



**SERVICE
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Allocations Committee

May 7, 2026 Meeting

Office of Arts and Culture

Julia Hosch

Cultural Programs Manager

Katherine Haskel

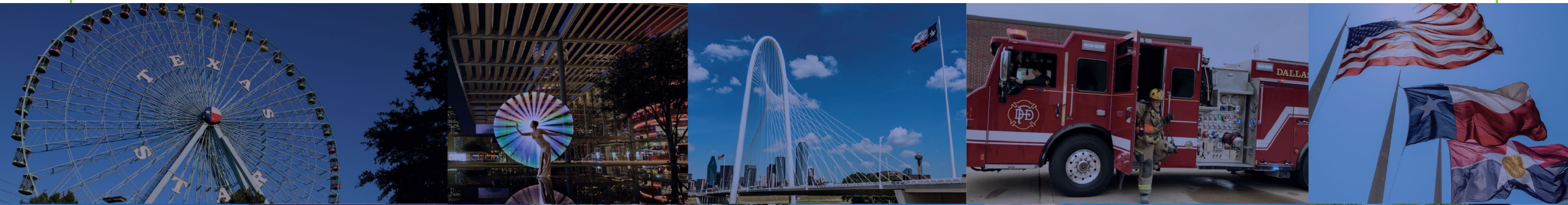
Sr. Contract Compliance Administrator

Kayla Jordan

Sr. Contract Compliance Administrator

Itzel Quintero Marmol Ramos


Administrative Specialist




Voting Items Agenda



1. **Approval of March 5, 2026, Allocations Committee Meeting Minutes.**
2. **Recommendation of ArtsActivate 2026 Round 3 Project Funding**



1. Approval of April 2, 2026, Allocations Committee Meeting Minutes.



2. Recommendation of the ArtsActivate 2026, Round 3 Project Funding



A. Scenarios for ArtsActivate 2026, Round 3 Project Funding

REVIEW: ArtsActivate 2026

- ArtsActivate 2026 is the **project-based** cultural funding program for qualifying arts and cultural projects in the City of Dallas.
- The goal of ArtsActivate is to fund **public, artistic, and cultural events** that “activate” Dallas communities through the arts, ensuring that **all Dallas residents** have an opportunity to **experience high-quality arts and culture in their home neighborhoods.**

REVIEW: ArtsActivate 2026 Goals

Purpose

- **Grow Dallas' artistic footprint** by providing new artistic services across Dallas, including in nontraditional artistic spaces and in unique artistic disciplines
- **Provide public benefit** by building and enhancing artistic and cultural experiences available to the residents of the City of Dallas
- **Increase inclusivity** in the experience of art and creativity for communities that have been historically unable to access artistic experiences in downtown Dallas
- **Connect individuals across Dallas** to strengthen communities and/or neighborhoods through the arts

Outcomes

- Recipients will be able to utilize funds in a flexible way, regarding how they define their project and discipline
- Projects will connect with Dallas communities

REVIEW: ArtsActivate 2025 Project Examples



“DIFF 2025!”

Artist: Dallas Film Society

Venue: Cinopolis Victory Park

Description: Film festival



“Blue!”

Artist: Natalia Padilla

Venue: Vickery Meadow Branch Library

Description: Participatory public art workshop



“Strings Attached Across the Pacific”

Artist: Hee Yun Kim

Venue: AT&T Performing Arts Center

Description: Concert with programming by Dallas composers

ArtsActivate 2026: Round 3

- Applications for Round 3 opened on February 2, 2026, and closed on March 1, 2026.
- OAC received **137 applications**:
 - 72 individual artists or non-501c3 artist collectives
 - 65 nonprofit, 501c3 organizations
 - Of the applications OAC received, 6 were disqualified, due to lack of public event; address outside of Dallas; or proposals for murals on public property.
- Panel scoring took place from March 23, 2026 to April 12, 2026. 39 panelists participated.
- This program's annual budget is \$1,300,000. To date, we have spent \$480,200 [48 projects] on Round 1, and \$385,150 on Round 2 [38 projects]. Therefore, we have \$434,450 left to spend in Round 3.
 - Additionally, one applicant from Round 1 may be disqualified due to challenges receiving insurance. Therefore, the \$12K assigned to this project may be reassigned to Round 3, if this organization is not able to complete this step in the next few weeks.
- The total budget for ArtsActivate, Round 3, is **\$434,450**, with a waitlist of \$12K. While in some years, we may have been able to add to this amount, we may not exceed this number in allocations for Round 3, 2026.

