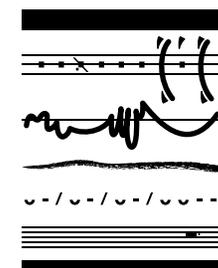




# Arts

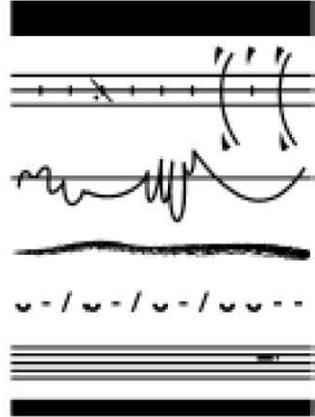
A Minnesota **Center** of Excellence



MINNESOTA  
STATE ARTS BOARD

**Budget Presentation**  
Fiscal Years 2006 - 2007

February 2005



**MINNESOTA**  
STATE ARTS BOARD

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*The programs and activities of the  
Minnesota State Arts Board do not discriminate  
on the basis of race, national heritage,  
color, sex, age, religion, sexual orientation  
disability in admission, access, or employment.*

## Arts: a Minnesota center of excellence

When the Children’s Theatre Company wins a Tony Award, the Minnesota Orchestra and Saint Paul Chamber Orchestra tour in Europe or Asia, the Guthrie Theater participates in the largest Shakespeare tour in American history, or the Minneapolis Institute of Arts hosts a major exhibition from an international museum, they bring Minnesota visibility and prestige, and give our state national and international acclaim.

Minnesota is home to one of the country’s most dynamic literary communities. We are recognized internationally as a leader in choral music. Very few states enjoy the range and quality of theater that we do—from classical to experimental. Our performing facilities are world class. In every corner of the state, Minnesotans experience and appreciate exceptional theater, visual arts, dance, music, and literature.

- Minnesota has long been recognized as a national leader in the arts. Our arts sector is regularly compared with New York, Illinois, and California. The arts are a distinctive Minnesota asset. They have helped create a favorable image, and a creative “brand” for our state.
  - In per capita ranking, the Minneapolis-Saint Paul metropolitan region ranks eleventh in the country in number of arts-related businesses, institutions, and organizations. The Twin Cities ranked lower than Seattle, San Francisco, New York, and Los Angeles, but **higher** than Boston, Washington-Baltimore, Philadelphia, and Chicago.
  - Arts didn’t become a Minnesota center of excellence by chance, but because of a long-term, successful public-private partnership that has nurtured and developed a highly sophisticated arts infrastructure for decades.
  - Minnesota’s public arts funding system (consisting of the Arts Board and eleven regional arts councils) is a model for the country. We were the second state in the nation to develop a decentralized public system, one that ensures that arts support and services are available to citizens in **all 87 Minnesota counties**. This system has been in place for thirty years, and has helped build one of the strongest arts sectors in the country.

“Thriving cultural life generates income, jobs, and tax revenue, and it also creates visibility for a state.”  
National Governors’ Association

## Minnesotans value the arts

Research tells us that Minnesotans, in every county and community of the state, care about the arts. They believe the arts are valuable in their own lives, their children's lives, and their communities:

- 95 %** of Minnesotans believe the arts are an important or essential part of the overall education of Minnesota children (e.g., classes in music, writing, dance, visual art, and drama)
- 94 %** of Minnesotans believe that arts and cultural activities help to make Minnesota an attractive place to live and work
- 91 %** of metro residents believe that performing arts help preserve and share cultural heritage
- 86 %** of metro residents believe that performing arts promote understanding of other people and a different way of life
- 86 %** of metro residents believe that the arts are a source of pride for those in the community

**Minnesota State Arts Board and regional arts council funded activities served a combined audience of more than 20 million children and adults during the FY 2002-03 biennium.**

- 82 %** of Minnesotans believe public funding for arts and cultural activities help to make them affordable and accessible to all Minnesotans
- 73 %** of metro residents attended a live performing arts (dance, theater, music) event in the past twelve months
- 67 %** of Minnesotans attended an arts activity (at a theater, auditorium, concert hall, museum, gallery) within the past year
- 60 %** of Minnesotans are involved in the arts, by doing some creative activity like singing in a choir, doing woodworking or needlepoint, writing poetry, or painting in their every day lives

Sources:  
Minnesota State Survey, Center for Survey Research, University of Minnesota;  
Performing Arts Research Coalition, The Urban Institute

## Arts help Minnesota achieve important public goals

First and foremost, the purpose of the arts is to inspire, enlighten, connect, and challenge individuals. They give us new and different experiences, and help us understand and imagine the world from another person's point of view.

