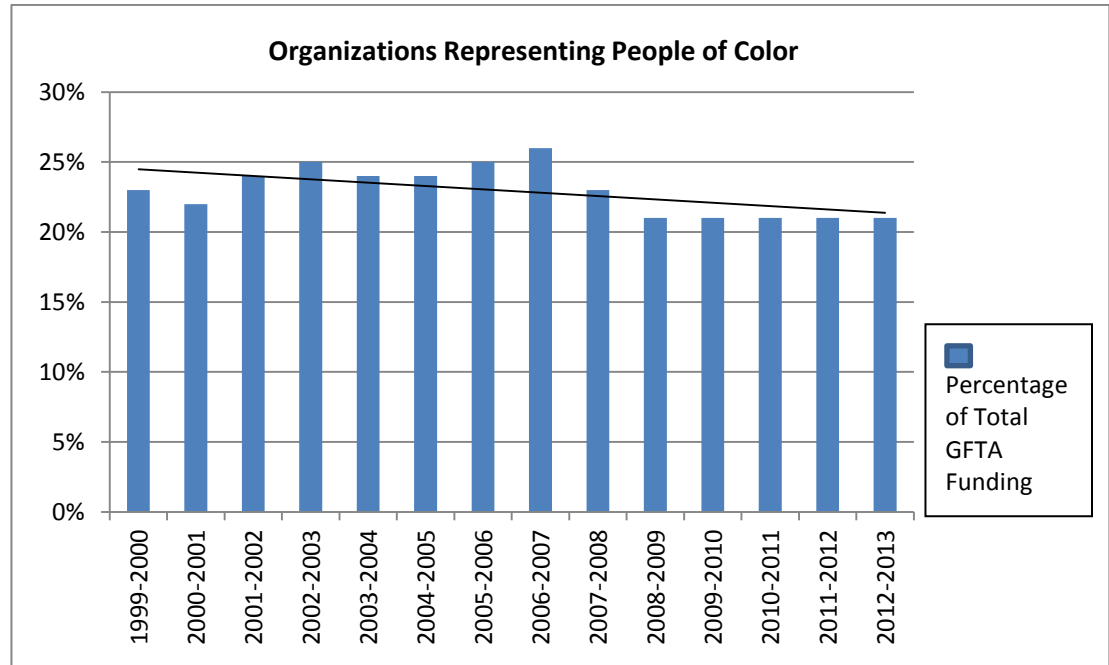
Source: Grants for the Arts Annual Reports, 1989-2013

* The people of color category includes the following groups: Asian, African-American, Hispanic/Latino, American Indian and Multi-Racial.

**The ethnic and cultural minority group category includes: Arab/Middle Eastern and Jewish.

Over the 25 year period, organizations representing people of color received on average 23 percent of GFTA funds, with 19 percent of funds being the minimum received during that period, and 29 percent of funds being the maximum received. Beginning in FY 2006-07, funding to people of color organizations has been 21 percent on average, which is lower than the 25-year average of 23 percent.

Chart 1: Percentage Change in Funding to Organizations Representing People of Color from FY 1999-00 to FY 2012-13



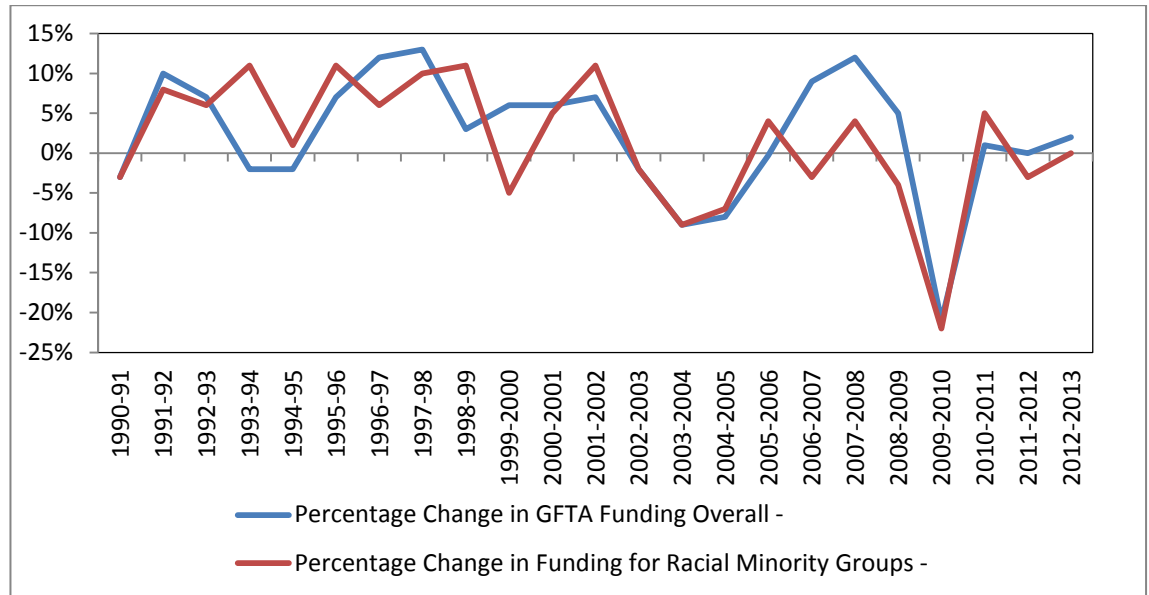
Source: GFTA, Budget and Legislative Analyst's Office

