

Demand and Supply: The Region of Waterloo Arts Fund Lets the Arts Community Define What's Important and Valuable

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A relatively new player in the area of grants to the arts in Ontario is the Region of Waterloo Arts Fund. While it is not unusual in its source of funding, its governance, or even the composition of its board, it has taken some unusual and, some might say, unorthodox steps in deciding on its mission and its methods. In effect, it has allowed the *applicants* for the grants program to define what the program will be. As a result, over a little more than three years the Arts Fund, as it is known in short, has channelled more than \$450,000 in new money into the arts in general and the hands of individual artists in particular, often in areas and for projects that would not make the cut with other, more traditional funding sources. Strings are few, paperwork is minimal, approvals are relatively swift, and outcomes are perhaps even more gratifying than was expected even by the regional government whose annual share of tax revenue created and finances the fund.

The government of the Region of Waterloo wanted to find a way to channel funding to the arts that didn't involve the entire regional council or one of its committees sitting in judgement on applications to carry out artistic projects, often without an understanding of the real needs and priorities of the arts community. The regional government had not been a big player in the arts and cultural scene until that time. Aside from the usual provincial and federal sources of funding (Ontario Arts Council, Canada Council), the matter was left to a patchwork of grants-to-groups processes operated by the three large municipalities in the Region: Kitchener, Cambridge, and Waterloo. Kitchener was the only city with a full-fledged Culture Plan and a full-time arts coordinator. The other cities tended to give out small amounts to arts groups, requiring them to compete in the same pool as local handicrafts, service organizations, and minor hockey teams.

The Region had been responding ad hoc to individual requests, but had migrated to a system whereby it provided annual operational funding to five fairly large

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regional organizations: the Kitchener-Waterloo Opera, the Waterloo Regional Arts Council, the Waterloo Regional Children's Museum, the Grand Philharmonic Choir, and the Kitchener-Waterloo Symphony. While it intended to continue to do that, it wanted to divert all other requests for funds to an arm's length organization specifically created for the purpose.

A steering committee was created to bring forward to council the outline structure. In part, the idea was to base the new foundation on a model that had been successfully operated for more than 25 years. The Waterloo Regional Heritage Foundation had been created soon after the founding of the heritage-rich regional municipality and had, among other activities, made grants to publishing, restoration, and promotional projects that recognized and enhanced the heritage of the former Waterloo County.

So, in July 2002, the Regional Municipality of Waterloo formally approved the creation of a not-for-profit organization called the Waterloo Regional Arts Foundation.¹ It applied for and received provincial letters patent, and the first board of directors was appointed by Regional Council, including two appointees from among the councillors themselves (one of whom was the Regional Chairman, who had been the idea's champion). Several of the first group of directors had been members of the steering committee. The foundation's goals were to promote, encourage, and provide support to arts organizations and individual artists; and to contribute to the vibrancy of the arts and cultural sector for the benefit of the people of the Region of Waterloo.

The Regional Council had set aside 20 cents per capita (the same amount it annually gave to the Heritage Foundation) from the time the idea had been actively promoted. Therefore the new foundation had about two years worth of funding—close to \$180,000—in the bank to start with. Thereafter, under the per capita arrangement, an annual grant of about \$95,000 would be deposited into the Arts Fund's account. It would increase with the growth of the regional population.

However, the new board of the foundation didn't plunge immediately into giving out grants; first it wanted to decide what it wanted to accomplish with the money and what criteria it wanted to establish for making awards.

It had been anticipated by the Regional Council and the steering committee that the new foundation would not only incorporate but would also operate as a charity and—eventually—do fundraising for money in addition to the regional grant.

Discussion around the board table rapidly made it clear that many directors were uncomfortable with the idea of seeking funds in the public marketplace in competition with the foundation's applicants or "clients." And, on further examination, the board found that if it wanted to give money to individual artists (something the majority of the board wanted to do), becoming a registered charity was perhaps not the way to go. Because of the way that charitable laws are structured, it would then be possible to give money only to organizations. The likely out-

come would have meant that individual artists would have been shut out and only incorporated not-for-profits could benefit from the new source of funding. So, at least for the foreseeable future, the board decided not to seek charitable status and not to fundraise, but to stick to giving out as much of the annual grant as efficiently and completely as possible.

Some other conclusions came out of the wide-ranging discussions. The board of the foundation wanted:

1. to “Make Art Happen,” that is, to stimulate artistic activity in the region now (i.e., within 12 months) or to fund projects that would enhance an organization’s ability to make even more art happen in the future;
2. to fund all kinds of arts, but to let the nature and extent of the applications more or less “design” the kinds of programs that the foundation would fund;
3. to make “meaningful” project grants, although not typically capital or operating grants;³
4. to impose no cap or floor on grants, at least until the Fund had several years of experience upon which to base it;
5. to make the process of applying for the funds as easy and straightforward as possible (To that end, it implemented a two-stage application process, in which the first round consists of a simple, two-page letter of intent, outlining what the applicant wants and why. Only those short-listed would then be asked to provide a more detailed application, with budget figures and operational details.);
6. to have the entire board sit to review the grants; and
7. to spend as little as possible on administration.³

The criteria for evaluating an application included (but were not restricted to) the following:

- Artistic merit
- Benefit to Waterloo Region
- Contribution to the vibrancy of the arts and cultural sector in the community
- Visibility—will it reach the public?
- Viability—is it doable, realistic?
- Ability of the applicant to complete the project successfully
- The extent to which a grant from the Arts Fund would encourage other funding and matching grants from other sources

- Preference being given to proposal for projects that would otherwise not take place

When the Arts Fund published a brochure, mounted a website, and opened for business, there was a significant pent-up demand. The breadth, depth, and variety of the applications that came in were both gratifying and in some ways surprising. In almost all cases, the funding it gave was partial, a contribution towards a larger budget. In its first few years, the Arts Fund gave money for everything ranging from a major new music festival (\$20,000 to the Open Ears Festival) to a tiny grant (\$600) in support of a fledgling theatre company. It funded a new contrabass horn for the Preston Scout House Alumni Marching Band and the establishment of a new shadow-puppet theatre that was going to stage *Macbeth* for a variety of audiences. It provided partial funding for producing independent compact discs for local musicians, supporting a playwriting festival, and commissioned a new piece to be premiered with the Kitchener-Waterloo Symphony. It helped painters complete and frame works for one-person shows. In almost every area and discipline, it gave out meaningful grants that made art happen, thereby meeting its own criteria and intentions.