Beyond their essential purpose, the arts also produce tremendous secondary benefits that help Minnesota achieve many of its most important public goals.

"We believe that art can have an ennobling and uplifting effect on citizens. We believe, therefore, that it is appropriate for tax dollars to be used to support the arts."

*Minnesota Policy Blueprint*  
Center of the American Experiment

- **Academic achievement**
- **Economic development**
- **Employment / workforce development**
- **Stronger communities**

## Academic achievement

Research shows that children who study the arts demonstrate stronger overall academic performance. Arts can be especially helpful to nontraditional learners or at-risk students. These “problem” students often become high-achievers in arts learning settings; this success becomes a bridge to learning in other areas.

- Learning through the arts has significant effects on learning in other disciplines. Students consistently involved in music and theater show higher levels of success in mathematics and reading.
- In a national sample of 25,000 students, those with high levels of arts learning experiences earned higher grades and scored better on standardized tests than those with little or no involvement in the arts, regardless of socioeconomic status. In fact, researchers found that high arts participation has a more profound effect on the academic performance of students from low-income backgrounds than it does on high-income students.
- Disadvantaged youth involved in after-school arts related programs did better in school than disadvantaged youth involved in after-school sports or community involvement programs.
- Students of the arts continue to outperform their nonarts peers on the SAT tests. In 2001, those with music performance coursework scored 57 points higher on the verbal portion of the test and 41 points higher on the math portion.

“ ... the relationship between arts integration and student achievement was more powerful for disadvantaged learners, the group of students that teachers must reach to close the achievement gap.”

Center for Applied Research  
& Educational Improvement,  
University of Minnesota

“For both the important knowledge and skills they impart and the ways in which they help students to succeed in school and in life, the arts are an important part of a complete education.”

Rod Paige, U. S. Secretary of Education  
July 2004 letter to U. S. superintendents

- An 11-year national study that examined youth in low-income neighborhoods found that those who participated in arts programs were much more likely to be high academic achievers, be elected to class office, participate in a math and science fair, and win an award for writing an essay or poem.
- For young people who are at risk of delinquency, school failure, substance abuse, teen pregnancy and other problems, involvement in the arts can improve academic performance, reduce school truancy, provide positive outlets and build new skills that give them a chance at a better life.
- Brain research shows that the stimuli provided by the arts—pictures, songs, movement, play acting—are essential for the young child to develop to the fullest potential. These activities are the “languages” of the child, the multiple ways in which he or she understands and interprets the world. They pave the way for the child’s success in learning to read and to write.

## Economic development

The arts attract businesses, visitors and new residents, and encourage consumer spending, all of which result in increased tax revenues. Cultural offerings enhance the market appeal of an area, encouraging business relocation and generation of new jobs.

- The arts in Minnesota have over \$1 billion in economic impact annually.
- There are over 30,000 artists in the state of Minnesota and more than 1,600 arts organizations.
- Attendees at nonprofit arts events spend an average of \$22.87 per person, not including the price of admission, e.g. on restaurants, parking, hotels, etc.
- In Minneapolis, arts organizations spend \$171 million; audience spending adds another \$98 million for total arts-related spending of \$269 million.
- In Saint Cloud, arts organizations spend \$4 million; arts audiences spend another \$5.8 million for total arts-related spending of \$9.8 million.
- The Reif Center generates \$1.3 million for the Grand Rapids economy.

