



# BIENNIAL PLAN FOR FISCAL YEARS 2016 and 2017

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## Mission

*The Metropolitan Regional Arts Council increases access to the arts in 7-county metropolitan area communities by providing information, organizational support and grants.*

### MRAC VISION

We believe that:

- **The arts strengthen communities;**
- **The arts stimulate diversity of expression, communication, and commemoration of communities and cultures; and**
- **All people should have opportunities to engage in the arts.**

Accordingly, MRAC's vision for the region is that:

- ◆ **Artists, arts organizations and arts activities thrive.**
- ◆ **Art is integrated into the social fabric and identity of every community.**
- ◆ **Public value of the arts is understood and acted upon by community members, leaders and policy makers.**

### MRAC GOALS

- ❖ MRAC will provide grant applicants and other constituents with clear, thorough, prompt and respectful service and assistance.
- ❖ MRAC will maintain transparent decision-making processes, and accessible public information.
- ❖ MRAC's programs and services will reflect its Mission, and achieve its Vision.

### ABOUT MRAC (pronounced "emrack") AND REGION 11

MRAC's designated region is Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties. The Twin Cities metropolitan area is made up of an urban core, suburbs, small communities, and rural areas. While geographically the region covers only 3.5% of the state, it is home to 2,849,567 people, or 53.7% of the state's population, according to the 2010 census.

The 2010 census also shows these demographics of the region: Asian and Pacific Islander – 6.6%; African American – 8.3%; Hispanic or Latino – 6%; Native American and Alaskan – .5%; White – 75.8%; Some other race alone – .1%; Two or more races – 2.7%.

MRAC serves arts organizations; non-arts nonprofit organizations; community education and parks and recreation departments; community-based projects; and artist-driven initiatives. Arts organizations' annual operating budgets must be under \$400,000 to be eligible to apply for MRAC grants; many have annual budgets below \$100,000, and many were begun by and operate as small groups of individual artists. Some are independent 501(c)(3) organizations and some use

fiscal sponsors. Among Regional Arts Councils, a budget threshold for eligibility is unusual, but this is necessary in the metropolitan region because of the hundreds of arts organizations located here.

The Twin Cities metropolitan area is widely recognized for the proliferation of high quality arts opportunities in all arts disciplines. For many people in this region, the word “arts” is frequently associated with the large institutions with enormous name recognition, such as the Minneapolis Institute of Arts, Saint Paul Chamber Orchestra, Guthrie Theater, Walker Art Center, etc. MRAC’s purpose is to support and serve the scores of other organizations – such as the Dakota Valley Symphony, Banfill-Locke Center for the Arts, Lakeshore Players, Eclectic Edge Ensemble, Arts Consortium of Carver County – that are equally important components of a healthy and thriving community.

In FY 2014, MRAC received 814 applications and awarded 452 grants totaling \$3,175,634 to arts organizations and/or projects including a grant to VSA Minnesota for its re-granting program, the ADA Access Improvement Grants for Metro Arts Organizations.

Total numbers of applications and grants awarded for FY 2015 will be available in mid-June of 2015; we anticipate awarding approximately \$3,350,000 in grants.

## Needs Assessment

MRAC invites constituents to participate directly in its planning and information gathering process through grant application workshops, surveys following organizational management trainings and other convenings, website communications, discussion at the conclusion of each grant review panel meeting, emails and telephone calls. This information is regularly reviewed and discussed by staff, critical issues are addressed immediately, and other issues are noted for consideration during MRAC’s biennial planning process.

During FY 2015, MRAC conducted a survey of constituent groups. MRAC does not consider the general public to be its constituency in conducting this survey, but rather the target respondents are organizations and individuals who have applied for grants, attended trainings or workshops, and/or signed up to receive our monthly online newsletter. Utilizing the online marketing tools Constant Contact and Survey Monkey to communicate with 438 constituent organizations in August 2014, 123 responses were received. (The compilation of survey responses is available upon request. The survey questions appear at the end of this document, beginning on Page 13.) This is a response rate of 28%. (According to Constant Contact, a professional service provider specializing in online marketing tools, a good response rate to online surveys is between 10% and 20%.)

The survey yielded hundreds of comments; many are complimentary of MRAC’s work, some are critical, and nearly all are very helpful. There were multiple similar comments on some issues; for example:

- I am so happy and pleased [with] how MRAC handles applications and offers diverse grant programs.
- The staff does a great job of helping applicants through the process and does an excellent job on following up.
- MRAC continues to set the bar for accessibility and clarity of guidelines, staff, and panel process.
- I have been both grant recipient and panelist, and the panel discussions seem to more easily forgive community based organizations that don't have clear quality in their art than art based organizations that are not able to clearly describe their community. Perhaps this is just my perception, though it is one shared by many in the arts community. And I don't have any suggestions! The guidelines for the panelists and the questions are certainly aimed at that balance, but it seems that the natural impulse of panelists is such.
- I felt that the [panel's] focus was on details, such as wheelchair accessibility, instead of the content of the proposed idea.
- The panel review process seems fair and good.
- More diversity on panels – across art forms, ages, gender, race, everything!
- Your sessions on how to apply for grants are always excellent.
- Very appreciative of the support during the grant application process. MRAC is a transparent and supportive organization.
- Support from MRAC personnel was extremely helpful in our first attempt at the process of grant submission.
- I love the new online application process!

## Planning Process

For the 2010/2011 and 2012/2013 biennia, as an organization we agreed that Legacy funds were too new for us to consider major changes in programs, and for the 2014/2015 biennium, we agreed that the migration of grant applications from paper to an online system was the dominant issue for MRAC that would render program changes impracticable.

