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California Arts Council

**Summary Report on 2021-22 Grantmaking
Evaluation**

August 2022

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Summary Report on 2021-22 Grantmaking Evaluation

INTRODUCTION AND CONTEXT

This report summarizes two and half years of evaluation and planning work undertaken by California Arts Council (CAC) to gain critical perspective on its grantmaking work and lay a foundation in logic for making future investment decisions. Our thought partners on this journey were members of the Evaluation Task Force, a small group of CAC staff and Council members who guided every aspect of the work.

The consultant team was selected, contracted, and ready to begin the evaluation work in early 2020, just as the onset of the Covid-19 pandemic thrust the cultural sector into an unprecedented crisis. At the time, CAC offered approximately 18 grant programs, including several that are legislatively mandated. In response to the needs of the sector, CAC suspended most of its grant programs in 2020-21 and 2021-22 and quickly pivoted towards distributing relief funding to artists and organizations.

Rather than postpone the evaluation work, CAC sharpened its focus and carried forward. An initial track of evaluation planning work (i.e., Track 1) yielded a work plan with three primary components (i.e., Tracks 2-4), illustrated in Figure 1, below. The detailed Evaluation Plan was accepted by Council in March 2021 and published on the CAC website shortly thereafter.

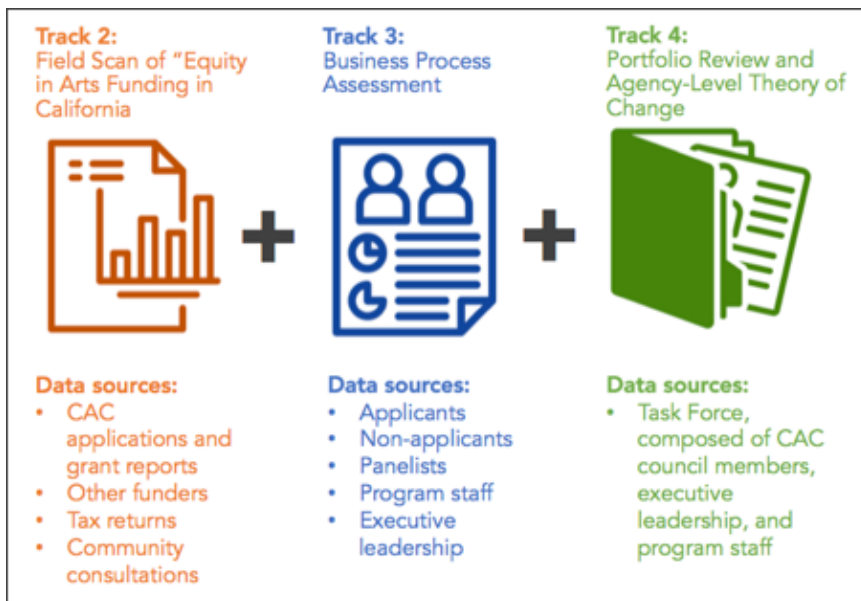


Figure 1: Summary of Evaluation Plan (April 2021)

Field Scan of Equity in Arts Funding in California (Track 2)

The Field Scan offers a deep analysis of California’s arts infrastructure and access to funding through the lenses of equity and access, and thus provides critical context for the other components of the evaluation. Methods included a scan of the existing literature, extensive quantitative analyses of CAC data resources and third-party data on nonprofit organizations in California, as well as qualitative data from artists, arts teachers, and other community-based arts leaders in three communities across the state. Our collaborator in preparing the quantitative analysis was the National Assembly of State Arts Agencies (NASAA). The Field Scan allows us to understand the scope of CAC’s funding efforts in the larger context of California’s arts ecology, and to assess CAC’s success in meeting equity goals relative to other sources of funding. It also offers a sweeping view of California’s non-commercial arts infrastructure, which might be helpful to other sector stakeholders.

Field Scan resources include:

- Equity Challenges in California’s Arts Ecosystem, Report to California Arts Council, by John Carnwath (an integrative summary of all Field Scan research, 28 pages)
- An Analysis of Equity in Nonprofit Arts Funding in California, Executive Summary (16 pages) and Technical Report (71 pages), Prepared by National Assembly of State Arts Agencies
- Portrait of an Arts Ecosystem: Imperial County, by John Carnwath and Sarina Guerra
- Portrait of an Arts Ecosystem: South Los Angeles, by John Carnwath and Anh Thang Dao-Shah
- Portrait of an Arts Ecosystem: Fresno, by Salvador Acevedo and Nikiko Masumoto

Grantmaking Business Process Evaluation (Track 3)

The Grantmaking Business Process Evaluation explored the specific inputs and work steps in the grantmaking processes at CAC, how the grant programs intersect with each other in the larger portfolio, how communications and decision-making about the grantmaking process flow within the organization, and where the system is overloaded or stressed. Efficiency, effectiveness, and equity in funding were the three guiding principles we assessed in CAC’s business systems, with special emphasis on racial equity. The Business Process Evaluation contributed much to the Agency-Level Theory of Change in pointing out stress points in the grantmaking process and revealing possibilities for structural changes that could reduce stressors and improve the model.

Business Process Model Evaluation resources include:

- Grantmaking Business Process Evaluation, Final Report, July 2022, by Salvador Acevedo
- Grantmaking Process Diagram

Portfolio Review and Agency-Level Theory of Change (Track 4)

Given the complexities and shifting sands of CAC’s portfolio of funding programs, our basic approach to the portfolio evaluation was to first develop a framework in logic for CAC’s intended outcomes from the totality of its work (i.e., an Agency-Level Theory of Change), and then take stock of the “fit” of existing grant programs, and consider what types of different or additional

investments would contribute to CAC’s success, outcome by outcome. The Evaluation Task Force was our thought partner throughout this process. The starting point for this work was the 2019 Strategic Framework, which established goals and aspirations and provided a racial equity decision tool, but stopped short of offering a specific framework for “balancing the portfolio” of grant programs.

Program-level evaluations of specific grant programs would normally be an input to the portfolio review, but such evaluations were not available. Instead, we relied on CAC staff to provide basic information about each program – its history, the number of applicants and grant awards, the guidelines and how they’ve changed, and any implementation challenges.

In many public and private funding agencies, grant programs tend to be added, expanded or dropped over the years without a strong rationale, especially during times of budgetary growth. Decisions are made on rolling, case by case basis, often without the benefit of a Logic Model or Theory of Change that might argue for or against a particular investment proposal. In fact, we have learned from this process just how difficult it is for an agency with such a broad purview as CAC to interrogate its investment decisions through the lens of logic because of the extraordinary amount of thought work necessary to create the Theory of Change in the first place. It is this very capacity we hope to have built through our work with CAC.

Portfolio Review and Agency-Level Theory of Change resources include:

- Summary Report on 2021-22 Grantmaking Evaluation, which includes a Portfolio Review and discussion of the “fit” of current and past grant programs with the Theory of Change
- Agency-Level Theory of Change, version 1.0

OVERVIEW OF FINDINGS: FIELD SCAN

The Field Scan contributed a statewide analysis of equity in access to financial resources to the Grantmaking Evaluation. The core questions driving the Field Scan were:

- How does the infrastructure of nonprofit arts organizations (in terms of overall distribution, budget sizes, etc.) relate to the demography of California?
- How equitable is access to government support, foundation grants and private philanthropy (e.g., gifts from individuals) across arts organizations serving different populations and geographic areas?
- What role does CAC currently play in the arts funding ecosystem?

