

# The Journey Toward Cultural Equity

CITY OF AUSTIN  
ECONOMIC DEVELOPMENT DEPARTMENT

Cultural Funding Review Process  
June 29, 2022

## **MJR Partners**

Arts Management Consultants  
Margie J. Reese, Principal





Mural Credit

*Voyage to Soulsville*  
John Fisher, Artist  
1161 Angelina St.  
George Washington Carver Branch Library  
Art in Public Places Collection





City of Austin  
Economic Development Department  
P.O. Box 1088  
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On behalf of the City of Austin's Economic Development Department, I am pleased to be able to share this report by MJR Partners and the valuable progress it represents on our journey toward cultural equity. I am personally and professionally proud of this milestone and the tremendous dedication of the Cultural Arts, Heritage Tourism, and Music and Entertainment Divisions.

Over the years, Austin has gained an international reputation for our vibrant cultural scene. Everything – from fringe theatre to slam poetry, from tap to ballet, from found object assemblages to digital projection, and so much in between – has made Austin a haven for the curious creators, the innovators, the risk-takers, and the adventure-seekers. We have grown in leaps and bounds, attracting not only new residents and employers to our ranks, but also new audiences, patrons, and fans of our unique brand and vibe. This city has been shaped by the bold and the weird. We pride ourselves on the creative experimentation on our stages and walls as well as the transformation of hearts and minds that stems directly from cultural connection. We have a deep trove of creative talent and cultural treasures.

While we were developing this special cultural identity, however, we saw the flight (and fight) from those whose culture and creative contributions were not valued, supported, or given the same opportunity to grow and shine as others in this community. A cultural divide began to split our community along many lines, the most damaging of which was a racial line that, left unabated, did deep damage to the diversity of our cultural ecosystem and our city as a whole. We saw the erasure of cultural traditions, loss of heritage, and deterioration of trust by institutions and individuals.

We must all take responsibility for allowing our city to take this path. The City of Austin's Cultural Funding history reveals a disturbing story about our systemic inequities over the years and the unsustainable model upon which our programs were based. It was time to address our role in this history head-on.

Within this report, we capture the major steps in our process of re-imagining what a thriving cultural system looks like and our role to support it. It is a product of 36 months of hard conversations, listening and learning, iterative output, and willingness to embrace the change that will allow Austin to live up to its reputation as a world-class creative capital for ALL, a place where many cultures belong, and where our vibrancy feels warm and welcoming to everyone.

Thank you to everyone who has joined us in this journey – we remain committed to working together for a more equitable Austin.

A handwritten signature in blue ink that reads "Synovia Holt-Rabb". The signature is fluid and cursive.

Synovia Holt-Rabb

Director, Economic Development Department





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## Project overview and summary

*"In the pre-Hispanic world, everything in the life of the people was artistic, from the palaces and temples which are monumental works of sculpture, with their magnificent frescoes that amaze everyone peering at them in the jungle, down to the most humble pot used daily, and the children's toys, and the stone to grind grain. Everything was a work of art, ninety-nine percent of the time, a masterpiece."*

Diego Rivera  
1886-1957

Art and cultural expression reflect the identity of a community. The work to sustain cultural traditions in sync with innovation and the continuous influx of contemporary technologies requires constant inquiry, debate, and assessment. The overarching goal of the Cultural Funding Review Process, as commissioned by the City of Austin's Economic Development Department was to consider the current Hotel Occupancy Tax (HOT) funding structure and guide a process that would reframe directions for continuing the city's investment in funding cultural programs provided by the arts, heritage, and music sectors.

The framework for the assessment process was guided by the city's priority "to support equity, leading with a lens of racial equity and healing, and correcting past disparities in funding."

From the outset, the scope of our consultation included a focus on identifying unnecessary redundancies in the city's contracting process, centering the review on the provisions of the Texas Municipal Hotel Occupancy Tax, Chapter 351 of

the Texas Tax Code. Legal and risk management concerns as determined by the City Council would also be a factor in aligning efficacies with the policies and administrative requirements associated with the distribution of public funding. Mid-process, our scope was broadened to include a look at all HOT funded programs across the Economic Development Department. Equity would remain an important barometer for examining current and future grant-making processes.

This report is the result of a rigorous 36-month investigation spanning the devastating period of a global pandemic. The still unmeasured financial effects of COVID to local artists and arts organizations, pale in comparison to the loss of human life around the world. Nonetheless, with a sense of urgency, local governments, including Austin's civic leaders, doubled down to help keep the creative sector afloat. Unfortunately, bias, structural racism and funding inequities is not a short-term condition and remain a constant epidemic in many aspects of our lives.





*Public and private choices have shaped Austin's cultural life, and determined whose culture is made visible in the city's cultural institutions; whose voices count when distributing HOT Tax funding; whose heritage is preserved and protected; and who has access.*

Discussions around equity and inclusion are indeed difficult for some and exhausting for others. Throughout our extended work in partnership with the city staff, dedicated Arts Commission members, artists, tradition bearers and elected officials, our inquiry has welcomed debate and at the same time remained open to critical engagement.

Moving forward, the challenge for Austin, will be to confront power and privilege. In line with the City Council's call for addressing "*past disparities in funding*", the proposed new funding programs and guidelines resulting from this review signal a necessary paradigm shift in contracting with arts providers. Resistance to this shift has been made clear and is to be expected when disruption and equity collide.

