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**MASS CULTURAL COUNCIL  
ADVOCACY COMMITTEE**

**WEDNESDAY, DECEMBER 18, 2019: 1:00- 2:00 PM**

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

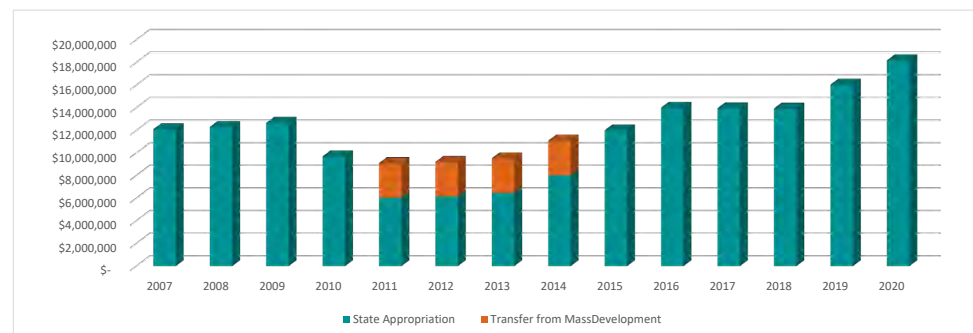
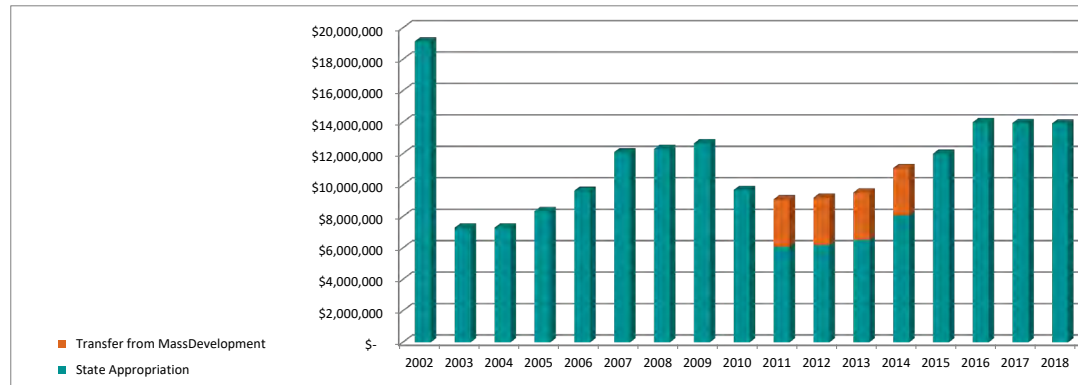
**AGENDA**

**VOTE**

- 
1. Open Meeting Law Notice
  2. Co-Chairs Report
  3. Executive Director and Communications Director Reports
  4. FY 21 State Budget Request- Discussion
  5. Outreach and Advocacy Campaign- roles of Council Members, staff and partners.
  6. Key Dates of FY21 State Budget process.

Mass Cultural Council: History of State Appropriations, Fiscal Years 2002 to 2019

	State Appropriation	Transfer from MassDevelopment	Total State Funding
2002	\$ 19,144,688		19,144,688
2003	\$ 7,294,921		7,294,921
2004	\$ 7,294,921		7,294,921
2005	\$ 8,346,874		8,346,874
2006	\$ 9,643,520		9,643,520
2007	\$ 12,093,520		12,093,520
2008	\$ 12,298,243		12,298,243
2009	\$ 12,658,827		12,658,827
2010	\$ 9,692,945		9,692,945
2011	\$ 6,098,781	\$ 3,000,000	9,098,781
2012	\$ 6,199,866	\$ 3,000,000	9,199,866
2013	\$ 6,527,624	\$ 3,000,000	9,527,624
2014	\$ 8,082,439	\$ 3,000,000	11,082,439
2015	\$ 12,000,000		12,000,000
2016	\$ 14,000,000		14,000,000
2017	\$ 13,950,000		13,950,000
2018	\$ 13,925,699		13,925,699
2019	\$ 16,034,982		16,034,982
2020	\$ 18,180,000		18,180,000



NOTE- FY 2013 later reduced by \$65,276 mid year budget cut  
NOTE- FY 2015 later reduced by \$214,800 mid year budget cut  
NOTE- FY 2016 does not include \$160,000 in pass-through funding  
NOTE- FY 2017 does not include \$349,000 in pass-through funding.  
NOTE- FY 2018 does not include \$25,000 in pass-through funding.

## Mass Cultural Council State Budget History: FY79 to FY20

Fiscal Year	State Funding
1979	2,700,000
1980	2,300,000
1981	4,075,000
1982	4,360,506
1983	8,077,539
1984	11,636,671
1985	16,739,000
1986	19,524,497
1987	23,540,302
1988	27,395,489
1989	25,120,847
1990	17,573,420
1991	12,571,038
1992	3,587,543
1993	6,282,381
1994	6,309,470
1995	12,065,981
1996	14,162,525
1997	14,146,541
1998	14,691,657
1999	17,329,850
2000	18,283,646
2001	18,530,458
2002	19,144,688
2003	7,294,921
2004	7,294,921
2005	8,346,874
2006	9,643,520
2007	12,093,520
2008	12,298,243
2009	12,658,827
2010	9,692,945
2011	9,098,781
2012	9,199,866
2013	9,527,624
2014	11,082,439
2015	12,000,000
2016	14,000,000
2017	13,950,000
2018	13,950,699
2019	16,154,982
2020	18,180,000

Note: Data for FY79-90 are combined figures of Mass. Council on the Arts & Humanities and Mass. Arts Lottery Council; Data from FY90-2020 = Mass



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October 1, 2019

***Via E-mail***

The Honorable Deborah B. Goldberg  
Massachusetts Treasurer/Receiver General  
State House, Room 227  
Boston, MA 02133  
[Deborah.B.Goldberg@state.ma.us](mailto:Deborah.B.Goldberg@state.ma.us)

Mr. Michael Heffernan, Secretary  
Executive Office for Administrative and Finance  
State House, Room 373  
Boston, MA 02133  
[Michael.Heffernan@massgov.mail.onmicrosoft.com](mailto:Michael.Heffernan@massgov.mail.onmicrosoft.com)

The Honorable Aaron M. Michlewitz, Chair  
House Committee on Way and Means  
State House, Room 243  
Boston, MA 02133  
[Aaron.M.Michlewitz@mahouse.gov](mailto:Aaron.M.Michlewitz@mahouse.gov)

The Honorable Michael Rodrigues, Chair  
Senate Committee on Ways and Means  
State House, Room 212  
Boston, MA 02133 [Michael.Rodrigues@masenate.gov](mailto:Michael.Rodrigues@masenate.gov)

The Honorable Paul McMurtry, House Chair  
The Honorable Edward J. Kennedy, Senate Chair  
Joint Committee on Tourism, Arts and Cultural Development  
State House, Rooms 405 and 171  
Boston, MA 02133  
[Paul.McMurtry@mahouse.gov](mailto:Paul.McMurtry@mahouse.gov)  
[Edward.Kennedy@masenate.gov](mailto:Edward.Kennedy@masenate.gov)

Re: Mass Cultural Council FY20 Spending Plan

Dear Madame Treasurer, Mr. Secretary, Chair Michlewitz, Chair Rodrigues, Chair McMurtry and Chair Kennedy:

On behalf of Mass Cultural Council, I am submitting that attached documentation as required by Mass Cultural Council's line item in the Massachusetts Fiscal 2020 state budget (Chapter 41 of the Massachusetts Acts of 2019, Section 2, Line Item 0640-300- herein, the "Line Item") which states that

... not later than October 1, 2019, the council shall submit its board- approved fiscal year 2020 spending plan to *the state treasurer, the secretary of administration and finance, the house and senate committees on ways and means and the joint committee on tourism, arts and cultural development*, including, but not limited to, the amounts to be expended on:

- (a) grants and subsidies;
- (b) personnel;
- (c) leases and utilities; and
- (d) travel, delineated by in-state and board-approved out-of- state travel;

The council members of Mass Cultural Council unanimously approved the council's FY 20 spending plan at its meeting on August 27, 2019. Attached is a copy of the spending plan (**Attachment 1**) as well as a PowerPoint summary that was provided to the Council which details how the spending plan supports the council's strategic plan (**Attachment 2**) and a copy of the vote the council members took to approve its spending plan (**Attachment 3**).

In reference to items (a) through (d) referenced above, while they are addressed in the attached plan, they are more specifically addressed below.

**Item (a)-Grants and Subsidies.** In the Line Item, the Council was required to "expend from any source an amount not less than 75 per cent of the amount of this item on grants and subsidies to further the achievement of the goals of the council's 5-year strategic plan."

This requires that the Council spend an amount equal to 75% of the amount of the Line Item, or **\$13,635,000** (\$18,180,000 x 0.75) on "grants and subsidies" and that such grants must further the achievement of the Council's Strategic Plan. Grants and subsidies are generally referred to in Lines 22 through 45 of the attached spending plan. The attached PowerPoint presentation describes how the grants relate to the strategic plan. On **Attachment 4** to this memo, please find a calculation showing the amount the Council will spend on grants under its spending plan. It will actually spend far more than \$13,635,000 on items which are considered to be grants. The Council has taken a conservative approach and for purposes of complying with the Line Item, has initially identified items which are clearly "grants" under longstanding practice and shows

**\$14,220,000** in grants to be expended or 78% of the Line Item amount. As can be further seen, the Council has also listed several other items totaling an additional **\$1,485,397** which staff believes could be categorized as grants for purposes of the Line Item requirement (subject to further review) lifting the percentage of projected grant funding in FY20 to 86% (Note- the items referred to as “Other New Grants” are identified in greater detail on Attachment 1-the spending plan).

**Item (b)-Personnel.** Salaries are addressed Line 1 of attached spending plan (\$2.8 million)- this number was based upon being fully-staffed from the first day of the fiscal year. In addition, state chargebacks for personnel costs charged to sources other than state appropriation are included on Line 2 (estimated at \$80,000 which paid directly to the state) and estimated costs of temporary workers and interns on Line 4 (\$24,700).

**Item (c)-Leases and Utilities.** Space leases and utilities are covered in Line 7 of the attached plan. This includes the fixed annual rent costs of the council’s 10-year lease of its current location (\$332,010) -entered into under the state leasing process with the Division of Capital Asset Management and Maintenance in January 2016- and estimated annual utility costs of \$22,000.

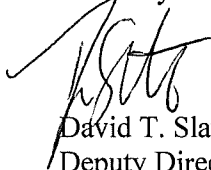
**Item (d)-Travel (In-state and Out-of-state).** There is not one “travel” line in the Council’s spending plan. Travel is addressed in different lines and consists of in-state constituent service travel costs reimbursed to staff for meals, mileage, parking and tolls (within Line 3 of the spending plan), the costs of rental cars, and, where necessary, ride-hailing services and overnight accommodations for staff constituent service in-state travel which is paid directly by the Council (covered within Lines 6 and 16), the costs of our fleet vehicle (line 11), and the costs for travel reimbursements for outside panelists/consultants (within Lines 8 and 17) and the costs for any out-of-state travel (transportation, lodging, meals, registrations) for either professional development conferences or out-of-state meetings (also covered within Lines 3, 6 and 16). In total we estimate that these total travel costs will total approximately \$110-115,000 in FY20 (roughly equivalent to the amount in FY18 & FY19) of which we anticipate out-of-state travel for FY 20 will cost approximately \$10,000.

In accordance with the requirement in the Line Item that the Council’s spending guidelines contain “provisions that ensure pre-approval by the board for all out-of-state travel and associated travel budgets by council employees”. The Council both voted on new spending policies at its August 27 meeting which contained provisions delegating the responsibility for approvals of out-of-state travel requests to its Executive Committee (a copy of Council’s financial policy is attached as **Attachment 5**) and also voted to specifically approve out-of-state travel requests made by staff for the first half of FY 20 (involving approximately \$6,000 of costs). Any future out-of-state travel requests for FY 20 would need to be specifically pre-approved by the Mass Cultural Council Executive Committee.

Please note that pursuant to the Line Item, Council staff is also currently consulting with the Comptroller's Office and the Ethics Commission on its spending policies. The current attached version does not yet reflect the input from this process as there was not time to address these matters between the final passage of the state budget and the Council's meeting in August. Any resulting revisions to these policies will be presented to the Council at its next meeting in January.

We wish to thank each and every one of the addressees of this report for their ongoing support of the cultural community and Mass Cultural Council. Please do not hesitate to contact us with any questions or comments.

Sincerely



David T. Slatery  
Deputy Director  
Mass Cultural Council

CC: Nina Fialkow, Chair, Mass Cultural Council  
Anita Walker, Executive Director, Mass Cultural Council

#### LIST OF ATTACHMENTS

1. FY 20 SPENDING PLAN
2. FY 20 SPENDING PLAN POWERPOINT PRESENTATION
3. FY 20 SPENDING PLAN APPROVAL VOTE
4. CALCULATION AND LISTING OF FY 20 GRANTS SPENDING
5. FINANCIAL (SPENDING) POLICY

## ATTACHMENT 1- FY 20 SPENDING PLAN



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To: Mass Cultural Council  
Fr: Anita Walker, David Slatery  
Dt: August 27, 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.

