

**LFD
ISSUE**

The Montana Arts Council staff administers cultural and aesthetic grants, which are appropriated by the Long Range Planning Subcommittee in HB 9. The executive recommends a HB 9 appropriation of \$800,553 for the Cultural and Aesthetics Grants Program in the amounts of:

- \$30,000 to fully fund the historical top priority for HB 9, the Montana Historical Society's appropriation for Capitol Complex works of art
- \$770,553 to fund grant requests out of \$1.3 million as recommended by the advisory committee

The executive also recommends utilizing \$333,680 for administration of C&A projects and the Folklife program.

The fund balance projection for the account is shown in Figure 1. The fund balance reflects assumptions adopted by the Revenue and Transportation Interim Committee (RTIC) in November of 2004.

As shown, the Revenue and Transportation Interim Committee estimate indicates the unallocated interest would total \$157,767 over the biennium. The legislature has a number of options:

- The executive is requesting \$40,000 of additional grants be funded with general fund. These additional grant funds could be funded with C&A Trust funds.
- C&A grants in HB 9 could be increased
- Eligible administration expenses such as accounting, correspondence, project visits, grant proposals, and costs of the advisory committee established in 2-15-1521, MCA, that may now be funded with general fund, could be replaced with C&A Trust, possibly including a portion of the following executive recommendations for the 2007 biennium:
 - \$19,686 for administrative cost adjustments (DP 5)
 - \$10,000 for e-grant and database system costs (DP 3)
 - \$11,330 for equipment replacement (DP 2)

For further information on the grants and related funding, see the Long Range Planning section of this volume.

Figure 1
Cultural & Aesthetic Grant Program
Fund Balance Projection, 2007 Biennium

Estimated Beginning Fund Balance		\$0
Revenue Projections ¹		
Fiscal 2006 Interest		351,000
Fiscal 2007 Interest		<u>364,000</u>
Total Funds Available		\$715,000
Proposed Expenditures		
Administration and Folklife	(333,680)	
Capitol Complex Works of Art	(30,000)	
Grants	(770,553)	
Total Expenditures		(1,134,233)
FY 2007 Projected Present Law Ending Fund Balance		<u>(\$419,233)</u>
Executive Proposals:		
General Fund Transfer		40,000
Restore Corpus, \$3.9 million ²		
Fiscal 2006 Interest	269,000	
Fiscal 2007 Interest	<u>268,000</u>	
Total Funds Available		<u>537,000</u>
		<u>\$157,767</u>

¹ Based on HJR 2 revenue estimates

² Based on transfer of \$3.9 million July 1, 2005

Biennium Budget Comparison

The following table compares the executive budget request in the 2007 biennium with the 2005 biennium by type of expenditure and source of funding. The 2005 biennium consists of actual FY 2004 expenditures and FY 2005 appropriations.