Our sincere thanks to everyone who took the time to participate in the countless hours of research, truth-telling and problem solving. We particularly appreciate the leadership exhibited by the Arts Commission and the staff of the Cultural Arts Division. It has been my honor to work alongside such dedicated colleagues on this journey toward equity.

— Margie Johnson Reese, Principal  
MJR Partners



# SECTION 1

Inquiry and data gathering approach



A standardized approach for reviewing traditional funding systems in a city as large as Austin just misses the mark. Our approach to the assessment process included both a review of traditional quantitative data, (which was easy to obtain from the funding history documented by the Cultural Arts Division) and qualitative data, which was gathered throughout the review period ([See Appendix](#)).

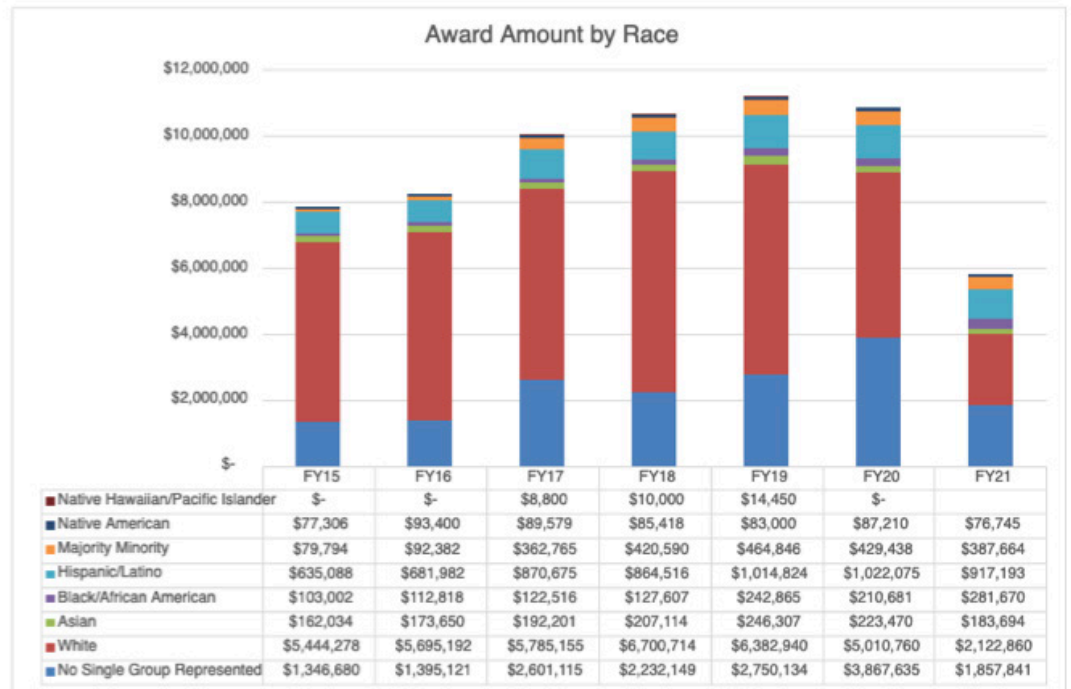
Community-based research methodologies allowed our team to hear from a wider group of Austin's artists and cultural contractors, including large-budget cultural contractors, individual artists, artists representing specific ethnic and cultural groups, artists representing LGBTQIA identities, and community-based organizations. This phase of the review intentionally sought input from Asian-American, Latinx and African American artists and organizations whose work has elevated the status of Austin as a destination for tourists and creating an appeal for attracting new commercial residents.

Our research methodology goes beyond a purely numbers/data-based framework, as it also leans into gathering additional relevant information that helps amplify issues and needs. Numbers are helpful to show comparisons, progress, and statistics. For instance, the charts that show historic funding mirrored what we heard in personal interviews and group meetings.

## SYSTEMIC INEQUITIES 2015-2021

### Cultural Funding Investment

- \$37 million: White (57%)
- \$16 million: No Single Group (25%)
- \$6 million: Hispanic/LatinX (9%)
- \$2.2 million: Multi-Racial (3%)
- \$1.4 million: Asian (2%)
- \$1.2 million: Black (2%)
- \$590,000: Native American (1%)
- \$33,000: Hawaiian/Pacific Islander (0.1%)



Numbers alone can't capture feelings or assumptions. In this review process, it was important to also capture the perceptions that interviewees had about other civic factors like displacement, commercial development, political access, and cultural erasure.

Conducting in-person (and virtual) one on one interviews is a preferred data gathering strategy. Issuing a standardized survey, purportedly to "level the playing field" perpetuates a power imbalance. That model alone actually leads to confusion and disinterest for many participants as the standardized survey content typically does not reference the different ways that many communities self-organize. Consider for example seemingly innocent questions on a survey like: "How large is your board of directors?", "What is your organization's operating budget for the previous fiscal year?" or "Do you have an operating reserve or an endowment?" Answers to these questions may be important points of inquiry but for some arts and culture providers, they can appear to be micro-insults and viewed as micro-invalidations.

Listening sessions produce volumes of notes, which are not always easy to compare, as apples to apples. By thoroughly reviewing these notes, common themes emerge and represent a sampling of viewpoints ([See Appendix](#)). Researchers who want hard and fast evidence by-the-numbers often see this approach as suspect. Our commitment to hold in confidence responses of the individual participants encouraged open and honest feedback. This data critically informed new programs and funding guidelines ([See Appendix](#)).

