

**Maryland State Arts Council  
Grants for Organizations (GFO):  
Equitable Funding Model Research Packet  
Current Draft\*: 06.03.2021**

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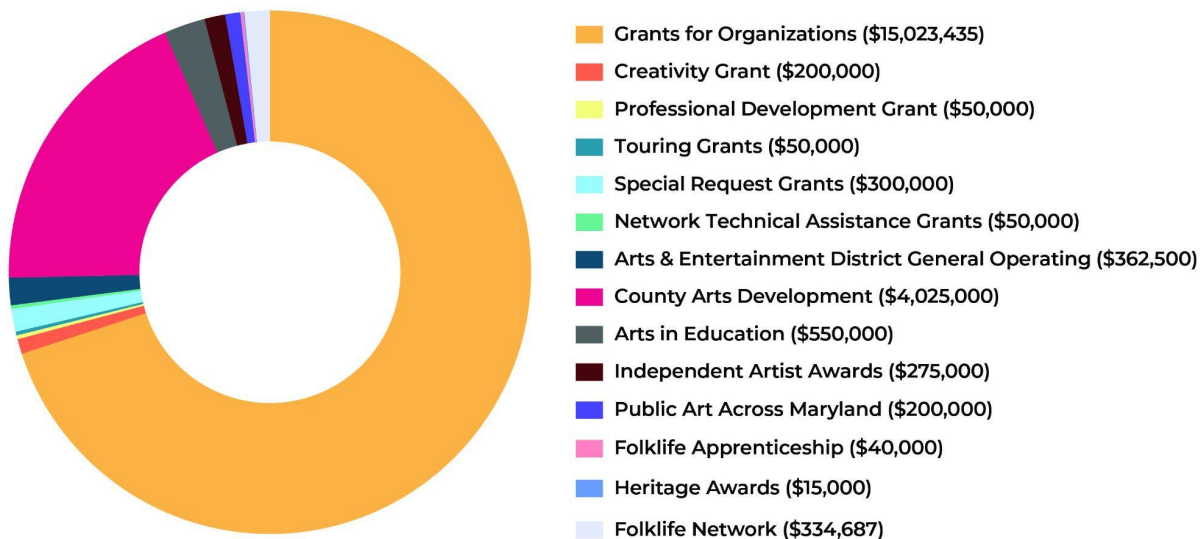
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\*As additional information is available this document will be updated for the purpose of guiding the upcoming Public Editing Process.

## Background: Grants for Organizations (GFO) Program

The Grants for Organizations Program (GFO) is MSAC's largest grant program, providing general operating support for arts organizations and arts programs in Maryland, and disbursing approximately 72% of the MSAC's allocated budget, one of the highest percentages of a general operating program when compared with other state arts agencies. (See Allocations of All Programs (FY21) chart below for reference.)

### Allocations of All Programs (FY21):



The current funding formula for the GFO Program below is applied to all organizations, regardless of budget size.

Funding Formula: Total Allowable Income X Panel Score X Cap Allocation % = Grant Amount

An organization's total allowable income is submitted by the organization within the financials provided in their annual GFO application, whether in an "on year" or "off year".

The GFO program operates on a three-year cycle. Organizations are considered on year in the first year of the cycle and are required to submit a full application that is evaluated by a panel in alignment with a rubric. The panel's evaluation determines the panel score in the formula above for the on year and the subsequent 2 off years. An organization may request to be placed in an on year for a full review at any time in the cycle. An organization may also be placed in an on year by MSAC staff at any time in the cycle.

The cap allocation percentage in the formula is determined based on the availability of funds and is currently the same for all organizations.

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## **Background: MSAC Equity and Justice**

MSAC's Equity and Justice Statement:

The arts celebrate our state's diversity, connect our shared humanity, and transform individuals and communities. The Maryland State Arts Council (MSAC) and its supporting collaborators are committed to advancing and modeling equity, diversity, accessibility, and inclusion in all aspects of our organizations and across communities of our state.

MSAC and its grantees are committed to embracing equity and non-discrimination regardless of race, religious creed, color, age, gender expression, sexual orientation, class, language, and/or ability.

MSAC's commitment to equity and justice is woven into the fabric of its current Strategic Plan. All goals, objectives, and strategies, as well as an implementation timeline identifying specific actions, can be found [here](#) on the MSAC website.