As GFTA does not specifically aim to fund people of color arts organizations of any type, the variation in the percentage of funding to these groups is based on the overall application and grant award process. GFTA does not have specific information on why the percentage of funding to people of color organizations has been lower in the past six years compared to earlier years.

Comparison of Funding to People of Color Organizations to Total GFTA Funding

Another question posed was whether the percentage increase to people of color organizations was comparable to the percentage increase in GFTA funding overall. The following chart indicates that over the years in question, the percentage increase to people of color groups was approximately the same as the percentage increase in funding overall. That said, in certain years such as FYs 1999-00 and 2007-08, the difference between the percentage change overall and to people of color groups varies more widely.

Chart 2: Percentage Change in Total Funding and Funding to People of Color Organizations *



Source: Grants for the Arts Annual Reports, 1989-2013, and Budget and Legislative Analyst estimates

* The category “people of color” includes organizations with the designation: Asian, African-American, Hispanic/Latino, American Indian, and multi-racial.

The tables below demonstrate how GFTA funding awards to organizations representing people of color in 1990, 2000 and 2010 compare to the City’s demographic breakdown.

Table 5: Comparison of Demographic Breakdown to GFTA Funding Awards (2010)

	2010 Percentage		
	a) GFTA Funding	b) Population“	Difference (a-b)
Predominantly White*	79%	42%	37%
People of Color**	21%	58%	-37%
African-American	6%	6%	0%
Asian***	7%	33%	-26%
Hispanic/Latino	3%	15%	-12%
American Indian	0%	0%	0%
Two or more races	5%	3%	2%

Source: U.S. Census: American Fact Finder and GFTA Annual Reports, 1989-2013

Table 6: Comparison of Demographic Breakdown to GFTA Funding Awards (2000)

	2000 Percentage		
	a) GFTA Funding	b) Population ⁷	Difference (a-b)
Predominantly White*	75%	44%	31%
People of Color**	25%	57%	-32%
African-American	5%	8%	-3%
Asian***	8%	31%	-23%
Hispanic/Latino	5%	14%	-9%
American Indian	1%	0%	1%
Two or more races	6%	3%	3%

Source: U.S. Census Bureau: American Fact Finder and GFTA Annual Reports, 1989-2013

Table 7: Comparison of Demographic Breakdown to GFTA Funding Awards (1990)

	1990 Percentage		
	a) GFTA Funding	b) Population ⁷	Difference (a-b)
Predominantly White*	79%	47%	32%
People of Color**	21%	55%	-34%
African-American	4%	11%	-7%
Asian***	4%	29%	-25%
Hispanic/Latino	5%	14%	-9%
American Indian	1%	1%	0%
Two or more races	7%	n/a	

Source: U.S. Census Bureau: 1990 Census and GFTA Annual Reports, 1989-2013

Population totals are slightly above 100% due to rounding.

* Population percentage for “predominantly white” is based on the U.S. Census classification for Caucasian.

** GFTA funding percentage for “predominantly white” was calculated by adding the percentages for all of the people of color groups, and then subtracting that total from 100. Organizations classified as “predominantly white” category may employ staff or artists of color, but do not fit the definition of organizations representing people of color outlined in this report.

*** The Asian category includes the following groups: Asian Indian, Chinese, Filipino, Japanese, Korean, Vietnamese, Other Asian, Native Hawaiian, Guamanian, Samoan, and Other Pacific Islander.

⁷ The population percentage does not include the category “Other race,” which was less than .5% in each of the years surveyed.

In FY 2010-11, less than one-quarter of GFTA funding was allocated to arts organizations classified as people of color⁷, although people of color made up 58

⁷ Based on the Budget and Legislative Analyst’s classification criteria noted above.

percent of the San Francisco population in 2010. Asian and Hispanic/Latino arts organizations received the lowest percentage of funding, compared to their representation in the population as a whole.