The information gathering phase also included reviewing existing city reports and plans. One of the documents reviewed during this phase was the 2018 Cultural Arts Contract Monitoring Report, prepared by the Office of the City Auditor. This audit report confirmed excellence in contract management by the Economic Development Department and the Cultural Arts Division. The report would also serve as a reminder that in the creation of new funding programs, a review by the City's Law Department would be a necessary step. ([See Appendix](#)).





A report developed in October 2020 by the City's Office of Design and Delivery (ODD), would also serve as background on reviewing the funding programs administered by the Cultural Arts Division, the Heritage Tourism Division and the Music & Entertainment Division. ODD embarked on a process to analyze the complex, multi-step administrative processes involved in the funding programs (e.g., contract creation, execution, monitoring; invoicing, and payment processes; legal and risk management requirements; etc.). They recommended operational efficiencies that would be helpful to each of the three Divisions. ([See Appendix](#)).

In June 2021, MJR Partners presented an Interim Report to the public, which outlined activities and public feedback gathered between July 2019 and August 2020. The report was presented via Zoom to an audience of 201 attendees. Findings presented in the Interim Report were the result of 1,160 unduplicated hours of staff time invested to collect feedback from over unique 540 participants in 39 stakeholder listening sessions. ([See the Appendix for full Interim Report](#)).

The dynamic nature of the review process allowed for ongoing public input and responses from residents throughout the contract period. While these additional thoughts are not reflected in the early summary of emerging themes, they were helpful in informing the program design phase.



Our approach also assumes that the spaces or environments for the discussions are just as important as time of day, and the amount of time allotted for each conversation. To the extent possible, (pre-COVID), meetings were held in public spaces across Austin.

## Guided by Community Engagement

### Large Events

6 community events  
1,002 attendees

Multiple **Public Presentations**

4 **Guided Conversations**  
with in-meeting Menti surveys

### Facilitated Conversations

5 facilitated conversations  
61 attendees

**1:1 Meetings** with staff/consultant

Virtual Open **Office Hours**  
2-4 times per month

### Small Group Listening Sessions

10 listening sessions  
213 attendees

**Newsletters** every month

**Virtual Comment Box**

Questions posed to participants during the review process were simple and open ended, to spark a dialogue and allow responders to share freely their impressions, experiences and understanding of Austin's cultural system. Five questions were posed throughout the review process:

1. What is your understanding and expectation from this process?
2. What might an equitable funding process look like?
3. What does a thriving Austin cultural system look like to you?
4. What is role of the City, the private sector, and the community in ensuring equity in the delivery of cultural services to the public?
5. What is the role of the Arts Commission and Review Panels in the distribution of resources?

Responders from large-budget cultural contractors were generally appreciative of City support for the arts. They applauded the City for its commitment to growing and sustaining an environment where cultural institutions could rely on HOT tax funding. *For the purposes of this report, large-budget organizations are referred to as anchor institutions.*

## SECTION 2

What were we looking to learn and what we heard





Anchor institutions are part of the vitality of the city, having contributed to the city's identity in attracting visitors and new residents. Some of the key takeaways from conversations with art leaders representing such anchor institutions were:

- Programs are high priority, with fixed annual financial commitments
- Audiences are loyal and supportive of the organization's mission and programming
- Board participation is highly visible in strategic planning, advocacy and financial oversight
- Many offer outreach programs and/or free or low-cost tickets for "under served communities"
- Expressed lack of confidence in sustained future funding from the City
- Collaborations with culturally diverse partners is limited and demonstration of impact was undocumented
- Frustration with the level of expertise and makeup of panel members
- Concerned about the direction of the City to move toward increasing funding for newer or BIPOC organizations

BIPOC cultural leaders expressed appreciation for the time and guidance provided by Cultural Arts Division staff. Other frequent responses from this group included:

- Mandated insurance creates financial burden on small budget organizations
- Timing of receipt of awarded contract funding is an obstacle
- Program eligibility guidelines limit growth
- Skeptical about City's commitment to artists of color
- Lack of affordable venues
- Panel members lack cultural competencies
- Doubtful that City will increase investment to artists and organizations of color
- Views the Arts Commission as advocates



## Review of TEMPO

The Cultural Funding Review included an assessment of TEMPO, (temporary art commissioned through the Art in Public Places Program) also funded through HOT funds. This review involved discussions with individual artists, contractors involved with public art commissions and the Art in Public Places Panel. The inquiry process endeavored to center racial equity in the review of TEMPO and TEMPO 2D (murals).

The methodology included comparative review of similar programs in five benchmark cities (Los Angeles, New York, Chicago, Seattle and Houston). The assessment was also informed by input from individual artists, a virtual focus group discussion with local arts professionals, and staff project managers.

Sample comments and observations resulting from the review of TEMPO programs:

- The current TEMPO program description does not imply or convey equity goals.
- There is a heavy focus on transactional processes.
- Staff perpetuates community marginalization through tone deaf language (“those/these communities”).
- Staff is all white except for one, part-time Hispanic/bilingual project manager.
- The public (residents) is not included enough in the process.
- Tourism seems to be an afterthought even though it is mentioned as an intention in the statement.
- Artist development in/through the process is not a high priority.

