



Perpich Center for Arts Education

The Perpich Center's governing board and management have provided insufficient direction, oversight, and transparency.

Key Facts and Findings:

- The 1985 Legislature created a state agency—the Perpich Center for Arts Education—to (1) operate a residential arts high school and (2) support arts education opportunities for K-12 students and teachers throughout the state.
- The agency's governing board has not established goals or strategic direction for the agency.
- The board has not adequately overseen the Perpich Center, including its executive director and its schools' operations.
- The board has infrequently solicited public input, and it has not ensured that the public could readily monitor board actions.
- Employees throughout the Perpich Center have had concerns about the agency's administrative leadership, and this has contributed to low morale.
- The Arts High School's enrollment decreased significantly in recent years. Despite its intent to serve students from across the state, a large majority of the school's students are from the Twin Cities area.
- In 2013, the Perpich Center started managing a second school (in Woodbury), but that school's low enrollment, weak test scores, and high staff turnover have threatened its viability.
- Unlike other public schools, state law does not specify minimum qualifications for the Perpich Center's school leaders. Its schools do not have a superintendent, and one principal is not licensed.

- The Perpich Center is not complying with several statutory requirements for providing arts education assistance to students and educators statewide.
- Although some of the Perpich Center's outreach programs have shown positive results, the programs reach a small portion of the state's teachers in school districts.

Key Recommendations:

- The Perpich Center Board should provide meaningful, transparent oversight of the agency. For example, the board should adopt strategic goals, annually assess the executive director, and approve school policies. It should also invite greater public input.
- At least annually, the Perpich Center Board should review and evaluate trends in its schools' enrollment and standardized test scores.
- The Legislature should consider changes in the Perpich Center Board's role, size, and composition.
- The Legislature should amend state law to include minimum requirements for Perpich Center school administrators.
- The Perpich Center should comply with outreach requirements specified in state law and, where appropriate, work with the Legislature to update these statutes.
- The Legislature should consider whether to change the scope of the agency's duties—overseeing two schools and providing statewide arts education outreach.

The Perpich Center Board has not held the agency accountable for performance.

Report Summary

In 1985, the Legislature created a state agency that is now called the Perpich Center for Arts Education. Since 1989, the agency has operated a state arts high school for grades 11 and 12 in Golden Valley. Since 2013, it has also operated Crosswinds School in Woodbury, which serves students in grades 6 to 10. From its inception, the Perpich Center has provided arts education assistance to schools around the state.

The agency's revenues in Fiscal Year 2016 exceeded \$10 million, and about two-thirds of the revenues were from state General Fund appropriations. These appropriations have remained mostly flat since Fiscal Year 2000, resulting in a considerable loss of spending power to inflation.

Under state law, the Perpich Center is governed by a 15-member board appointed by the governor. The Perpich Center Board is larger than most other state boards, and state law has no specifications regarding the knowledge or experience of persons who may serve on the Perpich Center Board.

The Perpich Center's governing board has not provided sufficient direction and agency oversight.

The board has not adopted an agency-wide strategic plan or annual goals for nine years. This has limited the board's ability to influence the agency's direction and hold the agency accountable for its performance.

Board policies require the board to review the agency's executive director annually and the board's performance every two years. But the most recent executive director was reviewed only twice during her seven-year tenure, and the board has not completed a self-review since 2010.

The board's oversight of agency activities has been weak in other respects as well. The board's review of the agency's Fiscal Year 2017 budget was superficial. The

board has not regularly reviewed and approved the policies of the agency's two schools. Board committees met infrequently during the past two years. The agency has not recently recommended to the Legislature any revisions to the agency's statutes, despite the views of agency leaders that some of the statutes are outdated. Even when the Legislature amended state law to convey Crosswinds School to the Perpich Center in 2014, the board did not take formal action to support the legislation.

The board has not done enough to solicit public input or ensure that the public can monitor its actions.

As a board that oversees the operation of two schools, it is important to have opportunities for input by parents and other stakeholders. During 20 Perpich Center Board business meetings that were held between January 2014 and September 2016, only 3 provided an opportunity for public input. In addition, public notice for some meetings of the Perpich Center Board have, in our view, been insufficient.

Minutes of Perpich Center Board meetings were not posted on the agency's website until well into 2016. There is no statutory requirement for meeting minutes to be posted online, but such postings increase transparency by making the minutes accessible to a wide audience.

Furthermore, we found that the board's committees have not always kept minutes of their meetings, contrary to board policy.

Our report recommends that the Perpich Center Board take various actions to improve its governance of the agency. The Legislature should also consider statutory changes, and the scope of these changes should depend on its confidence in the board's ability to correct past problems. Those changes could include eliminating the board, making it advisory only, reducing the size of the board, or specifying minimum qualifications of board members.

Crosswinds School has struggled during its first three years under Perpich Center management.

Perpich Center employees have had widespread concerns about the agency's administrative leadership.

The agency's top administrative leader is the executive director, who oversees day-to-day operations (including its two schools). The most recent executive director served from 2010 until her retirement in January 2017.