Consequently, the 2016/2017 biennium afforded the opportunity to take a deeper dive into our programs, policies, and procedures, some six years into Legacy funding that tripled our grants budget. Accordingly, approximately halfway through the first year of the 2014/2015 biennium, the MRAC staff began identifying issues that might inform potential program changes for the next biennium. Some examples include:

- How do our grant programs relate to one another?
- What is the difference in applicants, applications, grants awarded, since the advent of Legacy funds?
- How much growth has there been in non-arts nonprofits?
- How do we define underserved?

It was then decided that compilation and analysis of data for the two years prior to Legacy funds and the two most recent years would be helpful in addressing some

of these issues. It then became obvious that professional facilitation would advance our planning going forward, and we engaged the facilitation services of Wilder Center for Communities' Paul Robinson. Two facilitated discussions among all staff, and the Executive and ad hoc Planning committees of the Board, four sessions just with staff, and a facilitated full Board of Directors meeting were scheduled. But it soon became apparent that because the organization had foregone major planning for the past several biennia, and because there was too much information to consider, we would continue current programming into at least the first year of the new biennium – FY 2016 – and continue facilitated discussions among board and staff on potential organizational and programmatic changes going forward.

However, one very important issue identified in planning discussions centered on diversity, equity, and inclusion, and there was consensus that an important component of MRAC's biennial plan for 2016/2017 should be the development of an intentional diversity, equity, and inclusion lens for our work. Please see the Diversity, Equity, and Inclusion section beginning on Page 11 for more information.

The attached Biennial Planning Timetable provides a sequential look at MRAC's biennial planning process. It includes the dates for parts of the plan required by Minnesota Administrative Rule 1900.2710.

Through MRAC's electronic newsletter, constituents and the general public were invited to participate in a public meeting on April 21, 2015 from 4:30 to 6:30 p.m. at the MRAC office, as required by Rule 1900.2710, to review and discuss a draft of this Biennial Plan. The website and April 2015 newsletter informed participants about where they could review the draft, and invited their comments to MRAC via phone, e-mail, or participation in the April 21st public hearing. The public meeting was attended by one person, who has been both an applicant and grant panel review member in the past; she had prepared some comments and suggestions for roles that MRAC might play related to her concerns about compensation by grantees for artists in their funded projects. (Sparse attendance at this biennial public meeting is not unusual; most of the meetings in the past have had zero attendance. We attribute this to the many other opportunities people have to interact with us, such as grant panel meetings, trainings, workshops, and surveys.)

## 2016/2017 Biennial Work Plan and Program Information

The Metropolitan Regional Arts Council will reflect the following criteria, each of equal importance, in its programming, grant making, governance, operations, staffing, communications and publications. These criteria address the overarching legacy goal – *People trust Minnesota's stewardship of public arts funding* – established by the Minnesota State Arts Board and Regional Arts Councils.

**Artistic Challenge:** We value, encourage and support projects that are artistically challenging for the artists and audiences they serve. Funded projects have the

flexibility and freedom to reach audiences within their own communities, to support emerging and established artists and arts organizations, and to encourage artists to experiment with new forms of creative expression.

**Artistic Quality:** We value excellence both in the work done by our agency and as a critical component of the artistic projects we support. We recognize that perceptions of artistic quality may change over time and over the diverse spectrum of creative activity in the metropolitan area. We value artists as central in the creation of artwork, and we support artists by providing funding for arts projects where artists are central to the work.

**Diversity:** We recognize that artistic expression takes many forms and that the artistic and cultural diversity represented in MRAC's service region makes it artistically rich and vibrant. MRAC's resources will serve all artistic disciplines and the broadest possible range of applicant groups. When defining diversity for ourselves and our constituent groups, MRAC considers many factors including but not limited to age; cultural, ethnic and racial backgrounds; physical and mental abilities; economic status; gender; sexual orientation; and geography. We strive to honor and reflect the diversity of the seven-county area in our staff, board, programming and grant making.

**Community Need:** We are committed to serving the seven-county area by assessing needs, securing and allocating resources, and developing programs and services to meet the most critical needs of our constituency within the limitations of available resources. We encourage and support arts-based projects that demonstrate that they provide benefit to and are valued by the communities they serve.

**Access:** We believe that every person interested in the arts should not be prevented from participating because of economic status or geographic, physical, mental, societal or cultural barriers. Therefore, we value, encourage and support projects that are open, inclusive, accessible and welcoming to anyone who may wish to participate. We are committed to ensuring that our programs and services are accessible to all by assuming a proactive approach in identifying and serving constituents, and by projecting an attitude of courtesy and respect when dealing with all people.

**Ability and Accountability:** As an agency operating with taxpayers' money, we are accountable to residents of the seven-county area and the State of Minnesota to use allocated resources wisely. It is our responsibility to understand the needs of arts organizations and ways that the arts can contribute to healthy communities, to develop programs and services that respond to those needs, and to distribute resources efficiently and equitably. We are committed to clarity and transparency in all communications and interactions with our constituents and colleagues so that our intentions and values are understood. We will employ a grant making system based on high ethical standards and an open review process. As a grant maker we value, encourage and support projects of high quality that are well planned and expend grant funds in a fiscally responsible manner. As an employer we encourage training and professional development opportunities for MRAC staff as a way of retaining an excellent workforce that is enthusiastic about meeting the needs of MRAC and its constituents and the expectations of MRAC's mandate.

## GRANT PROGRAMS

Each of MRAC's grant programs has its own specific eligibility requirements. Applicants and grant review panelists are provided with extensive information on MRAC's essential criteria for grant applications: Artistic Quality, Artistic Challenge, Ability, Community Need/Support, Diversity, Access, Educational Value (specific only to the Arts Learning Program) and Organizational Challenge/Solution (specific only to the Organizational Development, Capital, and Management Consulting Fund programs). Applicants are asked to describe their goals and expected outcomes, and grantees are required to report at the end of their project how their goals were met and what outcomes resulted.

