Dance Kaiso instructors Val Serrant (left) and Wilfred Mark of Trinidad along with Robbin Frey (not shown) teach youth the arts of the Caribbean in San Francisco. Photo: Lily Kharrazi

Assessment of Regranting Intermediaries Strategy:
Exploring the Ecosystem of Support for Individual Artists & Small Arts Organizations in the San Francisco Bay Area

THE WILLIAM AND FLORA HEWLETT FOUNDATION
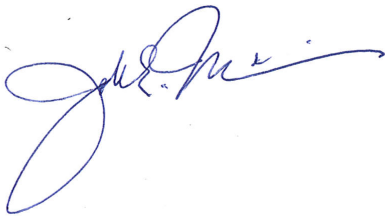
Olive Grove

INFORMING CHANGE

PREFACE:
REFLECTIONS FROM THE HEWLETT FOUNDATION

Very small budget organizations, fiscally sponsored projects, and individual artists, play an important role in a healthy arts ecosystem. Although the Hewlett Foundation does not provide direct support to these players, we recognize that these organizations and artists are severely under-resourced.

To address this need, the Performing Arts Program has been consistently investing in a cluster of regranting intermediary organizations to provide support. Even during the economic downturn over the past several years with 40% cuts to our grants budgets, we prioritized support for regranting intermediaries and held funding steady as much as possible.

Now in a very different economic climate, we are assessing the progress of our work and determining how to improve. Through a competitive process, we identified a team of consultants from Olive Grove and Informing Change to conduct a formal evaluation of our regranting strategy by seeking grantee feedback from our intermediary partners, as well as engaging the perspectives of artists, other funders, and thought leaders both in the Bay Area and around the country.

We are grateful for the wealth of ideas and suggestions that emerged from the process. We cannot accomplish these alone, so we share this report with our peers and colleagues in hopes that together, we can continue to build a thriving arts ecosystem in the San Francisco Bay Area and beyond.

John E. McGuirk
Program Director for Performing Arts
The William and Flora Hewlett Foundation

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY

PURPOSE OF THE STUDY

In March 2014, The William and Flora Hewlett Foundation (the Hewlett Foundation) engaged consultants from Olive Grove in partnership with Informing Change to assess the effectiveness of the Foundation's approach to support regranting intermediaries as a means to resource small arts organizations, individual artists, and communities or arts disciplines with which program staff have limited expertise (for instance, folk and traditional arts). The purpose of this study was three-fold:

- To forecast the fluctuating funding environment for the Performing Arts Program's (the Program) current intermediaries;
- To better understand which artists, organizations, and communities benefit from the Program's current intermediary funding strategy and where gaps or overlaps lie; and
- To develop a set of recommendations for how the Program's regranting approach could adapt in order to better serve the Bay Area performing arts ecosystem, according to the goals and priorities of the Program's strategic framework.

The primary audience for this assessment is the Performing Arts Program staff, who will use the findings and recommendations to inform decision-making about how to best use intermediary funding to help the Program achieve its goals. The leaders of the current intermediaries are the secondary audience, since the Program staff wants to work in a spirit of partnership with these organizations. The tertiary audience is the larger arts and culture field, which could benefit from excerpted "lessons learned" from this assessment.

KEY FINDINGS AND RECOMMENDATIONS

This exploratory examination of the Bay Area performing arts regranting intermediary milieu revealed several key takeaways, summarized below and further examined throughout the report.

- While the entire nonprofit sector struggles to be sustainable, the performing arts community in particular suffers from a specific mix of stressors that deeply impact their capacity for longevity in the community. Key factors include: funding and capacity to solicit and retain support; access to affordable facilities and appropriate space for art-making and presenting; and accessing and retaining the skills and infrastructure needed to be sustainable.

- The way art is made continues to evolve, such that categories and frameworks traditionally used to separate artistic styles and types no longer fit much of the art emerging in the field. Artists are self-identifying as part of multiple performance groups or structures as well as remaining more independent, further blurring the lines to "pin down" art forms and boundaries.
- Many small arts organizations and individual artists are still not being reached. Identifying and understanding "who is missing" was a key focus of this study, and there is still more to learn on this issue. However, certain communities are believed to be marginalized and have barriers to accessing funding for their creative expression, including certain ethnic, cultural and immigrant communities, and those who may not associate their creative expression with customary art categories or who cross those categorical boundaries, among others.
- From 2010 to 2013, Hewlett's intermediaries regranted almost $7.4 million through 1,382 grants, and approximately 53% of this funding came from their support from Hewlett. There was a slight decline in grants and funding over this time period, while the demand from individual artists and small organizations was increasing. Grants were made throughout the San Francisco Bay Area and across art disciplines, ranging from less than $1,000 to over $25,000.

Our recommendations to Hewlett, drawing upon the overall findings from the assessment, focus dually on deepening current intermediary investments and partnerships while also exploring new relationships to address the needs of marginalized artist communities unmet by current intermediaries. In addition, we recommend that Hewlett play more of an advocacy role among peers to step up their funding in the arts, including investments for artistic creation, increased capacity/capitalization, and reaching marginalized communities. Lastly, we identify additional areas for exploration to complement this study and to provide further understanding around barriers, potential shared infrastructure opportunities, and different models to support small arts organization and artists' capacity.

II. INTRODUCTION

HEWLETT'S PERFORMING ARTS PROGRAM

With an annual budget of approximately $15 million, the Hewlett Foundation's Performing Arts Program is one of the largest institutional funders of the performing arts in the San Francisco Bay Area. Currently, the Program has over 280 active grants—primarily multi-year, general operating support—made to performing arts organizations located in 11 counties of the Bay Area.

The Program does not fund organizations with budgets under $100,000. The Foundation is not set up to provide direct support to individual artists, nor does the Performing Arts Program generally support start-up organizations. However, the Program staff understands that a vibrant arts ecosystem must include and support all of these players. The Program's funding to regranting intermediary organizations is an attempt to work within the Foundation's guidelines while ensuring that resources reach very small-budget organizations, individual artists, and emerging performing arts companies.

Regranting intermediaries have a unique role due to their discipline expertise and geographic knowledge. Intermediaries are solely responsible for creating their grant application processes, developing artist peer panels to review proposals, and awarding and monitoring grants over time. Hewlett staff is not involved in these grantmaking decisions—indeed they are restricted from having undue influence—leaving it entirely to the regranting intermediary.

Hewlett's intermediaries represent a broad spectrum of organizations in terms of activity, legal structure, size, geographic range, and stage of development. In addition, Hewlett's intermediary partners have changed somewhat over the years. In order to analyze and make meaning of the data, we looked at various ways of categorizing the intermediaries while recognizing that each intermediary has a unique organizational profile, which makes any effort to group or categorize imperfect. Two groupings—"Foundation funders, including community foundations," and "Arts-focused nonprofits, arts councils, and other partners"—were most relevant for this particular study. The intermediaries included in this study are:

> **Foundation Funders, Including Community Foundations**
> - East Bay Community Foundation
> - Horizons Foundation
> - Humboldt Area Foundation, Native Cultures Fund
> - Wallace Alexander Gerbode Foundation, Commissioning Program
> - Walter and Elise Haas Fund, Creative Work Fund
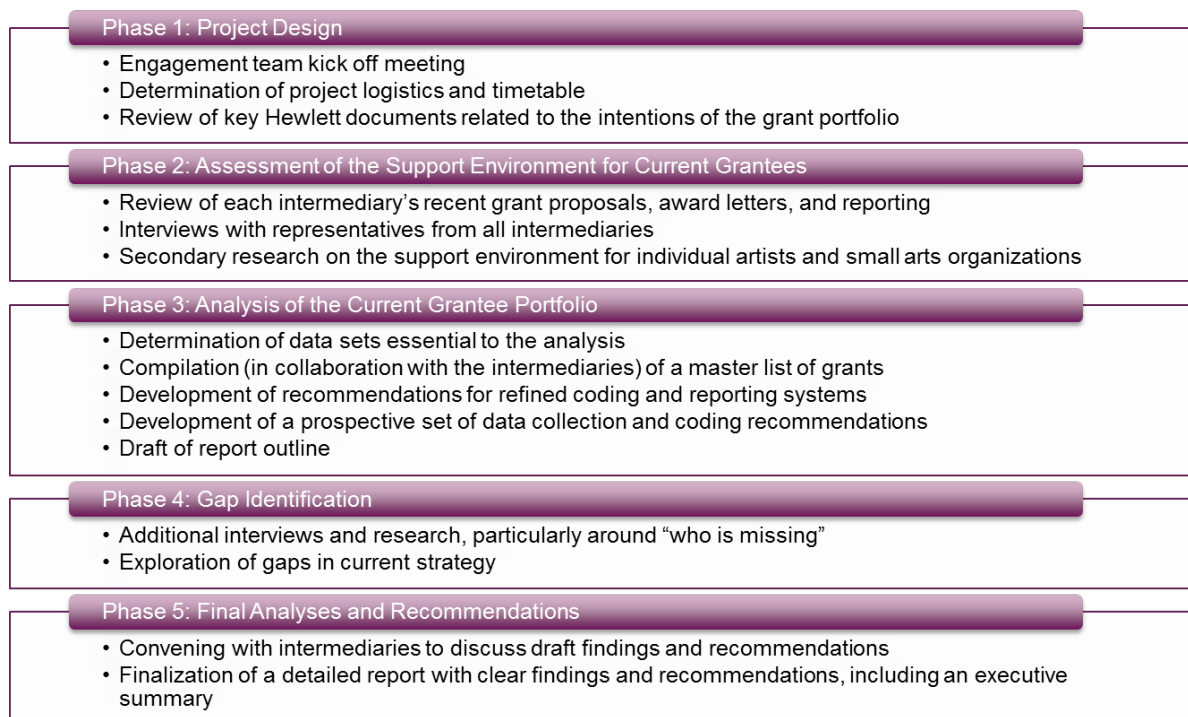> - Zellerbach Family Foundation, Community Arts Fund

Arts-Focused Nonprofits, Arts Councils, and Other Partners
- Alliance for California Traditional Arts
- Arts Council for Monterey County
- Arts Council Santa Cruz County
- The CA$H Program (Theatre Bay Area and Dancers Group)
- Center for Cultural Innovation
- County of San Mateo
- San Francisco Friends of Chamber Music
- Silicon Valley Creates

METHODOLOGY AND PROCESS OVERVIEW

Our work was designed to explore the degree to which the Program's current regranting approach is effective in helping the Program reach the goals articulated in its current strategic framework. The process spanned from March through September 2014, and included the key phases and action steps illustrated below in Exhibit 1.

Exhibit 1
Assessment Process Overview

Phase 1: Project Design
- Engagement team kick off meeting
- Determination of project logistics and timetable
- Review of key Hewlett documents related to the intentions of the grant portfolio

Phase 2: Assessment of the Support Environment for Current Grantees
- Review of each intermediary's recent grant proposals, award letters, and reporting
- Interviews with representatives from all intermediaries
- Secondary research on the support environment for individual artists and small arts organizations

Phase 3: Analysis of the Current Grantee Portfolio
- Determination of data sets essential to the analysis
- Compilation (in collaboration with the intermediaries) of a master list of grants
- Development of recommendations for refined coding and reporting systems
- Development of a prospective set of data collection and coding recommendations
- Draft of report outline

Phase 4: Gap Identification
- Additional interviews and research, particularly around "who is missing"
- Exploration of gaps in current strategy

Phase 5: Final Analyses and Recommendations
- Convening with intermediaries to discuss draft findings and recommendations
- Finalization of a detailed report with clear findings and recommendations, including an executive summary

For this assessment, we interviewed representatives from the 14 arts intermediary organizations funded by Hewlett between 2010 and 2013, augmented by 12 additional conversations with Bay Area and national funders, artists, artist networks, and other key stakeholders in the field. Please see Appendix A for a list of organizations and individuals interviewed; Appendix B includes the interview questions that framed our conversations. We also reviewed materials describing the Program's strategy and

relevant resources on specific topics of interest, such as fiscal sponsorship, crowdfunding, trends in art-making and the shifting cultural ecology, analysis and reports on arts data from the Cultural Data Project, and research on individuals or communities who cannot or do not access current arts funding sources due to a variety of reasons.

