



**EQUITY  
CHOICE  
POINTS**

*A Grant-making  
Reflection Tool for  
State Arts Agencies*

National Assembly of State Arts Agencies  
KNOWLEDGE ★ REPRESENTATION ★ COMMUNITY

Each year, state and jurisdictional arts agencies award 23,000 grants to independent artists, cultural organizations, civic groups, indigenous tribes, municipalities and counties. These public-sector investments, totaling more than \$300 million in state and federal funds, play a foundational role in our nation's cultural ecosystem.

Through their enabling legislation and agency policies, state arts agencies are committed to making cultural activities more accessible to people and places with historically limited resources. Since their inception, state arts agencies have worked diligently to democratize funding for the arts, investing a majority of grants in small grass-roots groups to inculcate the arts into community life. Even so, many state arts agencies face—[as do many private arts funders](#)—a gap between the aspiration and the actuality of equitable arts funding. This appears in the data on state arts agency investments for [rural areas](#), [economically disadvantaged communities](#) and [people of color](#).

This Equity Choice Points tool was created to help state arts agencies address these challenges. It encourages our field to examine—and improve—the accessibility of systems used to distribute grant funds. Rather than serving as a catalogue of diversity programs (which can be found [elsewhere](#)), the goal of this guide is to exemplify the many types of policy and procedural decisions that undergird grant making that may be reservoirs of unintended structural bias. It illustrates factors that can hinder equitable funding for the arts, noting some origins and effects of problematic practices. Questions for reflection, resources and examples offer possible pathways for change. While useful headlines can be discerned with a first reading, readers may wish to return to different sections over time, to delve more deeply into the recommended resources and consider how best to apply these insights.

Some of the following choice points draw on what Race Forward and the Government Alliance for Race and Equity call "three-pound weights"—modest adjustments that can accumulate incrementally to strengthen an agency's equity muscles. Other factors mentioned in this guide are much heavier lifts, with staggering consequences for how funding is conceived and deployed. All deserve thoughtful consideration as state arts agencies strive to attain greater equity in their service to the public.

Along the way, each state must reckon with its own history and its unique cultures, geography, demography, opportunities and constraints. There is no one-size-fits-all solution to funding equity. NASAA therefore invites you to think of this guide as a self-directed audit and a menu of choices. We offer it as both a catalyst and a call to action as our field strives to fulfill our collective responsibility to help every community in America flourish through the arts.

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**CONTENTS**

Eligibility and Adjudication Criteria .....	2
Application Requirements .....	6
Panel Processes .....	9
Award Structures .....	12
Reporting Requirements .....	15
Leading Change .....	16
Recommended Resources .....	19
Acknowledgments .....	20



## ELIGIBILITY AND ADJUDICATION CRITERIA

*Some long-standing criteria accepted as standard practice for arts grant makers may contain bias or present obstacles to accessing public funds. Questioning these underlying structures can reveal ways to make funding more equitable.*

	<b>Origins</b>	<b>Unintended Consequences</b>	<b>Alternatives</b>
<b>Minimum budget requirements</b>	The largest grants given by state arts agencies typically are for unrestricted <a href="#">operating support</a> . Minimum budget requirements ensure that these substantial investments go to organizations with the capacity to meet the state's management and accountability standards.	Minimum budget requirements for operating support may hamper the growth and stability of small or emerging organizations by limiting their access to flexible funding. It is difficult to manage a growth trajectory by relying exclusively on project support, reinforcing a <a href="#">starvation cycle</a> for funding.	<p>Can your agency lower the entrance threshold for operating support applications? Could project awards be given more expenditure flexibility?</p> <p>Can you provide capacity building to help organizations qualify for larger grants in the future?</p> <p>Read <a href="#">Addressing Racially Biased Financial Analysis</a> for more insights into how common financial assessments can reinforce inequities—and what can be done to improve them.</p>
<b>501(c)(3) incorporation requirements</b>	Many state arts councils originally were modeled after the National Endowment for the Arts, which was based in part on philanthropic paradigms of the time. <a href="#">Per statute</a> , the Arts Endowment directs its funding to nonprofit groups. Arts Endowment <a href="#">policies</a> similarly require organizations supported via state arts agency <a href="#">Partnership Agreements</a> to have 501(c)(3) status.	The 501(c)(3) requirement means that funds do not reach other entities—like unincorporated groups or social enterprises—doing meaningful work at the community level. Securing and maintaining 501(c)(3) status requires certain management structures, filing fees, fluency with legal systems and access to donors, all of which present obstacles. Nonprofit financial and governance structures also have been <a href="#">criticized</a> for concentrating resources and power among people with privilege.	<p>What vehicles might your agency use to support other kinds of entities? Check to see whether your agency can use state funds (those not used as Partnership Agreement match) to direct support to groups that are not 501(c)(3)s.</p> <p>The Metropolitan Nashville Arts Commission overcame bureaucratic hurdles and found creative ways to route funds to artists, businesses and unincorporated groups. <a href="#">Expanding Cultural Family: Funders, Tools, and the Journey toward Equity</a> tells the story.</p> <p>In addition, strategically expanding the use of partnerships, fiscal agents or crowdfunding mechanisms may be useful tools. See resources from <a href="#">Fractured Atlas</a>, the <a href="#">Tides Foundation</a>, <a href="#">Ioby</a> and <a href="#">Grantmakers in the Arts</a> for ideas.</p>

