



City Enrichment Fund – Funding Principles Consultation Report 2023

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November 2023

Table of Contents

- Executive Summary 3
- Funding Principles Review 5
- Consultation 6
 - The Future of CEF 10
- Consultation Results & Recommendations 11
 - CEF Funding Principles 11
- Next Steps..... 14
- Conclusion 14

Cover Image Credit: Imagine in the Park 2022

Executive Summary

The City Enrichment Fund (CEF) is the City of Hamilton’s municipal investment in a wide range of program areas that supports the City’s strategic plan and 25-year community vision. Since the fund was created in 2014, Hamilton has undergone several changes – demographically and socially. Through these changes local charities, not-for-profit organizations, artists, and grassroots organizations are responding to the ever-changing and emergent needs of individuals, neighbourhoods, and wards across the city. If one is to accept the drastic changes Hamilton has undergone and continues to go through particularly after the COVID-19 pandemic, there is a realization that the City Enrichment Fund needs to evolve in response to the current needs of local charities, not-for-profit organizations, artists, and grassroots organizations. The City of Hamilton has acknowledged this and has consequently undertaken a [funding review](#) that allows residents, past applicants, and future applicants to provide input on the future of the fund.

On September 20, 2023, CEF staff launched the City Enrichment Fund – Funding Principles Review through Engage Hamilton. The public was invited to provide feedback through an online survey that would guide funding recommendations, funding principles, and funding criteria moving forward. Following the survey, City of Hamilton staff hosted an in-person and virtual community consultation sessions facilitated by 2941 Pluriversal on October 23, 2023, with returning applicants. Attendees provided feedback addressing five areas of focus: funding distribution, transparency, multi-year funding, funding opportunities, and increases to the CEF funding envelope.

The following recommendations are based on the engagement activities and discussions held on October 23, 2023.

1. Funding Distribution: Adopt a 75% to 25% funding ratio between returning applicants and new applicants. Using this ratio ensures a steady number of new applicants and continued support for returning applicants working on recurring programs. Within the 75% ratio of returning applicants 50% to be dedicated to recurring and/or multi-year projects, 20% to be dedicated to one-time projects and 5% to artist projects. Within the 25% ratio for new applicants, 12.5% to be dedicated to organizations and the other 12.5% to artist projects.
2. Transparency: Publish the scoring rubric for each program area based on the application questions. The scoring rubric should be included in the CEF General Guidelines and/or Program Area Handbooks.
3. Multi-Year Funding: Implement a pilot multi-year funding model for recurring programs during the 2024 funding cycle. This will provide City staff the opportunity to prepare and consult with returning applicants. The

recommendation to begin this pilot in the 2024 funding cycle provides staff an opportunity to review the multi-year funding model in 2026 and present the results to City Council.

4. Funding Opportunities: Create a tab or section called *Other Grant Opportunities* on the City Enrichment Fund website that lists other local granting organizations such as the Hamilton Community Foundation, United Way, and other grants from the [Provincial](#) and [Federal government](#).
5. Increased Funding: That City Council increase the funding envelope of the City Enrichment Fund during the budget process.

Funding Principles Review

Since 2015 the City Enrichment Fund (CEF) has invested in local charities, not-for-profit organizations, artists, and grassroots organizations across the city. As the city of Hamilton changes drastically local charities, not-for-profit organizations, artists, and grassroots organizations are expanding important programs and responding to emergent and immediate needs. With a budget of roughly \$6.5 million, applicants to CEF are looking for increased support through funding, enhanced transparency, and accountability during the application process.

At its June 13, 2023 meeting the Grants Sub-Committee directed staff to consult with community organizations in order to develop a further equitable City Enrichment Fund process and report back to the Grants Sub-Committee¹. To meet this direction, staff moved the 2024 intake period, which typically takes place from September through to November, to November 1st - December 15th to accommodate engagement with the community prior to the 2024 CEF intake.