Informative notes from benchmark cities:

- Key to success is prolific community engagement
- Provides public art training for other professions in Economic Development and Community Development organizations
- Ensure that at least 25% of eligible artists are female and BIPOC
- Piloting public art youth apprenticeship programs
- Anti-bias training provided for panel members
- Racial equity goals embedded in selection process
- Quarterly online professional development workshops offered
- Staff team includes an Impact and Assessment Manager to track program data

[\(See Appendix for the full report of the TEMPO Program Review\)](#)



The background of the top half of the page is a colorful, stylized illustration of a village scene. It features several houses with gabled roofs in shades of blue, red, and purple. In the foreground, there are several pig-like animals in various colors (pink, purple, blue). A person in a blue and white patterned shirt is playing a brass instrument, possibly a trumpet or trombone, in the center. The overall style is reminiscent of a folk-art or mural aesthetic.

## SECTION 3

### Emerging Themes

These themes reference and are based on listening sessions with contractors; Cultural Arts Division staff; community arts patrons and producers of cultural heritage programming. Additional input comes from review of current processes including structure of categories and allocations in FY16-18. Included are also observations that trends in the field of public policy in the arts; previous studies, agency funding history; representation of the community in decision making; operational and administrative needs of the local arts community and programmatic needs/interests of residents and visitors to the city.

#### **THEME ONE:**

#### **Organizational characteristics related to the Cultural Arts Division**

This theme summarizes comments related to the Cultural Arts Division

- a. Interviewees understood that advancing diversity, inclusion and racial equity is a priority for the City.
- b. Some interviewees felt that traditional and white led institutions continue to receive larger contract amounts yet struggle to accept that historic funding inequities exist.
- c. Division operations were perceived to be heavily focused on transactional procedures. Related comments pointed to the overwhelming numbers of contracts managed by the Cultural Arts Division staff; and noted that over 90% of applications were funded.
- d. Interviewees expressed concern that well-intended initiatives and new funding programs might create more marginalization by “targeting” specific population groups.

## **THEME TWO:** **City-wide priorities**

Comments here focused on balancing growth and neighborhood preservation. Participants noted that private sector real estate development has caused displacement, housing disparities and possible elimination of the rich organic fabric of the city.

Two central city-wide priorities topped the list of concerns:

- a. Need for space for production and presentation of arts programs
- b. Need for more arts management and technical assistance training, including guidance for addressing equity and inclusion as emphasized by the City

## **THEME THREE:** **Accountability**

Cultural contractors commented on the need for increased accountability. Responders felt that:

- a. Economic Development staff should fully represent Austin's diverse community, including African American, LatinX, and Asian American professional arts administrators.
- b. Cultural contractors should be held accountable for expending public dollars in service to community.
- c. Strengthening culturally specific organizations should be a priority.
- d. Self designed assessment measures would help contractors achieve diversity goals in governance, programming, marketing, staff recruitment and retention and public engagement.
- e. More efforts should be made to recruit a diverse roster of panelists.

## **THEME FOUR:** **Language**

Interviewees felt that language-based marginalization exists in some grant categories. Economic Development Department should:

- a. Make available program guidelines in multiple languages
- b. Provide DEIA training for staff and panel members
- c. Set measurable goals for achieving racial equity
- d. Review program guidelines and criteria to identify gate-keeping language

## **THEME FIVE:** **Implications**

If Austin builds upon its status as a city that values artists, then:

- a. A movement toward racial equity will be seen from an asset-based perspective.
- b. Out-migration of artists of color will be curtailed.
- c. The aesthetics of the city will reflect the culture and traditions of its residents.



# SECTION 4

## Operationalizing Equity



Nearly two years prior to the impact of COVID, the demands on City arts funding were beginning to outpace available revenue.

The Cultural Arts Division and the Arts Commission were challenged to focus on two basic questions: “Do we fund everyone with smaller awards? Or fund fewer groups with larger awards?” Their questions became more complex as racial and social justice realities accelerated nationally, and by March 2020, projections in HOT revenue had fallen far below any expectations.

The chart below (September 2021) reflects projected shortfalls in Hotel Occupancy Tax (HOT) due to fluctuations in tourist travel.

HOT revenue was not anticipated to stabilize until FY25.

### CULTURAL ARTS FUND SUMMARY

	2018-19	2019-20	2020-21	2020-21	2021-22
	Actual	Actual	Estimated	Amended	Proposed
<b>Beginning Balance</b>	3,215,422	2,960,636	(649,639)	(1,081,241)	(3,489,408)
<b>Revenue</b>					
Interest	70,152	42,770	2,000	30,000	5,000
Other Revenue	0	9,514	0	0	0
<b>Total Revenue</b>	<b>70,152</b>	<b>52,284</b>	<b>2,000</b>	<b>30,000</b>	<b>5,000</b>
<b>Transfers In</b>					
Other Funds	12,639,480	9,003,228	4,296,896	7,790,403	6,660,189
Budget Stabilization Reserve	0	0	0	0	4,800,000
<b>Total Transfers In</b>	<b>12,639,480</b>	<b>9,003,228</b>	<b>4,296,896</b>	<b>7,790,403</b>	<b>11,460,189</b>
<b>Total Available Funds</b>	<b>12,709,631</b>	<b>9,055,512</b>	<b>4,298,896</b>	<b>7,820,403</b>	<b>11,465,189</b>
<b>Program Requirements</b>					
Cultural Arts and Contracts	13,001,908	12,676,572	7,138,665	7,234,262	3,683,038
<b>Total Program Requirements</b>	<b>13,001,908</b>	<b>12,676,572</b>	<b>7,138,665</b>	<b>7,234,262</b>	<b>3,683,038</b>
<b>Total Requirements</b>	<b>13,001,908</b>	<b>12,676,572</b>	<b>7,138,665</b>	<b>7,234,262</b>	<b>3,683,038</b>
<b>Excess (Deficiency) of Total Available Funds Over Total Requirements</b>	(292,277)	(3,621,060)	(2,839,769)	586,141	7,782,151
<b>Adjustment to GAAP</b>	37,491	10,785	0	0	0
<b>Ending Balance</b>	<b>2,960,636</b>	<b>(649,639)</b>	<b>(3,489,408)</b>	<b>(495,100)</b>	<b>4,292,743</b>





