

**CITY OF SAN DIEGO
COMMISSION FOR ARTS AND CULTURE**

**ORGANIZATIONAL SUPPORT PROGRAM
FUNDING METHODOLOGY AND FREQUENTLY ASKED QUESTIONS**

METHODOLOGY

- 1) Use the review criteria as stated in the FY07 Organizational Support Program (OSP) Application and Guidelines for evaluating funding proposals and applicant organizations:
- 2) Apply the following rank factors to all funding levels

4:	100%	4-:	94%		
3+:	88%	3:	82%	3-:	76%
2+:	70%	2:	50%		

NOTE: In FY07 applicants with ranks of “2+” or below are not recommended for funding.

- 3) Organizations in their first year of OSP funding and organizations that are returning to the OSP after an absence of one year or more will be funded at 50% of their Computed Allocation.
- 4) 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.
- 5) The following adjustments are made to 1st and 2nd year organizations coming onto the curve.
 - A. 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 Annual Operating Income (AOI) and the available funds). They do not receive an adjustment for a decrease in AOI.
 - B. The maximum decrease for an organization coming on to the curve from the Funding Committee category is 5%.
- 6) Calculate allocations according to the two curves and rank factors, then adjust all allocations to the distributable funds (\$6,449,180).
- 7) No organization will receive an allocation of less than \$1,500.
- 8) 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 rank.
 - FY07 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 and the total available funds.

In most cases, the Recommended Funding will be the same as the Computed Allocation. 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." The formula slowly incorporates new organizations 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" (shown in the upper left section of the spreadsheet) or 20%.

4) **Why is the Computed Allocation different from the Requested Funding 2007?**

The Computed Allocation will be different from the Funding Request because the formula that organizations use to determine their "ask" uses a general range of AOI's and does not provide the more exact information that the spreadsheet formula can. An organization might also intentionally ask for more or less than what is appropriate.

5) **What does the CAC 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 (Annual Operating Income). The curve ensures that organizations are funded equally with respect to their budget size. 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.

Only museums that are accredited by the American Association of Museums use the Museum Curve. The organizations that use this curve are noted with the word "Museum" in the second column to the right of the Recommended Funding. If the word Museum is in parenthesis it means that while they are an accredited museum, the Museum Curve does not apply to them because their AOI is either greater than or less than the Museum Curve's range of \$1,500,000 to \$6,500,000.

The CAC Curve applies to all other organizations and is based on the curve used by the California Arts Council's Organizational Support Program.