However, while arts organizations classified as “predominantly white” did not meet the criteria for people of color outlined above, many of these organizations have staff that are people of color or display the works of people of color artists. GFTA funding allocations to predominantly white arts organizations include the City’s largest art organizations, such as the Ballet, Symphony, Opera, and other organizations that we categorized as predominantly white.

As a point of reference, grants made by GFTA to the seven largest organizations overall, namely the Opera, Symphony, Ballet, American Conservatory Theater, the San Francisco Museum of Modern Art (MOMA), the Exploratorium, and the SF Ethnic Dance Festival, comprised one-third of the total grants made by the organization over the past five years. While one of these grantees, namely the SF Ethnic Dance Festival, falls into the multi-racial category, the remaining six organizations are classified as predominantly white.

CULTURAL EQUITY GRANTS

FUNDING CRITERIA

The San Francisco Arts Commission’s Cultural Equity Grants (CEG) program funds diverse individuals and organizations through its grant programs.

General eligibility requirements for organizations across programs include:

- Mission statement is clearly focused on the development, production and/or presentation of arts activities in San Francisco;
- Organization must be housed in San Francisco;
- Organization has a continuing and stable presence, including ongoing operations, in the community;
- Organization must be an active arts presenter, providing continuing arts activity, and a home season, in San Francisco;
- Organization must be in good standing and have completed reporting requirements on previous or current SFAC grants;
- Organization must have tax-exempt, 501(c)(3) status, or be a fiscally-sponsored project of a tax-exempt organization;
- Programs of other city agencies not eligible to apply; and
- Organization budgets must meet size limitations and may never exceed \$2 million.

Cultural Equity Grants (CEG) program funds organizations and individual artists through six core grant categories:

1. Arts and Communities: Innovative Partnerships,
2. Arts for Neighborhood Vitality,
3. Cultural Equity Initiatives,
4. Creative Space Grants,
5. The Native American Arts and Cultural Traditions Grants (NAACT), and
6. Organization Project Grants.

One hundred percent of funding for the Cultural Equity Initiatives and the Native American Arts and Cultural Traditions grants goes to people of color and/or organizations rooted in historically underserved communities, including the disabled, LGBTQ, and women. To determine whether an organization serves people of color and/or underserved individuals, CEG staff examines the mission of the organization, the composition of the board of directors (at least 50% of the organization's governing body must be from the historically underserved community), and whether programming is reflective of the community.

There are two types of Cultural Equity Initiative grants. Organizations may apply for short-term, one-time funds of up to \$25,000 to strengthen their administrative infrastructure and organizational capacity. Organizations may also apply for grants of up to \$100,000 to enhance efficiency and focus on new or unrealized organizational capacity.

SELECTION PROCESS

Once an organization has submitted a written application to CEG that demonstrates eligibility for the appropriate grant program, the application is sent by CEG to a selection panel for review. Each grant panel has between 4-6 members. Members are selected that represent the diversity of San Francisco, that have broad knowledge about the particular artistic discipline and field issues, and that have experience that aligns with the purpose of the specific grant category.

Panelists read through the applications prior to meeting. Panel review meetings are then called, and are open to the public. Artists and organizations may attend the panel review during which their application is being discussed. Larger organizations might be asked to comment on their application during the panel review, but organizations usually just observe the proceedings. The applications are scored against an evaluation rubric. After the panels, the scores are aggregated and reviewed internally, followed by approval by the Community Arts, Education, and Grants Committee and the full Commission. The Director of Cultural Affairs determines a cutoff score, such that the winning applications will be funded either fully or no less than 75 percent.

Applicants that are denied funding may participate in an appeals process. However, applicants infrequently elect to do so. According to the CEG Program Director, CEG staff communicates with applicants throughout the application process to prevent misunderstanding and the desire for appeals.

RELATIONSHIP BETWEEN GFTA AND CEG

According to both Grants for the Arts and the San Francisco Arts Commission/Cultural Equity Grants program, there is not a formal program in place to provide people of color organizations with initial funding through CEG, and then to “graduate” them to the GFTA program. The GFTA Director noted that although this may once have been the goal, such a relationship does not currently exist. Staff from CEG and GFTA meets once a month to discuss grantees and potential ways that the two programs can work together.

There is overlap between CEG and GFTA grantees, as shown in Table 8 below. This analysis does not include grants made through the GFTA voluntary arts contribution fund or the smaller re-granting programs maintained by GFTA. The following exhibit demonstrates the percentage of CEG grantees that also received GFTA grants in a given year. On average, 48 percent of CEG grantees also received GFTA funds over the past five years, once the grants made to individual artists are removed from the CEG grants total.