Each intermediary also provided data on their regranting from 2010 to 2013 (for whichever years in which they received a grant from Hewlett designated for regranting) and responded to a number of follow-up questions from the Olive Grove and Informing Change consulting team. The Informing Change team closely reviewed all the regranting data and created a consolidated database for analysis and to share with Program staff.

It is important to acknowledge the nature of the data gathered, and its limitations. This report represents an amalgam of perspectives gleaned through numerous conversations with diverse participants, complemented by research and studies that were also primarily qualitative and anecdotal in nature. The process did not include any qualitative "weighting" or segmenting of the interview data (for example, comparing funder perspectives to artist perspectives). We did not prioritize achieving a representative sample size of each type of stakeholder. In addition, we promised anonymity to those who were sharing their perspectives; thus combined with the relatively small number of interviews any segmenting could unnecessarily expose a particular individual within that segment (e.g., artists). Therefore, while we believe the interview data elevates substantive themes, we also recognize the limitations of this study and recommend more comprehensive research and analysis for future exploration on key topics.

The findings and recommendations in this report were constructed iteratively and collaboratively with the Program team. Several discussions with Program staff allowed the consulting team to adjust and augment the report, accounting for additional findings and perspectives. Hewlett staff then convened the intermediaries in September 2014 to discuss the report and ensure stakeholder understanding and input before the report was finalized.

III. THE CHANGING FIELD OF ART-MAKING

CONTINUED FRAGILITY OF THE FIELD AND ARTS FUNDING FOR INTERMEDIARIES

Similar to the nonprofit sector more generally, the performing arts community continues to be under-capitalized in funding, facilities, and human capital. Funding and earned income for the arts has been hit particularly hard by the recession, and the field continues its struggle to gain and retain key resources in order to be sustainable. Continued cuts to arts funding and resources, combined with a simultaneous increase in art-making, were themes highlighted repeatedly throughout our assessment process. In terms of funding cuts, some interviewees specifically remarked on the exit of community foundations from significant arts support, as well as potential shifts among other major Bay Area foundations as they engage in their own strategic planning processes.

From the arts intermediaries' perspective, the forecasted funding environment is regarded as skeptically hopeful. While some are fortunate enough to have already engaged new, major funding partners (such as Surdna Foundation and the National Endowment for the Arts), others feel that the funding environment is highly volatile. The range of arts initiatives currently populating the field has translated into dollars being distributed in a less concentrated manner than in the past. Some intermediaries are engaging with individual donors for the first time, seeing this as a potential funding stream worth further cultivation.

Recent closures and significant rescaling of key cultural organizations that have served as intermediaries or fiscal sponsors for small organizations and individual artists further illustrate the stressed Bay Area performing arts ecosystem. Key examples that exemplify this challenge include:

- Marin Arts Council, a former regranting intermediary, operated for more than three decades until its closure in 2012.[1]
- The Cultural Arts Council of Sonoma County, which functioned for 26 years, is filing for bankruptcy and dissolution in 2014. With this closure, a number of artists lost their avenue to fiscal sponsorship and the funds donated for that purpose.[2]
- In May 2014, as it approached its 50th anniversary, Intersection for the Arts has announced its intent to restructure and downsize.[3] Through its Incubator Program, the organization plays a critical role by fiscally sponsoring more than 100 projects and small budget organizations across numerous arts disciplines in the Bay Area.

---

[1] http://marinarts.org/news/2012/9/18/goodbye-marin-arts-council.

[2] http://www.pressdemocrat.com/article/20131017/articles/131019523.

[3] http://ww2.kqed.org/arts/2014/05/22/san-franciscos-intersection-for-the-arts-suspends-programs-lays-off-curators/.

In addition to these funding and capitalization challenges, the intermediaries themselves (particularly those that are not foundations), and the small arts organizations and artists they support, continue to suffer from gaps in core business functions. Capacity challenges include but are not limited to areas such as governance, leadership and transitions, technology systems, fundraising, marketing, social media, human resources and sufficient staffing levels, and financial literacy.

A chronic shortage of access to affordable space—for rehearsals, storage, administration, and performances—is another recurring theme uncovered in this study, a gap experienced by both small arts organizations and individual artists. Many are also "migrating" out of San Francisco and other increasingly expensive areas. Taken together, these various challenges suggest that throughout the Bay Area, there continues to be insufficient infrastructure for artists and small arts organizations to thrive.

SHIFTING TRENDS IN FISCAL SPONSORSHIP

Another key trend gleaned from this assessment is the perceived increase in utilization of and dependency upon fiscal sponsors. Many artists and small organizations are choosing not to take on the potential burdens of 501(c)(3) status and regard the option of fiscal sponsorship as viable for long periods of time or even as a permanent solution to needing any organizational infrastructure.

More and more, individual artists are moving fluidly among multiple solo and group projects rather than committing to growing one organization. They are also more likely to be engaging simultaneously in commercial, nonprofit, and community-based arts activities.[4] Our research did not elevate examples of artists or groups co-mingling these strategies on the same project, but this mix of income streams further reduces the incentive to formalize a corporate structure in either the for-profit or nonprofit space and, rather, increases reliance on fiscal sponsorship.

While some artists feel that the overhead associated with fiscal sponsorship is not worth the services they receive, they have few alternate options for accepting grant funds. Some artists expressed that they would deem the fiscal sponsor/sponsored dynamic more worthwhile if a robust suite of services were included, such as back office/administrative support. Most of the fiscal sponsors available provide pass-through services, which can be frustrating to those receiving small grants who then have to give 10% of this support to another entity.

Although the consulting team did not independently confirm this trend, a number of those interviewed perceive that as the demand for fiscal sponsors has increased, fewer organizations are offering this service (or have closed entirely), resulting in a higher

---

[4] Ann Markusen, Sam Gilmore, Amanda Johnson, Tittus Levi and Andrea Martinez, "Crossover: How Artists Build Careers across Commercial, Nonprofit and Community Work", commissioned by The William and Flora Hewlett Foundation, The James Irvine Foundation and Leveraging Investments in Creativity (LINC) 2006.

concentration of sponsorships. Most of the intermediaries mentioned an increase in the use of fiscal sponsors among their constituents as well as the field overall, although among their regranting activities, the majority of grants are still going to 501(c)(3) organizations rather than those fiscally sponsored. The recent demise or significant restructuring of a few fiscal sponsors in Hewlett's 11-county region (including The Cultural Arts Council of Sonoma County, as referenced above), have highlighted the impact on artists and funders when a fiscal sponsor fails. It is not clear that there is widespread adoption of, or consistent inquiry from artists and organizations about the standards established by the National Network of Fiscal Sponsors.[5]

One other observation provided to the consultants is that as technology and virtual services have improved, some fiscal sponsors are serving local artists but do not have a local presence, making some projects ineligible for a few geographically-restricted grants.

THE RISE OF CROWDFUNDING

A significant new trend in the performing arts ecosystem is the rise of crowdfunding.[6] As defined on investopedia.com, crowdfunding is: "The use of small amounts of capital from a large number of individuals to finance a new business venture. Crowdfunding makes use of the easy accessibility of vast networks of friends, family and colleagues through social media websites like Facebook, Twitter and LinkedIn to get the word out about a new business and attract investors."[7] Some intermediaries report that nearly all of their grant recipients have a crowdfunding strategy in addition to more traditional fundraising and grant requests. Frequently used sites include Kickstarter, Indiegogo, and Gofundme, among others.

Crowdfunding in the arts plays a role in creating a culture of funding specific projects, not a culture of funding a lifestyle/career for artists. Few artists can actually make a living through crowdfunding;[8] key crowdsourcing sites such as Kickstarter prohibit "fund my life" projects. One external source said Kickstarter appears to be the fourth largest arts funder in the area (which would not include additional funding through sites such as Indiegogo.com and others).

---

[5] http://www.fiscalsponsors.org.

[6] http://www.prnewswire.com/news-releases/crowdfunding-market-grows-81-in-2012-crowdfunding-platforms-raise-27-billion-and-fund-more-than-one-million-campaigns-finds-research-firm-massolution-201911701.html.

[7] http://www.investopedia.com/terms/c/crowdfunding.asp.

[8] http://www.newyorker.com/online/blogs/currency/2014/02/can-we-crowdfund-a-creative-middle-class.html.

While the volume of funding may make this statement true, the comparison to an "arts funder" is a stretch since Kickstarter represents an amalgam of thousands of individual donors rather than a centralized funding source or relationship.

It is difficult to discern whether crowdfunding platforms actually bring new funding versus raise funds from existing friends/family, but at a minimum, these platforms appear to expand the potential exposure to new audiences and potential donors. Some organizations are using crowdfunding to meet match requirements for grants, yet crowdfunding remains a small fraction of money donated to nonprofits overall.

Crowdfunding is particularly attractive to younger donors who are looking for a more direct connection to the causes and people they are supporting. The co-founder of Indiegogo.com says people are inspired to donate to crowdfunding because of a passion for the project, trust in the person behind it, involvement in something bigger than oneself, and the receipt of a perk.[9] In addition, crowdfunding exposes artists and groups to people they may have otherwise never reached. There is also the potential to grow micro-philanthropists into bigger givers.[10]

At the same time, there are also drawbacks to using crowdfunding sites. The work needed to crowdfund is more than many people assume. It can require many skillsets to be able to advertise, communicate with the community, and design and disseminate "rewards" or prizes.[11] Just as with traditional fundraising channels, artists and organizations must also build relationships with donors who give at a higher level to keep them in the loop. Crowdfunding does help build a fan base, though some are starting to worry about donor fatigue, as there are many projects to fund.[12] In addition, crowdfunding does not usually offer other benefits that you get with foundation funding, such as industry knowledge, relationships, and status to the artist.[13]

TRENDS IN ART-MAKING

Another overriding trend in art-making is a blurring of the lines and increased boundary-spanning across traditional arts categories and delineations. More work is now multidisciplinary and defies conventional labels. For some artists, traditional categories (e.g., dance, music, theater) do not describe their work in a meaningful way.

---

[9] http://www.nytimes.com/2014/02/08/your-money/crowdfundings-effect-on-venerable-nonprofits-raises-concern.html?_r=0.

[10] http://www.theguardian.com/culture/culture-cuts-blog/2011/mar/11/crowdfunding-arts-wedidthis.

[11] http://egerber.mech.northwestern.edu/wp-content/uploads/2012/11/Easy-Money-The-Demands-of-CrowdfundingWork-_2012.pdf.

[12] http://ucsota.wordpress.com/?s=crowdfunding&submit=Search.

[13] http://www.nber.org/chapters/c12946.pdf.

However, many grant opportunities still rely on "checking the box" within traditional categories, which may hinder access to funding by multidisciplinary artists. Obviously these trends may not apply to those artists and organizations that are dedicated to preserving and evolving within defined forms, but in many cases the funding, structures, and even language have not adapted to sufficiently address art forms that defy traditional categorization.