Blue Scenario: 90%+ scores, funding for 100% of the project

- 42 projects funded / 32% applicants funded
 - 20 IA
 - 22 Nonprofit Orgs
- All projects funded to **100% of ask amount.**
- Funds all projects that score **90% and above** (except Group B, due to funding run out)
- 6 previously funded through AA this year, 5 previously funded through COP
- Total budget spent: **\$433,250**

Yellow Scenario: Partial funding for orgs to fund more orgs

- 46 funded / 35% applicants funded
 - Awards 20 IA artists
 - 26 nonprofit organizations (**4 more NP than the Blue Scenario – 3 Group A, 1 Group B**)
- **IA projects funded at 100% of ask amount**
- **All NP projects funded at a partial amount.** (Also funds NP that have received AA or COP funds this fiscal year at a lesser amount than applicants who have not received funding this year.)
- Funds *most* of the projects that scored 89% and above until funding out
- 7 previously funded through AA this year, 6 previously funded through COP
- Total budget spent: **\$434,450**

COMPARISON

- As a reminder, staff only presents scenarios that we would be comfortable enacting: there are no wrong choices.
- In **both** cases, we are funding **20 individual artists at 100% of their ask**, because these projects are more likely to have the City as the only funder (*and therefore less likely to happen if the whole amount isn't granted*). We are also funding **at least one project in every district**.
- The **blue** version **honors the whole ask of nonprofits**. In general, OAC always has always funded at 100% of the ask. If we do not provide the whole ask, we may need to adjust the scope of work. At scale, this can be very time-consuming for both the nonprofit and our OAC staff.
- However, we are putting the **yellow** version forward in R3 because by providing a *majority* of the ask (typically around 70%), we can still require the majority of the project, and **support more smaller organizations**. Especially in a competitive round, even \$10K is meaningful.

Briefing Items Agenda



- A. Scenarios for ArtsActivate 2026, R3 Project Funding** [Julia Hosch, Katherine Haskel, and Kayla Jordan]
- B. Preview of 2026-27 Cultural Organizations Program Applications and Panels** [Julia Hosch]
- C. Use of Hotel Occupancy Tax (HOT) for Funding Programs: Eligibility Checklist** [Julia Hosch]
- D. Culture of Value Timeline** [Julia Hosch, Itzel Quintero Marmol Ramos]
- E. Allocations Committee Chair Updates & Announcements** [Mickie Bragalone]
- F. Staff Updates** [Julia Hosch]



