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## 2021 OPERATING BUDGET BRIEFING NOTE

### Local Arts Service Organizations Funding Allocation

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#### Issue/Background:

- Additional information was requested of the General Manager, Economic Development and Culture through providing a budget briefing note on historical funding allocations for each of Toronto's six Local Arts Service Organizations (LASO) and outline actions taken or planned to be taken to ensure the equitable distribution of LASO funding across these organizations.
- The current LASO funding structure is based on historical allocations dating prior to amalgamation, with the Economic Development and Culture (EDC) division working to achieve greater equity in funding distribution and to fairly reflect the needs and size of the communities served and the performance of the LASOs, with respect to supporting City priorities.
- EDC funding for the six LASOs provides a mechanism for the City to support a network of community arts organizations that are a key part of the city's cultural infrastructure and critical to community and cultural development outside the core; they provide inclusive free programming, with a focus on engaging equity-seeking groups, that is customized and responsive to local needs.

#### Key Points:

- Historical funding levels of the six LASOs are found in the table below.

| <b>Funding Level</b> | <b>2020</b>        | <b>2019</b>        | <b>2018</b>        | <b>2017</b>        | <b>2016</b>        |
|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Arts Etobicoke       | \$436,295          | \$436,295          | \$424,295          | \$438,795          | \$438,795          |
| Lakeshore Arts       | 313,430            | 313,430            | 295,430            | 295,430            | 295,430            |
| Scarborough Arts     | 282,000            | 282,000            | 260,000            | 269,000            | 269,000            |
| UrbanArts            | 315,435            | 315,435            | 295,435            | 295,435            | 295,435            |
| North York Arts      | 287,240            | 287,240            | 259,240            | 235,740            | 235,740            |
| East End Arts        | 183,000            | 183,000            | 171,000            | 171,000            | 171,000            |
| <b>Total</b>         | <b>\$1,817,400</b> | <b>\$1,817,400</b> | <b>\$1,705,400</b> | <b>\$1,705,400</b> | <b>\$1,705,400</b> |

- The LASO total operating grant budget for 2019 and 2020 was \$1,817,400, with organizations flat-lined at 2019 funding levels for 2020, in an effort to expedite funding at the onset of the COVID-19 pandemic. For 2021, EDC has proposed the same level as LASO funding as 2020, with a total program budget of \$1,817,400.

- The current LASO funding structure is largely based on historical allocations, with minor adjustments made in recent years to achieve greater equity and alignment with performance. East End Arts and North York Arts were founded more recently and their budgets are smaller, reflecting this.
- City staff meet regularly with the LASOs to ensure that the grant program is transparent and accountable and that program funding supports City priorities.
- In 2013, the LASOs came together to work on a strategic joint business plan (updated in 2019) in a progressive effort to work collaboratively to better support business development for arts and culture, increase local tourism and facilitate civic engagement.
- Funds are currently disbursed based on recommendations from a peer advisory panel, and EDC staff review and input, in compliance with the City's Community Grants Policy; EDC is working toward a more equitable distribution of funds that is reflective of the size of community served, needs of the community and demand for resources, with funds allocated based on transparent principles, including those mentioned above and the ability of each LASO to deliver programming that addresses City priorities, including those identified in the COVID-19: Impacts and Opportunities report, and Economic Development and Culture Divisional Strategy 2018-2022.
- Achieving a more equitable distribution of resources needs to be done in a manner that does not abruptly or drastically destabilize any one LASO or the network itself. This can be achieved through incremental investment as well as a phased approach.
- The issue of equity in funding for LASOs is not isolated, but an issue for arts funding more broadly, with a higher concentration of funding supporting downtown-based organizations, and less funding targeted at supporting organizations led by and serving BIPOC and equity-seeking communities. Notably, currently 61% of City cultural funding, to include that provided to the Toronto Arts Council, falls into the TOCore catchment area, with 39% outside the core. It is a strategic priority of EDC to recalibrate these amounts so that proportionally more funding reaches communities outside the core.
- The following table provides a detailed overview of the allocations provided to the LASOs as well as some information on cost drivers like program participants and population in their catchment. (Notably, indicators like total attendance do not control for the intensity of the attendance but equally count low intensity events like attendance at festivals and high intensity events like art classes.)