### *Equity and Justice Training*

In Fiscal Year 2020, MSAC staff and Council participated in equity and justice training, including:

- Self-Awareness and our Intersectionality
- Generative Conflict and Restorative Justice
- Institutional Reconciliation: How are we inequitable?
- Institutional Reconciliation: How do we undo equity?
- Aesthetic Perspectives
- Accessibility

All MSAC Collaborators' staff and board members were invited to participate in the professional development, including Maryland Citizens for the Arts, Arts Education in Maryland Schools, Maryland State Department of Education Fine Arts Office, Maryland Humanities, County Arts Agencies in Maryland, and the Maryland Heritage Areas Program.

MSAC funded the Maryland Arts Institute of Racial Justice, organized by Maryland Citizens for the Arts, where three cohorts of participants completed an intimate 4-month training program, alongside a book club, totaling 125 participants. A fourth cohort will begin in June, 2021.

### *Operationalizing Equity*

Over the course of the last three years, MSAC has revised its 14 grant programs in alignment with its goals for equity and justice and based on the ongoing constituent feedback through multiple avenues for feedback and conversation, including, but not limited to: final report and interim report submissions, professional development reflections, professional development evaluation submissions, MSAC site visits, and additional electronic and/or in-person

communication. Additionally, any MSAC non-grant support (technical assistance, professional development, etc.) has been procedurally aligned and implemented with these goals. All policy changes within these grant programs went through the public editing process outlined below.

*Public Editing Process (14-Weeks)*  
*(Applied to all policy changes at MSAC since 2018.)*

1. MSAC staff members research national standards for evolving practices and recommend a timeline for programmatic updates.
2. A public Listening Session is announced and held.
3. A Call for (constituent) Editors is published.
4. A panel of editors is approved by the staff, Council and Assistant Secretary.
5. A Comparison Document (current/proposed policy change) is drafted, along with all research materials, and shared with the editors.
6. A series of editor meetings are held during which the initial policy change language is revised.
7. The edited version is sent to the Secretary of Commerce for review and to the Assistant Attorney General for edits.
8. The final version is sent to the Council for a recommendation to the Secretary of Commerce and, upon approval, is published.

In winter 2020/2021, grants procedures completed a separate revision to further increase alignment with MSAC's commitment to equity and justice and to further operationalize this commitment. The outcomes were as follows in alignment with the MSAC Strategic Plan:

- Launched a testimonial design for collection and publication so that Black, Indigenous, and people of color may share their experiences in the panelist process.
- Increased targeted marketing and associated graphics by directly asking our current networks to share the panelist call for public contributors with a targeted ask.
- Committed to future investment analyst research to make recommendations to reach existing gaps in service and uncover any additional gaps in the process.
- Revised and expanded:
  - The call for panelists communication language to increase access and encourage multiple entry points to engage with MSAC.
  - The panelist application to ensure the time commitment and content required does not act as a barrier for completion.
  - The panelist rubric (publicly shared with application requirements) to base recommendation to the Council on geographic diversity, commitment to equity and justice, and relevance to the program.
- Added the collection of optional demographic data survey to collect feedback from panelists post-service to further identify gaps in participation.
- Revised the panelist orientation process to include:
  - Implicit bias training for all panelists in connection to the grant evaluation process.

- Refresher training(s) and/or check-ins as needed for rolling programs and extended timeline programs to maintain alignment with commitment to equity and justice through impact.
  - Visual representations of the orientation process
  - Revised communication to applicants so that ineligible and declined communications served as a connector to future opportunities through specific customizations.
  - Leveraged connections with all public, private, and community colleges and universities in Maryland to present MSAC opportunities to upcoming and/or recent graduates to connect emerging artists to MSAC.
  - Scheduled a listening session to address higher education specifics, clarification, and transparency in MSAC eligibility.
  - Expanded and published MSAC's website glossary to increase transparency and access.
  - Established an Approval Process Guiding Document to ensure transparency of the panel recommendations through to funding.
  - Revised and expanded the Applicant Feedback Form to increase transparency and leverage future connections through a nurtured relationship with applicants.
  - Currently addressing payment processes in collaboration with the Department of Commerce to ensure procedures and timelines support transparency in all communications with grantees.
  - Established a staff expert role guiding document to elevate the role of staff to ensure the panel meeting's alignment with MSAC's commitment to equity and justice and establish a throughline of this importance for all panelists and applicants.
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## Equity and Impact

Budget size has a direct correlation to access to multiple funding sources and an organization's capacity to secure additional funding sources. An equitable model takes this access into account and results in funding for smaller and mid-sized organizations that is a larger percentage of their budget.