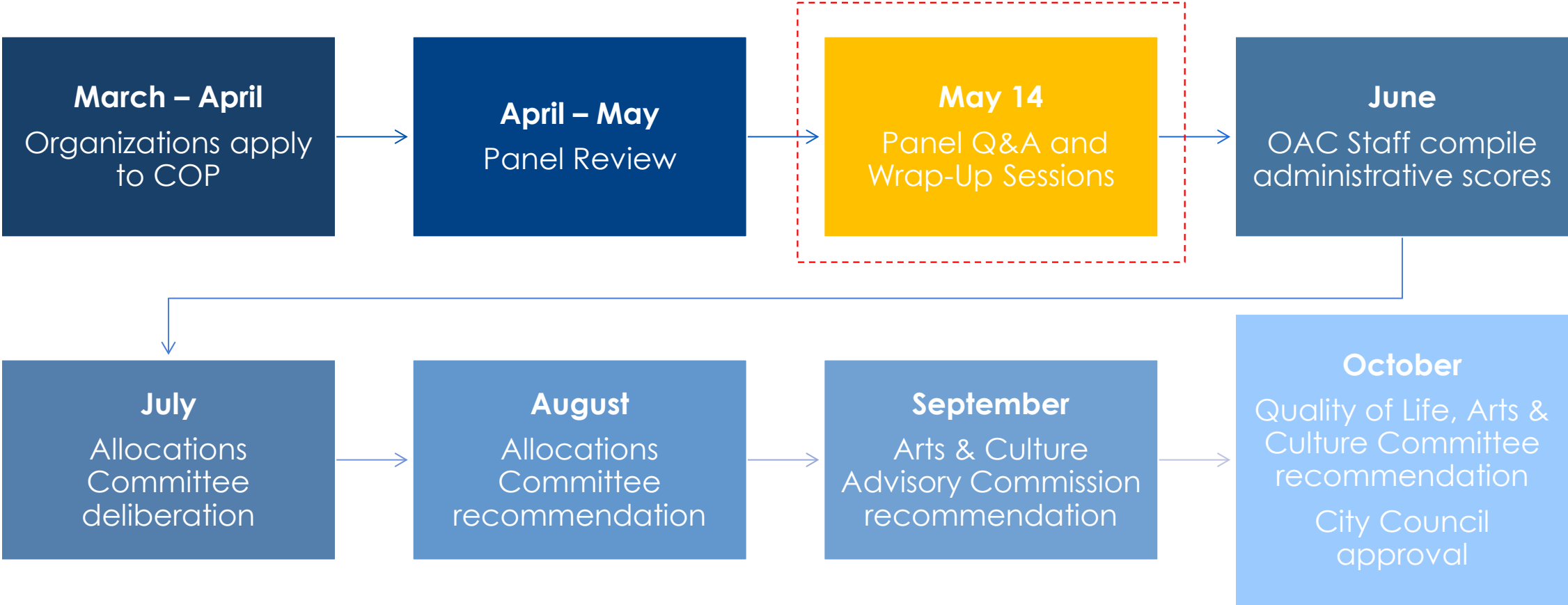
B. Preview of 2026-27 Cultural Organizations Program, Applications & Panels

Review: Cultural Organizations Program

- The COP is used to **contract a year of cultural services** with **established nonprofit cultural organizations**.
- Eligibility requirements include:
 - At least \$100K in annual revenue
 - At least 3 years' 501c3 status in good standing
 - At least 1 staff member paid through W2
 - Dallas (non-P.O. box) location, with >50% programming located in Dallas
- Typically, organizations are awarded funding as a **percentage of revenue** (either last year or 3-year-average). This funding comes from the General Fund and the HOT tax.
- Significant changes in recent years:
 - Three years ago, Allocations also instituted a “minimum” for each tier, as a percentage of revenue.
 - Two years ago, Allocations used a significant portion of the HOT tax to cover costs, and changed Guidelines for 2026 to begin a 3-year cycle.
 - Last year was the first year of a three-year cycle. This means that THIS year is an “off year,” and most of our applicants had significantly shorter application requirements (no video, and no panel).

Review: COP Selection Process

March through October, 2026



COP 2027: 70 Applications

- Applications opened on March 3, 2026 and closed on April 10, 2026 on Zengine.
- OAC received 70 applications. All 65 returning organizations submitted on-time applications (!), and we also received applications from **5 new participants**:
 - **AT&T Performing Arts Center: Tier 6** (\$28,937,493 annual revenue)
 - **Dallas Film Festival: Tier 2** (\$308,827) annual revenue)
 - **Greater Dallas Children's Chorus: Tier 3** (\$508,217 annual revenue)
 - **Oak Lawn Band: Tier 1** (\$121,398 annual revenue)
 - **Thanksgiving Square Foundation: Tier 3** (\$780,989 annual revenue)
- The 5 new applicants will participate in a panel Q&A on May 14, 2026. Returning organizations will be judged on administrative scores only in FY 2026-27.