“Cultural activities attract tourists and spur the creation of ancillary facilities such as restaurants, hotels, and the services needed to support them. Cultural facilities and events enhance property values, tax resources, and overall profitability for communities”

National Governors Association

- Cultural or heritage tourism is one of the fastest growing tourism segments in the world.
- The arts also drive tourism in Minnesota, an increasingly important growth industry for our state. Travelers who come from other areas for arts-related tourism tend to take longer trips and spend more money (\$631 per trip) than the average U. S. traveler (\$457). These cultural tourists are more likely to fly; participate in more activities while traveling; and stay more often in hotels, motels, and bed and breakfast establishments.
- Five of Minnesota’s top tourist attractions are arts organizations: Children’s Theatre Company, Guthrie Theater, Orchestra Hall, Ordway Center for the Performing Arts, and the Walker Art Center.
- A recent analysis of Dun & Bradstreet data found that creative industries (for profit and nonprofit museums/collections; performing arts; visual/photography/film, radio, TV; design/publishing; arts schools/services) are an important international export industry for the United States—estimated at \$30 billion annually. The creative industries provide the essential fuel that drives the “information economy”—the fastest growing segment of the nation’s economy.

“In a newly competitive world, public investments in culture have become as important as those in manufacturing, farming and other more conventional economic developments. Enhancing Minnesota’s artistic mass...will pay off for generations of Minnesotans to come.”

*Minneapolis Star Tribune*

## Employment / workforce development

Creativity will be one of the most important characteristics of the jobs and the workforce of the future. Arts experiences fuel the imagination and help produce the dynamic, talented workers and companies our economy needs.

- The Minnesota Department of Employment and Economic Development projects that, between 2000 and 2010, employment in the art, design, entertainment, sports, and media occupational groups is expected to grow by 18.1 percent—or over 7,200 jobs—compared to a projected 13.1 percent employment increase in overall jobs statewide.
- Support of the arts is a workforce issue for companies—the arts develop the kind of thinker and manager that businesses must have more of if they are to remain competitive in the global marketplace.
- Arts education aids achievement of “core competencies” needed for employment such as thinking creatively, problem solving, exercising individual responsibility, sociability, and self-esteem.
- Workers with arts-related skills are critical to the industries of the new economy: software development and web design; advertising firms; automobile design companies; architectural and engineering firms; and other fields seeking employees with high-level communication, computer, and creative problem solving abilities.
- The Minneapolis-Saint Paul metropolitan area ranks in the top 10 on Carnegie Mellon researcher Richard Florida’s “Bohemia Index” (a sum of people with creative occupations). The index shows a correlation between areas that rank high in artistic and cultural amenities, high in human capital, and high in technology industries. According to Florida, “A bohemian presence in an area helps establish an environment that attracts other talented or high human capital individuals. The presence of such human capital in a region in turn attracts and generates innovative, technology-based industries.”
- Artists are a resource for companies. They are the talent that helps a business design a better product (designers), write better manuals for workers and consumers (writers), solve management problems through simulation techniques (actors), and prepare better marketing materials (painters, photographers, writers).
- A recent Yale Medical School study showed that students who had taken an art appreciation course scored noticeably better in analyzing patient symptoms than did the test group that did not take the arts course.
- A KPMG survey of more than 1,200 high-tech workers examined the most important factors associated with taking a new job. “Community quality-of-life” was the second most important factor—after salary—and more important than benefits, stock options, or company stability.
- Quality of life in the community increases the attractiveness of a job by 33 percent for young knowledge workers.
- Babson College integrates the arts into its MBA curriculum. For more than a decade, *U. S. News and World Report* has ranked its entrepreneurship program number one in the country.

“...growth occurs in communities because they’ve got the kind of attributes—an innovative music scene, perhaps, or a vital community of creative artists, and an environment that encourages innovation and risk-taking—that attract the kinds of creative people companies need to prosper.”  
“Mysteries of Urban Momentum”  
*Governing*, April 2002

## Stronger communities

Arts bring people together. Residents of a community understand their new immigrant neighbors better after seeing a traditional play. 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 an annual arts festival. Artists and arts participation build social capital—the social bonds and civic engagement needed in a healthy, thriving society.