The initial FY20 plan was presented to the Executive Committee on August 13 and the grant recommendations for most Mass Cultural Council grant programs based on this plan were presented immediately thereafter to the Grants Committee. Now the plan has been brought forward to 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. Please note that the FY20 state budget line item also contained some additional requirements for Mass Cultural Council regarding the expenditure of these funds. For a summary of such requirements and a discussion of how we are implementing them, please see Section 18 of this Council Meeting Book.



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 new costs such as the new Paid Family Leave Medical Act and adjustments.
- 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 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 (\$136,200), 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 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 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 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](http://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 doe 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 increasing base grant 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 us 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 an 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 increased grant amounts. 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 is included in the grant approval memos in the Council Meeting Book.

<b>Art Week</b>	<b>\$25,000</b>
<b>Fair Saturday</b>	<b>\$20,000</b>
<b>Festivals Audience Lab</b>	<b>\$20,000</b>
<b>CIP Capacity Accelerator Network</b>	<b>\$10,000</b>
<b>Health Initiative</b>	<b>\$55,000</b>
<b>Early Education &amp; Childcare Pilot</b>	<b>\$5,000</b>
<b>Creative Minds Out of School</b>	<b>\$40,000</b>
<b>Mass History Day</b>	<b>\$20,000</b>
<b>Instrument Program</b>	<b>\$30,000</b>

<b>META Expansion</b>	<b>\$50,000</b>
<b>Western Massachusetts DCF Pilot</b>	<b>\$20,000</b>
<b>Holyoke Arts Education Task Force</b>	<b>\$5,000</b>
<b>Kennedy Library “Driving While Black” Program</b>	<b>\$35,000</b>
<b>Network of Arts Administrators of Color</b>	<b>\$25,000</b>

**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 9% 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.

<b>NEA Grants to Mass Cultural Council</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY 19</b>	<b>FY 20</b>
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
<b>Total</b>	<b>1,016,100</b>	<b>945,500</b>	<b>889,100</b>	<b>836,200</b>	<b>864,100</b>	<b>875,600</b>	<b>915,900</b>	<b>891,200</b>	<b>900,700</b>	<b>910,700</b>

#### ***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 8.7.19		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	7%	
2	AA: Fringe & Indirect (Salaries & Contracts Paid Thru Fed. or Trust Accounts)	78,252	80,000	2%	
3	BB: Employee Related Expenses	34,295	26,500	-23%	
4	CC: Interns and Contracted Employees	25,348	24,700	-3%	
5	DD: Pension and Insurance Related Expenditures (State Chargebacks)	44,480	46,350	4%	
6	EE and FF: Administrative Expenses (NPS)	135,776	138,132	2%	
7	GG: Space Rental and Utilities	353,010	354,010	0%	
8	HH: Consultant Service (NPS) Contracts	76,543	111,645	46%	
9	JJ: Operational Services	14,603	33,200	127%	
10	KK: Equipment Purchases	-	1,000		
11	LL: Equipment Leases and Maintenance (Non-IT)	27,310	27,148	-1%	
12	UU: Information Technology Expenses	448,736	210,609	-53%	
13	<b>SUB-TOTAL NON GRANT/NON PROGRAM EXPENSES</b>	<b>3,858,636</b>	<b>3,853,366</b>	<b>0%</b>	
14					
15	<b>PROGRAM &amp; SERVICES EXPENSES</b>				
16	EE: Administrative Program Expenses	106,371	197,850	86%	
17	HH&JJ: Consultants & Panelists	456,026	557,610	22%	
18	LL&UU: P&S Tech and Equipment	10,592	5,000	-53%	
19	<b>SUB-TOTAL P&amp;S EXPENSES</b>	<b>572,989</b>	<b>760,460</b>	<b>33%</b>	
20					
21	<b>GRANTS AND STIPENDS (PP)</b>				
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	<b>SUB-TOTAL GRANT EXPENSES</b>	<b>12,095,650</b>	<b>14,786,000</b>	<b>22.24%</b>	
40					
41	<b>PARTNERSHIPS, RE-GRANT AND PROJECT FUNDING PROGRAMS</b>				

42	Massachusetts Foundation for the Humanities	605,229	679,397	12%				
43	NEFA Project	55,000	60,000	9%				
44	Pass Through Earmarks	120,000	180,000					
45	<b>SUB-TOTAL PARTNERSHIPS/ RE-GRANT PROGRAMS</b>	<b>780,229</b>	<b>919,397</b>					
46	PERCENTAGE OF GRANTS TO STATE APPROPRIATION		86.39%					
47	OTHER							
48	Prepaid Expenses and Carryforward	770,410	63,403					
49	<b>SUB-TOTAL, OTHER</b>	<b>770,410</b>	<b>63,403</b>					
50								
51	<b>SUB-TOTAL, ALL PROGRAM</b>	<b>14,219,278</b>	<b>16,529,260</b>	<b>16%</b>				
52								
53	<b>TOTAL EXPENSES</b>	<b>18,077,914</b>	<b>20,382,626</b>	<b>13%</b>				
54								
55	<b>REVENUE</b>							
56	State: Basic Appropriation (0640-0300) less Earmarks	16,034,982	18,000,000	12%				
57	State: Pass-Through Funds	120,000	180,000					
58	State: Supplemental Appropriation	-	-					
59	MassDevelopment: For MCC Expenses Associated with Cultural Fa	326,733	325,000					
60	Prepaid Expenses (Funding from Prior Years' Budgets)	463,623	680,350					
61	National Endowment for the Arts: Basic State Plan	592,700	599,400					
62	National Endowment for the Arts: Arts in Education	63,500	63,500					
63	National Endowment for the Arts: Arts in Underserved Communities	197,000	200,300					
64	National Endowment for the Arts: Folk Arts Infrastructure Grant	30,000	30,000					
65	National Endowment for the Arts: "Poetry Out Loud"	17,500	17,500					
66	Private Funds: Big Yellow School Bus	-	-					
67	Harry Rice Trust Account (As of 7/1)	73,994	79,970					
68	Additions to Harry Rice	5,976	-					
69	Comm Awards Trust Account	6	6					
70	Additions to Comm Awards Account	-	-					
71	Klarman Year I Funding for META	-	-					
72	Klarman Year II Funding for META	61,900	-					
73	Klarman Year III Funding for META	90,000	71,109					
	Klarman Year IV Funding for META	-	135,491					
####	<b>TOTAL REVENUE</b>	<b>18,077,914</b>	<b>20,382,626</b>					
		-	-					

<b>OTHER NEW GRANTS (NEW PP)</b>				
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		
<b>SUBTOTAL NEW GRANTS</b>		<b>360,000</b>		

## ATTACHMENT 2

### FY20 SPENDING PLAN POWER POINT



# Power of Culture

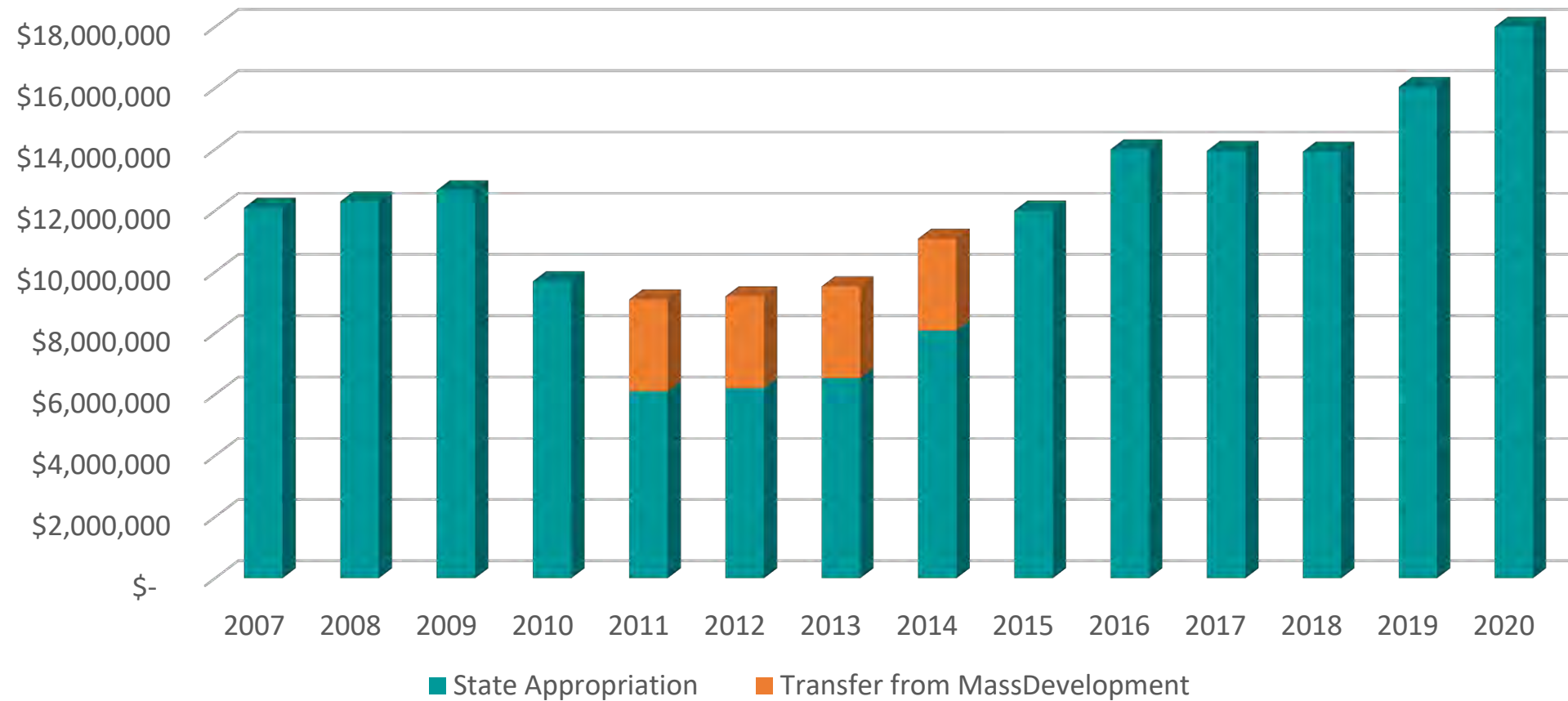
Boston Dance Alliance:  
Photo by Kimberly  
Maroon



