

1900.2245 ADDITIONAL REQUIREMENTS AND PROCESSES FOR OPERATING SUPPORT PROGRAM.

Subpart 1. Definitions.

A. "Charitable arts support" means:

(1) unrestricted revenue, including contributions and donations from foundations, corporations, businesses, and individuals that are tax deductible by the donor;

(2) the proceeds from benefits, special events, and memberships that are tax deductible by the donor;

(3) contributed support from a nonprofit organization or governmental host organization to its arts affiliate; and

(4) grants from government entities.

For the purposes of the operating support program, charitable arts support does not include Arts Board operating support funds or in-kind contributions or revenue associated with gaming.

B. "Presenter" or "presenting organization" means an arts organization or arts affiliate whose work consists of engaging in presenting activities as defined in part 1900.0310, subpart 14.

C. "Producer" or "producing organization" means an arts organization or arts affiliate that is primarily engaged in conceiving or creating artistic work, and in assembling the artistic elements of its productions, performances, or exhibitions.

D. "Qualifying expenses" means unrestricted expenses, but does not include in-kind expenses, nonoperating expenses, nonarts expenses, or Arts Board operating support funds.

Subp. 2. Purpose of program.

A. The operating support program provides general operating support to high quality, established arts organizations that produce, present, or exhibit works of art; to organizations that provide a broad range of services to artists; and to community arts schools and conservatories that make arts learning available to Minnesotans of all ages and abilities.

B. The operating support program recognizes that organizations with an established record of programmatic service and administrative stability should have access to funds to support organizational goals and objectives, and to maintain ongoing programs, services, and facilities without special emphasis on new initiatives as justification for funding.

Subp. 3. **Additional eligibility requirements.** Operating support applicants must meet the additional eligibility requirements in items A to C.

A. The applicant must be an arts organization or affiliate as defined in part 1900.0310 and also must be one or more of the following:

- (1) an arts producer;
- (2) an arts presenter;
- (3) a community arts school and conservatory; or
- (4) an artist service organization.

B. The applicant must:

(1) be physically located in Minnesota, and produce the majority of its programming in Minnesota, primarily for Minnesotans;

(2) have been in existence, actively providing arts programming or services for at least two consecutive years before applying for operating support for the first time; and

(3) meet the average qualifying expense and charitable arts support requirements printed in the most current program materials. These levels shall be calculated and adjusted in the even year of the biennium, based on the rate of change reflected by a professionally acknowledged economic indicator or index such as the Consumer Price Index.

C. The following are not eligible to receive Arts Board operating support funding:

(1) any state agency, public institution, or nonprofit organization that receives a legislative appropriation or legislatively mandated grant from the Minnesota's arts and cultural heritage fund is not eligible to receive an Arts Board operating support grant for the same fiscal year that it receives the appropriation or legislatively mandated grant;

(2) any project, program, or division housed within or affiliated with a state agency, public institution, or nonprofit organization that receives a legislative appropriation or legislatively mandated grant from the Minnesota's arts and cultural heritage fund is not eligible to receive an Arts Board operating support grant for the same fiscal year that it receives the legislative appropriation or legislatively mandated grant;

(3) an affiliate and its host institution may not both receive funding in the operating support program. However, more than one affiliate of the same host institution may receive contemporaneous funding; and

(4) two separate organizations whose work supports or is based upon the same artists or arts programming may not both receive funding in the operating support program.

Subp. 4. **Uses of grants.** Operating support grants that include arts and cultural heritage funds may only be used:

A. to produce, present, or offer programs, projects, services, or activities in the arts, arts education, or arts access, and to preserve Minnesota's history and cultural heritage;

B. to support programs, projects, services, or activities that take place within Minnesota;

C. to support programs, projects, services, or activities for which measurable outcomes have been established;

D. to supplement and not substitute for traditional sources of funding; or

E. to underwrite only those administrative, indirect, or institutional overhead costs that are directly related to and necessary for the funded programs or activities.

Subp. 5. **Criteria used by advisory panel and board to make grants.** Applications in full review under subpart 7 shall be reviewed by an advisory panel which shall make recommendations to the board based on the degree to which the advisory panel finds that the applicant meets the criteria in items A to E. Applications in interim review under subpart 7 shall be reviewed by Arts Board staff using the same criteria.

A. Artistic excellence and leadership that must, at a minimum, be demonstrated by the following:

(1) high quality activities that achieve a distinct artistic vision that is consistent with the applicant's stated mission;

(2) activities that allow the art form and artist to develop; and

(3) qualifications and achievements of artists and artistic leadership.

B. Management and fiscal responsibility that must, at a minimum, be demonstrated by the following:

(1) organizational and fiscal stability; and

(2) evidence of an ongoing ability to achieve measurable outcomes.

C. Inclusive public engagement that must, at a minimum, be demonstrated by the following:

(1) diversity of the board, staff, and participants; and

(2) evidence of efforts to reach underserved communities and steps taken to mitigate any barriers to participation.

D. Benefit to the public that must, at a minimum, be demonstrated by the following:

- (1) a commitment to education and outreach to enhance quality of life in Minnesota;
- (2) activities that help make the arts a vital part of community life; and
- (3) activities that help achieve other shared public goals.

E. Assessment and evaluation that must, at a minimum, be demonstrated by the following:

- (1) an effective self-evaluation plan that measures outcomes, the organization's progress towards goals, and the strength of its programs and operations; and
- (2) evidence that self-evaluation is used to shape the organization's plans and activities.

Subp. 6. **Merit funding.** Applicants who have met all review criteria in subpart 5 may be eligible for additional merit funding if the review panel finds that the applicant has exceeded program expectations. Applicants shall be scored by an advisory panel based on the degree to which the applicant exceeds review criteria, and available merit funds, if any, shall be distributed based on scores.

Subp. 7. **Multiyear funding.** The operating support program shall use a four-year grant cycle. For each grant cycle, applicants shall undergo a full application review according to the processes in subpart 8. Each year after the full review, an abbreviated interim application and Arts Board staff review shall take place to ensure the applicant's continued compliance with program criteria.

Subp. 8. **Additional processes.** In addition to the completion of all application materials, applicant funding shall be contingent upon the following:

A. during full and interim review, a representative of the Arts Board shall attend a performance, exhibition, or other artistic activities of the applicant and shall complete a report, which the advisory panel or staff shall use in its assessments of the artistic quality of the applicant's activities;

B. during full review, between the application deadline and advisory panel meeting, applicants shall have an administrative visit from a staff member and advisory panel member who shall ask questions raised by the application and receive any updates from the applicants. An oral report on the administrative visit shall be presented to the advisory panel; and

C. monitoring visits review the grantee's progress towards outcomes, gauge the ongoing success and impact of the applicant's activities, and identify any issues or

challenges the applicant may be facing. Monitoring visits shall be scheduled in advance and may or may not be combined with an artistic or administrative visit.

Subp. 9. **Dollar amount of grants.** The minimum and maximum amounts for grant awards and any matching funds requirements for the operating support program shall be determined by the board based upon available resources and published in current program information.

Statutory Authority: *MS s 129D.04*

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