

**CALIFORNIA CULTURAL AND HISTORICAL ENDOWMENT  
BOARD MEETING**

**Tuesday, August 11, 2004  
10:00 A.M.**

Location: California Resources Agency  
1416 9<sup>th</sup> Street  
Auditorium  
Sacramento, CA

Members of the Board in attendance:

Ms. Susan Hildreth, Chairperson  
Ms. Marie Acosta  
Ms. Donna Arduin, represented by Mr. Robert Campbell  
Senator John Burton, represented by Ms. Mary Shallenberger  
Ms. Cynthia Campoy Brophy  
Mr. Michael Chrisman, represented by Mr. Walter Gray  
Ms. Suzanne Deal Booth  
Assembly Member Jerome Horton, represented by Mr. Errol Chisom  
Ms. Georgette Imura  
Mr. Bobby McDonald  
Ms. Betsy Reeves  
Mr. James Irvine Swinden

Staff in attendance:

Ms. Diane Matsuda, Executive Officer  
Ms. Jennifer Ruffolo, Assistant Director  
Ms. Rachel Magana, Executive Secretary

Also Present:

Ms. Ms. Charlene Anderson, Isleton Brannan, Andrus Historical Society  
Mr. Stephen Becker, California Historical Society, California Association of  
Museums  
Ms. Elizabeth Castillo, San Diego Natural History Museum  
Ms. Celeste Dewalt, California Association of Museums  
Mr. Vorin Dornan, City of Oroville, Department of Parks and Trees  
MR. Bruce Galbraith, Ship Brooklyn Association  
Ms. Beverly Grova, National Steinbeck Center  
Mr. Joseph Guida, Historical Mount Saint Marys Preservation Committee  
Mr. Warren Hayishi  
Mr. Ted Hilliard, California Mining and Mineral Museum  
Mr. Ken Iwagaki, Japanese American Museum of San Jose  
Mr. Brian Jacobson, San Francisco Conservatory of Music

Mr. Isaac Kos-Reed, Townsend Public Affairs  
Ms. Kathleen Monaghan, Fresno Met Museum  
Ms. Sandy Mori, San Francisco Japantown Task Force, Inc.  
Mr. Mike Moyers, Possibility Works, Inc.  
Ms. Dorley Nesbeth, Human Relations Commission of Fresno  
Mr. Patrick Okoegwale, Foundation for African Artistic Culture  
Ms. Carol Oliva, California Indian Museum & Cultural Center  
Mr. Paul Osaki, California Japanese American Community Leadership Council  
Ms. Josie Patria  
Dr. Dennis M. Power, Oakland Museum of California  
Ms. Jennifer Smith, El, Grove Community Services District  
Mr. John R. Walasek, Yuba-Sutter Cultural & Historical Endowment Committee  
Mr. Gerol Weirs, Museum of African Diaspora  
Ms. Pamela Wu, Asian Pacific Islander Cultural Center  
Mr. Mike Wylie, Sonoma County Parks Department  
Mr. Kenneth Zadwick, Mare Island Historic Park Foundation  
Ms. Jeanne Zastera, City of Oakland

**1. Roll Call**

Mr. Robertson called the meeting to order at 10:05 and then introduced Chairperson Hildreth, who has been appointed by the Governor. She was appointed in July and assumed office in August. Deputy Attorney General Moe administered the oath of office to Chairperson Hildreth. A quorum was established.

**2. Approval of Minutes from July 13, 2004**

Given the fact that the July 12, 2004 Board minutes were distributed so late, Chairperson Hildreth deferred action on them until the next Board meeting on August 24, 2004.

**3. Chairman's Report**

Mr. McDonald wanted to go on record stating that the leadership provided by Mr. Cameron Robertson was excellent and he wanted to personally thank him for all his hard work.

Chairperson Hildreth provided a brief description of her background to those present.

**4. Executive Officer's Report**

Ms Matsuda updated the Board on the following items:

- She introduced new members of the staff. They are Shelley Green, Office Technician; three new interns Brandi Bruce, Robin Brock and Raj.
- Fifteen workshops have been held throughout the State, and from these workshops it was learned that there was a common concern. The first concern was that people wanted to be sure that proper

outreach to various communities was being done. To accomplish this task, a list of approximately 1,900 names and addresses of individuals who represent non-profit organizations, individuals interested in historic and cultural preservation, public agencies, etc. were collected. These names and addresses will be incorporated into a database that will be given to Teale Data Center. Teale Data Center will then format the database into a mailing list, as well as, post it on the website in order to provide better and faster information to the public interested in activities of the Endowment.