MSAC Listening Sessions, 2021

“Those [arts organizations] that are smaller, rural, led by people of color, or primarily serve people of color have historically been underfunded in comparison to larger, urban and suburban organizations – which tend to be led by, and serve primarily, white people. In the cultural conversation, this dynamic can serve to further amplify the voices most heard and drown out others.”

“One recent study found that most foundation funding goes to large arts organizations – those with budgets of \$5 million or more. Data from NFF's 2018 State of the Nonprofit Sector Survey add detail to this picture: 47 percent of responding large arts organizations serve mostly white clients and only 3 percent are led by a person of color, versus 41 percent and 16 percent, respectively, for smaller nonprofits. Only 7 percent of responding large arts nonprofits

exclusively or primarily serve low-income people, compared to 22 percent of small and mid-sized arts nonprofits; 7 percent of large arts organizations serve clients in rural areas, versus 28 percent of smaller organizations.”

“Common funding practices, like only giving large grants to large organizations, maintain the current situation in which organizations of color do not get their fair share of funding ... foundations can make large grants to small organizations, helping to strengthen their voices with which they share their stories.”

Nonprofit Finance Fund, 2021 (<https://nff.org/story/partnering-equity-arts>)

“In spite of this increased attention and activity [to equity], the distribution of arts funding nationally is actually getting more concentrated in the hands of the institutions that already have the most resources.”

“Just 2 percent of all cultural institutions receive nearly 60 percent of all contributed revenue, up approximately 5 percentage points over a decade. The 2 percent cohort is made up of 925 cultural groups that have annual budgets of more than \$5 million ... Very few organizations of color or cultural groups based in low-income communities are included in this large-budget group. Across the nation, fewer than 50 cultural organizations whose missions focus primarily on artistic traditions from Africa, Asia, Latin America, the Middle East and Native America, or that focus primarily on reaching rural populations and low-income communities, receive enough funding to maintain budgets of \$5 million/year.”

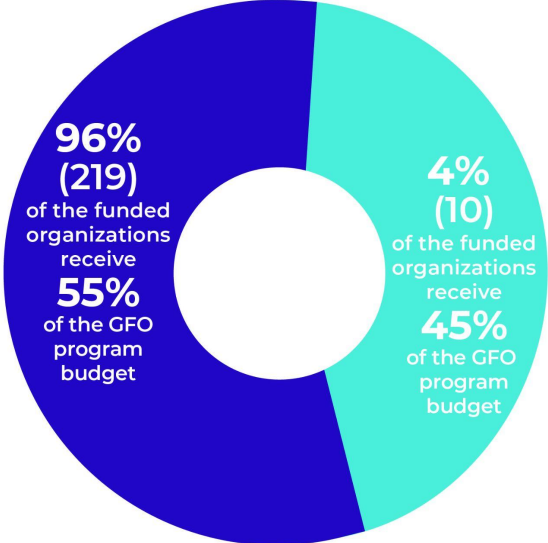
“As part of these efforts [to achieve more equitable funding], \$11 million was distributed to small and mid-sized groups by re-granting programs [in San Francisco]. As a result of these intentional strategies, not only does San Francisco have more diverse nonprofit cultural groups per capita than other cities, those groups also receive a significantly larger share of arts foundation funding than their counterparts in the other urban areas we studied.”

National Center for Charitable Statistics (NCCS) and Helicon Collaborative, 2017 (<https://medium.com/helicon-collaborative/not-just-money-part-1-abd18e277703>)

**GFO Allocations FY21**

In Fiscal Year 2021, 96% (219) of the funded organizations receive 55% of the GFO program budget; 4% (10) of the funded organizations receive 45% of the GFO program budget.

**GFO Program Allocations (FY21):**



**GFO Allocations - Impact of Proposed Model**

If grants were allocated in FY21 using the equitable (graduated/tiered) model proposed, the, : 96% (219) of the funded organizations would receive 72% of the GFO program budget; 4% (10) of the funded organizations would receive 28% of the GFO program budget.

**GFO Projected Impact (FY21):**




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## Models from Other States

Approximately 20 State Arts Agencies across the nation currently use a form of an equitable funding model (graduated/tiered) where the formula results in smaller and mid-sized organizations receiving a larger percentage of their budgets to support general operations. The models shared below show a variety of approaches to equitable funding through tiered/graduated approaches.

Additionally, only one other state arts agency awards general operating grants over \$500,000 (MN), and no other agency awards grants over \$1,000,000 to a single organization.