The MRAC staff makes no decisions about grant applications beyond basic eligibility. Peer panels review all eligible applications. Each panel consists of seven to nine people recruited by staff from the broadest possible range of artistic disciplines, county representation, age, gender, and cultural background. Panelists are required to attend a two-hour panel orientation approximately one month before the panel meeting; each panel day begins with a 25-minute re-orientation. We anticipate the need to convene approximately 25 to 30 panel meetings in each of the 2016 and 2017 fiscal years.

All panel meetings are open to the public, in the spirit of the Minnesota Open Meeting Law. Applicants are encouraged to attend to enhance their understanding of the application review process and to hear the panelists' comments directly. All applicants are notified of the meeting schedule.

The panel submits its recommendations to the MRAC board of directors (and board meetings are also open to the public), which makes the final decisions on funding, usually the week after panel meetings. The board's funding decisions may be appealed solely on alleged procedural errors. There is no right of appeal based on the size of the grant awarded or on disagreements with the review panel's assessment of an application.

Applicants receive notification via email of the board's decision, usually the day after the board meeting. A list of funded applications is also posted on the MRAC website. Applicants may request an audio file of the review or request feedback from a staff member.

**In FY 2016, year one of the biennium, MRAC will provide the 11 grant programs listed and described below.** The first four programs, while not specifically referred to as general operating support, provide funding for the costs of arts activities, including related administrative costs, that eligible applicant groups produce. These four programs, which collectively constitute 84% of MRAC's State-funded grant making, most closely address MRAC's mission of increasing access to the arts in the region. Also, the overarching legacy goals established by the Minnesota State Arts Board and Regional Arts Councils that each program addresses appears in *italics*.

- Arts Activities Support

The Arts Activities Support program provides grants for high-quality projects in any arts discipline. Arts organizations with budgets under \$400,000 and non-arts organizations with arts program budgets under \$400,000 can apply for grants of up to \$10,000. There will be two rounds of Arts Activities Support grants in FY 2016.

**Total FY 2016 grants budget: \$1,400,000; \$125,271 from General Fund Appropriation, \$1,274,729 from Arts & Cultural Heritage Fund.**

*The arts are interwoven into every facet of community life.*

*People of all ages, ethnicities, and abilities participate in the arts.*

*The arts thrive in Minnesota.*

- Community Arts

The Community Arts program supports high-quality projects in any arts discipline. Arts organizations with budgets under \$400,000 and non-arts organizations with arts program budgets under \$400,000 can apply for grants of up to \$5,000. There will be two rounds of Community Arts grants in FY 2016.

To make project grants more accessible to groups outside the core cities of Minneapolis and St. Paul, the MRAC board commits a block of Community Arts funds to each county, and subdivides Hennepin and Ramsey into “metro” and “greater metro.” Grant applications are reviewed in groups according to the county in which activities will occur, with panelists from each county.

**Total FY 2016 grants budget: \$630,000; \$30,000 from General Fund Appropriation, \$600,000 from Arts & Cultural Heritage Fund.**

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- Arts Learning

The Arts Learning program began in FY 2010 with the advent of arts and cultural heritage funds for projects in which arts organizations provide high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts, and to increase learning through the arts. These projects can occur in a broad range of venues, such as public schools, community and adult education programs, parks and recreation programs, and others as appropriate to arts learning. Arts organizations with budgets under \$400,000 and non-arts organizations with arts program budgets under \$400,000 can apply for grants of up to \$10,000. There will be two rounds of Arts Learning grants in FY 2016.

**Total FY 2016 grants budget: \$500,000, all from Arts & Cultural Heritage Fund.**

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- ADA Access Improvement Fund

This program began in FY 2010 with the advent of arts and cultural heritage

funds, and is a partnership with VSA Minnesota to provide grants to arts organizations that own or are the principal tenants of buildings requiring improvements to more fully accommodate people with disabilities, or for arts organizations to increase their capacity to engage people with disabilities with their programming and services in significant and long-term ways. VSA Minnesota manages the grant program with accountability to MRAC for policies, procedures and grants management. During the 2016/2017 biennium, this program will have a two-tiered approach:

1. Arts organizations in the MRAC region with budgets under \$4,500,000 can apply for grants of up to \$15,000 for either program-related or capital/equipment/facility improvements.
2. Arts organizations in the MRAC region with budgets under \$400,000 can apply for grants of up to \$7,500 for projects that are specific to building audiences within particular segments of the disability community through program improvements.

**Total FY 2016 grant budget: \$200,000, all from Arts & Cultural Heritage Fund.**

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People of all ages, ethnicities, and abilities participate in the arts.  
The arts thrive in Minnesota.*

- Organizational Development

The Organizational Development program provides grants of up to \$10,000 for projects that strengthen the management and/or infrastructure of nonprofit arts groups with budgets under \$400,000, and arts programs with budgets under \$400,000 within non-arts nonprofit organizations. Funded projects must: 1) advance the mission of the group, and 2) have the potential for significant or long-term impact. Funds may be used to create and/or implement a project in areas such as strategic planning, financial planning or management, board development, governance, volunteer management, audience development, resource development and access for people with disabilities. There will be one round of Organizational Development grants in FY 2016.

- Capital

The Capital program provides grants of up to \$10,000 to nonprofit arts groups with budgets under \$400,000, and arts programs with budgets under \$400,000 within non-arts nonprofit organizations to purchase equipment and related supplies and services, or to make capital improvements. Capital grant applications must show evidence that thorough planning has taken place and that funded projects will: 1) advance the mission of the group, and 2) have the potential for significant or long-term impact. There will be one round of Capital grants in FY 2016.

**Total FY 2016 grants budget for Organizational Development and Capital: \$450,000, all from General Fund Appropriation.**

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- Management Consulting Fund

The Management Consulting Fund provides grants of up to \$1,500 for small arts organizations to hire experienced facilitators and consultants to help with a very

focused organizational issue. Organizations receiving a grant from this program are potentially eligible to apply for a subsequent related Organizational Development grant. Applications can be submitted at any time, and decisions are rendered by the end of the month after the application was submitted.