While Perpich Center employees express commitment to the agency's mission, they have had many concerns about the agency's administrative leadership. This includes concerns about: lack of strategic direction for the agency; a poor work environment; inadequate internal communication; lack of easy employee access to agency administrative policies; and the use of opaque hiring processes to fill certain positions. We found the staff concerns to be widespread, suggesting a serious morale problem within the agency.

Unlike requirements for other schools, state law does not require the Perpich Center to have a licensed superintendent or licensed principals, nor does the law specify professional development requirements for the executive director or school administrators. Some of the Perpich Center's school leaders have not had education or experience comparable to that required of other school leaders in the state.

The Perpich Center's schools have experienced enrollment declines, and this is a particularly important issue for Crosswinds School.

State law caps the Arts High School's enrollment at 310 students. The school's first-day enrollment went from 306 in 2011 to 187 in 2016. But, because the school is funded mainly from the agency's General Fund appropriation (and not on a per-pupil basis), this has not adversely affected the school's operating revenues.

State law requires the Perpich Center Board to plan for enrollment of students at the Arts High School on an equal basis from each congressional district. But students from outside the seven-county

Twin Cities area today account for just 22 percent of the school's enrollment.

In contrast to the Arts High School, Crosswinds School is funded largely through per-pupil state aid. Crosswinds' enrollment had declined in the years before the Perpich Center began managing the school (in 2013), and agency leaders vowed to take actions to increase enrollment. But enrollment at the beginning of October 2016 was only 129 students—a decrease from previous years under Perpich Center management, and well under the lowest enrollment (349 students) when the East Metropolitan Integration District ran the school. This loss of students has meant a decrease in state funding.

Crosswinds School also faces other challenges. The performance of its students on standardized reading, math, and science tests has decreased since the Perpich Center took over the school. In addition, there was extensive turnover among teachers, administrators, and other staff at Crosswinds during the school's first three years under Perpich Center leadership. The school implemented changes in staff training and student curriculum for the 2016-2017 school year, but it remains to be seen whether these changes will improve school enrollment or student academic performance.

The Perpich Center is not complying with several statutory requirements related to arts education outreach.

When the Legislature created the Perpich Center, it specified in law certain outreach responsibilities. In addition to running the Arts High School, the agency was directed to support arts education for students throughout Minnesota.

The Perpich Center has performed outreach activities throughout its history, but it is not fulfilling all of what state law requires. For example, statutes require the agency to provide intensive, one- or two-week arts seminars for pupils in grades 9 through 12, plus summer arts institutes for pupils in

The Legislature should consider whether to maintain the scope of the agency's current statutory responsibilities.

those grades. The agency has not provided these opportunities for many years.

In addition, the Perpich Center does not offer a “magnet arts program” at one or more school districts in each congressional district, contrary to what the law requires. Also, the law requires the Perpich Center to designate sites to participate in a statewide arts planning program and provide the sites with materials and training; however, the agency stopped administering that program several years ago.

Perpich Center administrators have not provided the governing board with a clear picture of the agency's expenditures for outreach. For instance, the salaries of some Crosswinds staff (including the principal) have been reported as outreach expenditures. This was not apparent in the budget documents provided to the board, and the duties of these staff should not be considered outreach. Also, many Arts High School teachers are assumed, for financial reporting purposes, to devote 5 to 50 percent of their time to outreach, although there is no documentation to support that this actually occurs.

Evaluations of Perpich Center outreach programs show positive impacts, but the reach of the programs has been limited.

The Perpich Center provides outreach through several programs. External

evaluations suggest that some of the programs have had positive impacts on participating students—in areas such as student “engagement” and “thoughtfulness.” The agency also contends that arts education helps improve student performance on standardized tests. But academic research on this topic is far from clear, due partly to the limited number of rigorous studies.

In recent years, the Perpich Center focused more of its outreach resources on programs that reached a limited number of educators, especially arts educators. We estimated that, in Fiscal Year 2016, the Perpich Center's outreach programs served about 2 percent of Minnesota's K-12 public school teachers and 21 percent of independent school districts.

Some stakeholders have expressed concern about the agency's limited outreach. For example, there are more music educators in Minnesota than other types of arts teachers, but the Perpich Center has not had a music education outreach specialist for several years.

Given the Perpich Center's weak performance in several areas, the Legislature should consider whether to revise the scope of the agency's current statutory duties (responsibility for two schools and statewide arts education outreach). The Legislature should give particular attention to the question of whether Crosswinds School should remain part of the Perpich Center.

Summary of Agency Response

In a letter dated January 13, 2017, the Perpich Center Acting Board Chair Benjamin Vander Kooi and a transition team of agency administrators said that “many of the report recommendations are already being actively addressed while others will take more time and input from stakeholders.” Consistent with the report's recommendations, the letter said the Perpich Center Board “is committed to provide a strategic plan for the agency” and will make annual assessment of the executive director a priority. The agency officials said they want to work with the Legislature to update statutes pertaining to the agency, and they believe a discussion about the scope of the agency's duties is needed. Agency officials deferred to the Legislature's judgment about the need for changes in board composition, size, or role, but they favor a continuation of the statutory requirement to have a board member from each congressional district.

The full evaluation report, *Perpich Center for Arts Education*, is available at 651-296-4708 or:
www.auditor.leg.state.mn.us/ped/2017/perpich.htm