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**Minnesota State Arts Board**

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[arts.state.mn.us](http://arts.state.mn.us)

### AT A GLANCE

- The arts are a significant industry in Minnesota, generating more than \$2 billion in economic activity each year.
- Minnesota is home to more than 1,600 nonprofit arts organizations and 100,000 artists and creative workers
- Together, the Minnesota State Arts Board and the state's 11 regional arts councils serve residents and communities in all 87 Minnesota counties.
- Activities supported by the Arts Board and the regional arts councils during the FY 2016-2017 biennium served a combined audience of 24.6 million children and adults.

### PURPOSE

The Minnesota State Arts Board stimulates and encourages the creation, performance, and appreciation of the arts. It serves as an adviser, resource, and policy maker by distributing grants and other forms of assistance for artistic activities; it also serves as the fiscal agent for legislative appropriations to eleven regional arts councils.

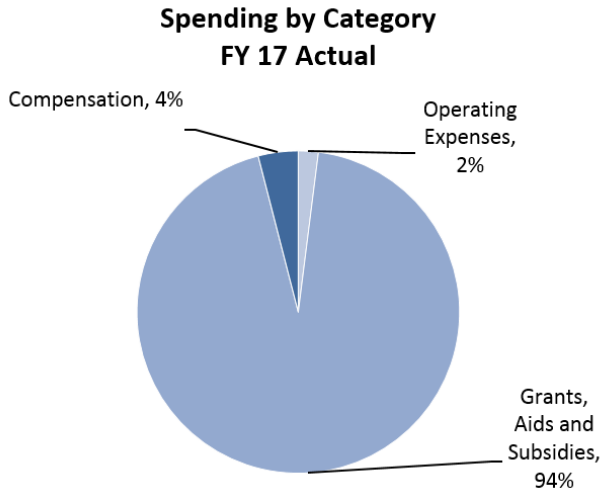
The purpose of the arts is to inspire, enlighten, connect, and challenge individuals. They give us new experiences, and help us understand and imagine the world from another person's point of view. However, the arts also produce tremendous secondary benefits that help Minnesota achieve many of its most important public goals.

Research shows that the arts increase academic achievement. Nontraditional learners or at-risk students often become high achievers in arts learning settings; this success becomes a bridge to learning in other areas. The arts stimulate 21st century work skills, including creativity, which will be an important characteristic of jobs and the workforce of the future. Arts bring people together. Residents of a community better understand their new immigrant neighbors after experiencing a traditional dance. A struggling downtown begins to "hum" with new energy on the evenings the community arts center offers a concert. Towns celebrate their identity and heritage through annual arts festivals. Artists and arts participation build social capital—the social bonds and civic engagement needed in a healthy, thriving society.

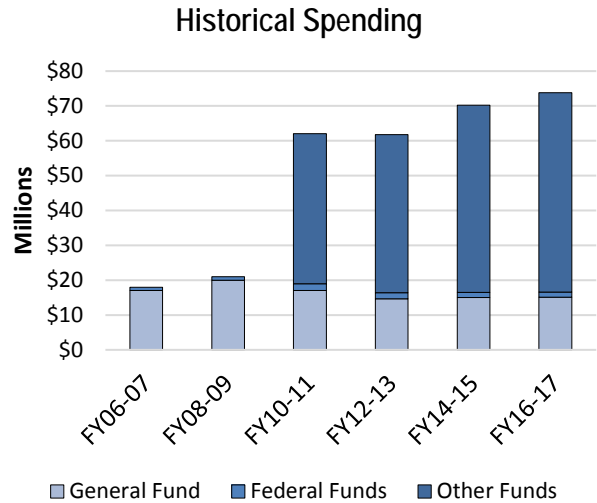
As it stimulates the arts and the many benefits they provide, the Arts Board helps achieve the following statewide outcomes:

- **A thriving economy that encourages business growth and employment opportunities**
- **Minnesotans have the education and skills needed to achieve their goals**
- **Strong and stable families and communities**

## BUDGET



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

The board receives an appropriation from the State’s general fund, and from the State’s arts and cultural heritage fund (ACHF). Appropriations from the ACHF may be spent only “for arts, arts education, and arts access and to preserve Minnesota’s history and cultural heritage.” The board also receives an annual state partnership grant from the National Endowment for the Arts.

