



Power of culture

**MASS CULTURAL COUNCIL
EXECUTIVE COMMITTEE**

TUESDAY, AUGUST 13, 2019: 10:00 AM- NOON

**MASS CULTURAL COUNCIL OFFICE
10 SAINT JAMES AVE-3D FLOOR, BOSTON MA**

AGENDA

	VOTE
1. Chair and Executive Director's Report	
2. Minutes- July 22, 2019 Meeting	X
3. Budget and Program Allocation Plan for FY20	X
4. State Budget Revisions to Financial Policies (walked -in)	
5. Draft Agenda August 27 Council Meeting	X

**MINUTES OF THE MEETING
OF
MASS CULTURAL COUNCIL
EXECUTIVE COMMITTEE**

MONDAY, JULY 22, 2019

**MASS CULTURAL COUNCIL OFFICE
10 ST JAMES AVENUE-3D FLOOR
BOSTON, MASSACHUSETTS**

Chair Nina Fialkow called the meeting to order at 10 AM

Committee Members Present

Nina Fialkow, Chair of Executive Committee and Mass Cultural Council

Victoria Marsh, Chair of Grants Committee

Troy Siebels, Co-chair of Advocacy Committee

Sherry Dong, Co-chair of Advocacy Committee (joined during meeting)

Jo-Ann Davis, Member At Large (by phone)

Staff members present were

Anita Walker, Executive Director

David Slatery, Deputy Director

Greg Liakos, External Relations Director

Jen Lawless, Operations Director

Nina Fialkow, noted that Sherry Dong had informed her she was running a few minutes late and opened the meeting by reading the following

I, Nina Fialkow as chair of Mass Cultural Council's Executive Committee, hereby call this meeting to order. Please note that this meeting is an open meeting of a public body subject to the Massachusetts Open Meeting Law. A notice of this meeting

together with the agenda was posted on Mass Cultural Council's website 48 or more hours ago (excluding weekends and holidays). This meeting shall be open and accessible to all members of the public except at such times when this body has voted to go into closed executive session under the Open Meeting Law. Please note that this body has invited Mass Cultural Council's Executive Director and senior staff to participate in today's meeting. Mass Cultural Council welcomes members of the public to attend its meetings. Under the Open Meeting Law, however, this is not a public hearing and public testimony will not be taken. Individuals may not address the meeting without permission of the chair. Draft minutes of the open session of this meeting shall be kept and shall be posted on Mass Cultural Council's website no later than 30 days after the meeting provided that such minutes shall not be considered official until they have been approved by this body in open session. Individuals asserting a violation of the Open Meeting Law may file a complaint with this body within 30 days or with the Attorney General's office thereafter.

Nina then asked Anita for the Executive Director's report. Anita brought the members up to speed on the conference committee report on Mass Cultural Council's line item and reported that at \$18 million it was the highest amount in decades and is a 12% increase from FY 19 indicating a clear endorsement of our efforts. She commended Greg Liakos for his advocacy work in this his final budget cycle with us. Greg thanked all of the members for their advocacy efforts.

Anita also summarized the following new requirements present in the budget line item

- An amount equal to 75% of the appropriation (\$13,650,000) must be spent on grants & subsidies;
- All such grants must be made in furtherance of one of the five pillars of our strategic plan which were listed;
- The Council needs to develop spending guidelines consistent with other state agencies, noting that the Council had adopted executive branch policies last August and had established a task force which had focused on our financial policies over the past year;
- The Council is to consult with the State Ethics Commission and Comptroller and other relevant stage agencies on development of the guidelines;

- The guidelines are to have a requirement that out-of-state travel be approved by the Council;
- The Council is to report on its FY20 spending plan to the Treasurer, Administration & Finance and the legislative Ways & Means Committees and Joint Committee on Arts, Tourism and Cultural Development by October 1; and
- \$180,000 of earmarks to specific projects around the Commonwealth.

At this point Sherry Dong joined the meeting and the Committee generally discussed the state budget.

Nina asked about the pending amendment to the gaming legislation (Chapter 23K) which would provide a technical fix to the language so as to permit the monies designated for our new Gambling Mitigation program actually to be transferred. Greg noted that while this fix had been included in the House version of a recent supplemental budget, it was not included in the final version as we believe the Senate wanted the state budget to be concluded first. We have been told it will be taken up in the final deficiency budget sometime this fall.

Anita then passed out charts (copies of which are available upon request) showing the large increase in grantmaking activity by Mass Cultural Council between FY 07 and last year showing our expanded reach. The Committee discussed and generally indicated that the Council had a good story to tell.

Anita then raised some timing and budget issues. She mentioned that agency employees are split between unionized employees and managers. Union employees are paid pursuant to the Commonwealth's collective bargaining agreement with NAGE Unit 6. This is negotiated by the Executive branch and our union employees (about 15) are a small part of a much larger union. Mass Cultural Council management has no say or role in negotiating the union contract. The current contract provides for a 2% COLA for union employees effective this July and we will implement that as part of our FY 20 budget and spending plan.

For managers, Mass Cultural Council has followed the practice of the Executive branch and mirrored any across the board COLA increases that it implements for managers. A set-aside for manager increases (generally in the range of 1-3%) is typically put in the spending plan for the year that is approved by the Council. In past years, the

Commonwealth would announce its manager COLA increase policy in the middle of the year (for example last April a 2% COLA was paid but retroactive to July 2018). This year, the Commonwealth has already announced that an across-the-board 2% COLA, effective July 7, 2019, and will be paid in August prior to the August 27 meeting. Anita specifically asked if the Committee if it would support staff including the cost of the COLA for managers in the draft spending plan that will be presented in August. Members generally indicated support of this approach.

The Committee mentioned that one member, Karen Barry, has raised issues about this and several other budget questions and had asked to attend the Executive Committee meeting on August 13 about the budget. The Committee discussed how best to accommodate individual Council member requests.