To answer those questions, our partners at NASAA compiled a database of every known nonprofit arts and cultural organization in the State of California, drawing together data from multiple sources, as well as other types of non-arts organizations that have received funding for arts programs. The statistical analysis of this large database was complemented with qualitative research on how the arts are supported in three local communities, Imperial County, South Los Angeles, and Fresno. Key findings include:

1. **The network of Arts Nonprofits is uneven across California.** Arts nonprofits tend to be located in census tracts that have above average education and median income levels, and below average representation of BIPOC communities.
2. **The nonprofit arts are only one portion of the non-commercial arts and culture ecology.** Twenty-three percent of all grants that foundations distribute in support of the arts go to organizations that don't have the arts as their primary focus. Recipients include universities, school districts, after school programs, churches, parks departments, social service organizations, tribal governments, environmental groups, municipalities, historical societies, and many other types of organizations that include arts or cultural programming among their services.
3. **Access to the arts can vary substantially at the hyper-local level.** It is difficult to define who has access to arts programs and arts organizations using statistical data alone. Through our qualitative research, we learned that people who live just a few blocks from each other can have very different experiences of how accessible the arts are within their community.
4. **Resources for the arts are distributed inequitably.** BIPOC-centered and rural organizations are smaller, in terms of their annual budgets, and have fewer assets than non-BIPOC-centered and urban organizations. Only 11% of the total dollar amount allocated to the arts by private foundations go to BIPOC-centered organizations, although they represent 18% of all arts nonprofits. Rural organizations receive just 3.1% of all foundation grant dollars, although they make up 9% of the arts nonprofits. Individual giving is even less equitable in terms of the proportion of donations that go towards the arts in rural areas and to BIPOC-centered organizations. The BIPOC-centered organizations in rural areas face compounded inequities both for individual donations and foundation support.
5. **CAC's grants are more equitably distributed than other sources of contributed income.** Through its portfolio of grant programs, CAC works towards offsetting inequities that BIPOC-

centered and rural nonprofits face in accessing support from private sources like foundations, trustees, and individual donors. Whereas BIPOC-centered organizations represent 18% of the arts nonprofits in California, they receive 30% of the funds that CAC distributes in the form of grants.

6. **Most arts nonprofits in California are very small volunteer-led organizations that aren't supported by grants at all.** Three quarters of all arts nonprofits in California have annual budgets under \$50,000. Of those, 92% have no record of receiving any grants from either public or private sources in the dataset that was compiled for this study. While there isn't much statistical information available about these organizations, their small budgets and lack of grant support suggests they're largely community-supported organizations that are run by volunteers.
7. **The vast majority of resources available to California's arts nonprofits are concentrated in a small number of very large organizations.** There are 108 arts nonprofits with budgets over \$10 million in California. These institutions constitute less than 1% of the nonprofit arts organizations in the state, yet they receive 70% of the available resources. Half of all arts grants from private foundations flow to those organizations, as do 73% of all donations from individuals. Only six of the 108 arts nonprofits with budgets over \$10 million are located in rural census tracts, and just four are BIPOC-centered organizations.
8. **Communities require different levels of investment to build relationships and trust.** Local arts ecosystems have varying levels of the formal and informal organizational infrastructure that support the arts, as well as varying degrees of familiarity with and trust of grantmaking processes. To engage with communities equitably, one must accept that the conditions in the communities vary—including factors such as pre-existing relationships, social structures, geography, cultural norms, and language proficiencies—and as a result different levels of resources (including time) and outreach are needed to engage with them.

The Field Scan offers helpful context for CAC's work. Private foundations distribute \$670 million in a single year, and California arts nonprofits may receive twice that amount from individual donors. Between half and three-quarters of all private philanthropy goes to the 108 largest organizations, only a small fraction of which are rural or BIPOC-centered. While CAC's general fund allocation has grown significantly over the past 10 years to \$26 million, it is still a relatively small amount in the overall picture.

OVERVIEW OF FINDINGS: GRANTMAKING BUSINESS PROCESS EVALUATION

CAC's grantmaking business process lies at the center of the Agency's capacity to fulfill its mission. It shapes the Agency's staff structure, organizational culture, staff morale, and, most importantly, its capacity to deliver on the promise of equitable access to resources.

The evaluation took a systemic approach to investigating specific inputs and work steps in CAC's grantmaking programs, and examined how the programs intersect within the grantmaking portfolio, and how communications and decision-making flow within the organization. Recommendations based on these findings considered points of leverage that could have the most impact on effectiveness and equity in grantmaking. The points of leverage used for the analysis were measures of success, negative and positive feedback loops, communication flows, and rules and regulations.

Methodology

The Grantmaking Business Process Evaluation involved two phases of research: 1) an investigation of the grantmaking process from beginning to end; and 2) an assessment of CAC stakeholders' beliefs regarding causes, implications, and potential paths to address efficiency and racial equity challenges. We interviewed a total of 16 Agency staff and Council members. In addition, we incorporated feedback from CAC applicants, unsuccessful applicants, and non-applicants as well as a comparative analysis with other state art agencies in terms of size, total grant dollars, and structure.

Findings

- **A focus on efficiency diminishes effectiveness** — the Agency's current structure and grantmaking business process are incongruous with the volume of grants it must process and the fluctuations in funding it receives, and the Agency lacks a strategy for balancing growth with resources. The imbalance between efficiency and effectiveness is associated with several critical issues. Primary among these is severe under-resourcing, both in staffing and technology.
- **Efficiency puts a strain on equity** — Because of systemic issues including under-resourcing and overload within the Agency, Agency staff are forced into efficiencies that diminish their ability to adequately serve the field. This especially impacts smaller, less experienced organizations and individuals from marginalized groups who may require more support to navigate an application process designed for larger and more structured organizations.
- **Equity is stymied by favoritism, accessibility barriers, and embedded bias** — Current systems, created by predominantly White institutions and largely unchanged, favor larger organizations, making application accessibility a challenge for small organizations with limited resources, underrepresented groups, and individuals new to CAC grantmaking processes. Also, issues of bias are embedded within systems, often because of an overt or unintentional lack of awareness of community needs, thus affecting areas of program strategy, guideline development, and outreach.

- **Misalignment with their reality excludes small enterprises** — Small arts organizations, community-centered enterprises, and artists generally opt out of the grantmaking process because the process is a distraction from their key focus: working directly on projects within their communities.
- **Problems are evident but causes and solutions are elusive** — Agency staff are, for the most part, aligned on the Agency’s grantmaking business process equity challenges. There is less agreement surrounding underlying causes, particularly among Agency leadership, staff, and Council members, and little alignment on solutions. The exception is widespread agreement on the need for expanded regranting through partner organizations. All agree this could reduce pressure on staff, while also better serving the needs of the field.

AGENCY-LEVEL THEORY OF CHANGE: AN OVERVIEW

As the steward of tax-based public funding for the arts in California, CAC takes responsibility for building a more equitable and culturally vibrant arts ecosystem that benefits all residents of California. Even with its substantial resources, CAC is only a small player in the larger ecosystem of support for arts and culture in California. It is therefore incumbent on CAC to be both focused and strategic in leveraging its unique position in the sector to affect positive change.

CAC's Agency-Level Theory of Change spells out a series of cause and effect relationships between investments and outcomes, and discusses the assumptions and beliefs about the outcomes and how the investments will achieve them. It is similar to a logic model, but more explicit in tracing the preconditions that lead to the intended outcome. More so than a logic model and even a strategic plan, a Theory of Change provides a basis in logic both for making decisions about individual programs (i.e., "is the proposed program an essential link in the chain of desired outcomes?") and for balancing the portfolio of program investments (i.e., "are we allocating resources in a way that allows all outcomes a chance of success?"). Thus, it is a tool for saying "no" as much as a tool for saying "yes."

The Evaluation Task Force met monthly with the consultants for over a year to discuss CAC's desired role in California's arts ecosystem, the drivers of the Theory of Change, and the assumptions and beliefs underlying each of the seven main outcomes. For example, the Task Force discussed the following "levers" as essential to a more just and racially equitable arts sector, and the Theory of Change is structured around them:

- Cultural policies that reflect the democratic principles of equity and justice
- Leadership capacity (artists, boards, administrators)
- A strong infrastructure of arts agencies and support organizations aligned with the values of equity and justice
- Favorable conditions that allow artists and culture bearers to choose to live and work in communities across California
- Public appreciation and demand for the full range of cultural practices that reflect the population's interests and traditions
- Equitable systems of financial support (i.e., public funding, private support, access to long-term capital), enabled by a capacity for public and private funders to act collectively

Findings from the **Field Scan** research and the **Grantmaking Business Process Evaluation**, as they became available, were incorporated into our thinking about the Agency-Level Theory of Change.

