

# CULTURAL FUNDING REFORM

## *Frequently Asked Questions*

### **Program Reform**

#### **How does my organization apply for funding?**

*On February 16, 2007, applications for FY08 funding will be available to download on DCA's website: [www.nyc.gov/culture](http://www.nyc.gov/culture). On February 20, applications will be mailed to the cultural field and elected officials. Applications are due on March 26, 2007. Groups will be informed of their allocations after July 1, 2007.*

*The agency will hold informational sessions in every borough during the first week of February to discuss the new process with cultural groups and answer any questions they may have. A full schedule of those meetings will be posted on our website shortly ([www.nyc.gov/culture](http://www.nyc.gov/culture)). As usual, the agency will also host a series of application seminars between the release of the application and the March 26th deadline for FY08.*

#### **How does the new panel process work?**

*The competitive peer-panel review process will work as follows:*

- *Organizations with annual operating budgets under \$250K -- currently half of the applicant pool -- will be evaluated annually through a borough-based process.*
- *Organizations with annual operating budgets over \$250K will be evaluated through a City-wide, discipline-based process and will be eligible for multi-year awards. Multi-year support will be rolled out over the program's first three years. In the beginning of the fourth year, all organizations with annual operating budgets over \$250K will come up for review every three years.*

#### **What is the rationale for the \$250K threshold?**

*After an extensive analysis of groups applying to DCA, we determined that \$250K represents the median budgets for organizations receiving program funding. Organizations with budgets under \$250K tend to serve more localized areas of the City, and are newer and more adaptive, making them more appropriate for the annual, borough-based panels, while organizations with budgets over \$250K tend to provide services in multiple boroughs and tend to have more predictable programming and budgetary needs, making them more appropriate for the City-wide discipline-based panels.*

#### **Does the new process mean that my organization might receive less/more City funding this year?**

*Your organization's application for Program funds will undergo a competitive, peer-panel review process that will determine your funding allocation. Mayor Bloomberg and Council Speaker Quinn have allocated \$30 million to this process, giving more cultural organizations greater access to more public funds.*

#### **What if I don't want to apply for multi-year funding?**

*If multi-year funding is not appropriate for your organization, you are still eligible to receive an annual allocation. Your organization will still be reviewed by the City-wide discipline-based panel.*

#### **What will this do to my organization's Line Item?**

*The 172 organizations that currently receive Line Items will now be reviewed through the competitive, peer-panel review process.*

*For FY08, your organization will receive the higher figure of either your base Line Item allocation or the panel recommendation. In FY09, all organizations will receive the amount allocated through the panel review.*

#### **What will this do to my organization's Member Item?**

*Council Members will still have the ability to allocate discretionary funding to the cultural field. However, in baselining DCA's budget at \$153.8 million, we expect fewer Member Items to be added to the budget when it is adopted in June.*

**What is the role of elected officials in providing funding to cultural organizations?**

*The City Council and the Borough Presidents will participate fully in the review process, appointing representative panelists and recommending panelists from the cultural community.*

**Why is this system better than the previous method of allocating Program funds?**

*Currently, 26% of applicants receive 83% of program funding either through Member Items or Line Items, the latter of which date back to the 1980s. Those allocations no longer reflect the strengths of the recipient groups. The remaining 74% of applicants compete for funding through the CDF process, which this year totaled \$3.8 million. The new system will allow all program groups access to a merit-based review process that will provide significantly more funding to significantly more organizations.*

*Moreover, the plan allows the competitive review process to take place in advance of the City’s budget adoption so that organizations can begin the fiscal year knowing their City allocation.*

**CIG Reform**

**How does this plan affect my annual operating support from DCA?**

*The baseline budget for CIGs has been increased from \$101 million to \$115.3 million. This new baseline figure comprises both the previous baseline as well as the annual, historic restorations.*

**What is the “New Needs” fund?**

*A new pool of funds totaling \$4.4 million has been established to address evolving needs at City-owned cultural institutions. Beginning in FY08, funds will be allocated through DCA in consultation with the Mayor’s Office and the City Council.*

**What is CultureStat?**

*“CultureStat” is a new way for the CIGs and the City to track and ensure good governance and organizational best practices. It is comprised of the following criteria:*

*CultureStat*

<b>Criteria</b>	<b>Examples of targeted outcomes</b>
Governance	Regular quorum at Board meetings
Financial management	Clear budgeting; on-time audits
Public access	Free hours; clear public information
Staffing requirements	Strong professional development staff
Facilities maintenance	Ongoing building maintenance
Reporting	Complete and timely reporting to DCA

**How does the “CultureStat” evaluation plan work?**

*In March 2007, DCA will issue CultureStat expectations and reporting requirements and will host a seminar to members of the CIG. At the beginning of FY08, DCA will individually review your institution’s level of compliance, and over the course of the year, will work with your institution on improving its CultureStat rating as needed. Funding decisions based on your level of compliance will not go into effect until FY09, thereby giving your institution a full year to come into full compliance. Beginning in FY09, a portion of your annual operations funding (up to 10%) will be contingent on your institution’s CultureStat rating.*