As it involved another individual member request Nina asked if the Committee would jump ahead to the last item on the agenda- concerns raised by Council Member Karen Hurvitz raised about funding for one of Mass Cultural Council's grantees, Primary Source. As detailed in the materials circulated by staff on July 3 to the Committee members (copies of which are available upon request), Karen Hurvitz alleges that Primary Source accepts funding from a foreign sponsor of terror- Qatar and wishes to raise her concerns with the Council. As detailed in the July 3 mailing, staff has investigated the allegations and found they had no merit.

Anita reported that since Karen Hurvitz had raised her concerns, we had been contacted by persons associated with the City of Newton public schools, specifically Matt Hills former chair of the Newton School Committee and currently a Governor-appointed member of Board of Elementary and Secondary Education. Karen Hurvitz as an attorney has filed a lawsuit on behalf of certain named Newton residents against the Newton School Committee and others alleging that the schools are engaged in anti-Semitic indoctrination and Primary Source is referenced a few times in the complaint for such suit. The Committee members discussed whether there were any State Ethics Law concerns around such set of facts and asked staff to investigate the issue further.

The Committee spoke about keeping legislators informed of this issue and Anita mentioned she and Greg had spoken with Representative Kahn or

Newton and Hecht of Watertown (who is on the Primary Source advisory board).

At this point Jo-Ann Davis stated she had to leave and hung up and left the meeting. At this point, there was no longer any person participating by phone.

The Committee members then discussed that while any member (or anyone else) can attend any Committee since they are open public meetings, it would be advisable to allow each of these members an opportunity to make their case to the appropriate committee at the next meetings scheduled for August 13. It was suggested that Karen Barry be given the opportunity to address the Executive Committee since her questions have to do with the Council's budget and compensation practices and Karen Hurvitz address the Grants Committee (since her concerns related to the Council's grant practices. Victoria Marsh, Chair of the Grants Committee concurred in the referral of Karen Hurvitz's presentation to the Grants Committee. The Committee noted that these were each very busy meetings and that these presentations should be limited to 5 minutes each.

Upon motion duly made and seconded, it was

VOTED: To invite Council Member Karen Barry to address the Executive Committee at its August 13 meeting regarding any questions or concerns about the Mass Cultural Council FY 20 spending plan and compensation practices and request Member Barry to provide a written summary of her concerns and questions for distribution to the Executive Committee members by August 7.

VOTED: That staff be instructed to further investigate any State Ethics Law regarding Council Member Karen Hurvitz' request to address the Executive Committee regarding Primary Source given her pending lawsuit mentions Primary Source and to advise the Chairs of Executive and Grants Committee accordingly and if there is no issue, to request the Chair of the Grants Committee invite Council Member Karen Hurvitz to address the Grants Committee at its August 13 meeting regarding any questions or concerns about the Mass Cultural Council's grants to Primary Source and request Member Hurvitz to provide a written summary of her concerns and

questions for distribution to the Executive Committee members by August 7.

Anita then asked Jen Lawless to update the Committee about the annual LEAD Conference. Jen passed out some background materials (which are available upon request) and informed the Committee that the Leadership Exchange in Arts & Disability (LEAD) (which is the national network around expanding the breadth and scope of accessibility in cultural arts programs and Mass Cultural Council has participated in its programs for many years) has recognized Anita Walker and Mass Cultural Council for the LEAD Community Asset Award in 2019 and informed us that Anita or other representatives of the Council had to attend the conference award ceremony in Denver, CO on August 5 in order to accept it. Two tickets to the awards dinner and a speaking opportunity plus one free LEAD conference registration comes with the award. However, given the new budget language from the conference committee, there will be no opportunity for the full Council to pre-approve the out-of-state travel. Dave Slatery mentioned that under the enabling act, the executive committee, if it agreed, could approve the travel and bring it to the full Council for ratification at the August 27 meeting. The Committee discussed the proposal, the value of this award and conference attendance to the people of the Commonwealth and agreed it would be a good use of resources and that a process delegating out-of-state travel approvals to the Executive Committee also be proposed.

Upon motion duly made and seconded, it was

VOTED: To approve attendance of Anita Walker and one other Mass Cultural Council staff member at the LEAD Conference Awards ceremony in Denver for purposes of accepting the LEAD Community Asset Award and attendance of one staff member at the Conference and this approval be submitted to the full Council for ratification at the August 27 meeting.

There being no more business to come before the Council, Nina as Chair adjourned the meeting.

To: Mass Cultural Council Executive Committee
Fr: Anita Walker, David Slatery
Dt: August 13, 2019
Re: Budget and Program Allocation Plan for FY20

Following this memo is a draft of a proposed budget and program allocation plan for Mass Cultural Council in FY20.

If approved, FY20 grant recommendations for most Mass Cultural Council grant programs based on this plan will be presented to the Grants Committee immediately following. Once approved, the plan and the recommendations will be voted on by the full Council on August 27.

Below is a high-level overview of the FY20 plan, with detailed comments for each budget line.

Available Resources in FY20

We will have total available resources of \$20,382, 626 for FY20. This includes all state, federal, and private funds. This is about \$2.3 million more than FY19, with most of that due to the increase in our state appropriation.

State funding for Mass Cultural Council programs in FY20 is \$2,025,018 more than FY19. The FY20 state budget line item for Mass Cultural Council is \$18,180,000 of which \$180,000 is dedicated to 6 separate earmarks leaving \$18,000,000 available for programming and expenses. By way of comparison, in FY19, Mass Cultural Council received \$16,154,982 of which \$120,000 was dedicated to earmarks leaving \$16,034,982 for general purposes.

