

Bates, Tamara

Subject: FW: CEF Recommendations Once Again Put Many Anchor Arts Orgs in Precarity

From: Christopher Stanton <christopher@hftco.ca>

Sent: Friday, May 10, 2024 3:42 PM

To: Office of the Mayor <Officeofthe.Mayor@hamilton.ca>; Qureshi, Uzma <Uzma.Qureshi@hamilton.ca>

Cc: David Faulkner-Rundle [REDACTED]; Franny McCabe-Bennett <franny@hftco.ca>; Grace Lamarche <development@hftco.ca>

Subject: CEF Recommendations Once Again Put Many Anchor Arts Orgs in Precarity

External Email: Use caution with links and attachments

Dear Madam Mayor and members of City Council:

I've yet to receive a response from the offices of the Chair or Vice Chair of the Grants Subcommittee; I understand both offices are of course busy--and may be receiving many more such correspondences--so with time being of the essence in advance of Monday's meeting, and in order to ensure our message is being received, I'm forwarding my email of Mon May 6 to your offices as well.

The current state of recommendations from CEF staff continues to threaten the ongoing work we do here at HFTco, and at many other anchor arts orgs in Hamilton. Again, despite all the community's input, *the staff put forward recommendations for returning CEF applicants that were based solely on 2023's recommended numbers*. The very numbers that caused so much anxiety throughout the sector last year.

If this funding formula remains in place, and assuming we score an "A" rating in every application until then, **it will take us until 2029 to return to the funding levels we received in 2018**.

After having met with CEF staff to discuss the negative impact we're looking at again this year, it was clear that the CEF team understood--and expressed some frustration at the fact--that current approaches to the funding recommendation formula do not allow for adequate nuance in the final outcomes, or anything like stable multi-year funding. We share those frustrations.

In addition, considering the pushback elicited after last year's recommendations, I remain concerned about a fundamental misunderstanding that the City & CEF seem to be moving forward with.

Our team got the impression that the main takeaway from community input last year was not "the funding formula implemented by the CEF in 2023 does not allow for enough nuance, resulting in arbitrary and deeply inequitable recommendations"; rather it seemed to be "applicants didn't get fair warning about the formula change, and therefore were shocked by the amounts." There was a sense that the choice was to go with last year's model (+3% for an A score) because *it wouldn't be a surprise this year*.

We entered the 2024 application process with hope that things would be different this year. In writing to you today, we are holding onto that hope.

Please see my email to the Councillors below. Looking forward to hearing from your offices.

yours,
c.

Hi there, Councillor Nann and Councillor Kroetsch. I'm writing to you in your capacity as Chair and Vice Chair of the Grants Subcommittee.

First off, thanks for your tireless work in shepherding a difficult CEF process last year. I know this is only one facet of the important work you're both doing at City Hall and around town, but you should know that your thoughtful, intentional approach to iterative improvement of the program is seen by those of us in the Hamilton arts community, and it is appreciated.

As you are no doubt aware, on Monday May 6th the CEF's staff recommendations were forwarded by the city clerk to the Grants Subcommittee.

When last year's shift in the CEF's funding formula resulted in a considerable upswell of protest from anchor organizations across the City's cultural sector, your Subcommittee responded by directing CEF staff to open an appeals process in which "any successful Category A applicant organization **adversely impacted and hindering operational capacity due to recommended funding request amount**, report to City of Hamilton, City Enrichment Fund staff by June 2nd, 2023 indicating implications hindering successfully carrying out programming according to appeal requirements."

We were one of those organizations, and so we appealed. We were grateful that City Council adopted the amended recommendation levels in our case.

You can imagine our surprise and alarm this year when funding recommendations were put forward again on Monday *at (or very near) 2023 levels*. Not only that, but the amounts awarded to returning organizations *seem to have no correlation with the programming or content of 2024 applications*. Amounts were awarded based *only* upon each organization's 2023 recommendation level--the very numbers that caused the community so much anxiety last year. We're frankly in a state of shock and disbelief.

(For context, and to avoid repetition, I've included my email to you from this time last year below the signature.)

The CEF's current approach--in which these funding formulas are applied across wide categories of arts organizations--does not adequately consider the specific impacts, needs, and returns on investment that each organization's individual application represents. As a result of the formula's over-broad approach, we're once again forced to advocate against a drop in funding from 2018 levels despite significant growth in HFTco's organizational impact, accessibility, and programming--all in the context of massive fiscal uncertainty throughout the performing arts in the post-pandemic era.

At the 2024 recommended level, CEF operating funding for HFTco represents only 7% of our budget--a level lagging well behind our anchor arts organization peers. The Fringe is also unique among performing arts models, in that 100% of Fringe ticket revenue is returned directly back to participating companies. Our ancillary programming is entirely free. We need a reliable partner in the CEF to help keep the lights on. It's an existential issue for this organization.