*Power of culture*

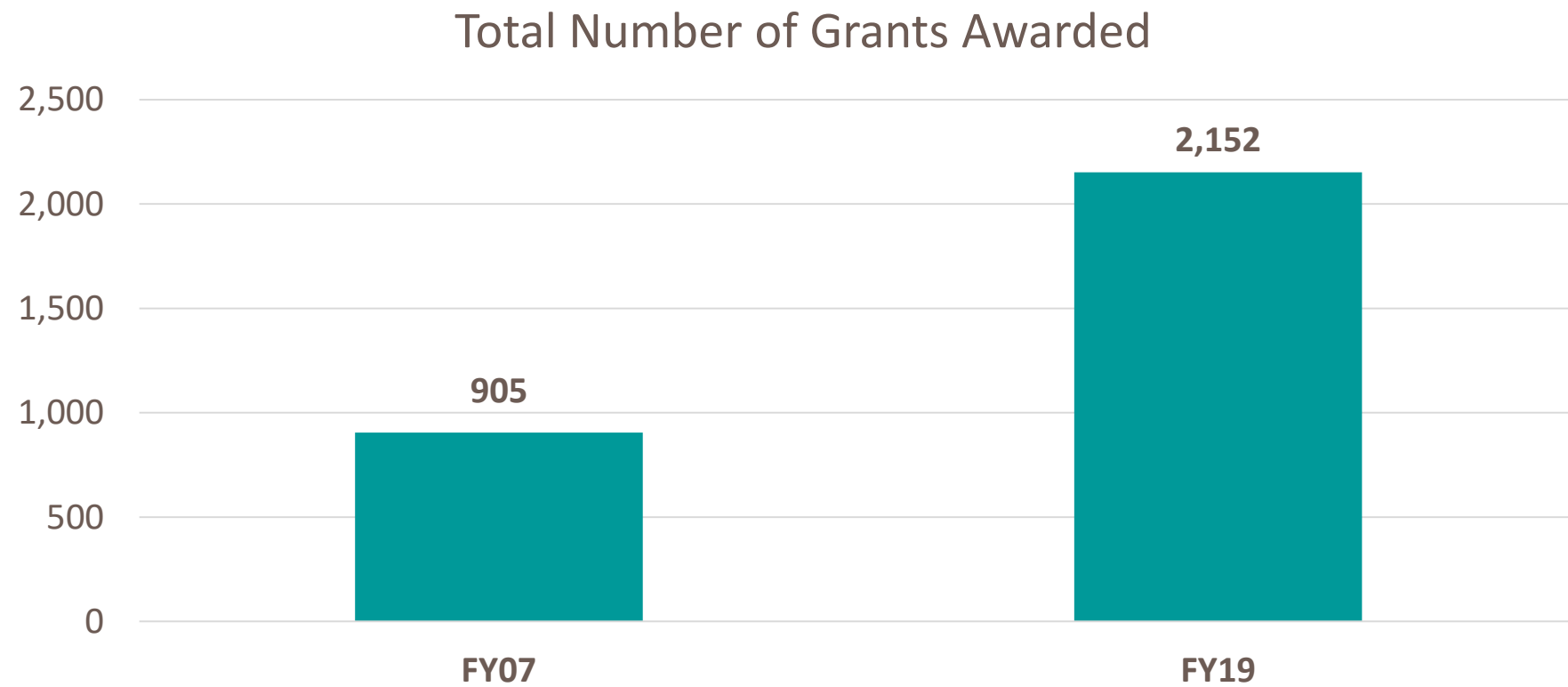
# Building on Success: FY07 to FY20

2



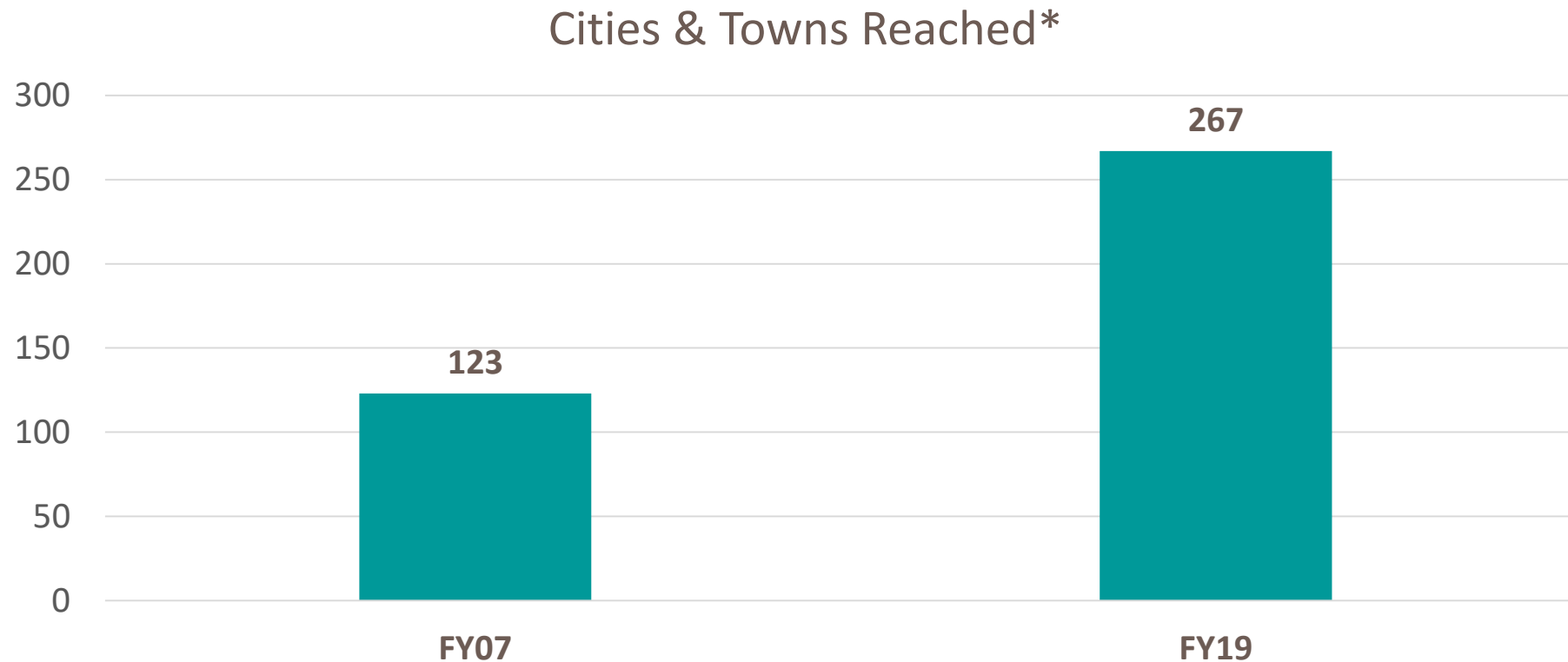
# Extending Our Reach

3



# Reaching More Communities

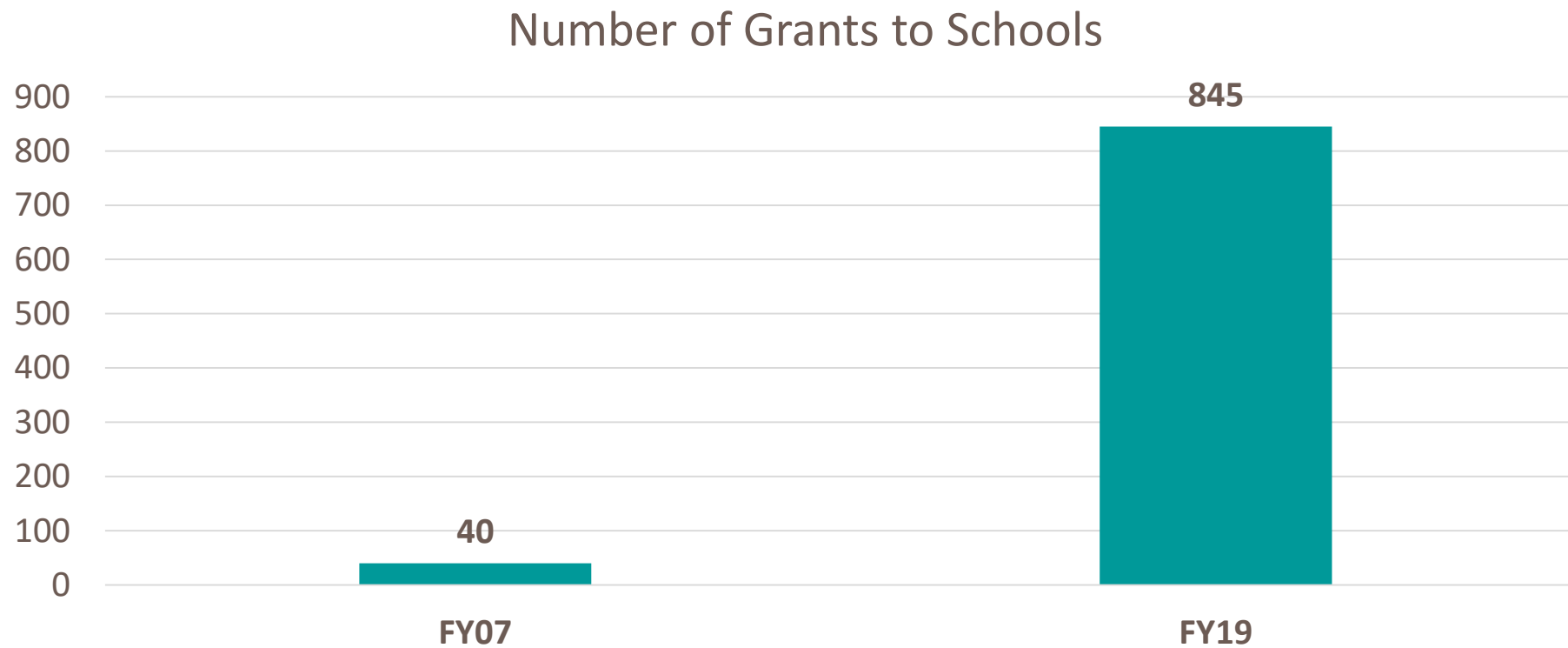
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*\*Excluding grants to Local Cultural Councils*

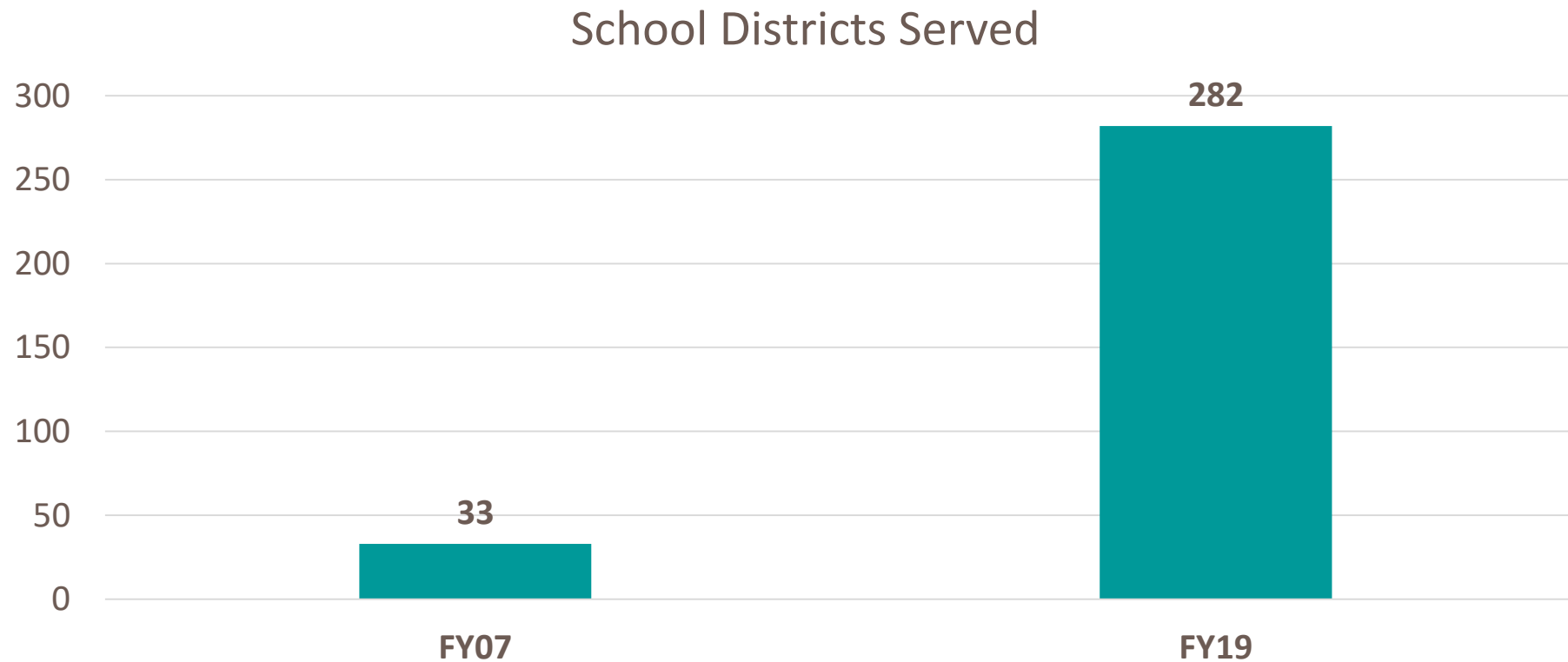
# Reaching More Schools & Students

5



# Reaching More Schools & Students

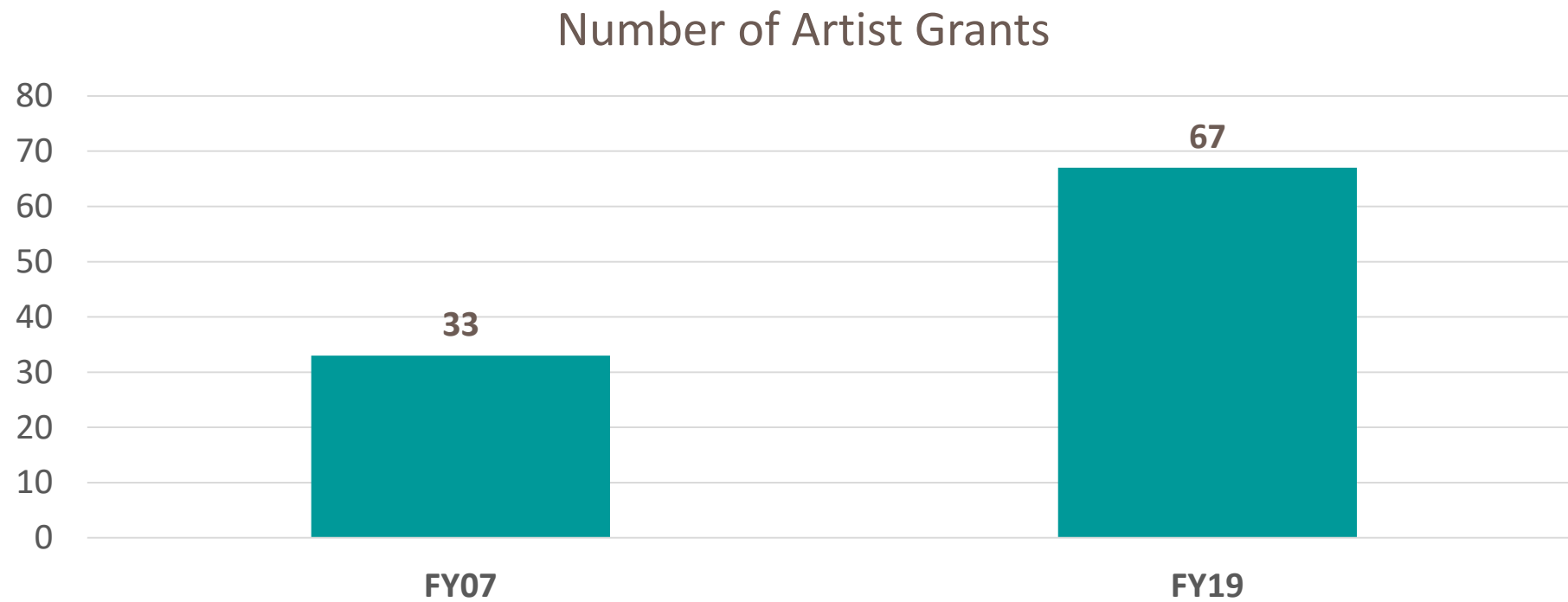
6





# Reaching More Artists

7



# Looking Back: 2019 Accomplishments

8

## Enriching Communities

- Local Cultural Council direct grant pilot
- Implementation of regional approach & new site visit protocol
- Design Festival Lab with Arts Boston
- Four New Cultural Districts
- Pilot ArtWeek partnership

