Tips for More Equitable Grantmaking

Our Mission

The Mass Cultural Council is a state agency that promotes **excellence**, **inclusion**, **education**, and **diversity** in the arts, humanities, and sciences, fosters a rich cultural life for all Massachusetts residents, and contributes to the vitality of our communities and economy.

Michael's opening points:

- Revisions to guidelines and applications will happen in the normal course of FY23 planning. We are doing this work now to build a foundation of grantmaking concepts and their various applications to our programs.
- Cheyenne's role is to use these principles of equitable grantmaking to work with teams to adjust programs in a way that is beneficial to the applicant and program staff, in that order.
- All programs, whether old or new, can be improved in terms of accessibility, efficacy, or process. This is an opportunity to talk through new techniques or methods we previously did not think we could make happen.
- Programs mandated by law are understandably more rigid, but if there are ways to improve them, let's still talk them through.
- Some programs are niche and limited, and some should be broad and consistent. Trying to make one type of program into the other will make it more complicated for everyone.
- The value of a program does not represent the value of the Program Officer or Manager.

Staff Questions:

CFF – When accepting new formats, like spoken answers to application questions, what do we need to keep in mind that all stakeholders have what they need throughout the process?

CYD – Where does need based support lie within the values and priorities of the agency? And how do we get this information if we want to use it?

UP – Is there a formal difference between "experts" who speak and teach, and "panelists" who are chosen for panels because of "expertise?" Is there a formal pay scale for the former category? Lived experience contributes to someone's expertise, does it also qualify them as an "expert?"

CIP – How do you take a value like public benefit into account when drafting review criteria and applications?

Artists – How do you prioritize tactics with many different, and worthy, values and goals?

Public Affairs – How do we document along as we do this work to promote transparency and accountability?

Grants – How do we balance the complex requirements and statutes with the need to simply and pare down?

Finance – How we make a process full of technical language and paperwork more accessible?

INCLUSION

501(c)(3) Status & Minimum Budget

Grantmakers in the Arts – The Changing Place of the 501(c)(3)
https://www.giarts.org/sites/default/files/Ellis_Changing-Place-of-the-501c3.pdf

- This eligibility requirement hampers the growth and/or stability of small or emerging organizations that lack the capacity to meet the state's management and accountability standards.
- 501(c)(3) status opens grant opportunities unavailable to other entities. Often, those unincorporated or for-profit entities will have to be nimble and responsive to a changing world to survive, while the consistently funded non-profit is able to subsist despite a decreasing demand for their product and/or the relevance of their mission.
- A large budget or even organization is not a proxy for the entity's abilities or its impact and importance in the community

Questions to consider: Organizations fill out a 990 at $50k and have a full audit at $200k. Are these financial reports necessary for our grantmaking? What value do they reports signal to us, and what utility do they provide?

	Origins	Unintended Consequences	Alternatives
Minimum budget requirements	The largest grants given by state arts agencies typically are for unrestricted operating support. 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 starvation cycle for funding.	Can your agency lower the entrance threshold for operating support applications? Could project awards be given more expenditure flexibility? Can you provide capacity building to help organizations qualify for larger grants in the future? Read Addressing Racially Biased Financial Analysis for more insights into how common financial assessments can reinforce inequities—and what can be done to improve them.
501(c)(3) incorporation requirements	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. Per statute, the Arts Endowment directs its funding to nonprofit groups. Arts Endowment policies similarly require organizations supported via state arts agency Partnership Agreements 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 criticized for concentrating resources and power among people with privilege.	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. The Metropolitan Nashville Arts Commission overcame bureaucratic hurdles and found creative ways to route funds to artists, businesses and unincorporated groups. Expanding Cultural Family: Funders, Tools, and the Journey toward Equity tells the story. In addition, strategically expanding the use of partnerships, fiscal agents or crowdfunding mechanisms may be useful tools. See resources from Fractured Atlas, the Tides Foundation, Ioby and Grantmakers in the Arts for ideas.
Audits	Audits are a best-practice recommendation for nonprofit management and also are necessary to meet 501(c)(3) requirements in some states. 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 $9,691. This ratio is untenable for many small organizations.	Can you exempt smaller grantees from audit requirements? Some state arts agencies accept alterative documentation, such as signed financial statements (balance sheets, revenues and/or expenses) or the IRS Form 990.

DIVERSITY
Applications

Nonprofit AF
https://nonprofitaf.com/wp-content/uploads/2021/03/Equitable-Grantmaking-Continuum-Full-Version-Updated-March-2021.pdf

	Origins	Unintended Consequences	Alternatives
Electronic application systems	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 digital divides 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 tested your online systems for accessibility? The Stanford Social Innovation Review and the Ford Foundation offer useful examples of accessibility reviews. Also see Collaborative, Iterative, and Responsive: Agile Techniques Transform MAP's Grantmaking.
Application narratives	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 MacArthur Foundation.
Application add-ons	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 "doom loop" 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 Streamlining a Foundation Initiative's Grant Practices, It's Not You, It's Me: Breaking Up With Your Organization's Inequitable Funding Practices and A Transformative Moment for Philanthropy.
Letters of support	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 creative placemaking projects. A&V now helps artists navigate governmental channels to secure the necessary endorsements.