### Minnesota State Arts Board: Budget Groups

Budget Group	Given Percentage
\$174,000 - \$408,999	
\$409,000 - \$870,999	
\$871,000 - \$5,235,999	
> \$5,236,000	

Organizations receive a given percentage of funding based on their budget group, merit score, and panel score. The percentage of funding increases as the budget group gets smaller (for smallest organizations). The percentages vary from year to year.

### Rhode Island State Council on the Arts: Tiered Class Model

Budget Class	Award Range
Under \$50K	\$3,000 - \$5,000
\$50K-\$100K	\$4,000 - \$7,000
\$100K-\$250K	\$5,000 - \$9,000
\$250K-\$500K	\$6,000 - \$13,000
\$500K-\$1M	\$8,000 - \$17,000
\$1M-\$2M	\$10,000 - \$21,000



>\$2M	\$15,000 - \$40,000
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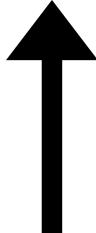

Within each tier (colors), organizations are broken down into class, which dictates the range of the award. Ranges result in smaller and mid-size organizations receiving a larger percentage of their budget. The exact amount within the range is determined by panel score ranking.

#### South Carolina Arts Commission: Base Awards

Budget	Base Award
Under \$25K	\$2,500
\$25K - \$49,999	\$5,000
\$50,000 - \$99,999	\$10,000
\$100,000 - \$249,999	\$15,000
\$250,000 - \$499,999	\$20,000
\$500,000 - \$749,999	\$25,000
\$750,000 - \$999,999	\$30,000
\$1,000,000 and above	\$35,000

Organizations begin at the indicated base award, resulting in smaller and mid-size organizations receiving a larger percentage of their budget. Panel scores are then factored in, resulting in grant amounts that decrease or remain the same.

#### Mass Cultural Council: Graduated Formula

Organization Budget Size	Cap Allocation %
	

Originating at the Ohio Arts Council in the 80s, and then moving to the Indiana Arts Commission and Mass Cultural Council in the 90s, the graduated formula ranks all organizations based on

budget size, and then assigns a unique percentage based on that ranking. As a result, smaller and mid-sized organizations receive a larger percentage of their budget. Panel score is incorporated following the initial ranking to determine grant amounts.

The largest organizations receive about 1.5% of their total budgets.

Delaware Division of the Arts follows a similar graduated model, where the smallest organizations receive 15% and the largest organizations receive 2% of their averaged financials.

#### Utah Division of Arts and Museums: Request Amount

Organization Revenue	Request Amount
\$500,000 and higher	5% of revenue
\$300,000 to \$500,000	7% of revenue
Up to \$300,000	35% of revenue

Organizations receive grant awards in alignment with the percentages above, with the exception of new organizations, who may receive smaller grant awards.

#### Nevada Arts Council: Levels of Funding

Level	Request Amount
Level 1: \$30,000 - \$99,999	\$5,000
Level 2: \$100,000 - \$249,999	\$10,000
Level 3: \$250,000 - \$499,999	\$15,000
Level 4: \$500,000 - \$999,999	\$20,000
Level 5: >\$1,000,000	\$25,000

An organization's grant request is based on the total revenue reported. The levels ensure that smaller and mid-sized organizations receive funding at a larger percentage of their operating budget.

DC Commission on the Arts and Humanities  
(funding formula draft is currently in an approval process)

Budget brackets will organize arts organizations by budget size and fund largest organizations at less than 1% of their budget and smallest organizations at 30-50% of their budget.

Note: DC has a larger annual budget than MSAC and allocates about 20% less funding to their general operating grant program.

Pennsylvania Council on the Arts

“The new strategy utilizes two funding tiers within AOAP—rural and BIPOC organizations, and non-rural/non-BIPOC organizations. For Fiscal Year 2020-2021, BIPOC and rural grantees will each receive a total of \$26,000, and non-BIPOC/non-rural grantees will each receive a total of \$13,000. While BIPOC and rural organizations will see increases in their grant amounts through this strategy, so too will 171 AOAP grantees in the latter funding tier, whose historical, annual funding levels were below \$13,000.”

January 2021

[https://www.media.pa.gov/Pages/council-on-the-arts\\_details.aspx?newsid=15](https://www.media.pa.gov/Pages/council-on-the-arts_details.aspx?newsid=15)

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## **MSAC Procedures**

All cap allocation percentages would be dependent upon the total allocation for the GFO program in alignment with the organization’s submitted total allowable income.

