

## The Federal-State Partnership in the Arts

Public investment in the arts serves as a foundation for communities to develop their creative resources. Creativity, artistry and ingenuity all bloom from individual and community efforts, but the roots of these efforts are watered by resources at multiple levels of government.

The partnership between the National Endowment for the Arts (NEA) and states, jurisdictions, and regions is an essential part of this ecosystem. By congressional mandate, the NEA allocates 40% of its annual grant funding to state and jurisdictional arts agencies (SAAs) and regional arts organizations (RAOs). This allocation helps federal funds reach more communities and helps federal funds be responsive to the unique needs of each state and region.

The federal-state partnership is a stabilizing factor in maintaining the cultural infrastructure on which so many communities and cultural organizations rely. Federal funding is matched at the state level—and matched yet again at the local, individual organization and individual project levels—reverberating financial investment throughout the system. The interconnectedness of arts funding and policy through federal-state partnerships positions the NEA as an influential lever for expanding the benefits of the arts to all Americans.

### Partnership Agreements

The 40% of NEA program funding allocated to the federal-state partnership is distributed in the form of [Partnership Agreement grants](#) to the 50 states, six U.S. jurisdictions and six regional arts organizations. Each of the 56 states and jurisdictions has an agency officially designated to serve as a state arts agency to increase public access to the arts, develop a statewide strategy to nurture the arts and serve as a conduit for federal funds. Regional arts organizations represent groupings of states formed to facilitate multistate programming and amplify resources for the arts at the regional level.

Partnership Agreements support the fulfillment of cultural plans that are developed in active consultation with the residents of each state and region. Each state and region uses Partnership Agreement dollars to provide grants and services in accordance with its constituent-driven plan, thus ensuring that federal funds respond to the current needs of communities and their local economic, educational, civic and cultural priorities.



Partnership Agreement funding levels are formula driven and based, in part, on population. States and regions must meet rigorous criteria relating to public engagement in their planning practices and their plan implementation. States and regions must match federal funds at least \$1 to \$1, but often exceed this match. For instance, state arts agencies received \$55.2 million in Partnership Agreement funds in fiscal year 2024<sup>i</sup>, but combined that with more than \$740.9 million in state legislative funds to award grants and offer arts services<sup>ii</sup>. Partnership Agreements include dollars for the fulfillment of state plans as well as funds designated for arts education, underserved communities and folk/traditional arts.

## Broadening the Reach

State arts agency and regional arts organization funds extend the reach of federal investments and widen public access to the arts in every state:

- SAAs and RAOs use state and federal funds to support more than 31,000 grants.
- SAA and RAO funds go to more than 14,900 organizations, schools and artists in nearly 5,000 cities and towns across the United States.
- SAA and RAO grants reach 1,570 more counties than NEA direct grants alone can reach.

Federal, state and regional grant makers in the arts each have a distinctive grantee pool of organizations and individuals that receive support in any given year. However, given the larger volume of grants given by SAAs and RAOs, many more organizations receive grants from these entities.

### NEA Direct Grants (excluding Partnership Agreements) and SAA & RAO Grants, FY2020

#### Total Grants Awarded

NEA Direct Grants	2,291
SAA and RAO Grants	31,298

#### Total Grant Dollars

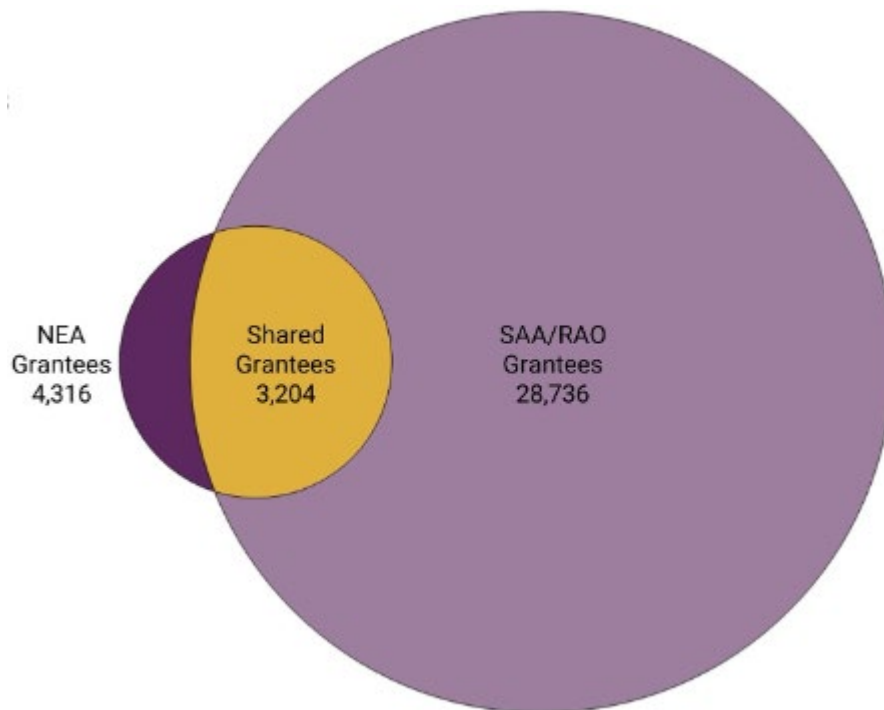
NEA Direct Grants	\$ 58,670,413
SAA and RAO Grants	\$375,004,172