At the top of CAC's Agency-Level Theory of Change are three statements which communicate the Agency's overall purpose: 1) the **Vision Statement** is from the 2019 Strategic Framework, and is unchanged; 2) the **Ultimate Goal** sits above CAC's accountability ceiling¹ and is therefore

¹ The "accountability ceiling" in CAC's Agency-Level Theory of Change separates outcomes that CAC will monitor and claim credit for attaining from higher-order goals that are beyond its power to achieve.

aspirational – it is a broadly relevant statement that speaks to CAC’s core values; and 3) the **Long-Term Outcome** represents the overarching result of CAC’s work, which CAC will hold itself accountable for through evaluation and benchmarking. These three statements, along with the seven main outcomes identified as necessary to accomplishing the Long-Term Outcome, are illustrated in Figure 2, below.

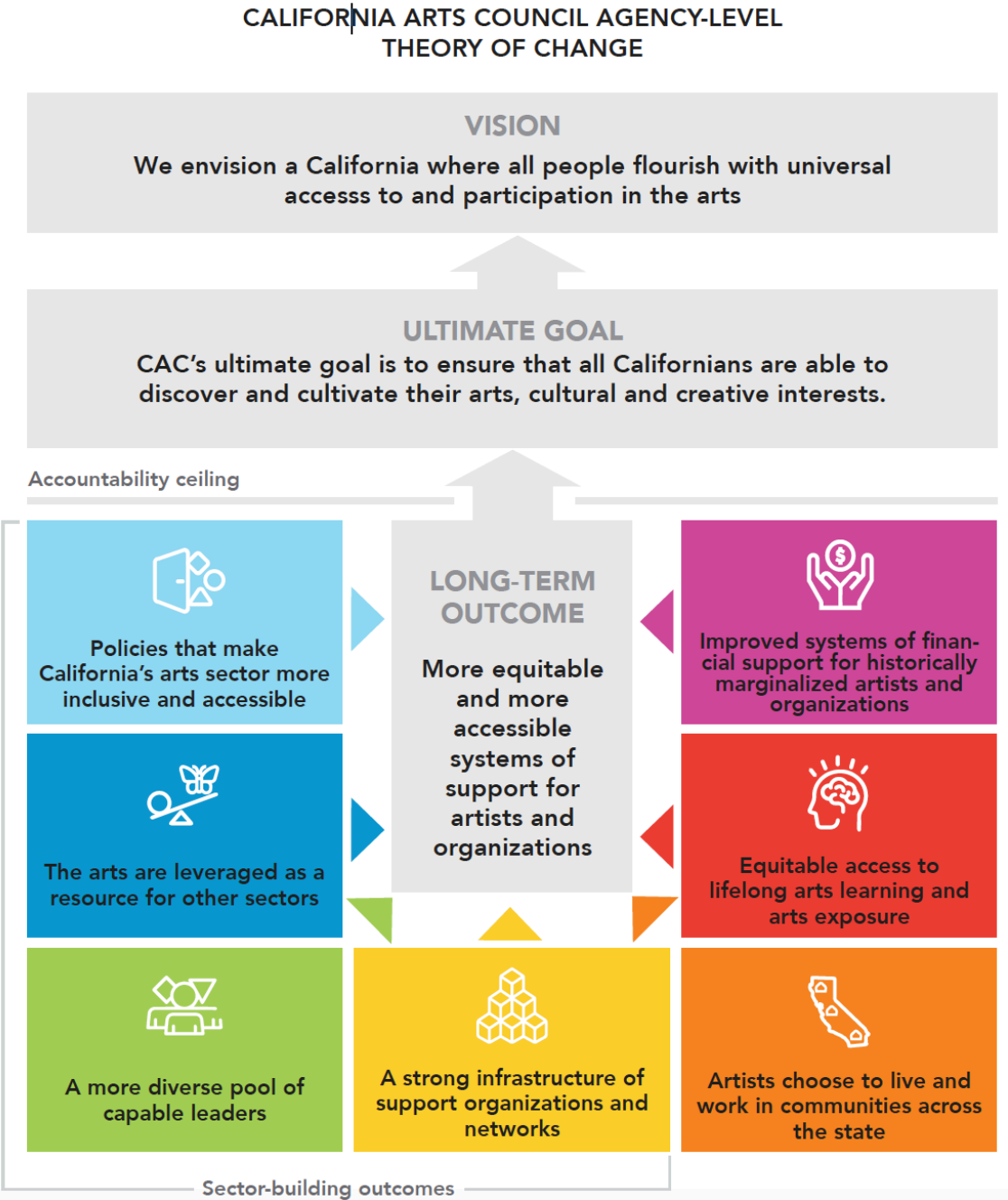


Figure 2: California Arts Council Agency-Level Theory of Change – Seven Main Outcomes

Below each of the seven main outcomes is a series of subsidiary outcomes that offer a means of accomplishing the main outcome. And below each of the subsidiary outcomes are one or more “potential investments” that offer concrete ideas for deploying resources against the desired outcome (i.e., staff time, research, communications and convenings, and grant programs). In this fashion, the subsidiary outcomes “roll up” to satisfy each of the main outcomes, and the main outcomes “roll-up” to satisfy the Long-Term Outcome. In many cases existing grant programs are incorporated into the seven outcomes, but this was not a prerequisite. When it is released, the full Agency-Level Theory of Change version 1.0 will provide significant detail on each of the seven main outcomes.

Reflecting on the totality of thinking that went into the Theory of Change:

- There is a clear focus on transitioning away from transactional grantmaking and moving towards **deeper partnerships with hub organizations, support networks, and other stakeholders** to accomplish the seven outcomes. In fact, the only way that CAC can simultaneously work across all seven outcome areas is through partnerships.
- Direct grantmaking is only one tool that CAC can use to achieve its outcomes; other kinds of investments, in fact, will be necessary, including **investments in communications, convening, research and building relationships with other funders and state agencies**. This will have structural implications for staffing.
- If it is to be held accountable for the outcomes in its Theory of Change, CAC will need to get **far more serious about accountability**, including data collection, key performance indicators, evaluation and other research. Once adopted, the Theory of Change will offer staff and Council members a shared **accountability tool** for monitoring progress against the intended outcomes every year.

We must emphasize that the Agency-Level Theory of Change is necessarily **a work in progress**, and always must be. It embodies myriad assumptions about what CAC aims to accomplish and how, specifically, it thinks it can accomplish those outcomes, given its limited resources. The assumptions and beliefs that make up the Theory of Change will evolve as additional perspectives are incorporated into the thinking, and as the operating environment continues to change.

The next step in this process is to **gather critical feedback** on the Theory of Change from key stakeholders and make changes that bring additional levels of clarity and substance to the various outcomes. This might include:

- Individual consultations with key CAC stakeholders
- Input from a panel of other state arts agency directors
- Workshops with outcome-specific stakeholder groups for each outcome
- Input from representatives of specific populations that the Theory of Change prioritizes for support
- Public input from grantees, applicants and other constituents via a blog or other online platform

PORTFOLIO REVIEW

Once drafted, the Agency-Level Theory of Change version 1.0 offered a lens through which to consider CAC's portfolio of past and current grant programs. This section discusses the extent to which past and current grant programs align with the seven main outcome areas, and what other investments might be needed to accomplish them.

While developing the Theory of Change we were deeply aware of the agency's many grant programs and how they evolved, but the Theory of Change was not reverse engineered to accommodate them. The rigor in logic was preserved – moving backwards from the Long-Term Outcome to define main outcomes, then subsidiary outcomes, and then potential investments. As the Theory of Change took shape it became clear that some grant programs were ideally suited as investments supporting certain outcomes, while questions remained about other grant programs as to where they would fit, or if they would fit at all.

What does it mean to be a "main outcome" in CAC's Theory of Change?