Change was inevitable. What has not change however is the commitment of the Economic Development Department and Commissioners to allocating HOT revenue equitably across the Department. In addition to building greater public awareness of the limitations and opportunities associated with the use of HOT revenue for cultural arts contractors, the Heritage Tourism Division and the Music and Entertainment Division were building new programs that would potentially service some of these same contractors. In an effort toward alignment within the Department, the scope of work for the consultants and staff was expanded. Leadership of the Economic Development Department asked the three HOT-funded divisions to think jointly about operational strategies to create efficiencies, broaden access to funding and create a clear path for contractors to submit requests.

Operationalizing change requires critical thinking. Department staff created internal working groups to investigate ways to embed equity into existing practices and to research new approaches to address concerns raised during listening sessions, public meetings and submitted on line. Weekly team meetings among the three Divisions were facilitated by the MJR Partners team and representatives from relevant City departments, including the Equity Office. Regular check-ins with the Law Department, Council Offices, and Risk Management provided useful feedback. In at least two specific cases, input from the city's Law Department allowed the teams to adjust proposed program criteria to respond to legal concerns.

Simultaneous work sessions were facilitated with Department staff and as requested, with working groups from the Arts Commission, Music Commission and the Historic Landmark Commission. These sessions created a mapping process to help the three Divisions think through how suggested changes would affect the end user, and in turn how new program designs would increase access to arts and culture programs for the public.

As frameworks for new funding programs began to take shape across the three Divisions, staff and Commission working groups provided multiple opportunities for public comment. The extraordinary work of the Arts Commission for example, included a series of sessions with members of the public who perhaps had not been available to participate in prior forums.





Following the release of the first round of draft guidelines for proposed new programs, the Arts Commission Chair and Vice Chair scheduled community listening sessions and called working group meetings to extend opportunities for public response.

Between April 19 and May 24, 2022, Arts Commission members conducted nine (9) 2-hour sessions with 128 arts community constituents, including individual artists and representatives from small, mid-sized and large arts organizations. An additional 18 conversations were held with individual arts organization leaders of small, mid and large-sized agencies who were unable to attend previous listening sessions. Participants included both prior contractors as well as artists/arts organizations who had never received Cultural Arts funding from the City. Participants acknowledged that current and near-future levels of City funding would not be sufficient for organizations to rely solely on this source. In light of this concern, the Arts Commission created a separate working group to consider ways to work with the private sector to identify new sources of non-City funding.

This thorough examination of the City's funding programs is the first step toward embedding more equitable practices into the cultural contracting process. The next steps would involve finalizing new guidelines, piloting and executing new programs and sharing progress with the public.



# SECTION 5

## New Funding Programs

Systemic inequities evident in a review of funding programs, a global pandemic, and input from Austin's artists and arts leaders, particularly leaders of color, created the perfect storm during the period of the review process. Voices from across the spectrum of Austin's creative sector confirmed that many individual artists of color and organizations led by people of color, fight to survive, many leaving the city to work elsewhere. This unfortunate truth is not specifically attributed to the effects of the recent pandemic.

The pandemic, budget reductions and constant responses to public input sparked greater attention to the challenges of balancing policy vs practice in the cultural funding review process. The resulting funding program re-design process was ultimately grounded in three specific and equally important priorities:

1. Invest in the creative sector to nurture and protect the artistic expressions of Austin's racially and culturally diverse communities.
2. Build upon Austin's existing cultural infrastructure.
3. Operationalize a policy-based plan to redistribute the City's financial resources designated for arts, culture and heritage, with an intentional focus on equity and inclusion.

Likewise, input and review of data gathered regarding the funding history, audience growth, and cultural representation in leadership positions at larger and white-led organizations indicated their ongoing financial dependence on public funding as well. The impact of closed venues and program delays elevated awareness of the connectivity between tourism and arts and cultural programming for organizations of all sizes and racial makeup.

From the outset of the funding review process, the racial equity focus was centered in the data gathering and analysis. Inquiry would reveal opportunities to reduce practices that cause disproportionate harm to some applicants and simultaneously identified potential ways to stimulate the City's return on investment from large, long standing cultural contractors. Although these conversations were often difficult, and often met with backlash, they also generated consciousness, action and change.





The Economic Development Department leadership worked diligently to match needs expressed the spectrum of cultural contractors, with contemporary trends in public policy and funding for arts and culture. The adopted racial equity lens allowed Department efforts to separate symptoms from causes, toward a set of programs that would realize the redistribution of resources and the systemic transformation practices necessary for real change.