## STRATEGIES

The Arts Board provides financial support and other services to enable Minnesota and its residents and communities to reap the many benefits the arts provide. To accomplish its mission, the board is pursuing the following long-term goals and strategies:

- The arts are interwoven into every facet of community life
  - Develop strategic relationships and partnerships
- Minnesotans believe the arts are vital to who we are
  - Enhance public understanding of the value of the arts
- People of all ages, ethnicities, and abilities participate in the arts
  - Fully engage with nontraditional and underrepresented participants
  - Transform everyone’s life by experiencing the arts
- People trust Minnesota’s stewardship of public arts funding
  - Provide an accountable arts support system
  - Be responsible stewards of public funds
- The arts thrive in Minnesota
  - Foster visionary, skilled arts leaders and organizations statewide
  - Ensure sufficient resources to sustain the arts and artists
  - Serve as a clearinghouse of information on best practices and successful programs

## RESULTS

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Number of persons who benefit from funded activities	20,563,917	24,656,498	2008-09 biennium, 2016-17 biennium (a)
Quantity	Percent of Minnesotans who attend arts activities	67%	74%	Previous – 2001 Current - 2017 (b)

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of grant applications reviewed (top number) and grants awarded (bottom number)	1,901 1,308	3,929 2,429	Previous – 2009 Current - 2017 (c)

- a) Comparing the biennium just prior to creation of arts and cultural heritage fund to a recently completed biennium.
- b) Data source: Minnesota State Survey, University of Minnesota
- c) Comparing the fiscal year 2009 (just prior to creation of arts and cultural heritage fund) to a recently completed fiscal year 2017. Numbers are combined Arts Board and regional arts council applications and grants.

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The Arts Board’s authorizing statute is M. S. 129D.01-129D.05. (<https://www.revisor.mn.gov/statutes/?id=129D>).

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
1000 - General	7,502	7,575	7,464	7,610	7,541	7,541	8,241	7,541
2000 - Restrict Misc Special Revenue	3	19	5	3				
2301 - Arts & Cultural Heritage	26,621	30,510	26,993	32,409			32,861	33,696
2403 - Gift	40	39	40					
3000 - Federal	720	766	773	783	783	783	783	783
<b>Total</b>	<b>34,886</b>	<b>38,909</b>	<b>35,274</b>	<b>40,805</b>	<b>8,324</b>	<b>8,324</b>	<b>41,885</b>	<b>42,020</b>
Biennial Change				2,283		(59,431)		7,826
Biennial % Change				3		(78)		10
Governor's Change from Base								67,257
Governor's % Change from Base								404

**Expenditures by Program**

Arts Board	34,886	38,909	35,274	40,805	8,324	8,324	41,885	42,020
<b>Total</b>	<b>34,886</b>	<b>38,909</b>	<b>35,274</b>	<b>40,805</b>	<b>8,324</b>	<b>8,324</b>	<b>41,885</b>	<b>42,020</b>

**Expenditures by Category**

Compensation	1,220	1,374	1,414	1,578	549	558	1,535	1,569
Operating Expenses	618	731	721	1,104	378	369	32,296	32,380
Grants, Aids and Subsidies	32,901	36,783	33,088	38,123	7,397	7,397	8,054	8,071
Other Financial Transaction	147	20	50					
<b>Total</b>	<b>34,886</b>	<b>38,909</b>	<b>35,274</b>	<b>40,805</b>	<b>8,324</b>	<b>8,324</b>	<b>41,885</b>	<b>42,020</b>

**Full-Time Equivalent**

	17.04	18.29	18.36	19.53	5.75	5.75	18.75	18.75
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(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In		45		70				
Direct Appropriation	7,522	7,530	7,534	7,540	7,541	7,541	8,241	7,541
Cancellations		0						
Balance Forward Out	20		70					
<b>Expenditures</b>	<b>7,502</b>	<b>7,575</b>	<b>7,464</b>	<b>7,610</b>	<b>7,541</b>	<b>7,541</b>	<b>8,241</b>	<b>7,541</b>
Biennial Change in Expenditures				(3)		8		708
Biennial % Change in Expenditures				(0)		0		5
Governor's Change from Base								700
Governor's % Change from Base								5
Full-Time Equivalents	4.97	5.32	5.49	5.71	4.25	4.25	4.25	4.25

**2000 - Restrict Misc Special Revenue**

Balance Forward In	6	26	7	3				
Receipts	23	0	0					
Balance Forward Out	26	7	3					
<b>Expenditures</b>	<b>3</b>	<b>19</b>	<b>5</b>	<b>3</b>				
Biennial Change in Expenditures				(15)		(8)		(8)
Biennial % Change in Expenditures				(66)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.01	0.03						