Mass Cultural Council is also to receive \$910,700 in NEA funding this year which is an increase of \$10,000 from the FY19 award. Additionally, we are assuming funds available for reimbursement for administrative expenses related to the Cultural Facilities Fund will be about \$325,000, the same as last year, and we have roughly maintained the funding levels in our trust accounts. Additionally, we will have the second year of our second grant from the Klarman Family

Foundation for our Music Educator Teaching Artist (META) training program, and we expect to receive an additional \$135,491, in FY20. Through careful management of our funds in FY19, we were able to make a \$685,000 prepayment against the MassHumanities and NEFA's FY20 grants thus freeing up additional resources this year.

Highlights of Proposed FY20 Spending Plan

The proposed spending plan for FY20 reflects the second year of a \$2 million+ increase following three prior years of “flat-funding .” This year, Mass Cultural Council staff is once again proposing to focus budget decisions upon broad themes related to the FY18-22 Strategic Plan. Staff will present a more detailed power point on these themes at the Executive Committee meeting.

Coding. Please note that per our work with the Council's Financial Task Force and tech consultant in FY19, we will be further refining how we code and break out our costs, so our presentation of the costs described under this plan will change. Specifically, it is our intention to specifically code our costs by program and eventually geography. Unfortunately, due to the lateness of this year's state budget and the press of other business, we were unable to accomplish this in time for the August meetings.

Grant Classifications. Also, this year's state budget required that the agency spend an amount equal to 75% of its state appropriation on grants and subsidies. With that in mind, we have reviewed a number of initiatives that we have planned for this year and investigated whether they could be classified as grants within the meaning of our line item. In the discussion of the grant spending below (Line 39), please note that we have identified 14 separate initiatives totaling \$360,000 which we believe we may be able to classify as grants and so have elected to treat them that way in the budget and grants approval process. If we prove unable to classify any such initiative (or other items we have historically called grants) as a grant, we will so notify the Council in future financial reports. Please note that we have preliminarily identified spending in excess of 80% of our state appropriation as grants so we have a cushion should some items prove not to be classifiable as grants.

Object Codes. As we have been investigating our costs for both grant classification and coding purposes, we have discovered that some types of expenses may have been put in the wrong “Object Codes” (i.e. the expense lines in the attached budget) over the years. If we determine that any item needs to be moved during the year, we will so notify the Council in upcoming financial reports. We would have liked to have completed this analysis as well

as the coding prior to the August meetings but ran out of time due to the late budget and other press of business as noted above.

FY20 Budget Details

Salaries (Line 1)

- Mass Cultural Council salaries equaled \$2,620,283 in FY19 which was \$45,000 lower than projected at the beginning of the year. This was due to amount of time certain positions were open and vacant. In FY19, a 2% COLA increase for union employees was implemented in July 2018 for union employees under the NAGE Unit 6 Collective Bargaining Agreement with the Commonwealth. Additionally, the Executive Branch announced in February 2019 a 2% across-the-board adjustment for managers retroactive to July 7, 2018. Both of these increases were reserved for in FY19 Spending Plan approved by the Council at its August 2018 meeting.
- In FY20, we have projected a payroll line item of \$2,800,072, an increase of \$180,000. Apart from filling some existing positions in the Creative Youth Development area (which were vacant for a combined ten months in FY19) and planning for the retirement of our longtime fiscal officer some time in 2020 by bringing on someone new for a few months prior to his departure, the increase is due to (1) approximately \$16,000 for planned step and grade increases for union employees, (2) a 2% COLA for union employees for FY20 under the which already went into effect under the Collective Bargaining Agreement on July 7, 2019 (\$23,000), (3) a 2% raise for managers to follow the Executive Branch's announcement of a 2% across the board COLA increase for managers retroactive to July 7, 2019 (\$27,000) which we will implement once the Council votes to approve the FY20 Budget and Spending Plan and (4) a small reserve of \$10,000.
- For the historical perspective- After the financial crisis of FY09-10 (when the agency lost more than 7 FTEs and salaries for all others were frozen), small increases for managers and union employees were reintroduced in FY11 and FY12 and in FY13 - FY17, a 3-3.5% annual increase for Mass Cultural Council managers and roughly equivalent collective bargaining increases for Mass Cultural Council union employees occurred. Since FY17, both union employees and managers have effectively received 2% annual adjustments (though often retroactively or o) as the Commonwealth negotiated new collective bargaining agreements and the Executive Branch waited to review annual receipts before announcing a policy with respect to across-the-board COLA adjustments for managers.
- The collective bargaining agreements are negotiated between the state and the union representing our union employees; Mass Cultural Council has no direct say in these negotiations.

- Mass Cultural Council follows the Executive Branch action on across-the-board manager compensation increases.

Fringe and Indirect (Line 2)

- This line shows fringe and indirect charges and also payroll taxes that are claimed by the state whenever salaries or contracts are paid from Federal accounts or state trusts.
- Salaries paid from these accounts trigger the fringe and indirect charges shown here.
- Mass Cultural Council pays portions of several salaries from an expendable trust account established for the Cultural Facilities Fund (in order to receive funds from MassDevelopment). This requires the Mass Cultural Council to reimburse the Commonwealth for fringe benefits associated with being a Commonwealth employee. Also the fringe and indirect rate charged by the state will be 48.87 % in FY20 which is an increase from the FY19 rate of 47.58%, so this line will be slightly higher.

Employee Related Expenses (Line 3)

- This line includes all employee reimbursements for travel, conferences and other regular business activity.
- We are proposing funding this item at \$26,500 in FY20 roughly the same as FY19. This amount will accommodate necessary instate staff travel expenses. Reimbursable out of state travel costs are also covered by this line but are subject to specific pre-approval of Council Members per the state budget language. Note that this line does not cover any travel costs funded directly by the agency, which are covered in Line 6.