- Small arts towns like Grand Marais, Fergus Falls, Grand Rapids, New York Mills, and Lanesboro have revived their town centers and reinvented themselves through increased commitment to the arts.
- Artists and arts organizations help address the state’s need for low-income housing in the Twin Cities, Fergus Falls, Saint Cloud, Grand Marais, and other greater Minnesota communities. Average family income for artists in live/work developments in the Twin Cities is less than 60 percent of the area median family income.
- *Child* magazine ranked the Twin Cities third on its list of the top ten best cities to raise kids, partially on the strength of the availability of arts programming and museums.

“Exposure to world culture is extremely limited to the people of this region, outside of television...ChuChumbe (Mexico) and the Bamboo Orchestra (Japan) brought their world to us.

Over 3,500 students’ lives were touched by these foreign performers. Language was not a barrier as students were brought forward to play instruments with, and as part of, the bands...The children don’t see borders or prejudice, but people. Because of this kind of arts programming, the great big world outside the Fairmont area got smaller.”

Michael Burgraff, executive director  
Fairmont Opera House

“Children whose hearts and minds are nourished and challenged in wholesome ways—such as by art, dance, theater, and sports—are much less likely to succumb to the lure of crime.”

Richard Romley  
Maricopa County district attorney

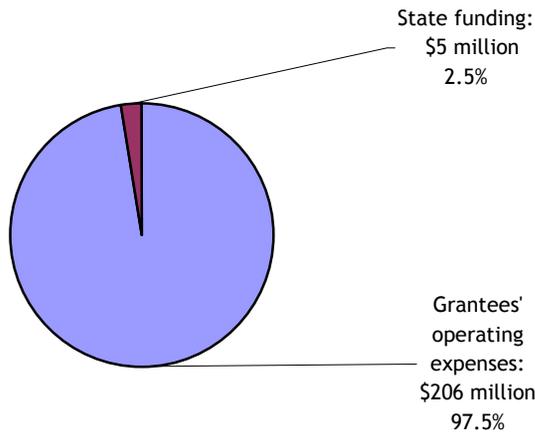
- For seven years running, Morgan Quitno Press named Minnesota the most livable state in the nation, due in part to our citizens’ access to the arts.
- Artists are catalysts for civic engagement. They are leaders in community causes, youth development, neighborhood activities.
- 62 percent of the artists in a community spend between one and four hours per week volunteering or performing community service, and another 18 percent spent between five and ten hours per week.
- Performing arts attendees in the Twin Cities are an active segment of the metro population, frequently participating in both arts and nonarts activities.
- Arts attendees go to the polls more often than the general public. 90 percent of Twin Cities performing arts attendees vote regularly.

**State arts funding ...  
a modest, but VITAL investment**

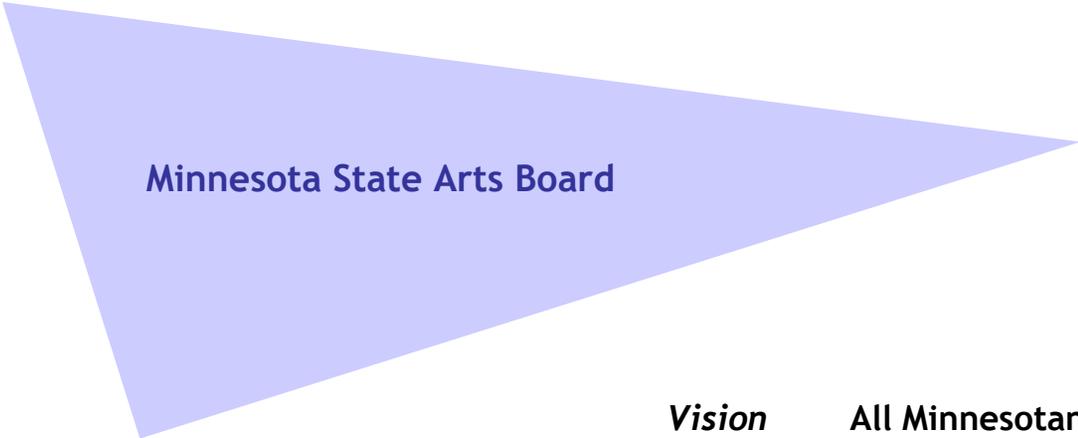
**In FY 2002-03 state arts funding was \$25.3 million**