On September 20, 2023, CEF staff launched the City Enrichment Fund – Funding Principles Review through the Engage Hamilton. The public was invited to provide feedback through an online survey. The survey questions and the corresponding results were further reviewed through the in-person and virtual stakeholder sessions. The survey received 126 full or partially completed surveys (<https://engage.hamilton.ca/city-enrichment-fund-funding-review>).

On October 23rd, 2023, two stakeholder sessions were held with the public to receive feedback to guide funding recommendations, funding principles, and funding criteria moving forward. Two community stakeholder sessions were held to accommodate local charities, not-for-profits organizations, artists, and grassroots organizations. The first session was in-person at Gas Works, 141 Park Street North, from 1 pm to 3 pm and the second session was virtual on WebEx from 6 pm to 7:30 pm.

¹ Grants Sub-Committee Report 23-003, June 13, 2023, <https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=376676>.

Consultation

Each community stakeholder session saw approximately fifty attendees with representation from all seven program areas: Agriculture; Arts; Communities, Culture and Heritage; Community Services; Digital; Environment; and Sport and Active Lifestyles. During the stakeholder sessions, the following questions were discussed with attendees to elicit their input and ideas about funding principles, changes to the fund, and equitable actions to implement in the short and long term.

- Describe CEF in your own words.
- How should CEF funds be allocated?
- What criteria should be used for eligible applicants?
- Which sectors or program areas should be prioritized?
- What funding models and principles should be implemented in the short-term and long-term?

Describe CEF in one word (131 responses from both consultations)



Figure 1: How would you describe City Enrichment Fund in one word? Picture of the word cloud.

The above word cloud illustrates how participating local charities, not-for-profit organizations, grassroots organizations, and artists depend on CEF to run essential programs in the city across all seven program areas.

Essential Keeps arts alive Critical Effective Impactful

At the same time CEF also presents challenges for current grantees and aspiring applicants. The word cloud highlighted this with the following:

Bureaucratic Frustrating Difficult Unfair Unorganized

During the stakeholder sessions the following questions were discussed to inform future funding principles.

- 1. How should the total available funds from the City Enrichment Fun be allocated among the seven program areas?
In the online survey 40% of respondents believe funds should be allocated to eligible applicants regardless of the applications program area. (Engage Hamilton.)

CEF funds should be allocated to eligible applicants

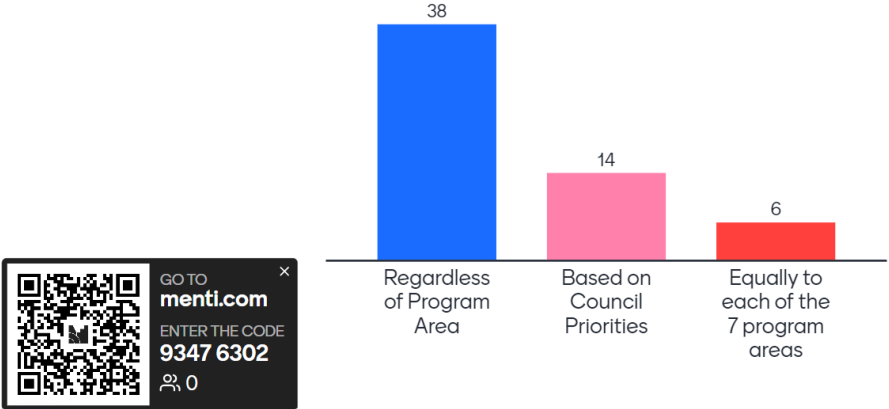


Figure 2: Bar graph with total number of respondents deciding how City Enrichment Funds should be allocated. Regardless of Program Area (38/58-65%), Based on Council Priorities (14/58-24%), Equally to each program area (6/58-10%). *These numbers represent participants from both community sessions who decided to partake in the menti survey. *

While attendees appreciated the designation of program areas the majority of attendees prefer funding applicants regardless of the program areas. Considering the response from attendees, they were asked what the influencing factor or factors should be used to determine eligibility. The criteria of IDEA are included in sections of the application. Council priorities are an additional criterion to allow for synchronized visions for Council and applicants receiving funding for their respective programs. When attendees were asked which should be the primary reason for eligibility the majority deemed both were important as seen in Figure 2.