Table 8: CEG Awardees that also Received GFTA Funds

Calendar Year	Total CEG Grantees*	Grantees that Received CEG and GFTA Funds	Percentage of CEG Grantees that Received GFTA Funds
2009	78	43	55%
2010	112	44	39%
2011	101	48	48%
2012	80	41	51%
2013	76	35	46%
AVERAGE	89.4	42.2	48%

Source: Cultural Equity Grants Program Director, and GFTA Annual Reports

*This column does not include the grants made to individual artists in any given year.

ACTION TAKEN ON THE 2006 SAN FRANCISCO ARTS TASK FORCE REPORT

In 2006, the San Francisco Arts Task Force recommended a Department of Arts and Culture be created to house the current functions of the Arts Commission and Grants for the Arts jointly. No steps have been taken to implement this recommendation.

ARTS GRANT-MAKING IN OTHER CITIES

Austin, San Diego and San Jose all utilize a version of the panel review process when making arts grant-making decisions. This process involves soliciting the input of arts experts and allowing their deliberations to be made public. The San

Francisco Arts Commission's Cultural Equity Grants (CEG) program also utilizes a peer review process to determine funding awards.

CITY OF AUSTIN CULTURAL FUNDING PROGRAM

The City of Austin funds arts programming through its Economic Development Department. In addition to funding Art in Public Places, Tourism Resources, and the Arts Commission, the Department administers a program known as Cultural Funding. Support for individual artists, and organizations, is available through three types of Cultural Funding grants, namely, Core Funding, Community Initiatives and Cultural Expansion. Funding for arts programming is provided in part through an allocation from the city's hotel tax revenues.

Each of the Cultural Funding grant programs have different eligibility requirements, and require written applications. Once the applications are received, they are reviewed by staff and then are distributed to peer review readers who will take part in panels. Panelists are comprised of objective and knowledgeable arts professionals, artists, arts administrators, educators, and community representatives with arts expertise. Peer review panels consist of panelists from Austin, as well as a small percentage of panelists who generally represent a regional, state, and national perspective. Panelists may be nominated by members of the general public, and must be reviewed by the Austin Arts Commission.

Each application is read by a primary and secondary reader. Readers review the application prior to the panel review, and then present the application to the entire panel once the meeting is called. Applicants may be present for the panel meeting and may be asked to answer questions about their applications. All panel review meetings are open to members of the general public. Panelists then score the applications based on an established criteria and rubric. Staff totals the scores, and uses a matrix that is approved by the Austin Arts Commission to make a funding award. The award is based on the size of the organization and the score that it received. An applicant that receives below a certain score will not receive a fund award.

SAN DIEGO COMMISSION FOR ARTS AND CULTURE

Through its Commission for Arts and Culture, the City of San Diego funds arts non-profits to support programming, performances and other cultural exhibitions. Fund awards for its two primary programs, Organizational Support and Creative Communities, is made through a competitive process.

The Commission annually revises, reviews, and adopts policy changes that set the funding criteria for the programs, and then publishes a set of updated guidelines. Nonprofit organizations submit an application by the deadline. Applications are then reviewed and ranked by a panel of Commissioners and other community members with special expertise. Funding awards for each organization are based on a formula that includes the amount of funds allocated by the Mayor and City

Council, the size of the organization's budget, and the rank an organization receives from the panel.

Nominees for the Arts Commission are drawn from San Diego residents who are arts and culture patrons, artists, educators, business professionals, arts experts, and the general public. Efforts are made to gather nominees who come from a diversity of backgrounds. Factors such as gender, age, socio-economic class, geographic location, religion, sexual orientation, skills and abilities, ethnicity, political affiliation and professional background are taken into consideration. The Mayor directly appoints seven members and selects the remaining eight members from a list of nominations submitted by each Councilmember. A schedule of all Commission meetings for the year is posted online, and members of the public are welcome to attend.

SAN JOSE ARTS COMMISSION

Through its Office of Cultural Affairs, the City of San Jose provides arts funding in two categories: Arts Grants, and Festival, Parade and Celebration Grants. The Arts Grants category is further divided into Operating Grants, and Take pART Grants (formerly Program and Project Grants). Applications for both types of grants are accepted once a year.

San Jose also uses a peer review panel process to make funding decisions for all of its grants programs. Panelists consist of representatives from the Arts Commission and from the community, and are paid. Panelists may come from other Bay Area communities. Review panels typically have 6-8 members. Panels are held over multiple days, and applicants are able to listen to the review of their own work. At the end of the discussion about their work, an organization has up to three minutes to answer questions or address the panel. Applicant attendance at the panel review is optional, but most artists and organizations do choose to attend. They are able to address ambiguities in their applications at the end.