<p><b>Artistic excellence</b></p>	<p>The Arts Endowment's federal <a href="#">statute</a> requires panels to review and recommend grant applications "solely on the basis of artistic excellence and artistic merit." By extension, it <a href="#">requires</a> state arts agency grants made under the auspices of <a href="#">Partnership Agreements</a> to include artistic excellence or merit in their review criteria, too.</p>	<p>Definitions of artistic quality may be laden with culturally biased norms or may reflect education, recognition and funding systems available only to advantaged groups. Concepts of excellence and professionalism rooted in European traditions can undervalue the aesthetics, practices and mastery found in many different cultures. This creates a structural meritocracy that marginalizes those who excel in different ways.</p>	<p>How do your grant guidelines and adjudication rubrics describe artistic merit? Do definitions include diverse aesthetics, technical skills and cultural traditions? How much weight is assigned to excellence criteria?</p> <p>Are panelists attracted to credentials of prestige or achievement (such as awards, education attainment, vitae, critical reviews, etc.) that may only be available to people with wealth?</p> <p>Explore <a href="#">Aesthetic Perspectives: Attributes of Excellence in Arts for Change</a> (which several SAAs have incorporated into their grant criteria) as well as <a href="#">Artistic Vibrancy</a> and the <a href="#">Annotated Guide to RE-Tool</a>.</p>
<p><b>Community outreach</b></p>	<p>State arts agencies are committed to the principle of community engagement, which appears in most adjudication criteria. This may be framed as "community outreach" or "engaging diverse audiences."</p>	<p>As community development experts have observed, outreach puts the "reacher" at the center of authority, relegating others to an outsider role of audience member or observer. In contrast, <a href="#">true community engagement</a> requires sustained efforts to establish trust, share power and align decision making (about resources, policies and programs) with community needs.</p>	<p>How can your agency's community engagement criteria be expressed?</p> <p>What application questions would reveal true relationship-building and power-sharing between arts providers and the communities they serve?</p> <p>Harvest ideas from <a href="#">Evaluating Engagement: Outcomes and Audience and Community Engagement: From Transactional Exchanges to Relationships of Depth</a>.</p>
<p><b>Diversity requirements</b></p>	<p>For decades, most public arts funders have invoked broad concepts of diversity and inclusion in their grant policies and adjudication criteria. But policies explicitly addressing <i>equity</i>—especially racial equity—are far less common.</p>	<p>Grant guidelines and adjudication criteria are powerful expressions of what a grant maker values and expects. If equity and race remain invisible in grant policies, state arts agencies cede their ability to lead meaningful change. Worse, such silence may tacitly endorse grantee practices that address equity in superficial ways.</p>	<p>Is equity named as a funding priority in your guidelines?</p> <p>Do application questions reveal actions applicants have taken toward equity? How are adjudication criteria linked to equity defined and weighted?</p> <p>The <a href="#">Seattle Office of Arts and Culture</a> embraces equity-centered grant making. Its <a href="#">guidelines</a> and evaluation criteria directly address equity and anti-racism in applicants' programming, relationships and operations. Applicants complete and reflect on a <a href="#">racial equity self-assessment</a> as part of the application.</p>

## ELIGIBILITY AND ADJUDICATION inspiration from the state arts agency network:

The **Indiana Arts Commission** (IAC) adopted [community engagement as a core principle](#) to increase public value and address structural inequalities in how communities experience the arts in their everyday lives. [Inclusion, diversity, equity and access](#) are formally articulated as part of the agency's [funding imperatives](#). These commitments are reflected in the agency's grant-making practices, which:

- [define](#) community engagement as a two-way street that includes intentional strategies for diversity, equity, access and inclusion;
- use a [Community Engagement Ladder](#) as a teaching tool for applicants as well as grant panelists; and
- prioritize community engagement standards (relative to other adjudication factors) in [panel scoring](#) for project grants.

The **Rhode Island State Council on the Arts** (RISCA) [Expansion Arts Program](#) (RIEAP) builds the capacity of small community based and culturally diverse arts organizations. Priority is given to emerging groups with no history of grant funding that are led by people of color. Many enter the program under the auspices of a fiscal sponsor. In partnership with the Rhode Island Foundation and the Rhode Island Council for the Humanities, RISCA provides grant funds and technical assistance to help RIEAP participants to grow and ultimately gain the capacity to meet the entrance requirements for ongoing operating support. Services include:

- \$10,000 in grant funding each year for three years
- Opportunities for additional seed grants to support youth development and intercultural collaborations
- Participation in capacity building workshops
- Access to coaches and organizational development consultants
- Scholarships to attend regional and national conferences
- Cohort networking and convenings with RIEAP alumni



*Dancers with the Laotian Community Center of Rhode Island, a [RIEAP](#) alumni group*

The **Maryland State Arts Council** (MSAC) [is shifting its applications](#) to become tools that ask organizations to reflect on programs and operations while considering equity, diversity and inclusion. MSAC redefined community responsiveness, engagement and artistic excellence in its guidelines for [Grants for Organizations](#) and [Creativity Grants](#). [Evaluation rubrics](#) call panelists' attention to indicators of "excellent to outstanding" work that:

- shows regular consideration of nondominant norms, values, narratives, standards and aesthetics in programming;
- reflects the constituency of the geographic area of service in board and staff composition;
- involves the community in artistic decisions; and
- demonstrates meaningful public value and authentic constituent collaboration.

**ArtsWA** revised its [Grants to Organizations](#) guidelines, as well. When reviewing applications, panelists are directed to the agency's [cross-cutting equity objective](#) to "Increase our specific and intentional efforts around social justice to ensure that ArtsWA-funded activities and work are reflective of Washington's diverse populations including cultural diversity, artistic disciplines, geographic locations, and underserved populations." Adjudication criteria are grouped into three clusters: vibrancy (criteria relating to community engagement and cultural relevance), operations (finance, management and governance) and a third cluster called "welcome." These "welcome" criteria ask applicants to:

- articulate participation of underserved populations as "leads, presenters, participants and audience"
- share organizational "goals, strategies, and achievements in diversity, equity, and inclusion"
- show strategies to reach "veterans and active service members and their families; youth; access for persons with disabilities; people with low incomes; populations representative of cultures experiencing the most significant social inequities"

ArtsWA integrates its cross-cutting equity principles across its other grant programs, adapting the approach for specific constituents. For instance, arts education [Community Consortium Grants](#) ask applicants to develop "strategies to address equity, access, and inclusion in a manner authentic to the participating community" and to make sure that key providers "are trained or receiving training related to racial equity and social justice." Applicants are encouraged to focus on the strengths, contributions and needs of the communities and students they aim to serve. To help, ArtsWA supplies a [Planning for Equity](#) resource that highlights methods of "moving from ideas to action" toward diversity, equity and inclusion.