#### SAA and RAO Grants Supported by NEA Funds

% of total awards	37%
% of total dollars	23%

## Number of Identified Grantees between the NEA and SAAs & RAOs, FY2016-2020

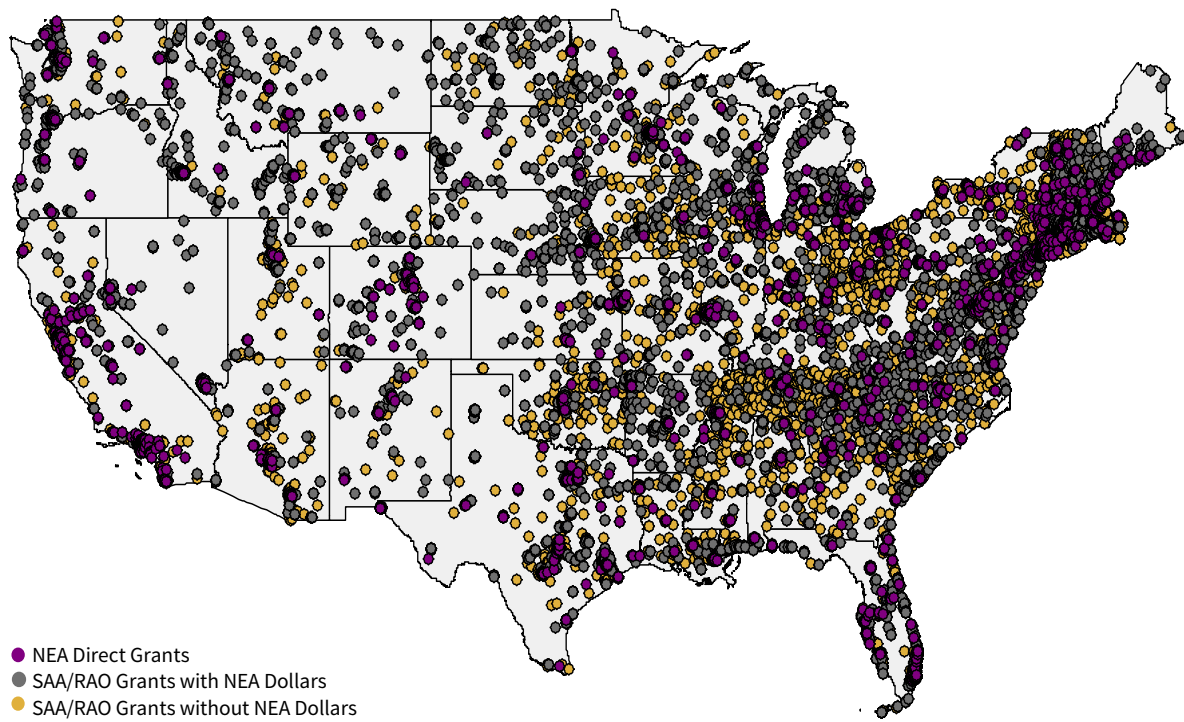
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This chart illustrates several important aspects of the federal-state partnership and the complementary roles served by state arts agencies, regional arts organizations and the National Endowment for the Arts:

- Partnership Agreement funding combined with state funding allow many more arts organizations and projects to receive resources than would otherwise be possible.
- The federal-state partnership helps make the value of the arts and the NEA highly relevant to many more organizations and more visible to a broader public.
- Numerous organizations are served only by the NEA or by an SAA/RAO, underscoring the importance of maintaining robust support at all levels: federal, regional and state.
- Many SAA and RAO grantees are small, emerging or volunteer organizations that may not be able to successfully compete for direct NEA grants, but can still benefit from federal support through programs accessible at the state or regional level.

## Location of NEA, SAA and RAO Grants by Funding Type, FY2020



## Heightening Shared Policy Goals

Partnership Agreements help prioritize policy goals that are important to the National Endowment for the Arts as well as to state arts agencies and their constituents. The federal-state partnership places a special emphasis on the areas of arts education, reaching underserved constituencies, strengthening the cultural infrastructure and preserving America's cultural heritage for future generations—areas of mutual interest to states and Congress.