An organization would remain in the same budget category (if applicable) for its 3-year cycle. In its next on-year, the organization could move to a new category, based on the submitted total allowable income.

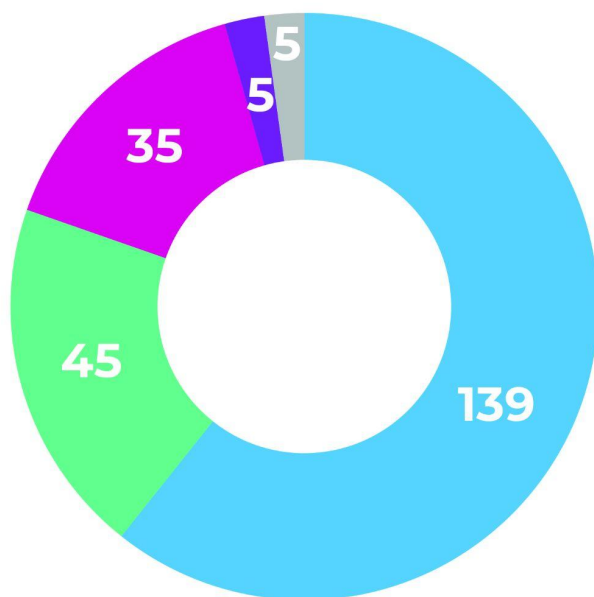
## **Transition**

No other state arts agency has implemented a transition plan to move to a new or elevated funding model within the last ten years. MSAC proposes a 5-year transition model (similar to Mass Cultural Council in 1992) that would phase in the equitable model over the course of 5 years in alignment with the total allocation for the program and the new cap allocation percentage for each organization.

As a result, each organization would slowly reach their new cap allocation percentage over the course of 5 years, rather than experience a drastic rise or fall in their GFO grant amount.

LEVEL	Year 1	Year 2	Year 3	Year 4	Year 5 and Beyond
<b>1</b> (\$50K-\$500K)	Cap %: 7.75%	Cap %: 9%	Cap %: 10%	Cap %: 11%	Cap %: 12%
<b>2</b> (\$500K-\$1M)	Cap %: 7.75%	Cap %: 9%	Cap %: 9.5%	Cap %: 10%	Cap %: 11%
<b>3</b> (\$1M-\$5M)	Cap %: 6.75%	Cap %: 6.5%	Cap %: 6.25%	Cap %: 6%	Cap %: 5.75%
<b>4</b> (\$5M-\$10M)	Cap %: 6.25%	Cap %: 5.75%	Cap %: 5.25%	Cap %: 5%	Cap %: 4.5%
<b>5</b> (>\$10M)	Cap %: 5.75% or 1.4M cap	Cap %: 5% or 1.3M cap	Cap %: 4.75% or 1.2M cap	Cap %: 4.5% or 1.1M cap	Cap %: 4% or 1M cap

*Percentages included in the chart above are provided as examples to illustrate the intention of the proposed model. Actual percentages would be determined based on available funds.*



### Number of Current Organizations in Each Proposed Tier:

- Tier 1 (\$50,000 - \$500,000)
- Tier 2 (\$500,000 - \$1,000,000)
- Tier 3 (\$1,000,000 - \$5,000,000)
- Tier 4 (\$5,000,000 - \$10,000,000)
- Tier 5 (>\$10,000,000)

*Numbers in the chart above reflect the number of organizations that would be included in each tier based on organizational budget data submitted to MSAC and used to determine FY21 grant amounts.*

### **Other funding formula procedures**

Currently, all new organizations are gradually added to the full GFO cycle. New organizations complete a full application in each of the first three years and are awarded 40% of the total grant amount in Year 1, 60% in Year 2, and 80% in Year 3. The organization would be eligible for 100% of the grant in Year 4.

Proposed: New (small and mid-sized) organizations only complete an on-year application in year one and receive 100% of the total grant amount to assist with capacity building.

Organizations with a significant (50%) increase or decrease in total allowable income receive a 2-year phased grant up/down to account for the large change.

### **Listening Session Feedback**

The following summarizes comments from ~280 Participants in four Listening Sessions held by MSAC in April and May 2021.