**In FY 2004-05 state arts funding was reduced to \$17.2 million**

**FY 2004 Inst / Pres Support  
State funding as a percentage of  
total operating expenses**



- Despite Minnesota's national reputation as an arts center, Minnesota was one of only nine states in the country that reduced arts funding more than 30 percent for FY 2004-05. The median change in other states was less than 10 percent.
- While the projected state deficit for FY 2004-05 was approximately 15 percent of the overall state general fund budget, arts funding was cut 32 percent.
- The governor's proposed FY 2006-07 biennial appropriation for the arts, \$17.2 million, is 0.06% (six one hundredths of one percent) of the state's \$ 29.6 billion biennial general fund budget.
- In the Minnesota State Arts Board's two largest grant programs (Institutional Support and Institutional Presenter Support), state funding represented an average of 2.5 percent of the organizations' total operating expenses for fiscal year 2004.



## Minnesota State Arts Board

***Vision*** All Minnesotans have the opportunity to participate in the arts

### ***Mission***

The Minnesota State Arts Board:

- Serves as a leading catalyst for creating a healthy environment for the arts that fosters broad public participation in, and support for, the arts in Minnesota.
- Promotes artistic excellence and preserves the diverse cultural heritage of the people of Minnesota through its support of artists and organizations.
- Acts as a responsible steward of the public trust.
- Works with the statewide network of regional arts councils to ensure accessibility to arts activities for all Minnesotans.

### ***Goals***

- Increase the level of support needed to sustain and grow a healthy arts community
- Ensure that public services and grants are delivered effectively throughout the statewide arts system
- Serve as a leader, promoting the value of the arts to Minnesota's quality of life
- Support increased access and opportunities in arts education

## Primary issues / needs for the coming biennium

- *Increasing demand for arts funding.* In 2002-2003, the Arts Board was able to fund only 40 percent of the grant applications it received.
- *Maintaining a stable level of support for Minnesota's arts organizations.* Arts organizations are in a difficult financial situation. Their three primary sources of revenue—public support, private contributions, and earned income all took steep negative turns at roughly the same time. The ongoing weakness in the economy makes balancing the budget a challenging task.
- *Arts education/arts in the schools.* As public schools face their own budget crises, arts in education programs and the number of arts teachers and specialists are being drastically reduced.
- *Touring.* Many communities do not have the resources to support their own an orchestra, theater, or dance company, yet residents want access to those activities. Touring support enables Minnesota communities to share cultural treasures with one another.
- *Financial and technical support for individual artists.* Individual artists are sole-proprietor business. They need financial support, but also need technical assistance to build their capacity in marketing, fundraising, and financial management.
- *Expand use of technology.* The demand for Arts Board services continues to grow, but its resources to reach individuals and organizations throughout the state are extremely limited. It needs to further develop its capacity to utilize more cost-effective technology tools.

