



Civic Partner Operating Grant Program Questions & Answers from October 13, 2023

QUESTIONS AND ANSWERS

HIGHLIGHTED QUESTIONS INCLUDE INFORMATION UPDATED IN MARCH 2024

BACKGROUND

1. Why was this project initiated?

In December 2022, Council adopted a Notice of Motion (EC2022-1378: Developing a Civic Partnership Program) that directed Administration to undertake the following work:

- Establish a Civic Partner Operating Grant Program that aligns with current and future Council directions.
- Return to Council no later than Q3 2023 for approval of the program's terms of reference and funding framework.
- Use the approved terms of reference and framework to adjust the allocation of grant funding to Civic Partners from 2024 to 2026 following a review of the 2023-2026 Service Plans and Budget requests against the new framework.
- Annually report back to Council on the program via existing Accountability Reports and Civic Partner annual reports.

2. What issue is the NoM trying to solve?

Civic Partners, Council and Administration had identified a number of challenges with the existing funding model that were confirmed during the consultant's engagement. Generally, the consultant's engagement process surfaced challenges related to the current approach including:

- lack of transparency, feedback channels and flexibility,
- does not recognize the complexity of partners,
- creates a competitive funding environment,
- perceived lack of accountability including financial accountability,
- incongruence with larger corporate budget processes,
- funding decisions that are impacted by political influence,
- a lack of rigor in funding allocations, and
- challenges related to equitable distribution of funding.

Designing a tailored operating grant program will help address many of these challenges by providing a structured, transparent and consistent approach to developing funding recommendations that provides new opportunities for two-way communication during the decision making process.

DEFINITIONS OF TERMS

3. What is meant by “mutually exclusive programs, services and facilities”?

The intent of the program is to provide operating funding to support Civic Partners that operate under unique, distinct organizational mandates, and offer unique and distinct programs, services and facilities that meet identified needs and benefit Calgary and Calgarians.

4. What is meant by “multi-year funding”?

Funding under this program will continue to align with The City's Service Plans and Budgets process which currently establishes a four-year budget for Council approval. Council approval of Civic Partner funding recommendations will continue to align with the corporate multi-year budget cycle. The Multi-Year Business Planning and Budgeting Policy CFO004 can be found [here](#).

5. What is meant by “equitable funding”?

When the full Program Guidelines are developed, learnings from other City grant programs that have already undertaken equity reviews will be reviewed to determine how Program can be equitable and recognize the broad range of organizations structures and operating models included in the Civic Partner category.

6. What are “essential operating costs”?

Essential operating costs, also commonly referred to in the nonprofit sector as core operating costs, are an organization's basic infrastructure costs that are not covered through direct program or service funding that may include costs related to staffing, financial management, governance, research and evaluation, communications, revenue generation, technology, and office space and supplies.

7. What is a Civic Partner?

“Civic Partner” is a term defined in the Council [Investing in Partnership Policy](#). While there are a range of characteristics that define a Civic Partner, in the context of this Program, it includes organizations that The City provides at least \$500,000 in annual operating grant funding. Beyond the funding threshold, the definition also includes organizations that deliver a Council approval mandate or strategy, for example, a wholly-owned subsidiary of The City of Calgary. The full definition of all partner categories is available in Schedule 3 of the Policy.

8. Is capital funding included in this Program?

Requests for capital funding are not included in this Program. Civic Partners will continue to request capital funding in alignment with the Investing in Partnership Policy through separate processes.

9. What is the “legal structure” of a Civic Partner?

The City's Civic Partners represent a range of organization types. A number of the organizations are controlled entities of The City, including wholly-owned subsidiaries and entities created by The City through provincial legislation and independent organizations established under the *Societies Act* (Alberta), *Canada Not-for-profit Corporations Act* (Canada), the *Companies Act* (Alberta), or other legislation. The Terms of Reference consider a Civic Partner's legal structure given the inherent level of risk posed for The City by wholly-owned subsidiaries and other related authorities including bodies set up through legislation.

10. Will the Program impact my organization's funding agreement?

Each Civic Partner has a unique set of legal agreements in place with The City depending on the nature of their relationship and The City's investment(s). Any changes to legal agreements would be discussed on a partner-by-partner basis with their Civic Partnership Consultant.

REVIEW AND EVALUATION

11. How will the Grant Review Committee be structured? Who will sit on the Committee?

The proposed Grant Review Committee will be an Administrative Committee with its own Committee terms of reference document. As an Administrative Committee, its membership will

only include members of Administration, and it will not fall under the *Governance and Appointments of Boards, Commissions and Committees Policy* (CP2016-03), but will consider any leading practices under that Policy. The Committee terms of reference will include, among other items, the Committee's mandate and authority, roles and responsibilities, composition and resources.

12. How will the Grant Review Committee be supported to make funding recommendations?

Using a Civic Partner's full application as the starting point, the Grant Review Committee will be supported by a broad range of subject matter experts who will support the Committee during the review process. Formal communication channels will be developed between applicants and the Grant Review Committee to gather feedback, additional information and ask questions as required during the review process.

13. How will the Program improve two-way communication and transparency?

The proposed grant program will include formal processes to support consistent, transparent and equitable communications between applicants and the Grant Review Committee. Options may include site meetings or visits, opportunities for formal presentations, opportunities to provide written responses to questions that are shared with the full Committee, or phone calls between an assigned Committee member and an applicant with the Committee member sharing feedback with the broader Committee. The full Program Guidelines are being developed and Civic Partners will continue to be engaged during this stage of work.