The second question that came up at the workshops had to do with the proposed process and how the first round of funding would occur. Ms. Matsuda provided a general summary and flowchart illustrating the funding process.

The third question had to do with what things the Endowment can fund? Ms. Matsuda asked Deputy Attorney General Moe to clarify this in a little more detail.

Deputy Attorney General Moe explained that there are a number of different laws and rules that come into play when looking at bond funds and grants that involve bond funds.

At this point, all of the funds available to the Endowment are general obligation bond funds and because of this there are four legal constraints or limitations, that have to be met for any grant to qualify for endowment funds. The first is AB716, the second is Prop 40, and the third is a general statute that applies to general obligation bond funds and it is called the General Obligation Bond Act. All three of these state laws have to be met, as well as the Federal Tax Code. What this means is that some of these questions are going to need to be looked at carefully, and analyzed under these statutes. This could require intensive staff consultations with applicants before they submit an application.

- Ms. Matsuda explained that specific questions about match requirements. Perhaps the Board can adopt a policy whereby any type of eligible grant applicant must provide some type of proof to trace specific funds that are dedicated to a capital asset project.
- The second area of concern that has been raised has to do with other public funding. There is no legal prohibition that would prohibit the Endowment from allowing applicants to use local, state and federal funding to help meet the match requirement.
- Another question has to do with the issue of a non-cash match. There is a concern that it is very difficult to raise cash-for-cash match funding, and it is hoped that the Board will consider looking at any and all non-cash-type of services that might be used to count as a match.
- The grant application requires that a resolution be submitted. This could be a problem for those whose Boards may meet only once a month, or in some cases, four times a year.

- Another concern has to do with allowing staff discretion to formalize procedures on application-related items.
- Another question is will the Board allow for successive applications?
- After staff has collected all pertinent information from applicants, they will present a list of recommended applications to the Board for consideration. The Board may wish to hear presentations from the applicants as well.

Assembly Member Marco Firebaugh addressed the Board and reminded them that their principal purpose is to prioritize absent and underrepresented experiences. It is his hope that the Board will remain flexible in the manner that it promulgates this regulation and in the way it awards it resources.

He thanked the Board and staff for their hard work. He stated that he is eager to be part of the next funding cycle.

The question was asked as to whether the Endowment could establish a preservation revolving fund from the bond measures as a way of extending some opportunities to groups and organizations. Deputy Attorney General Moe will look into this and get back to the Board with an answer at its next Board meeting.

Ms. Reeves recommended that the words “up to” be inserted in front of \$50 million in the first cycle funding.

The Board should re-visit the cap being placed on each grant. Ms. Imura would like to hear from the audience so that she and other Board members can get a better feel for how organizations feel about placing a cap on the grants.

Ms. Matsuda stated that there are some applicants who are interested in joining together as a collaborative group, to submit one grant application. A discussion item for the Board would be how does the Endowment allow only one entity or one division in a department or one department within the city being able to apply, or should it allow for many different applicants to apply and compete on their own?

#### Public Comment

- Mr. Wylie – stated that he is very satisfied with the process and the opportunities for input in the grant process.
- Ms. Grova – Speaking from a rural community, she sees this as a real opportunity to broaden and involve some of the communities that don’t have traditional sources of funding. She would like the Board to consider to have at least some cash match required.
- Mr. Guida – He is concerned about the match because if people cannot generate their own resources, why would anybody else fund them? He would encourage the Board to expand the non-cash matching.
- Mr. Power – He feels that the one-to-one match is reasonable and he feels a cash match is a good ideal. He would also advocate the use

of clear and direct in-kind support, public monies, such as municipal general obligation bonds and federal grants to go toward the match, and if there is specific money in hand on a fundraising effort for a capital project he would like the Board to consider that as a qualifying match. He would also encourage the Board look at the quality of the project and the audiences served, not just the name on the application.