A good deal of discussion with the Evaluation Task Force revolved around what it means to be a main outcome, and if there is any sort of minimum commitment implied, or any basis for organizing or sequencing the seven main outcomes. For example:

- Does promotion to a main outcome suggest that some level of staffing support is provided to each outcome?
- Should there be a minimum level of financial investment in each of the main outcomes?
- Is it acceptable to have main outcomes that are important from a policy standpoint, but "light touch" in terms of execution?
- Is it acceptable to have main outcomes that are exploratory or experimental in nature?
- How can timelines be integrated with the Theory of Change, to add another level of accountability?

Addressing these questions will go a long way in building a shared understanding of the Theory of Change and CAC's commitment to each outcome.

How do CAC's existing grant programs align with the Theory of Change?

Figure 3, below, offers an overview of CAC's past and current grant programs, and where they most closely align with the seven main outcomes in the Theory of Change. Of course, grant programs are not the only tool that CAC uses to accomplish its goals. Nevertheless, it is clear from Figure 3 that grant programs are heavily deployed against certain outcomes, and lightly deployed against others.

Discussions of the seven outcome areas follow below.

PORTFOLIO REVIEW
 Mapping Past and Current CAC Grant Programs
 onto the Seven Main Outcomes from the
 Agency-Level Theory of Change v1.0

<p align="center">More equitable and more accessible systems of support for artists and orga- nizations</p> <p align="center">Long-term Outcome</p>	<p>CAC Investments, Past and Present current investments new investments suspended programs</p>
 <p>Policies that make California's arts sector more inclusive and accessible</p>	<p>Inter-Agency Partnerships [No dedicated grant programs] Grants to Policy/Advocacy Orgs. Arts and Public Media Research in the Arts</p>
 <p>The arts are leveraged as a resource for other sectors</p>	<p>California Creative Corps (\$60M/3 yrs) Public Art in Parks (\$25M) CA Cultural Districts (\$30M/3 yrs) Creative California Communities Innovations + Intersections</p>
 <p>A more diverse pool of capable leaders</p>	<p>Arts Administrators Pipeline Fellowship Professional Development</p>
 <p>A strong infrastructure of support organizations and networks</p>	<p>State-Local Partners & SLP Mentorships Statewide and Regional Networks</p>
 <p>Artists choose to live and work in communities across the state</p>	<p>Folk and Traditional Arts Individual Artist Fellowships Artists in Communities Impact Projects Relief Fund for Artists and Cultural Practitioners</p>
 <p>Equitable access to lifelong arts learning and arts exposure</p>	<p>Artists In Schools Arts and Accessibility Arts Education Exposure Arts Integration Training Reentry Through the Arts Creative Youth Development JUMP StArts Literary Arts Programs Veterans in the Arts</p>
 <p>Improved systems of financial support for historically marginalized artists and organizations</p>	<p>Cultural Pathways & CP Technical Assistance Arts & Cultural Orgs. General Operating Relief Organizational Development</p>

This graphic represents the evaluation period from March 2020 to August 2022.

Figure 3: Alignment of Past and Current CAC Grant Programs with Theory of Change v1.0



Policies that make California’s arts sector more inclusive and accessible

Inter-Agency Partnerships
Grants to Policy/Advocacy Orgs.
Arts and Public Media
Research in the Arts

[No dedicated grant programs]

Outcome #1: Policies that make California’s arts sector more inclusive and accessible to all Californians are debated and adopted at the state, county, and municipal levels

CAC’s existing contributions to cultural policy development take the form of grants made to support the work of partner organizations doing policy and advocacy work statewide (e.g., Create CA, Californians for the Arts), and partnerships with other state agencies that serve to advance arts policy. This is sector-building work. Inter-agency partnerships (e.g., CAC’s work with CA Dept. of Corrections and Rehabilitation, CA Dept. of Transportation, and CA Dept. of Parks and Recreation) are seen to be highly leveraged in the sense that they illustrate CAC’s value to state-level authorizers. In fact, some of these partnerships have yielded significant new investments from the legislature.



Figure 4: Potential Investments for Outcome #1 (placeholder diagram)

While these are important and worthwhile investments of time and money, they do not represent an integrated or coherent approach to policy development. Figure 4, above, offers a summary of additional investments that CAC might make in furtherance of this outcome, from the Theory of Change.

Most of these potential investments are not grant programs, but research, convening and coordination activities. Some of them can be contracted out to vendors or fulfilled through administering organizations. In short, CAC can take on a leadership role in the policy arena, but in a way that builds on existing capacities and avoids creating redundant programs.

This work is strategic to CAC in that the research and diagnostic work that informs cultural policy will also inform CAC as to the evolving needs of the sector, and thereby creates a permanent feedback loop with the sector.



The arts are leveraged as a resource for other sectors

California Creative Corps (\$60M/3 yrs)
Public Art in Parks (\$25M)
CA Cultural Districts (\$30M/3 yrs)
Creative California Communities
Innovations + Intersections

Outcome #2: Through cross-sectoral partnerships, the arts are responding to social, health, educational and environmental challenges facing California residents

Demonstrating the arts’ relevance to society across other domains is an important aspect of CAC’s sector-building work. By definition this work is collaborative, and CAC does not, and should not, operate alone in this space.

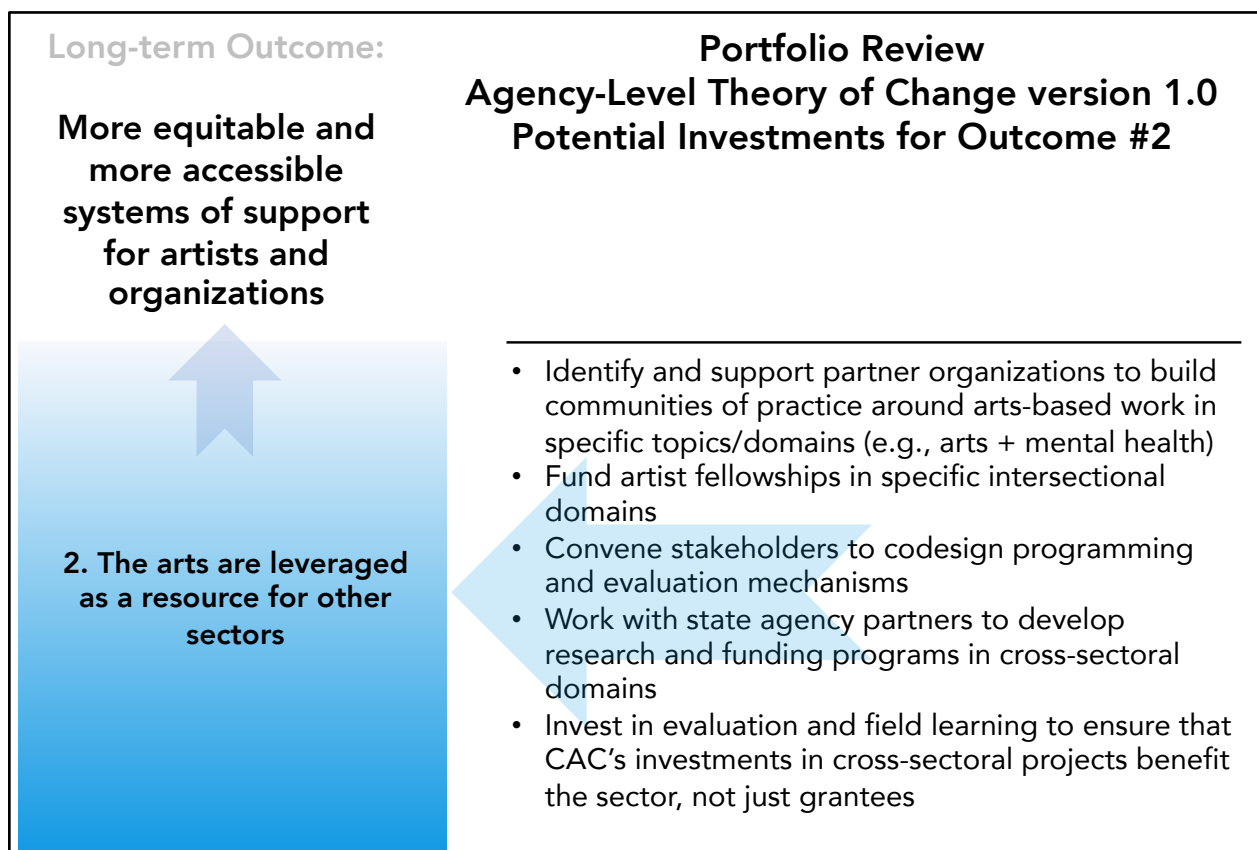


Figure 5: Potential Investments for Outcome #2 (placeholder diagram)

Two CAC funding programs – **Impact Projects**, and **Innovations and Intersections Program** (i.e., funding arts+technology and arts+wellness projects) – have explicitly cultivated interest and practices in cross-sectoral and arts-based community work, but this work has not always built on earlier work by other organizations in California and other states, or connected to logic models or program theories that would situate the work in the larger context of emerging policy or practices nationally.