As forms of arts shift, so do definitions of an audience and of a performance. Some work is exclusively shared online, opening up new dialogue about what it means to have "an audience." Others are moving their performances to public spaces, sometimes reacting to lack of access for formal spaces, and at others, making specific choices to expand the traditional definition of "performance space" or to develop new avenues to increase audience engagement. Artists are also increasingly engaging in exchanges on the process of art-making—the "reveal"—and even iterating audience interactions and feedback into their work. However, most funders still prioritize a culminating live performance, in front of a "real" audience.

PERSISTENT INEQUITIES IN ARTS FUNDING

This process of reviewing Hewlett's intermediary strategy overall provided the opportunity to step back and explore the question of "who is missing?" In other words, where is art-making happening but the artists and organizations are not accessing available grant prospects to support their work?

The study's interviewees articulated a number of potential barriers (perceived or real) as the reasons why artists and small organizations are not tapping into these funding streams. The barriers include but are not limited to:

- Being unaware of the funding streams;
- Knowing about the availability of grants but being unaware that they fit the criteria, or that they would be competitive;
- "Suspicion" that accepting the funds will require trade-offs and expectations that they are not willing to meet;
- Not knowing where to start when it comes to applying for funding, and requiring hands-on support to go through the process—assistance which is rarely available to them;
- Limited previous success in securing this type of funding, and thus feeling disillusioned by the process;
- Not seeing themselves reflected in the categories or language being used (e.g., they do not call themselves "artists" but rather "tradition-bearers");
- Barriers to access, such as geography, language, knowing how to navigate "the system," etc.;
- Limited time or capacity (real or perceived) to write proposals and budgets to pursue the grant and secure a fiscal sponsor; and
- Concern that the time and cost associated with fiscal sponsorship is not worth the amount of funding the grant would provide.

Hewlett has selected its intermediaries in order to specifically reach some of the traditionally underserved communities and artists (for instance, ethnically or culturally based performance, the LGBTQ community, Native Americans, rural communities, and other specific populations). In addition, each intermediary expressed their commitment and described specific activities to expand the outreach and awareness of grants to underserved communities, and to reduce potential barriers such as language or unfamiliarity with navigating a grant proposal process. However, even with these efforts, there are undoubtedly many populations that remain underrepresented.

Unfortunately, the current grants tracking and reporting to Hewlett do not track key data (such as artist ethnicity) that would help inform the "who is missing" question among Hewlett regranting recipients. Without these data, it is also impossible to ascertain whether Hewlett funding aligns with broader demographic data within the 11-county region.

In order to dig deeper into the question of "who is missing" in the 11-county region comprising Hewlett's portfolio, Olive Grove spoke to nine individuals to gain their perspectives on barriers and opportunities. These augmented earlier conversations on this topic with each intermediary and with the Packard Foundation, Rainin Foundation, and the San Francisco Arts Commission. Please see the listing of those interviewed in Appendix A.

These informants mentioned a number of communities they believe are currently underserved through current grants funding channels, including:

- Ethnic, cultural and immigrant communities: African American, Native American, Hispanic, numerous Asian immigrant communities, and "particularly very recent immigrants;"
- Traditional heritage bearers who may not associate their creative expression in a category called "artists," "dancers," or "musicians;"
- Spoken word and hip hop ("Hip hop has really emerged—there are clear standards but they are unknown to most traditional funders");
- Music makers in new or nontraditional areas, including DJs and alternative music;
- Those engaged in the literary arts;
- Community, participatory, and faith-based arts ("There is an entire structure that is developing around African American Praise groups, including emerging standards and national festivals and competitions");
- The LGBTQ community, and specifically "queer folk art including burlesque, night club, and drag performers;"
- Multidisciplinary artists who do not fit any specific category ("We're not dancers, not actors, not musicians—we are just performers");

- ▪ Artists working from standards of excellence that are unfamiliar to many current funders or panelists ("Current funders struggle to interpret different aesthetics, and even the forms an artist has to fill out carries certain assumptions and implicit preferences for Western European and traditional art"); and
- ▪ "People at the edge of traditional art. There is also a DIY group, maker culture— which may overlap with other art forms. The innovators, creators, those who may be pushing the envelope with technologies."

In interviews, many respondents mentioned that "the assumption in many communities is that foundation dollars are meant for certain people. It would never occur to some art makers that they would be considered appropriate or competitive." There is a perception that this barrier is reinforced by the lack of awareness among many panelists and regranters about the artistic and aesthetic standards present in underrepresented communities.

One interviewee also expressed that, "There are real disincentives to artists to share these avenues and spread the word. For those who have figured it out, they don't want more competition for grants from a fixed pie. If [funders] want to get the word out to underserved communities, the people spreading the word need to not have skin in the game—more like neutral educators/organizers. [Funders] can't rely on the artists to network among their own groups."

A few of those interviewed emphasized the role other types of nonprofits play in supporting artists in their specific communities. For example, organizations "that are working at the nexus of arts and something else—for example social service youth organizations—may have fairly sophisticated arts components, but those folks wouldn't think to apply for arts grants."

Finally, another component of "who is missing" is a simple question of supply and demand. Universally, the intermediaries stated that they receive many more applications than they can fund; they are turning away "huge numbers" of artists and small organizations who would qualify for funding if there was more grant money to distribute. This supply and demand gap is described in the following analysis of the current intermediary portfolio. The external stakeholders interviewed reinforced this view of a perpetual shortage of funding for quality artists. This begs the question of why focus effort on increasing demand for funds unless increasing the funding amounts as well, since demand already far outweighs the supply of available resources.

IV. SNAPSHOT OF HEWLETT'S RECENT PERFORMING ARTS REGRANTING ACTIVITIES

Of the 14 intermediaries included in this assessment, 13 engaged in regranting activities between 2010 and 2013 and are included in this snapshot.[14] Appendix D provides brief descriptions of the regranting funds for each intermediary. This snapshot presents two types of regranting:

1) **Regranting Supported by Hewlett Funding** – This includes regranting in which intermediaries either identified grantees specifically as being funded by Hewlett or indicated that grantees were supported from a pool that included Hewlett funding. Because this regranting includes funding from Hewlett and other sources, the amount is greater than that just provided by Hewlett, and it is not all directly attributable to Hewlett.

2) **Overall Regranting** – This refers to intermediaries' regranting activities overall, including but also beyond that supported by Hewlett grants. This provides a larger picture of the universe of support to individual artists and small arts organizations into which Hewlett is contributing. Overall regranting data are only available for the total number of applications, number of grants made, and amount funded.

Over this time period, the Program awarded close to $5 million ($4,734,166) to these 13 intermediaries. Intermediaries used about 82% of this support for regranting to individual artists and small organizations. The remaining funding supported the intermediaries' overall work, such as technical assistance activities, staffing, and administration costs; in fact, one intermediary (Arts Council for Monterey County) did not use the Hewlett funds at all for their regranting efforts. Therefore, this intermediary is excluded from the analysis on regranting with Hewlett funds but is included in the analysis on overall regranting. Exhibit 2 illustrates which intermediaries are included in the analysis.

---

[14] One intermediary (the County of San Mateo) did not receive Hewlett funding until 2013 and is therefore excluded from this analysis focused only on 2010–2013 regranting.

Exhibit 2

Regranting Classifications for Intermediaries

Regranting Supported by Hewlett and other sources $7.4M

Overall Regranting $12.5M

- Alliance for California Traditional Arts
- Arts Council Santa Cruz County
- Center for Cultural Innovation
- East Bay Community Foundation
- Gerbode Foundation
- Horizons Foundation
- Humboldt Area Foundation
- San Francisco Friends of Chamber Music
- Silicon Valley Creates
- The CA$H Program: Theatre Bay Area and Dancers Group
- Walter & Elise Haas Fund
- Zellerbach Foundation

No Regranting Data Available
- County of San Mateo

Overall Regranting Only
Art Council of Monterey County

From 2010 to 2013, the 12 intermediaries that were supported by Hewlett funding for their regranting activities made 1,382 grants totaling almost $7.4 million (Exhibit 3). Approximately 53% ($3,873,000) of this funding was from their Hewlett grants.

Exhibit 3
**Number and Amount of Grants Awarded by Intermediaries**

	Number of Grants	Amount Regranted	Years of Regranting[15]
Alliance for California Traditional Arts	77	$502,030	2010–2013
Arts Council Santa Cruz County	165	$604,535	2010–2013
Center for Cultural Innovation	276	$245,347	2012–2013
East Bay Community Foundation	46	$279,040	2010–2013
Gerbode Foundation	24	$1,500,000	2010–2013
Horizons Foundation	44	$235,500	2010–2013
Humboldt Area Foundation	8	$40,000	2012–2013
San Francisco Friends of Chamber Music	79	$216,379	2011–2013
Silicon Valley Creates	246	$937,444	2010–2012
The CA$H Program: Theatre Bay Area and Dancers Group	108	$334,000	2010–2013
Walter & Elise Haas Fund	38	$1,435,948	2010–2013
Zellerbach Foundation	271	$1,009,700	2010–2013
TOTAL	**1,382**	**$7,339,923**	**2010–2013**

Looking at intermediaries' overall regranting activities, including grants not funded by Hewlett, offers a broader context for understanding the support provided to individual artists and small organizations into which Hewlett is contributing. Overall, the 13

---

[15] As noted, not all intermediaries regranted with Hewlett funding all four years. These shifts in the number of intermediaries regranting each year are addressed by also showing the average number grants and amount of funding per intermediary for each year.

intermediaries regranting from 2010 to 2013 distributed almost $12.5 million through 2,573 grants selected from 6,002 applications.

The number of applications received and grants made, both for regranting supported by Hewlett and overall regranting by intermediaries, peaked in 2012 when the greatest number of intermediaries were regranting (Exhibit 4). Adjusting for the difference in the number of intermediaries regranting each year, the average number of grants awarded has remained relatively constant over this time, with a slight uptake in 2012 (Exhibit 5). At the same time, the average number of applications received per intermediary has been growing.
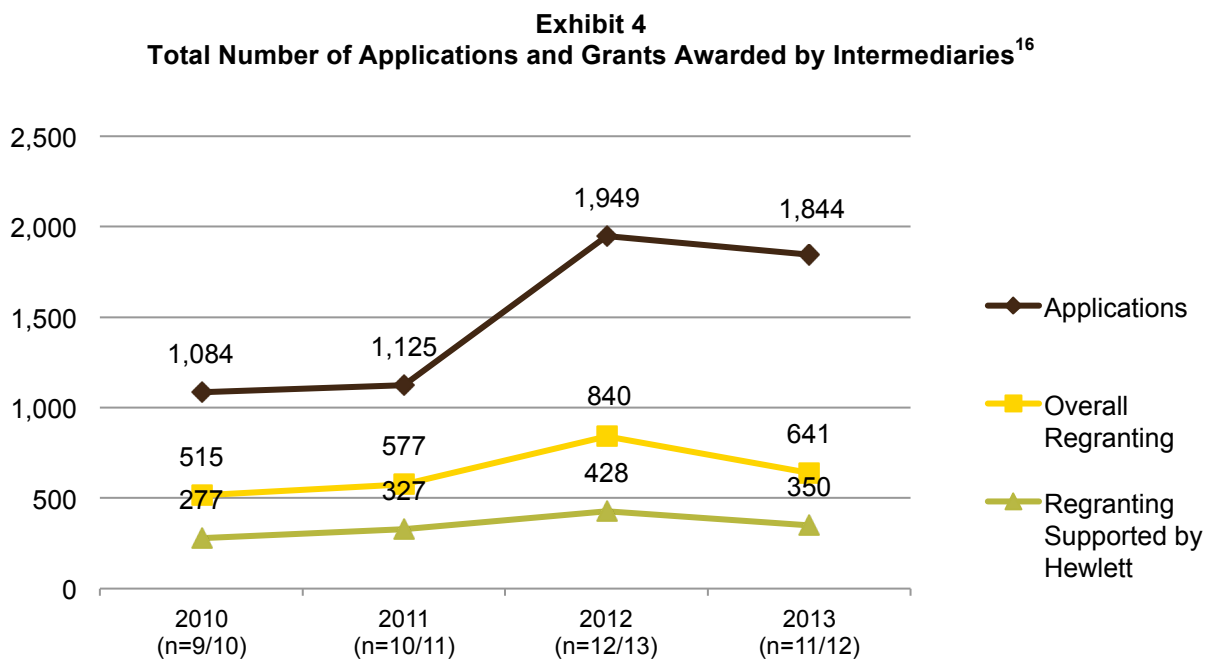
Exhibit 4
Total Number of Applications and Grants Awarded by Intermediaries[16]

