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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 577

01/31/2019 Authored by Heintzeman, Erickson, Bennett, Theis, Kresha and others
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to education finance; reallocating 40 percent of the money from the arts
1.3 and cultural heritage fund to public school art programs; requiring a report;
1.4 appropriating money; amending Minnesota Statutes 2018, section 129D.17;
1.5 proposing coding for new law in Minnesota Statutes, chapter 126C.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. 126C.115] ARTS EDUCATION.

1.8 Subdivision 1. Arts programs. A public school's arts program may include, but is not
1.9 limited to, the arts programs defined in section 129D.01.

1.10 Subd. 2. Statewide aid. Beginning in fiscal year 2020, the annual statewide arts aid for
1.11 public school programs equals 40 percent of the total money deposited for that year into
1.12 the arts and cultural heritage fund established under section 129D.17.

1.13 Subd. 3. School aid. For fiscal year 2020 and later, a public school site's annual arts aid
1.14 equals the ratio of the site's fall enrollment for the previous year to the statewide fall
1.15 enrollment for the previous year times the statewide arts aid amount for that year calculated
1.16 under subdivision 2.

1.17 Subd. 4. Aid payment. The commissioner shall apportion the statewide school arts aid
1.18 to each public school site's fiscal agent semiannually on November 15 and May 15 of each
1.19 fiscal year. The fiscal agent must allocate the school arts aid to each school site where the
1.20 children who have generated the aid are served.

1.21 Subd. 5. Uses of arts revenue. The state arts aid received under this section by a school
1.22 site must be reserved and used only for an arts program at that school site or to contract

2.1 with local artists or arts organizations to provide services, education, and materials for arts  
 2.2 education for Minnesota's school children.

2.3 Subd. 6. **No supplantation.** The money received by a school site under this section must  
 2.4 be used to expand arts offerings for students and must not be used to supplant funding for  
 2.5 existing public school arts programs.

2.6 Subd. 7. **Site, school district, and charter school reports.** By October 30 of each year,  
 2.7 each school district or charter school with a site that receives arts funding under this section  
 2.8 must report to the commissioner of education in the form and manner specified by the  
 2.9 commissioner. The report must show the arts program spending for the previous school  
 2.10 year by school site and describe the programmatic activities funded under this section. Each  
 2.11 school district and charter school must prominently place the report on its website in  
 2.12 accordance with section 129D.17, subdivision 2, paragraph (g).

2.13 Subd. 8. **Department of Education annual report.** By January 15 of each year, the  
 2.14 Department of Education must report to the legislature on school district arts activities,  
 2.15 summarizing the data reported by school districts and charter school, to the commissioner  
 2.16 of education.

2.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

2.18 Sec. 2. Minnesota Statutes 2018, section 129D.17, is amended to read:

2.19 **129D.17 ARTS AND CULTURAL HERITAGE FUND.**

2.20 Subdivision 1. **Establishment.** (a) The arts and cultural heritage fund is established in  
 2.21 the Minnesota Constitution, article XI, section 15. All money earned by the fund must be  
 2.22 credited to the fund.

2.23 (b) Beginning in fiscal year 2020, 40 percent of the money deposited into this fund is  
 2.24 annually appropriated from the arts and cultural heritage fund to the Department of Education  
 2.25 for arts education payments under section 126C.115.

2.26 (c) The remaining 60 percent of the money deposited in the fund must be used according  
 2.27 to subdivisions 2 to 5.

2.28 Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage  
 2.29 fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's  
 2.30 history and cultural heritage. A project or program receiving funding from the arts and  
 2.31 cultural heritage fund must include measurable outcomes, and a plan for measuring and  
 2.32 evaluating the results. A project or program must be consistent with current scholarship, or

3.1 best practices, when appropriate and must incorporate state-of-the-art technology when  
3.2 appropriate.

3.3 (b) Funding from the arts and cultural heritage fund under subdivision 1, paragraph (c),  
3.4 may be granted for an entire project or for part of a project so long as the recipient provides  
3.5 a description and cost for the entire project and can demonstrate that it has adequate resources  
3.6 to ensure that the entire project will be completed.