*The Listening Session feedback has been organized into four categories: Equity, Tiers, Professional Development and Reflection. Duplicated comments have been eliminated.*

#### **Equity**

- Congrats and thank you, leveling playing field. Was questioning how you manage large and small, but glad to see this structure.
- Can MSAC bundle funding across grants programs for smaller orgs?
- I am very much in favor of the proposed change.
- I appreciate the thoughtfulness that MSACA has used in approaching this. An organization that has a staff to support development activities has resources to garner additional income that a one-man shop or a small staffed arts organization do not have.
- And smaller orgs do the same amount of work in order to get a much smaller amount in the end!
- Great way to approach equity. Too many organizations starting, funding is limited, and less meaningful. In favor of proposal, but maybe more incentives for organizations to merge? Collaborate? And those starting new nonprofits consider collaboration with existing orgs, rather than starting new nonprofit. This impacts new orgs coming into the the GFO program.
- Commending art council over the past few years toward equity. Appreciate the authentic and difficult work. Curious about the amount of opportunities for arts organizations who

received large amounts of resources, and how that shows up in the process. How do orgs that receive larger amounts repay our community - through PD for artists, for example. Appreciate the consideration.

- Echo Laura, value the process, and putting equity as priority. Recovering from pandemic and impact on performance venues, and when audiences come back, and decrease from budget - this type of cut in funding could be catastrophic for some orgs.
- Thanks for the hard work, and thought. Income changes for orgs, consider this with expenses rather than income as the formula base. With income being different over the next few years as ticket and rentals looking different, and coming out of pandemic, expenses might be better
- MSAC has really given a voice to the arts community the past few years. Love the value of the smaller orgs. Some funders (relief grants), letting you choose a prior fiscal year for consideration. Let you use a choice of two years, might be helpful.
- Consider the use of expenses rather than income.
- I believe this is a positive change and will be valuable for smaller orgs as they tend to have fewer resources to find and secure additional funding support; this larger cap allocation will help them grow and , hopefully, attract funding.
- What happens if MSAC receives a budget decrease in the coming years? I fear that it would compound the loss for larger organizations that are already decreasing
- One of the most important points would be to understand the overall DEIA goals of the Arts Council. It would be helpful to understand what we are hoping to achieve and how the research supports these recommendations. How will the formulas help us to achieve these goals?
- Very supportive of increasing equity. Do have concerns about the chart that is presented. Assumption of continued growth with non-government funding is concerning. Foundations and corporate support is overall low across the sector. If reductions are made to the larger org, it assumes that these funds can be made up from the private sector, which might not be accurate. The chart shows a decrease in year 1 so there is immediate impact, which could result in a large cut in funding.
- It would be helpful to share as much info about the process and timeline as possible for planning purposes. At this point, coming out of the pandemic, many orgs will be very fragile. Performing arts orgs have no idea what to expect when it comes to attendance in the fall. We need to balance this uncertainty with these efforts for equity. Concerned about the timing of the process, just give this some consideration in the planning. Hope that dialogue will be a part of the process. The more conversations we can have, the better.
- Worried about the long term effect. Reductions could multiply over the years. There was also a previous panel process, that had inflated scores, so orgs are also working through those changes and losses. MSAC is one of the few sources of general operating funding, which keeps salaries in place. Also have long term goals, which are focused on EDIA, really want to increase wages for artists and staff. With losses in funding, these become very difficult goals to achieve.
- Orgs are to be good stewards of funding, and we need everyone's support of equity to make advocacy with lawmakers successful.

- When MSAC staff is considering the grant questions, look at how the orgs are engaging with other nonprofits, artists, etc. How much money do we as an org generate from the State? How are we working to employ locally?
- Mentioned that there had been 20 other state agencies who use this model. Would be helpful to know more about these - what is this landscape like? How are those models received?
- Appreciate all of the information. Makes her wonder about how many of her peers would be interested in this. Extending an invitation to a few “newbies” might be helpful (reach those who we might not be reaching)
- We strongly support MSAC’s effort to examine how systemic inequities impact its work and how best to address those inequities in service of its mission. We are eager to understand MSAC’s DEIA goals and to collaborate on how we can help achieve them.
- It would be extremely helpful to see / understand MSAC’s DEIA goals, research, and rationale behind the recommended percentages and caps. It would be helpful to understand what the proposed formulas are designed to achieve.
- There is much happening at each of our organizations in the DEIA space. It would be helpful for MSAC to understand what is currently in process across the state. The proposed funding reductions may jeopardize important DEIA work already happening at many organizations.
- With the MCA and statewide advocacy of organizations, the MSAC appropriation has been rising since 2013, and in fact, models anticipate the appropriation to continue to rise. It would be helpful to understand why MSAC says that resources are finite and reductions are necessary.
- We would benefit from understanding the impetus to make these changes during a pandemic.
- It will be important to understand the long-term impact of the proposed changes on the MSAC appropriation and future advocacy efforts.
- The decreasing percentages and caps may disincentivize growth in a sector that helps drive economic progress and tax revenues.
- This general operating funding is critical. It is one of the last sources of Gen Op funding available. It is hard to understand the rationale behind decreasing general operating support when we have not yet emerged from a pandemic.
- It would be helpful to understand what thought has been given to what MSAC can incentivize, facilitate, and encourage in the DEIA space.
- Gets the need for equity in funding for orgs. And those smaller/grassroots organizations are the ones that need support. Consider creating a separate program/funding for smaller/grassroots organizations - set aside for these orgs and give them a leg up without hurting the others.
- Echo concerns from others. Not sure about numbers/growth % and what the numbers are based on. We don’t anticipate coming back to budget numbers given pandemic. Losing general operating is very concerning. Many funders have redirected support due to the health crisis and not supporting arts at this time - unsure if they are coming back, impacting funding avenues for future. What is MSAC’s research to back up the growth/model? Referring to scale, we pay staff, artists, etc, and manifests at other things