Exhibit 5
Average Number of Applications and Grants Awarded per Intermediary
2010–2013
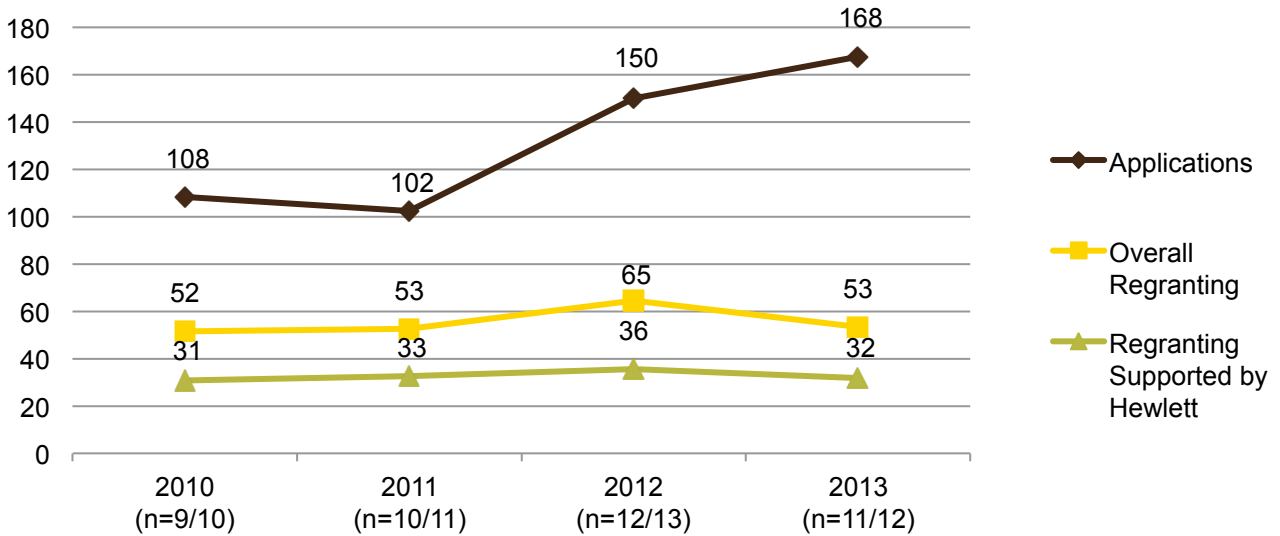
Similarly, the total amount of regranting funds peaked at approximately $3.5 million in 2012 when the greatest number of intermediaries were regranting (Exhibit 6). The average amount of regranting per intermediary per year—again, to account for the different number of intermediaries each year—declined from 2010 through 2013 (Exhibit 7)—a decline of 25% for the regranting supported by Hewlett, but only 10% for overall regranting. Part of this difference may be explained by some Hewlett funding to intermediaries shifting from being designated strictly for regranting to general operating support. And, as a reminder, the trends for regranting supported by Hewlett include funding from Hewlett as well as from other sources (e.g., other foundations, donations, organizational funds). The important story that this data tells is that demand for art-related grants to individual artists and small organizations is increasing while the amount of funding available appears to be on the decline.

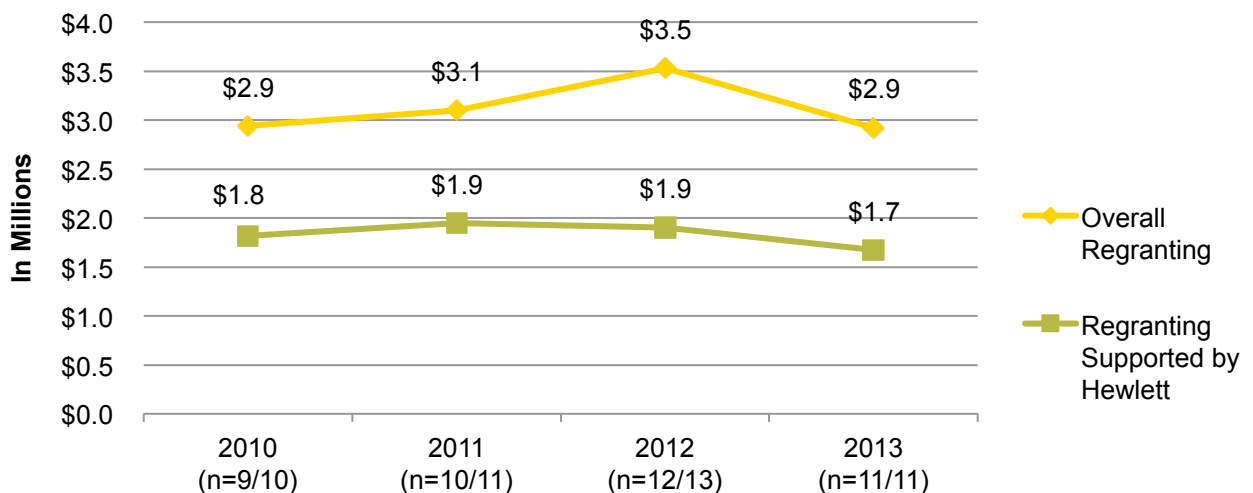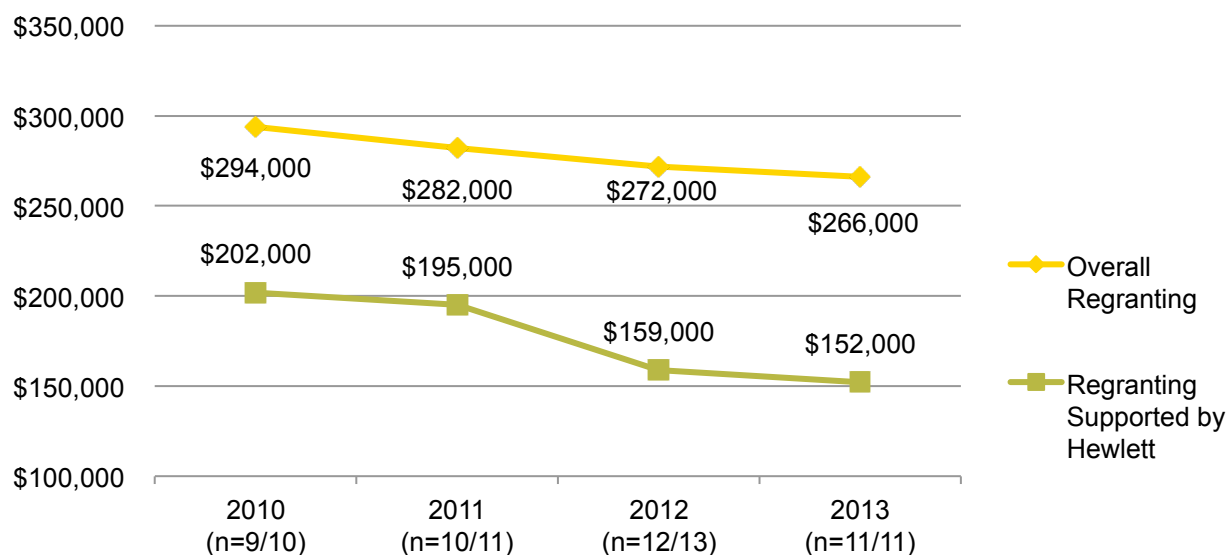**Exhibit 6**
Total Funds Regranted by Intermediaries

Exhibit 7
Average Funds Regranted per Intermediary[17]

TRENDS IN GRANT AMOUNTS[18]

There is significant variance in how the intermediaries do their regranting. For example, some make grants of smaller amounts, such as the Center for Cultural Innovation, while others make grants of larger amounts, such as the Gerbode Foundation and the Walter & Elise Haas Fund—both of whom administer pooled commissioning funds (Exhibit 8).

Exhibit 8
Average Grant Amount per Intermediary

Intermediaries	Average Grant Amount
Center for Cultural Innovation	$889
San Francisco Friends of Chamber Music	$2,739
The CA$H Program: Theatre Bay Area and Dancers Group	$3,093
Arts Council Santa Cruz County	$3,664
Zellerbach Family Foundation, Community Arts Fund	$3,726
Silicon Valley Creates	$3,811
Humboldt Area Foundation, Native Cultures Fund	$5,000
Horizons Foundation	$5,352
East Bay Community Foundation	$6,066
Alliance for California Traditional Arts	$6,520
Walter & Elise Haas Fund, Creative Work Fund	$37,788
Wallace Alexander Gerbode Foundation, Commissioning Program	$62,500

---

[17] The overall funding was not provided in 2013 for the Humboldt Area Foundation, and is therefore excluded from this analysis.

[18] As a reminder, from this point forward in the report, all data presented are only on regranting supported by Hewlett funding and not on intermediaries' overall regranting activities.

Looking at the intermediaries' grantmaking as a whole, the median size of grants has decreased approximately 35% since 2010 while the average grant size has decreased 27% (Exhibit 9).

Exhibit 9
Average and Median Size of Grants
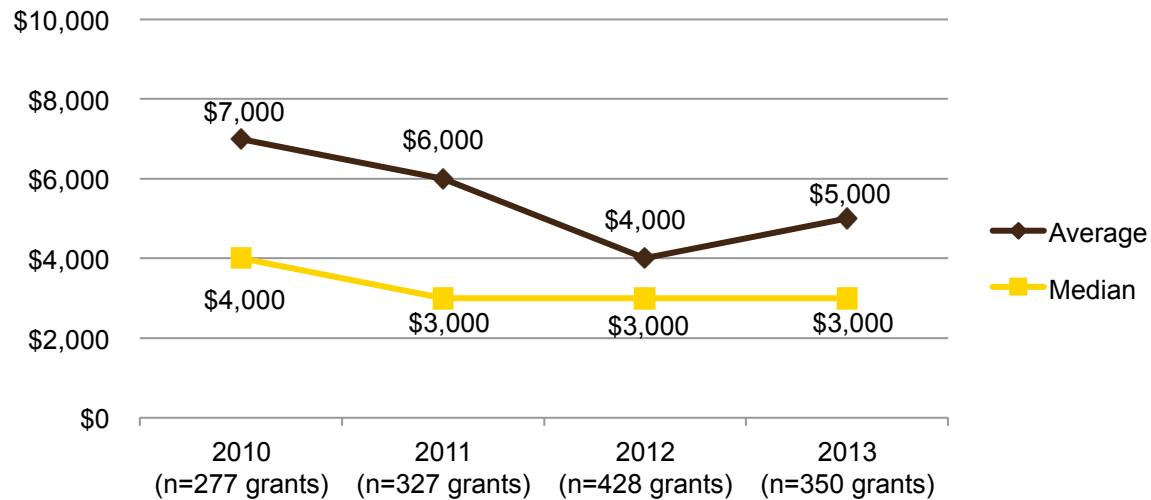
Across these four years, the majority of grants (71%) have been made for less than $5,000. Starting in 2012, intermediaries began regranting for less than $1,000, reflecting earlier findings that the intermediaries are starting to make smaller sized grants (Exhibit 10). This may be a reaction to having less grant funds overall, but wanting to support as many projects as possible. Only two intermediaries are making grants of $25,000 or more, both commissioning programs.