More recently, CAC has received several large, special legislative appropriations to support grant programs that leverage the arts for various purposes, including funding for **cultural districts** (\$30M over 3 years) and funding for **art installations in public parks** (\$25M). Another special appropriation of \$60M over 3 years has funded a pilot phase of **California Creative Corps**, a media, outreach, and engagement program designed to support communities statewide following the COVID-19 pandemic.

Given these very large appropriations, one might argue that cross-sectoral work is CAC's dominant line of business. In turn, this suggests a significant need to build capacity for research, planning and evaluation in this area. An added level of intellectual rigor and design discipline is required of outcome-based projects that draw on arts practices to influence public discourse or mitigate harm or injustice. While many artists and arts administrators aspire to address societal problems through their work, not all are trained to use logic models or program theories that make cause and effect relationships explicit in their work. Often, these projects are not evaluated or even documented. For these and other reasons, outcome-based cross-sectoral work requires supplemental investments in design (e.g., pre-proposal support), implementation (e.g., coaching), and evaluation (i.e., to ensure that the field learns from every project).

We recommend that existing grant programs be reconsidered, and possibly modified or expanded, once CAC has delved more deeply into this outcome area and gained a clearer sense of priorities (see Figure 5, above). An initial investment in evaluating the pilot phase of California Creative Corp would represent a positive step forward in this area.



A more diverse pool of capable leaders

Arts Administrators Pipeline Fellowship
Professional Development

Outcome #3: A more diverse pool of knowledgeable and capable leaders, including artists, volunteers, and paid staff, are supported in building a more equitable sector

Historically, CAC has invested lightly in capacity building, primarily through its **Professional Development and Training** grants program, which funds up to \$3,000 to staff members of arts organizations. The program was suspended after 2019-20, however. CAC also invests in building the capacities of its hub organizations (i.e., SLPs) and certain grantee cohorts (**Cultural Pathways**) through mentorships, convenings and other technical assistance and learning activities. The 2019 Strategic Framework goes further in this direction in making the case for expanded support for applicants to its various grant programs, a form of capacity building that would address structural inequities associated with the application process.



Figure 6: Potential Investments for Outcome #3 (placeholder diagram)

With one-time support from The James Irvine Foundation, CAC piloted a two-year Fellowship program for arts administrators of color, ending in 2021, using SOAP (School of Arts and Culture, operator of the Mexican Heritage Plaza in East San Jose) as the Administering Organization. Based

on the success of the pilot, CAC is currently searching for an Administering Organization to roll out a CAC-funded program, “**Arts Administrators Pipeline Fellowship**,” designed to support approximately 11 Fellows paired with 11 organizations, with grant support going to both the Fellows (\$50,000 for 12 months) and the organizations hosting them (\$35,000 per org.). With a total commitment of approximately \$1,165,000, this represents a significant expansion of CAC’s financial commitment to capacity building, although a great deal of resources is concentrated in a small number of people and organizations.

Other current and former arts funders have invested heavily in capacity building, including The James Irvine Foundation, which invested millions in supporting its cohorts of arts grantees before sunseting its arts program, and The William and Flora Hewlett Foundation, which continues to invest significant sums in building the capacity of its large portfolio of Bay Area arts and cultural organizations. More recently, the LA Arts Recovery Fund, a consortium of funders, distributed approximately \$36 million in relief funding to 90 organizations along with several million dollars of capacity building funds. A good place to start in this outcome area, in fact, would be to develop a definitive list of public and private arts funders and the capacity building work they’ve done in the past 10 years. No one is keeping track. Funders seldom collaborate on capacity building, preferring to focus on their own grantees. The extensive content generated through capacity building efforts (e.g., presentations by experts, training workshops, recordings of webinars) is seldom published or shared, and often forgotten.

For staff of most arts groups, professional development consists of attending a conference once or twice a year, or being mentored informally by colleagues. Board members are seldom supported in their leadership roles. Artists compete mightily for precious grants and fellowships to advance their artistic practice. We think the decentralized nature of the nonprofit arts sector, combined with the self-interested focus of most arts funders, has created a highly dysfunctional environment for capacity building. Meanwhile, arts workers are leaving their jobs in record numbers, and arts organizations are scrambling to install new and more equitable talent acquisition policies and new strategies for keeping workers more satisfied and more likely to remain in their jobs. All of this suggests to us the need for California Arts Council – acting in its role as a steward of the statewide arts and culture sector – to play a high-level coordinating role in the area of capacity building, outlined in Figure 6, above. While CAC might choose to invest in specific capacity building programs that address specific gaps, the first priority should be bringing a greater level of diagnostic work and coordination to existing programs across the state.



A strong infrastructure of support organizations and networks

State-Local Partners & SLP Mentorships
Statewide and Regional Networks

Outcome #4: A strong, equitable and sustainable infrastructure of regional, county, and municipal arts agencies, service organizations, and networks support the full spectrum of cultural practices across California

CAC has a long history of supporting local arts agencies, arts service organizations, and other network organizations across the state. This includes a geographically diverse array of both large and small agencies, all with their own focus. In the handful of counties without designated arts agencies, CAC is working with local officials to raise support for a governmentally-designated arts agency.