Interns and Contracted Employees (Line 4)

- This is the line used to pay for temps and interns. We ended up needing less of this item that we had foreseen last year. We foresee this item reducing slightly to \$24,700.
- This item covers our long time Fiscal Intern, Pete Couble.
- This also covers approximately \$10-15,000 in intern/temporary worker costs related to administration of the CFF (and for which the Mass Cultural Council is ultimately reimbursed by MassDevelopment.)
- This also covers costs for interns in the coming year.

Pension and Insurance Related Expenditures (Line 5)

- This line includes pension and other charges imposed by the state. It is based primarily on salaries of the FTEs in our existing workforce.
- The chargebacks are levied by the state and are outside of our direct control.

- This item also includes auto insurance costs for the agency vehicle.
- Based on the projected increase in salary expenses, we are projecting a slight increase to \$46,350 in FY20.

Administrative Expenses (Lines 6 and 16)

- In lieu of implementing the coding protocol as discussed above, we will, as we did last year, in order to more accurately reflect the way Mass Cultural employs its financial resources, break costs in this line that are Program and Services costs and these are shown in Line 16 (and include things like the costs of convenings and panels). These costs are more like grants in that they are directly part of our delivery of services and programming to the field. (We will also be breaking out Program and Services costs for Consultants, Equipment and Technology- as you will see in the discussion of those lines below)
- Line 6 contains the remaining Administrative Expenses which are not direct Program and Services spending.
- Overall, administrative expenses include all printing, postage, catering, membership dues, convenings and many expenses associated with grant program panels.
- It also includes all transactions on procurement cards issued by the state for Mass Cultural Council business. We updated our use of procurement cards in FY19 so as to reduce our reliance on them despite their convenience, transparency and efficiency.
- Spending will remain level in Line 6 in FY 20 at a projected \$138,132.
- Spending will increase in Line 16. This is due to a large number of sessions and events we have planned for FY20 (\$166,000). Also, all administrative expenses related to the outside-funded META program are now reflected in line 16. (Please note we receive dedicated foundation funding for META expenses.)

Space Rental and Utilities (Line 7)

- This line shows rent and electricity costs associated with our office at 10 St. James Avenue in Boston.
- The Mass Cultural Council signed a new ten-year lease for its space on January 14, 2016 and the annual cost is \$332,010. We have anticipated \$22,000 in annual utility costs in FY20.

Consultant Service Contracts (Lines 8 and 17)

- This line includes all third-party contractors. As mentioned in the first bullet point in Administrative Expense, we are breaking out breaking out Programs and Services costs for Consultant Expenses.

- This year consultant costs projects to approximately \$529,000 in Program and Services Consultants and \$111,000 for other consultants. The amounts last year were \$454,000 and \$76,500 respectively.
- In the more general Consultants line (Line 8). We have budgeted for HR and DEI consultants and lawyers (\$11,000), DEI continuation and communications (\$35,000) media Design and communication services (\$13,500), crisis communication services (\$35,000) and Council Retreat facilitators (\$17,000).
- In FY20, the Programs and Services part of this line (Line 17) will include intervention and financial and intervention consultants for the CIP program (\$65,000), ArtsBoston will be acting as festival Consultants for a new Audience Lab (\$58,810), Experts related to our new Health Initiative (\$57,500), Panelists stipends & travel (\$103,500), LCC spot auditors (\$6,700) UP consultants (\$28,000), Folk Arts fieldworkers (\$7,000), CIP and Cultural District site advisors (\$12,000), CYD consultants, and META consultants (for both the original and expanded programs) and the new "Look At Art Get Paid" program (\$125,000), Early Education and Childcare experts for our new Early Childcare pilot (\$20,000) as well the performers at the Folk Arts Showcase planned for this year.

Operational Services (Line 9 and 17)

- This line includes "technical consultants" – such as photographers, videographers, A/V providers, and interpreters. As mentioned in the first bullet point in Administrative Expense, we are breaking out breaking out Programs and Services costs for Operational Services Expenses.
- Line 9 is projected to be \$33,200 as compared to \$14.6K in FY19. The increase relates to a budget of up to \$20,000 for photography (previously this cost was disbursed among various line items and a technical lawyer to review our new website terms and conditions (this cost used to reside in UU) (\$10,000) Many of the costs are placed in this line as a placeholder and may be moved later in the year to other lines.
- Line 17 contains Program & Services Costs of \$17,600 consisting of interpreters for UP and the professionals and Folk Arts Showcase. Also included is \$12,600 for a sound producer for our popular Creative Minds Out Loud podcast (we will no longer perform this function inhouse).

Equipment Purchases (Line 10)

- This line applies only to non-IT equipment purchases. Equipment leases are tracked separately, on Line 11, for non-IT leases and on Line 12 for IT leases.
- This item only includes \$1000 this year a reserve for replacement office furniture or kitchen equipment.

Equipment Leases and Maintenance Contracts (Line 11)

- This line includes all non-IT equipment rental agreements (such as copiers and our vehicle). As mentioned in the first bullet point in Administrative Expense, we are breaking out Programs and Services costs for Equipment Expenses.
- This line is roughly level funded in FY19 at \$27,148. This covers our copier leases (\$6000) and the lease of the agency vehicle (\$5,148) and use on Enterprise rental cars for staff instate travel (\$12,000).