Exhibit 10
Proportion of Regranting by Size of Grants
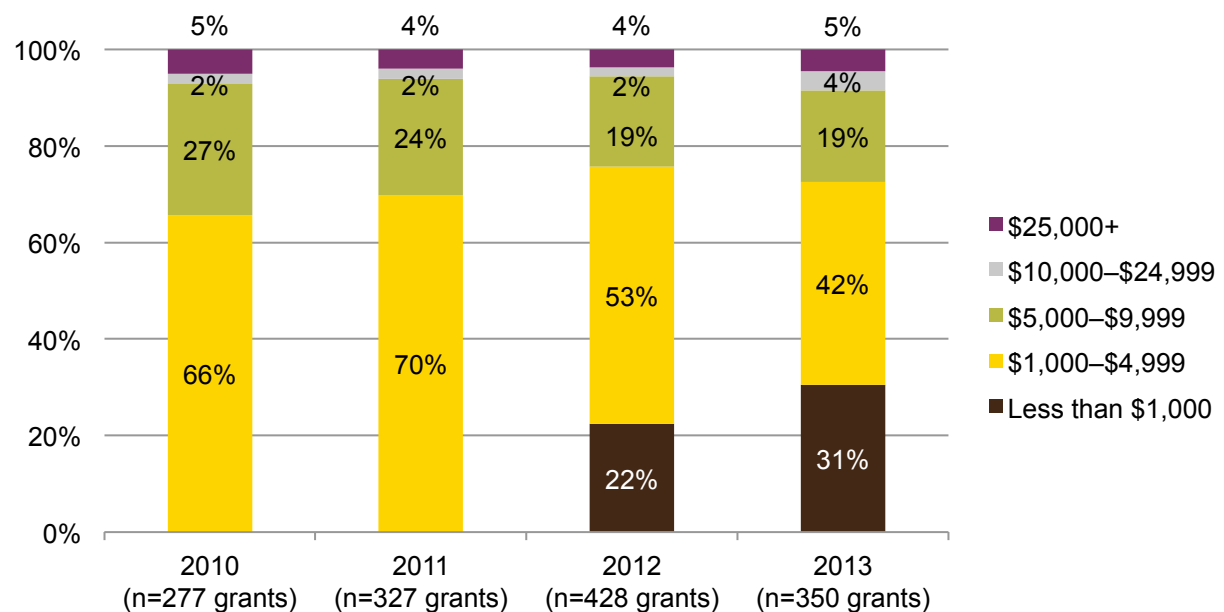
PROFILE OF GRANTS BY LOCATION

Given the metropolitan hubs in the greater Bay Area, as expected the largest proportion of regranting funding has been to San Francisco County, followed by Santa Clara County and Alameda County. The Program has focused its grantmaking in nine designated Bay Area counties (i.e., Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma), as well as two additional counties for limited support (i.e., Monterey and Santa Cruz). The bulk of regranting funds have been directed to these 11 counties, although a few intermediaries did include some grantmaking outside of the Bay Area (Exhibit 11). This discrepancy may be from not indicating which grants were funded by Hewlett since the money went into a larger funding pool; one intermediary in particular did indicate that they used Hewlett funding outside of the Bay Area.
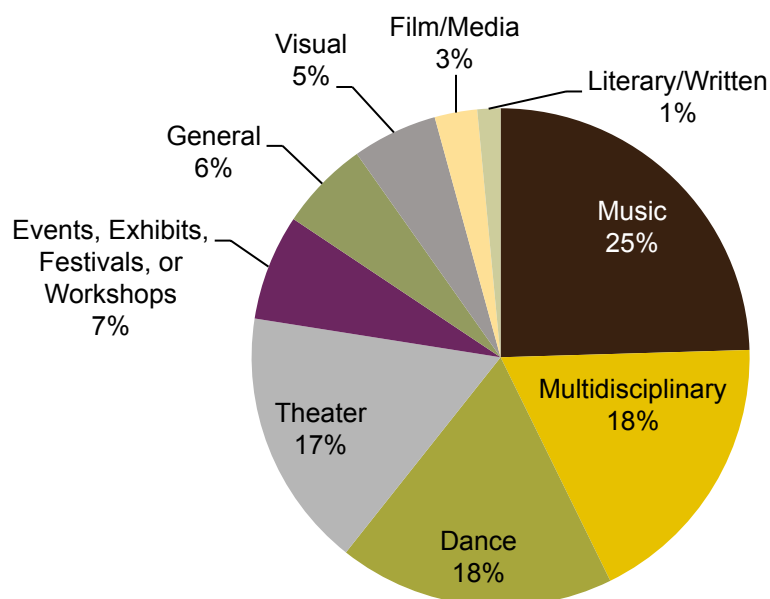
Exhibit 11
Regranting by County

	Number of Grants	Total Amount Awarded	Average Grant Size	Number of Intermediaries Regranting in this County
San Francisco County	546	$3,350,545	$6,137	10
Santa Clara County	289	$1,192,214	$4,125	7
Alameda County	270	$1,329,115	$4,923	10
Santa Cruz County	175	$755,160	$4,315	6
Marin County	28	$77,476	$2,767	7
Contra Costa County	22	$135,695	$6,168	7
Sonoma County	14	$140,300	$10,021	6
Outside of Bay Area	11	$161,748	$14,704	3

	Number of Grants	Total Amount Awarded	Average Grant Size	Number of Intermediaries Regranting in this County
San Mateo County	11	$99,690	$9,063	5
Information not provided	10	$36,000	$3,600	1
Monterey County	4	$57,480	$14,370	2
Solano County	1	$4,000	$4,000	1
Multiple counties within Bay Area	1	$500	$500	1
Napa County	-	-	-	-

REGRANTING BY ART DISCIPLINE

The majority (78%) of the funding made by the intermediaries has gone to four leading performing arts disciplines: music, multidisciplinary, dance, and theater (Exhibit 12). The ratio of total funding for each of these has shifted by year, usually depending on the focus areas for each intermediary, particularly the two large commissioning organizations. Hewlett funding has provided less support to literary/written arts, film/media arts and visual arts. These are areas being strongly supported by other funders and have thus been a lower priority for the Hewlett Foundation, which tries to focus its funding in the lesser served spheres, and whose mission does not directly support literary or visual arts.

Exhibit 12
Funding by Art Discipline
(n=$7,339,923)

Pie chart segments:
- Music 25%
- Multidisciplinary 18%
- Dance 18%
- Theater 17%
- Events, Exhibits, Festivals, or Workshops 7%
- General 6%
- Visual 5%
- Film/Media 3%
- Literary/Written 1%

REGRANTING BY TYPE OF INTERMEDIARY

Arts-Focused Nonprofit Intermediaries, ranging from 4 to 6 from 2010 to 2013, made more grants overall and on average per intermediary compared to the Foundation Funder Intermediaries, ranging from 5 to 6 from 2010 to 2013 (Exhibit 13, see page 3 and 4 for a listing of which intermediaries are within each category). However, the Foundation Funders, anchored by the two large commissioning funders, granted more money than the Arts-Focused Nonprofits (Exhibit 14). This shows the importance of having both types of grantmaking institutions within the Program's portfolio since they each offer different benefits. The Arts-Focused Nonprofits are able to reach more individuals and organizations while the Foundation Funders are able to provide larger grants for different types of projects.

Exhibit 13
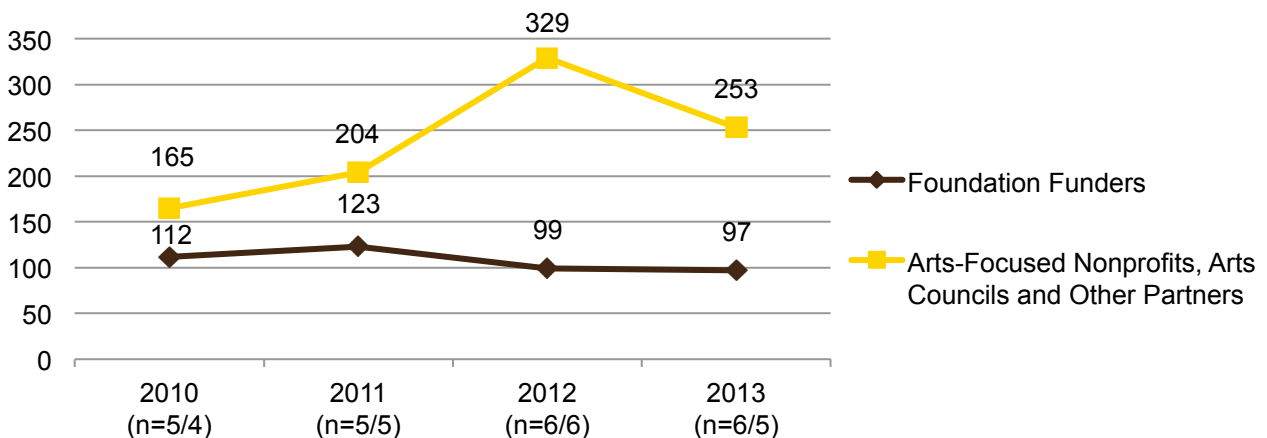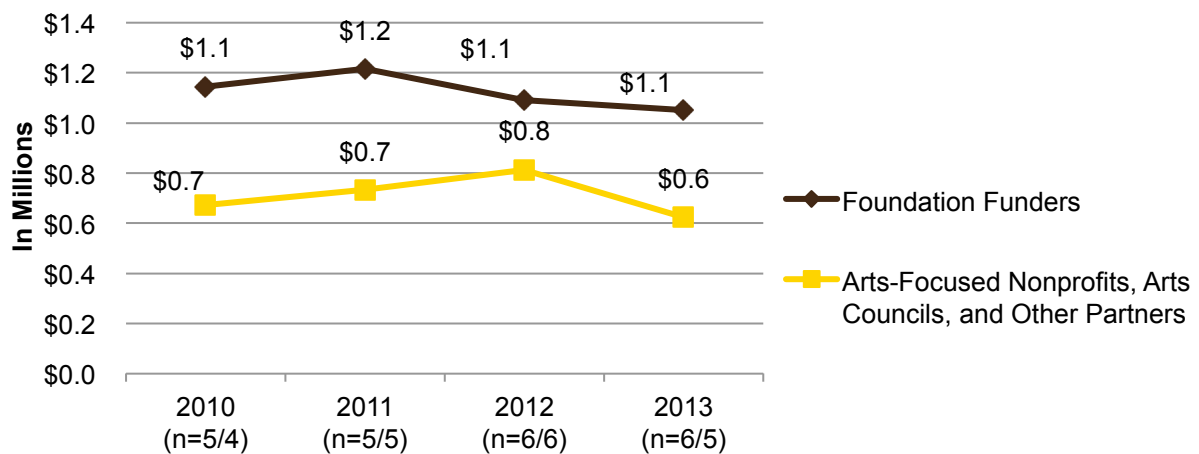**Total Number of Grants Made by Type of Intermediary[19]**

Exhibit 14
Total Amount of Regranting by Type of Intermediary

[19] In the designation (n=x/x) in Exhibit 13 and 14, the first number refers to Foundation Funders; the second number refers to the Arts-Focused Nonprofits, Arts Councils, and Other Partners.