**2301 - Arts & Cultural Heritage**

Balance Forward In	266	470	1,317	673				
Direct Appropriation	26,819	31,312	26,370	31,736	0	0	32,861	33,696
Transfers In			939					
Transfers Out			939					
Cancellations	31	16	21					
Balance Forward Out	432	1,257	674					
<b>Expenditures</b>	<b>26,621</b>	<b>30,510</b>	<b>26,993</b>	<b>32,409</b>			<b>32,861</b>	<b>33,696</b>
Biennial Change in Expenditures				2,271		(59,402)		7,155
Biennial % Change in Expenditures				4		(100)		12
Governor's Change from Base								66,557

**Arts Board**

**Agency Financing by Fund**

*(Dollars in Thousands)*

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Governor's % Change from Base								
Full-Time Equivalents	11.76	12.62	12.03	13.30			13.00	13.00

**2403 - Gift**

Balance Forward In	202	243	206	210	213	216	213	216
Receipts	81	2	43	3	3	3	3	3
Balance Forward Out	243	206	210	213	216	219	216	219
<b>Expenditures</b>	<b>40</b>	<b>39</b>	<b>40</b>					
Biennial Change in Expenditures				(40)		(40)		(40)
Biennial % Change in Expenditures				(50)				
Governor's Change from Base								0
Governor's % Change from Base								

**3000 - Federal**

Receipts	720	766	773	783	783	783	783	783
<b>Expenditures</b>	<b>720</b>	<b>766</b>	<b>773</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>783</b>
Biennial Change in Expenditures				70		10		10
Biennial % Change in Expenditures				5		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.30	0.32	0.84	0.52	1.50	1.50	1.50	1.50

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
FY2019 Appropriations	7,540	7,540	7,540	15,080
Base Adjustments				
Pension Allocation		1	1	2
Forecast Base	7,540	7,541	7,541	15,082
Change Items				
Office Relocation		700		700
<b>Total Governor's Recommendations</b>	<b>7,540</b>	<b>8,241</b>	<b>7,541</b>	<b>15,782</b>
<b>Fund: 2301 - Arts &amp; Cultural Heritage</b>				
FY2019 Appropriations	31,736	31,736	31,736	63,472
Base Adjustments				
One-Time Legacy Fund Appropriations		(31,736)	(31,736)	(63,472)
Forecast Base	31,736	0	0	0
Change Items				
Arts & Cultural Heritage Legacy Fund Appropriation		32,861	33,696	66,557
<b>Total Governor's Recommendations</b>	<b>31,736</b>	<b>32,861</b>	<b>33,696</b>	<b>66,557</b>
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Planned Spending	3			
Forecast Base	3			
<b>Total Governor's Recommendations</b>	<b>3</b>			
<b>Fund: 3000 - Federal</b>				
Planned Spending	783	783	783	1,566
Forecast Base	783	783	783	1,566
<b>Total Governor's Recommendations</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>1,566</b>
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 2403 - Gift</b>				
Forecast Revenues	3	3	3	6
<b>Total Governor's Recommendations</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>6</b>
<b>Fund: 3000 - Federal</b>				
Forecast Revenues	783	783	783	1,566



*(Dollars in Thousands)*

	FY19	FY20	FY21	Biennium 2020-21
<b>Total Governor's Recommendations</b>	<b>783</b>	<b>783</b>	<b>783</b>	<b>1,566</b>

# Minnesota State Arts Board

## FY 2020-21 Biennial Budget Change Item

### Change Item Title: Office Relocation

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	700	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	700	0	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends \$700 thousand in FY 2020 for one-time relocation costs for the Minnesota State Arts Board.

### Rationale/Background:

The Board has been in its current office location since 1995. On August 21, 2017, the Board was notified by its landlord that it would not be able to renew its current lease because the building is going to be repurposed. The Board's lease expires on October 31, 2019. Since receiving the notification, the Board has been working with the Department of Administration's Real Estate and Construction Services division to identify suitable office spaces and estimate the cost of relocating.

### Proposal:

The Governor recommends one-time funding for the Board's relocation expenses, which includes building out the new space, modular workstations, IT and equipment installation, moving costs, and other administrative costs.

### Equity and Inclusion:

The Board's primary function is grant making, and it also manages the state's Percent for Art in Public Place program (MS 16B.35). The Board reviews grant applications, artist qualifications, and project proposals in open, public meetings. The Board holds approximately 100 days of public meetings per year, and a space that is visible, safe, and accessible to all Minnesotans is vital. Proximity to public transportation and free or inexpensive parking will be key for low income constituents. A location that meets (or exceeds) ADA requirements will be necessary to allow persons with disabilities full access to the board.

### IT Related Proposals:

N/A

### Results:

This proposal is intended to allow the Board to continue to provide current levels of service and information to the public.