Year after year, jury after jury scores our applications 96+. We have robust metrics and data proving the work we do has an outsized impact on the local performing arts sector, and we share this data every year with the CEF in the form of our Final Report. Yet the CEF recommendation process continues to threaten our capacity to deliver the programming, training, mentorship, EDIA leadership, job creation, and placemaking we have come to be known for--undermining the very work the CEF's juries continually recognize.

Once again, we respectfully request action by the Grants Subcommittee to seek remedy for anchor organizations like HFTco who are being adversely impacted, hindering operational capacity, due to the CEF's 2024 recommended funding structure.

I have registered to delegate at Monday's meeting of the Subcommittee. Your guidance would be appreciated if there are further steps we can take to ensure the negative impact of these decisions in terms of the City's cultural sector is fully heard and fully understood. If you have time for a brief meeting in advance of Monday to more fully understand the context of this issue and its effects on HFTco, we would very much appreciate it.

Thank you both for your time and thoughtful consideration. Looking forward to hearing from you. I'm also at [REDACTED] if phone or text is preferable.

yours truly,
c.

Christopher Stanton (he/him)

Executive Director, HFTco



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UPCOMING EVENTS

One Starry Night: A Gala Fundraiser with HFTco June 2, 2024

Hamilton Fringe Festival: July 17-28, 2024

Please note: I sometimes choose to work outside of typical work hours. Please don't feel any pressure to respond outside of your own work schedule.

On Thu, May 11, 2023 at 5:21 PM Christopher Stanton <christopher@hftco.ca> wrote:

Good afternoon Councillors Nann & Kroetsch.

I write to you in your capacity as Chair and Vice Chair of the Grants Sub-Committee with serious concerns regarding the City Enrichment Fund's (CEF) funding recommendation for Hamilton Festival Theatre Company (HFTco), announced by the City yesterday, May 10, 2023, and more broadly with the unexpected changes to the manner in which CEF funds are allocated.

HFTco is truly grateful for the support you, the CEF, and other members of this Sub-Committee have shown this organization in the past.

We call upon that support now with some urgency.

CEF assessors awarded HFTco a score of 96 out of 100 possible points on our application this year. It is important to note that this is the **third-highest score** among applicants this year.

Despite that, this year's recommended allocation of \$45,000 would represent **a reduction in funding of more than \$8000 - a full 15%** - compared with the \$53,000+ awarded to this organization between 2018 and 2022.

CEF assessors have effectively **penalized an organization they themselves have recognized as outstanding.**

It is my understanding that a new funding formula was put in place this year, in which any application scoring 80-100 points by CEF assessors would be awarded 75% of the amount requested.

This new funding formula **was not made publicly known until yesterday**, until long after the application process was closed, leaving applicants in the dark about a fundamental shift that has created negative impacts on organizational budgets across the City.

Had we been aware of the new funding formula prior to the application deadline, HFTco would have adjusted its ask upward to reflect our funding needs, and to ensure consistency in this year's funding. Instead **we chose to maintain our 2022 ask - a conservative \$60,000 request - and were unexpectedly and unfairly punished for it.**

The **lack of transparency** here is a serious problem for those who rely in part on this important program, and should be **unacceptable in a public program the size and scope of the CEF.** It is also surprising considering this council's recent promises of improved transparency and accountability.

Though surely unintended, the new “75%” formula is deeply flawed. It does not take past year’s funding into consideration. Nor does it differentiate between an application awarded a mere 80 points, and a significantly stronger application awarded 96 points; therefore significant differences in proven past success, organizational need, community impact, financial stability, and project feasibility are artificially flattened out.

On its surface, this appears like “equality” across a broad swath of applications. But **in practice, its coarse-grained approach ignores the unique qualities and needs of each applicant in a manner that is deeply inequitable.**

An \$8000+ reduction in CEF funding has **an immediate and significant negative impact on our annual budget and on our ability to deliver the arts and equity programs we are simultaneously being lauded for by the City.**

It is even more keenly felt in a year that has seen major reductions in provincial support and the disappearance of pandemic relief funds from all levels of government. All while the performing arts sector is still struggling to rebuild live attendance post-COVID.

As you are no doubt well aware, Hamilton’s arts organizations already exist within a serious precarity of funding. A degree of consistency from the CEF in past years has allowed organizations like ours some room to plan, to dream, and to grow. This year’s surprise drop in funding, despite an outstanding 96-point grant assessment, is yet one more blow to HFTco’s ability to plan with any degree of certainty.

We request that - prior to the Grants Sub-Committee meeting on Tuesday May 16th, 2023 at 1 pm - the City re-assesses the recommended amount to Hamilton Festival Theatre Company, and that they restore recommended funding to no less than 2022 levels.

Our executive team is eager to meet with a member of the Grants Sub-Committee in person or by phone/Zoom to further discuss the issue at your earliest convenience.

I can be reached directly at [REDACTED]

Thank you for your time and urgent attention to this matter. And thank you once again for the important work you do.

yours truly,

c.