- Mr. Kos-Read – If the match is too narrowly defined organizations, especially the ones that serve underrepresented groups, are not going to be able to qualify for the funds. He feels it is critical that land and capital assets qualify for the non-capital match. He also feels that any funds raised that are dedicated to a specific project over 2, 3, 5 years would be able to count towards the match for the project. And if an institution were able to raise, for example \$2 million for an endowment but not \$2 million for capital, hopefully the endowment fund, that operational fund would be able to count towards a capital request. He also strongly endorses the \$5 million cap.
- Charlene Anderson – She supports the \$5 million cap and hopes that the non-cash matching funds can be used.
- Mr. Becker – Endorses the \$5 million cap, but feels that with the time frames, the Endowment may find that towards the end they may have additional monies to expend. Perhaps an idea would be to put the waiver into the second or third round so all the funds get out to the public. He would also like to support the time frames for matching funds be as open as possible and that the sources of those matching funds be as open as possible as well. He would also like to suggest that long-term leasehold improvements be considered as part of a match. Recommends that the language in some of the criteria be reviewed carefully, such as the term, “imminent danger”. He encourages the idea of collaboration. One last thing he offered had to do with the wording in the grant application. The term “expressive residences” seems like a bit of a stretch linguistically so the Board may want to review that.
- Mr. Moyers – He hopes that the Board will consider the fact that small organizations will not be able to come up with a large dollar match. It’s hard to find money for smaller communities. Matches outside of the grant period should be considered.
- Mr. Okoegwale - He asks the Board members to look kindly into the funding process. He does not have experience with grant writing, but this does not mean that he should be excluded from the process. Leeway should be permitted as much as possible.
- Ms. Smith – Would like the Board to consider that money already raised can be counted as a match.
- Mr. Hillard – He would like the Board to consider the money that his organization has received from local, state and federal grant money be counted as a match. In addition, donation of land or any other artifacts of value be considered as well. He would also encourage flexibility that apply with the project’s merit.
- Ms. Mori – The Board may want to consider setting aside, for at least some model projects that do some collaboration, to go above the cap

of \$5 million. Feels that not only cash should be considered for the match, but in-kind services as well.

- Mr. Weirs – Would hope that the Board considers money already raised as part of the match.
- Mr. Galbraith - He agrees with the \$5 million cap. In his case, matching funds would be easier to do if he could match volunteer labor, and it is his hope that the Board will consider in-kind services as a part of the match.
- Ms. Nesbeth - Fresno has a diverse culture - Cambodian, Laotian, African American, Latinos, Punjabi Indians and they have projects that are not getting assistance. She agrees with the \$5 million cap, and hopes that it reaches these people who have not received results with assistance in the past.
- Mr. Dornan – He cited an example whereby the urban parks and healthy communities grants from Proposition 40 application matching funds can be counted, even though the funds have been spent on the project, as long as it's after the date that the funds were appropriated to the grant. Any funds that are spent on the project to the time of the application, and even past the application counts matching funds. He hopes the Board will consider something like this. He also expressed the need to emphasize the project readiness component of the application process. In addition, he would like the Board to consider a possible split of funds percentage-wise between urbanized and non-urbanized communities.
- Ms. Patria – She would like the Board to consider holding workshops to help those who need assistance in completing the application.
- Ms. Zastera – It is her hope that the Board won't limit the number of applications from a single jurisdiction. The proposed October 1 deadline is very short for governmental agencies to schedule an item on the agenda for their legislative bodies. Will the grant deadline be extended? Will the resolutions be required to be submitted with the grant applications by the October 1 deadline? Will the resolution need to be from the property owner of record, or can they be from the non-profit operators of the facility? May the non-profit group who operates the facility apply for the endowment funds instead of the property owner? If documentation is required what type of documentation for land tenure is required? How long before the allocation of the endowment funds would be allowable for the matching funds to have been spent and will other state grant funds be eligible to be used as a match for the endowment funds? Would the Board consider reducing the one to one match ratio?
- Mr. Zadwick – Would urge the Board to consider increasing the total dollars in the first round. He feels it is important that the Board consider changing from a batch operation to a semi-continuous operation where funds can be stretched over a period of time.
- Mr. Osaki – He is concerned that approximately less than 5 or 10 percent of those in the audience at the public hearings have been from underserved communities and he believes it is an outreach problem. He hopes that the Board will make those projects that have nowhere else to go for funding a priority. Be careful about small words, big words, obstacles that are going to prevent the very

communities that the Board is hoping to serve from potentially being able to apply to a program like this.