CEF funds should be influenced by whether the program addresses

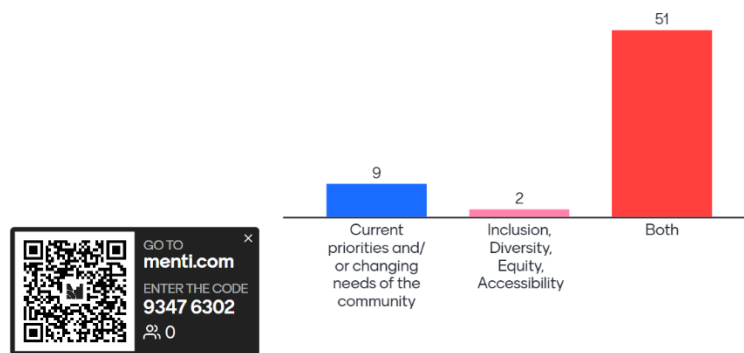


Figure 3: Bar graph with total number of respondents deciding on eligibility criteria. Current Priorities and/or Changing needs of the Community (9/62-14%), Inclusion, Diversity, Equity and Accessibility (2/62-3%), Both (51/62-82%). *These numbers represent participants from both community sessions who decided to partake in the menti survey. *

While Figure 4 shows a reluctance for supporting one-time funding for one-time projects and new applicants, attendees expressed the importance of funding new applicants. Below are some quotes from attendees about the topic of providing funding for returning applicants working on important programs/projects and opening opportunities for new applicants working on emergent issues across the city.

CEF Funds should prioritize funding to

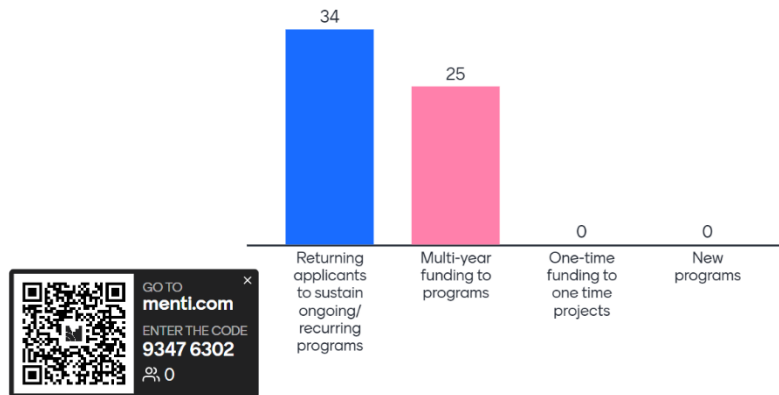


Figure 4: Bar graph depicting participant responses regarding how funding should be prioritized based on returning, new applicants, multi-year programs and one-time projects.

Returning Applicants Vs New Applicants

“If you have a separate “pot” for returning and new or one-time applicants, that would probably help, but the challenge is deciding what % of budget goes in each pot. 50/50 would not be fair.”

“Returning applicants with projects that have demonstrated high community impact over years should be given priority and higher funding. To sustain and grow these key and staple programs.”

“A segment of one-time funding should be prioritized for first time applicants.”

“Understand how organizations contribute to the arts ecosystem when balancing their ongoing needs against that of first-time applicants. Consider the impact of organizations within the city.”

The Future of CEF

When attendees were asked how to improve the CEF program, aside from prioritization, allocations, and criteria they all commented on the need to increase the funding envelope of the City Enrichment Fund.