14. What evaluation criteria will be used to evaluate applications?

The evaluation criteria will align and compliment a number of areas such as broader City and Council defined budget investment criteria including Council's strategic directions and priorities for a particular budget cycle. There will also be common evaluation criteria that apply to all Civic Partners and some criteria tailored for a particular stream or grouping of similar Civic Partners (by structure, or areas of work). Established evaluation criteria will support the Grant Review Committee to consistently and fairly evaluate and prioritize funding requests.

15. Who will approve Civic Partner funding recommendations?

Under the Terms of Reference, the recommendations from the Grant Review Committee will go to Council for approval.

16. How are the funding recommendations put forward to Council by the Grant Review Committee?

The Partnerships team working alongside our colleagues in Corporate Planning and Performance and the Corporate Budget Office will determine the timing and mechanics of how recommendations will come forward to Council.

17. Is there a process for dialogue once a funding recommendation has been approved?

Discussion about a funding request will be between the applicant and the Grant Review Committee, and tools for two-way communication will be defined when the Program Guidelines are developed. Any appeals of funding would be managed through the program structure through an appeal or reconsideration process that will be outlined in the Program Guidelines.

18. What are the "streams" proposed for the Program structure?

Using Program streams will help support a more refined intake and evaluation process for applications by grouping similar types of Civic Partners together and allowing for tailored

information gathering and evaluation criteria. The streams will be defined when the full Program Guidelines are developed. At the highest level, a stream for a Civic Partner's Legal Structure will be included – for example, streaming all applications from The City's wholly-owned subsidiaries together.

REPORTING AND EVALUATION

19. Will there be any new reporting requirements?

Council's Notice of Motion called for reporting to continue through the Civic Partner Annual Report and other existing accountability reports. As part of this work, we will look at how existing reporting tools and templates can be improved and streamlined.

20. What are “collective reporting requirements” related to Civic Partners within a stream?

Under this program, shared measures may be developed in collaboration with Civic Partners to demonstrate collective impact for a particular sub sector of partners working within a related area. More details for this process will be defined in a future phase and Civic Partners would be involved in the co-creation of any measures.

21. How often will Program evaluation be conducted?

The reference to evaluation in the Terms of Reference refers to the regular evaluation of the whole Program to refine and adjust as needed to meet the changing needs of Administration, Council and Civic Partners, and to embed new lessons learned from the Program and other City grant programs as they arise. A formalized and regular program review process will be developed for the Program.

LOBBYING

22. How will the Program requirements impact a Civic Partners' advocacy and lobbying?

Based on leading practices and engagement results, the consultant advised that a formal, structure grant program can help reduce the need, or perceived need, for lobbying to secure funding. Concerns about the impact of lobbying on an open and transparent funding process were identified during the consultant's engagement including: lobbying for funding is not a transparent process, that when Civic Partner don't understand the funding process they are pushed to take a more political route, with the current process being unclear there is a perception that funding decisions are political, and if there was a proper grant process and application lobbying for funding would not be required.

Based on Civic Partner comments, the requirements for lobbying and advocacy in the full Terms of Reference have been refined to read as follows:

Include a requirement for no lobbying specific to a funding request by organizations or individuals representing the organization from the date of submission of an application to the Program until the approval of funding recommendations by Council. This does not apply to general advocacy or education by Civic Partners related to their organizations.

Mitigating the risk of lobbying by applicants about a particular funding request will be further supported by elements of the full Program Guidelines including clear application, review and evaluation processes. On the Administrative side, it will also be supported by confidentiality,

communication requirements and other elements that will be embedded in the Grant Review Committee terms of reference.

IMPLEMENTATION

23. When will the first round of the Program be offered? UPDATED

We expect the Program will be launched in Q1 2025. The Program will be integrated into the final budget adjustment year of The City's 2023-2026 Service Plans and Budgets.

Background: Original direction from Council asked Administration to implement the Program for November 2023 with adjusted funding recommendations for the remainder of the 2023-2026 Service Plans and Budgets. This direction was amended by Council with the approval of the Terms of Reference in November 2023.

The Program will run again in 2026 in preparation for the 4-year Service Plans and Budgets (2027-2030).

24. How will the Program align with The City's budget process?

The Terms of Reference propose that Council will continue to approve funding recommendations. Administration is working cross-departmentally to ensure alignment with The City's corporate budget process.

LEADING PRACTICES

25. What are some examples of leading grant making practices you are going to include?

The consultant's full report provides a number of recommendations based on leading grant making practices in place in the broader sector including: use of a Grant Review Committee, established Program Guidelines that define eligibility and other elements, using a tailored grant application, providing opportunities for feedback during the application and review stages, and improved communication with applicants at all stages of the process.

26. What other grant programs were reviewed to determine the proposed process?

The consultant undertook cross-jurisdictional research that looked at a range of funders from a variety of sectors, including seven municipalities. In-depth interviews were conducted with eight funders and including three municipalities. The internal team reviewed information about leading practices for other City of Calgary grant programs including reviews focused on equity, diversity and inclusion. If the Terms of Reference are approved and work moves ahead, Program development would continue to build on existing practices both within and outside of The City.

NEXT STEPS AND ENGAGEMENT

27. When are the Terms of Reference going to Council for approval? UPDATED

In November 2023 the Terms of Reference were approved by Council.

28. What are the next steps? UPDATED

Administration is working on the next phase that includes developing the full Program Guidelines and funding application, and planning for implementation. At each stage, opportunities to engage Civic Partners for feedback will be identified.

29. How will Civic Partners be engaged in the next steps?

As part of the project planning process for the next part of this work, the team is identifying a number of opportunities for Civic Partners to be further engaged in the development of the full Program Guidelines, the application, and other elements of implementation. Information about timelines and opportunities for engagement will be shared with Civic Partners as the project moves ahead.