PROFILE OF GRANT DURATION

The majority of grants supported with Hewlett funding are for one year (Exhibit 15). The 8% of unknown grant durations include all of the Theatre Bay Area grants, which vary in duration but are usually about six months. All of the grants that are for less than one year have come in 2012 and 2013 with the addition of the Center for Cultural Innovation as an intermediary. Many of the grants from the two commissioning funders—the Gerbode Foundation and the Walter and Elise Haas Fund—along with the San Francisco Friends of Chamber Music are for more than one year. The one year durations for the majority of grants align with their purposes, which are often more short-term in nature, such as funds to host a festival, performance, or concert.

Exhibit 15
Grant Duration
(n=1,382)

More than 1 year 9%

Unknown 8%

Less than 1 year 19%

1 year 64%
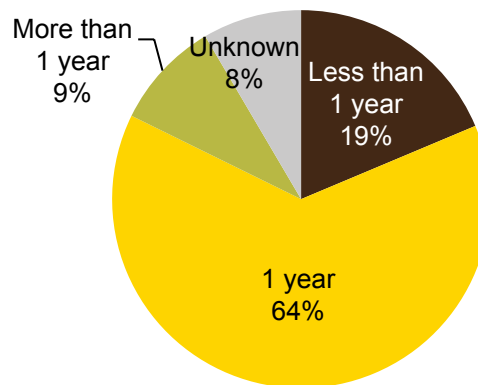
PROFILE OF SEGMENTS SERVED

In terms of who is receiving these grants, the majority of grants have supported organizations (63%) and about one-quarter (26%) go to individual artists (Exhibit 16). Interestingly, the percentage of funding going toward artists has grown from 4% in 2010 to 16% in 2013. While only 4% of the grants have been awarded to a collaboration between an artist and an organization, these grants tend to be large commissioning awards, accounting for 40% of total funding awarded. Communities are receiving a small percentage of both the grants (6%) and funding (7%). These distinctions, though, were not always clear to the intermediaries, and there may be some inconsistencies in how they classified their grants.

Exhibit 16
Segments Served

	Number of Grants	Total Amount Awarded	Number of Intermediaries
Artist	359	$646,398	8
Organization	876	$3,239,345	10
Community	83	$510,232	3
Artist and Organization Collaborative	62	$2,935,948	2
Information not provided	2	$8,000	2

V. INTERMEDIARIES' DATA COLLECTION CAPACITY

INFORMATION INTERMEDIARIES CURRENTLY COLLECT AND HOW

Intermediaries use a combination of sources to collect information from their grantees, all of which are specific to each grant program, although there are some similarities across the intermediaries. In general, they use a combination of an application form, some type of reporting form at the end of the grant, observations and site visits, and/or the California Cultural Data Project (CDP).[20] Application forms generally include demographic information on the artist or organization as well as financial information. The final reporting forms often have minimal structure, allowing the grantees to explain what they accomplished and any challenges they encountered.

However, most of these elements are not included in the reporting forms that the intermediaries submit to Hewlett regarding their grantmaking activities, and are thus not included in the analysis presented in this assessment. This makes it difficult to look across the portfolio to answer questions about "who is missing" in terms of artists and organizations. Even within an intermediary, this information may not be aggregated for all of their grantees so they can see the larger picture of who is missing from their own grantmaking.

Intermediaries also use different approaches and systems for collecting and storing grantee information. Several intermediaries are using combinations of Excel spreadsheets to organize data from the application form, reporting form, their observations, and the CDP. Some have either recently or are considering transitioning to an electronic application process. Most (if not all) post the form online now, but many still receive it by mail or e-mail as an attachment. Therefore, there is still some manual entry of information from "electronic" forms into the existing tracking spreadsheets or databases. A few of the intermediaries have a more robust database for collecting and storing this information automatically, but this level of sophistication is far away from where most of the intermediaries currently are.

There is concern among some intermediaries that the application can be a barrier for applicants who are first time grantseekers or non-English speakers. Therefore, they want to keep the application and reporting processes as easy as possible. Some offer technical assistance in these areas, and some provide applications in two or more languages.

INFORMATION INTERMEDIARIES WISH COULD BE COLLECTED

Intermediaries believe that they are already collecting a lot of information on their grantees and are generally satisfied with the type and quantity of information they receive. As mentioned, they are hesitant to add much more to the data collection

---

[20] For more information on the CDP, please visit: http://www.caculturaldata.org/home.aspx.

process, so while some expressed interest in gathering additional data on the audiences being served, for example, they do not want to add such a burden onto their grantees. Many of the grants are very small (under $5,000), and the intermediaries want to be respectful of the balance between the amount of money provided and the amount of information they ask for from grantees.

Of interest to a few intermediaries is making better use of the data they collect. They wish they could do more with the data to understand the aggregate of their regranting trends over time. They would also like to develop longer-term relationships with grantees to understand the extent to which the funding impacted them and their work. For example, did this grant help establish the artists' reputation and help them gain funding for later projects?

INTERMEDIARIES' CAPACITY TO COLLECT AND ANALYZE DATA

Intermediaries' capacity for data collection and analysis is relatively limited, and they would generally like more capacity. Most are using their own resources (e.g., overhead, operational costs) to fund data tracking expenses. This is not included in their grants from Hewlett or other funders. Intermediaries need more staff time to collect and analyze data, particularly to see grantees in person, which is seen as a very important source of data for these grants. They find that it is challenging to fully capture the accomplishments and impact of a performing arts grant without seeing it in person.

SHARING INFORMATION WITH HEWLETT

Across the board, intermediaries are generally pleased with reporting to Hewlett through the combination of a narrative report, regranting information (whether in the template provided by the Foundation or some other form) and occasional in-person or phone conversations with Program officers. They see their relationship with Hewlett as one of partnership and want to provide the Foundation with the information it needs to keep apprised of what is going on in the field. A few suggested wanting to include an additional component that would allow them to better tell their grantees' stories. They want more qualitative/story-telling opportunities, such as with longer narrative reports, videos, or photographs.

Regarding the Program's current regranting template, intermediaries like that the reporting process is easy and simple and want to keep it that way. Of the 14 intermediaries, 6 have used the form, 6 have not used the form, and 2 have not used the form because they did not do any regranting with Hewlett funds from 2010–2013. Those who have used the regranting template found it fairly straightforward, with a few questions about the definition of particular terms (e.g., stage in career, segment). Intermediaries mentioned that they do not currently track all of the information requested on the regranting template and therefore have to review original documents to complete the template. They would like to know what elements will be required so that they can make any adjustments on the front end.

VI. IMPLICATIONS AND RECOMMENDATIONS FOR HEWLETT'S REGRANTING PROGRAM

The consultant analysis provided further evidence that Hewlett's stated goals for the intermediary regranting program are being met. Over the past four years, Hewlett's investments have supported the distribution of almost $7.4 million through nearly 1,400 grants to individual artists and small organizations that the Performing Arts Program could not otherwise reach. These grants reach across Hewlett's geographic range, art forms and communities. They vary in size and purpose, such as from small professional development grants to artists and art organizations, to project grants to large, major commissioning grants. An underlying stipulation of this study was to focus on assessing and refining, rather than ending or pivoting, the regranting strategy, and the data support the assumption that the Program is on track for meeting Hewlett's goals.

Based on the themes identified during the research phase, the consultant team suggests a number of recommendations for Hewlett to consider in order to enhance the effectiveness of its regranting activities, as well as some suggestions for Hewlett beyond its intermediary portfolio.

Absent a defined future budget or a theory of change for the intermediary/regranting program, the consultant team has opted not to be more specific on the extent or relative priorities of each of the recommendations, leaving this discernment to Hewlett as part of its annual planning and budgeting process.

PRIMARY RECOMMENDATIONS

I. Deepen investment with current intermediaries.
   a. Focus additional regranting dollars on those that successfully access marginalized communities.
   b. Provide additional support to allow intermediaries to expand capacity building services for individual artists and small organizations.
   c. Support non-foundation intermediaries in deepening their grantmaking knowledge.

II. Explore new partnerships to address needs of marginalized artist communities unmet by current intermediaries.

III. Deepen advocacy role among peers to step up funding in the arts, including investments for artistic creation, increased capacity/capitalization, and reaching marginalized communities.

IV. Consider additional exploration in three key areas:
   a. Develop a greater understanding of the volume, dynamics, and barriers for unmet demand of quality artists in Northern California who would otherwise qualify for funding if available.

b. Explore areas where intermediaries and their grantees would benefit from shared infrastructure, systems, capacity-building initiatives, or other collaboration.
c. Deepen awareness of different models, creative alternatives, and risks of fiscal sponsorship for individuals and small organizations.

The following sections present more specific context and options that will enable each of these four primary recommendations.

INVEST MORE DEEPLY TOWARD UNDERSERVED/MARGINALIZED ARTS COMMUNITIES

This is an opportune time for Hewlett to consider how the intermediary and regranting activities might be leveraged to more specifically address inequities in performing arts funding for underserved or historically marginalized communities.

Based on our research, we recommend two avenues Hewlett might take to enhance access to funding for underserved communities. Each approach places the emphasis on a different set of players to open up new avenues and shift the culture of funding for a broader representation of artists and arts organizations.

Avenue 1 – Deepen Support to Current Intermediaries

Our research has shown that the demand for grants (more than 1,800 applicants annually) far exceeds the supply (approximately 600 grants funded annually) as illustrated in Exhibit 4 on Page 15: "Total Number of Applications and Grants Awarded by Intermediaries." In addition, interviews suggest that many more qualified artists and organizations may not be applying at all.

Therefore, we recommend Hewlett engage the current intermediaries to deepen existing grantmaking and reach additional organizations and artists, and/or co-design new approaches specifically targeted toward underserved populations and audiences. This would include actively engaging new perspectives and partners to help build deeper relationships in these communities. Some intermediaries might identify new community partners such as social justice organizations, faith communities, local economic development and community centers, legal aid and immigration centers, health clinics, and other nonprofit partners who can make connections, encourage dialogue, and reduce barriers. Others might further develop cohorts of panelists specifically targeting underserved populations, with a dual responsibility for active outreach and building inroads into those communities to improve accessibility.

Although Hewlett cannot dictate the specific activities or panel compositions of intermediaries, it can encourage deeper understanding, exploration, and capacity to reach underserved communities. Hewlett's role specifically could be to share the intention of deepening access of marginalized communities, assist in convening and

bringing in advisors from underserved communities, articulate best practices and standards, provide facilitation for working group sessions to advance understanding and pilot solutions, provide education and access to new aesthetic paradigms, and other convening and education roles. Hewlett can then document its approach, lessons learned, and case studies as a call to action to the broader field of funding partners.

This approach allows for both the intermediaries and Hewlett to be partners and have active roles in a broader systems and culture shift, allowing potent "ripple effects" and lasting change potential.

Avenue 2 – Identify New Intermediaries to Address Key Gaps

In addition to deepening relationships with current intermediaries, Hewett can identify new intermediaries (or intermediary partnerships) specific to the communities it feels cannot be accessed by the current cohort. This might include crafting partnerships between non-arts entities (for example, a community center for new immigrants, or an education foundation) and an arts-focused organization, or identifying new intermediaries who have the capability in both community engagement/organizing and assessing arts applicants.