The federal-state partnership is especially successful in improving access to the arts. Federal partnerships with state arts agencies and regional arts organizations are essential to supporting developing arts organizations, rural initiatives, activities involving individuals with disabilities, arts programs for disadvantaged youth and other programs that extend the arts to populations that lack access to the arts. States and their local partners are ideally positioned to identify such needs and serve communities in an effective manner.

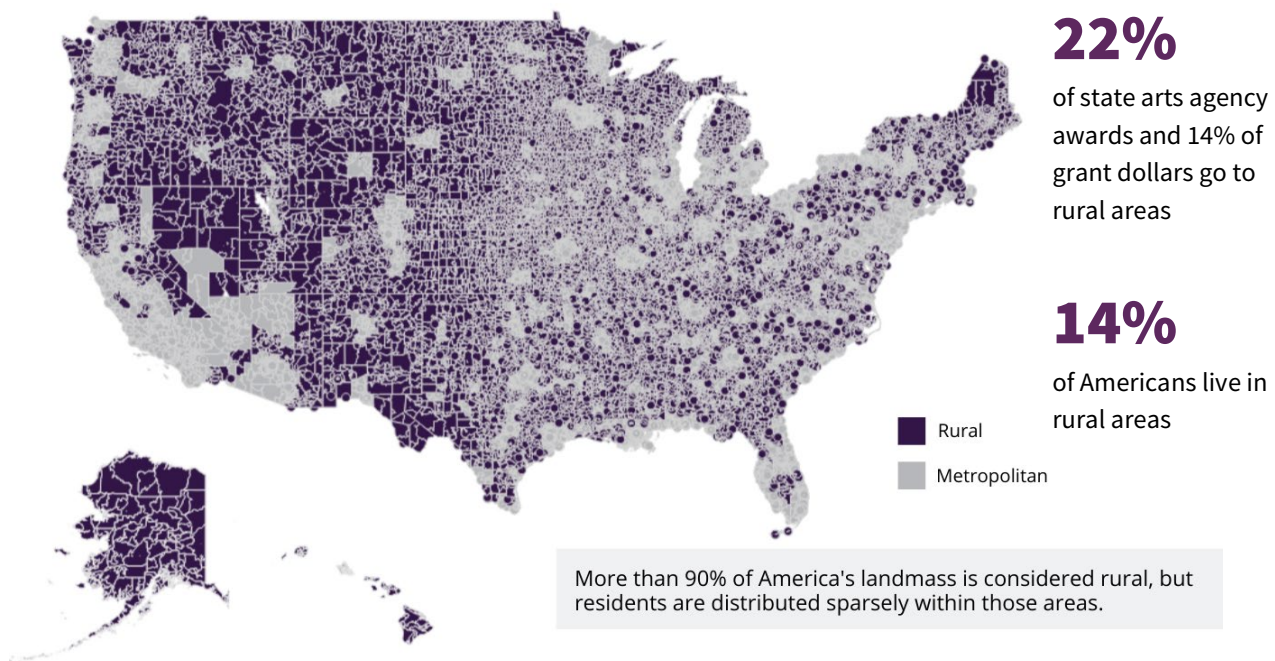
Another prominent policy goal heightened by the federal-state partnership in the arts is the integration of the arts into the fabric of community life. Through its direct grant making and its partnerships, the NEA, SAAs and RAOs develop the creative ecosystem, enhance public spaces, foster community interaction through the arts and catalyze cross-sector consultations that embed the arts in multiple aspects of public policy. Public funding for arts and creativity is a high-return investment that benefits every American in every city, town and rural community nationwide.



## Serving Rural Communities

State arts agencies have a duty to serve all areas within their states, including rural areas. The arts are a proven strategy for maintaining a high quality of life and promoting economic resilience in rural communities<sup>iii</sup>, but not all rural areas have a local arts agency or access to foundation or corporate arts support<sup>iv</sup>. The federal-state partnership makes federal arts funding accessible to small communities and enables many more rural areas to have opportunities to gain from arts experiences. State arts agencies [award more than 6,000 grants each year to rural areas](#), using a combination of state and federal funds. Collaborating with states in this way is an efficient and effective way of improving access to the arts for residents of rural, remote and frontier communities.

### Rural and Metro Areas by U.S. ZIP Code, 2020



## Striving to Serve All

State arts agencies, regional arts organizations and the National Endowment for the Arts strive to distribute their funding in an equitable fashion, to ensure that all populations reap the educational, civic and economic benefits of the arts. A core value of the federal-state partnership is to make the arts more accessible to all Americans, and NEA Partnership Agreement funds help states and regions develop policies and programs that respond to demographic trends and address historical inequities.