C. Use of Hotel Occupancy Tax (HOT) in Funding Programs

Municipal Hotel Occupancy Taxes (Texas Tax Code Chapter 351)

Sec. 351.101 - Use of Tax Revenue (Two-Part Test)

Criteria 1

- Revenue from the municipal hotel occupancy tax may be used only to directly enhance and promote tourism and the convention and hotel industry

Criteria 2

- Every expenditure of HOT funds must fit into one of six categories
- OAC centers its allocation of HOT funds in the expenditures that promote the arts

- *“...The encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms” (Sec. 351.101(a)(4))*

History of OAC HOT Fund Expenditures

Historically, OAC has **only considered the Cultural Organizations Program for HOT expenditures** because of the program's significant application and documentation process, including:

- Self-reporting as directly impacting tourism with supporting documentation and narratives
- Monthly events and attendance reporting
- Required historic audience metrics and marketing efforts
- Programmatic locations based on scope of services reviewed annually through the application, review, and funding allocation process

Additionally, HOT funding has historically only been allocated to those COP organizations with **headquarters in Dallas Cultural Districts** (Dallas Arts District and Deep Ellum) or **clearly documented tourist audiences** (i.e. Sixth Floor Museum, etc.).

By the time that an organization has completed the full application process and is selected for funding by their panel, Allocations Committee, ACAC, and City Council, the OAC staff can use their understanding of their larger programmatic operations, historic audience metrics, and marketing efforts to determine if those organizations meet HOT metrics. **OAC indicates HOT reimbursable expenditures to eligible recipient organizations through the COP Allocation Council Resolution.**

Other programs, such as ArtsActivate and CAP, have not been considered for use of the HOT tax, because these projects and programs are primarily meant to serve residents of Dallas, and may not provide the same documentation of tourism.

Audit of Cultural Programs – Recommendations & Implementations

On April 6, 2026, the Dallas City Auditor's Office published the Audit of Cultural Programs.

Observation A: Hotel Occupancy Tax Use for Cultural Programming

Based on their findings, the City Auditor's Office determined that OAC has not established a **formalized process** to determine and document which cultural programming directly enhances and promotes tourism and sufficient documentation is not retained to substantiate eligibility for hotel occupancy tax reimbursement.

Audit of Cultural Programs – Recommendations & Implementations

Recommendations A.1.

Develop and implement a formalized process to evaluate and document whether proposed cultural programming expenditures meet hotel occupancy tax eligibility requirements prior to expenditure.

OAC's Response

This process will be formalized in both internal procedures and program guidelines to ensure consistency across all cultural service programs. In addition, OAC will examine partnerships with VisitDallas and the City's Convention and Event Services Department to explore possible approaches for capturing overnight visitor data that are feasible for arts organizations of varying sizes.

Audit of Cultural Programs – Recommendations & Implementations

Recommendations A.2.

Establish standardized documentation practices to substantiate that hotel occupancy tax reimbursements for arts programs directly promote tourism and the hotel and convention industry in accordance with Texas Tax Code §351.101. Documentation may include evidence of out-of-town attendance, post-event surveys, ticketing data, hotel booking information, or other verifiable measures demonstrating tourism impact.