## Growing the Economy

- Invest \$10 million in 93 Cultural Facilities Fund projects bringing investment to \$119 million in 963 projects
- Strengthen financial health of cultural organizations through workshops, consultations and site visits

## Advancing Inclusion and Equity

- Helped launch Network for Arts Administrators of Color Sponsorship/Mentorship program
- Produced 2nd Traditional Arts Showcase
- Published updated HR policies and Employee Handbook
- Tested new anti-bias strategies for panels

# Looking Back: 2019 Accomplishments

9

## Empowering a Creative Generation

- Secured second round of funding for Music Education Teaching Artists from Klarman Foundation
- Developed partnership with Western Mass social workers to reach children in foster care

## Building Internal Capacity

- Launched new website
- Updated financial policies
- Updated computers and software
- Secured \$18 million appropriation for FY20

# A Culture of Leadership

10

## Culture Embraces Everyone

- UP Initiative
- EBT Card to Culture

## Culture Enriches Community

- Local Cultural Councils
- Cultural Districts
- Festivals

## Culture Drives Growth & Opportunity

- Cultural Investment Portfolio
- Cultural Facilities Fund

## Culture Empowers a New Creative Generation

- Creative Youth Development
- Big Yellow School Bus

# Strategic Plan: 2020 Vision

11

- **Culture elevates the quality of life and well-being of all communities...** Launch Health Initiative
- **Culture drives growth and opportunity through the creative economy...** Strengthen organizations through stress test and Capacity Accelerator Network (CAN)
- **Culture is inclusive, accessible, and embraces our diversity...** Focus on racial and socio-economic diversity via Universal Participation (UP) Initiative
- **Culture empowers a new generation through creative youth development and education...** Develop Early Childhood Program

# Budget: Fiscal Year 2020

12



Massachusetts State House

**Total: \$20,382,626**

State Appropriation: \$18,000,000

NEA Grants: \$910,700

Other Funds: \$1,489,420

*An increase of \$2,304,712 (13%) from FY19*

# Increasing Investment in Culture: Grants, Services, & Partnerships

13

**FY19**

\$14,219,278

**FY20**

\$16,529,260

Increase of **\$2,309,982 (16%)**

# Summary of Legislative Language

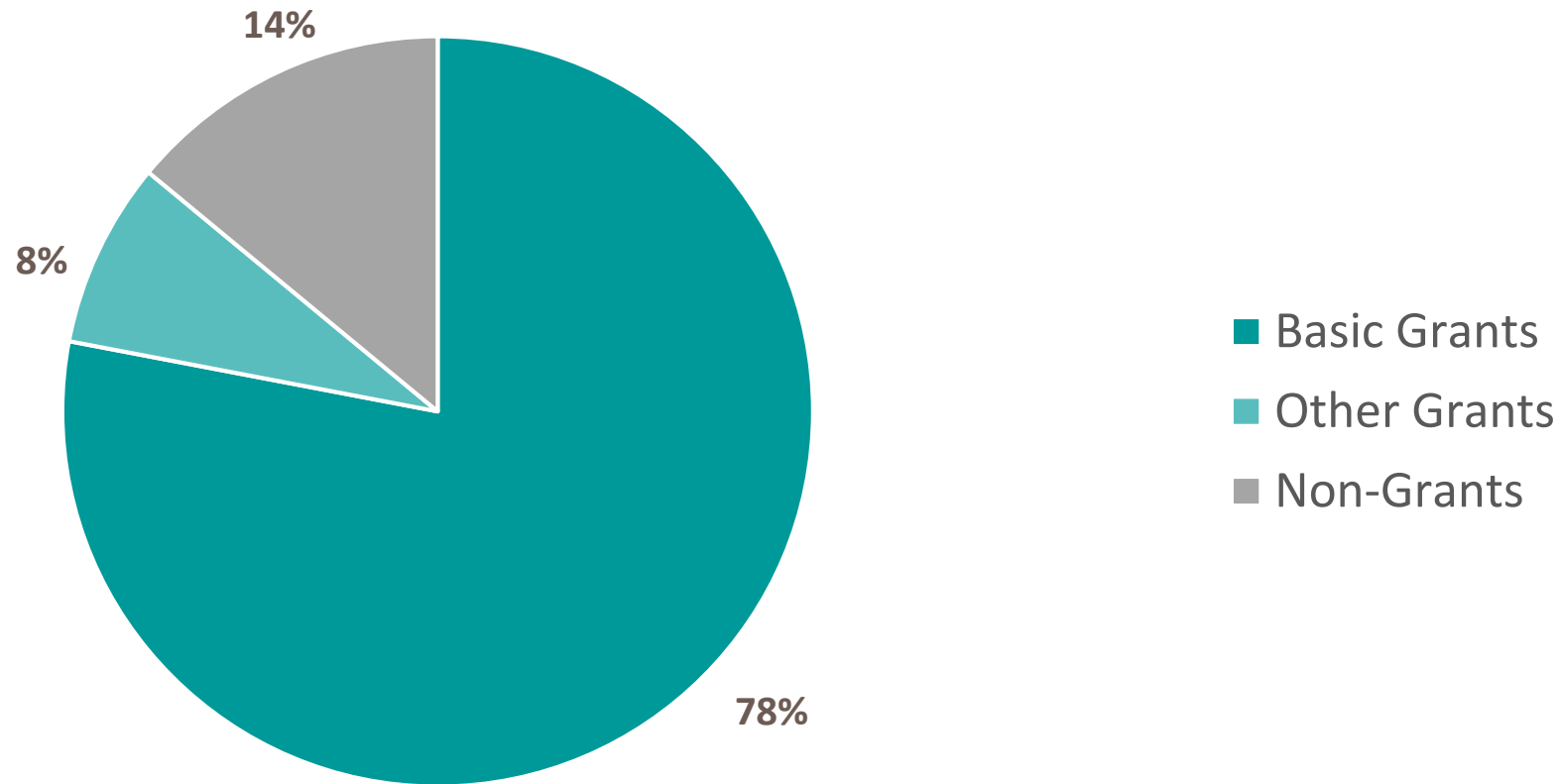
14

1. Align spending with strategic plan
2. Invest 75% of state funding in grants
3. Report on spending by October 1



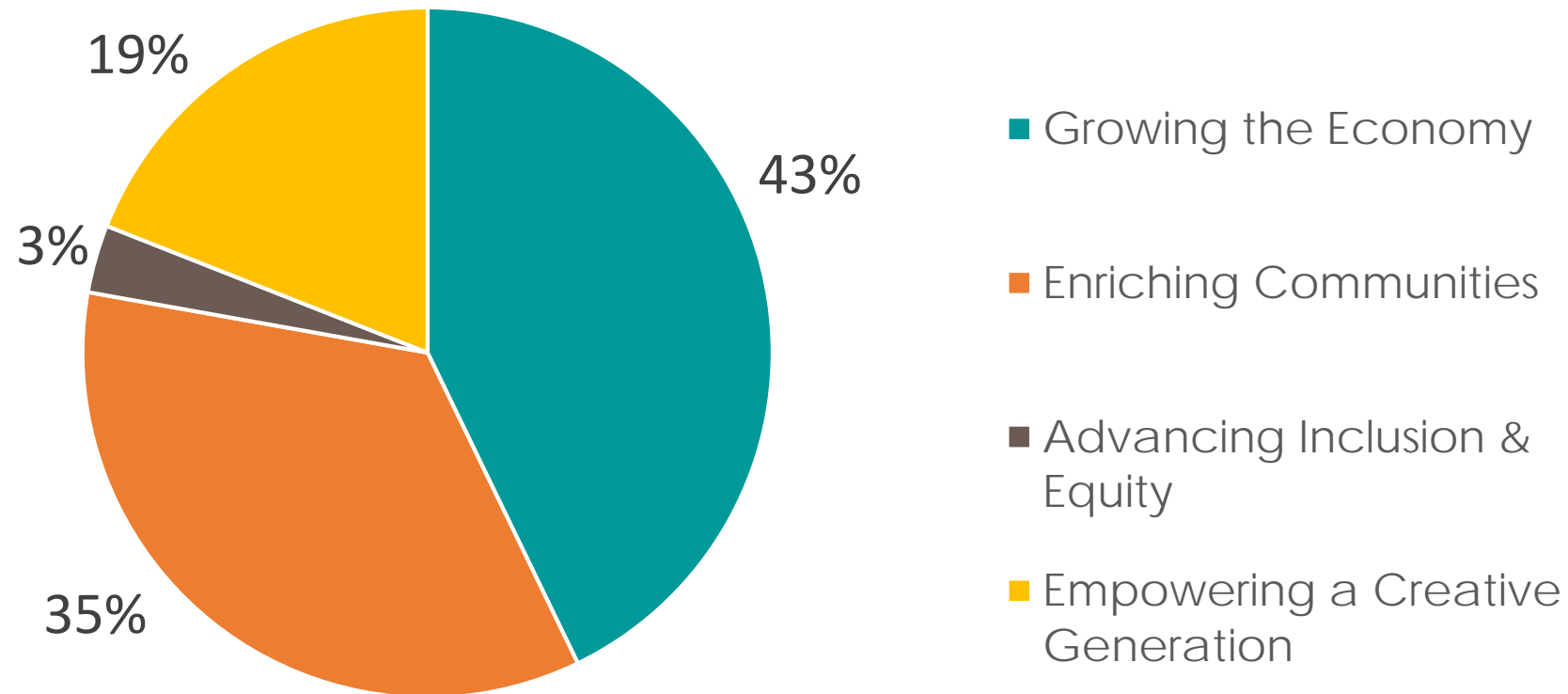
# Percentage of Appropriation Spent on Grants

15



# Grantmaking Aligns with Strategic Plan

16



# Enriching Communities

17



Revolving Museum, City of Lights Parade by Jim Higgins

## Goal

Amplify cultural vitality in cities and towns through integrated community-focused grants, initiatives, and advocacy.

# Enriching Communities

18

Increase the impact of community-led efforts to sustain and promote a rich cultural life by providing communities the resources, training, and tools needed to increase their capacity and effect change.

- Increase investment across 329 Local Cultural Councils (LCCs) by 22%
- Add up to 6 new districts and provide funding to **all** Cultural Districts
- Expand promotion & technical assistance for Festivals with launch of pilot Festivals Audience LAB
- Expand support of statewide ArtWeek Initiative

# Enriching Communities

19

Partner with regional, state, and local stakeholders throughout the Commonwealth to elevate the importance of culture and artists in community building.

- Increase support of Mass Humanities and New England Foundation for the Arts (NEFA)
- Deepen partnership with Mass Humanities
- Strengthen connections with AARP, MassDevelopment/TDI, Mass Office of Travel and Tourism, Mass Municipal Association, Regional Tourism Councils, & Office for Refugees and Immigrants

# Enriching Communities

20

Engage more artists in the full range of Mass Cultural **Council's community**-focused initiatives through improved communication, technical assistance, and funding.

Help Local Cultural Councils increase connection with local artists through asset mapping.

# Enriching Communities Grants

21

Program/Initiative	FY19	FY20		
Cultural Districts	\$ 230,000	\$ 265,000	15%	\$5k for all CDs, up to 6 new CDs
Festival	\$ 110,000	\$ 110,000	0%	
Local Cultural Council Program	\$ 3,400,000	\$ 4,154,000	22%	Larger grants
Compact Grants	\$ 40,000	\$ 30,000		
Massachusetts Foundation for the Humanities	\$ 605,229	\$ 679,397	12%	Formula
NEFA Project	\$ 55,000	\$ 60,000	9%	Increase
Art Week	\$ 20,000	\$ 25,000	25%	Increase
Audience Lab		\$ 20,000		New
	<b>\$ 4,460,229</b>	<b>\$ 5,343,397</b>	<b>20%</b>	



# Growing the Economy

22



Mahaiwe Performing Arts Center, photo by Michael Lavin Flower

## Goal

Enhance the Commonwealth's economic vitality by helping artists and cultural organizations thrive.



# Growing the Economy

23

**Support the economic health of communities through targeted investments in artists and the cultural sector.**

- Surpass 1,000 project milestone with new \$10 million Cultural Facilities Fund investment.
- Increase support of Cultural Investment Portfolio (CIP) nonprofit organizations by 19%.
- Strengthen business model & management strategies for CIP orgs with targeted assistance, workshops, & training.
- Provide more support for working artists through 20% increase in Fellowship program and re-designed Artist Gallery.

# Growing the Economy

24

**Build strategic alliances between the cultural sector, private developers, state agencies, and other Massachusetts community and economic development groups to stimulate economic growth.**

- Cultivate & designate up to six new Cultural Districts.
- Address artist space challenges by sharing resources & best practices.
- Enhance hireCulture.org to reach more diverse creative job seekers & employers.
- Connect Cultural Districts with business community via Fair Saturday initiative.

# Growing the Economy

25

Grow the visibility of the creative sector in Massachusetts through partnerships that expand markets and/or promote the work of cultural organizations and artists.

- Increase Media Partnership grants to reach younger audiences.
- Provide new, artist-designed signs for Cultural Districts with Mass Cultural Council brand.