- Management Training Fund

The Management Training Fund enhances the management capacity, growth, and development of small arts organizations by providing funds for staff and volunteers to attend management workshops, seminars, or conferences. Applications can be submitted at any time, and decisions are rendered within two weeks of the date submitted. Groups may request up to 100 percent of the training cost, but will not receive more than \$600 per MRAC fiscal year.

- Emergency Accessibility

The Emergency Accessibility program provides grants of up to \$600 to encourage and support the inclusion of persons with disabilities in arts activities and in the work of arts organizations. Funds may be used for one-time unforeseen costs that enable a group to accommodate artists, audience members, volunteers or staff with disabilities. Applications can be submitted at any time and are reviewed on an ongoing basis.

**Total FY 2016 grants budget for the Management Consulting Fund, Management Training Fund, and Emergency Accessibility programs: \$65,000, all from Appropriation.**

*The arts thrive in Minnesota.*

- MRAC Arts Achievement Award

The MRAC Arts Achievement Award recognizes two organizations each year that particularly exemplify MRAC's mission of increasing access to the arts in the region. Organizations with annual operating budgets less than \$400,000 can be nominated or may nominate themselves for this Award. The MRAC Board of Directors reviews nominations and selects up to two recipients. Accompanied by a cash award of \$5,000, the MRAC Arts Achievement Award is intended to call attention to outstanding contributions that smaller arts organizations make toward strengthening communities in the 7-county Twin Cities metropolitan region.

**Total FY 2016 awards budget: \$10,000, all from the Appropriation.**

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- Next Step Fund

The Next Step Fund is a program partnership with The McKnight Foundation to provide project grants of up to \$5,000 to professional artists in any discipline for the purpose of career development and artistic achievement. Applicants may be at any stage of their career, but must demonstrate achievement in their artistic field and have a history of public presentation or community contribution. Successful projects will communicate a clearly defined set of activities that respond to a compelling challenge or opportunity for the individual applicant. There will be one round of Next Step Fund grants in FY 2016.

**Total FY 2016 grants budget: \$182,000, all from McKnight Foundation.**  
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### **TECHNICAL SERVICES SUPPORTING MRAC'S GRANT PROGRAMS**

MRAC will offer approximately 65 grant application workshops during the 2016/2017 biennium. These two-hour workshops cover the fundamentals of preparing an effective MRAC application prior to each grant round for major programs (Arts Activities Support, Community Arts, Arts Learning, Organizational Development, Capital, Next Step).

Also, MRAC staff will review and provide feedback to applicants who submit application drafts with sufficient lead-time before a deadline.

### **GRANT-RELATED PROGRAMS AND SERVICES**

In addition to the grant programs described above, MRAC will support the region in other ways that will further the development of stronger arts communities. MRAC plans its workshops and training activities in response to constituent needs. Some of these activities take place at community sites in various parts of the metropolitan area, and are provided at no cost to the participants.

#### Training Services and Learning Opportunities

In the 2016/2017 biennium, MRAC will offer networking and training opportunities led by experts in their respective fields contracted by MRAC, or in partnership with other organizations such as MAP for Nonprofits, the Nonprofits Assistance Fund, Minnesota Council of Nonprofits, the University of St. Thomas, and Hamline University.

Primary topics will be in the areas of audience development, marketing, fundraising, financial management, and board development. They will be similar to or a continuation of previous activities such as those described below:

- **LOCALS** is a professional affinity group for art center / arts council managers in the seven-county region that meets several times a year and provides an opportunity to network, share best practices, and learn together, with guest speakers, on timely management topics, such as effective leadership, organizational development, and partnerships and collaborations.
- **Workshops and Trainings** are free half-day seminars for nonprofit arts organizations in the seven-county region with budgets under \$400,000. Topics relate to organizational development, such as fundraising, audience development, financial management, and board development, among others. Materials, such as handouts and PowerPoints, are posted on the MRAC website following each session.
- **One-on-one consultation** with applicants and grantees.
- **MRAC Staff** responds to requests to serve as speakers, panelists and consultants on issues of importance to constituents and small arts groups.

**Total FY 2016 budget for Training and Learning: \$22,500; \$2,500 from General Fund Appropriation, \$20,000 from Arts & Cultural Heritage Fund.**

*The arts thrive in Minnesota.*

### Communications

- The MRAC website, [www.mrac.org](http://www.mrac.org), links grant applicants directly to Foundant, which is MRAC's contracted online grants management system provider; informs visitors about MRAC's mission, grant programs, deadlines, and workshops; introduces constituents to MRAC staff members; and provides resources on access and ADA-related issues. It lists the year's current grant awards, workshops, and training activities. Constituents can also register for workshops and other activities through the site, and link to other sources of funding and arts-related information.
- **Electronic newsletter:** MRAC publishes a brief monthly newsletter that contains critical information about MRAC's activities, and links the reader to other important arts and culture resources.

### Arts & Culture Funders Database

MRAC staff members are often asked, "Where else can I go for funding?" To help answer that question, MRAC began a partnership during FY 2015 with Access Philanthropy, a Minneapolis-based consulting firm that helps nonprofits find and connect with funding resources. This searchable resource, the "Arts & Culture Funders Database" of approximately 400 funders, can be used by anyone for free through a link on MRAC's website or through Access Philanthropy's website at [www.accessphilanthropy.com](http://www.accessphilanthropy.com). In addition, users can register – also for free – to receive a quarterly calendar showing upcoming deadlines of ongoing and special funding opportunities, and MRAC will provide periodic alerts on updates to the Arts & Culture Funders Database.