Conclusion

Under the 2013 revision to the City's Business and Tax Regulations Code, hotel tax revenues are distributed to the General Fund rather than allocated to specific programs, including GFTA. As a result, the annual General Fund appropriation to GFTA depends on the priorities set by the Mayor's budget. The future General Fund allocation, projected by the Controller's Office, is expected to stay constant at \$11.4 million but when compared to hotel tax revenues distributed to the General Fund, the percentage allocation to GFTA will decline over the next several years, unless additional funding is approved by the Board.

The mission of GFTA is to promote "the City through support of the arts" by funding non-profit arts and cultural organizations that help promote San Francisco as a destination for regional, national and international visitors. GFTA does not condition grant funding on the racial or ethnic identity of the grant organization,

nor is it required to provide a certain percentage of funds to these organizations. Therefore, predicting how funding to these organizations will vary in the future is not possible. Once an organization receives GFTA funds, it will likely continue to qualify for this funding as long as it remains operational and meets the eligibility requirements, and until it declines to re-apply.

Over the 25 year period from FY 1998-90 to FY 2012-13, organizations representing people of color received on average 23 percent of GFTA funds, with 19 percent of funds being the minimum received during that period, and 29 percent of funds being the maximum received. During this same period, the percentage of the population comprised of people of color increased from 55 percent in 1990 to 58 percent in 2010.

Beginning in FY 2006-07, funding to people of color organizations has been 21 percent on average, which is lower than the 25-year average of 23 percent. As GFTA does not specifically aim to fund people of color organizations, or those that serve other underrepresented groups, the variation in the percentage of funding to these groups is based on the overall application and grant award process. GFTA does not have specific information on why the percentage of funding to people of color organizations has trended downward in the past 6 years. The Board of Supervisors may wish to request GFTA to further evaluate these funding trends, including requesting GFTA to evaluate their outreach to San Francisco organizations on the availability of GFTA funding to address these trends.

The purpose of the Art Commission's Cultural Equity Grants (CEG) initiative is to fund diverse individuals and organizations through its grant programs. According to both GFTA and CEG staff, there is not a formal program in place to provide people of color organizations with initial funding through CEG, and then to "graduate" them to the GFTA program, although staff from CEG and GFTA meet once a month to discuss grantees and potential ways that the two programs can work together. There is also overlap between CEG and GFTA grantees. On average, 48 percent of art organizations receiving CEG grant recipients also received GFTA grant funds from 2009 through 2013.

In addition to GFTA and CEG grants, several City departments fund arts programs, totaling approximately \$80 million in FY 2013-14. No City entity is responsible for tracking funding for arts programs Citywide, although this information could be useful to the Board of Supervisors during the annual budget review. Therefore, the Board of Supervisors may wish to request the Arts Commission to track and report on City departments' arts programs as part of the annual budget review, including the types of programs, amount of funding, and funding source.

APPENDIX

Classifications Assigned to Organizations by Category

DANCE	
ORGANIZATION	CLASSIFICATION
Abada Capoeira	Latino
Anne Blumenthal and Dancers	Women
Asian American Dance Performances	Asian
Bailes Flamencos	
Bay Area Celebrates National Dance Week	
California Contemporary Dance	Asian
Capacitor	
Centerspace Dance Foundation	
Chitresh Das Dance Company	Asian
Chinese Cultural Productions	Asian
Chinese Folk Dance Association	Asian
Circuit Network	
Company Chaddick	
Contraband	
Dance Action	
Dance Bay Area	
Dance Brigade	Women
Dance Through Time	
Danceart, Inc.	
Dancers Group	
Deborah Slater Dance Theater	Women
Della Davidson Company	Women
Epiphany Productions	Women
Flyaway Productions	Women
Footwork	
Janice Garrett & Dancers	Women
Jess Curtis Gravity Physical Entertainment	
Joe Goode Performance Group	
Kate Foley Company	Women
Khadra International Folk Ballet	
Kulintang Arts	Asian
Kunst-stoff	
Lawrence Pech Dance Company	
LEVYdance	
Lily Cai Chinese Dance Company	Asian
Alonzo King Lines Ballet	African-American
MacFarland/Whistler DanceArt Company	
Margaret Jenkins Dance Company	Women
Mark Foehringer Dance Project	
Na Lei Hulu I Ka Wekiu	Asian
Neva Russian Dance Ensemble	
ODC San Francisco	
Palabuniyan Kulintang Ensemble	Asian