Information Technology Expenses (Line 12 and 18)

- This line captures all information technology expenditures, including tech service providers, phone services and charges, computer leases, web developers, and chargebacks associated with technology services through the state's Information Technology Division (ITD). As mentioned in the first bullet point in Administrative Expense, we are breaking out Programs and Services costs for IT Expenses.
- We spent a large amount on this item last year in order to obtain a new grants management system. The building and implementation of that system is now under way. This means this line will only be about half as large at \$210,000 this year. Among the costs under this line is the now second year of our contract with a Managed Services Provider (Retrofit) (\$21,000), a contract with technology consultants Sage70 to help us with the implementation of our new grants management system into the staff workflow (\$7,000) and \$65,000 to migrate the massfolkarts.org website to the new platform and otherwise enhance and improve our new website which we brought online last year. Also covered is our operating lease for our workstations which is paid annually in advance and a bevy of our regular technology web and tech consultants and chargebacks to the Commonwealth for use if the state system.
- Additionally we have reserved \$5,000 for development a new reporting tool for organizations participating in our EBT Card to Culture program

Grant Programs

Cultural Districts Initiative Investment Program (Line 22)

- Staff proposes continuing the Cultural Districts Initiative Investment Program which provides up to \$5,000 grants to all cultural districts. Currently we have 47 districts and it is anticipated that up to 6 more may be added in FY20 so a maximum of \$265,000 in grants may be funded under this program

Artist Fellowships (Line 23)

- We are proposing increasing this program by \$110,000.

- Last year we awarded 34 \$15,000 Fellowship awards and 34 \$1000 Finalist awards. This year we have proposed an increase the Finalist award amount from \$1,000 to \$1,500 and increasing the number of awards to 40 fellowships (\$15,000) and 35 finalist awards (\$1,500), resulting in a \$652,500 Artist Fellowships budget.
- We typically receive between 1000-2000 Artist Fellowship applications each year for this small number of awards.

Cultural Investment Portfolio (Line 24)

Here is the funding progression of this program for the last several years:

- FY12 final: \$3,407,500 (Includes Media Grants)
- FY13 final: \$3,561,200 (Includes Media Grants)
- FY14 final: \$4,002,400 (Includes Media Grants)
- FY15 final: \$4,189,000 (Includes Media Grants).
- FY16 final: \$4,582,500 (Includes Media Grants).
- FY17 final: \$4,561,000 (Includes Media Grants).
- FY18 final: \$4,602,500 (Includes Media Grants).
- FY19 final \$5,010,000 (not including Media Grants- see below).
- FY20 proposal includes a 20% increase to the program to \$6,030,000. This amount is \$1,020,000 more than what was spent for the program in FY19 and in addition to base grant amount amounts for the portfolio, this increase enables us to increase the Gateway grants from \$3,000 to \$3,500, increase the number of Projects grants to 121 from 80.

Media Grants (Line 25)

- This year we are recommending a \$10,000 increase to our Media partnership program resulting in \$130,000 to five media organizations to purchase spots to highlight various Council grantees and initiatives. This increase will permit to add hopefully a college-age radio station to the mix of media organizations funded under this program.

Festivals Program (Line 26)

- Staff recommends continuing the Festivals Program which provides grants to large and small festivals throughout the Commonwealth.
- \$110,000 is recommended to be allocated to this program, which is equal to amount spent on this program in FY19.

Local Cultural Councils (Line 27)

- Staff recommends increased funding to \$4,154,000 this year (a \$754,000 or 22% increase). Every local cultural council will see and increase to its allocation this year. This increase in finally brings the program to above its previous high water mark for funding in FY2002(!) (this was the year before

the agency's funding was cut by 62%). Each of the 329 local cultural councils will see an increase in their allocation.

Mass. Cultural Data Project (CDP) (Line 28)

- Mass Cultural Council and SMU Data Arts have agreed on a contract which would extend CDP coverage through FY20 at the same cost as FY19 (\$47,500).

Poetry Out Loud (Line 29)

- This is a nationwide poetry recitation program for high school students that is mandated and funded annually by the National Endowment for the Arts (NEA)
- The Mass Cultural Council has historically administered the Poetry Out Loud program in Massachusetts through an annual contract with the Huntington Theatre Company. The Mass Cultural Council issued a Request for Proposals for this program in July 2013 and Huntington was the sole respondent and once again selected as the provider.
- The NEA's restricted grant for this program appears on Line 65. The funding for this program is maintained at \$17,500 in FY20.

Traditional Arts Apprenticeships (Line 30)

- The Apprenticeship program runs every other year, alternating with Artist Fellowship grants for the traditional arts and was last funded in FY17.
- This program will not be funded in FY20 and Apprenticeships will next be funded in FY21.

Big Yellow School Bus (Line 31)

- Staff recommends funding at the "traditional" level of \$150,000. This level will allow us to fund transportation for 600 school field trips at \$250 each.
- For Fiscal Years 2009-2012, Big Yellow School Bus received annual funding from Bank of America. Bank of America ceased supporting the program in FY13, but Mass Cultural Council continued to fund it with state resources in FY13-18 (plus \$8,000 from Cape Cod Savings Bank for Cape activities in FY16-18) and we propose to continue funding it out of our state appropriation in FY20.

STARS (Line 32)

- Increased funding of more than \$957,000 is proposed -a \$203,500/21.5% increase.
- This increase is expected to result in a 20% increase in grants (from 245 to 294) and a 20% increase in students served (from 24,108 to 28,930.). This is a

popular program and when opened up for application, the funding requests become oversubscribed within 30-45 minutes traditionally.

Creative Youth Development-YouthReach (Line 33)

- YouthReach is in the second year of a three-year application cycle in FY20.
- We propose increasing the funding by \$156,000 in FY20, allowing individual grants to the 52 participating programs increase from \$16,000 to \$19,000.

Creative Youth Development-Amplify (Line 34)

- Also proposed is \$22,500 for continuation of the Amplify grant program which includes a \$7500 increase which will allow for additional grants. This program has been successful for four years and complements the work of YouthReach.