### **ARTS ADVOCACY, EDUCATION, AND LEADERSHIP**

*Minnesotans believe the arts are vital to who we are.*

Helping constituents better understand the power of grassroots advocacy is vital to MRAC's work. To achieve its arts advocacy goals, MRAC will continue to play an active role in the work of the Forum of Regional Arts Councils of Minnesota, Minnesota Citizens for the Arts, the Minnesota State Arts Board and other organizations working to ensure that arts funding in Minnesota remains strong.

MRAC's primary advocacy activity is our "Big Check" events, at which groups receiving grants from the Arts Activities Support and Community Arts programs receive a poster-sized check, and the opportunity to be photographed with their state senators and representatives for publication in local newspapers. This event brings legislators and arts groups together, often for the first time, thereby educating arts groups in grassroots advocacy, and legislators on how small arts organizations are contributing to the vitality of their districts.

### **ORGANIZATION INFRASTRUCTURE**

MRAC is governed by a board of directors, which has a 21-member maximum.

The membership includes people from all seven counties, and a broad mix of backgrounds and skills, including arts organization administrators, community education and parks/recreation directors, individual artists, and for-profit sector professionals. All current board members have served on MRAC grant review panels.

Jeff Prauer has been the executive director since January 2008, leading the MRAC staff of four full-time and three part-time employees. Jeff also manages MRAC's Arts Learning program. He is a past president and vice president of the Forum of Regional Arts Councils of Minnesota. His entire professional career has been in arts administration, and he has lived in Minnesota for the past 36 years, in Minneapolis, Duluth, and St. Paul.

The MRAC Board Nominating Committee began meeting in March to consider candidates for board vacancies and to draft a slate of officers for FY 2016, which will be presented to the board at its May 26, 2015 meeting: Peter Leggett, president; Shelly Chamberlain, vice president; Dameun Strange, secretary; and Dayna Martinez, treasurer.

#### **DIVERSITY, EQUITY, AND INCLUSION**

As referenced in the Planning Process section on pages 3-4, the increasing diversity in all seven counties over the past several years, and the fact that the current staff of seven people has only one person of color, have prompted MRAC to develop some intentional actions that will result in:

- A common understanding throughout the organization of what diversity and underserved mean,
- How to assess and improve the organization's inclusiveness, and
- How to assess and increase equity.

While inclusion and equity will never be considered "completed" actions, we do anticipate that there will be outcomes that can inform and improve MRAC's work. During the 2016/2017 biennium, MRAC will establish indicators of diversity, equity, and inclusion according to various categories (including racial-ethnic-cultural; differing abilities; types of art; economic status; sexual orientation; gender; geography), that will become metrics to which the organization will hold itself accountable. Some actions that will be undertaken include:

- At the board meeting immediately following each grant application deadline, the staff submits a Preliminary Report to the Board showing the number of applications received and other information including RAC Data demographics. Preliminary reports will include the percentage of applicants by ethnic group identification and how that percentage compares to the 2010 census for like ethnic groups.
- Reinstate the End Grant Round Report to the Board to show:
  - Applicants and grantees as percentages relative to census for seven-county region;

- Percentage of applicants and grantees in key categories, including nonprofit arts organizations; non-arts nonprofits; informal arts groups; community education and other government.
- Track and analyze the percentage of applicants by ethnic group over time.
- Track the number of interactions between MRAC program staff and applicant organizations (such as attendance at grant application workshops, and general informational and application draft feedback sessions), and track for service to new and underserved groups.
- MRAC staff and board are encouraged to attend applicant organizations' arts activities, and staff members are reimbursed for admission and related costs. Staff will be further encouraged to attend more activities of underserved groups, and track such attendance, and should engage in continuing education on diversity, equity, and inclusion; cultural competency; accessibility; and other related topics through conferences, workshops, and other resources.
- Applicants are surveyed annually regarding their satisfaction with the services provided to them by MRAC. Professional consultation will be sought to improve the questions, in part to help ensure that underserved groups feel included and welcome. Survey results will be more broadly shared and analyzed by staff and board than in the past.
- Perform a new accessibility audit, and update current accessibility plan accordingly.
- Track applicant efforts to make activities accessible through scholarships, and reduced fees and ticket prices.
- Implement additional panel recruitment strategies to broaden cultural and gender diversity on grant review panels.
- Expand Board and staff diversity to better reflect community of applicants, including cultural, geographic, gender, sexual orientation, differing abilities, arts discipline background.

### **MRAC FY 2015 CONSTITUENT SURVEY QUESTIONS**

1. Please indicate the size of your organization's annual budget.
2. In what county is your organization located? (Please note that MRAC separates the cities of Minneapolis and St. Paul from Suburban Hennepin and Suburban Ramsey counties to ensure distribution of funds throughout the region.) Are there specific or unique communities within your county that you serve? If so please list.
3. To how many MRAC grant programs did your organization apply in FY 2014?
4. How many MRAC grants did your organization receive in FY 2014?
5. Which MRAC program(s) has your organization applied for in the last 3 years?
6. Please rate the quality/helpfulness of the following MRAC services.
  - Grant application workshops
  - Grant application library

Individual consultations with a program director  
Panel review recordings  
E-newsletter  
MRAC website  
Online application process  
Panel review process  
Additional comments

7. Have you attended any of MRAC's arts management training sessions?
8. Please rank the following items in terms of MRAC's arts management training.
  - Overall quality
  - Topics chosen
  - Trainers' knowledge of subjects
  - AccessibilityPlease provide comments or ways to improve MRAC training
9. Were you able to incorporate the learning into your organization's management and/or have you made any changes to your organization's management as a result of the training?
10. What arts management-related topics for training would you find useful?
11. Please add any comments regarding MRAC's grants and services.