Supplemental Recommendations

The following recommendations could augment one or both of the avenues described above to help intermediaries remove barriers for "who is missing."

- Clarify and communicate Hewlett's stance on regranting dollars going toward participatory cultural experiences as well as professional arts practitioners.
- Begin tracking key data to better assess "who is missing" and to track progress toward funding underserved communities.
- Ensure intermediaries are accepting applications in multiple languages, and that the terminology used in applications reduces unintended messages of exclusion.
- Invest in intermediaries who can provide more targeted support for individual artists navigating the world of performing arts funding: to include "hands-on" technical assistance in key areas such as grantwriting.
- Ensure sufficient numbers of intermediaries have "multidisciplinary" as a category and a commitment to funding these types of works explicitly.

FUND INTERMEDIARIES TO BUILD CAPACITY OF SMALL ARTS ORGANIZATIONS

As voiced unanimously by the intermediaries, there is a clear shortage of resources available to provide capacity building services, resources, and tools to individuals and small arts organizations. While some resources exist and are provided by the intermediaries and/or others in the art community, the depth and breadth is limited. The needed capacity building focus areas described include but are not limited to:
- Grantwriting/fundraising
- Marketing and social media

- Business operations and planning
- Financial literacy
- Leadership/transitions
- Governance

The intermediary organizations referenced engaging in repeated conversations (internally, with their stakeholders, and with peers and funders) and generating numerous ideas about what the most effective and efficient means of providing this support could look like given further resources. Options discussed include one-on-one coaching, group workshops, specified consulting projects, and arts community-specific initiatives on a particular area of expertise (e.g., financial management). Whether or not these should/could be provided virtually versus in-person, and the impact of each of these avenues was also discussed. A few of the intermediaries mentioned the potential of tapping into and building the capacity of consortia or initiatives that already exist and/or are in formation, such as that spearheaded by Silicon Valley Creates or the Center for Cultural Innovation. These efforts are focusing on building a joint "pot" of capacity building funding and/or resources for small arts organizations.

While we commend those providers already engaged in/committed to capacity building efforts for small arts nonprofits, we believe Hewlett has the potential to create more effective and efficient impact by spearheading an initiative focused on best practice capacity building resources for small, Bay Area, performing arts entities. In taking on this role, it is key that Hewlett leverage the progress that has already been made on this topic in other disciplines, mitigating the duplicative nature of the current professional development efforts provided to this population.

For example, Silicon Valley Creates has hosted a few conversations with multiple funders—including Hewlett—around developing a consortium of funders to invest in joint resources to support small arts organizations' demand for knowledge, networks, and professional development. The Center for Cultural Innovation has the Creative Capacity Fund which was launched in 2009 by a consortium of California arts funders to "strengthen the work of artists and arts administrators by improving access to information and professional development resources."[21]

A capacity building investment worth further exploration would be the development of a centralized database or library of modules on a range of capacity building topics impacting Hewlett's grantees (such as governance, fundraising, financial literacy, marketing, crowdfunding, etc.). This program would be geared toward developing and/or mapping existing resources (already created/gathered by the intermediaries as well as Hewlett) and best practices in the areas of greatest need and impact, which would go hand-in-hand with training to utilize the modules with their grant recipients. A centralized database would also eliminate a constant "recreating the wheel" for each intermediary, and can be augmented and adapted over time. The intermediaries would be empowered in their role designing the capacity building resources and collaboratively agreeing upon a level of excellence to support themselves to become more sustainable.

---

[21] http://www.cciarts.org/creative_fund.htm#sthash.RONPJIHo.dpuf.

An additional value-add would be to make this database available on a public forum such as 4good.org for use more broadly in the field.

We believe that many of the capacity building modules developed for small organizations will also be directly relevant to individual artists and can be leveraged toward their sustainability and success.

BUILDING INTERMEDIARIES' GRANTMAKING CAPACITY

Another avenue of capacity building discussed during this process was the desire of some intermediaries for further education and resources to build their own skills as grantmaking agencies (obviously most relevant to those intermediaries who are not foundations), in an effort to become more effective grantmakers, and, in turn, benefit their grantees. In light of staff turnover, there is an ongoing learning process that could be more structured to ensure continuity of knowledge and skills in regranting strategies. We recommend further exploration into which topics would be most meaningful to these organizations, while also considering feasibility. A starting point would be to invite intermediary representatives to trainings and convenings that Hewlett's staff members attend (live or virtually) specific to grantmaker knowledge, and/or providing materials and debriefs from these events to select intermediaries.

An additional area of intermediary capacity need highlighted was database capacity and systems. Most all of the intermediaries spoke of the challenges they experience in capitalizing on technology toward efficiency and user-friendliness. Please refer to page 31 for additional discussion on this challenge and recommendations for addressing it.

Hewlett's commitment to supporting intermediary staff members' professional development was recognized as a true value-add of the Hewlett partnership. For example, Hewlett's support for a few intermediary representatives to attend a recent training on communications was viewed as a meaningful and high impact experience. While this does not fall into what we deemed to be capacity building specific to these organizations' function as grantmaking agencies, we encourage opportunities such as these to continue.

DEEPEN UNDERSTANDING OF MODELS OF FISCAL SPONSORSHIP

Earlier in this report we described the increasing importance of fiscal sponsorship to the ecosystem of the arts overall. Thus we offer a number of recommendations for both Hewlett's regranting program as well as its overall work in the Performing Arts Program.

For Regranting Programs/Intermediaries

- Request that intermediaries consider where the artist/organization is located, versus where their fiscal sponsor is located, for grant consideration. This will help alleviate any barriers to access based solely on the mailing address of the fiscal sponsor.
- Begin collecting data on which fiscal sponsors are being used by artists and organizations in the regranting pools to be able to track and assess for areas of concentration or fiscal risk.
- Promote distribution/education/inquiry (from artists, small organizations, intermediaries, sponsors) on use of fiscal sponsorship best practices provided by the National Network of Fiscal Sponsors (NNFS). Encourage a review of the balance sheet and other financial indicators as well as these standards when artists are selecting a sponsor. Consider building this education into technical assistance content to artists/small organizations.
- Suggest that intermediaries request balance sheets and audits of fiscal sponsors they are regranting to, as well as formal adoption of NNFS standards.

For the Performing Arts Program, Specifically Related to the Infrastructure Priorities in the Program's Strategic Framework

- Explore the links between the role fiscal sponsors play in the performing arts ecosystem and the conversation about capitalization and fiscal literacy.
- Promote awareness/adoption of National Network of Fiscal Sponsor standards among grantees offering fiscal sponsorship.
- Elevate discussion of financial dashboard results to Hewlett grantees who are also serving as fiscal sponsors.
- Explore key levers that allow for successful/financial viability of fiscal sponsorship, and consider investing in key infrastructure needs (technology, fiscal literacy and controls, scale, etc.). Consider supporting studies on feasibility and implementation of shared back office for multiple fiscal sponsors in order to achieve economies of scale.

REFINE DATA GATHERING AND UTILIZATION

Finally, the following recommendations for improving data gathering and utilization are based on feedback from the intermediaries regarding their own capacity for collecting, storing and using data, as well as our assessment of opportunities for improvement in terms of what intermediaries track about their grantees and how that information is shared with the Foundation.

- Develop core data elements that the Foundation would like to have for each intermediary and about each grantee. Make sure that all elements are clearly defined to gather consistent information across the intermediaries. Some suggested data elements are included in Appendix E.
- Collect data from intermediaries on an annual basis. Staff turnover, at times, makes it more difficult for intermediaries to provide regranting information for earlier years. By collecting and reviewing data on an annual basis, any questions can be resolved with the staff most familiar with the data.
- Provide a template or database for organizing data for intermediaries who do not have a system already in place or are looking for a new tracking system. These intermediaries may appreciate having some suggested options or templates that they can implement that are designed to meet Hewlett's data needs. For other intermediaries that have existing database systems for all of their grantmaking activities, not just the arts, it is not feasible for them to shift their arts grantmaking into a different system to be consistent across the intermediaries.
- Alert intermediaries to changes in reporting forms as soon as possible, and expect that there will be some missing data over the first year or two as they adjust their data collection to provide the information. Intermediaries want to provide the Foundation with the information that would help it the most, and just ask for adequate notice to include data elements in their tracking.
- Include more opportunities for intermediaries to share and capture qualitative stories on their grantmaking (e.g., using video or other creative methods), if they so choose.
- Offer technical support to intermediaries in how to analyze and "make meaning" from the data they capture on their own grantees and across their grant portfolio.
- Provide intermediaries with information on the larger grantmaking picture for performing arts in the Bay Area. While they generally know what their own grantmaking looks like, they are also interested in understanding how it contributes to the larger picture. This information could also help inform their grantmaking by identifying gaps in who is being served.

VII. CONCLUSION

The Hewlett Foundation embarked on this study in order to gain a greater understanding of its current approach to supporting regranting intermediaries as a means to distribute Foundation resources to small organizations, individual artists, and those within communities or disciplines in which Program staff have limited expertise. Our key purposes were to understand who is and who is not benefiting from the current Performing Arts Program's support, and how Hewlett's approach might be shifted in order to better serve the Bay Area performing arts community, while continuing to meet Hewlett's/the Performing Arts Program's strategic framework goals and priorities.

We are both thankful and impressed by the responsiveness, interest, and insights of the regranting intermediary organizations as well as other arts community members who were part of this process. Their respect for Hewlett and this initiative further supported this study's relevance and timeliness. On behalf of all of those involved, we look forward to and commend Hewlett's continued commitment to sustaining and nurturing the Bay Area performing arts ecosystem.

VIII. APPENDICES

- Appendix A: List of Interviewees
- Appendix B: Interview Questions for Intermediaries
- Appendix C: Summary of Feedback – Capacity Building Needs
- Appendix D: Summary Profile of Intermediaries' Regranting Funds
- Appendix E: Suggested Data Elements to Collect from Intermediaries

APPENDIX A: LIST OF INTERVIEWEES

PERFORMING ARTS REGRANTING INTERMEDIARIES

- Alliance for California Traditional Arts, Amy Kitchener, Executive Director
- Arts Council for Monterey County, Paulette Lynch, Executive Director
- Arts Council Santa Cruz County, Michelle Williams, Executive Director
- Center for Cultural Innovation, Cora Mirikitani, President & CEO
- County of San Mateo, Ms. Robin A. Rodricks, Chair, and Esther Mallouh, Grants Manager
- East Bay Community Foundation, Diane Sanchez, Director of Community Investment
- Horizons Foundation, Roger Doughty, Executive Director and Francisco O. Buchting, Ph.D., Director of Grantmaking & Community Initiatives
- Humboldt Area Foundation: Native Cultures Fund, Mr. Chag Lowry, Program Manager
- San Francisco Friends of Chamber Music, Dominique Pelletey, Executive Director and Nicole Lungerhausen, Grant Coordinator
- Silicon Valley Creates, Connie Martinez, Executive Director
- The CA$H Program (Theatre Bay Area and Dancers Group), Brad Erickson, Executive Director, and Dale Albright, Director of Field Services, Theater Bay Area; and Wayne Hazzard, Executive Director, Dancers Group
- Wallace Alexander Gerbode Foundation, Olivia Malabuyo Tablante, Grants Manager & Manager of Special Awards, and Ms. Stacie Ma'a, President
- Walter and Elise Haas Fund: Creative Work Fund, Frances Phillips, Director
- Zellerbach Family Foundation: Community Arts Fund, Linda B. Howe, Program Executive, and Allison Magee, Executive Director