Finally, with recognition of the complexity of contracting process, each of the three HOT-funded Divisions meet regularly to develop a shared vision for the development of new funding programs. Together, the Divisions considered the following areas in the development of new funding programs across the Department:

- |   |  |
|---|--|
| Geographic funding history                | Facility needs   |
| Timelines for future funding availability | Evaluation models  |
| Panel makeup and preparation              | Language diversity   |
| Contracting processes                     | Preservation of Austin's historic built environment              |
| Strategies for achieving inclusion        | Accessibility requirements of audiences with physical limitation |
| Tourism goals                             | Community engagement and impact                                  |
| Department communications methodologies   | Staff accessibility  |
| Organizational capacities/limitations     | Role of Commissions and Advisory bodies                          |
| Individual artists and solo musicians     |  |

## Summary of new Cultural Arts Division Funding Programs

Building on three years of peer research, community feedback, evaluation of past programming strengths and weaknesses, the Cultural Arts Division staff has put forward 3 new funding programs structured to encourage new talent, support established cultural producers, and invest in the development of diverse cultural institutions that are rooted in and representative of the communities they serve. Key concerns documented from community input sessions, required specific responses and are important to mention here:

### **TARGET CONCERNS:**

#### **What level of support will be available for applicants?**

A variety of workshops, materials (such as an application checklist), and videos will be created and made available for the community to refer to throughout the application process. Increased open office hours with staff will be offered. The Community Navigator program is another tool specifically designed support applicants.

#### **Are Fiscal Sponsorships being eliminated?**

Fiscal Sponsorships are not being eliminated. This option will continue to be available for applicants who consider this to be the desired funding structure for their projects.

#### **Will capital expenditures be eligible for funding in the Thrive Program?**

Historically capital expenditures have not been allowed. In consultation with the Law Department and in line with the HOT statute, capital expenses can be allowed. Applicants should consult with Cultural Arts Division staff to discuss allowable amounts.

#### **Why are non-Austinites able to apply for funding?**

It is getting more challenging for people, especially creatives, to affordably live and work in Austin and therefore it is prudent to expand eligibility to residents in the MSA. Please note however that any HOT-funded activities must take place in Austin.

#### **Why are “creative businesses” eligible for funds?**

The City recognizes that a variety of business structures such as sole proprietors, LLCs, unincorporated groups, State of Texas non-profits that encompass galleries, improv troupes, dance companies, artist collectives, etc., make up the creative sector in Austin. Eliminating this business structure flexibility is inequitable and would deny previous arts/culture groups the opportunity to participate.

#### **How will the success of these Pilot programs be evaluated?**

Both qualitative and quantitative metrics are being developed to align with program priorities. Data will be collected to capture diversity goals in the applicant pool, awardees, panel members, audiences and artists engaged in the delivery of cultural services.

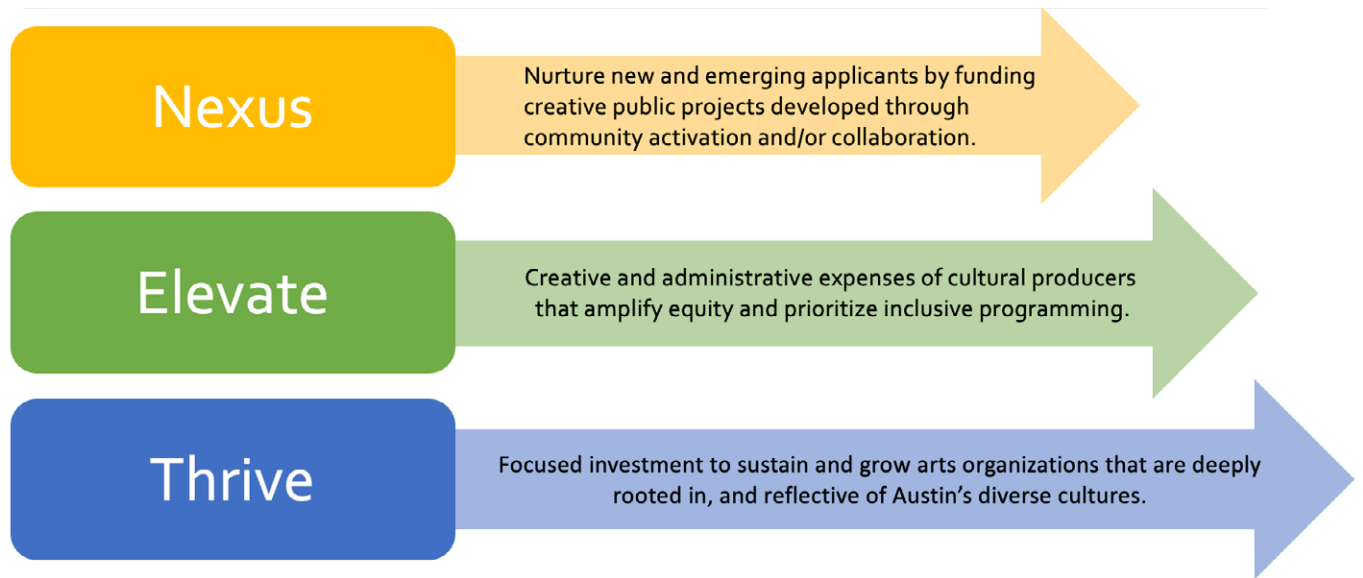
Additional measures will be taken to evaluate the requested ease of the application, contracting and payment process.

#### **How are you improving the Panel Review process?**

Recruit of a more racially diverse roster of panelists is a primary response to community concerns. Development of this expanded list of potential panelists will be a joint effort of the Economic Development Department, with emphasis on paid and multi-lingual training sessions for each of the three award programs.