3.7 (c) Money from the arts and cultural heritage fund under subdivision 1, paragraph (c),  
3.8 shall be expended for benefits across all regions and residents of the state.

3.9 (d) A state agency or other recipient of a direct appropriation from the arts and cultural  
3.10 heritage fund must compile and submit all information for funded projects or programs,  
3.11 including the proposed measurable outcomes and all other items required under section  
3.12 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable  
3.13 or by January 15 of the applicable fiscal year, whichever comes first. The Department of  
3.14 Education must file its report of school site activities with the Legislative Coordinating  
3.15 Commission by January 15 of each year. The Legislative Coordinating Commission must  
3.16 post submitted information on the website required under section 3.303, subdivision 10, as  
3.17 soon as it becomes available.

3.18 (e) Grants funded by the arts and cultural heritage fund according to subdivision 1,  
3.19 paragraph (c), must be implemented according to section 16B.98 and must account for all  
3.20 expenditures of funds. Priority for grant proposals must be given to proposals involving  
3.21 grants that will be competitively awarded.

3.22 (f) All money from the arts and cultural heritage fund must be for projects located in  
3.23 Minnesota.

3.24 (g) When practicable, a direct recipient of an appropriation from the arts and cultural  
3.25 heritage fund ~~shall~~ according to subdivision 1, paragraph (c), must prominently display on  
3.26 the recipient's website home page the legacy logo required under Laws 2009, chapter 172,  
3.27 article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied  
3.28 by the phrase "Click here for more information." ~~When a person clicks on~~ The legacy logo  
3.29 ~~image, the website~~ must ~~direct the person~~ hyperlink to a web page that includes both ~~the~~  
3.30 contact information ~~that a person may use~~ to obtain additional information, ~~as well as~~ and  
3.31 a link to the Legislative Coordinating Commission website required under section 3.303,  
3.32 subdivision 10.

3.33 (h) Future eligibility for money from the arts and cultural heritage fund is contingent  
3.34 upon a state agency or other recipient satisfying all applicable requirements in this section,

4.1 as well as any additional requirements contained in applicable session law. If the Office of  
4.2 the Legislative Auditor, in the course of an audit or investigation, publicly reports that a  
4.3 recipient of money from the arts and cultural heritage fund has not complied with the laws,  
4.4 rules, or regulations in this section or other laws applicable to the recipient, the recipient  
4.5 must be listed in an annual report to the legislative committees with jurisdiction over the  
4.6 legacy funds. The list must be publicly available. The legislative auditor shall remove a  
4.7 recipient from the list upon determination that the recipient is in compliance. A recipient  
4.8 on the list is not eligible for future funding from the arts and cultural heritage fund until the  
4.9 recipient demonstrates compliance to the legislative auditor.

4.10 (i) Any state agency or organization requesting a direct appropriation from the arts and  
4.11 cultural heritage fund according to subdivision 1, paragraph (c), must inform the house of  
4.12 representatives and senate committees having jurisdiction over the arts and cultural heritage  
4.13 fund, at the time the request for funding is made, whether the request is supplanting or is a  
4.14 substitution for any previous funding that was not from a legacy fund and was used for the  
4.15 same purpose.

4.16 Subd. 3. **Special review.** For a project receiving an appropriation or appropriations from  
4.17 the arts and cultural heritage fund totaling \$10,000,000 or more in a biennium, the attorney  
4.18 general must review and approve all contracts and real estate transactions and must exercise  
4.19 due diligence in the best interests of the state.

4.20 Subd. 4. **Minnesota State Arts Board allocation.** At least 47 percent of the total  
4.21 appropriations from the arts and cultural heritage fund under subdivision 1, paragraph (c),  
4.22 in a fiscal biennium must be for grants and services awarded through the Minnesota State  
4.23 Arts Board, or regional arts councils subject to appropriation.

4.24 Subd. 5. **Reserve requirement.** In any fiscal year, at least five percent of that year's  
4.25 projected tax receipts determined by the most recent forecast for the arts and cultural heritage  
4.26 fund must not be appropriated.

4.27 **EFFECTIVE DATE.** This section is effective July 1, 2019.