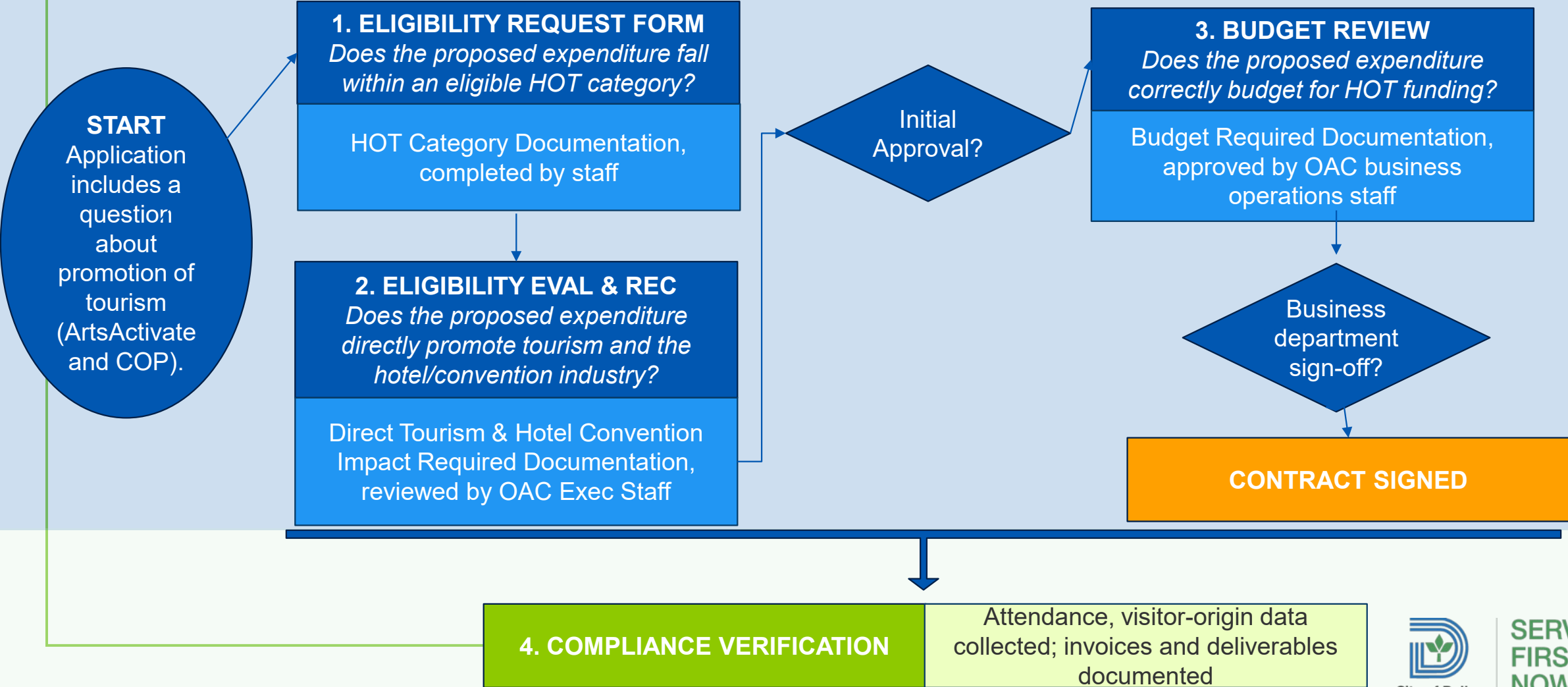
OAC's Response

OAC has developed a **soon-to-be-implemented checklist** to **ensure documentation substantiates that Hotel Occupancy Tax reimbursements for arts programs that directly promote tourism** and the hotel and convention industry in accordance with Texas Tax Code §351.101.

OAC HOT Eligibility Evaluation & Compliance Verification Checklist

- While this checklist is more robust to consider all HOT eligible expenditures, we will focus on Funding Programs
- This checklist and workflow will serve as OAC's implementation of the City Auditor's recommendations to establish a formalized and documented process
- This is a new administrative process for internal use
- While there is no recommendation related to this item, we want this process to remain transparent and ensure that as an Allocations Committee you feel informed and remain aware of the work of staff prior to bringing you items for consideration and recommendation
- We welcome your thoughts, questions, input, and feedback to help us fill in any gaps or items you feel we haven't taken into consideration while we work to finalize the initial development of this process
- This is a DRAFT, so we will keep our conversation high-level while the work is being refined

Framework for Use of the Hotel Occupancy Tax



OAC HOT Eligibility Evaluation & Compliance Verification Checklist

1. ELIGIBILITY REQUEST FORM – Completed by Initiating OAC Staff Member

Promotion of the Arts

- Program Name and Description
- Required Documentation
 - Explanation of how the project aligns with the required use of HOT
 - Supporting Materials

Direct Promotion and Enhancement of Tourism

- Is the proposed expenditure likely to directly promote tourism and the hotel/convention industry? Check any that apply:
 - Anticipated out-of-town visitors. If so, how many anticipated attendees:

 - Marketing targeted to visitors outside Dallas
 - Hotel partnerships, room blocks, or hotel engagement
 - Audience survey data or past attendance showing nonresident participation
 - Reasonable expectation of overnight stays
 - Convention or meeting related activity
 - Other tourism indicators: _____

- Supporting Documentation
 - Tourism impact statement
 - Attendance projections with visitor origin estimates
 - Historic visitor attendance records
 - Marketing plans demonstrating tourism intent (regional/national/global reach)
 - Hotel related evidence
- Budget Information
 - Total Expenditure
 - HOT Reimbursement Amount & Explanation
- Staff Requestor Signature/Date

OAC HOT Eligibility Evaluation & Compliance Verification Checklist

2. Eligibility Evaluation and Recommendation – Completed by OAC Exec Staff Member

- Pre-expenditure Documentation Review
 - Completed HOT Eligibility Request Form
 - Project budget with HOT line items indicated and calculated
 - Description of deliverables tied to tourism or arts promotion
 - Contract(s), MOU(s), or vendor agreements
- Internal Review & Approval
 - Exec Staff Review Completed
 - Meets HOT Eligibility (Y/N)

- Exec Staff Signature/Date

OAC HOT Eligibility Evaluation & Compliance Verification Checklist

3. Budget and Planning – Completed by OAC Business Operations/Budget Staff Member

- Budget Review

- HOT-funded expenses coded appropriately in the financial system
- Backup documentation planned for each HOT-funded cost
- Clear separation of HOT vs. non-HOT expenses
- Pre-approved budget on file

- Review and Approval

- Finance/Compliance review completed
- Budget confirmed and approved for HOT reimbursement

- Budget Staff Signature/Date

OAC HOT Eligibility Evaluation & Compliance Verification Checklist

4. Compliance Verification

- Post Event/Program Requirements for confirmation of program completion and confirmation of HOT reimbursable activity (Check all that apply and provide supporting documentation for each)
 - Actual attendance data collected
 - Visitor-origin data collected (surveys, ticket ZIP codes, etc.)
 - Marketing/Promotion evidence
 - Documentation of hotel/convention impact (if available)
 - Final report submitted using standardized form
 - Invoices, proof of payment, and deliverables documented
 - Summary of outcomes related to tourism and eligible category

Questions & Feedback

Please note that while this centers around the eligibility and compliance of funding programs, OAC will be maintaining a similar process that encompasses a more robust consideration of HOT eligible expenditures. These expenses could include:

- Marketing and promotion of arts beyond local reach
- Administrative costs related to the allocation and expenditures of HOT funds
- Other non-programmatic expenditures that directly impact tourism through the promotion of arts



D. Culture of Value Timeline

Review: Culture of Value 2026

- Culture of Value is our microgrant program that **matches artists with recreation centers and libraries** for one-day, one-time arts and culture experiences.
- This program is particularly friendly for new artists: short application, low paperwork, free venue, and fast timeline!
- This year, we will support **28 events across all 14 districts** (two per district).
- To ensure that we can stay within City spending guidelines and still ensure two projects per district, award maximums will not exceed \$2.5K.

Timeline

- Application opens Tuesday, May 26
- Application closes Monday, June 15
- Applications reviewed Monday, June 15 – Friday, July 10 by a *combined* panel of OAC, DPL, and PKR staff (unique to this program!)
- Match Notifications: Friday, July 17
- **Culture of Value Month: Tuesday, September 1 – Wednesday, September 30, 2026**



E. Allocations Committee Chair Updates & Announcements



F. Staff Updates

Upcoming Key Dates

- May 26: Culture of Value opens for 2027
- May 27: CAP and ArtsActivate Guidelines go to City Council
- June 2: CAP opens for FY 2027
- **June 4: Allocations Meeting, first discussion of COP panel scores**
- June 16: ArtsActivate opens for FY 2027, Round 1
- **July 9: Allocations Meeting***
- **August 6: Allocations Meeting, vote to recommend CAP 2027 Allocations**
- **September 10: Allocations Meeting,* votes to recommend ArtsActivate 2027 Round 1 Allocations, COP 2027 Funding**

* = date change to accommodate holiday

Appendix