# Springfield Central CULTURAL DISTRICT



# Growing the Economy Grants

27

Program/Initiative	FY19	FY20	Increase	Additional Context
Artist Fellowships	\$ 543,000	\$ 652,500	20%	More Fellowships, Larger Finalist Grants
CIP Formula & Gateway	\$ 4,797,500	\$ 5,727,500	19%	Larger Grants
Media	\$ 120,000	\$ 130,000	8%	Increase
Fair Saturday		\$ 20,000		New
CIP CAN		\$ 10,000		New
Cultural Data Project	\$ 47,500	\$ 47,500		Financial Management & Advocacy
<b>Total</b>	<b>\$ 5,508,000</b>	<b>\$ 6,587,500</b>	<b>20%</b>	

# Advancing Inclusion and Equity

28



Wheelock Family Theatre

## Goal

Promote more diverse and inclusive participation in the cultural sector by ensuring equity in policies, practices, and opportunities.

# Advancing Inclusion and Equity

29

**Cultivate a culture of equity and inclusion within Mass Cultural Council to ensure these values are reflected in all grants and initiatives.**

- Implement anti-bias orientation for panelists.
- Pilot panelist nomination form to help connect to broader, more diverse panelist pool.

# Advancing Inclusion and Equity

30

Encourage full participation in Mass Cultural Council-supported programs by promoting universal design principles, inclusive practices, and equitable access for all.

1. Grow EBT Card to Culture program and expand to Women, Infants, & Children (WIC) & Mass HealthConnector card holders.
2. Pilot work with community health center/social prescribing.
3. Diversify grantees by increasing CIP Project Grants from 85 to 121.



# Advancing Inclusion and Equity

31

## Continued...

- Increase grants and visibility for Universal Participation (UP) Initiative.
- Partner with JFK Library on Public Forum: *Driving While Black*.

# Advancing Inclusion and Equity

32

**Increase diversity in the sector by creating connections and expanding leadership opportunities for people of color, people with disabilities, and other underrepresented groups.**

- Increase funding for Network for Arts Administrators of Color (NAAC Boston).
- Launch pilot Diversity, Equity & Inclusion Museum Program

# Advancing Inclusion and Equity

33

Support artists and organizations working in diverse cultural traditions and/or underrepresented communities, with improved outreach, focused investment, and technical assistance.

- Host 3rd Traditional Arts Showcase Concert in Western Mass.
- Connect with more traditional artists in W. Mass through field work and research.

# Advancing Inclusion and Equity Grants

34

Program/Initiative	FY19	FY20		
UP	\$ 70,000	\$ 70,000		More Innovation Fund Grants and LEAD Grants (non-ILN year)
CIP Project Grants	\$ 212,500	\$ 302,500	42%	
Health Initiative		\$ 55,000		New
Kennedy Library		\$ 35,000		New
Network of Arts Administrators of Color	\$ 20,000	\$ 25,000	25%	Increase
	<b>\$ 302,500</b>	<b>\$ 487,500</b>	<b>61%</b>	

# Empowering a Creative Generation

35



Museum of Science

## Goal

Enhance creative learning experiences in schools and communities that instill agency in, and support the growth of, creative, productive, independent-minded young people.

# Empowering a Creative Generation

36

Provide targeted resources and training to increase the depth and quality of creative learning for youth in and out of school.

- Increase grant amounts for YouthReach, SerHacer, & Amplify.
- Increase grants to schools via STARS Residencies.
- Expand teaching artist program to all disciplines via fourth year of Music Educators and Teaching Artists (META) Fellowships.

# Empowering a Creative Generation

37

**Expand opportunities for youth to engage in culture through strategic partnerships with agencies and organizations that share common goals.**

- Expand student participation in Mass History Day with partnerships with Mass Historical Association
- Phase II of Cape Cod pilot: Develop program with Dept. of Early Education & Care (EEC)
- Implement program to connect foster children & social workers to arts & culture with Dept. of Children & Families (DCF)
- Train teaching artists in trauma-informed practice

# Empowering a Creative Generation Grants (CYD)

38

Program/Initiative	FY19	FY20		
YouthReach	\$ 832,000	\$ 988,000	19%	Larger Grants
SerHacer	\$ 352,000	\$ 418,000	19%	Larger Grants
Amplify	\$ 15,000	\$ 22,500	50%	Larger Grants
Instrument Program	\$ 30,000	\$ 30,000		
META Expansion (MCC-Funded)		\$ 50,000		New
DCF Western Mass Pilot		\$ 20,000		New
	\$ 1,229,000	\$ 1,528,500	24%	



# Empowering a Creative Generation Grants (Education)

39

Program/Initiative	FY19	FY20	Increase	Additional Context
Poetry Out Loud	\$ 17,500	\$ 17,500		NEA funds
Big Yellow School Bus	\$ 140,250	\$ 150,000	7%	More Grants
STARS	\$ 946,500	\$ 1,150,000	22%	More Grants
Early Education and Childcare	\$ 5,000	\$ 5,000		Pilot
Creative Minds Out of School	\$ 40,000	\$ 40,000		Contract
Mass History Day	\$ 15,000	\$ 20,000	33%	Increase
Holyoke Arts Ed Task Force		\$ 5,000		Place holder
	<b>\$ 1,164,250</b>	<b>\$ 1,387,500</b>	<b>19%</b>	

# Empowering a Creative Generation Grants (Total)

40

Program/Initiative	FY19	FY20		
CYD & Education	\$ 2,393,250	\$ 2,916,000	22%	

# Building Internal Capacity

41



Artist Fellow, Niho Kozuru

## Goal

Strengthen Mass Cultural Council's internal capacity to deliver the highest quality services to constituents and enable the agency to effectively fulfill its mission.

# Building Internal Capacity

42

**Develop a new messaging and communications strategy to more clearly convey the full range of our grants and initiatives to constituents.**

- Advance Power of Culture messaging across platforms.
- Host new Community Pop-Ups to introduce full scope of agency's work to new constituents.

# Building Internal Capacity

43

**Update key processes and systems to improve efficiencies and quality of service delivery.**

- Simplify applications for constituents via new grants management system.
- Implement new coding to better articulate spending across grant programs and services.
- Provide professional development for staff and training for essential redundancy

# Building Internal Capacity

44

Improve data gathering and evaluation systems, to better communicate the full scope of our impact and inform improvements to grants and initiatives.

- Align Strategic Plan, Logic Models, Key Performance Indicators, & Program Performance Measures.
- Ensure data collection in new system aligns with key reporting, advocacy, and program needs.





Keepers of Tradition  
Showcase



*Power of culture*

**ATTACHMENT 3**  
**RESOLUTIONS OF MASS CULTURAL COUNCIL**  
**APPROVING**  
**FY 20 SPENDING PLAN,**  
**GRANTS RECOMMENDATIONS**  
**AND FINANCIAL POLICIES AND TRAVEL APPROVALS**  
**ADOPTED ON**  
**TUESDAY, AUGUST 27, 2019**

**Section 4- FY20 Budget and Spending Plan**

WHEREAS, the General Court of the Massachusetts State Legislature has appropriated a budget of \$18,180,000 (including earmarks) to the Massachusetts Cultural Council (the "Council") for FY 20 and the Governor duly signed said budget;

WHEREAS, Council staff presented a draft FY20 budget and spending plan (the "Plan") to the Executive Committee at its meeting on August 13, 2019;

WHEREAS, the Executive Committee reviewed said plan and recommended that it be forwarded to the Council for approval;

WHEREAS, Council staff presented the Plan to the Mass Cultural Council at its meeting on August 27, 2019 (the "Council Meeting").

NOW THEREFORE, it is hereby

RESOLVED: To approve the Plan as reviewed by the Executive Committee on August 13, 2019 and as presented at the Council Meeting and attached hereto, subject to the further approvals of the individual grant and program recommendations to be considered and voted upon the Council later in this meeting.

**Section 6-17 Grant Recommendations**

WHEREAS, Council staff presented the grants portion of the Plan to the Grants Committee at its meeting on August 13, 2019 ("Grants Committee Meeting"), in connection with recommended grant allocations;

WHEREAS, the Grants Committee recommended to the full Council the allocation of the grants presented at the Grants Committee Meeting;



WHEREAS, the Grants Committee reviewed procedures of grant allocations and recommended that the Council approve the same;

NOW, THEREFORE, it is hereby

RESOLVED: To approve grant allocations to the Cultural Investment Portfolio, CIP Gateway and CIP Projects, Capacity Accelerator Network Stipends and Media Partnerships (collectively, the "CIP Programs") for a total of \$6,170,000 as recommended by the Grants Committee;

RESOLVED: To approve a grant allocation to the Local Cultural Councils totaling \$4,154,000 and \$30,000 to Compact Grants, up to \$285,000 in Cultural District/Fair Saturday grants, \$20,000 to Art Week, \$110,000 to the Festivals Program and \$20,000 to grants under the Audience Lab program as recommended by the Grants Committee;

RESOLVED: To approve grant allocations to YouthReach and SerHacer and Amplify, continued funding of the Instrument Library in the combined amount of \$1,428,500 and the continuance of the Klarman Family Foundation- Funded original META program, \$50,000 to the META expansion and \$20,000 to the Western Mass DCF Pilot Program as recommended by the Grants Committee;

RESOLVED: To approve the following Education grant allocations, \$1,150,000 to the STARS program, \$150,000 to the Big Yellow School Bus Program, \$40,000 to the Creative Minds Out of School program, \$5,000 to the Early Education & Childcare Pilot, \$20,000 in support of Massachusetts History Day, \$17,500 in support of the NEA-funded Poetry Out Loud program, and \$5,000 to the Holyoke Arts Education Task Force as recommended by the Grants Committee;

RESOLVED: To approve the allocation of \$55,000 in grants under the Health Initiative as recommended by the Grants Committee;

RESOLVED: To approve the recommended Artist Fellowship program grant allocations totaling \$652,500 as recommended by the Grants Committee;

RESOLVED: To approve the continuation of the UP Program with grants in the amount of \$70,000 as recommended by the Grants Committee;

RESOLVED: To approve a grant to MassHumanities totaling \$679,397 as recommended by the Grants Committee;

RESOLVED: To approve a grant to NEFA totaling 60,000 provided that Mass Cultural Council does not provide more than the other New England states provide to NEFA as recommended by the Grants Committee;

RESOLVED: To approve a grant allocation of \$35,000 to the John F. Kennedy Library Foundation for its "Driving While Black" Library Forum as recommended by the Grants Committee;

RESOLVED: To approve a grant allocation of \$25,000 to ArtsBoston acting on behalf of the Network Arts Administrators of Color as presented as recommended by the Grants Committee; and

RESOLVED: to approve a grant to SMU Data Arts to provide the Cultural Data Profile tool as recommended by the Grants Committee.

#### **Section 18- Revised Financial Policies/Travel Approvals**

RESOLVED: To approve the revised Council financial policies in the form presented to the Council, the delegation of the power to pre-approve of out-of-state travel as required by Section 2, Line Item 0640-0300 of Chapter 41 of the Massachusetts Acts of 2019 to the Executive Committee as contemplated by such revised policies and to approve the out-of-state requests presented to the Council Meeting and to ratify all actions taken by the Executive Committee in its actions approving out-of-state travel at its July 22 meeting.



*Power of culture*

Attachment 4  
Calculation of % Grants Spending IN FY20

FY 20 Line Item Appropriation: \$18,180,000  
75% of Line Item Required To Spent of Grants and Subsidies: \$13,635,000

Grants Recommended in the Mass Cultural Council FY 20 Budget and  
Spending Plan:

Program Projected FY20 Grant Amount

**Basic Grants**

Cultural Investment Portfolio	\$ 5,626,000
CIP Gateway	\$ 101,500
CIP Projects	\$ 302,500
Local Cultural Councils	\$ 4,154,000
CYD-YouthReach	\$ 988,000
CYD-Ser Hacer	\$ 418,000
CYD-Amplify	\$ 22,500
STARS	\$ 1,150,000
Artist Fellowships	\$ 652,500
Big Yellow School Bus	\$ 150,000
Festival	\$ 110,000
Compact Grants	\$ 30,000
UP	\$ 70,000
Cultural Districts	\$ 265,000
<u>Earmarks</u>	<u>\$ 180,000</u>
Total Basic Grants	\$ 14,220,000 (78%)

**Other Grants**

Media Partnerships	\$ 130,000
Cultural Data Project	\$ 47,500
Poetry Out Loud	\$ 17,500
META (Klarman)	\$ 191,000

Prepared on 9/30/19

Mass Humanities	\$ 679,397
NEFA	\$ 60,000
Other New Grants	<u>\$ 360,000</u>
Total Other Grants	\$ 1,485,397 (8%)
 Total All Grants	 \$ 15,705,397 (86%)

## **ATTACHMENT 5**

### **Mass Cultural Council**

#### ***Financial Policies and Procedures*** **As of August 27, 2019**

- **Travel Guidelines**
- **Credit Card Use**
- **Purchasing Goods and Services**
- **Internal Controls and Fraud Prevention**

#### **TRAVEL GUIDELINES**

During employment with Mass Cultural Council, travel for business is often required. The goal of this policy is to ensure fair and equitable treatment of all staff by defining procedures for authorized business travel and guidelines for travel expense reimbursement. A balance must be sought when requesting travel, with consideration for Mass Cultural Council's need for cost effectiveness and the employee's need for comfort and safety. Additionally, to the extent feasible, Mass Cultural Council also encourages employees when travelling to patronize businesses which help to advance the agency's cultural mission (as further discussed below). These guidelines reflect Mass Cultural Council Policies as well as the Out of State Travel Guidelines issued by Executive Office for Administration and Finance (A&F) for the Executive Branch.