*"The Next Generation" in Coupeville, Washington, from the Penn Cove Water Festival, an ArtsWA [Grants to Organizations](#) awardee*



## APPLICATION REQUIREMENTS

*Streamlining and simplifying grant application systems can reduce barriers to entry, as can accepting applications in multiple formats.*

	<b>Origins</b>	<b>Unintended Consequences</b>	<b>Alternatives</b>
<b>Electronic application systems</b>	Grantmakers gained many efficiencies by transitioning paper applications to online systems to automate the capture of information, keep data secure and help manage awards.	These systems have intensified <a href="#">digital divides</a> in access to resources that exist for applicants who live and work in rural and low-income areas. They may erect extra barriers for people with low vision or other disabilities.	How can you make your application systems more user-friendly? Have you <a href="#">tested your online systems for accessibility</a> ?  The <a href="#">Stanford Social Innovation Review</a> and the <a href="#">Ford Foundation</a> offer useful examples of accessibility reviews. Also see <a href="#">Collaborative, Iterative, and Responsive: Agile Techniques Transform MAP's Grantmaking</a> .
<b>Application narratives</b>	Written records are required to comply with state laws and administrative code. Application narratives are designed to help panels understand an applicant's goals and background and serve as the basis for adjudication.	Panels may reward the grantsmanship with which written materials are crafted, placing applicants that lack special training or dedicated development staff at a competitive disadvantage. Applicants whose native language is not English can be doubly disadvantaged by this system.	Are applications—and technical assistance consultations—available in multiple languages? Are translation services or native-language-speaking panelists available?  Can narrative questions and written requirements be simplified?  Are there grant categories for which you could use audio or video applications? See a case for this strategy from the <a href="#">MacArthur Foundation</a> .
<b>Application add-ons</b>	State and federal requirements shape these practices. Collecting legal assurances, board lists, staff lists, incorporation proofs, financial histories, etc., at the time of application ensures that documentation is complete prior to panel reviews. Having these materials in hand also expedites grant contract processing once awards are approved.	Grass-roots groups may avoid this administrative burden, especially when the resulting grant is small relative to the amount of work required. This skews the grantee pool toward larger organizations equipped for administrative overhead. In addition to creating a " <a href="#">doom loop</a> " of unfunded compliance costs, extensive documentation requirements also fuel negative perceptions of government's impenetrability and bureaucratic red tape.	What information is truly essential for government compliance and panel review? What could be collected after applications are approved, to reduce sunk costs for unsuccessful applicants?  Could any of the expedited application processes your agency adopted for COVID-19 relief be translated to ongoing grants?  Get more ideas from <a href="#">Streamlining a Foundation Initiative's Grant Practices, It's Not You, It's Me: Breaking Up With Your Organization's Inequitable Funding Practices</a> and <a href="#">A Transformative Moment for Philanthropy</a> .

<b>Letters of support</b>	Requiring letters of support from city or county officials demonstrates readiness to receive grant funds and enforces a collaborative approach to community projects. It also prevents time being spent on applications that lack local approval.	This requirement necessitates relationships with political power brokers. It may put funding out of reach for historically marginalized communities—especially if local governing bodies have underrepresented their interests or enacted policies harmful to their well-being in the past.	When are letters from city or county officials needed? Are there times when documentation of other kinds of community support would be equally meaningful?  The Cultural Affairs group at Denver Arts & Venues (A&V) recognized that its requirements for letters of support from city/county officials were a barrier for artists proposing <a href="#">creative placemaking projects</a> . A&V now helps artists navigate governmental channels to secure the necessary endorsements.
<b>Funding delays</b>	Processing hundreds (or even thousands) of applications takes time, as does coordinating adjudication and securing approval for award recommendations. State spending freezes or delayed passage of state budgets by legislatures also can cause time lags.	Organizations with operating reserves and multiple funding streams may absorb delays more readily than organizations that depend more on grants. Delays also diminish the responsiveness of public funds, limiting the use of state grants for programs designed to address immediate community needs.	What procedures can you adjust to close the gap between grant deadlines and award dates?  What vehicles can you institute to provide responsive funding for short-term projects?  Many state arts agencies use streamlined systems for "express grants" or "quick turnaround" funds that expedite review and keep application and reporting requirements to a bare minimum for small awards.

**APPLICATION REQUIREMENTS inspiration from the state arts agency network:**

To make support accessible to a diverse constituency, the **Massachusetts Cultural Council** (MCC) makes translations of its website—including all application instructions and grant guidelines—available in Chinese, English, Filipino, French, Georgian, German, Hindi, Italian, Portuguese, Spanish and Vietnamese. Prominent headers invite users to "experience this website in your native language." Furthermore, MCC consulted with the [National Center for Accessible Media](#) to ensure the utility of information for people with disabilities. The agency has provided accessibility training to all staff and supplies alternative formats, auxiliary aids and other services to help constituents access MCC funds and programs.

The **Missouri Arts Council** (MAC) takes a number of steps to demystify its grant application systems. Well before the application deadline, the agency promotes an [illustrated guide](#) to its online grant system as well as virtual and in-person grant workshops that explain how to tap state resources. The agency also offers Late Nite MAC, extending office hours up to midnight on the day grant applications are due in order to provide advice and [troubleshoot application problems](#). The executive director makes himself available to "answer trick questions, unstick issues, and perform tech without a license," a service especially appreciated by first-time applicants.