- Mr. Walasek – His question to the Board was: “Can multiple projects be submitted by one non-profit organization or community public organization? He also requested clarification on the meaning of a “joint powers agreement” and he would like a clearer definition of what is meant by a partnership. He would like the Endowment to consider including additional workshops for those in need of help with the application process.
- Mr. Iwagaki – Passed out a handout explaining what his organization has done and what they are planning to do.
- Mr. Jacobson – Supports the broad interpretation of matching funds, both in type and in timing. He has a concern with some of the timing issues on the applications, especially when requiring a resolution. His project is to be completed in 2006, and he wants to make sure that the funds fit the project that is ongoing when he makes the application. Supporting both large and small organizations engages the communities and can serve an important role in bringing the community together and in giving fresh perspectives to the cultural heritage.
- Mr. Hayashi – He wants to be sure that the underrepresented minority groups are assisted and would strongly urge the Board to consider funding all of the ethnic minorities.

Delegate Chisom apprised the members on Bill AB2690. This Bill is currently on the Assembly Floor. The Assembly meets tomorrow morning and there is an excellent chance the bill could pass. This Bill, if passed, would allow volunteer time to count as part of the matching for projects.

Chairperson Hildreth clarified that Board members are not getting involved in any specific projects. Deputy Attorney General Moe explained the role of the Board members in relation to any potential applicant projects.

## **5. Draft Grant Application and Criteria (discussion)**

Board Comments and/or questions on the revised grant application are as follows:

- Regarding the attachment page, all attachments should be listed specifically.
- Create a sample chart and have sample language to explain how the charts are to be filled out.
- Include more examples of non-cash matches.
- Look at audiences in the following two ways: 1) Who is the audience that has the need to have their histories presented, 2) Ways that the grant application would show significant and substantive efforts to share their history with new audiences.
- The organizations applying for the grant should have a plan to tell their stories beyond the project.
- Ask the organizations to tell their histories and past accomplishments in a little more detail.

- Board members would like more time to review the grant application guidelines.
- There should be more explicit information included in the guidelines regarding the “do no harm to existing historic properties”.

Public Comment:

Chairperson Hildreth asked for public comment on the draft grant application and criteria as presented by Ms. Matsuda. The following comments were made:

B.J. Mitchell – Regarding the issue of task identification and costing - in order to complete his application, he must provide a cost breakdown, however he will need architectural drawings, and in order to get the architectural drawings the grant needs to be allocated to him. He requested the Board to consider allowing him to use just the major categories' costing with the listing of the tasks under it, with the cost to be supplied later.

Mr. Mitchell asked if land was donated to him could it be considered as a one to one match.

Dr. Michael Hager – He has a concern with the way the language is stated in the application. It infers that projects prior to the 1900's are excluded. Prop 40 stipulates to preserve important paleontologic, oceanographic and geologic sites and specimens, however this is not inferred in the draft application. He would like to request that those who receive opportunity grants not be allowed to receive Prop 40 funding again.

Cindy Stankowski – Prop 40 made funding available for the acquisition, development, preservation, interpretation of building sites ... and artifacts. It seems as though there is discordance in the priorities that are listed on page 5 of the draft grant guidelines. She hopes that the Board will consider widening the funding priorities again.

Neil Pilegard – His concern is regarding the one-to-one match. It is stated in the new guidelines that it is possible to get a reduction – what percentage of reduction is available? Will that reduce the match lower to grass scoring in that area? The draft does not specify how many people will be on the project team.

Dave Duer – Feels it is critical that the Board looks at how funds are being spent, because construction costs are escalating beyond belief. The University of California Regents has a process in which it is not necessary for them to pass a resolution for the ability to submit a grant. In addition, funds that have been raised before the grant application has been submitted should be counted for the match, rather than funds that are raised after a grant is actually awarded.

Beverly Grova – Feels it is important to mention that round 1 has two divisions. It is her understanding that matching funds don't have to be construction funds and she would like clarification regarding this. She



suggested that the Board may want to cut back the number of pages from three to two pages when asking for a description of the proposal, and they may want to request that responses be double spaced.

Holly Alonso – It is not clear in the guidelines as to what the limitations are for matching funds, and she would like the regulations for matching funds specified in the guidelines.

Joseph Guida – In the original concept paper there was reference about cultural centers, museums, and historic buildings, however this is not in the new guidelines. There should be something in the guidelines regarding access for the public and access for those with disabilities. There is no specification in the guidelines about how detailed the line item budget needs to be. Regarding the matching grant, he would like to echo what has already been said. People from rural areas cannot match one to one.