Creative Youth Development-SerHacer (Line 35)

- Like YouthReach, SerHacer is also in the second year of a three-year application cycle in FY20.
- This year staff recommends the program provide a \$19,000 grant (A \$3000 increase) to 22 grantees

Creative Youth Development-Music Educator Teacher Artist (META) Training (Line 36)

- This will be the fourth year of our initiative in partnership with the Klarman Foundation to provide training to teachers in existing YouthReach programs which started in FY17.
- The \$191,000 reflected here are the grants and stipends to be paid out of the Klarman grant to participants in the program. We have \$71,000 remaining from last year's Klarman grant funding and we have requested an additional \$135,491 for this year. Mass Cultural Council provides a small amount of matching funds to pay for certain program consultants and that expenditure is reflected above in Line 17, Programs & Services Consultants. Other administrative costs of the program are funded by Klarman and reflected in Line 16 above.
- Note- the Klarman-funded program focuses on music educators and you will note below, we are seeking to expand the program with our funding to other types of arts educators. That new program will be called "META Expansion" and is mentioned in Line 39.

UP! Accessibility Program (Line 37)

- The Mass Cultural Council is setting aside \$70,000 in the budget over-all for the sixth year of implementation of the UP program. This year the program will provide up to \$45,000 of Innovation Fund grants, \$14,000 in UP awards to

recognize achievement and up to \$11,000 for participant's attendance at the national LEAD conference about accessibility and inclusion in the arts. Additionally this program will be holding workshops and consulting but only the spending on this program which consists of grants or stipends (\$70,000) is counted as "Grants Program" spending in this line.

Compact Grants (Line 38)

- The Mass Cultural Council has set aside \$30,000 for grants related to the six communities who previously signed Cultural Compacts. These \$5,000 grants will offer continued support to the six communities and will have a matching grant component.

New Grants (line 39)

- In the state budget, Mass Cultural Council was asked to expend an amount equal to 75% of its appropriation on grants and subsidies. To that end, we have identified 14 individual initiatives (totally \$360,00) listed below which may be properly treated as "grants" under state law and are proposing to have them approved as grants for purposes of the state budget requirement. A further description of each grant proposal will be included with the Grants Committee Meeting book, a copy of which will be made available to the Executive Committee.

Art Week	\$25,000
Fair Saturday	\$20,000
Festivals Audience Lab	\$20,000
CIP Capacity Accelerator Network	\$10,000
Health Initiative	\$55,000
Early Education & Childcare Pilot	\$5,000
Creative Minds Out of School	\$40,000
Mass History Day	\$20,000
Instrument Program	\$30,000
META Expansion	\$50,000
Western Massachusetts DCF Pilot	\$20,000
Holyoke Arts Education Task Force	\$5,000
Kennedy Library "Driving While Black" Program	\$35,000
Network of Arts Administrators of Color	\$25,000

Re-Grant and Project Funding Programs (Lines 41-45)

- An annual grant is proposed in FY20 to the Massachusetts Foundation for the Humanities (MFH) which is calculated as a percentage of Mass Cultural Council's state funding. Owing to the 12.25% increase in our state funding, MassHumanities will receive a concomitant increase from \$605,229 to \$679,397 (\$74,168 increase).
- Additionally, NEFA has made a funding proposal to Mass Cultural Council about projects to which the Mass Cultural Council would be invited to participate in and fund and staff is proposing funding this project at \$60,000- a 10% increase provided, that staff recommends that Massachusetts provide no more than 50% of the amount of the funding NEFA receives from all of the 6 New England states. In FY 19, we provided \$55,000 to NEFA which equaled the amount provided by the 5 states.
- As part of the FY20 state budget, line items for \$180,000 for the following projects were included in Mass Cultural Council's appropriation for this year.
 - \$100,000 for Follow Your Art Community Studios in Melrose.
 - \$20,000 for CDVN Vietnamese-American Community of Massachusetts.
 - \$15,000 for Hispanic Week to showcase Hispanic Culture in the Merrimack Valley.
 - \$10,000 for the Spanish-American Center in Leominster.
 - \$10,000 to United Hmong of Massachusetts in Gardner.
 - \$25,000 to City Mosaic for the Sterns Square mural restoration in Springfield
- This is not funding provided by any Mass Cultural Council program and is a pass-through "earmark" which the Mass Cultural Council will distribute in accordance with the language contained in the budget legislation.

Other

Prepaid Expenses and Carryforward (Line 48)

- This line shows funds that are used to pre-pay expenses for future years and/or carried forward in trust accounts across fiscal years.
- We typically prepay a portion of our annual partnerships with MassHumanities (and occasionally other contracts, too) with these funds. The practice began a number of years ago when a delay in the launch of a new program created a pool of funds that needed to be granted before the end of an approaching fiscal year.
- In order to avoid creating an operating hole from one year to the next, we typically reserve comparable amounts for prepaid expenses from one year to the next.

- The pre-pay reserve is anticipated to be at \$75K in FY20 much lower than FY19. Through careful management and due to certain initiatives that we were not able to complete in FY19 (as was discussed at the March 2019 meeting), we were able to prepay \$780K in expenses for FY20.
- Our goal will be to gradually reduce this item over time. To achieve this without creating an operating hole from one year to the next, however, the process will have to happen gradually.

Sources of Funds

Basic State Appropriation: Account Number 0640-0300 (Line 56)

- First some history:
 - In FY18, the final state budget provided \$13,925,699 in funding (after earmarks) for Mass Cultural Council programs and operation.
 - After three years of flat (actually slightly decreasing) funding, in FY19, Mass Cultural Council received a 15.14% increase to \$16,034,982 (after earmarks).
- In FY 20, the state budget in a great show of confidence in the work and activities of Mass Cultural Council, awarded it a second straight almost \$2 million increase to \$18,000,000.

State Pass-Through Funds (Line 57)

- As described above, the final FY20 budget included a \$180,000 in earmarks.

MassDevelopment: Statutory Transfer to Mass Cultural Council (Line 58)

- Ceased after FY 2014.