**MRAC FY 2016/2017 BIENNIAL PLANNING TIMETABLE**

<b><u>Date</u></b>	<b><u>Time</u></b>	<b><u>Task</u></b>	<b><u>Who</u></b>
1/14/14	9:30 a.m.	Staff meeting; discussion begins on program issues that could be addressed through biennial planning	Staff
1/28/14	9:30 a.m.	Continued discussion on program issues that could be addressed through biennial planning; program directors decide that extensive analysis of 2 pre-Legacy years and 2 most-recent years will advance planning, and establish rubrics for classifying data into various demographic categories; data analysis begins	Program directors (includes executive director & program directors)
2/25/14	4:30 p.m.	Report to Board of Directors on work that program staff is doing on data analysis to address various issues preparatory to biennial planning	Executive Director; Board
4/8/14	9:30 a.m.	Check-in at staff meeting on data gathering and analysis; it is determined that more time is necessary to do data work due to priority of ongoing programs and services	Program directors
October through December 2014	9:30 a.m.	Data collection completed; discussions begin on getting everyone "on the same page" regarding analysis	Program directors
1/6/15	9:30 a.m.	Discussion resumes on how data relates to biennial planning; decision is made to seek professional facilitation for this stage of planning	
1/27/15	4:30 p.m.	Board approves engagement of Paul Robinson of Wilder Center for Communities to facilitate planning discussions	Board
2/17/15 and 2/24/15	8:00 - 9:30 a.m.	Facilitated planning meeting with board executive and planning committees, and all staff	Board and staff
3/3/15, 3/5/15, and 3/10/15	10:00 a.m. - 12:00 noon	Facilitated planning meetings with all MRAC staff	Staff
3/24/15	4:30 p.m.	Full board meeting including presentation of planning to date and facilitated additional discussion	Board and staff
4/21/15	4:30 p.m.	Public meeting for constituent comments	Staff, Public
4/28/15	4:30 p.m.	Board of directors approves draft of biennial plan	Board

5/11/15		Draft bi-plan and all accompanying documents submitted to MSAB	Staff
6/2/15	9:00 a.m. - 3:30 p.m.	All Regional Arts Council draft plans reviewed by Regional Arts Advisory committee at meeting in Morris	Executive Director

**Region 11, Metropolitan Regional Arts Council**

**PROJECTED BUDGET: Fiscal year 2016**

	<b>General Fund</b>	<b>Arts &amp; Arts &amp; Arts</b>	<b>Education</b>	<b>Arts &amp; Cult</b>	<b>McKnight</b>	<b>Other</b>	<b>2016 Total</b>
	<b><u>2016 State</u></b>	<b><u>Access</u></b>	<b><u>2016 State</u></b>	<b><u>Heritage</u></b>	<b><u>Foundation</u></b>	<b><u>Funds</u></b>	
<b>REVENUE</b>							
1	State of Minnesota	\$839,271	\$2,558,698	\$479,756	\$159,919		\$4,037,644
2	McKnight Foundation				\$200,000		\$200,000
3	Other Income						\$0
4	Interest					\$5,000	\$5,000
5	<b>TOTAL REVENUE</b>	<b>\$839,271</b>	<b>\$2,558,698</b>	<b>\$479,756</b>	<b>\$159,919</b>	<b>\$200,000</b>	<b>\$4,242,644</b>
<b>EXPENSES</b>							
<b>Programs and Services</b>							
6	Grant Programs and Services						
	Arts Activities Support Grants	\$125,271	\$1,139,810		\$134,919		\$1,400,000
	Community Arts Grants	\$30,000	\$575,000		\$25,000		\$630,000
	Arts Learning Grants		\$50,000	\$450,000			\$500,000
	Organizational Development and Capital Grants	\$450,000					\$450,000
	Management Consulting and Training Funds, Emergency Accessibil	\$65,000					\$65,000
	Arts Achievement Awards	\$10,000					\$10,000
	Next Step Fund Grants				\$182,000		\$182,000
	ADA Access Improvement Fund Grants		\$200,000				\$200,000
7	Grant Programs and Services, Operations and Support	\$80,000	\$314,000	\$29,756	\$14,500		\$438,256
8	<b>Subtotal Grant Programs and Services</b>	<b>\$760,271</b>	<b>\$2,278,810</b>	<b>\$479,756</b>	<b>\$159,919</b>	<b>\$196,500</b>	<b>\$3,875,256</b>
9	Non-grant Programs and Services						
	Workshops, trainings, and convenings	\$2,500	\$20,000				\$22,500
	Communications	\$2,500	\$7,000				\$9,500
10	Non-grant Programs and Services, Operations and Support	\$5,000	\$22,888				\$27,888
11	<b>Subtotal Non-grant Programs and Services</b>	<b>\$10,000</b>	<b>\$49,888</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$59,888</b>
12	<b>Total Programs and Services</b>	<b>\$770,271</b>	<b>\$2,328,698</b>	<b>\$479,756</b>	<b>\$159,919</b>	<b>\$196,500</b>	<b>\$3,935,144</b>
13	<b>Fundraising</b>				\$3,500		\$3,500
14	<b>General administration</b>	\$69,000	\$230,000			\$5,000	\$304,000
15	<b>TOTAL EXPENSES</b>	<b>\$839,271</b>	<b>\$2,558,698</b>	<b>\$479,756</b>	<b>\$159,919</b>	<b>\$200,000</b>	<b>\$4,242,644</b>

Line 5 Is the sum of lines 1 through 4

Line 6 Add as many subitems as necessary to clearly indicate all grant programs and services costs

Line 8 Total of all lines under line 6, plus line 7

Line 9 Add as many subitems as necessary to clearly indicate all non-grant programs and services costs