ADDITIONAL PERFORMING ARTS FUNDERS, ARTISTS, AND KEY STAKEHOLDERS IN THE FIELD

- California Arts Council, Wayne Cook, Arts Program Specialists (including state-local partners)
- David & Lucile Packard Foundation, Irene Wong, Local Grantmaking Director
- Fractured Atlas, Adam Huttler, Executive Director
- James Irvine Foundation, Josephine Ramirez, Arts Program Director
- Kenneth Rainin Foundation, Shelley Trott, Director of Arts Strategy and Ventures
- Knight Foundation, Tatiana Hernandez, Program Officer/Arts
- Kresge Foundation, Maria Rosario Jackson, Senior Advisor
- Community Initiatives, Melanie Beene, Executive Director
- Performance Artist, Mica Sigourney
- Performance Artist, Kevin Seaman
- San Francisco Arts Commission, Tom DeCaigny, Director of Cultural Affairs
- The African & African American Performing Arts Coalition (AAAPAC), Laura Ellis, Executive Director

APPENDIX B: INTERVIEW QUESTIONS FOR INTERMEDIARIES

THE PERFORMING ARTS REGRANTING FIELD

- How are you seeing the field changing, needs changing for very small budget (annual budget is less than $100,000) arts organizations and individual artists?
- How is the way art is produced/made changing and what is its impact on your grantmaking strategy to small organizations and individual artists?
- Are artists and small organizations asking things of you that you are unable to meet through your current regranting activities?
- What demographic shifts are you seeing among small arts organizations and individual artists or their audiences, and how is that influencing your thinking on regranting? Have you or are you considering shifting your criteria, outreach, or accessibility, for example?
- Are there specific segments of the arts community that you perceive as underserved? Do you have suggestions on how to address this?
- Do you perceive any barriers to small organizations and individual artists accessing your regranting programs? If so, how is that informing your thinking about changes, if any?
- How do you publicize the availability of grants? What are your marketing and outreach strategies, if any?
- What can you get from other funders that you cannot get from Hewlett? What do you get from Hewlett that you cannot get from other funders? What advice would you give Hewlett?
- Do you have a policy or process with Hewlett to minimize "double dipping" where a larger budget organization that receives direct support from Hewlett is not eligible for a grant from your organization? Would this create barriers or challenges?

FINANCIAL/FUNDING

- What percentage of your regranting funds are coming from other foundations or major donors aside from Hewlett? What does the "pie chart" of your regranting funding look like, in terms of where the dollars come from?
- How do you see your funding for regranting changing in the immediate and longer-term future?
- How are you thinking about/planning for funding shifts and implications for your regranting activities?

EVALUATION/DATA COLLECTION

- What information do you currently track on grantees? How has this changed in the past few years?
- Is there any information you wish you had about grantees but don't? What has prevented you from collecting this information?
- What systems are you currently using to track grantee data? How has this changed in the past few years?
- What is your current capacity for tracking grantees, in terms of staffing, skills, resources, etc.? Do you feel you have the capacity you need in this regard?
- Have you used the Hewlett template to track and report data on your grantees?
  - If so, have you found it useful? What did you most like about it? What did you find challenging?
  - If not, why have you not used it? What barriers or obstacles do you face in tracking and reporting data in this template?
- How would you ideally like to report to Hewlett on your grantee data – both in terms of what information you want to share and how you want to share it?

CLOSING

- What else would you like to share or discuss that we haven't covered already today?

APPENDIX C: SUMMARY OF FEEDBACK – CAPACITY BUILDING NEEDS

1) What are your top five capacity building needs as a regranting intermediary for Hewlett?

Increased staff capacity:
- Increase staff capacity to process, track, and evaluate applicants, the application process, and provide guidance
- Increase hours of staff to conduct consulting with new grantees and training for reviewers
- More opportunity/support to extend staff expertise to regranting organizations and/or individual artists
- Increase resources dedicated to augment outreach to applicants

Increased fundraising capacity and opportunities:
- Longer-term general support (3–5 years at a time)
- Increase opportunity to award multi-year grants
- Access to more foundations and their art support staff, which would translate to more opportunities to apply for arts funding
- Fundraising strategies (grantwriting, relationship building, etc.)
- Fundraising and support to match our institutional sources
- A larger pool of funds to regrant (increasing the size of grants)—with a reserve to respond to extraordinary projects.
- Access to donor circles to expand local investment in our grantmaking

More robust database/data capture/information dissemination:
- A simple, accurate and easy way to capture all of the services provided as they are provided
- Accurate data/research on the current creative and cultural ecosystem to better position intermediaries to serve the ecosystem
- Communications strategy to increase quality participation in our regranting programs and activities.
- Technology upgrades for online grant submission and reporting
- Ways to promote philanthropy in the arts to existing and potential donors
- Resources to market products from funded grants

Professional development opportunities:
- More opportunities to meet and learn from other arts funders and other fiscal sponsors
- Training in state of the art audience development techniques, to better provide technical assistance for grantees.
- Learn new alternative approaches to granting in diverse communities that may find a traditional grant application process inaccessible

2) What are the top five capacity building needs you see for small arts organizations as well as individual artists?

Smalls arts organizations
- Bookkeeping/financial management; audit preparation for larger organizations
- General operating support to increase staffing in areas of administration and development
- Governance—understanding the role of nonprofit boards, recruitment support, creating a pool of board members
- Basic human resources—do's and don'ts around hiring and firing; rules about independent contractors and salaried employees, etc.
- Executive coaching and support; leadership training
- Strategic planning
- Fundraising strategy, grantwriting, and reporting assistance
- P/R and marketing assistance
- Access to affordable space on an ongoing basis
- Expanding arts education within the county; facilitate arts and arts organizations participation in arts education within the pubic school system
- Stimulating organizations to share staff and resources in multiple areas, finance, administration, and/or production

Individual artists
- Access to affordable space on an ongoing basis
- Marketing support
- Project funding for interdisciplinary artists to bring their concept to scale
- Funding for young artists to complete proposals to compete for awards or exhibitions
- Creating a pathway for grantmaking to individual artists
- Funding to hire temporary assistants to complete work

Either or both small arts organizations/individual artists
- Support for collaborations between arts organizations and artists
- Technical assistance or training on business skills for organizations and/or artists

APPENDIX D: SUMMARY PROFILE OF INTERMEDIARIES' REGRANTING FUNDS

Organization Name	Fund Name	Brief Description
Alliance for California Traditional Arts (ACTA)	[Living Cultures Grant Program](#)	Hewlett funding supports grants made in the Bay Area, although ACTA makes grants across California to organizations focused on traditional or folk art. Grant amounts are up to $7,500.
Arts Council for Monterey County	[Cultural Arts Grant](#)	Hewlett funding is used for general operating support to the grants program. The Arts Council of Monterey County grants to arts programs and organizations located in Monterey County that involve the general public and contribute to at least one of the following: cultural tourism, education, rural communities, or small business.
Arts Council Santa Cruz	[Create Grants, Develop Grants and Support Grants](#)	The Arts Council Santa Cruz grants to individual artists and organizations within Santa Cruz county in the following categories: 1) Create Grants support the development and presentation of art and culture projects 2) Develop Grants support artists and organizations with their professional development activities 3) Support Grants fund general operating support activities
Center for Cultural Innovation	[Creative Capacity Fund and Investing in Artists](#)	The Center for Cultural Innovation supports artists and organizations across California, with Hewlett's funding going toward the Bay Area grants. Funds are used for two separate funds: the Creative Capacity Fund, which supports the professional development of artists and art organizations through funding conference fees, technical assistance and other administrative costs and the Investing in Artists Fund, which funds new work and helps artists acquire the equipment and tools they need.
East Bay Community Foundation	[East Bay Fund for Artists](#)	The East Bay Community Foundation supports the commissioning of new work by artists and organizations, including composers, playwrights, choreographers, visual and media art forms. Grantees are required to find matching funds for their grants.

Organization Name	Fund Name	Brief Description
Gerbode Foundation	[Special Awards Program](#)	The Gerbode Foundation awards commissioning grants of up to $50,000, focusing on a specific performing arts discipline each year, including dance, theater, and music. Grantees are individual artists and a supporting organization, with a significant portion of the grant award going to the artist directly.
Horizons Foundation	[Community Issues](#)	The Horizons Foundation supports arts organizations and projects that serve LGBT people in Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties.
Humboldt Area Foundation	[Native Cultures Fund](#)	The Humboldt Area Foundation funds Native American Arts artists, organizations and projects across 50 counties in California. Hewlett's funding is helping to extend the Humboldt Area Foundation's reach into the Bay Area through increasing the number of applications received and awards granted.
San Francisco Friends of Chamber Music (SFFCM)	[Musical Grant Program](#)	SFFCM awards performers, composers, and presenters of a variety of music forms, including chamber music, jazz, early music, new music, and creative music. Funds are directed to emerging and small-budget ensembles in San Francisco and the surrounding Bay Area.
Silicon Valley Creates	[Artist Fellowships, Community Arts Fund and Regional Arts Fund](#)	Silicon Valley Creates provides general operating support to small and mid-size arts organizations. Funding is concentrated on organizations in Santa Clara County.
Theatre Bay Area/Dancer's Group	[CA$H Program (Creative Assistance for the Small and Hungry)](#)	Theatre Bay Area's CA$H Program funds individual artists and small organizations to create new theater and dance works across the Bay Area.

Organization Name	Fund Name	Brief Description
Walter & Elise Haas Fund	[Creative Work Fund](#)	The Creative Work Fund supports collaboration between artists and nonprofit organizations of all types (not just arts-focused nonprofit organizations) to create new pieces of art work. Each round includes two types of art, one of which is always a performing arts discipline.
Zellerbach Foundation	[Community Arts Fund](#)	The Zellerbach Family Foundation's Community Arts fund supports small-budget community arts organizations in San Francisco and the East Bay. The grants represent a variety of art disciplines, and are focused on increasing the availability of funding to new artists and reaching into new audiences.

APPENDIX E: SUGGESTED DATA ELEMENTS TO COLLECT FROM INTERMEDIARIES

Data about the Intermediary

- Total number of applications received per calendar year
- Total number of applications received per calendar year that fall within Hewlett's priority areas (e.g., Bay Area counties, art form)
- Total number of grants awarded per calendar year
- Total number of grants awarded per calendar year that fall within Hewlett's priority areas (e.g., Bay Area counties, art form)
- Total amount of grants awarded per calendar year
- Total amount of grants awarded per calendar year that fall within Hewlett's priority areas (e.g., Bay Area counties, art form)
- Total amount of Hewlett funding used for regranting, staffing, and overhead

Data about Grantees (collected from the intermediary)

- Amount of grant
- Duration of grant
- Primary county served
- Primary grantee county of residence
- Art form/discipline, including multidisciplinary
- Description of the purpose of the grant
- Grantee type (with definition of what each type means):
  - Individual artist (i.e., funds going directly to an individual artist, not an organization)
  - Organization
  - Community
  - Artist/Organization Collaboration
  - Organization/Organization Collaboration
- Use of fiscal sponsor and if so, which fiscal sponsor
- Individual artists grantee demographics (if the grantee type is an individual artist):
  - Age
  - Gender
  - Race/ethnicity
  - Other features (e.g., LGBT community, Native American community)
- Organizational budget (if the grantee type is an organization)
- Demographics of audiences and participants (Note that not all intermediaries may be positioned to start collecting this information):
  - Age
  - Gender
  - Race/ethnicity
  - Other features (e.g., LGBT community, Native American community)
  - Past recipient of a grant from the intermediary