#### **Requirements**

- All Mass Cultural Council employees engaged in publicly and privately subsidized travel shall adhere to the guidance set forth in Mass Cultural Council's Credit Card Use Policy found below.
- All travel must serve a legitimate public purpose of Mass Cultural Council and have a direct, defined benefit to a Mass Cultural Council employee's job function.
- Mass Cultural Council will not reimburse employees for any expenses incurred for the sole benefit of the traveler. These expenses include, but are not limited to, alcoholic beverages, entertainment, newspapers, magazines, laundry services, travel accident insurance, change fees for non-emergency personal reasons and TSA Pre-Check fees.
- Any Mass Cultural Council employee that is accepting any privately subsidized travel must disclose further details in a separate form to the Deputy Director to comply with the state conflict of interest law. Such person must make a written determination permitting such travel. [Disclosure and determination forms](#)

prescribed for use by the State Ethics Commission must be used per 930 CMR 5.08(2)(d)1.

- Per Section 2, Line Item 0640-0300 of Chapter 41 of the Massachusetts Acts of 2019 (commonly referred to as the Massachusetts FY 20 state budget), all out of state travel including any associated travel budgets must be pre-approved by either the Council or the Executive Committee. Under Section 54 of the Council's enabling act (M.G.L. Chapter 10 Sections 52-58A), the Council has delegated the authority to pre-approve any such out-of-state travel to the Executive Committee. Staff will advance any requests for out of state travel to the Executive Committee prior to its scheduled meetings. The Executive Committee will report to the Council at the next Council meeting as to any approvals granted.
- Any requests for out of state travel to be submitted for pre-approval under the foregoing provision must first comply with the following internal procedures:

All travel must serve a legitimate public purpose of Mass Cultural Council and have a direct, defined benefit to a Mass Cultural Council employee's job function. To that end, an employee requesting approval for out-of-state travel should provide:

- ☐ A description of the meeting, conference, or event they would like to attend.
- ☐ A description of how the meeting/conference/event will provide a defined benefit the Mass Cultural Council and to the employee's role at the Mass Cultural Council.
- ☐ A description of how the learning/information/resources gained at the meeting/event/conference will benefit Mass Cultural Council's constituents, including how the information will be shared.
- ☐ A [Travel Authorization Form \(TAF\)](#), must be fully completed to receive approval.

All out of state travel must first be approved by an immediate supervisor and then submitted to senior staff (a group consisting of the Executive Director, the Deputy Director, the Operations Director and the Communications Director).

Senior staff will review the requests and will determine if the request should be recommended for approval or not. When reviewing the proposals, senior staff will consider:

- ☐ Whether the proposed trip provides a direct benefit to the agency and constituents.
- ☐ Whether the proposed trip aligns with the strategic plan.
- ☐ Whether the staff making the request has been invited to speak/present and/or will receive scholarships/discounts/outside funding to offset the cost of the trip.
- ☐ Whether the total cost of the proposed trip outlined in the travel authorization form is in line with the value the trip would provide.

Additionally, senior staff will determine the minimum number of staff that need to attend in order to provide the maximum benefit to the agency and/or field.

If senior staff decides to recommend the proposed trip for approval, they will provide the request and associated materials to the Executive Committee or Council for review and approval. All requests for out of state travel must be submitted no later than four weeks prior to the next occurring Executive Committee meeting .

- Employees who violate the agency's travel policy will have travel privileges reviewed and can have such privileges suspended or be subject to other applicable consequences, in accordance with applicable provisions of collective bargaining agreements.

The following applies to both in state and out of state travel. The agency will reimburse approved travel related expenditures at the following rates:

- Airfare and ground transportation (train, bus, taxi, ridesharing services) – 100% (including reasonable tips not in excess of 20% of a fare)
- Hotel and Lodgings – 100%
- Conference fees – 100%
- Private auto-mileage - \$0.45/mile
- Parking and tolls – 100%
- Cost of agency rental car – 100%
- Gas for agency rental car or agency fleet vehicle – 100%
- Meals – Capped amounts, details below

Additional details about the above expenses can be found below. The agency does not reimburse employees for commuting costs to and from the employee's home and the office.

#### Air and Rail Travel

- Travelers should make every effort to minimize overall cost of travel, with consideration given to alternate and off-peak travel times, overtime costs, and other relevant factors.
- Mass Cultural Council will pay or reimburse for only coach or economy fares.
- Mass Cultural Council shall only reimburse luggage fees of the first checked bag per traveler; the Council will not reimburse for overweight or extra bag fees. Exceptions will be granted for luggage directly related to the purpose of travel (ex. presentation materials).

#### Lodging

- Lodging for out of state travel is addressed below in the section regarding "Out of State Travel".

- Lodging shall be available to employees for multiday instate business trips when an employee and supervisor shall have determined that an overnight stay is more efficient than an employee returning home at the end of a business day and returning to the same location the next day. All overnight stays must be approved in writing by the supervisor and the Deputy Director. Generally approval for overnight stays shall only be given for business more than 50 miles away from the Mass Cultural Council office.
- The traveler should select the least expensive lodging option available, considering proximity to the business destination and personal safety. Lodging at the business destination shall be allowed (ex. staying at an official conference hotel).
- When booking, travelers should request all applicable government and other available discounts.
- When requiring lodging while traveling in state, employees are encouraged to use locally-owned lodging businesses, lodging businesses located in state-designated cultural districts or businesses which otherwise are contributors to or supporters of the cultural sector provided, that such costs are reasonable and not significantly more expensive than other available options. If there are any questions as the appropriateness of any such charge, the employee should contact the Deputy Director for guidance.

#### Car Rental and Reimbursements

- Every effort should be made to use the lowest priced transportation available.
- For travel over long distances, the use of a state fleet vehicle, rental vehicle obtained through the state's statewide contract, or mileage reimbursement for use of personal vehicle will be allowed.
  - *For agency rental cars, the cost of the rental will be paid for by the agency, and the employee will be reimbursed for the cost of gas.*
  - *For private cars, the employee will be paid \$0.45/ per mile but will not be reimbursed for the cost of gas.*
- Employees may rent a car when it is required for business purposes and there is no other less expensive means available.
- For travel over shorter distances, public transportation, mass transit, and shuttle services should always be considered, when appropriate, over car rental, taxi services, and other ride sharing services.

#### Fleet Vehicle

In addition, Mass Cultural Council will provide a Council-leased "fleet vehicle" for the Executive Director's performance of state business. The availability of such vehicle will be made on the determination that the availability of such vehicle greatly enhances the efficiency of the Executive Director's work. Any such vehicle will be garaged at a location determined on cost and convenience considerations and may include the Executive Director's domicile. This vehicle shall only be used by the Executive Director.



- The fleet vehicle shall be used on official business only. It shall not be operated outside the necessary working hours (working hours to include time required to travel to and from place of authorized garaging). Use for private purposes is forbidden.
- No operator of the fleet vehicle shall transport a passenger or passengers other than those traveling on official business.
- Reimbursement shall be allowed for expenses incurred in the operation of the fleet vehicle, including charges for gas, oil and reasonable charges for repairs, public garage and parking fees, toll charges and reasonable charges for car washing. Such expense may be paid for using a "P-card" (see below).

### Meal Reimbursement

- Meal reimbursements shall be given in accordance with the Red Book or applicable collective bargaining agreement. Currently, the reimbursement schedule is:
  - Breakfast: \$6
  - Lunch: \$8
  - Dinner: \$16
- Consistent with Rule 9.14 of the Commonwealth's "Red Book" the above limits shall not apply to the Executive Director. Reimbursement for such person shall be the reasonable and necessary meal expenses subject to review of the Council.
- Mass Cultural Council recognizes that meetings, panels, etc. may make it challenging to eat during the allotted meal times. In those cases, during a 24-hour travel period, the traveler may use the total meal amount (\$30) as a per diem on one or two meals, so long as the reimbursement for any one day does not exceed \$30.
- Meals provided by lodging, conference, or host should be used when applicable as part of the trip's itinerary (ex. conference lunch, hotel inclusive meal, etc.), and no meal reimbursements shall be given for a meal that was otherwise provided or included during business travel.
- Mass Cultural Council will not reimburse for alcohol-related expenses.
- When requiring meals while travelling in state, employees are encouraged to use locally-owned businesses, businesses located in state-designated cultural districts or businesses which otherwise are contributors to or supporters of the cultural sector provided, that such costs are reasonable and not significantly more expensive than other available options. If there are any questions as the appropriateness of any such charge, the employee should contact the Deputy Director for guidance.

### Out of State Travel

When an employee travels out-of-state they must meet the following additional requirements:

- Any out-of-state travel done in an official capacity must be authorized by the Deputy Director, and if it is funded in part with private funding, will require an additional disclosure and a determination by the appointing authority under the state conflict of interest law.
- All out of state travel paid for by the Commonwealth requires approval from the Deputy Director. Except in extraordinary circumstances, such approval shall be obtained in advance of the trip.
- A [Travel Authorization Form \(TAF\)](#) ([Link To Be Added](#)), must be fully completed to receive approval.
- A copy of the appropriate ethics disclosure form should also be included with the TAF when private funding is anticipated. Employees should take note of additional requirements of the State Ethics Commission. For instance, extending or using travel arrangements made under these guidelines to include personal vacation plans, family members or other travel companions may be a violation of the state conflict of interest law.
- Except in extraordinary circumstances, travel arrangements should be made far enough in advance of departure date to take advantage of discounted fares, conference lodging rates, etc. For example, flights should be booked no less than 14 days in advance of departure date.
- All out of state travel arrangements and expenses must be detailed in the TAF. No expenses or reimbursements detailed in this form shall be approved unless they are consistent with applicable provisions of statute and this guidance.

More information regarding policies and procedures for travel expense reimbursement can be found on the [Human Resources Division's website](#)

### CREDIT CARD USE

The Commonwealth Procurement Card (or "P-Card") Program is governed by the Commonwealth Procurement Card Program Policy and Procedure (the "Commonwealth P-Card Policy") issued by the Office of the Comptroller. The Commonwealth P-Card Policy, available [here](#), provides substantial guidance on the appropriate use of P-Cards in state government and should be consulted regularly for guidance. *[NOTE-This section only refers to use of P-Cards- please also see Section entitled "ADDITIONAL APPROVALS FOR EXPENDITURES" below for information about obtaining the appropriate **approvals** for purchasing such goods and services.]*

The Commonwealth P-Card Policy requires Mass Cultural Council to also issue its own internal controls policy to implement the Comptroller's guidance. That document enables Mass Cultural Council to shape its own forms of oversight and constraints, also known as the Internal Control Plan ("ICP"), on the use of state-issued credit cards, as long as those protocols satisfy the minimum standards set out in the Comptroller's guidance. Our ICP plan has been deemed to comply.

## **Credit card use policy guidelines**

At all times, Cardholders must be aware that their use of state-issued credit cards results in the spending of taxpayer dollars, and the Cardholders' use of such cards must be consistent with this awareness.

### **Who can own/use a state authorized credit card?**

Except in extraordinary circumstances, Mass Cultural Council should significantly restrict the number of state-owned credit cards issued. If Mass Cultural Council determines that a state-owned credit card is necessary, the permitted users of the card should generally be restricted to the Executive Director and Deputy Director/CFO. The Executive Director can authorize additional employees to receive a P-Card if it is necessary to cover frequently incurred and extraordinary travel costs to conduct agency business, or if an employee's official duties require the use of a P-Card to make emergency purchases; in either case, a P-Card should not be issued if the purchases can be made in advance by the Deputy Director. These exceptions should be strictly enforced and granted only in extraordinary circumstances where the unavailability of a P-Card will result in substantial inefficiencies in making travel-related or emergency purchases.

The issuance of a P-Card to anyone (including the Deputy Director/CFO) must be approved in writing by the Executive Director. If the Executive Director believes that anyone other than the Executive Director and the Deputy Director/ CFO should be authorized to have a P-Card, the Executive Director should set forth in the written approval the extraordinary circumstances described above, which warrant authorizing a credit card to that employee.

The written approval must establish a limit on any single transaction, and the applicable monthly credit limit. The per-transaction limit should not exceed \$1,000. The monthly credit limit should not exceed \$7,000. For either of these limits, if special circumstances warrant a higher limit, the Executive Director or Deputy Director shall identify those circumstances in the approval letter or will authorize exceptions on a transaction-by-transaction basis, if so warranted.

### **What usages are permissible?**

Even when issued, the P-Card is to be used only as a "payment of last resort", namely, (i) where the good or service being purchased is not susceptible of being procured in the ordinary course under the Commonwealth's laws governing procurement; (ii) where the selected vendor will not invoice or bill the Commonwealth for the purchased goods or services; or (iii) in the case where P-Card is to be used for the expenses of an individual employee, where requiring the employee to seek reimbursement for the purchase would cause substantial hardship to Mass Cultural Council as determined by the Deputy Director. The use of a P-Card should supplement, not replace, other

payment methods if they are otherwise available. Each purchase must serve a legitimate public purpose, and not be intended primarily to confer a personal benefit or a benefit to another individual or entity.

Allowable expenses for P-Card use include the following, in cases where direct billing is not available or where the good or service being purchased is not susceptible of being procured in the ordinary course under the Commonwealth's laws governing procurement:

- Conference registrations
- Conference expenses for trade shows (e.g., electric, carpet)
- Airline ticket purchases
- Emergency office supplies
- Vehicle rental payments
- Gasoline for rental or fleet vehicles
- Maintenance costs for fleet vehicles
- Other transportation ticket payments
- Hotel payments for overnight accommodations. Please make sure that the hotel bill does not include the cost of meals during approved overnight travel; the bill may include business related phone charges and internet access charges.
- Costs of approved Mass Cultural Council convenings (including food, venue and other costs) where use of another payment method is not feasible

Deputy Director/CFO approval is required for the expenses above, in accordance with Mass Cultural Council needs and internal procedures (i.e. through a Fiscal Expenditure Form). Travel Authorization Form (TAF) approval is also be required for certain expenses per Mass Cultural Council's Travel Guidelines.