- Accept grant proposals written for other foundations
- Instead of written answers, allow applicants to respond using short videos if they choose
- Do not request line-item budgets; focus on the organization's work and outcomes
- Keep applications to a length that can be completed in 3 hours or less

Demographic Data Collection

Jerome Foundation's Re-Tool
https://www.jeromefdn.org/sites/default/files/2018-09/Re-Tool_2018.pdf

- Anti-racist grantmakers actively collect demographic data with the intention of using the information to address racial inequity.
  - Share a statement to let applicants know why you are collecting demographic information.
  - Allow people to self-identify beyond the census categories and include a "decline to state" option.
  - For organizations, ask for the quantitative demographics of the executive leadership, staff, board, artists served and audience.
  - Track demographic information through all stages of the application and review process to recognize any significant drops in demographics between steps.

EDUCATION
Customer Service

- Michael's presentation slides:

   Customer Service - Applicant-Centric Grant Making Guiding Principles_CP.pptx
  - Applicant-centric grant making means:
    - We center the prospective grantee, especially the most historically underfunded, in our review of all of our grant making processes,
    - We center the prospective grantee, especially the most historically underfunded, when trying new technologies/methods for both giving and receiving information,
    - We make our materials digestible, concise, and simplified by eliminating things that are redundant,
    - We pre-populate what we already know, and
    - We support them with the goal of successfully receiving a grant.
- Comprehensive support to apply
  - As well as recording information sessions, create application walk-through videos to provide more context on how to best answer the question
  - Provide financial support to applicants (especially from small organizations) to compensate for their time to apply.
  - Provide translation support for non-English speaking (or ESL) applicants.

- Communicate to applicants the requirements you have for panelist selection and training.
- Direct feedback about how panelists respond is critically important for unsuccessful applicants.
  - Share the recorded panel discussions with applicants—audio clips for each applicant can be made available.
  - Provide a summary of the panel's constructive comments through email.
- Responsiveness and Availability
  - Use tools like automatic email responses, deadlines, and capacity limits to help manage and prioritize the need for help from applicants.

EXCELLENCE
Review

	Origins	Unintended Consequences	Alternatives
Panelist recruitment	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 benefits of diverse decision making teams. Groups who have experienced current or historic oppression by government agencies are unlikely to volunteer for panel service without extra support and encouragement.	Do you purposefully recruit people of color, rural residents, older adults, LGBTQA+ individuals and people with disabilities to serve as panelists? Do you collect demographic information to ensure panel diversity? Re-Tool: Racial Equity in the Panel Process offers comprehensive guidance for designing and facilitating more equitable panels. For intriguing ideas about alternatives to traditional panels, see Innovations in Open Grantmaking.
Panel orientation	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.)	Are panelists oriented to the funding priorities and the diversity, equity and inclusion goals of your agency? Are panelists and staff trained to recognize bias and constructively interrupt it? 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 Talking About Race initiative as well as The Royal Society and POV. If your agency convenes panels using videoconference technology, read Working from Home While Black.
Color-blind application review	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 reinforcing rather than reducing inequities.	Are your staff and council members able to articulate the reasons why consideration of race is an important part of equitable grant making? See All Right, "Color-Blind" Colleagues, We Need to Have a Talk and Why Lead With Race?

Formal evaluation	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 harbor bias 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 Arts & Civic Engagement Impact Initiative. Explore resources and methods for culturally responsive evaluation from PEAK Grantmaking, the Equitable Evaluation Initiative and Suzanne Callahan.

- A "color-blind" approach denies the reality of individuals and organizations who have experienced repeated discrimination or harm due to their race.
  - Race, ethnicity and other identities are often apparent in application materials, so implicit bias is sometimes perpetuated by the "official" exclusion of this information.
  - The exclusion of race and other marginalized identities in review makes it harder to fight the systemic injustices causing the underinvestment in those communities.
- Charge the panel with the responsibility to recommend a grant roster that captures the diversity of the field

Questions to consider: Is there diversity in race, ethnicity, gender, and generation? Are there different cultural perspectives? Does my roster include works in more than one genre or style of work? Is there a range of points of view, tone, or style?"

Artistic Merit & Public Benefit
Americans for the Arts - Aesthetic Perspectives
https://www.americansforthearts.org/sites/default/files/Aesthetic%20Perspectives%20Full%20Framework.pdf

Artistic excellence	The Arts Endowment's federal statute requires panels to review and recommend grant applications "solely on the basis of artistic excellence and artistic merit." By extension, it requires state arts agency grants made under the auspices of Partnership Agreements to include artistic excellence or merit in their review criteria, too.	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.	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? 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? Explore Aesthetic Perspectives: Attributes of Excellence in Arts for Change (which several SAAs have incorporated into their grant criteria) as well as Artistic Vibrancy and the Annotated Guide to RE-Tool.

- Artistic merit is predicated on access, opportunities, and the ability to navigate educational and funding systems that privilege white dominant culture.
- How can a more equitable view of artistic merit it be recognized or evidenced?
  - Artist demonstrates strong technical skills and craft in the execution of their work
  - Work reveals something about the world, communicating unique perspective/s, inviting the viewer to question, discover, explore new ideas—the storytelling is compelling
  - Artist has an authentic relationship/connection to the content/ community involved in the work
- How can public value be recognized or evidenced?
  - Extent to which the project serves the organization's community or constituency
  - Potential impact on local artists (including evidence of direct payment) and the artistic field

- Alignment of the project to the organization's mission, audience, community, and/or constituency