

CITY OF SAN DIEGO  
 COMMISSION FOR ARTS AND CULTURE  
**ORGANIZATIONAL SUPPORT PROGRAM (OSP) FUNDING  
 METHODOLOGY AND FREQUENTLY ASKED QUESTIONS**

**METHODOLOGY**

1) Use the following review criteria in evaluating funding proposals and applicant organizations:

- Program Quality;
- Operations: Governance, Staff; and Financial Management;
- Inter-organizational cooperation;
- Cultural Tourism Marketing; and
- Education and Access;

For **museums** only:

- Professional standards and care of the museum's collection.

2) Apply the following rank factors to all funding levels

4:	100%	3+:	88%	2+:	70%
4-:	94%	3:	82%		
		3-:	76%		

NOTE: Applicants with ranks below a "2+" are not recommended for funding.

- 3) A maximum decrease of 10% applies only to organizations with no change in rank and very minor changes in Annual Operating Income (AOI). Organizations that experience a decrease of more than 10% must take into consideration any decreases in AOI and rank.
- 4) New organizations in their first year of OSP funding will be funded at 50% of their computed allocation.
- 5) An organization in its second year of OSP funding will receive a minimum increase of 70%, adjusted proportionately, as it comes on to the curve. The allocation will not exceed the requested amount.
- 6) The following adjustments are made to 1<sup>st</sup> and 2<sup>nd</sup> year organizations coming onto the curve.
- Underfunded organizations coming on to the curve (as either a first or second year applicant or returning from Funding Committee) receive a maximum increase of 20%, adjusted proportionately to an increase in AOI. They do not receive an adjustment for a decrease in AOI.
  - The maximum decrease for an organization coming on to the curve from the Funding Committee category is 10%.
- 7) Calculate allocations according to the two curves and rank factors, then adjust all allocations to the distributable funds (\$7,738,496).
- 8) No organization will receive an allocation of less than \$500.
- 9) No organization will be funded over its requested amount.

## **FREQUENTLY ASKED QUESTIONS**

### **1) How do I know what the Recommended Funding is for a particular organization?**

- Organizations are listed first by Level (I, II, or III) and second in descending order of FY02 AOI.
- FY04 Recommended Funding is listed in the “Recommended Funding” column at the far right of the page.

### **2) Why does an organization’s funding change from one year to the next?**

Several individual factors to consider are changes in its AOI and changes in its Rank. In addition, there could be variations due to changes in the total funds available relative to the total amount needed to fund all of the requests.

### **3) How is the Recommended Funding determined?**

The Recommended Funding is derived from the Computed Allocation (to the immediate left). The Computed Allocation is determined using a formula that incorporates curve parameters, the organization’s rank, it’s and the total available funds.

### **4) Why is the Recommended Funding higher than the Computed Allocation in some cases.**

In FY04, we are experiencing an unusual situation resulting from the rapid decrease in available funds. In fact, last year, organizations received .94 cents on every dollar for which they were eligible and this year they are receiving .81 cents on every dollar. Other differences between these two figures result when:

- **The organization is in its first three to four years of funding.** This is how long it takes to “get on the curve.” New organizations are slowly incorporated into the funding pool. In their first year with OSP, they receive 50% of the Computed Allocation and in the second year, they receive 70% of the Computed Allocation. In subsequent years, they move closer to 100% of the Computed Allocation at a rate that is equal to the “Minimum Increase” of 20% (shown on the left side of the spreadsheet)
- **When an organization requests less than the Computed Allocation,** it receives what it requests.

### **4) Why is the Computed Allocation different from the Requested Funding 2004?**

The Computed Allocation will be different from the “Funding Request” because the formula that organizations use to determine their “ask” provides a general range of AOI’s while the spreadsheet formula is more exact. An organization might also intentionally ask for more or less than what is appropriate.

**5) What does the Curve and Museum Curve have to do with funding?**

One of the premises of the OSP allocation process is that organizations receive funding relative to the size of their budget. In order to ensure that organizations are funded equally with respect to their budget size, the curve was established. As an organization's budget grows, the overall percentage of its funding decreases. Thus, an organization with an AOI of \$25,000, receives an allocation of roughly 25% of its AOI and an organization with a \$1,000,000 budget receives an allocation of roughly 12% of its AOI.

The Museum Curve is only used by museums that are accredited by the American Association of Museums. The organizations that use this curve are noted with the word "Museum" in the second column to the right of the Recommended Funding.

The Standard Curve is used by all other organizations.

For additional information, please call Victoria Saunders, Financial Management Analyst at (619) 533-3052.