

The Arts and Cultural Heritage Fund

January 2024

Overview

The Arts and Cultural Heritage Fund is a state fund dedicated to arts, historical, and cultural programs. These funds are awarded by the Minnesota Legislature to a variety of public and private entities. The Arts and Cultural Heritage Fund is one of four “legacy” funds created by a constitutional amendment approved by the voters in 2008. The amendment increased the state’s sales tax to provide additional funding for outdoor heritage, clean water, parks and trails, and arts and cultural heritage.

The 2023 Legislature appropriated nearly \$192 million to the Arts and Cultural Heritage Fund ([Laws 2023, ch. 40](#), art. 4). This publication provides basic information about the fund, the amount of money that has been appropriated (page 2), what the appropriations have been used for, the entities that have received funding, requirements for fund recipients (page 5), and other resources (page 6).

The “Legacy Amendment” and the Arts and Cultural Heritage Fund

In 2008, Minnesota voters passed a constitutional amendment, often referred to as the “**Legacy Amendment**,” that increased the state’s sales tax by 3/8ths of 1 percent for 25 years ([Minn. Const. art. XI](#), § 15). The funds raised by this tax are dedicated to four separate funds that each receive a specific percentage of the revenues: Outdoor Heritage Fund (33 percent), Clean Water Fund (33 percent), the Parks and Trails Fund (14.25 percent), and the Arts and Cultural Heritage Fund (19.75 percent).

The amendment requires that the funds “supplement traditional sources of funding for these purposes” and prohibits the funds from being used as a substitute.

The **Arts and Cultural Heritage Fund** (ACHF) is a state fund that “may be spent only for arts, arts education, and arts access and to preserve Minnesota’s history and cultural heritage” ([Minn. Const. art. XI](#), § 15). There is no permanent council or other group that makes recommendations for the use of the ACHF. The legislature has based funding decisions largely on input and recommendations from stakeholders. The legislature has distributed ACHF money to many different public and private groups. Certain state entities and private institutions have received funds in consecutive years and some organizations have received onetime funding.

Chairs of the committees in the House of Representatives and the Senate with jurisdiction over this area have emphasized that the ACHF is not a guaranteed funding source for past recipients and should be flexible to fund different projects over time. The ACHF provides funding for new purposes or additional funding for existing programs in order to uphold the constitutional requirement that the funds supplement and not supplant traditional sources of funding.

The Amount and Uses of Appropriations

In the first year of funding, fiscal year 2010, the legislature appropriated nearly \$44.5 million dollars from the ACHF. That number has generally grown each year as the state sales tax revenue has increased.¹ Funding for the 2024 and 2025 biennium is just shy of \$192 million.

ACHF appropriations have predominately been spent on:

- Programming and education, including funding for:
 - Nonprofit radio and television
 - Artists and art organizations
 - Educational opportunities in arts, history, and culture
 - Zoological programs and educational opportunities
 - American Indian language and historical preservation
- Museum exhibits and acquisitions
- Historic preservation of historic sites and artifacts

Most of the funds are distributed to state agencies, councils, and commissions as fiscal agents who either use the funds for their own programs or distribute the funds for education and programming by providing grants to other groups to fund arts, culture, and heritage projects throughout the state. The recipients of ACHF money often fund a project for their own organization, or in many cases, offer grants to artists, art organizations, local historical societies, libraries, and nonprofits to provide programming or fund historical preservation. The ACHF appropriations have generally not been used to purchase or maintain real estate, buildings, or vehicles. Three major recipients of ACHF money to date are the State Arts Board, the Historical Society, and the Minnesota Humanities Center.

The State Arts Board. Since 2013, 47 percent of the annual ACHF appropriation has been required to go to the Minnesota State Arts Board.² It is the largest recipient of the ACHF. This state agency provides arts programming, arts education, and grants to individual artists and arts organizations.

The State Arts Board has traditionally used 30 percent of the funding it receives to fund the regional arts councils located throughout Minnesota to provide arts programming and

¹ The 2018 fiscal year appropriation from the Arts and Cultural Heritage Fund was \$57.3 million, a lower than average appropriation amount than fiscal years 2016 and 2017, which was due to a shortfall in anticipated revenue in 2017.

² [Minn. Stat. § 129D.17.](#)

education in each region of the state. There are 11 regional arts councils that encompass the entire state of Minnesota.