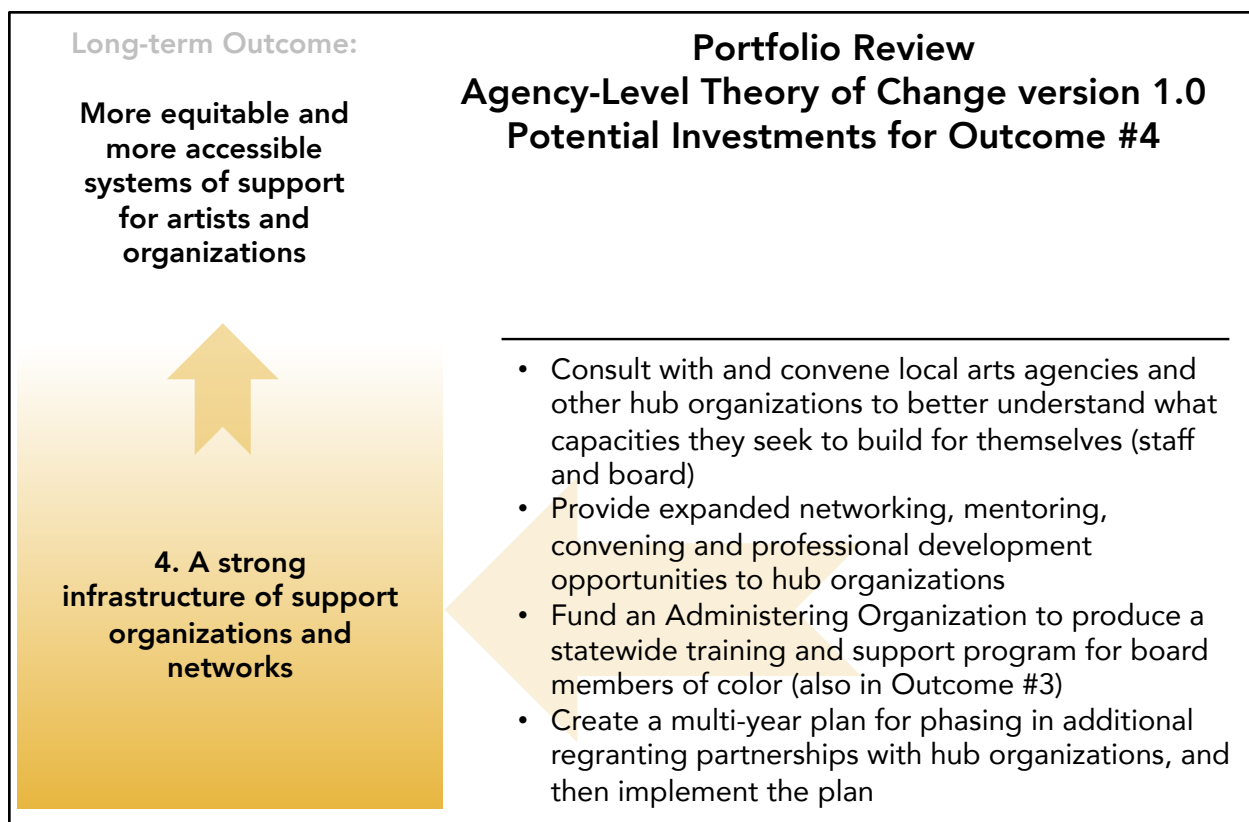


Figure 7: Potential Investments for Outcome #4 (placeholder diagram)

Current grant programs include operating support for **State-Local Partners** (SLPs), which are county-designated arts agencies, and support for **Statewide and Regional Networks** (SRNs), which encompasses a diverse range of arts service and network organizations. More recently, CAC has begun working with a broader set of localized intermediaries or “hub organizations” such as Yerba Buena Center for the Arts in San Francisco to administer specific grant programs. The Creative Corps program, for example, will be administered through a set of hub organizations.

In many ways, the evaluation underscores CAC's interdependence with hub organizations of all kinds, and points toward deeper partnerships with these organizations. During the time of the evaluation, CAC was in dialogue with many of its local and regional partners and a good deal of learning occurred. To CAC, these hub organizations represent a capacity to:

- Engage the sector in dialogue about important issues and practices
- Learn from the sector about emerging challenges and opportunities
- Coordinate advocacy and policy development efforts statewide
- Build value and capacity around more equitable distribution of resources, workforce diversity, etc.
- Build infrastructure and capacity for localized regranting of state funds

In other words, a strong system of hub organizations has both positive outcomes for artists and organizations across California's arts ecosystem, and also has positive outcomes in terms of streamlining CAC's business processes. Figure 7, above, illustrates some of the potential investments identified in the Theory of Change for deepening these relationships. In sum, continued support of hub organizations should be a top priority for CAC, both in terms of strengthening their administrative and leadership capacities, as well as forging deeper partnerships with those who have the interest and capacity to act in an expanded partnership role with regranting.



Artists choose to live and work in communities across the state

Folk and Traditional Arts
Individual Artist Fellowships
Artists in Communities
Impact Projects
Relief Fund for Artists and Cultural Practitioners

Outcome #5: Artists and culture bearers choose to live and work in communities across California, and flourish in their work

CAC supports artists in many ways. In fact, nearly all grant programs involve direct or indirect support to artists to some extent. Grant programs benefiting artists include: **California Creative Corps; Folk and Traditional Arts; Artists in Communities; Artist in Schools** (through grants to organizations); **Impact Projects**; and **Relief Funds for Artists and Cultural Practitioners**.

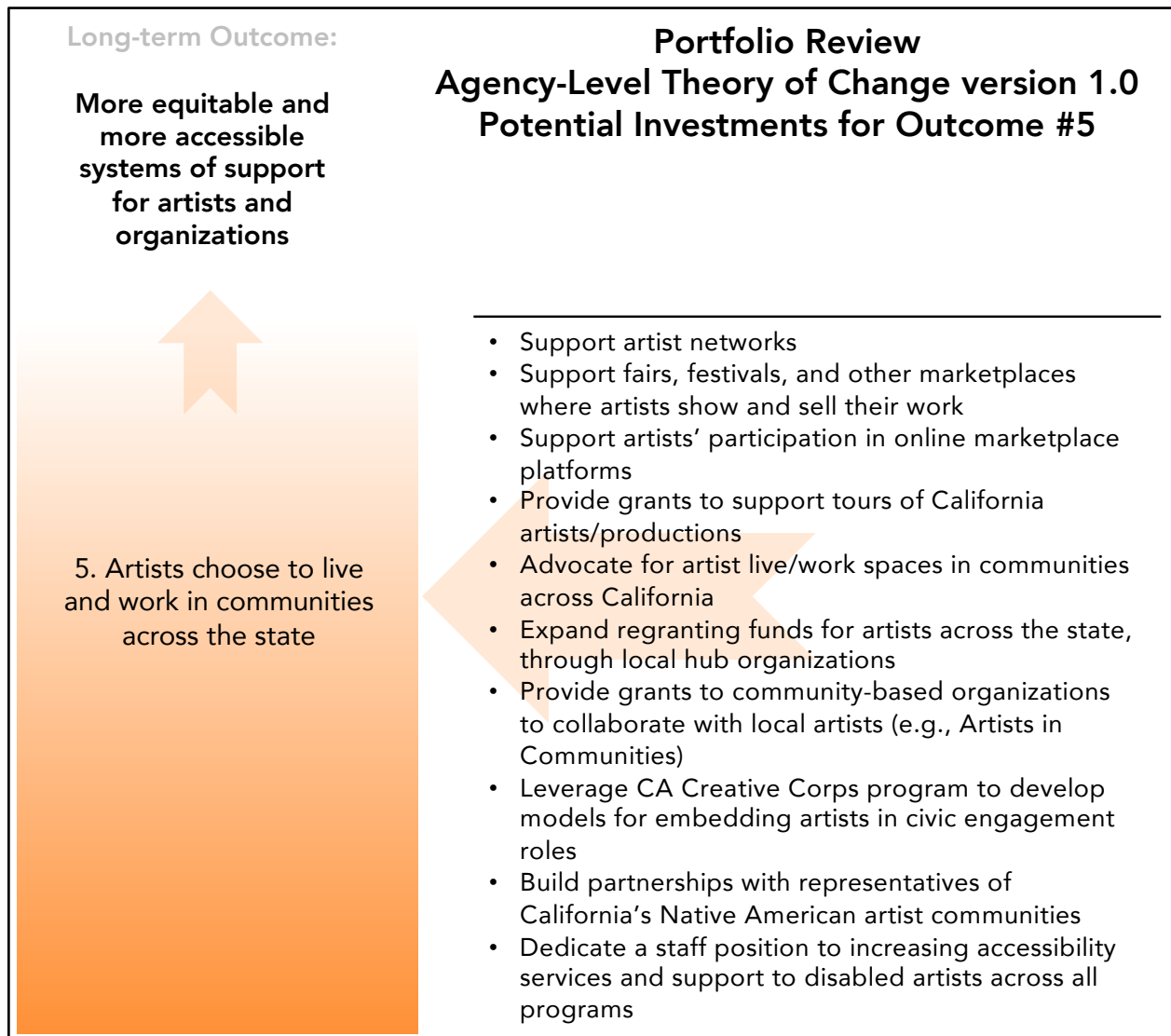


Figure 8: Potential Investments for Outcome #5 (placeholder diagram)

The 2021 grant program for **Individual Artist Fellowships** represented a significant new effort to provide direct support to artists across the state. Approximately 4,000 applications were received – an unprecedented sign of demand – but only 200 could be funded. Efforts are underway now to identify one or more Administering Organizations for this program.

Additionally, grants to some **Statewide and Regional Network** organizations (SRNs) also support various circles of artists.