Line 11 Total of all lines under line 9, plus line 10

Line 12 Add line 8 and line 11

Line 15 Add lines 12, 13, and 14

Region 11, Metropolitan Regional Arts Council

PROJECTED BUDGET: Fiscal year 2017

	General Fund <u>2017 State</u>	Arts & Arts Access <u>2017 State</u>	Arts Education <u>2017 State</u>	Arts & Cult Heritage <u>2017 State</u>	McKnight Foundation	Other Funds	<u>2016 Total</u>
<b>REVENUE</b>							
1	State of Minnesota	\$839,271	\$2,693,594	\$505,049	\$168,350		\$4,206,264
2	McKnight Foundation				\$200,000		\$200,000
3	Other Income						\$0
4	Interest					\$5,000	\$5,000
5	<b>TOTAL REVENUE</b>	<b>\$839,271</b>	<b>\$2,693,594</b>	<b>\$505,049</b>	<b>\$168,350</b>	<b>\$200,000</b>	<b>\$4,411,264</b>
<b>EXPENSES</b>							
<b>Programs and Services</b>							
6	Grant Programs and Services						
	Arts Activities Support Grants	\$125,000	\$1,200,000		\$142,000		\$1,467,000
	Community Arts Grants	\$30,000	\$593,650		\$26,350		\$650,000
	Arts Learning Grants		\$25,000	\$475,000			\$500,000
	Organizational Development and Capital Grants	\$450,000	\$25,000				\$475,000
	Management Consulting and Training Funds, Emergency Accessibil	\$65,000					\$65,000
	Arts Achievement Awards	\$10,000					\$10,000
	Next Step Fund Grants				\$182,000		\$182,000
	ADA Access Improvement Fund Grants		\$190,000				\$190,000
7	Grant Programs and Services, Operations and Support	\$80,000	\$333,586	\$30,049	\$14,500		\$458,135
8	<b>Subtotal Grant Programs and Services</b>	<b>\$760,000</b>	<b>\$2,367,236</b>	<b>\$505,049</b>	<b>\$168,350</b>	<b>\$196,500</b>	<b>\$3,997,135</b>
9	Non-grant Programs and Services						
	Workshops, trainings, and convenings	\$2,500	\$22,500				\$25,000
	Communications	\$2,500	\$10,000				\$12,500
10	Non-grant Programs and Services, Operations and Support	\$5,000	\$30,000				\$35,000
11	<b>Subtotal Non-grant Programs and Services</b>	<b>\$10,000</b>	<b>\$62,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$72,500</b>
12	<b>Total Programs and Services</b>	<b>\$770,000</b>	<b>\$2,429,736</b>	<b>\$505,049</b>	<b>\$168,350</b>	<b>\$196,500</b>	<b>\$4,069,635</b>
13	<b>Fundraising</b>				\$3,500		\$3,500
14	<b>General administration</b>	\$69,271	\$263,858			\$5,000	\$338,129
15	<b>TOTAL EXPENSES</b>	<b>\$839,271</b>	<b>\$2,693,594</b>	<b>\$505,049</b>	<b>\$168,350</b>	<b>\$200,000</b>	<b>\$4,411,264</b>

Line 5 Is the sum of lines 1 through 4

Line 6 Add as many subitems as necessary to clearly indicate all grant programs and services costs

Line 8 Total of all lines under line 6, plus line 7

Line 9 Add as many subitems as necessary to clearly indicate all non-grant programs and services costs

Line 11 Total of all lines under line 9, plus line 10

Line 12 Add line 8 and line 11

Line 15 Add lines 12, 13, and 14

## **ARTS AND CULTURAL HERITAGE FUND FUNDAMENTAL ISSUES BUDGET and ADMINISTRATIVE COSTS**

The 2011 arts and cultural heritage fund appropriations bill states that, "Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated...must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation." Regional arts councils may determine which costs are "directly related to and necessary for" delivering their arts and cultural heritage supported programs and services, keeping in mind that vital to use the funds as effectively as possible and minimize administrative costs.

The nonprofit standard is to keep administrative costs to 15 to 20 percent of overall expenses. In our sector, keeping to this same standard is important to be viewed as good stewards of the funds. Public reporting should be similar across all regions to provide consistency during planning periods.

Diverse program development is very important so that the grassroots arts needs of each region can be addressed. Regional arts councils are service providers as well as funding resources. Therefore, the decision to allocate funds to direct programs and services versus grants needs to remain at the regional level.

In October 2003, the Forum of Regional Arts Councils of Minnesota finance committee developed a universal budget format and definitions to be used by the regions. This was in order to add consistency to our budgets especially when legislative committees are reviewing our budgets. These definitions and guidelines follow the categories of the IRS 990 form, so are still applicable. They can be followed by all the regional arts council's as they submit biennial plans.

The attached definitions and examples are meant to provide guidance to regional arts councils in accurately assigning costs. The attached budget template depicts a 10 percent administrative and fundraising scenario.

### Working group

Mara Wittman  
Maxine Adams  
Kim Bemis  
Bob DeArmond  
Mary Minnick-Daniels  
Robin Pearson

### **Definitions and guidelines**

The budget template includes 15 main lines. These lines are referenced below for clarification. Although, we use the word "line," in some sections the word line refers to a series of rows.

#### **Line 1 State of Minnesota**

Actual amounts that your region is expected to receive from the general fund appropriation and the arts and cultural heritage appropriation.

#### **Line 2 McKnight Foundation**

Actual amount that your region receives from The McKnight Foundation, or is proposing to receive.

#### **Line 3 Other Income**

List funds received from other sources.

#### **Line 4 Interest**

Indicate any interest revenue.

#### **Line 5 Total Revenue**

**Line 6 Grant Programs and Services**

List all grant programs that your region will offer. List the actual amounts that will be available to regrant. Do not include staff time and direct expense items here.