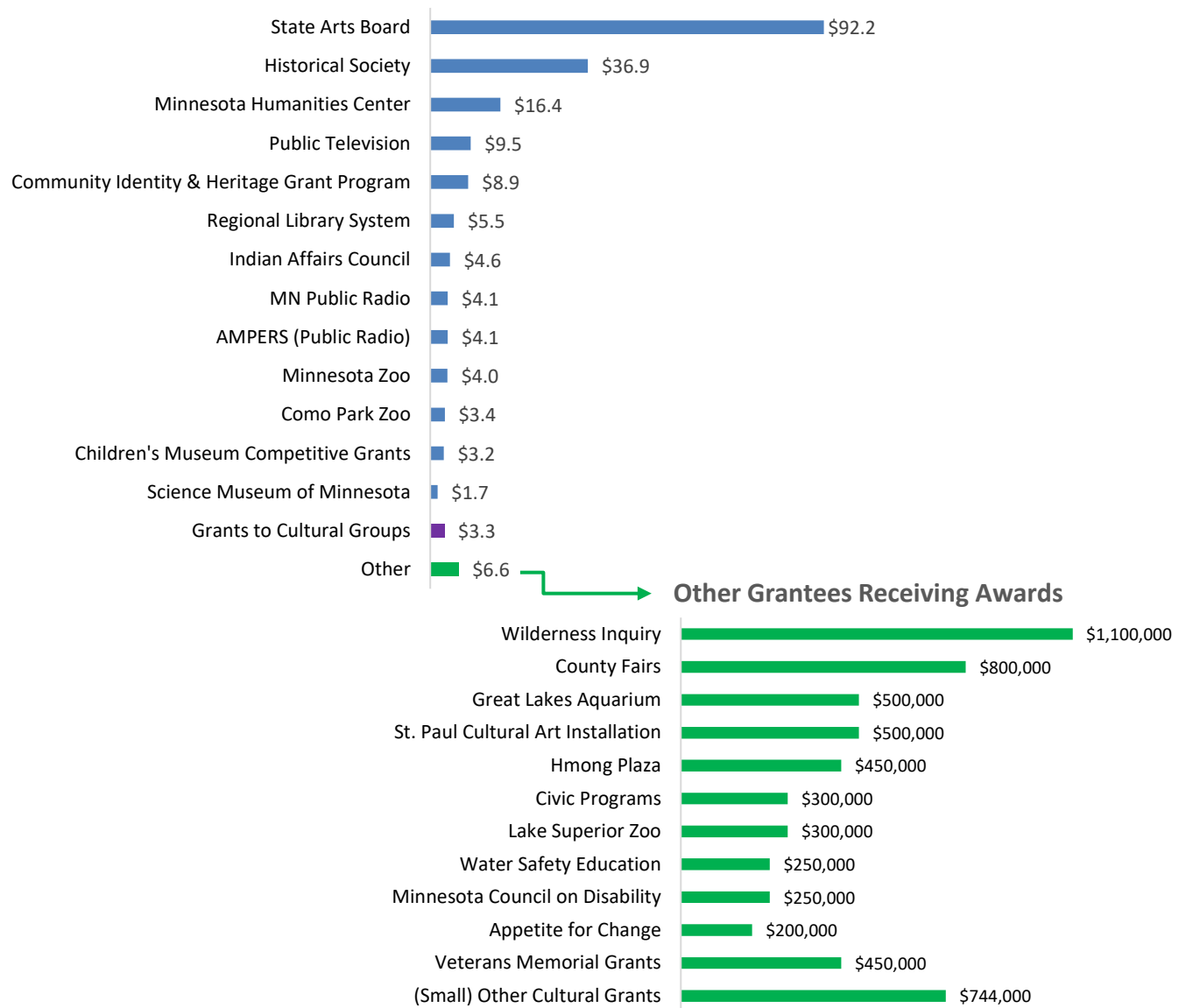
Historical Society. The Minnesota Historical Society has also received funding each year from the ACHF. The funding has been used for programs at the Minnesota History Center and other historical society sites operated by the Minnesota Historical Society throughout the state. The Historical Society also uses part of its appropriation to fund grants to local historical societies throughout Minnesota.

Libraries. The regional library system has received funding each year through an appropriation to the Minnesota Department of Education that provides a grant to the 12 regional library systems. These grants allow the libraries to provide educational programs on Minnesota history, culture, and literary arts by bringing in speakers and hosting events.