If the desired outcome is “artists choose to live and work in communities across California,” CAC must ask if its first and best investment is in competitive grant programs that provide direct support to artists, or in strengthening the systems of support from which artists draw resources of all kinds. Grant programs are useful in directing support to artists meeting specific criteria, especially those who’ve been marginalized from existing and past support structures. Yet, the need for direct support is so vast; if professional artists make up 1.4% of the workforce nationally, the number of professional artists in California must be upwards of several hundred thousand. CAC could give all of them \$75 and spend down its annual budget. Fortunately, many other funders and service organizations across the state provide support to artists.

Figure 8, above, suggests a blend of investments in grant programs that focus on making artist support more equitable and more accessible, and investments in the systems or “exchanges” from which artists draw resources.



Equitable access to lifelong arts learning and arts exposure

Artists In Schools
Arts and Accessibility
Arts Education Exposure
Arts Integration Training
Reentry Through the Arts
Creative Youth Development
JUMP StArts
Literary Arts Programs
Veterans in the Arts

Outcome #6: Children, youth, families, and elders across California have equitable access to culturally and linguistically responsive life-long arts learning and arts exposure

As this outcome area encompasses lifelong arts learning and arts exposure, its focus goes well beyond arts education and includes numerous grant programs that prioritize specific constituent groups, including **Arts and Accessibility**, **Veterans in the Arts**, **Reentry through the Arts**, and **JUMP StArts**, as well as CAC's support of literary arts programs (e.g., **Poetry Out Loud**).

In regards to youth, CAC has been funding artists to work in schools since 1977 (**Artists in Schools**). In the past five years, panelists have observed that the needs around arts education have deepened. CAC developed the **Arts Education Exposure**, **Arts Integration Training**, and **Youth Arts Action programs** to respond to these needs. All of these programs were temporarily suspended in 2020.

In 2021 CAC received "...a \$40 million one-time general fund allocation, to be spent over three years, to support the Arts Council's existing creative youth development (CYD) programs. The Arts Council will use partnerships between community-based organizations, educators, and local artists to expand participation in these programs statewide." This special appropriation will allow CAC to significantly expand its grantmaking in the CYD space.

Critical reflection during the evaluation process questioned CAC's optimal, long-term role in this space, given the vast needs across the state. While CAC many grants in this outcome area reach tens of thousands of young people across the state, millions more do not benefit from these grants.

CAC shares the vision of universal curriculum-based classroom education in the arts across all of California's school systems, but realizes that getting arts teachers in every school is above its accountability ceiling. Therefore, CAC should continue supporting Create CA, Turnaround Arts, and others in their advocacy work, and should fund research that builds the case for classroom education in the arts. At the same time, CAC understands this is a long-term effort and an extremely difficult landscape to intervene in, given the high degree of decentralization and the historical lack of support for arts education in some school districts.

Thus, CAC must be a partner in the long game, but should also make targeted – and even disruptive – investments that bring arts instruction and exposure to more communities in the short-term. In a sense, CAC needs to simultaneously work in, and around, the existing arts education system.

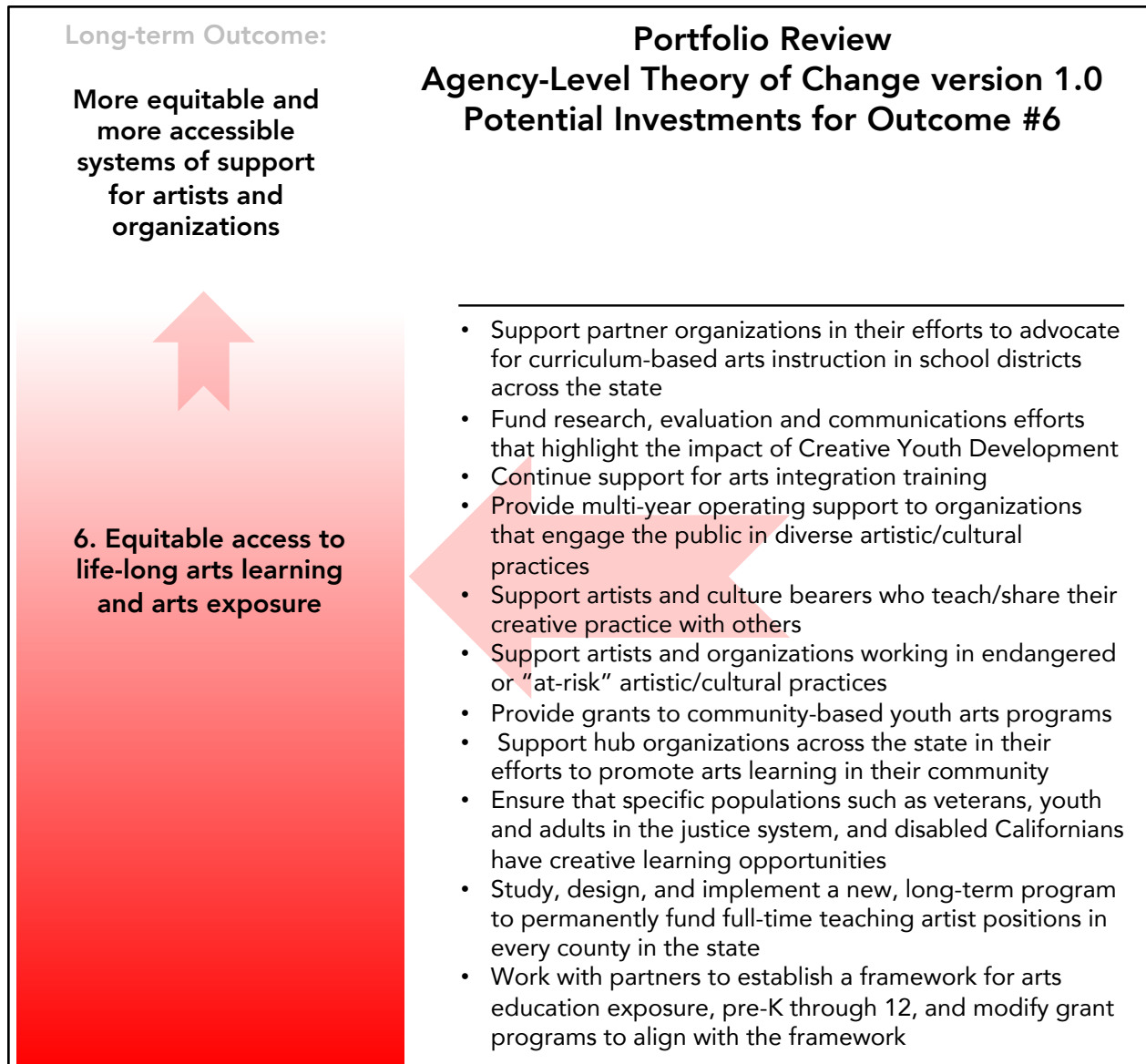


Figure 9: Potential Investments for Outcome #6 (placeholder diagram)

Members of the Evaluation Task Force expressed the strong sentiment that CAC’s role should be focused more on systems change, while direct grantmaking should be limited to addressing specific inequities or gaps in opportunity. Figure 9, above, suggests a balance of potential investments in systems change and direct grantmaking, which, taken together, would significantly advance CAC’s desired outcome of “Children, youth, families, and elders across California have equitable access to culturally and linguistically responsive life-long arts learning and arts exposure.”

A focus of discussion was the pivotal role that teaching artists play both in the arts education system and in communities as well. In some areas, demand for teaching artists exceeds the supply. They can work in schools both with and without arts programs, and thus represent a vehicle for system-wide intervention if other barriers can be surmounted.

Yet, teaching artists are generally contract workers without benefits. Many have difficulty cobbling together a living wage, and often leave their jobs as soon as they find a better paying one. In general, the system is not set up to sustain their work.

With systems change in mind, the Theory of Change puts a bold stake in the ground in proposing exploratory work to establish a permanent fund or “Teaching Artist Trust” to underwrite the costs of full-time teaching artists – with benefits and training support – in counties across the state.