Celeste DeWalt – Asked for clarification on who and how experts are chosen to review and approve applications. She also suggested having workshops or to develop pamphlets to help provide support to those who are funded.

Cindy Heitzman – She had the following questions of the Board: (1) Will the public be allowed to comment on the selection criteria? (2) Is there sufficient time for public review? (3) How will an advisory board be selected? (4) What would the criteria be? (5) What qualifications would the advisory board members have to meet? (6) What specific academic discipline community interests would they represent? (7) Would all members of the advisory board review all applications or only those within their own discipline or area of expertise? (8) What mechanisms would ensure fairness and balance in those disciplines and how would disagreements be resolved? (9) How would the advisory board recommendations be subject to public scrutiny? (10) Would timely actions be ensured? (11) What would be the cost to maintain this advisory Board.

The issues of most concern are regarding the cap and the match. After much discussion, Mr. Brophy moved to keep the \$5 million cap for the first cycle; seconded by Delegate Campbell. Motion carried unanimously.

Ms. Matsuda discussed the draft grant guidelines and the six questions, along with their point value, that potential applicants are requested to answer. After input and discussion from the Board, Ms. Matsuda will make the appropriate revisions, and bring the guidelines back to the Board for consideration at its next meeting.

#### Public Comment

- Mr. Wu – Expressed concern that this first round will go to certain groups who are ready, who have planning and architects. The Board needs to recognize that this will be a burden on staff. She feels good about the discussion here today regarding underrepresented communities, and in looking through the paperwork, she does not feel they are well represented in the grant application.

- Ms. Castillo – She agrees that there is an absence for underrepresented communities. Because one of the scoring criteria for question 1 is the absent or underrepresented themes, by adding another sentence to the question, as follows: “please identify how your project represents absent or underrepresented themes”, will make the people responsive to the scoring criteria. Instead of using the term “imminent danger” which is one of the questions, consider asking, “Why is there an urgent need to implement your project?”
- Mr. Osaki – He pointed out that if the priority is to give funding to projects that enhance understanding of absent or underrepresented communities, or organizations, or diverse ethnic groups, clearly, then they need to be better represented. It needs to be spelled out within the scoring, because clearly it is not. He feels that groups that have had prior funding with Proposition 40 money should not be excluded. You can read in legislation where some groups have been funded well into the millions of dollars and other groups received very little money so perhaps a range can be specified.
- Mr. Becker – He is troubled by a word in the first question and it is in the name California Cultural and Historical Endowment. He suggests using the word “or” instead of “and”. He also feels that there is a need to have attachments come to the Board later. Add a section on organizational history not to be used for points, but for informational purposes only. The budget page should have categories rather than wide-open boxes. He also suggests that when asking about the organization’s Board of Directors, also include statements about the board members’ community involvement.
- Ms. Mori – With the new time line that the Board has been given in terms of expending all the funds, she recommends that the Board consider doing only two cycles. Question number one should have a specific question asking the project to clearly define how they represent the absent and underrepresented experience in terms of the culture and history of California.
- Ms. DeWalt – Under the criteria for question 1 on page 10 it mentions the thread and it talks about needing California stories that are absent or underrepresented in existing facilities. This needs to be clarified if this is within California or within specific regions. Under the criteria for question 2 on page 11, it should be made clear what the legislation states. The chart for questions 5 on page 27 it is unclear on the chart if the one-to-one match is for each specific task as opposed to the project as a whole.
- Ms. Monaghan – She and many of her colleagues would be willing to volunteer to provide peer review.

## 6. Public Comments

There were no general public comments.

## **7. Board Member Comments**

- There are two items that may have legal implications – Is it legally possible to use bond funds from a California bond as the match for funds received from other California bonds? And the second is are there any legal implications in requesting information relative to gender, ethnicity, etc. in a setting like this?
- Ms. Acosta thanked the audience. The public input is extremely important and the Board appreciates their time and effort.
- Mr. McDonald congratulated Chairperson Hildreth on a great job of running the meeting.

## **8. Administrative Matters**

- The next Cultural and Historical Endowment Board meeting is set for two days and will be held in Sacramento on August 24 and 25, 2004.

## **9. Adjournment or Continuation (action)**

- Ms. Acosta moved to adjourn the meeting; seconded by Ms. Reeves. Motion carried unanimously.

The meeting was adjourned at 4:40 p.m.