Discussion of applications around the boardroom table was based on consensus. Voting on an application was relatively rare. Because the 14 people involved were drawn from many areas of interest, had knowledge of various disciplines, and came from various parts of the Region, it was generally the case that opinion was based on first-hand knowledge.⁴ This does not mean that the board was biased towards, say, community arts. In fact, a fair degree of professionalism was expected. The board members set a relatively high standard, according to their own established criteria, both because it was felt to be right and because, given the limited funds available, a certain amount of “triage” was necessary, since it turned out that only about 20% of the applications could be funded.⁵ Demand was certainly outstripping supply.

At least in the first couple of years, little guidance was given to applicants beyond what they could read in the brochure or on the Fund’s website. Later, letters to applicants sometimes provided guidance by letting them know about the prohibition on capital or operating funding, or by asking for clarification on certain points of detail. But, generally, the board found that the variety of applications demonstrated that the arts community, individually and collectively, was paying close attention to the size and type of grant being given.

One of the reasons the fund and its procedures were so welcome was that, as noted above and unusually for a granting agency, grants were given to private individuals undertaking art. There wasn’t much appetite for supporting the subsistence of artists while they worked, although there is probably a need for that. But there was an interest in developing the arts by providing seed money and early support for fledgling artistic enterprises. By its decisions and awards, the Arts Fund recognized that helping someone frame and mount an exhibition, or construct a puppet stage and shadow puppets was important to “making art hap-

pen.” Similarly, supporting educational projects that involved the arts exposed students to the artistic process. For instance, the Canadian Clay and Glass Gallery was funded in part to do a school-year-long project in which selected high school students are planning and executing a major art installation in cooperation with a professional artist and are dealing with the prosaic ancillary issues (as well as the artistic decisions)—things such as site selection and installation challenges. Something like the Songwriter Festival really made efficient use of small amounts of funding during its two years of start-up and then was told that it was on its own.

As it matures, the Arts Fund will be faced with various issues of success. Maintaining a broadly based board is one challenge, particularly now that the board is more or less self-replicating. We need to guard against recruiting our friends and like-minded colleagues and instead seek out and balance recruitment to reflect various skills from various disciplines as well as geographical location (no small thing in a region with four rural townships and three mid-sized cities) and gender.

After more than three years of existence, the Arts Fund is now seeing repeat applications from organizations and individuals. These can take the form of cleverly packaged variations on a theme. Although no policy has been settled upon, the rule of thumb is that a couple of applications for roughly the same sort of thing is acceptable, but much more than that means it slips down the priority list. The directors have been sensitive to the different capabilities of applicants when it comes to ‘grantsmanship’. Some applicants have clearly well-honed skills as a result of frequent Canada Council and Ontario Arts Council applications. Others, who may never have applied for support from anyone, are not as smooth and accomplished. Yet their projects may be every bit as worthy of support. There has been no hard answer to this, however, other than being fairly prescriptive in the elements that are expected and detailing the questions that will inevitably be asked. A minimum information threshold is still required to make good decisions—a proper budget and specifics about expected outcomes, for instance. In a sense, the Arts Fund is educating itself about the artists’ needs and the artists are educating themselves about the way the Arts Fund thinks. Over time, this results in a collective sense that is unique and remarkably flexible in meeting the ever-evolving needs of the arts in Waterloo Region.

NOTES

1. Soon after the foundation was created, it was realized that the name Waterloo Regional Arts Foundation was a misnomer (since it was not to be a charitable foundation) and that there was considerable confusion in the public mind with the independent Waterloo Regional Arts Council. So it was decided to rebrand it to the Region of Waterloo Arts Fund (or Arts Fund for short).
2. The board recognized that, while operational funding was sorely needed, there simply wasn’t enough money to offer operating funds.

3. Without any formal agreement, the Arts Fund board was able to make substantial, no-cost use of facilities at regional headquarters, including the services of the regional clerk as secretary of the Fund. Legal advice came from the regional solicitor's office, again gratis. And even the cost of the board's annual audit was covered by Regional Council. Aside from the cost of light refreshments at the board's meeting and the cost of creating a logo and producing a brochure and website, there was practically no costs attributed to the Fund.
4. One of the board's first tasks was the develop a robust, but flexible, conflict of interest policy. In a relatively small arts and culture community, there was inevitable overlap between board directors and applicants for Arts Fund support. Indeed, intimate knowledge of events was considered critical to making good, and sensitive, decisions. The conflict of interest policy recognized this head-on and requires a fair amount of rigor on the part of individuals to declare possible conflicts (real or apparent). If the board decides that someone has an interest (say, as a director of another board that is applying, or as family or close friend), that person is required to leave the room and to take no part on the discussions. So far, this has been quite manageable.
5. This was one of the strong arguments made to the Regional Council in the fall of 2005 when the chair of the board appeared as part of the 2006 budget consultations to request an increase in the per capita grant. As part of the Regional Council's budget process, it agreed to provide 30 cents per capita starting in 2006.