**Line 7 Grant Programs and Services, Operations and Support**

This line is the portion of each RAC's budget which includes all expenses related to grant programs and services offered by the Council besides the actual grant awards re-granted by your Council; as they are listed by grant program in Line 6 area. This line should include the percentage of salaries, benefits insurance and pension plan contributions, and payroll taxes for the time you and your staff members spend working on your grant programs and includes time spent administering the grant programs as well as technical assistance related to the grant programs. This line should also include the percentage of equipment and operating costs that support the administrative duties related to your grant programs. If this kind of assistance represents X% of you and your employees' time, include X% of equipment repair costs or purchases as well as X% of the rent, electricity, phone, internet connection, website expenses, general supplies, etc. You will also want to include any related travel expenses and the actual printing and postage costs of producing and distributing your grant guidelines. This line should NOT include the actual amount of grant money that was awarded or paid out during the fiscal year.

Grant programs and services, operations and support activities might include (this list is for illustration only and not all inclusive):

- . bookkeeping related to grants
- . filing federal and state reports related to grants: 1099's for individual artists,
- . data collection list to MSAB, MCA grant list for advocacy day
- . paying grants
- . grant rounds
- . grant related committee meetings for the review of grants
- . planning committee meetings related to grant programs
- . reading and following up on grant final reports
- . grant workshops and training
- . printing applications, guidelines, and grant books
- . development of grant programs and writing the guidelines
- . working with individuals on grant related issues (phone calls, meetings, etc.)
- . and anything else that is directly related to getting applications in and grants out the door.

**Line 8 Subtotal Grant Programs and Services**

This line is the total of all lines under 6 (Grant Programs and Services) and line 7 (Grant Programs and Services, Operations and Support).

**Line 9 Non-grant Programs and Services**

The Non-Grant Programs and Services line is the percentage of each RAC's budget which is related to the programs and services offered by the Council but are not related to its granting programs.

Headings that can be included in this area might include:

- . Regional Exhibits and Showcase: actual costs for travel, printing, postage, and awards related to holding a regional art exhibit; costs associated with having a gallery space
- . Workshops and Trainings and Technical Assistance: non-grant related workshops and trainings, actual costs for travel, printing workshop materials, presenter costs, consultants, advertising workshops or trainings; direct costs associated with travel for advocacy work within your region, direct expenses related to MCA, MSAB, and Forum
- . Arts Promotion: newsletter printing and postage, marketing booklet printing and distribution costs, web site costs, e-newsletter service costs; brochures and other printed promotional items

This line should NOT include personnel or administrative costs related to non-grant programs and services.

**Line 10 Non-grant Programs and Services, Operations and Support**

This section mainly relates to personnel time do certain activities. Activities might include time related to (this list is for illustration only and not all inclusive):

- . plan and conduct non-grant related workshops and training
- . advocacy work
- . work with the Regional Arts Council Forum (label as technical assistance)
- . work with the Minnesota State Arts Board
- . needs assessment, public forums, and focus groups related to needs assessment
- . plan the gallery exhibitions for the year or regional art shows if not under Line 8
- . plan the workshop and support the activity
- . plan professional development activities
- . work with private foundations, etc (unless for fund raising)
- . public speaking
- . community involvement related to the arts
- . newsletter if not in Line 8 area
- . brochures (unless specifically for fundraising – if used for both, costs can be split)
- . juried art shows (for those who do them) if not in Line 8 area
- . library materials – books made available to constituents
- . anything else that is considered service to the state, regions, or your region.

When you include personnel costs, this line should also include the percentage of equipment and operating costs that support non-grant related technical assistance and other programs. If this kind of assistance represents X% of you and your employees' time, include X% of equipment repair costs or purchases as well as X% of the rent, electricity, phone, postage, printing, internet connection, general supplies, etc., expenses.

#### **Line 11 Subtotal Non-grant Programs and Services**

This line is the total of all lines under 9 (Non-grant Programs and Services) and line 10 (Non-grant Programs and Services, Operations and Support)

#### **Line 12 Total Programs and Services**

Add line 8 (Subtotal, Grant Programs and Services) and line 11 (Subtotal, Non-grant Programs and Services)

#### **Line 13 Fundraising**

Fundraising expenses should include all expenses related to raising and receiving funds. Fundraising costs do not appear in the columns related to state funds, these costs are general administrative costs for being designated a regional arts council.

Every good organization must also raise funds to support its mission. This means someone (usually a paid staff person or an outside professional fundraiser) must write the grant proposals and talk with foundation representatives, someone must conduct direct mail and/or telephone solicitations, and someone must write thank-you letters to donors who offer their support.

– excerpted from Charities Review Council Web site: <http://www.crcmn.org/donorinfo/faq.htm#6>

Fundraising expenses might include (this is an illustrative, not all-inclusive, list):

- . writing McKnight plans
- . membership fundraising if applicable should be under the Other column

#### **Line 14 General Administration**

The general administration line is the portion of each RAC's budget which is related to general operation of running the Council. This line should include the percentage of salaries, benefits (insurance and pension plan contributions), and payroll taxes for the time you and your staff members spend working on straight administrative duties. This line should also include the percentage of appropriate equipment and operating costs that support administrative duties. If administrative duties represent X% of your and your employees' time, include X% of equipment repair costs or purchases as well as X% of the rent, electricity, phone, postage, printing, internet connection, general supplies, etc., expenses. If an expense is completely for administrative purposes, you should include the full amount of the expense.

General administration activities might include (this list is for illustration only and not all inclusive):

- . attending workshops or conferences which focus on administrative issues (i.e. a workshop on personnel issues, Quickbooks, etc. – unless you would be sharing this information with your constituents as part of technical assistance, in which case it could go under non-grant programs & services)
- . working with your auditor to prepare for and conduct audit
- . federal and state reporting – 990, Annual registration renewals
- . paying bills (minus grants) and payroll
- . working with the board, committees, and staff on non-grant and non-service issues
- . bookkeeping
- . preparing budgets
- . preparing board financial statements
- . time spent dealing with non-program related facility costs
- . biennial plan writing and participating in advisory committee review of plans
- . writing annual reports for State Legislative funding

**Line 15 Total Expenses**

The numbers in this line should match the revenue totals in Line 5.