at this scale. Recommend a time for Q&A session to process and have dialog/conversation.

- Seems like the right direction to go, it's all about how we get there. Consider looking at the 5 year funding further. Maybe there's a pause for a year? A slower change given pandemic.
- Thinking about dance, most fall under \$3M in budget generally. Cautions for 3rd tier. Recommend how goals are expressed with proposed change. The decrease of budget has been expressed, rather than excitement. Consider historic inequity and framework for people - and the "why" as we approach. Provide more deep evidence, and impact of MSAC supporting more organizations across the state.
- Impact on bridging organizations - consider the policy from one year to the next if between tiers.
- There should be consideration for low income and rural areas. Economic disparity is different throughout the state, counties and various communities

### **Tiers**

- Recommend thinking about how organizations move between levels?
- Some orgs will be between two levels, so income may fluctuate. Recommend that growth/threshold consideration from year to year.
- It would be helpful to understand how the percentage changes and five categories were determined and what data supports them.
- Disincentive to grow budget.
- Editors and organizations could hear from other states about how they confronted and navigated the implementation.
- Consider additional tiers. Agree that adding a tier for \$1M to \$3M would help mid-size orgs lift to longterm sustainability.
- Provide the overall percentage of the MSAC budget to GFO that goes to the different proposed tiers and how that would differ from the current allocations.
- I agree with previous comments regarding income that fluctuates down. Fluctuation up and down is especially true for orgs that apply for federal funds with a finite project/grant period.
- When/how would the levels be adjusted for inflation? Would the new policy have a mechanism for this?
- In addition to the slide that outlines X percentage of organizations receive Y percentage of the funding, it would be very helpful for you to include the % of people impacted by organizations in each tier.
- Concerned about being penalized by growth. Question whether growth is being rewarded? Understand equity, but if we bring in more tax funds, ticket funding, and programs we should be rewarded for this.
- What happens to those on the border - pretty serious cut if you're on one side or another of a level - perhaps more graduated?
- Appreciate the support of Arts Program. Relationship between Program and Arts Org, Program relies on Parent, it's influential based on the parent finances. Consider understanding of that complexity.



- Consider freezing largest tier organizations at current level, allowing the other tiers to grow.
- This scheme could benefit from thought about how to "graduate" organizations from one level to the next. This probably won't occur very often, but for an organization in this position, it will be an issue.
- Since the recommendation is based on research, I suggest adding the long term results seen by arts administrators who implemented this type of programming.
- I'd like to reiterate a point that was raised yesterday regarding Tier 3 and the precarious nature of organizations that size. In line with Monica's statement about disincentivizing growth, this tier is "the next generation" of larger organizations and the cut in general operating between Tier 2 and Tier 3 could make or break those organization's (and their impact on the communities they serve).
- Has anyone run the numbers to consider impact?
- I would recommend a lesser cut - or otherwise transitional phase down, perhaps within the 3-year grant cycle that encompasses the transition period. That way the loss in GOS is not a financial shock.
- Applaud thinking, but concerned with disincentive for growth. We're all about growth, and would get less funding. Having been in business for 41 year, and small org for many years, it would have been nice to have more in early days. But also the mentality of that you had to "make it" - and confused by her own thinking here.
- Does the third tier meet equity goal? Trying to find more investments and funding at this level, and not quite at larger orgs with capacity.
- It would be fantastic if special funding initiatives could be made available for organizations who are attempting to establish a funding/operating record. We are at a tremendous disadvantage to attract funding and could use help getting off the ground.
- Budget has increased significantly over the past 10 years or so. Can see how beneficial this would have been when they were a younger, smaller organization. Understand how it has been easier to raise money as they org has grown and the budget has grown
- Referencing table, clarification that nothing has changed from first. Really appreciate you breaking this down further - and the goal in 5 years. And the reframing around equality vs. equity.
- I would like to offer for consideration treating all organization's budget the same way-- i.e. everyone's first 500 thousand could receive the first tier percentage, next 500 the next tier, etc.. So everyone is treated the same, but small organizations are still treated preferentially; and large organizations aren't penalized for growth.