| Organization     | Years in operation | 2019 grant  | % of overall LASO budget | 2019/2020 revenue (public & private - projected)* | % of LASO's revenues (2019/20) | Increase /decrease since 2016 (%) | Total attendance 2019/20 *** | Cost per participant, based on City \$ | Cost per resident in catchment based on City \$ |
|------------------|--------------------|-------------|--------------------------|---|--------------------------------|-----------------------------------|------------------------------|--|---|
| Arts Etobicoke   | 48                 | \$436,295   | 24%                      | \$1,021,554                                       | 43%                            | -1%                               | 56,694                       | \$7.70                                 | \$1.19  |
| Lakeshore Arts   | 28                 | \$313,430   | 17%                      | \$666,287   | 47%                            | 6%                                | 17,263                       | \$18.16                                | \$0.86  |
| Scarborough Arts | 43                 | \$282,000   | 16%                      | \$571,000   | 49%                            | 5%                                | 142,750                      | \$1.98                                 | \$0.45  |
| UrbanArts        | 33                 | \$315,435   | 17%                      | \$963,791   | 33%                            | 7%                                | 17,820                       | \$17.70                                | \$1.12  |
| North York Arts  | 10                 | \$287,240   | 16%                      | \$986,230   | 29%                            | 22%                               | 86,076                       | \$3.34                                 | \$0.28  |
| East End Arts    | 9                  | \$183,000   | 10%                      | \$318,265   | 57%                            | 7%                                | 25,548                       | \$7.16                                 | \$0.85  |
| Total            |                    | \$1,817,400 |                          | \$4,527,127                                       |                                |                                   |                              |  |   |

- In 2020, City funding accounted for between 29% and 49% of each organization's operating budget with the exception of one of the newer LASOs, East End Arts, at 57%.
- In 2018, minor adjustments were made to the LASO allocations to achieve greater equity and alignment with performance. In total, \$23,500 (or 1.4% of the total budget) was reallocated, with two LASOs seeing a 3.3% decrease in order to provide a 10% increase to the highest-rated LASO.
- Collectively, the LASOs have attendance of 346,151 at programs and events, with 865 public activities and 1,910 arts education opportunities. LASO programming is predominantly free and accessible to all, with a focus on engaging equity-seeking group members, building local capacity and providing employment and mentorship for youth.
- LASO programming strongly supports the City's Strong Neighbourhoods Strategy and Youth Equity Strategy through work in underserved communities and Neighbourhood Improvement Areas. LASOs work with local artists and organizations, partnering to support the work of new and emerging artists and to create opportunities for BIPOC and equity-seeking community members. The organizations are very much a part of the fabric of their communities, key to the health and dynamism of local neighbourhoods.
- The LASOs have shifted their programming to a variety of online platforms in response to COVID-19, offering educational programming, online performances, innovative digital presentations, delivering art supply kits to vulnerable community members, mentorship opportunities, supporting sector-wide initiatives and continuing to provide jobs for artists.
- The four original LASOs were Arts Etobicoke, Lakeshore Arts, Scarborough Arts (formerly Scarborough Arts Council) and UrbanArts Community Arts Council (formerly Arts York). The two newer LASOs, North York Arts (2011) and East End Arts (2013), were formed per Recommendation 2.3 "Establish Local Arts Service Organizations in North York and East

York" in Creative Capital Gains: An Action Plan for Toronto, adopted by Council in 2011, to broaden the LASOs' service area across the city outside of the downtown core.

**Next Steps:**

- In 2021, staff will continue to balance historical funding levels with greater movement towards equitable allocations. Funding allocations will be informed by performance results, peer review, and City priorities. The long-term goal will be to achieve a transparent, equitable distribution of funding while not destabilizing any single LASO or the network as a whole. Currently, 41% of the program budget is allocated in Etobicoke. A targeted outcome would be to see growth in the allocation to the newest LASO, East End Arts, which has had the smallest increase in its budget since 2013.
- Over 2021-22, EDC will undertake a community cultural development review with a focus on ensuring relevant, accessible, sustainable cultural programming for residents outside the core to inform a new Community Cultural Development Strategy. The review will include extensive community consultation, and will inform the direction of community arts programming in the city for the next five years, including LASO programming.
- Continue to encourage LASOs to collaborate, share resources and best practices, ensuring programming is not duplicated and that they are working to provide programming in highly under-resourced areas, especially those most impacted by COVID-19.
- Work towards supporting the efforts of LASOs to grow and diversify their revenue base, including access to specific project funding, like that with ShowLoveTO and ArtworxTO that support LASO efforts to aid in Toronto's recovery and rebuilding in the outside core communities that have been devastated by the effects of the pandemic.

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**Date:** January 22, 2021