**Colorado Creative Industries** (CCI), in collaboration with a team of five other foundation and government partners, supports [Arts In Society](#) grants that fund individuals and organizations leading arts based projects that promote social justice, increase community well-being and support civic problem solving. Awards range in size from \$5,000 to \$35,000. [Grantees](#) are chosen by a panel which considers the project's artistic quality and cultural relevancy as well as how creative practices will engage the community and enhance public understanding of critical issues. The program is structured to address equity disparities and reduce application burdens:

- A local partner, [RedLine Contemporary Art Center](#), administers the grant program. This streamlines application and reporting requirements across multiple funding partners with varying needs. (Partners include a mix of public and private grant makers: the Bonfils-Stanton Foundation, Hemera Foundation, CCI, the Scientific and Cultural Facilities District, the Colorado Health Foundation and Denver Arts & Venues.)
- Simple letters of interest typically are used for initial project screening. Full applications are required only for projects that have a reasonable chance of being funded.
- Artistic quality is adjudicated using Animating Democracy's [Attributes for Excellence in Arts for Change](#), which affirms creative approaches to civic engagement, community development and social justice.
- No matching funds are required.
- Resources to support evaluation and documentation are provided separately from the grant award.
- Grant cycles were compressed in 2020 to narrow the gap between the time of initial application and the receipt of funds. In that year, applications were due June 1 and awards were announced in August. This compressed schedule made it possible to support highly time-sensitive community programs.



*Tara Rynders' First, Do No Harm (2019), a project addressing compassion fatigue and burnout in the nursing profession, supported through a Colorado [Arts in Society](#) grant*



## PANEL PROCESSES

*Panel reviews are deeply embedded into the DNA of state arts agencies—and bias may, in turn, be embedded into this system. Thoughtful policies around the composition and preparation of panels can support more equitable adjudication outcomes.*

	<b>Origins</b>	<b>Unintended Consequences</b>	<b>Alternatives</b>
<b>Panelist recruitment</b>	Informed adjudication of applications requires special expertise most likely found among organizations or individuals who have already received grants.	If grantees themselves are not diverse, this practice may result in a closed-loop system, missing out on the <a href="#">benefits of diverse decision making teams</a> . Groups who have experienced current or historic oppression by government agencies are unlikely to volunteer for panel service without extra support and encouragement.	<p>Do you purposefully recruit people of color, rural residents, older adults, LGBTQA+ individuals and people with disabilities to serve as panelists?</p> <p>Do you collect demographic information to ensure panel diversity?</p> <p><a href="#">Re-Tool: Racial Equity in the Panel Process</a> offers comprehensive guidance for designing and facilitating more equitable panels. For intriguing ideas about alternatives to traditional panels, see <a href="#">Innovations in Open Grantmaking</a>.</p>
<b>Panel orientation</b>	To protect against real or perceived favoritism, panel procedures must be followed consistently across the applicant pool. Most panel orientations therefore focus on the mechanics of adjudication: adherence to guidelines, consistent use of scoring rubrics, etc.	Favoritism still can occur within standard procedures through unconscious bias related to race, age, geography, economic status, physical ability or other factors. Panelists may unknowingly gravitate toward their own familiar norms as they evaluate proposals from applicants of different backgrounds. It is especially common for panelists to imprint their own experiences and assumptions onto assessments of professionalism and artistic merit. (See page 3.)	<p>Are panelists oriented to the funding priorities and the diversity, equity and inclusion goals of your agency?</p> <p>Are panelists and staff trained to recognize bias and constructively interrupt it?</p> <p>Video education tools (coupled with discussion of how the ideas apply to panel work) are useful additions to panel orientations. Consider resources from the National Museum of African American History's <a href="#">Talking About Race</a> initiative as well as <a href="#">The Royal Society</a> and <a href="#">POV</a>.</p> <p>If your agency convenes panels using videoconference technology, read <a href="#">Working from Home While Black</a>.</p>

<b>Color-blind application review</b>	Demographic data collected on applications might not be shared with panelists to focus adjudications on artistic merit alone, or to encourage "color-blind" impartiality.	Color-blind approaches deny the realities of individuals and organizations who have experienced repeated discrimination or harm due to their race. Color-blindness ends up <a href="#">reinforcing rather than reducing inequities</a> .	Are your staff and council members able to articulate the reasons why consideration of race is an important part of equitable grant making?  See <a href="#">All Right, "Color-Blind" Colleagues, We Need to Have a Talk</a> and <a href="#">Why Lead With Race?</a>
<b>Panelist honoraria</b>	Panelists are asked to volunteer their time in exchange for the honor and prestige that panel service confers. Minimal (or no) compensation reduces administrative costs for agencies that convene dozens of panels each year.	Relying on volunteers creates panels comprised of individuals who can afford to take time off work or hire child care. Such panels may not have firsthand experience with the economic adversity faced by individuals or communities in the applicant pool. Uncompensated panel service also perpetuates the devaluation of artistic time and expertise and may exclude populations offering valuable perspectives.	What are your agency's policies on panelist honoraria?  Are those policies disclosed up front in panelist nomination forms?  Can panel honoraria be classified as programmatic rather than administrative costs?

**PANEL PROCESS inspiration from the state arts agency network:**

A number of state arts agencies have added demographic information to their panel nomination forms to ensure that the teams adjudicating their grants represent diverse perspectives and life experiences as well as artistic expertise. The **South Dakota Arts Council**, for instance, [collects nominee data](#) to help the agency select panels that reflect the state's varied populations and cultures. Information on age is collected, as is data on ethnicity and disability. The **California Arts Council** is another example. It [recruits diverse panels](#) that are "representative of our state's racial, ethnic, and gender identities; eclectic geography; and wealth of organizations, perspectives, and knowledge." To attain this diversity, the agency [collects extensive information](#) on prospective panelists' age, gender identity, race, tribal affiliations and "relationship to or understanding of working in historically underrepresented communities." Neither state requires panelists to upload a formal resume or curriculum vitae. Instead, nominees are asked to describe their expertise in their own words.