## Program Descriptions



### **Nexus**

The Nexus program will nurture new and emerging applicants by funding creative, public projects. This program will have the easiest application and contracting process, providing an ideal entry-point for applicants who are new to City funding.

Nexus will be a flat award of \$5,000. Approximately 50 projects will be awarded funding per cycle, with two cycles per year.

### **Elevate**

Broader sector support will be realized through the Elevate program. Elevate will be open to arts and culture organizations and groups of all sizes in two categories– one for 501c arts/culture organizations only and one for non-501c arts/culture organizations (this may include individual artists, artist coop galleries, improv troupes, and dance companies).

Annual contracts will range from \$10,000 to \$75,000 for arts/culture 501cs and \$10,000 - \$30,000 for non-501cs. Approximately 100 awards will be made per Fiscal Year in this program.

### **Thrive**

Thrive will provide focused investment to sustain and grow arts organizations that are deeply rooted in and reflective of Austin's diverse cultures. This program seeks to directly correct the historical under-funding, displacement, and cultural erasure of communities within Austin by offering substantial funding for these organizations to self-determine and invest in their own sustainability and growth.

Thrive is only open to 501c arts organizations who have at least a 5-year history in Austin. This program prioritizes organizations that have not yet reached institutional status (access to large cash reserves, endowments, etc.)

Thrive includes a supportive cohort learning model, leveraging expertise from within the cultural sector to guide professional development and taking advantage of learning opportunities within the Economic Development Department and other City programs. Thrive awards will range from \$80-150k per year.

In addition to these new programs, the overall efforts of the Cultural Funding Review process has illuminated a great deal about the potential for strengthening the cultural sector in Austin and raised transferable lessons that may be relevant across other City departments.

## Summary of Heritage Tourism Division Funding Review

The Heritage Tourism Division was created within the Economic Development Department in 2019 to administer the Historic Preservation Fund (HPF). Funding for the Heritage Preservation Grant Program comes from 15% of the HPF as approved by Council in Resolution No. [20181004-033](#). Prior to 2019, the program was administered through Visit Austin.

Revisions to expand access within the guidelines date back to 2017 based on best practice research and interdisciplinary community conversations to reimagine programs through a lens of equity, efficiency, and effectiveness.

In 2017, a multi-industry [Visitor Impact Task Force](#) developed overarching recommendations that included equitable considerations to all uses of the Hotel Occupancy Tax funding to reflect the diversity of this community.

In 2018, a [Heritage Grant Working Group](#) was formed to evaluate the Historic Preservation Fund and Heritage Grant uses. The Group supported expanding project eligibility and recognized the essential role it would serve to help attract tourists and communicate historical and cultural significance to visitors. In addition, the group was in support of projects in underrepresented geographic areas and underrepresented communities or cultural groups.

Also In 2018 The City's Strategic Direction 2023 was launched, reinforcing the City lead with a lens of racial equity and healing.

Most recent, the National Trust for Historic Preservation, which has led the movement to save historic places for the past 70 years, now recognizes that as a nation we have work to do to fill in the gaps of our cultural heritage. Hence the historic preservation movement is pivoting to a people-centered preservation model that honors the full diversity of the ever-evolving American story.

As an active partner to the Historic Preservation Office and Historic Landmark Commission, the Heritage Tourism Division within the Economic Development Department, looks forward to further expanding program guidelines that represent community recommendations with the update to the [Equity-Based Historic Preservation Plan](#) which is expected to be completed in 2023. The equity-based historic preservation plan will replace Austin's 1981 preservation plan with an inclusive, equity-focused, and community-oriented process and outcome. A working group composed of historic preservation professionals, stakeholders from allied fields, and community representatives will tackle pressing questions: related to heritage, complete stories, preservation policies, programs, and incentives, and historic preservation tools that can be expanded to address essential issues such as sustainability, affordability, and displacement.

In addition, the Heritage Tourism Division has conducted best practice research, hosted numerous community conversations and surveys, and conducted assessments and improvements on program entry barriers, equity training, process audits, tourism marketing training, expanded eligible expenses, and panel training, in addition to incorporating recommendations based on previous community feedback – including but not limited to, expanding contract terms.

Historically designated place-based Capital, Planning, Educational and Marketing projects are intended to support the preservation of historic sites and diverse history-informing projects that encourage tourism. The Heritage Preservation Grant is eligible to non-profit and for-profit entities with 2-year project terms that promote tourism. Awards vary from \$15,000 - \$250,000.

Heritage Preservation Guidelines can be found at [austintexas.gov/heritage-preservation-grant](http://austintexas.gov/heritage-preservation-grant).



## Summary of Music & Entertainment Division Funding Review

The Live Music Fund, established by City [Ordinance No. 20190919-149](#) on September 19, 2019, is the result of recommendations from 2017's [Visitor Task Force's Final Report](#). This is an ongoing fund sourced from State of Texas Hotel Occupancy Tax (HOT) revenues to support the Austin music industry, while promoting tourism to Austin.

The [Music & Entertainment Division](#) of the City of Austin Economic Development Department has been working with the [Music Commission](#) to form the inaugural pilot program of the Live Music Fund, as part of the [Cultural Funding Review: Arts, Heritage, Music](#).