MassDevelopment: For Mass Cultural Council Expenses Associated with the Cultural Facilities Fund (Line 59)

- Every year since FY07 we have had an annual contract with MassDevelopment to compensate us for our services in the management and administration of the Cultural Facilities Fund.
- This is strictly a fee-for-service arrangement, under terms stipulated in the CFF statute.
- Under the CFF statute, expenses for administration of CFF cannot exceed 7.5% of total yearly grant commitments. This is usually shared between MassDevelopment and Mass Cultural Council.
- Governor Baker announced a \$10 million allocation for CFF in FY20 (the same as FY17- FY19) and there will be a new \$10 million funding round this fall. We anticipate a \$325,000 expense budget with MassDevelopment for this year (the same as FY17- FY19.)

Prepaid Expenses (Line 60)

- This line reflects prepayments made in FY19 for expenses related to FY20 operations and is discussed above.

National Endowment for the Arts: State Partnership Grant (Lines 61-65)

- These lines comprise the different components of our annual state partnership with the National Endowment for the Arts (NEA)
- In total, we will receive \$910,700 from the NEA in FY19. This represents a \$10,000 increase from the amount provided last year.
- This is an important piece of our financial picture. Below is a chart that summarizes the Federal funding since FY11 (not counting some special project one-time support in FY17) and the increase for this year.

NEA Grants to Mass Cultural Council	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY 19	FY 20
Basic State Plan	668,500	615,400	582,400	540,700	567,500	570,400	591,100	585,800	592,700	599,400
Arts in Education	62,100	80,500	74,300	70,900	71,100	71,200	71,400	64,100	63,500	63,500
Arts in Underserved Communities	240,500	199,600	184,900	178,000	183,000	186,500	193,400	193,800	197,000	200,300
Folk Arts Infrastructure	25,000	30,000	30,000	29,100	25,000	30,000	40,000	30,000	30,000	30,000
Poetry Out Loud	20,000	20,000	17,500	17,500	17,500	17,500	20,000	17,500	17,500	17,500
Total	1,016,100	945,500	889,100	836,200	864,100	875,600	915,900	891,200	900,700	910,700

Private Funds-Big Yellow School Bus (Line 66)

- Mass Cultural Council had largely funded this program out of its own funds for the past several years except for Cape Cod Savings Bank which made \$8,000 available in FY 16-18 and the account is now empty.

Harry Rice Trust Account (Line 67)

- The Harry Rice Trust account is where funds from miscellaneous donors and other amounts can be deposited.
- We will look to spend down this account (by funding a few grant payments from it) to its more traditional level of around \$50,000 this year.

Additions to Harry Rice Trust Account (Line 68)

- We added just under \$6,000 to the account last year consisting of expense reimbursements and contributions.

Commonwealth Awards Trust Account (Line 69-70)

- This represents money raised privately for the Commonwealth Awards. We did not require raising outside funds for this event in FY19. It is available as a receptacle should we need to raise funds for the next ceremony scheduled for FY21.

Klarman Funding for META Account (Line 71-73)

- We received \$135,000 from Klarman for META in FY 17.
- We also received another \$135,000 from Klarman for the program in FY18 of which \$61.9K remained was used in FY19.
- Klarman provided \$90,000 of its new commitment during FY19.
- We will be seeking an additional \$135,000 for the fourth year of the program in FY20.

MASSACHUSETTS CULTURAL COUNCIL FY 20 BUDGET For August 13, 2019 Committee Meetings		FY 19 FINAL BUDGET (est)	FY 20 BUDGET PLAN	% Change for selected columns
NON GRANT/NON PROGRAM EXPENSES-SALARIES, SPACE, AND ADMINISTRATION				
1	AA: Salaries	\$ 2,620,283	\$ 2,800,072	
2	AA: Fringe & Indirect (Salaries & Contracts Paid Thru Fed. or Trust Accounts)	78,252	80,000	
3	BB: Employee Related Expenses	34,295	26,500	
4	CC: Interns and Contracted Employees	25,348	24,700	
5	DD: Pension and Insurance Related Expenditures (State Chargebacks)	44,480	46,350	
6	EE and FF: Administrative Expenses (NPS)	135,776	138,132	
7	GG: Space Rental and Utilities	353,010	354,010	
8	HH: Consultant Service (NPS) Contracts	76,543	111,645	
9	JJ: Operational Services	14,603	33,200	
10	KK: Equipment Purchases	-	1,000	
11	LL: Equipment Leases and Maintenance (Non-IT)	27,310	27,148	
12	UU: Information Technology Expenses	448,736	210,609	
13	SUB-TOTAL NON GRANT/NON PROGRAM EXPENSES	3,858,636	3,853,366	
PROGRAM & SERVICES EXPENSES				
16	EE: Administrative Program Expenses	106,371	197,850	
17	HH&JJ: Consultants & Panelists	456,026	546,410	
18	LL&UU: P&S Tech and Equipment	10,592	5,000	
19	SUB-TOTAL P&S EXPENSES	572,989	749,260	
GRANTS AND STIPENDS (PP)				
22	Cultural Districts	230,000	265,000	
23	Artist Fellowships	543,000	652,500	20.17%
24	Cultural Investment Portfolio	5,010,000	6,030,000	20.36%
25	Media	120,000	130,000	8.33%
26	Festival	110,000	110,000	
27	Local Cultural Council Program	3,400,000	4,154,000	22.18%
28	Mass. Cultural Data Project	47,500	47,500	
29	Poetry Out Loud	17,500	17,500	
30	Traditional Arts Apprenticeships	70,000		
31	Big Yellow School Bus	140,250	150,000	
32	STARS	946,500	1,150,000	21.50%
33	CYD -YouthReach	832,000	988,000	18.75%
35	CYD-SerHacer	352,000	418,000	18.75%
36	CYD: META (KFF-Funded)	151,900	191,000	
34	CYD-Amplify	15,000	22,500	50.00%
37	UP Program Stipends/Challenge Grants	70,000	70,000	
38	Compact Grants	40,000	30,000	
39	Other New Grants (see list below)		360,000	
39	SUB-TOTAL GRANT EXPENSES	12,095,650	14,786,000	22.24%
PARTNERSHIPS, RE-GRANT AND PROJECT FUNDING PROGRAMS				
42	Massachusetts Foundation for the Humanities	605,229	679,397	12.25%
43	NEFA Project	55,000	60,000	9.09%
44	Pass Through Earmarks	120,000	180,000	
45	SUB-TOTAL PARTNERSHIPS/ RE-GRANT PROGRAMS	780,229	919,397	
OTHER				
2	Prepaid Expenses and Carryforward	770,410	74,603	
3	SUB-TOTAL, OTHER	770,410	74,603	
5	SUB-TOTAL, ALL PROGRAM	14,219,278	16,529,260	16.25%
7	TOTAL EXPENSES	18,077,914	20,382,626	12.75%
REVENUE				
10	State: Basic Appropriation (0640-0300) less Earmarks	16,034,982	18,000,000	12.25%
11	State: Pass-Through Funds	120,000	180,000	
12	State: Supplemental Appropriation	-	-	
13	MassDevelopment: For MCC Expenses Associated with Cultural Fac	326,733	325,000	
14	Prepaid Expenses (Funding from Prior Years' Budgets)	463,623	680,350	
15	National Endowment for the Arts: Basic State Plan	592,700	599,400	
16	National Endowment for the Arts: Arts in Education	63,500	63,500	
17	National Endowment for the Arts: Arts in Underserved Communities	197,000	200,300	
18	National Endowment for the Arts: Folk Arts Infrastructure Grant	30,000	30,000	
19	National Endowment for the Arts: "Poetry Out Loud"	17,500	17,500	
20	Private Funds: Big Yellow School Bus	-	-	
21	Harry Rice Trust Account (As of 7/1)	73,994	79,970	
22	Additions to Harry Rice	5,976	-	
23	Comm Awards Trust Account	6	6	
24	Additions to Comm Awards Account	-	-	
25	Klarman Year I Funding for META	-	-	
26	Klarman Year II Funding for META	61,900	-	
27	Klarman Year III Funding for META	90,000	71,109	
27	Klarman Year IV Funding for META	-	135,491	
####	TOTAL REVENUE	18,077,914	20,382,626	