To bolster its impartial reviews of grant applications, the **DC Commission on the Arts and Humanities** (DCCA) added an anti-bias component to its panel orientations. Prior to reviewing any applications, panelists receive virtual training on multiple types of bias that commonly arise in grant adjudications: affinity bias, racial and gender bias, perceptions of fine art and folk

art, grant writing and copyediting, [the halo effect](#), and [grouphink](#). DCCAHA panelists also receive tips on how to mitigate bias during its grant review meetings by:

- deliberately slowing down the decision-making process,
- questioning stereotypes,
- reconsidering the reasons for decisions if needed, and
- supportively monitoring each other for unconscious bias.

These points are echoed at the beginning of panel meetings, along with reminders about conflict of interest. DCCAHA grants management staff model self-reflection and help to create a culture of awareness that is supportive of learning without assigning blame or shame.

The **New England Foundation for the Arts** (NEFA), a regional arts organization, participated in the Equity in the Panel Room initiative along with NASAA, the South Carolina Arts Commission and a team of other funders from the United States and Canada. In conjunction with this initiative and a new strategic plan, NEFA undertook a [long-term effort to diversify the perspectives](#) heard during grant reviews and raise awareness about the role of bias in adjudication.

- NEFA altered the composition of its panels to include more artists and community members affected by grant decisions.
- Panel orientations call attention to NEFA's values around "an equitable, diverse, and inclusive world, which we interpret as all people having fair access to the tools and resources they need to realize creative and community endeavors. We acknowledge structural inequities that have excluded individuals and communities from opportunity based on race, gender, disability, sexual orientation, class, age, and geography, and strive to counter those inequities in our work."
- Orientations pose questions designed to surface the types of bias that can arise during application reviews. These orientations also build a shared understanding of review criteria, which leads to more consistent discussion and scoring.
- In-depth introductions build group cohesion, self-awareness and mutual respect among panel members.
- Group agreements are collaboratively established to govern panel dialogues. These communication parameters encourage honest and respectful conversation including all voices and divergent opinions. Group agreements acknowledge power dynamics (inside and outside of the panel room) and instill positivity and generosity of spirit.



*World premiere of Klytmnestra: An Epic Slam Poem, written and performed by Dane Figueroa Edidi and presented by Theatre Alliance, a DCCAHA [UPSTART](#) grantee*



## AWARD STRUCTURES

*Because the demand for funding far exceeds the supply of available money, state arts agencies face tough choices when formulating award amounts. Principles used to guide these determinations can increase—or erode—funding equity.*

	<b>Origins</b>	<b>Unintended Consequences</b>	<b>Alternatives</b>
<b>Past award amounts</b>	Unpredictable swings in state grant amounts may be destabilizing to arts organizations. Using prior award amounts as a starting point for calculating new award levels mitigates those swings.	This practice can lock small organizations into a cycle of small awards, making it difficult for them to advance up the funding ladder. It institutionalizes funding structures that may have been built decades ago, without full consideration of the equity effects of such formulae. It also can entrench a sense of entitlement among longstanding grantees.	How much of your agency's funding formula calculation is based on past grant amounts?  What would be the short- and long-term effects of a zero based approach?  <a href="#">Recalculating the Formula for Success</a> offers a thoughtful perspective on formula funding practices among local and state arts funders.
<b>Operating budget percentages</b>	Indexing award amounts to organizational budgets provides an objective sliding scale for dividing funds among grantees of different sizes.	Even when a fractional budget percentage is used, this formula can channel the lion's share of available funds to the <a href="#">oldest</a> or largest organizations. Groups lower on the sliding scale may be left with grants too small to make a difference. A complex funding formula also can diminish transparency around how funding decisions are made.	Could award amounts based on panel scores rather than budget formulas incentivize the adoption of more equitable programming and community engagement practices among your grantees?  Could a scale of fixed funding amounts (rather than a budget formula) or a lower funding ceiling make more resources available throughout the funding pyramid?
<b>Funding tiers</b>	Placing organizations into application cohorts based on budget size—and setting graduated award amounts for each cohort—prevents forced competition between large and small groups.	Smaller organizations—even when they are doing large-scale work worthy of major investments—are relegated to the lowest funding tiers. Combined with other funding barriers, this can <a href="#">inhibit the growth and development</a> of grass-roots groups.	What would the effects be of expanding your tiers? Could raising the funding floor address more needs for smaller groups?  What adjudication criteria might mitigate competition driven mostly by budget size or organizational age?  Could tiers be abandoned altogether? <a href="#">Vu Le from Nonprofit AF</a> exhorts funders: "Do not try to level the playing field. Create new fields."

<p><b>Matching requirements</b></p>	<p>State arts agencies usually require a match (ranging from 1:1 to 3:1) for grant awards. This is designed to confirm a grantee's commitment to the work, to leverage local investment in the arts, and to demonstrate public/private cost sharing to state legislatures.</p>	<p>Matching requirements may be prohibitive for grantees located in economically distressed communities. Matching requirements also can induce a paradoxical fundraising cycle (needing to raise money to raise money) that might induce more budgetary stress than it alleviates.</p>	<p>How much of a match can be met through in-kind contributions?</p> <p>Is it possible to suspend matching requirements altogether for certain grant categories?</p> <p>The Atlantic Philanthropies <a href="#">evaluated the effects of its matching requirements</a>. It found that matching was helpful to some grantees and a hindrance to others, leading some groups to pursue easier and shorter-term funding than they might have without the matching requirement.</p>
<p><b>Prioritizing funding for major institutions</b></p>	<p>The largest-budget arts organizations in a state typically reach the largest audiences, which serves the public good. It's important for these influential organizations to have accessible programs (which public funding ensures) and to experience themselves as stakeholders in state support.</p>	<p>This strategy can throttle the flow of funds to grass-roots or emerging organizations. It can be especially problematic when philanthropic funding is concentrated in major metropolitan areas or dominant-culture institutions.</p>	<p>What percentage of your available grant funds go to the largest organizations in your state?</p> <p>When deciding how your agency's grant budget will be deployed for an upcoming fiscal year, which funds are allocated first—dollars to "majors" or funds for smaller organizations?</p> <p>What are the largest organizations doing to address diversity, equity and inclusion in their operations, programming and community partnerships? How are they held accountable for those efforts?</p>