More funding! Increase funding!

Additionally, attendees wanted to see more sophisticated funding models to ensure that a wide variety of organizations are supported and that the application process is transparent.

Attendees commented on the mechanics of the application process:

- Length of application should be proportional to the amount of funds being requested by applicant.
- Shorten length of time from when application is submitted to when a decision is made.
- Simplifying the application process for individual applicants.
- Getting rid of the 30% rule (policy states that funding recommendations cannot exceed 30% of the program's overall budget).

At its September 14 meeting, Grants Sub-Committee approved the following recommendation: That the 30% funding policy for all City Enrichment Fund requests be revised only to apply to applications with requests above \$15,001. This policy update has been applied beginning with the 2024 CEF cycle.

Attendees were eager to hear more about the possibility of CEF looking at multi-year funding and wondering how that would work, given the CEF program envelope is approved on an annual basis by City Council following the City's budget approval process.

Consultation Results & Recommendations

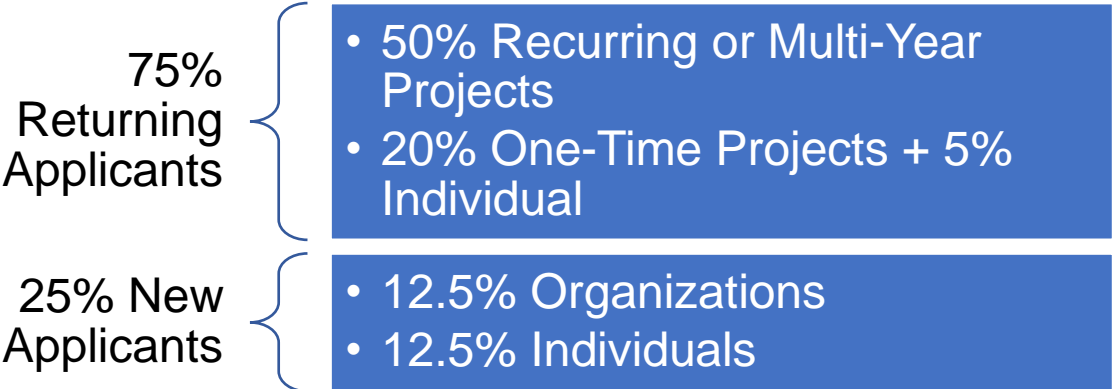
CEF Funding Principles

During the sessions with stakeholders there were five areas of focus that emerged from the consultation resulting in the following recommendations.

1. Funding Model – Clarify and publish a clear explanation of funding distribution between new and returning applicants (SHORT TERM)

By and large applicants appreciate the program areas but would like to see all applications categorized as *returning applicant* or *new applicant*. If this distinction is made, then it may be worthwhile to use a formula to ensure an equitable distribution between supporting recurring programs and returning applicants while also supporting new applicants working on emerging issues that otherwise will not be tackled.

Recommendation: Adopt a 75% to 25% ratio between returning applicants and new applicants. Using this ratio ensures a steady number of new applicants and continued support for returning applicants working on recurring programs. Within the 75% ratio of returning applicants 50% to be dedicated to recurring and/or multi-year projects, 20% to be dedicated to one-time projects and 5% to artist projects. Within the 25% ratio for new applicants, 12.5% to be dedicated to organizations and the other 12.5% to artists.



2. Funding Criteria and Assessment (SHORT TERM)

Applicants, both returning and new, would like to explicitly know how their application will be assessed and rated. Based on the responses, applicants would also like to know how IDEA and Council priorities are used to grade the application.

Currently, all Program Area Handbooks include the assessment criteria used by adjudicators to evaluate and rate the applications. The Handbooks are available online, and by request digitally or in print. Additionally, applicants are invited to meet with Program Managers each funding cycle to receive adjudicator feedback and a general overview of their application.