ACHF Reserves. [Minnesota Statutes, section 129D.17](#), also requires that 5 percent of the projected tax receipts must not be appropriated. This 5 percent “reserve” law was passed in 2017 to help keep recipient organizations from having to amend grant agreements and awards when tax receipts are lower than expected.

The following graphs show the arts and cultural heritage appropriations by fund for fiscal years 2024-2025, as enacted in [Laws 2023, chapter 40](#), article 4.

Total Arts and Cultural Heritage Appropriations, FY 2024-2025
 (Millions of Dollars)



Requirements for Recipients

ACHF monies are restricted to the uses allowed in the constitutional provision creating the fund as well as statutory provisions, including [Minnesota Statutes, section 129D.17](#). This section of law has a number of requirements for funding recipients and appropriations.

Projects funded by the ACHF must:

- be located in Minnesota;
- supplement traditional sources of funding (not supplant); and
- have a grant agreement consistent with the state's grant management laws ([Minn. Stat. § 16B.98](#)).

Recipient Requirements for Reporting to the LCC

[Minnesota Statutes, section 129D.17](#), subdivision 2, paragraph (d), requires that all recipients of money from the ACHF submit information to the Legislative Coordinating Commission (LCC) by January 15 of the fiscal year they receive funding. The information is then posted on the LCC's Legacy website. The information that must be submitted includes:

- the name of the project funded;
- the contact information for the organization overseeing the project;
- the amount of funding received from the ACHF;
- the number of full-time employees hired for the project; and
- the direct expenses and administrative costs of the project.

Recipient Requirements for Reporting to the Legislative Committees

[Minnesota Statutes, section 129D.17](#), subdivision 6, requires that all recipients of money from the ACHF submit information to the committees with jurisdiction over the arts and cultural heritage fund including:

- an accounting of funding that has been distributed and funding not spent;
- summary information on programs and information on grants provided to individuals, entities, or organizations; and
- an assessment of whether the funding celebrates cultural diversity or reaches diverse communities in Minnesota.

Recipient Requirements for Improved Access to Programs

In 2023, the legislature directed recipients of arts and cultural heritage funds to provide access to all community members by utilizing free program days, distributing free and reduced tickets, and distributing information to make sure that all households regardless of income are able to access arts and cultural heritage programming.

Resources

Many state agencies, private organizations, and individual grant recipients have benefited from arts and cultural heritage funding. The recipient of a direct appropriation from any Legacy fund, including the ACHF, must provide information on grants and spending to the Minnesota Legislature's Legislative Coordinating Commission (LCC). The LCC provides information on each fund, past fund recipients, and future grant opportunities on its website (<https://www.legacy.mn.gov/opportunities-funding>).

More than 22,000 Legacy-funded projects are listed on the website. There are many different types of projects, and the grants range from a few hundred dollars to millions of dollars. Although the ACHF receives only 19.75 percent of the dedicated sales tax revenue, it has funded the majority of all Legacy projects. This is because the ACHF provides smaller grants to many organizations, while the other Legacy funds typically provide much larger funding awards to a smaller number of projects.

The LCC's Legacy website provides links to various organizations that distribute Legacy grants; many of these organizations also offer grants that are funded from other sources, as well as from the ACHF. The LCC website has many useful grant links in addition to the Legacy granting agencies listed below.

- Minnesota State Arts Board: <http://www.arts.state.mn.us/grants/machf.htm>
- Regional Arts Council (clickable by region):
<http://www.arts.state.mn.us/racs/index.htm>
- Minnesota Historical Society: <https://www.mnhs.org/preservation/legacy-grants>
- Minnesota Humanities Center: <https://www.mnhum.org/what-we-do/grants/>
- Minnesota Indian Affairs Council: <https://mn.gov/indian-affairs/>

The Minnesota State Grants portal also lists state grant funding opportunities, including all Legacy funds. The grants are divided by topic, including "arts, culture, and humanities," "education," and "environment." This site also lists grant opportunities by topic on a more specific list and by the state agency providing the grant. Grants are searchable by multiple categories, as some grants fall into more than one area. This site also provides grants that would not be listed on the Legacy website because they have a different state funding source. The state's grant website can be accessed here: <http://mn.gov/grants/>.

For more information on the funds related to outdoor heritage, clean water, and parks and trails, see the separate House Research Department publication, [*Legacy Amendment: Natural Resources Funds*](#), January 2023.



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

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