**AWARD STRUCTURES inspiration from the state arts agency network:**

After decades of distributing organizational operating support based on an applicant budget formula, the **Arizona Commission on the Arts** (ACA) shifted the strategy used for its [Community Investment Grants](#), which provide unrestricted operating support to nonprofit arts organizations, local arts agencies and tribal cultural entities. ACA revised its policies to work toward two goals: to shift away from entitlement funding based on organizational budget size and to increase competition around criteria relevant to core agency values. Components of the strategy shift included:

- Instituting evaluation criteria that focus on community investment (relationships with and responsiveness to local residents), quality of programming (including experimentation and alignment with community needs), organizational stewardship (accessibility and management practices) and funding ingenuity
- Establishing six funding tiers for organizations of different sizes

- Setting grant amounts (tied to panel rankings and available funds) in each budget tier to provide small and midsize organizations access to more funding than they were eligible to receive under the previous formula based framework

These changes were first steps in what ACA now views as a long-term process to achieve "a more just and equitable distribution of resources and opportunities" in service to all residents of Arizona, explicitly prioritizing geographic parity and racial equity. Recognizing that the Community Investment Grant framework advanced these priorities incrementally, the agency is collecting more demographic data to better diagnose who its funds are and are not reaching. ACA staffers are initiating intentional relationships with remote communities, artists of color, transgender creatives and African American, Latinx, Asian, Native American (ALANA) organizations and will put these relationships at the center of new policies when redeveloping ACA grant programs in 2020. The COVID-19 pandemic and recent fluctuations in state appropriations temporarily paused the implementation of more changes to core grant programs. However, the agency prioritized racial equity and geographic parity in its numerous funding partnerships with foundations. See [AZ Artworker](#) and the [Emergency Relief Fund for Arizona Artists and Arts Professionals](#) for examples.

An important component of the **Pennsylvania Council on the Arts** (PCA) equity strategy is its [Preserving Diverse Cultures](#) (PDC) program. It supports the creation, development and stabilization of organizations with a mission and artistic work deeply rooted in—and reflective of—ALANA and Hispanic perspectives. The PDC program is a suite of support structures that include Strategies for Success (three tiers of funding for organizational capacity building), grants for community based engagement projects, technical assistance consulting and professional development funding. To apply an equity lens more expansively across the agency, in 2019 PCA embarked on a comprehensive assessment of its Responsive Funding portfolio, consisting of support for [Arts Organizations and Arts Programs](#), [Entry Track](#), and [Pennsylvania Partners in the Arts](#) funding. The Council established a task force that reviewed data on the agency's granting patterns, talked with diversity experts and examined the practices of other public and private funders—all with an eye toward attaining greater equity in how PCA funds are distributed. After completing its assessment, the agency's resulting [policy directions](#) included:

- Increasing funding for rural and ALANA groups
- Establishing dedicated allocations for ALANA grants within rural and metropolitan geographies



*Participants in PCA's [Preserving Diverse Cultures](#) Strategies for Success program*

- Using a strategic mixture of operating and project grants (including grants to non-arts groups) to ensure support reaches communities with less capacity
- Working toward funding parity among organizations of similar sizes, to address imbalances caused by current grants being based on past award sizes established during times of PCA budget fluctuations



## REPORTING REQUIREMENTS

*Accountability for results is an essential ingredient of public funding. Strategies are available to address that need equitably.*

	<b>Origins</b>	<b>Unintended Consequences</b>	<b>Alternatives</b>
<b>Reimbursement requests</b>	Reimbursement requests and related documentation build accountability into grants systems and ensure that matching requirements are met.	This practice intensifies financial stress for organizations with limited cash flow and skews funding in favor of larger grantees.	Can you increase the portion of grant award money released up front?  Could small awards be entirely forward-funded?
<b>Audits</b>	Audits are a best-practice recommendation for nonprofit management and also are necessary to <a href="#">meet 501(c)(3) requirements in some states</a> . Audits further demonstrate that grantees are responsible stewards of public funds.	Independent audits often cost upward of \$20,000. By comparison, the median state arts agency operating support award is <a href="#">\$9,691</a> . This ratio is untenable for many small organizations.	Can you exempt smaller grantees from audit requirements?  Some state arts agencies accept alternative documentation, such as signed financial statements (balance sheets, revenues and/or expenses) or the IRS Form 990.
<b>Formal evaluation</b>	It's essential to demonstrate return on investment and the wise use of taxpayer dollars to legislators, governors and budget officers. To be taken seriously, the arts need hard data showing results.	Evaluation puts further pressure on human and financial resources already in short supply for small or volunteer-led organizations. Evaluation methods themselves might <a href="#">harbor bias</a> in their power dynamics, methods and definitions of rigor.	Can the state arts agency conduct research that addresses authorizers' needs without passing that burden on to grantees?  What kinds of evaluation practices would be most meaningful and relevant to grantee, themselves?  Mine good arts models from the <a href="#">Arts &amp; Civic Engagement Impact Initiative</a> . Explore resources and methods for culturally responsive evaluation from <a href="#">PEAK Grantmaking</a> , the <a href="#">Equitable Evaluation Initiative</a> and <a href="#">Suzanne Callahan</a> .