DANCE (continued)	
ORGANIZATION	CLASSIFICATION
Pearl Ubungen Dancers and Musicians	Asian
Presidio Performing Arts Foundation	
Purple Moon Dance Project	Women
RAWdance	
Robert Henry Johnson Dance Company	African-American
Robert Moses Kin	African-American
San Francisco Ballet	
San Francisco Butoh Festival	Asian
San Francisco Ethnic Dance Festival	Multi-racial
San Francisco Hip Hop Festival	Multi-racial
Scott Wells & Dancers	
Smuin Ballet	
Stephen Pelton Dance Company	
Stepology	
Summerfest	
Theatre Flamenco	
Wajumbe Cultural Institution	African-American
World Dance	
Yaelisa & Caminos Flamencos	
Zaccho Dance Theatre	African-American

LITERARY ARTS	
ORGANIZATION	Classification
Aunt Lute Books	Women
Books by the Bay	
Center for the Art of Translation	
City Arts & Lectures	
Harvey Milk Institute	LGBTQ
Litquake	
National Poetry Association	
PlayGround	
Radar Productions	LGBTQ
San Francisco Bay Area Book Festival	
San Francisco Center for the Book	
Sister Spit	LGBTQ
Small Press Traffic Literary Arts	
Tale Spinners Theater	
The Playwrights Foundation	
The Poetry Center	
Youth Speaks	Multi-racial
Z Space Studio	
ZYZZYVA	

MEDIA	
ORGANIZATION	CLASSIFICATION
3rd I S.F. International South Asian Film Festival	Asian
American Indian Film Festival	American Indian
Artists Television Access	
Bay Area Video Collection	
Berlin and Beyond	
Center for Asian American Media	Asian
Cine Accion presents Festival Cine Latino	Latino
Cinemayaat Arab Film Festival	Arab/Middle Eastern
Film Arts Foundation	
Frameline	LGBTQ
International Latino Film Festival	Latino
National Asian American Telecommunications Association	Asian
New American Makers/Women of Vision	Women
Persona Grata Productions	
Queer Women of Color Media	LGBTQ
Roxie Theater	
San Francisco Black Film Festival	African-American
San Francisco Cinematheque	
San Francisco Independent Film Festival	
San Francisco Jewish Film Festival	Jewish
San Francisco Silent Film Festival	
Society for Art Publications of the Americas	Multi-racial

MULTI-ARTS	
ORGANIZATION	Classification
509 Cultural Center	Multi-racial
848 Community Space	
American Indian Contemporary Arts	American Indian
Asian Improv aRts	Asian
Asian Pacific Islander Cultural Center	Asian
Bayview Opera House/Ruth Williams Memorial Theater	African-American
BRAVA for Women in the Arts	Women
Cell Space	
Center for African and African American Art and Culture	African-American
City Arts and Lectures	
City Celebration/World Arts West	
Counterpulse	
CubaCaribe	Latino
Cultural Odyssey	African-American
Eth-Noh-Tec	Asian
Eugene & Elinore Friend Center for the Arts	Jewish
Eureka Theatre Company	
First Voice	Asian
Footloose	
Footwork	
Fresh Meat Productions	LGBTQ
Genryu Arts	Asian

MULTI-ARTS (continued)	
ORGANIZATION	Classification
Harvey Milk Institute	LGBTQ
Humanities West	
Intersection for the Arts	
Irish Arts Foundation	
Jewish Community Center of San Francisco	Jewish
Jon Sims Center for the Arts	LGBTQ
Kearny Street Workshop	Asian
Kulintang Arts	Asian
Life on the Water	
Likha Bay Area Chapter	Asian
Luna Sea	
Mission Cultural Center for Latino Arts	Latino
National Maritime Museum Association	
National Poetry Association	
Neighborhood Arts Program/SF Arts Commission	Multi-racial
New Langton Arts	
New Music Theater	
Noontime Concerts	
ODC Theater	
Old First Concerts	
Paul Dresher Ensemble	
Pear Garden in the West	
People in Plazas	
Poetry Center	
Queer Cultural Center	LGBTQ
Red Poppy Art House	
Safehouse for the Performing Arts	
San Francisco Maritime National Park Association	
San Francisco Band Foundation	
San Francisco Bay Area Book Festival	
San Francisco Live Arts	
San Francisco Maritime National Park Association	
San Francisco Performances	
Slavonic Cultural Center of San Francisco	
South of Market Cultural Center	Multi-racial
Stern Grove Festival Association	
Studio Eremos	
The art.re.grup/The Lab	
The Community Arts and Education Program of the San Francisco Arts Commission	Multi-racial
The Cowell Theatre	
The Marsh	
Theatre Artaud	
Venue 9/Footloose	

MULTI-ARTS (continued)	
ORGANIZATION	Classification
Western Addition Cultural Center	African-American
Young Audiences of the Bay Area	
Z Space Studio	
ZYZZYVA	