The NEA defines underserved populations as "those whose opportunities to experience the arts are limited relative to: geography, ethnicity, economics, or disability." Each SAA and RAO considers those factors as well as cultural, demographic and economic patterns specific to its own service area. This may include tribal communities, frontier regions, refugees or immigrants, communities affected by natural disasters, LGBTQ+ individuals, older adults, veterans, and people living in institutions.

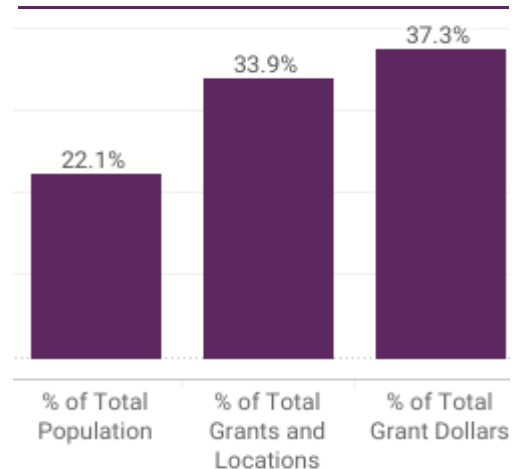
States and regions have adopted a wide array of funding and capacity building strategies for supporting underserved constituencies. This process often begins with strategic planning. Partnership Agreement criteria place an emphasis on participatory planning that includes and responds to the needs of underserved communities. State arts agencies adopt planning engagement strategies calibrated to the needs and norms of specific groups, then develop strategies to act upon what they learn. Each SAA and RAO ultimately deploys a portfolio of programs and services that is attuned to its own environment.

Consult NASAA's [State Arts Agency Equity Strategies](#), the [State to State Article Archive](#), the [Creative Aging resource hub](#) and our [Rural Prosperity](#) resources for examples and additional information.

## Conclusion

The federal-state partnership governing national investments in the arts strengthens the nation and undergirds the educational, civic and economic benefits of the arts. This federalist structure sustains a system of strategic investments through a mechanism that can effectively extend those benefits to more people with greater impact. By broadening the reach of public funds, leveraging private dollars, heightening shared policy goals, reaching diverse audiences and striving toward a more equitable union, the federal-state partnership is foundational to the cultural health of the nation.

### State Arts Agency Grants to High-Poverty Census Tracts, FY2020



High-poverty tracts are defined as the highest quartile of census tracts in the United States by percentage of the population living in poverty.

<sup>i</sup> National Assembly of State Arts Agencies, FY2024 State Arts Agency Revenues Report [https://nasaa-arts.org/nasaa\\_research/fy2024-state-arts-agency-revenues-report/](https://nasaa-arts.org/nasaa_research/fy2024-state-arts-agency-revenues-report/)

<sup>ii</sup> National Assembly of State Arts Agencies, FY2024 State Arts Agency Revenues Report [https://nasaa-arts.org/nasaa\\_research/fy2024-state-arts-agency-revenues-report/](https://nasaa-arts.org/nasaa_research/fy2024-state-arts-agency-revenues-report/)

<sup>iii</sup> National Governors Association, Rural Prosperity through the Arts and Creative Sector, January 2019, [https://www.nga.org/wp-content/uploads/2019/01/NGA\\_RuralArtsReport.pdf](https://www.nga.org/wp-content/uploads/2019/01/NGA_RuralArtsReport.pdf)

<sup>iv</sup> John Pender, U.S. Department of Agriculture Economic Research Service, Foundation Grants to Rural Areas from 2005 to 2010: Trends and Patterns, Economic Information Bulletin Number 141 (June 2015), [https://www.ers.usda.gov/webdocs/publications/43991/53166\\_eib141.pdf](https://www.ers.usda.gov/webdocs/publications/43991/53166_eib141.pdf)

State Policy Briefs synthesize research on key issues affecting the arts and state arts agencies. Designed to inform decision making at the state level, this series provides information on state arts agency policy options and innovative strategies for serving the public. For information on ways to build political and constituent support for the arts, consult NASAA's [advocacy tools](#).

## National Assembly of State Arts Agencies

This State Policy Brief was authored in 2021 by Ryan Stubbs and updated in 2024. The State Policy Brief series editor is Kelly J. Barsdate.

The National Assembly of State Arts Agencies (NASAA) is a not-for-profit, nonpartisan organization. In collaboration with the nation's 56 state and jurisdictional arts councils, we advance the arts as a powerful path to economic prosperity, rural resilience, good health, education success and strong communities in which everyone thrives. NASAA serves as a clearinghouse for data and research about public funding for the arts as well as the policies and programs of state arts agencies. For more information about NASAA and the work of state arts agencies, visit [www.nasaa-arts.org](http://www.nasaa-arts.org).



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