## LEADING CHANGE

*State arts agencies may embrace some of the choice points offered in this guide to catalyze immediate change. Other systems, especially those rooted in public laws, may take longer to shift. As your agency forges its path forward toward greater grant-making equity, consider these touchstones.*

1. **Lay a strong starting foundation.** Begin by educating staff and council members about your agency's funding objectives, who your awards currently reach and known gaps in funding. Ongoing training around diversity, equity, inclusion and the fundamentals of bias (including unconscious racial bias and ageism) will help your team establish a common vocabulary. Such training also can raise awareness of the larger societal systems in which grant-making policies—and their unintended consequences—operate. Consider establishing and empowering a leadership team to guide your agency's efforts and secure buy-in from high-level decision makers.
2. **Examine the data.** An objective assessment of your current grant making will help you understand your current impact, inform good decisions about future changes and chart your progress toward your agency's equity goals. Are your grants benefitting all the populations of your state? Are they reaching rural, remote and culturally diverse groups? Do you need to collect better demographic information? NASAA's [Visualizing Equity in Grant Making](#) tools can help you get started.
3. **Articulate your equity goals.** Has your agency formally articulated goals and principles for equitable grant making? Are these reflected in your grant guidelines, adjudication criteria and panel instructions? Consider these powerful policy examples from the state arts agency network:
  - **Massachusetts Cultural Council's [Diversity, Equity and Inclusion \(DEI\) Plan](#)** guides the Council's efforts to honor many dimensions of diversity: age, ability, ethnicity, race, religion, political beliefs, sexual orientation, gender identity or expression, nationality, geographic origin, immigration status, and socioeconomic status. Examples of changes undertaken by the agency under the auspices of this plan are the adoption of inclusive language; revising personnel policies; changing hiring practices; providing in-depth training to staff and constituents; reducing barriers in grant application and review practices; and seeking continual feedback. To drive its comprehensive approach, the agency established work groups that intentionally cross-pollinate staff holding perspectives from multiple programs and multiple backgrounds. Mass Cultural Council recognizes that achieving equity requires time and there is always more learning and more work to do. Work groups identify action items for each fiscal year. Progress is reported publicly on the agency website and unfinished work is carried forward. Informing and reflecting the agency's DEI work are its [Create, Connect, Catalyze youth development framework](#), its [Universal Participation](#) program and the [Culture Rx Initiative](#), all of which center on equity. The Council voted in the summer of 2020 to [reaffirm its commitment](#) to DEI. The agency also launched a series of [Racial Equity Listening Sessions](#) to probe what artists, arts organizations and the Council can do to dismantle systemic racism in Massachusetts.

- In 2020 the **California Arts Council (CAC)** adopted [Creative Impact: The Arts & the California Challenge](#), a strategic framework to guide the agency's direction over a seven-year span. It commits CAC to developing an institutional culture that actively addresses barriers to funding and participation for all Californians. Integral to this framework is an [explicit commitment to racial equity](#) as well as a [decision support tool](#), a methodical approach to asking questions that prevent institutional and individual bias from affecting the design of new policies and programs. Informing the framework was CAC's participation in the [Government Alliance on Race and Equity \(GARE\)](#), a network of municipal, county and state leaders working toward more equitable public-sector systems. GARE convened 19 California state agencies, including CAC, to form the nation's first statewide cohort. Fifteen CAC staff members participated the program, collaboratively learning core concepts around racial equity, how to talk about race, adaptive leadership skills and community engagement strategies. The experience furthered CAC's understanding of institutional racism and implicit bias as well as legal considerations for government and trauma-informed workplace strategies. CAC staffers worked collaboratively to utilize the tools from cohort trainings and to develop the agency's draft racial equity plan. CAC has since established and filled a full-time race and equity manager to implement the agency's plan and provide strategic direction for institutionalizing racial equity.



*transcendANCE Youth Arts Project, a CAC grantee*

- Communicate persuasively (and patiently... but persistently...) to build buy-in.** Implementing significant changes to your grant making is unlikely to be linear or easy. As you are formulating changes, anchor them in a transparent and public consultation processes that invites input from diverse stakeholders. Signpost what you hear and be willing to revise your plans based on what you learn. Communicate regularly with staff, council members and constituents about progress you've made and goals you are striving to reach in the future. Have a strategy ready to address pushback from existing grantees who may seek to protect their funds. Communicate with key authorizers (elected officials, senior officials and opinion leaders in the arts community) before a controversy erupts. Data points and findings from community input processes can build confidence in your approach.

5. **Extend a warm and wide welcome mat.** Historically marginalized groups may have had few positive experiences with government, and previously unsuccessful applicants may not have confidence in new opportunities. Establish intentional dialogue with these groups to learn more about the barriers they experience when applying to your agency. Honor the ideas and efforts of advisors by compensating them for their time. Proactively encourage and assist their future applications for grant funding, networking opportunities, technical assistance and panel service.
6. **Plan for transition.** As the South Carolina Arts Alliance wrote in its [Create Justice](#) statement, "Yesterday was the best day to start this work, but today is the next best time to start." Initiate changes that are within your power to make now, while simultaneously laying the groundwork for your long-term objectives. If your equity plans will result in a significant redeployment of resources upon which grantees have relied for decades, a sudden move may trigger backlash, holding the potential to derail your equity efforts. Ensure durable success by mapping out how you will prepare your staff and council for change. How will you sequence changes strategically? How can you reorient grantees to collectively hold the value of equity for everyone residing in your state?