State issued P-Cards SHALL NOT BE USED for the following:

- Cost of meals, snacks, or coffee for individual employees (whether during travel or otherwise)
- Cash Advances (ATMs)
- Gift Cards
- Legal services
- Medical services
- Alcohol purchases
- A single purchase that exceeds the card limit or the single purchase limit determined by the Executive Director or Deputy Director/CFO
- Personal expenses of the Cardholder
- Gasoline for personal vehicle
- Books, magazines, and other entertainment items while employee is travelling
- Gifts for colleagues
- Costs of attendance or admission to galas or other after-hours events

Cardholders must adhere to all restrictions on P-Card usage, even if the Cardholder plans to reimburse or arrange for reimbursement of the Department for impermissible expenditures.

This list is not intended to limit any additional restrictions adopted by Mass Cultural Council in its Internal Control Plan.

**What minimum forms of oversight are required in order to ensure the proper use of state-issued credit cards?**

The Commonwealth P-Card Policy serves as a sound starting point for the steps that should be taken to ensure oversight of the use of state-issued credit cards. The Commonwealth P-Card Policy "sets minimum standards for use of P-Cards on a statewide basis", and "at a minimum, the Internal Department P-Card Use Policy must be the adoption of the Commonwealth P-Card Use Policy."

Mass Cultural Council will adopt and document the following additional items in the ICPs:

- The ability of a Cardholder to carry a P-Card in the Cardholder's wallet or otherwise to remove a P-Card from work premises shall be limited, unless doing so is necessary for the use of the P-Card (e.g., travel).
- Annually, Mass Cultural Council will review all purchase activity in the last 12 months and compare the actual activity with the Department's ICP, this bulletin and the Commonwealth P-Card Policy, and certify compliance.
- Mass Cultural Council will institute blackout periods for P-Card purchases near the end of the fiscal year.
- Mass Cultural Council will explicitly address in its ICP the protocol for reporting unauthorized use of a P-Card and the consequences for such unauthorized use.
- The Deputy Director/CFO should require that the Cardholder maintain an expenditure log and certify that each purchase on the log complies with the ICP, including any use restrictions imposed beyond the Comptroller's policies.
- BOTH the Deputy Director/CFO and the Cardholder must review the monthly statement, expenditure log, and related receipts and other documentation to validate charges and ensure other compliance issue, such as whether the Commonwealth was charged sales tax. The Deputy Director/CFO must sign off on this validation.
- Monthly billing statements MUST be made available to the Deputy Director/CFO together with the expenditure log and other required documentation.
- The Cardholder should be held liable for any unauthorized charges, including sales tax erroneously charged to the Commonwealth. The Department should also specify other disciplinary measures that will result from abuse of the privilege to use a P-Card.
- The Council will reserve any and all remedies to recover unauthorized charges including to the extent legally permissible, the offset or garnishing of wages.

## PURCHASING GOODS AND SERVICES

This section addresses the process for Mass Cultural Council employees seeking to procure goods and services and employs a question and answer format. *[NOTE-This section only refers to process- please also see Section entitled “ADDITIONAL APPROVALS FOR EXPENDITURES” below for information about obtaining the appropriate **approvals** for purchasing such goods and services.]*

### *What are Statewide Contracts?*

Vendors that have been approved by the state are on statewide contracts. This means that they do enough business with various agencies across Massachusetts, not just with Mass Cultural Council so that they have negotiated rates with the state to ensure agencies get the best deals possible. Even if a vendor is on a statewide contract, they do need complete a contract with Mass Cultural Council. Statewide contracts can be used by any agency in the Commonwealth, including Mass Cultural Council.

### *What are the Statewide Contract numbers?*

A few common statewide contract numbers are as follows:

- For hotels, reference contract #GRO27C
- For catering, reference contract #GRO27A
- For printing & advertising, reference contract #OFF33

### *To verify that a vendor is on a Statewide Contract:*

The statewide system to search for statewide contracts is [www.commbuys.com](http://www.commbuys.com). Go to “Contract & Bid Search”, then check “Contracts & Blankets”, which leads to the search page. From there, search by vendor name.

### *To place an order with a vendor once approval is obtained:*

- If the vendor is on a Statewide Contract:
  - Call/email the contact listed for the corresponding vendor. (see last page for contact information)
  - Tell them that you are a state employee and would like to place an order using a statewide contract (have the contract number available)
  - Obtain a written quote for the services needed. The vendor should provide the negotiated rate for services based on the statewide contract.
  - All vendors on a statewide contract should be paid using EFT. Because they have agreed to the terms of a statewide contract, no upfront payment should be required.
  - Even if a vendor is on a statewide contract, the following will still be required: W9, T&C, EFT & Contractor Authorized Signatory forms of information from the vendor, and the initial quote for services and the invoice after services were finished.
- If the vendor is not on a Statewide Contract:

- Call/email the vendor. Explain the goods or services being sought and obtain a written quote for the goods or services. It is recommended that three written quotes are received for each service.
- If paying the vendor by EFT, draft a contract with the vendor and send the vendor additional paperwork (W9, EFT, T&C). Also fill out a Fiscal Expenditure form and indicate “I will be spending money.” The purchase may not occur until all of these contracts and forms have been completed, submitted and signed by all parties.
- If paying by credit card, no contract is needed, but receipts must be kept and submitted with the Fiscal Expenditure form (**To Be Attached**). Please attach receipts and indicate “I Spent Money”.

Please note that when drafting a Standard Contract Form, the Deputy Director is the only person who has signing authority for the Mass Cultural Council and is the only person at the agency who is legally responsible for contract documents.

*If a vendor is not on a statewide contract, is the Standard Contract form required each time this vendor is used?*

Yes. Mass Cultural Council cannot add vendors to a statewide contract. Whether a vendor is on a statewide contract or not, they MUST complete a contract package with Mass Cultural Council. The “Standard Contract Form” is used IN PLACE of a statewide contract and is the legally binding agreement between the Mass Cultural Council and the vendor.

A new Standard Contract form must be sent for every new service, and Standard Contract forms are only valid for the duration of the current fiscal year (July 1-June 30)

*The process for utilizing a vendor who is not on a statewide contract is as follows:*

First determine whether Mass Cultural Council has used the vendor before and follow the steps below:

- If Mass Cultural Council has used this vendor before:
  - Draft a new contract with the vendor, clearly explaining in the scope what the product/service is and the cost. Include a payment schedule with deliverables if necessary.
  - NOTE-If the vendor’s legal name, tax ID, or mailing address has changed since the last time the vendor has contracted with Mass Cultural Council, the vendor needs to fill out a new W9 and a Terms and Conditions form
  - NOTE-If the vendor’s bank details have changed, the vendor needs to fill out a new EFT form in its entirety. Payment will be generated after receipt of an invoice from vendor. No payments can be sent without an invoice.
- If Mass Cultural Council has NOT used this vendor before:

- Draft a new contract with the vendor, clearly explaining in the scope what the product/service is and the cost. Include a payment schedule with deliverables if necessary.
- Send the vendor a complete Contract Packet, which includes a Standard Contract form, a W9, and EFT form, and a Terms and Conditions form.
- Explain to the vendor that they will be paid using EFT and Payment will be generated after receipt of an invoice from vendor. No payments can be sent without an invoice.

*Why would a vendor not be on a statewide contract?*

This usually happens when a vendor is an individual/sole proprietor (ex., panelist, photographer, designer) or is in a very specific niche category such as a gourmet catering services, florist, IT company, etc. Because statewide contracts are used across agencies, vendors who do not do business with the state on an ongoing basis are not going to be part of a statewide contract.

*How do vendors get paid?*

Vendors are paid using one of the three methods:

- Mass Cultural Council pays vendor directly using electronic funds (EFT) or a check:
  - All vendors need to send an invoice regardless of whether the vendor is on a statewide contract. This invoice is the paperwork needed to process a check/EFT payment through MMARS
  - Invoices can be attached to a Fiscal Expenditure form and check off “I Need a Bill Paid” or can be given to the Fiscal department.
- Mass Cultural Council pays vendor directly using agency credit card (P-card):
  - If a vendor requires immediate payment, or it is a one-time purchase, we can use the agency P-card as long as the purchase does not violate any of the P-card restrictions (please refer to the P-card policy for more information).
  - Any purchases made using a P-card must have back-up documentation (receipt) and be attached to a Fiscal Expenditure form. Please check off “I Spent Money”.
- Mass Cultural Council staff member pays the vendor using a personal credit card:
  - If an employee does not have access to an agency P-card, and needs to pay a vendor, a personal credit card may be used. Keep the receipt and submit for reimbursement through the paycheck reimbursement process. Reimbursement funds are not subject to payroll taxes. If a reimbursement request is completed including obtaining all necessary approvals by the



Tuesday in a week with a Friday payday, the reimbursement will be included in that paycheck. Otherwise, it will be included in the following paycheck two weeks later.

#### *Why are credit cards not used to pay all vendors?*

Some vendors, such as airlines, require immediate payment and other vendors offer one-time incidental goods/services. In those circumstances, a credit card should be used because the Council is not building a relationship with that vendor and an immediate payment is typically required.

In circumstances where Mass Cultural Council is cultivating a business relationship, a contract needs to be in place so that vendors deliver the items/services Mass Cultural Council wants at a negotiated price. This provides protection to the Council in the form of legal recourse if the service/item is not delivered as expected.

#### **ADDITIONAL APPROVALS FOR EXPENDITURES.**

All appropriate approvals must be obtained before Mass Cultural Council expends funds.

- All contracts must be signed by the Deputy Director to attest as to budgetary availability and legal form.
- Any contract committing more than \$25,000 (other than grants or other contracts specifically approved by the Council in a vote at a public meeting) must also be approved by the Executive Director.
- Any contract or other expenditure of funds which causes more than a 10% increase in any subsidiary lines of the fiscal year budget approved by the Council (i.e. Lines AA to UU) must be approved by the Chair and reported to the Council at the next Council meeting.
- Supervisors possess the delegated authority to approve routine instate travel expense reimbursements (not including lodging) from direct reports and requests for expenditures not in excess of \$100.
- P-card holders are expected to comply with "CREDIT CARD USE" policies above when employing the P-card for expenses. When a P-card holder is requested to use the P-card to purchase goods or services for another staff member, it is the responsibility of the P-card holder to determine that all necessary approvals have been obtained. Any questions should be referred to the Deputy Director for guidance. All P-card purchases should be made in conjunction with an approved "FISCAL EXPENDITURE FORM"
- Any approval authority of the Deputy Director in these policies may also be exercised by the Executive Director as the senior official.
- Senior Management reserves the right to include additional requirements or processes for signature authority as circumstances may dictate, provided that any less restrictive policies with first be reviewed with the Chair and in her discretion, with other Council Committees or task forces or the full Council .

## INTERNAL CONTROLS AND FRAUD PREVENTION

### Internal Control Plan

Mass Cultural Council is an agency of the Commonwealth of Massachusetts and as such has an especial obligation to the public to be careful stewards of our resources and assets in order to better fulfill our mission to the citizens of the Commonwealth of Massachusetts. To that end, we have adopted an internal control plan in accordance with the law (Chapter 647 of the Acts of 1989) to continue to demonstrate our commitment to integrity and ethical values, to exercise appropriate oversight responsibility, to establish structure, authority and responsibility, to demonstrate a commitment to competence and to create an environment of accountability. The Internal Control Plan can be read here [\[ADD LINK\]](#). *[Note- for review purposes- we have attached to this document to show the changes from the prior draft]*

### Reporting Fraud

As of November 26, 2018, all employees were made aware (through email notification and posting on the Agency's kitchen bulletin board) of specific statewide hotlines available to the public and to employees for reporting suspicions of fraud, waste or abuse or other illegalities, as follows:

*(There are several specific statewide hotlines available to both the public and employees that are anonymous and are staffed by individuals trained in receiving such information)*

- *Inspector General (800) 322-1323 to report suspected fraud, waste or abuse in government.*
- *Attorney General-Fair Labor Helpline (617) 727-3465 to report violations of minimum wage and overtime laws and Requirement for timely payment of wages.*
- *Division of Unemployment Assistance (800) 354-9927 to report unreported wages or persons collecting benefits while working.*
- *Office of the State Auditor (617) 727-6200 for state agencies to report variances, shortages or thefts of funds or property.*
- *PERAC-Public Employee Retirement Administration Commission (800) 445-3266. If you have reason to believe that public pension fraud may have occurred or is about to occur, notify PERAC's Fraud Prevention Unit. You can call (800) 445-3266, file a written Referral Report of Potential Fraud, or Email at PensionFraud@per.state.ma.us “*

# Experts: Revenue Boom Will Fade in Next Budget Cycle

Colin A. Young and Katie Lannan | 12/4/19 5:36 PM



Gov. Baker's budget chief Michael Heffernan (standing), Ways and Means Vice Chair Sen. Cindy Friedman, and Chairmen Sen. Michael Rodrigues and Rep. Aaron Michlewitz charted before gaveling in the fiscal 2021 consensus revenue hearing on Wednesday. The annual hearing kicks off the process of crafting next fiscal year's spending plan. [Photo: Sam Doran/SHNS]

STATE HOUSE, BOSTON, DEC. 4, 2019.....State budget writers began the fiscal year 2021 budget cycle Wednesday with a hearing at which the Department of Revenue, independent economists and think tanks sent the same message: get ready for state tax revenue growth to start slowing down.