MUSIC	
ORGANIZATION	CLASSIFICATION
American Bach Soloists	
ARTEA	
Asian Improv Arts	Asian
Bay Area Omni Foundation	
Blues and R&B Music Foundation	African-American
Chamber Music San Francisco	
Classical Philharmonic of San Francisco	
Composers Inc.	
Cultural Odyssey	African-American
Cypress String Quartet	
Del Sol String Quartet	
Door Dog Music Productions	Multi-racial
Earplay	
Encuentro del Canto Popular	Latino
Ensemble Parallele	
Golden Gate Men's Chorus	LGBTQ
Golden Gate Park Band	
Golden Gate Performing Arts	LGBTQ
Instituto Pro Musica de California	Latino
Jazz in the City/SF Jazz	Multi-racial
Jon Jang Performances	Asian
Kronos Quartet	
Lesbian Gay Chorus of San Francisco	LGBTQ
Loco Bloco Drumming and Dance Ensemble	Latino
Magnificat	
Melody of China	Asian
Midsummer Mozart Festival	
MSA/People in Plazas	
Music at Meyer Concert Series	
New Century Chamber Orchestra	
Noe Valley Chamber Music Series	
Noontime Concerts	
North Beach Jazz Festival	
Old First Concerts	
Omni Foundation for the Performing Arts	
Other Minds	
Pacific Chamber Symphony	
Paul Dresher Ensemble	
Philharmonia Baroque Orchestra	

MUSIC (continued)	
ORGANIZATION	CLASSIFICATION
Pocket Opera	
Rova Arts	
San Francisco Gu-Zheng Music Society	Asian
SF Arts Commission	
SF Bach Choir	
SF Blues Festival	
SF Boys Chorus	
SF Chamber Orchestra	
SF Chamber Singers	
SF Chamber Symphony	
SF Chanticleer	
SF Choral Artists	
SF Choral Society	
SF Civic Chorale/Arts Commission	
SF Conservatory of Music	
SF Contemporary Music Players	
SF Girls Chorus	Women
SF Lesbian Gay Freedom Band	LGBTQ
SF Live Arts	
SF Lyric Opera	
SF Opera	
SF Symphony	
SF Taiko Dojo	Asian
sfSound	
Sinfonia	
Slavyanka Chorus	
Sukay	
The Chamber Music Partnership Inc.	
The Lamplighters	
VOLTI	
Women's Philharmonic	Women
World Music at Clarion	Asian

THEATER	
ORGANIZATION	CLASSIFICATION
42nd street	
A Traveling Jewish Theatre	Jewish
Actors Theatre	
African American Shakespeare Co	African-American
Afro Solo Theatre Company	African-American
American Conservatory Theater	
Asian American Theater Co.	Asian
Bay Area Theatre Sports	
Bayview Repertory Theater	African-American
Campo Santo	Latino
Climate Theatre	
Crowded Fire Theater Company	
El Teatro de la Esperanza	Latino

THEATER (continued)	
ORGANIZATION	CLASSIFICATION
Elbows Akimbo	
Encore Theater	
Eureka Theatre Company	
Exit Theatre Company	
First Voice	Asian
foolsFURY	
Fratelli Bologna	
George Coates Performance Works	
Golden Thread Productions	Arab/Middle Eastern
Jewish Theatre	Jewish
Julian Theater	
La Pocha Nostra	Latino
Lobster Theater Project	
Lorraine Hansberry Theatre	African-American
Magic Theatre	
Make A Circus	
New Conservatory Theatre Center	LGBTQ
New Pickle Family Circus	
Phoenix Arts Association	
Pomo Afro Homos	African-American
San Francisco Mime Troupe	
San Francisco Playhouse	
San Francisco Shakespeare Festival	
San Francisco Theater Festival	
San Francisco Theater Project	
Shadowlight Productions	Asian
SOON 3	
Tale Spinners Theater	
Teatro ng Tanan	Asian
The Cutting Ball Theater	
Theater Bay Area	
Theater Rhinoceros	LGBTQ
Theatre of Yugen	Asian
Thick Description	
Traveling Jewish Theatre	Jewish
Vaudeville Nouveau	
Working Women's Festival	Women
Z Collective	