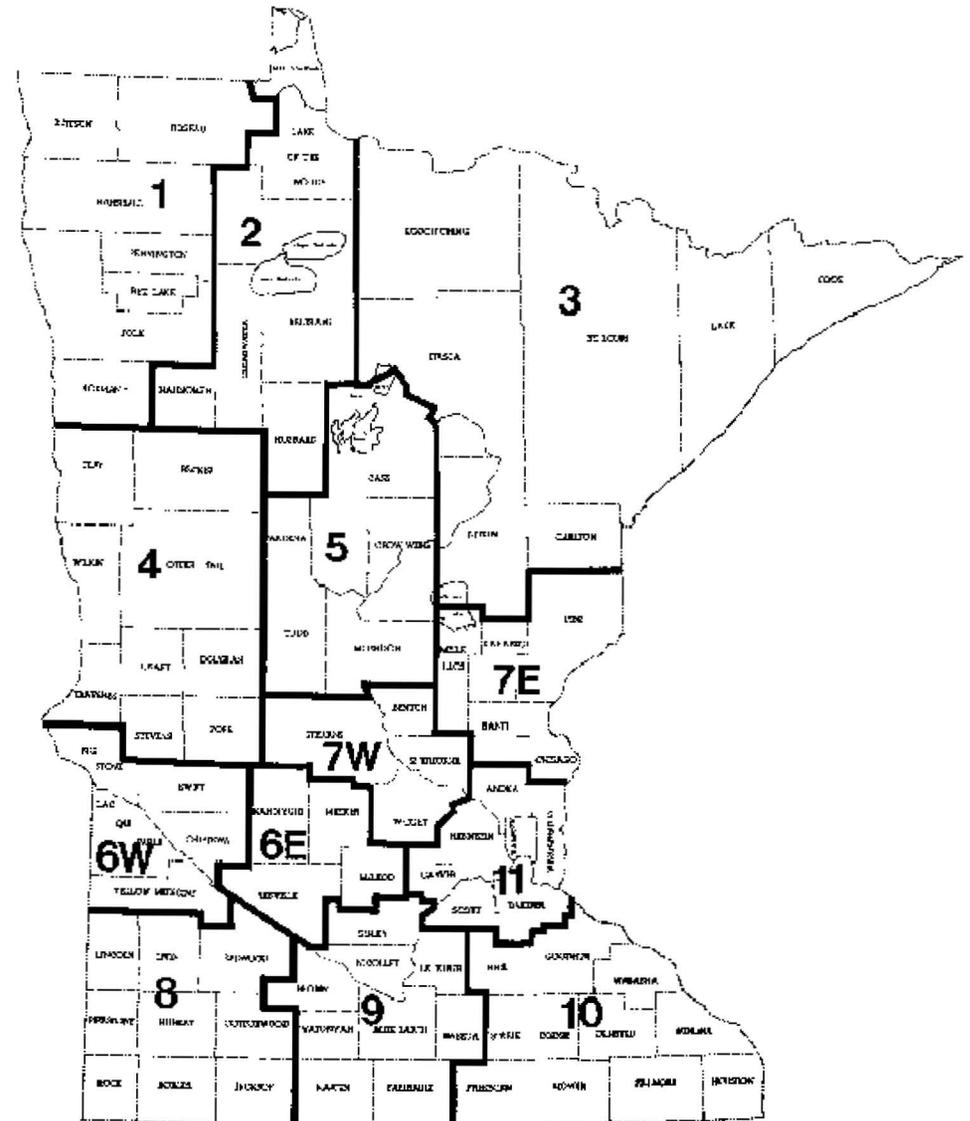
## Minnesota State Arts Board members

The board is made up of eleven citizens, appointed by the governor. There is one representative from each congressional district and three members who represent the state at large.

First district	Jane Belau, Rochester
Second district	Diana Lewis, Sunfish Lake
Third district	Chris Osgood, Minnetonka
Fourth district	Matthew Anderson, White Bear Lake (vice chair)
Fifth district	Ellen McInnis, Robbinsdale
Sixth district	Pamela Perri Weaver, Anoka (chair)
Seventh district	Corey Elmer, Moorhead
Eighth district	William Miller, Duluth (treasurer)
At large representatives	Sarah Caruso, Hopkins Yvonne Condell, Moorhead (officer at large) Edward Oliver, Deephaven (secretary)