OTHER NEW GRANTS (NEW PP)		FY 20 AMOUNT		
Art Week		25,000		
Fair Saturday		20,000		
Audience Lab		20,000		
CIP Capacity Accelerator Network (CAN)		10,000		
Health Initiative		55,000		
Early Education and Childcare		5,000		
Creative Minds Out of School		40,000		
Mass History Day		20,000		
Instrument Program		30,000		
META Expansion (MCC-Funded)		50,000		
DCF Western Mass Pilot		20,000		
Holyoke Arts Ed Task Force		5,000		
Kennedy Library		35,000		
Network of Arts Administrators of Color		25,000		
SUBTOTAL NEW GRANTS		360,000		

**ONE HUNDRED AND FORTY-FOURTH MEETING
OF MASS CULTURAL COUNCIL**

TUESDAY, AUGUST 27, 2019: NOON TO 3:00 PM

**COMMUNITY MUSIC SCHOOL OF SPRINGFIELD
127 STATE STREET
SPRINGFIELD, MASSACHUSETTS**

**LUNCH: NOON
COUNCIL MEETING: NOON to 3:00 P.M.
RECEPTION: 3:00 P.M.**

AGENDA	VOTE
1. Welcomes	
2. Minutes of the One Hundred and Forty-Third Board Meeting	X
a. Chairman's Report	
i. Calendar of Upcoming Meetings	
ii. Committee Assignments	
b. Executive Director's Report	
3. Agency Updates	
a. Attachments - List of FY19 Grants not previously reported	
4. Financial Report	
a. FY20 Budget and Spending Plan	X
i. FY20 Budget Spreadsheet	
b. Revision to Financial Policies re Out of State Travel	X
5. FY20 Grant Recommendations: Conflict of Interest Notifications	
6. FY20 Grant Recommendations: Cultural Investment Portfolio (CIP)	X

- a. Portfolio Memo & Funding List
 - b. CIP Gateway Memo & Funding List
 - c. CIP Projects Memo & Funding List
 - d. Capacity Accelerator Network (CAN) Stipends
 - e. Media Partnerships
7. FY20 Allocation and Grant Recommendations: Community **X**
- a. Local Cultural Councils
 - b. Compact Grants
 - c. Cultural Districts /Fair Saturday
 - d. ArtWeek
 - e. Festivals
 - f. Audience Lab
8. FY20 Grant and Program Recommendations: Creative Youth Development (CYD) **X**
- a. YouthReach
 - b. SerHacer
 - c. Amplify
 - d. Instrument Program
 - e. Music Educator/Teaching Artist Training (META)-Original
 - f. META Expansion
 - g. Western Massachusetts DCF Pilot
9. FY 20 Grant and Program Recommendations : Arts & Education **X**
- a. STARS
 - b. Big Yellow School Bus
 - c. Creative Minds Out of School
 - d. Early Education
 - e. Massachusetts History Day
 - f. Poetry Out Loud
 - g. Holyoke Arts Education Task Force
10. FY 20 Grant and Program Recommendations: Artist Fellowships **X**
11. FY 20 Grant and Program Recommendations: UP **X**
12. FY 20 Grant Recommendation: MassHumanities Partnership **X**
13. FY 20 Grant Recommendation : NEFA Project Grant **X**
14. FY 20 Grant Recommendation: JFK Library Foundation **X**
15. FY 20 Grant Recommendation: Network of Arts Administrators of Color **X**
16. FY 20 Grant Recommendation: Data Arts **X**

- | | |
|--|----------|
| 17. New Program Presentation & FY20 Grant Recommendation | X |
| a. Health Initiative | |
| 18. Cultural District Renewals | X |
| 19. Winchester Cultural District Designation | X |