The annual consensus revenue hearing held by the Joint Committee on Ways and Means and the Executive Office of Administration and Finance is a chance for budget managers to probe the status of the local economy, take into account other factors and then guess about the availability of tax revenues for budget-building purposes.

Tax revenue growth estimates for the coming fiscal year ranged from a low of 0.8 percent to a high of 3.5 percent. By Jan. 15, state officials must pick a growth number and base their spending plans off of it.

"Slower growth. Still growth, but slower growth, certainly not a recession. It's been consistent with the message that we've been hearing for the last few months, that we are still growing, just at a slower rate," Senate Ways and Means Chairman Sen. Michael Rodrigues said after the three-hour hearing.

House Chairman Rep. Aaron Michlewitz noted that the range of growth estimates "seems a little tighter" than in previous years and added that "there's a lot of uncertainty" in play when trying to project how the economy will act more than a year from now.



## FY21 Consensus Revenue: Chairs' Introductions

from State House News Service

08:23 |



At the outset of Wednesday's hearing, both chairmen mentioned last year's budget surplus but also the need to plan for years when the state is not as flush with cash.

"Revenue forecasting is difficult and an uncertain process. While we had a \$1.1 billion surplus this past fiscal year, we must remain thoughtful as we plan for the future," Michlewitz said.

For fiscal 2019, which ended June 30, Massachusetts government revenue collections totaled \$29.693 billion, which was \$1.1 billion or 3.8 percent above expectations. The sum represented a 6.9 percent -- or \$1.916 billion -- increase in actual collections over fiscal 2018, a year when collections rose 8.5 percent. None of the groups that presented at Wednesday's hearing projected similar growth for fiscal 2021.

### Dept. of Revenue

Revenue Commissioner Christopher Harding told budget writers he is not projecting a recession to begin this fiscal year or next. He said there's an "upside potential" beyond the fiscal 2020 revenue estimate of up to \$250 million and pegged the midpoint of the agency's fiscal 2021 revenue forecast at \$30.805 billion -- 2.3 percent growth in actual tax collections.



## FY21 Consensus Revenue: Department of Revenue Panel

from State House News Service

38:30 |



"The FY21 forecast assumes a deceleration in the economic growth environment and a moderate decrease in the non-withheld personal income tax category, which is mostly from investment, business, pass-through and other income, including capital gains, which at this time is a potentially volatile swing factor," Harding said.

The commissioner also foreshadowed the next round of tax relief once the state income tax falls to 5 percent on Jan. 1. Automatic tax relief associated with charitable donation deductions will result in a \$64 million hit to the fiscal 2021 state

budget and a \$300 million impact in fiscal 2022.

Numbers released after Wednesday's hearing showed tax collections over the first five months of fiscal 2020 exceeding the state's benchmarks by \$271 million, and up 5.4 percent over the same period in fiscal 2019. Harding cautioned lawmakers at the hearing that \$160 million in over-benchmark revenues this fiscal year are associated with the "volatile" estate tax.

### **Mass. Taxpayers Foundation**

Massachusetts Taxpayers Foundation President Eileen McAnneny said the state appears poised to return to the slower revenue growth rates of fiscal 2016 and fiscal 2017, rather than the "super-charged" growth rates of fiscal 2018 and fiscal 2019.

The business-backed organization projected a more limited revenue growth rate -- 2 percent in fiscal 2020 and 2.5 percent in fiscal 2021.



**SHNS Audio:**  
**FY21 Consensus**  
**Revenue:**  
**Economists Panel**

The "largest drag" on the forecast and the state's economy as a whole, McAnneny said, is the tightening labor market as the workforce continues to age and the unemployment rate remains low. MTF cautioned that "anemic" growth in the number of jobs created "is likely to have a material impact on income withholding and sales tax revenue going forward."

McAnneny said that if an economic downturn does hit, the federal government "may not be a reliable partner" given the combination of low interest rates and the rising national deficit.

"I think the federal government will just not be in a position to provide bailouts as they have done in other recessions," she said.

### **Professor Alan Clayton-Matthews**

Northeastern University economics professor Alan Clayton-Matthews, a senior contributing editor of MassBenchmarks, told the Joint Ways and Means Committee that he expects state tax revenues to total \$31.804 billion in fiscal 2021 -- a 3.5 percent rate of growth.

"Economic growth is expected to continue but at a slowing rate reflecting constraints on labor force growth due to an aging workforce," Clayton-Matthews said. "Growth in Massachusetts payroll employment, for example, is projected to be 0.8 percent in FY2020 and 0.5 percent in FY2021."

### **Beacon Hill Institute**

Economists at the Beacon Hill Institute offered the most cautious take, forecasting growth of 1.9 percent to \$30.2 billion in fiscal 2020 followed by a 0.8 percent increase in fiscal 2021. William Burke, the institute's director of research, said the state's economic outlook "remains solid," though growth is likely to moderate.

Whatever the eventual rate of growth ends up being, Rodrigues said he's confident that the administration and Legislature will have the money they need to craft the state's budget.

"Oh yeah. I'm confident there will be enough there. It's still growth," Rodrigues said. "I've been around long enough that I've been here when there's been shrinkage, and we're not moving in that direction."

Even with slower growth projections, lawmakers will need to begin including substantial new K-12 education funding in next year's budget, in keeping with a \$1.5 billion, seven-year school funding reform plan Gov. Charlie Baker signed into law last week.

Baker is due to file his fiscal year 2021 budget proposal by Jan. 22.

-END-

12/04/2019

# FY21 Budget Timeline

## DATE:

## ACTION:

November 2019	Internal conversations to begin to develop FY21 ask
November 2019	Respond to ANF/Gov info request
December 4, 2019	Consensus Revenue Hearing FY21
December 18, 2019	Convene meeting of Senior staff, MCC Advocacy Committee members and key partners (MASS Creative and Mass Humanities) to finalize feasible FY21 ask and develop an advocacy plan.
January 2020	Anita/BA meet with TACD chairs to review FY21 ask, confirm support, receive their guidance, line up amendment sponsorships
January 7, 2020	MCC Executive Committee Meets
January 22, 2020	Gov releases FY21 H2 Budget Proposal
January 23, 2020	Public response to H2 Recommendation (Blog? Email blasts?)
January 28, 2020	MCC Council Meeting
Feb-March 2020	Launch advocacy for FY21 ask, engage with partners and stakeholders (MASS Creative, Mass Humanities, others, social media, etc.)
Feb-early May 2020	Anita/BA meetings with key House and Senate members FY21ask (need to explain ask, build support amongst Members to make ask of HWM and SWM, line up amendment sponsors, etc.) Encourage partners and stakeholders to reach out to their legislators as well.
Feb-March 2020	HWM Info request
Week of April 13 <sup>th</sup>	HWM releases FY21 Budget Recommendations
Week of April 20 <sup>th</sup>	House Amendments Filed
Week of April 27 <sup>th</sup>	House FY21 Budget Debate
Week of May 4 <sup>th</sup>	Public response to FY21 House Budget Recommendation (Blog? Email blasts?)
May 5, 2020	MCC Executive Committee and Grants Committee meetings
Jan-May 2020	Schedule Mass Cultural Council Pop Up in State House – raise awareness of programs and services, be able to explain budget ask. Hoping for Nurses Hall or Room 428. Have TACD chairs speak. Nurses Hall booked through April, May dates available on Dec. 1. Ann will reach out to try to get room. Goal is to have this done between House and Senate budget debate weeks.
Week of May 11 <sup>th</sup>	SWM releases FY21 Budget Recommendations
Week of May 11 <sup>th</sup>	Senate Amendments Filed
Week of May 18 <sup>th</sup>	Senate FY21 Budget Debate
Week of May 26 <sup>th</sup>	Public response to FY21 Senate Budget Recommendation (Blog? Email blasts?)
June 2020	Conference Committee Advocacy
July 2020 (hopefully)	Prepare for potential vetoes and response

To: Mass Cultural Council Advocacy Committee  
From: David Slatery  
Date: December 18, 2019  
Re: FY21 Funding Scenarios

In connection with the discussion of the Mass Council's state budget request for FY 21, attached please find a document detailing different funding scenarios. The document is in the form of a simplified version (i.e. detailed line items were eliminated) of the budget spreadsheet that is contained in Council Meeting Books. Please note that this document is only an estimate at this point and may change as we prepare for the financial report to the January 2020 Council Meeting

The attached document contains 5 columns. The first column in the FY20 budget approved by Council (with some updated numbers described below) and the other four columns show versions based on

1. No state budget increase (Flat Funding).
2. \$1 million increase in state funding.
3. \$2 million increase in state funding.
4. 1988-level state funding (Mass Cultural Council received its highest funding ever in FY88 when it received \$27,395,489 which, adjusted for inflation in 2018 dollars, this would be close to \$58 million)

ASSUMPTIONS- Please note the following when reviewing the attached document

- The FY20 column is the same budget as was approved by the Council except we have realized approximately \$50,000 in payroll savings so far this year (due to the time certain positions). This has resulted in a concomitant increase in the amount of funds available for prepayment as well. These changed numbers in the FY20 are noted in **red** on the attached document.



- For purposes of the exercise, all of the versions for FY21 assume we will spend the same on all of the same items as FY20 (except as noted below.) Likewise, apart from the change in state funding between versions, we have assumed all other revenues will be the same.
  - In FY21, we have added \$175,000 to the staff line which covers expected union and manager salary increases, step raises, and the assumption of a fully-staffed agency plus an additional position related to diversity, equity and inclusion efforts.
  - We have added \$70,000 for Traditional Art Apprenticeship grants which did not occur in FY20 (they only occur in odd-numbered fiscal years).
- We have assumed no earmarks or any changes in the Klarman Foundation funding. This should not matter for this exercise as these revenues will always match discreet expenses for specific purposes and cannot be used for anything.

As can be seen from the attached, the Council had a large carryforward from FY 19 (approximately \$770,000) which was applied and used to fund programming in FY20. Further, seeking to make sure our funds were deployed to the field, the Council budgeted on a much smaller amount of prepaid expenses to be carried forward into FY21. The effect of such additional funds being available this year means that if the Council received the same amount of funding in FY21 as in FY 20 and wanted to spend the same amount plus the items referenced above, as can be seen on the bottom-most line on the attached chart (entitled "Surplus/(Deficiency)", there would be an approximately \$840,000 deficiency.

Under the other scenarios- a \$1 million increase would cover this deficiency referred to above and leave an additional \$100,000 to cover other matters, a \$2 million increase would provide over \$1 million available for new programming and grants (which staff will address further at the meeting) and returning to a 1988 level of funding would provide more than \$8 million for increased and new programming.



MASSACHUSETTS CULTURAL COUNCIL	FY 20	FY 21	FY 21	FY 21	FY 21
FY 21 BUDGET PROJECTION (NO DETAIL)	APPROVED	PROJECTION	PROJECTION	PROJECTION	PROJECTION
DRAFT- 12.16.2019	BUDGET	PLAN V1	PLAN V2	PLAN V3	PLAN V4
	As approved 8-19 w/payroll adj	FLAT FUNDING	\$1 MIL Increase	\$2 MIL Increase	1988 Level - \$27.4 million
EXPENSES					
<i>I. NON GRANT/NON PROGRAM EXPENSES-SALARIES, SPACE, AND ADMINISTRATION</i>	3,803,514	3,978,294	3,978,294	3,978,294	3,978,294
<i>II. PROGRAM EXPENSES</i>	760,460	760,460	760,460	760,460	760,460
<i>III. APPROVED GRANTS</i>	14,786,000	14,856,000	14,856,000	14,856,000	14,856,000
Massachusetts Foundation for the Humanities	679,397	679,397	717,140	754,884	1,034,021
NEFA Project	60,000	60,000	60,000	60,000	60,000
Pass Through Earmarks	180,000				
<i>IV. PARTNERSHIPS/ RE-GRANT PROGRAMS</i>	919,397	739,397	777,140	814,884	1,094,021
<i>V. PREPAID/CARRYFORWARDS</i>	113,255	63,403	63,403	63,403	63,403
<b>TOTAL EXPENSES</b>	20,382,626	20,397,554	20,435,297	20,473,041	20,752,178
REVENUES					
State: Basic Appropriation (0640-0300) less Earmarks	18,000,000	18,000,000	19,000,000	20,000,000	27,395,489
State: Pass-Through Funds (Earmarks)	180,000				
MassDevelopment: For MCC Expenses Associated with Cultural Fac	325,000	325,000	325,000	325,000	325,000
Prepaid Expenses (Funding from Prior Years' Budgets)	680,350	33,285	33,285	33,285	33,285
National Endowment for the Arts	910,700	910,700	910,700	910,700	910,700
Harry Rice Trust Account (As of 7/1)	79,970	79,970	79,970	79,970	79,970
Klarman Year III Funding for META	71,109	71,109	71,109	71,109	71,109
Klarman Year IV Funding for META	135,491	135,491	135,491	135,491	135,491
<b>TOTAL REVENUE</b>	20,382,626	19,555,561	20,555,561	21,555,561	28,951,050
<b>Surplus (Deficiency)</b>	-	(841,993)	120,264	1,082,520	8,198,872