## Minnesota's regional arts councils

- Northwest Regional Arts Council (region 1), Warren**  
(218) 745-6733; [www.nwrdc.org/arts.htm](http://www.nwrdc.org/arts.htm)
- Region 2 Arts Council (region 2), Bemidji**  
(218) 751-5447; (800) 275-5447; [www.r2arts.org](http://www.r2arts.org)
- Arrowhead Regional Arts Council (region 3), Duluth**  
(218) 722-0952; (800) 569-8134; [www.aracouncil.org](http://www.aracouncil.org)
- Lake Region Arts Council (region 4), Fergus Falls**  
(218) 739-5780; (800) 262-2787; [www.charterinternet.com/lrac4](http://www.charterinternet.com/lrac4)
- Five Wings Arts Council (region 5), Staples**  
(218) 894-5485; [www.fwac.org](http://www.fwac.org)
- Southwest Minnesota Arts and Humanities Council**  
(regions 6E, 6W, 8), Marshall  
(507) 537-1471; (800) 622-5284; [www.smahc.org](http://www.smahc.org)
- East Central Arts Council (region 7E), Mora**  
(320) 679-4065; [www.region7erdc.org](http://www.region7erdc.org)
- Central Minnesota Arts Board (region 7W), Elk River**  
(763) 241-9517; [www.centralmnartsboard.org](http://www.centralmnartsboard.org)
- Prairie Lakes Regional Arts Council (region 9), Waseca**  
(507) 833-8721; (800) 298-1254; [www.plrac.org](http://www.plrac.org)
- Southeastern Minnesota Arts Council (region 10), Rochester**  
(507) 281-4848; [www.semac.org](http://www.semac.org)
- Metropolitan Regional Arts Council (region 11), Saint Paul**  
(651) 645-0402; [www.mrac.org](http://www.mrac.org)



## Regional Arts Councils' impact

Minnesota has a unique, decentralized structure for supporting and promoting the arts. This system of eleven regional arts councils was established to be an effective means to distribute arts funds throughout the state so that all citizens could have access to arts in their own communities. Each year, the regional arts councils contribute to the state of Minnesota and its citizens by:

- Increasing the quality of local art production and regional touring activities
- Providing on-site professional and technical services to individuals and organizations
- Generating increased private and public funding for the arts at the regional and community levels
- Encouraging production or sponsorship in areas with little arts activity
- Enhancing the capabilities of local arts organizations, enabling them to develop further both professionally and artistically
- Effectively distributing arts funds to every corner of the state
- Spearheading arts related economic community development efforts in small and rural communities
- Generating a positive impact on the local economy and tourism industry through arts projects
- Enabling citizens to participate in arts activities that would otherwise be unavailable
- Providing a way for communities to work together on local projects, giving people pride in their hometowns and cities

## Primary issues / needs for the coming biennium

As the regional arts councils work to ensure that artists and arts organizations throughout the state are served, the following factors are shaping the development of their programs and services:

- *Increasing demand for arts funding.* As arts activities and organizations grow in greater Minnesota, the need for contributed income grows as well. In many areas of the state, the regional arts council is the primary source of arts funding available.
- *Organizational stability and capacity for current grantees.* Smaller arts organizations desperately need general operating support and more significant project support.
- *Technical assistance and direct program services.* Because community based arts organizations are predominantly managed by volunteers, there is a great need for professional marketing, technical assistance, and training that is not readily available.
- *Greater support for individual artists.* Opportunities for individual artists are vanishing, forcing artists to migrate to other states that offer more chances for employment, visibility, and collaboration.
- *The need for arts facility restoration in greater Minnesota.* Regional arts councils have planned to provide one-time opportunities for arts facility renovation and upgrade in greater Minnesota, but funding is not currently available.

**FY 2002 - 2003  
Audiences served  
Dollars requested and granted**

**Audiences**

**Regional Arts Councils**

Adults	3,052,733
Children	1,212,458
Artists	59,823

**Arts Board**

Adults	11,560,885
Children	5,028,346
Artists	127,891

**Combined**

**21,042,136**

<b><u>Requests and grants</u></b>	<b><u>Dollar amount</u></b>	<b><u>%</u></b>
<b>Regional Arts Councils</b>		
Dollars requested	\$ 8,852,038	
Dollars granted	\$ 5,226,822	59 %
<b>Minnesota State Arts Board</b>		
Dollars requested	\$ 31,524,427	
Dollars granted	\$ 17,085,715	54 %
<b>Combined</b>		
Dollars requested	\$ 40,376,465	
Dollars granted	\$ 22,312,537	55 %