Staff coordinated community engagement efforts with the Music Commission's Live Music Fund Working Group and Systemic Racism Working Group, which were comprised of Music Commissioners and representatives of Austin's Music community. Staff and the working groups gathered and organized feedback on community priorities to form the below recommendations for the pilot program:

- [Live Music Fund Working Group Recommendation](#)
- [Systemic Racism Working Group Recommendation](#)

Music Commission [Recommendation 20201019-2bii](#) from the Systemic Racism Working Group states that a Preservation, Innovation, and Elevation & Collaboration (PIE) fund be established to create greater equitable economic growth in the Austin music industry. This recommendation is the foundation of the resulting inaugural pilot program for the fund, the *Live Music Fund Event Program*, which will launch in early 2023.

### *Live Music Fund Event Program - Program Purpose*

- Encourages, promotes, improves, and showcases Austin's diverse live music industry through supporting live and online music events, recording studio production, music video production, replication (vinyl, CD, cassette printing), and broadcasting (radio, tv, podcasts).
- Supports Austin's professional musicians, bands & independent promoters who produce the above activities that can be marketed to local audiences, visiting and potential tourists, and conventions delegates.
- To support the principles of Preservation, Innovation, and Elevation & Collaboration (PIE) as described in Music Commission [Recommendation 20201019-2bii](#).

This program will fund project expenses for eligible professional musicians and independent promoters, and funding will go to the highest scoring applicants until funds are expended. An estimated \$3,000,000 in grant funds are available for this program, and awards will range from \$5,000 to \$10,000. The Division estimates around 300-600 awardees for 12-month contracts.

Live Music Fund Event Program guidelines can be found at [austintexas.gov/atxmusic/live-music-fund-event-program](http://austintexas.gov/atxmusic/live-music-fund-event-program).



## SECTION 6

### Closing Thoughts

#### What's next...

Structural racism is not something that public agencies or philanthropic institutions choose to practice. Nonetheless, intentional and unintentional bias is part of the social, economic, and political systems that we have learned to live with. Public policies are designed by governmental entities to provide services to constituents. Generally, we define public policy as a system of laws and measures to regulate behavior, courses of action, and of course, funding priorities. Those laws and policies are interpreted by individuals, who bring with them their own points of view and biases. If we understand that systems have been created to serve the public good, we can also assume that systems can be re-created when we acknowledge that inequities exist. This funding review process captured the candid insights of cultural contractors from across the spectrum of the arts community. In fact, responders freely called out the barriers and inequalities they felt currently exist within the system.

The review process made visible the true fragmentation of the Austin arts community.

More data collection, more meetings, research, or new terminology will not change the realities of historic arts funding patterns.

Across the country, from the National Endowment for the Arts and the National Endowment for the Humanities to the larger more influential private foundations like Ford, Joyce, and The Knight Foundation, research around arts funding yield the same results: cultural funding in the United States is inequitable.

The challenge of crafting a blueprint for achieving equity remains a local matter. Austin's racially and culturally diverse artists and arts administrators are critical, curious, highly creative, tolerant, open-minded and inventive. The Economic Development Department, acknowledges the extraordinary cultural and creative talent that exists in the city, contributing to Austin's economic success and to the city's identity.

That's the "why."





Emphasizing the “how” to an already fragmented cultural sector will be an ongoing process. If the overwhelming recommendation for the “redesign” of the cultural contracting system is to achieve greater equity, then the “how” will need to be centered on these guiding strategies:

1. Recognizing the “transparency derailment” strategy. Truth is, as a public governmental body, there is no amount of data or information that can be hidden from the public. At some point, looking for solutions to addressing equity must become a priority over the constant denial that marginalizing practices exist and should be addressed. The proposed new funding guidelines are only a start.
2. Committing to increased representation at all levels of the decision-making process, including continuous and immersive access to DEI education, provided by the City to firmly indicate its investment in realizing its own goals for inclusion.
3. Standing firm on the mandate that implicit bias and the tendency for bias will not go unnoticed. Otherwise, the Department’s “initiatives” are viewed by communities of color as performative and business as usual.
4. Prioritizing the assembly of diverse staff and advisory teams.
5. Continuing to invest in developing institutions of color. Equity is about giving people what they need, to make things fair.
6. Emphasizing the role and evolution of the Arts and Music Commissions. The Commissions have evolved into fierce advocacy bodies for the creative community. They have listened, questioned the answers, and pushed the envelope within their own cohorts to carefully analyze the concepts toward equity that were being placed before them.
7. Taking a proactive stance, throughout the Department of Economic Development, to keep equity at the forefront of planning by operationalizing equity.

## What happens next?

The cultural community itself will need to build consensus and commitment toward putting the universal values of inclusion and equity into practice. This thorough examination of the city's funding programs is the first step toward embedding more equitable practices into the cultural contracts process. The next steps involve designing a cohesive set of policies, created in sync with the "idea" of equity. A Cultural Diversity Policy for Austin would set tangible, measurable goals related the distribution of public resources. Execution of policies is different from executing a set of goals. Policy sets the principles, values and agreements between the City and the public. A Council adopted Cultural Diversity Policy for Austin would guide and measure:

- Shifts in resource distribution
- Racial representation on panels and staff
- Commitment to cultural sustainability
- Preservation of tangible and intangible cultural assets
- Strategies for monitoring progress and sharing results with the public.

Because of its public voice, the cultural sector can shape social attitudes around equity and diversity. We know that achieving genuine diversity is a long process that requires effort and adaptation. The intersections of socio-economic status, age, ethnic and gender identities will be important considerations as the cultural sector finds ways to broaden access for those who engage less with culture, music, and heritage preservation in formal and informal ways. We acknowledge that public debate will continue. Healthy debate however can ultimately lead to actions toward greater inclusion.

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