**A useful analogy for equity work in state arts agency grant making can be evoked by recalling government's role in the "curb cut effect."** In the early 1970s, some municipalities began to modify sidewalks, installing small sloping ramps to help wheelchairs negotiate the streets. They not only revolutionized access for people with disabilities, they also helped laborers using heavy equipment, parents pushing kids in strollers, postal workers, travelers wheeling luggage, joggers and anyone with hip or knee pain. Millions of people now benefit from curb cuts, which became a normal part of everyday life. This story offers a metaphor for explaining the long-term benefits of more equitable public-sector grant making. As [Angela Glover Blackwell writes](#), "There's an ingrained societal suspicion that intentionally supporting one group hurts another. That equity is a zero sum game. In fact, when the nation targets support where it is needed most—when we create the circumstances that allow those who have been left behind to participate and contribute fully—everyone wins."



*Scene from "Spotted Snakes," choreographed by Catherine Meredith and presented by the Dancing Wheels Company, an Ohio Arts Council grantee*



## RECOMMENDED RESOURCES

NASAA's [Diversity, Equity and Inclusion](#) web page is a good place to begin. There you'll find more state arts agency program examples as well as professional development materials and an [Inclusive Language Guide](#). For additional information and inspiration, consult the following.

### Many Faces of Equity

- [Equity: It's Not Just an Urban Issue](#) (Exponent Philanthropy)
- [Engaging in Successful Rural Philanthropy](#) (Grantcraft)
- [Grantmaking with a Racial Equity Lens](#) (Grantcraft)
- [Uprooting Ageism: Shifting our Thinking to Serve Older Adults](#) (National Guild for Community Arts Education)
- [TransForming Inclusion: An Organizational Guide](#) (Leeway Foundation)
- [How to Make a Strong Commitment to Disability Inclusion in Your Grantmaking](#) (Disability & Philanthropy Forum)

### Collecting Demographic Data

- [Insight, Impact, and Equity: Collecting Demographic Data](#) (PEAK Grantmaking)
- [More than Numbers](#) (Charles and Lynn Schusterman Family Foundation)
- [Data Collection](#) (Funders for LGBTQ Issues)

### Funder Case Studies

- [Diving into Racial Equity: The MAP Fund's Exploration](#) (Animating Democracy, Americans for the Arts)
- [Grantmakers in the Arts Racial Equity Case Studies 2017](#) (Grantmakers in the Arts)
- [The Road to Achieving Equity: Findings and Lessons from a Field Scan of Foundations Embracing Equity as a Primary Focus](#) (Putnam Consulting Group)

### Sharing Power

- [The Trust-Based Philanthropy Project](#)
- [Transformational Capacity Building](#) (Stanford Social Innovation Review)
- [Power Moves](#) (National Committee for Responsive Philanthropy)
- [Deciding Together: Shifting Power and Resources through Participatory Grantmaking](#) (Grantcraft)
- [Collaborative Evaluation Approaches: A How-To Guide for Grantmakers](#) (Ontario Nonprofit Network)

NASAA stands ready to assist state arts agencies on their journey toward greater equity. For consultation on state arts agency policy and program design, contact NASAA Chief Program and Planning Officer [Kelly Barsdate](#). For data and custom analysis of grant-making information, contact NASAA Senior Director of Research [Ryan Stubbs](#).



## ACKNOWLEDGMENTS

*NASAA is thankful for the numerous state arts agencies who contributed time, examples and candid perspectives to inform this project. We also salute the many artists of color, LGBTQA+ and rural creatives, older adults and people with disabilities who are leading transformational community work through the arts.*

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- Page 4: Silaphone Nhongvongsouthy, courtesy of the Rhode Island State Council on the Arts. The Laotian Community Center of Rhode Island promotes and preserves traditional Lao arts, culture, education, leadership and community service. It fosters cross-cultural understanding and supports multigenerational community engagement.
- Page 5: David Stern, courtesy of the Penn Cove Water Festival Association and the Washington State Arts Commission. The Penn Cove Water Festival brings families together to enjoy Native American canoe racing, food, performances, crafts and culture, giving all a chance to learn about, appreciate and protect the environment in which we live.
- Page 8: DW Bennett, courtesy of The Clinic. The Clinic uses the arts to fight the epidemic of compassion fatigue and nursing burnout and to help all patients and caregivers be seen, heard and cared for without discrimination. Through live performance, dance, immersive theater and workshops for health care providers, The Clinic uses the arts to enhance healing, increase empathy, restore joy and address the secondary effects of trauma in hospital settings.
- Page 11: Manaf Azzam, courtesy of Theater Alliance. Theater Alliance is a catalyst for innovation and diversity, producing thought-provoking and socially pertinent work and successfully uniting audiences of all backgrounds through the power of creative presentation and participation. Theater Alliance began with the distinct goal of producing work that illuminates the experiences and interests of Washington, D.C.'s diverse populations.
- Page 14: Pennsylvania Council on the Arts. Strategies for Success is a multiyear, multilevel capacity building program for ALANA arts organizations and programs. The program addresses organizational development through implementation awards, technical assistance, long-term consultancies, and professional development opportunities. The photo was taken in September 2018 at the Asian Arts Initiative in Philadelphia.
- Page 17: transcENDANCE Youth Arts Project. transcENDANCE is a nationally recognized creative youth development organization that works with teens in underserved San Diego communities. Its programs change the trajectory of

students' lives by building resilience, confidence and creativity and by instilling life-changing skills such as leadership, collaboration and community engagement.

Page 18: Matt Bowman, courtesy of the Dancing Wheels Company. Based in Cleveland, Ohio, Dancing Wheels offers performances, classes and activities in schools, hospitals, senior centers, libraries and recreational facilities to help people of all ages experience movement in an adaptive and inclusive way. The company promotes accessibility while continually expanding artistic possibilities and celebrating the universal spirit of dance.

The National Assembly of State Arts Agencies (NASAA) is the nonpartisan membership organization representing the state and jurisdictional arts councils of the United States. NASAA is a clearinghouse for research about government support for arts and culture in America, supplying statistical data, policy analysis and information on exemplary practices. Additional information on state arts agencies is available on [NASAA's website](#).



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