### **Professional Development**

- Recommendation to provide counseling for GFO orgs as it relates to this transition - workshop? One on one conversations? Opportunity to discuss strategic planning.
- First year applicants would need guidance and training as orgs transition. Offer models of staffing structures across all 5 tiers.
- Recommend mentorship about money/financing/funding
- Infographics are needed.
- Yes please - recommendations for where to get Equity and Justice training

- Money is just a resource we need, like materials and supplies for making. It's very hard to internalize this if you do not already have an experience with getting and receiving money or having personal wealth.
- I was also going to suggest org-to-org mentoring for all steps of the process, and Shane was way ahead of me. The pandemic has increased and emphasized the need for collaboration and mutual help in order to survive.
- I think as we reach for equity there is an opportunity to share resource. As much as smaller orgs can benefit from the funding knowledge, I think larger orgs can benefit from the resourcefulness of those of us who have been around for decades with minimal financial support. I don't think we should view one group as being superior over the other. That's the point of equity, right?
- I agree with Deborah too. Smaller orgs have much to share with larger ones.
- I think the strongest generator for an organization's growth is its Board. There are very strong incentives to match business folks to NON arts organizations. It would be most helpful for small arts organizations if MSAC & MCA developed a Board matching program between small arts organizations and partners from the business community.
- What about a capacity growth grant?
- In addition to mentorships, we need to talk about merging with similar organizations. Look how many organizations are represented on this call! The pool of funding will be split into smaller and smaller pieces. Imagine how much your organization would save if you shared overhead with another org - insurance, payroll, IT, accounting...
- What's the context for the state budget, and how the MSAC budget is being impacted. Should we be planning for state sources. Would be nice to know how MSAC thinks the larger budget would look like.
- One thing to consider in addition to organizational size is who they serve. Some populations served by large organizations may be in deep need. I also liked the comment someone made about potentially incentivizing collaboration.

### Reflection

- Thank you, much appreciated!
- Thank you, this was really helpful
- MSAC has been an invaluable resource and a stellar partner especially through the pandemic. Thank you so much. And I love love love hearing from other orgs in these sessions.
- Thanks you!
- Thank you so much!
- A huge thank you to MSAC for your careful consideration of this formulaic change, and for your opportunities to provide space for feedback and questions!
- Thanks!
- Really appreciate the hard work - and transparency!
- Thanks Ken! This is really great :)
- Excellent info. Thanks so much everyone.
- Thanks MSAC!
- Continue to be more and more impressed with MSAC. Extremely organized.

- Agreed with Laura's point - it is really exciting to see how MSAC is living your values around equity and reconsidering allocation of funds to support smaller organizations!
- Kudos to MSAC for taking on this challenging issue on and for doing so with transparency! Sorry, I have to run to another meeting. I am interested in being included in any follow-up emails re: sharing of slides, records, etc. Thx!
- I want to thank everyone at MSAC for the tremendous work you have done and continue to do for us. You have especially been a tremendous resource during this unprecedented year! THANK YOU!!!!
- Thank you all for the work that you do for the arts in Maryland. Much appreciated.
- Yes, echoing Heidi, MSAC has been an amazing source of support, encouragement, and help.
- Our deepest thanks to Team MSAC. Your support now and taking such a careful look at what the future can and should hold has been so outstanding! The focus on equity is so important!
- The details and transparency of these changes is much appreciated!
- Thank you MSAC for all your work and for inviting our feedback. Thank you, all those who gave feedback. It was helpful and answered my thoughts, also.
- Thank you for this presentation, it was very informative. It was great!
- So grateful to MSAC for your transparency, values driven focus, and desire for feedback. As we move toward recovery arts will be even more important in creating community, and addressing the deepest more profound issues of our time.
- Thank you to MSAC for all you do for the arts in Maryland - Have a wonderful day.