Improved systems of financial support for historically marginalized artists and organizations

Cultural Pathways & CP Technical Assistance
Arts & Cultural Orgs. General Operating Relief
Organizational Development

Outcome #7: Improved systems of financial support redress historical inequities in access to capital amongst BIPOC artists and BIPOC-centered organizations

This outcome was defined specifically to face down one of the most glaring structural inequities in the arts sector – lack of access to capital amongst BIPOC artists and BIPOC-centered organizations. As the Field Scan research demonstrates, these organizations are far less likely than their non-BIPOC counterparts to access philanthropic resources from private sources, or to accumulate assets. Moreover, annual fundraising efforts for these organizations can lead to a tightrope walk of dependency relationships with funders who, eventually, must find an “exit strategy.”

CAC has made numerous efforts over the years to achieve greater equity in access to its funding. This work happens within the context of CAC’s annual grant programs, which depend on annual legislative appropriations that may rise or fall in a given year, and includes two veins of work:

- Implementing guidelines that ensure that organizations with smaller budget sizes have access to grant programs, although budget size thresholds are arbitrary and can lead to penalizing organizations for success;
- Moving towards multi-year general operating support, to reduce the burden on applicants and provide support over a longer period of time (e.g., the **Cultural Pathways** grant program provides up to \$30,000 over a two-year period to small, new, and emerging arts organizations that are rooted in communities of color, recent immigrant and refugee communities, and tribal or Indigenous groups).

CAC’s now-suspended **Organizational Development** grants also aimed to build capacity amongst organizations serving diverse communities and representing diverse cultural traditions. In many ways, CAC’s distribution of relief funding also served to lift up organizations that had been disproportionately impacted by the COVID-19 pandemic.

By its nature, allocations of public dollars will rise and fall over the years based on political and economic circumstances beyond CAC’s control. A serious attempt to redress historical inequities, therefore, must transcend the vagaries of legislative appropriations and provide reliable sources of capital, not just operating funds.

Figure 10, below, enumerates a number of potential investments CAC might make in assuming a leadership role in addressing structural inequities in access to capital.

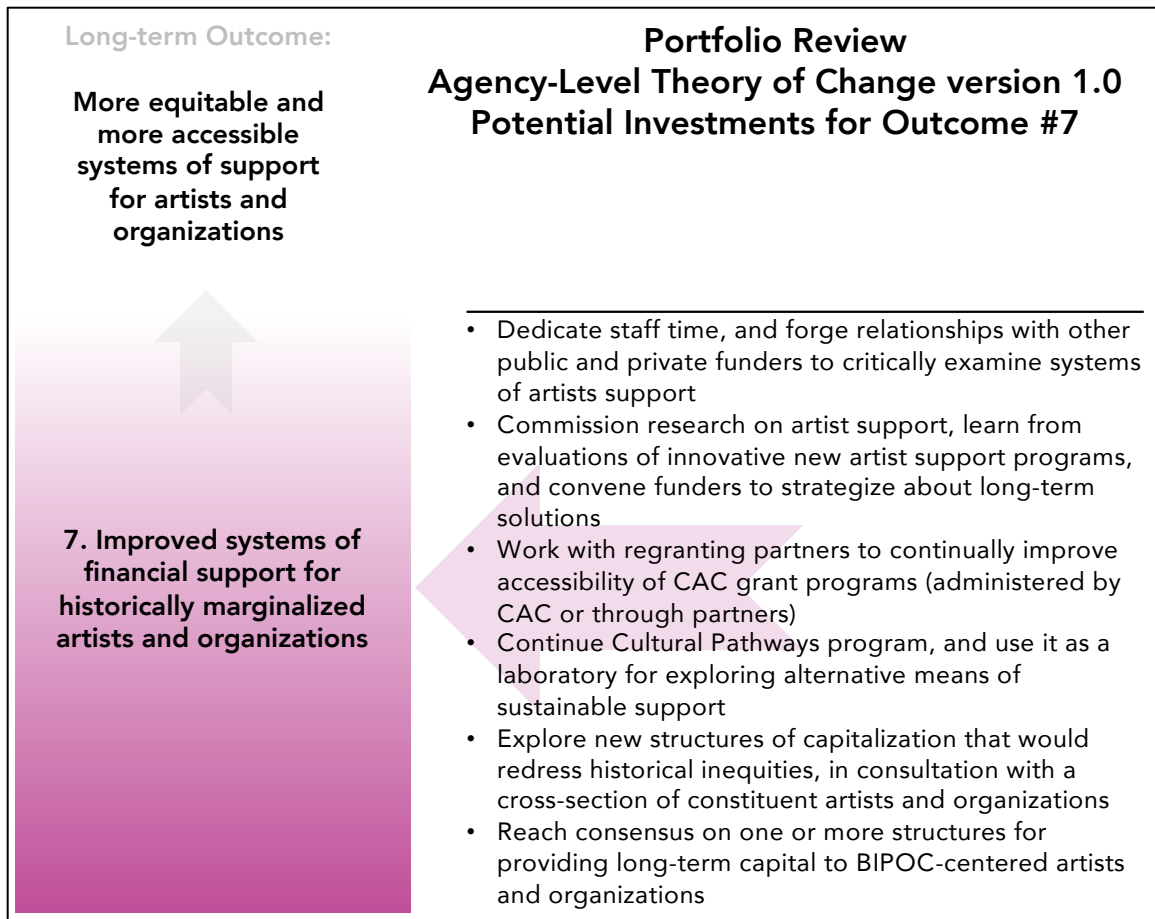


Figure 10: Potential Investments for Outcome #7 (placeholder diagram)

Very few stakeholders in California’s arts ecosystem have the resources, political leverage, or remit to address the most basic and insidious forms of structural bias and disenfranchisement such as access to long-term capital. If CAC doesn’t lead this effort, who will? We are aware of many partners who are eager to be in this conversation, but lack the resources to lead the effort. It is entirely consistent with CAC’s long-term outcome to get out in front of this issue. In fact, without Outcome #7, CAC can only achieve success with equitable access to resources on a short-term, year-by-year basis. Even then, annual grants can perpetuate the vulnerabilities experienced by organizations working in historically marginalized communities.

The Cultural Pathways program can be used as a platform for experimenting with different configurations of longer-term support, while long-term vehicles for accumulating capital are researched. Several models for building long-term capital for equitable capitalization are detailed in the Theory of Change. Launching any such effort will require a broad coalition of public and private funders, including wealthy individuals who might not be interested in supporting individual cultural institutions, but might choose to support a “California Cultural Equity Trust” that provides ongoing support to a cross-section of organizations and artists who’ve lacked access to private philanthropy typically reserved for organizations working in the white, western cultural traditions.

APPENDIX 1: 2019 STRATEGIC FRAMEWORK ASPIRATIONS

Aspirations that point to what CAC funds:

- Provide support that aligns with CAC's unique role as a state agency (e.g., touring support)
- Fund individual artists (expressed as an activity, not an outcome), including support for housing and workspaces, and improved access to information ("opportunities hub")
- Offer general operating support to organizations, and more multi-year grants
- Support training, professional development ("Arts Learning Community")
- Build State-Local Partners, through capacity building, to enable additional re-granting capabilities
- Build partnerships with representatives of California's Native American artist communities, presumably with an eye towards expanded funding
- Fund collaborative programs/projects that address social and environmental issues
- Support artists and organizations in "educating elected officials"

Aspirations that point to how CAC funds:

- Consolidate the number of grant programs; assess programs against best practices internationally
- Greater geographical equity
- Lower threshold for match requirements; streamline application formats; streamline grantee reporting requirements; ensure smaller organizations have access to CAC grants
- Allow for more consultative relationships with applicants and grantees
- Establish advisory working groups
- Convene private arts funders to share funding strategies
- Establish private sector partnerships
- Work more closely with other state agencies and departments
- Raise the profile of the CAC and the arts in general
- Lead the field through convening, research, etc.
- Make Council meetings more accessible