

Illinois Equitable Grant Making Assessment Initiative

State Arts Agency Field Scan ◀

Prepared for the Illinois Arts Council by the
National Assembly of State Arts Agencies

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As government agencies, 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 23,000 grants to arts organizations, community groups, local governments and artists. Totalling more than \$300 million in state and federal funds combined, these grants play an important role in the arts funding ecosystem. They reach many small and grassroots organizations that are typically overlooked by other public (government) or private (philanthropic) funders.

Because state arts agencies are committed to ensuring that taxpayer dollars reach underserved and under-resourced communities, equitable grant making is an important strategic issue for the field. **All 50 states are engaged in a process of continual improvement, adjusting policies and practices to reduce barriers to accessing state dollars.**

To inform the Illinois Arts Council (IAC) in its own efforts to adopt equitable grantmaking strategies, the National Assembly of State Arts Agencies (NASAA) conducted a field scan of state arts agency operating support policies and practices. The field scan was based on:

- Reviews of guidelines published by other state arts agencies, with an emphasis on midwestern state arts agencies and states with larger and more complex arts infrastructures.
- Reviews of state arts agency grant announcements and other key communications describing funding opportunities.
- Notes from NASAA interviews and consultations with state arts agencies pursuing equity work.

What follows here is a brief summary of the overall patterns and trends observed across the 20+ states included in the scan. Detailed findings about individual state policies and practices were supplied to the IAC in the form of topical briefings and through file-sharing of relevant program summaries and policy documents.

This is not a comprehensive inventory of changes underway in every state, nor is it a recipe for practices that all states should adopt. Every state is different, and each SAA will adopt a unique set of rules and procedures appropriate to its environment. However, **the themes noted here help to place the work that the Illinois Arts Council is doing into a broader field context.** Numbers are offered for reference and do not connote importance or implementation sequence.

For current information on state arts agency grant-making, consult NASAA's [State to State archive](#) and [grant making fact sheets](#), especially those on [operating support](#), [poverty](#), [social vulnerability](#) and [organization budget size](#).

For in-depth profiles of strategies state arts agencies have adopted to advance funding equity, [consult NASAA's website](#) and the latest version of [Equity Choice Points: A Grant-making Reflection Tool for Government Arts Agencies](#). (A new edition is slated for release in January of 2024.)

- 1. Provide ready access to operating support funds.** Operating support is one of the most important types of funding a state arts agency (SAA) can offer, due to its flexibility for grantees and limited availability from other sources. Numerous SAAs 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 or emerging groups.
- 2. Increase funding for organizations on the smallest end of the budget continuum.** Although state arts agencies tend to fund many more small organizations than do foundations or corporations, the highest dollar amounts are sometimes concentrated among the largest arts organizations in a state. (See the national distribution of state grants by budget size [here](#).) Many SAAs are looking for ways to grow funding for smaller organizations by increasing their award sizes or expanding grant allocations to 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 can skew funding toward larger organizations, especially if the applicant pool contains extremely large (\$20 million and up) organizations in tandem with very small, all-volunteer groups. Caps and flat funding amounts can sometimes mitigate these effects.
- 4. If retaining an awards formula indexed to applicant budget size, allow for grants to comprise a larger budget percentage for small organizations than large organizations.** Many state arts agencies have historically used this practice to keep award amounts for the smallest organizations from getting too tiny.
- 5. Reduce cash matching requirements.** Numerous SAAs suspended matching requirements during the COVID-19 pandemic. Matching requirements are generally being reinstated, but some exceptions are being made for organizations serving economically distressed communities, rural areas, prioritized populations and small-budget groups.

How Does IAC Compare?

IAC funding already embodies many, though not all, of the practices highlighted in this field scan. To compare the IAC to other states, NASAA conducted an extensive empirical analysis of IAC operating support grants awarded from FY2016-FY2022. That analysis benchmarked Illinois against other states and also examined geospatial patterns in IAC awards to rural and urban communities, high-poverty areas, socially vulnerable census tracts and communities with high concentrations of people with disabilities. For more details, consult the *Illinois Equitable Grant Making Assessment Initiative: Grants Analysis Technical Report*.

6. **Provide a high percentage of grant funds up front.** This was another pandemic adaptation that constituents appreciated. Paying out grants in installments or on a reimbursement basis can inadvertently penalize grantees that do not have a robust cash flow.
7. **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.
8. **Name priority underserved communities within grant guidelines and commit to funding them.** Priority designations often include specific geographies (especially rural regions), race, ethnicity, disability and other demographic characteristics. They also may include measures of economic distress, defined as priority counties, federal Promise Zones or similar state designations. Demographic analysis of past funding patterns often is used to inform these priorities and explain why additional resources are needed to close the gaps.
9. **Simplify applications and final reports.** A certain amount of red tape is inherent in public funding, given state and federal requirements. But state arts agencies are casting a critical eye on what is truly essential, in an effort to reduce application burden. Efforts to reduce the number and complexity of grant application and final report questions are widespread.

These patterns emerged as recurring themes across multiple states and therefore are offered as references for IAC reflection. While these patterns arose frequently, they were not universal: most states had adopted some but not all of these approaches.

This underscores the importance of aligning grantmaking strategies to the unique circumstances of each state. **No two states are alike, and each SAA must respond to its own cultural ecosystem as well as the regulatory requirements and other conditions present when determining its grantmaking policies.** IAC should therefore consider a range of constituent feedback, the State of Illinois' policy priorities, and its own agency's goals and capacity when developing its grant guidelines.

10. **Allow 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 only be accepted for state or private funds, not National Endowment for the Arts Partnership Agreement dollars (or their matches).
11. **Open grant categories to non-arts organizations.** This eligibility change allows for arts events to be supported in various community-based venues, which is important for communities with limited economic means or with less cultural infrastructure.
12. **Accept applications in alternative (audio or video) formats or in multiple languages.** This may necessitate the development of dual systems for processing information and packaging it for adjudication.

13. **Consider applicant diversity, equity and inclusion (DEI) actions in adjudication and scoring.** Some states feel that this sets high expectations and normalizes DEI work throughout the arts field. It can include requiring information about DEI practices—or copies of equity plans—from applicants. Not all states have the latitude to do this, depending on state laws.

14. **Promote equitable and transparent panel practices.** This commonly includes recruiting panelists that represent the state's demographics; training panelists to spot and interrupt various forms of bias; and paying panelists for their time and expertise.

This field scan was conducted under the auspices of the Equitable Grant Making Assessment Initiative (EGAIN) in the summer of 2023. EGAIN was a collaborative effort to between the IAC and NASAA to examine Illinois Arts Council grant making through an equity lens, in order to identify funding gaps and recommend strategies that IAC can pursue to reduce barriers to arts support. EGAIN was a mixed-method assessment that included both quantitative and qualitative components. Complete details on the EGAIN objectives, methods and findings may be found in the following reports:

- Illinois Equitable Grant Making Assessment Initiative: Grants Analysis Technical Report
- Illinois Equitable Grant Making Assessment Initiative: Constituent Survey Report
- Illinois Equitable Grant Making Assessment Initiative: Constituent Interview Report
- Illinois Equitable Grant Making Assessment Initiative: Recommendations Report

This report was prepared by the National Assembly of State Arts Agencies in partnership with the Illinois Arts Council.



Cover photo: Art Explorers program at the Freeport Art Museum