All applicants respond to three questions relative to IDEA and Council priorities:

- How will your program increase community participation? (i.e., how will you contribute to participant inclusion by reducing barriers based on economic; social; language; gender; physical or other conditions)
- Which of our City of Hamilton's Community Vision community priorities align with your program?
 - Describe how your program is aligned with the community priorities checked above.

Beginning in 2023, CEF has been gathering IDEA data during each funding intake to better understand organizations and the groups that are served through funded CEF programs.

Recommendation: Publish the scoring rubric for each program area based on the applications questions in the CEF General Guidelines and/or Handbook.

3. Multi-Year Funding (LONG TERM)

Attendees were excited to hear about the possibility of multi-year funding as this would give organizations ample time to organize and plan their programs. There was concern about how multi-year funding would work based on the City's annual budget process. The City could begin with multi-year funding on a 2-year period with an option to renew for another two years based on the success of program and organizational impact, and sustainability.

Recommendation: Implement a pilot multi-year funding model for recurring programs during the 2024 funding cycle. This will give City staff the opportunity to prepare and consult with returning applicants. The recommendation to start this pilot in the 2024 funding cycle gives staff a chance to review the multi-year funding model in 2026 and present the results to City Council.

4. Create a Funding Network (SHORT TERM – LONG TERM)

With a funding envelope of \$6.5 million, attendees recognized that applicant requests far outweigh the funding available, therefore, they would like to see CEF staff create a funding network. If there are unsuccessful applicants, they should be referred to other possible granting institutions and other grant opportunities from other levels of government. This can be done by email or on the CEF webpage.

Recommendation: Create a tab or section called *Other Grant Opportunities* on the City Enrichment Fund website that lists other local granting organizations such as the Hamilton Community Foundation, United Way, and other grants from the [Provincial](#) and [Federal government](#).

5. Increase the CEF Funding Envelope (LONG TERM)

Hamilton continues to see drastic changes with local charities, not-for-profits, grassroots organizations, artists, and neighborhood groups contributing to improvements in the quality of life in the city. With the City of Hamilton relying on these groups to improve the safety and vibrancy, an increased annual investment is required. During the community sessions it was a unanimous call from all attendees asking the City of Hamilton to increase the funding envelope of the City Enrichment Fund.

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Recommendation: That Hamilton City Council increase the funding envelope of the City Enrichment Fund during the budget process. It is not our responsibility or jurisdiction to propose an amount as that is the purview of Council.

Next Steps

This funding review is a building block of trust and future transformation. As emergent issues continue to develop, local charities, not-for-profits, and grassroots organizations will require more funding and capacity building.

The next phase for CEF is more community consultation with returning applicants about developing a multi-year funding option for organizations working with recurring programs across the City. After the 2024 funding cycle it will be prudent to ask applicants the following questions:

- How they see multi-year funding with CEF unfolding?
- Which organizations/applicants will be eligible for multi-year funding?
- Should the proposed 2024 pilot multi-year funding start with one program area or all seven areas?
- If City Council supports a 2024 pilot multi-year funding program, will they support a two-year or four-year application?

If these questions are answered by City staff with applicants a framework for a pilot multi-year funding model will be ready for the 2025 funding model.

Conclusion

Based on the results from the City of Hamilton [Engage Hamilton survey](#) and the community consultation sessions held on October 23rd, 2023, it is apparent that local charities, not-for-profit organizations, artists, and grassroots organizations are looking for a robust and responsive fund that is transparent in its grading process, explicit in supporting returning and new applicants and validating the work being done by over three hundred applicants.

The recommendations presented in this report provide a path in the right direction to expand the funding envelope for future applicants (be it returning or new), acknowledge the important work done by applicants, and build opportunities of support for local charities, not-for-profit organizations, artists, and grassroots organizations.

It is our estimation that these recommendations are reflective of what we heard from attendees and respond to the concerns raised during the consultations and results from the Engage survey.