



Facilitating Access to Arts Funds

Recent Policy Actions by
State Arts Agencies
2024

As government entities, state arts agencies have a public mandate to make the arts broadly accessible. Grant making is an important tool state arts agencies use to attain that goal. Each year, state arts agencies award more than 25,000 grants to arts organizations, community groups, local governments, schools and artists. Totalling more than \$300 million in state and federal funds, these grants play an important role in the arts ecosystem. They fuel the creative economy in every state and reach many grassroots organizations and small communities that are often overlooked by private funders.

Because state arts agencies are stewards of taxpayer dollars, they are highly committed to distributing their funds broadly and accountably while ascertaining whether particular communities in the state are underserved by arts funds. Fair and transparent grant making therefore has been an important strategic issue throughout the 60-year history of our field. All state arts agencies engage in continual improvement, adjusting policies and practices to welcome new applicants, make funds easier to access, and eliminate obstacles to support.

What follows is a brief synopsis of strategies adopted by state arts agencies in their quests to reduce funding barriers. This report highlights trends that NASAA has observed across the nation as of early 2024. Each strategy has been adopted by multiple state arts agencies, although implementation details vary from state to state. NASAA hopes this information will spark conversation and help individual state arts agencies to place their work in a broader national context.

This is not a comprehensive inventory of all changes that have been attempted, nor is it a prescription for practices that all states should adopt. **Each state and jurisdiction is unique.** State arts agencies can pick and choose strategies that respond to their distinct geographic, cultural, and economic conditions as well as their current goals and regulatory constraints.

This summary is derived from work originally prepared by NASAA for the Illinois Arts Council as part of its Equitable Grant Making Assessment Initiative. Strategies are numbered for reference, not to imply importance or sequence.

The landscape for arts funding is constantly evolving. For current information on state arts agency grant-making, consult NASAA's [State to State archive](#) and [grant making statistics](#), especially our fact sheets on [rural regions](#), [poverty](#), [social vulnerability](#) and [organizational budget size](#).

- 1. Reduce barriers to entry for operating support.** Flexible [operating support](#) is one of the most valuable forms of funding a state arts agency can offer, so numerous agencies are looking for ways to make these dollars more accessible. This can include reducing or eliminating funding history requirements, lowering budget thresholds, or creating operating support categories specifically tailored to small groups.
- 2. Increase funding for small organizations.** Although state arts agencies fund a large number of small and volunteer groups, the highest-dollar awards may be concentrated among the [largest organizations](#) in a state. Many state arts agencies are looking for ways to grow funding for smaller organizations by increasing their award sizes or expanding allocations to grant programs serving them.
- 3. Employ funding caps or flat funding amounts to equalize dollars across the budget size scale.** Using formulas that index award amounts to budget size may funnel the lion's share of funding to larger organizations. Caps or flat amounts can mitigate that effect.
- 4. If retaining an awards formula indexed to applicant budget size, let grants comprise a larger percentage of small organizations' total budgets.** Many state arts agencies have historically allowed higher budget percentages for smaller groups to keep award amounts for the smallest organizations from getting too tiny.
- 5. Provide a higher percentage of grant funds up front.** This was another pandemic adaptation that constituents appreciated and that some state arts agencies are retaining. Paying in installments or on a reimbursement basis can inadvertently penalize grantees that have a lean cash flow.
- 6. Change funding to longer multiyear cycles.** This reduces the number of applications needed and lowers administrative burdens for applicants and state arts agency staff alike. Staggered review cycles within the grantee pool can prevent extended wait times for new organizations seeking to enter the system.
- 7. Identify priority populations within grant guidelines.** Priority designations may include particular regions/geographies or beneficiary populations that have received less support from the state arts agency. Special designations also may reflect measures of economic distress (i.e., applicants may reside or conduct business in high-poverty counties or economic opportunity zones prioritized for funding). State arts agencies can analyze their grants data to diagnose gaps in past funding, quantify which groups have been underserved, and make an evidence-based case for resources to reach those constituents.
- 8. Proactively recruit new applicants.** This may include activating constituent networks to promote grant opportunities; using local liaisons to facilitate outreach; expanding the lists used for agency communications; and conducting customized technical assistance sessions for priority populations.
- 9. Reduce or remove cash match requirements.** Numerous states waived matching requirements during the COVID-19 pandemic. As the requirements are reinstated,

exceptions are being made for organizations serving economically distressed communities, rural areas, prioritized populations and small organizations.

- 10. Simplify applications and final reports.** A certain amount of red tape is inherent in public funding, given state and federal requirements. But in an effort to reduce application burden, state arts agencies are casting a critical eye on what is truly essential. Efforts to reduce the number and complexity of grant application and final report questions are widespread across the field.
- 11. Ease spending restrictions for project awards and artist grants.** Constituents want maximum flexibility to use grant funds for a wide variety of fees, rent and administrative costs. Some state arts agencies are expanding their allowable expenditure categories to give grantees more of these options.
- 12. Permit the use of fiscal sponsors.** This is of great assistance to unincorporated groups and those too small to take on the overhead of grant administration. Fiscal sponsorships can be accepted only for state or private funds, not for National Endowment for the Arts (NEA) Partnership Agreement dollars or related matches.
- 13. Open more grant categories to non-arts organizations.** This eligibility change allows for creative practices to get support outside of typical arts settings, which is important for communities with limited economic means or with sparse cultural infrastructure.
- 14. Extend support beyond the nonprofit funding model.** State arts agencies are pursuing a variety of partnerships, loans, service contracts and other mechanisms to support organizations that are not 501(c)(3)s using state—not NEA—funds.
- 15. Adopt rigorous community engagement criteria.** State arts agencies ordinarily require applicants to demonstrate robust community engagement practices. There are many ways attain this goal. Some state arts agencies require applicants to describe their community demographics (geography, income, ethnicity, race, disability, gender, age, etc.) and be specific about groups their programs are reaching. Other state arts agencies ask applicants to note what they are doing to deepen public engagement—beyond just ticket sales—and involve community members in program development, organizational planning or governance. Public engagement factors are weighted in adjudication scoring systems to reflect the importance of community involvement and responsiveness.
- 16. Accept applications in alternative (audio or video) formats or in multiple languages.** This may necessitate the development of dual/translation systems for processing information and packaging it for adjudication.
- 17. Promote fair and transparent panel practices.** This includes recruiting panelists that reflect the state's demographics, training panelists to interrupt bias, and paying panelists a professional stipend for their time and expertise.

For more information and examples of these strategies in action, [contact NASAA](#).

About NASAA

The National Assembly of State Arts Agencies (NASAA) is a nonprofit, 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.

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