### Statutory Change(s):

N/A

# Minnesota State Arts Board

## FY 2020-21 Biennial Budget Change Item

### Change Item Title: Arts & Cultural Heritage Legacy Fund Appropriation

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	32,861	33,696	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	32,861	33,696	0	0
<b>FTEs</b>	<b>13.0</b>	<b>13.0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends an appropriation of \$66.557 million to the agency for the FY 2020-2021 biennium from the state’s dedicated arts and cultural heritage fund. This is in keeping with current law which states “At least 47 percent of the money deposited in the arts and cultural heritage fund must be for grants and services awarded through the Minnesota State Art Board, or regional arts councils subject to appropriation.” (Minnesota Statutes 129D.17, subd 4.)

### Rationale/Background:

The Arts Board is a state agency; its statutory charge is to “stimulate and encourage the creation, performance and appreciation of the arts in the state.” It also serves as the fiscal agent for a system of eleven regional arts councils. Together, the board and councils serve as an effective mechanism to assess the arts needs of the state, and provide funding and services to best meet those needs.

Funds appropriated from the arts and cultural heritage fund are used to help achieve the following outcomes:

- The arts are interwoven into every facet of community life.
- People of all ages, ethnicities, and abilities participate in the arts.
- People trust Minnesota’s stewardship of public arts funding.
- The arts thrive in Minnesota.

The Arts Board has received an appropriation from the arts and cultural heritage fund each year since its creation in FY 2010. With those funds, there has been a positive trend in each of the goal areas, however significant work remains to be done to achieve them.

### Proposal:

The Arts Board and regional arts councils’ core business is grant making. Rather than investing funds in only a few communities or regions, or a small number of artists, arts organizations, or arts programs, the Arts Board and regional arts council system is designed to ensure that there is investment in every county of the state and in thousands of artists, arts organizations, and arts activities each year. This structure, and broad investment through it, is intentional. Because its long term goals are statewide, with the intent that all Minnesotans will be served, a broad strategy and mechanism will best help turn the curve.

At the moment, the Arts Board is able to measure the number of applicants that can be funded (i.e., how many investments can be made), and the number of persons who are served by the funded activities (i.e., impact). Each year, the number of requests, and dollars requested, far surpass the funds available.

**Equity and Inclusion:**

N/A

**IT Related Proposals:**

N/A

**Results:**

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of persons who benefit from funded activities	20,563,917	24,656,498	2008-09 biennium, 2016-17 biennium (a)
Quantity	Percent of Minnesotans who attend arts activities	67%	74%	Previous: 2001 Current: 2017 (b)
Quantity	Number of grant applications reviewed (top number) and grants awarded (bottom number)	1,901 1,308	3,929 2,429	Previous: 2009 Current: 2017 (c)

- a) Comparing the biennium just prior to creation of arts and cultural heritage fund to a recently completed biennium.
- b) Data source: Minnesota State Survey, University of Minnesota
- c) Comparing the fiscal year just prior to creation of arts and cultural heritage fund to a recently completed fiscal year

**Statutory Change(s):**

N/A

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
National Endowment for the Arts 45.025	Partnership Agreement-To stimulate and encourage the creation, performance, and appreciation of the arts in the state.		773	783	783	783	Yes	1.5
<b>Federal Fund – Agency Total</b>			<b>773</b>	<b>783</b>	<b>783</b>	<b>783</b>		<b>1.5</b>

**Narrative**

The Minnesota State Arts Board receives federal support in the form of an annual State Partnership grant from the National Endowment for the Arts (NEA). NEA dollars are restricted to the following three purposes:

- Arts in education – the Arts Board must use these funds to support arts activities in schools and/or developmental programs to make arts in education programs more accessible or successful. Minnesota school children, teachers, school districts, parents, and communities benefit directly from these grants. Teaching artists also benefit from developmental programs that enhance their skills and expand their professional capacity.
- Underserved – the Arts Board must use these funds to support arts experiences for individuals/groups/areas that traditionally have fewer opportunities to participate in the arts. In Minnesota, this includes individuals/communities in greater Minnesota, artists/arts organizations based in communities of color, and arts activities that involve persons with disabilities and/or older adults.
- State basic grant – the Arts Board is free to use these funds as it sees fit to help achieve its vision – that all Minnesotans should have the opportunity to participate in the arts.

The National Endowment for the Arts requires a one-to-one cash match. The Arts Board must receive state funding in order to qualify for NEA funding.

As long as Congress continues to fund the National Endowment for the Arts, support from the NEA to the Arts Board will be forthcoming each year. The NEA is required to pass at least 40 percent of its annual support from Congress on to states in the form of State Partnership (block) grants. The block grants are determined by a formula, predominantly based on population.