VISUAL ARTS	
ORGANIZATION	CLASSIFICATION
African American Historical and Cultural Society	African-American
American Indian Contemporary Arts	American Indian
American Indian Film Festival	American Indian
Artists Guild of San Francisco	
ArtSpan/Open Studios of San Francisco	
Black Rock Foundation	
California College of the Arts	
California Crafts Museum	
California Historical Society	
Capp Street Project	
Cartoon Art Museum	
Chinese Culture Foundation	Asian
Chinese Historical Society of America	Asian
Cine Accion	Latino
City Guides	
Contemporary Jewish Museum	Jewish
Craft and Folk Art Museum	
Creativity Explored	
Exploratorium	
Eye Gallery	Women
Film Arts Foundation	
Foundation for Art in Cinema	
Frameline	LGBTQ
Friends of Photography	
Galeria de la Raza	Latino
GLBT Historical Society	LGBTQ
Gray Area Foundation for the Arts	
International Children's Art Museum	
Jewish Museum of SF	Jewish
La Raza Graphics Center	Latino
Magnes Museum	Jewish
Multi-Image Showcase	
Museo ItaloAmericano	
Museum of City of SF	
Museum of Craft and Folk Art	
Museum of Performance and Design formerly San Francisco Performing Art Library	
Names Project Foundation	LGBTQ
National Asian American Telecommunications Association	Asian
National Japanese American Historical Society	Asian
New American Makers/Video Free America	
New Langton Arts	
Northern California Women in Film	Women
Persona Grata Productions	
Precita Eyes Mural Arts Center	Latino
Root Division	
San Francisco Architectural Heritage	
San Francisco Art Institute	
San Francisco Camerawork	

VISUAL ARTS (continued)	
ORGANIZATION	CLASSIFICATION
San Francisco Museum and Historical Society	
San Francisco Museum of Craft + Design	
San Francisco Performing Arts Library & Museum	
San Francisco Museum of Modern	
SF Art Institute	
SF Artspace	
SF Camerawork	
SF Cinematique	
SF Film Society	
SF Jewish Film Festival	Jewish
SF Jewish Museum	Jewish
SF Museum and Historical Society	
SF Museum of Modern Art	
SF Performing Arts Library & Museum	
Southern Exposure	
The Mexican Museum	Latino
Visual Aid Artists for AIDS Relief	

CELEBRATIONS AND PARADES	
ORGANIZATION	CLASSIFICATION
Aloha Festival	Asian
Aloha Festival Pacific Islanders Cultural Association	Asian
Asian Heritage Street Celebration	Asian
California Dragon Boat Association	Asian
Carnaval San Francisco/Mission Neighborhood Centers	Latino
Castro Street Fair	LGBTQ
Cherry Blossom Festival	Asian
Chinese New Year Festival & Parade	Asian
Cinco de Mayo	Latino
Columbus Day Celebration	
Comedy Day	
El Grito Ceremony	Latino
Festival of the Sea	
Fiesta on the Hill	Latino
Filipino American Arts Exposition	Asian
Folsom Street Fair	LGBTQ
Greek Cultural Day Celebration	
Israel in the Park	Jewish
Juneteenth Festival	African-American
Korean Day Festival and Parade	Asian
Making Waves/SF Music Festival	
Memorial Day Ceremony	
Min Sok Festival	Asian
Mission Economic and Cultural Association (MECA)	Latino
MLK Birthday Celebration	African-American
Moon Festival	Asian
Nihonmachi Street Fair	Asian
Parol Lantern Festival and Parade	Asian

CELEBRATIONS AND PARADES (continued)	
ORGANIZATION	CLASSIFICATION
Philippines Fiesta Islands Fair and Expo	Asian
Pistahan	Asian
Russian Festival	
Samoan Flag Day	Asian
San Francisco Pride	LGBTQ
San Francisco Youth Arts Festival	
SF Chinatown Autumn Moon Festival	Asian
SF Dyke March	LGBTQ
SF LGBTQ Parade	LGBTQ
SF Maritime National Park Association	
St Patrick's Day Parade	
Tenderloin Tet Festival	LGBTQ
The Third Street Fair	African-American
Veterans' Day Parade	
Vietnamese Lunar New Year	Asian

TOURIST SUPPORT	
ORGANIZATION	CLASSIFICATION
Barbary Coast Trail	
Bay Area Celebrates National Dance Week	
City Guides	
Compass Community Services	
Foundation for SF's Architectural Heritage	
Friends of Recreation and Parks	
International Diplomacy Council	
International Visitors Center	
KPOO FM Radio	African-American
KQED-FM Fog City Radio	
Performing Arts Services	
Redwood Empire Association	
Sail San Francisco	
SF Architectural Heritage	
Traveler's Aid Society of SF	
USO of Northern CA	

CULTURAL CENTERS	
ORGANIZATION	CLASSIFICATION
Bayview Opera House/Ruth William Memorial Theater	African-American
African American Art & Culture Complex	African-American
South of Market Cultural Center	Multi-Racial
Mission Cultural Center for Latino Arts	Latino
Asian Pacific Islander Cultural Center (virtual)	Asian
Queer Cultural Center (virtual)	LGBTQ