

Agency Budget Comparison

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	7.00	7.00	7.00	7.00	7.00	7.00	0.00	0.00%
Personal Services	580,863	544,960	538,416	539,635	1,125,823	1,078,051	(47,772)	(4.24%)
Operating Expenses	243,542	314,929	309,791	288,748	558,471	598,539	40,068	7.17%
Grants	449,787	420,903	612,729	621,313	870,690	1,234,042	363,352	41.73%
Total Costs	\$1,274,192	\$1,280,792	\$1,460,936	\$1,449,696	\$2,554,984	\$2,910,632	\$355,648	13.92%
General Fund	465,294	463,194	454,481	444,893	928,488	899,374	(29,114)	(3.14%)
State Special	212,426	215,074	204,342	201,903	427,500	406,245	(21,255)	(4.97%)
Federal Special	596,472	602,524	802,113	802,900	1,198,996	1,605,013	406,017	33.86%
Total Funds	\$1,274,192	\$1,280,792	\$1,460,936	\$1,449,696	\$2,554,984	\$2,910,632	\$355,648	13.92%

Agency Description

Mission Statement: The Montana Arts Council is the agency of state government established to develop the creative potential of all Montanans, advance education, spur economic vibrancy and revitalize communities through involvement in the arts.

The Montana Arts Council (MAC) is authorized by Title 22-2-101, MCA to assist public and private institutions with artistic and cultural activities. The council encourages participation in, and appreciation of, the arts. The council fosters interest in the state's cultural heritage, expands state cultural resources, and supports freedom of artistic expression through ongoing programs and projects. The council administers the Cultural and Aesthetic Project grants and other grants approved by the legislature, and makes recommendations to the legislature on arts related issues.

The Montana Arts Council provides these services through a structure consisting of one division with 7.00 FTE

Agency Highlights

Montana Arts Council Major Budget Highlights
<ul style="list-style-type: none"> ◆ The Montana Arts Council budget increases 14% in the 2013 biennium primarily due to an anticipated increase in its federal grant from the National Endowment for the Arts ◆ The legislative budget continues the 17-7-140, MCA, general fund reduction incurred by MAC in the 2011 biennium into the 2013 biennium ◆ Due to its small size, the legislature exempts this agency from vacancy savings and the statutory requirement to submit a 5% reduction plan

Summary of Legislative Action

The legislature approved an overall budget increase of nearly 14% when compared to the 2011 biennium. Budget decreases for one-time personal services costs incurred in FY 2010 and the 17-7-140, MCA reduction ordered by the Governor for FY 2011 that was continued by the legislature into the 2013 biennium were offset by increased budget authority for grants and operating expenses.

Grants to schools and local communities and arts organizations included in the bill are increased \$363,000 or 41.7% when compared to the 2011 biennium. The legislature approved the agency's budget proposal to increase the grant budget in anticipation of increased federal funds from the National Endowment for the Arts.

Agency Discussion

The Montana Arts Council administers the cultural and aesthetic project grants approved by the legislature each biennium. The operating expenses related to administering these grants are budgeted in HB 2 while the grants are included in a separate appropriations bill (HB 9) and are not included in the agency budget comparison table above.

Executive Budget Comparison

The following table compares the legislative budget in the 2013 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2010	Executive Budget Fiscal 2012	Legislative Budget Fiscal 2012	Leg - Exec. Difference Fiscal 2012	Executive Budget Fiscal 2013	Legislative Budget Fiscal 2013	Leg - Exec. Difference Fiscal 2013	Biennium Difference Fiscal 12-13
FTE	7.00	7.00	7.00	0.00	7.00	7.00	0.00	
Personal Services	580,863	538,780	538,416	(364)	539,997	539,635	(362)	(726)
Operating Expenses	243,542	309,791	309,791	0	288,748	288,748	0	0
Grants	449,787	612,729	612,729	0	621,313	621,313	0	0
Total Costs	\$1,274,192	\$1,461,300	\$1,460,936	(\$364)	\$1,450,058	\$1,449,696	(\$362)	(\$726)
General Fund	465,294	454,845	454,481	(364)	445,255	444,893	(362)	(726)
State/Other Special	212,426	204,342	204,342	0	201,903	201,903	0	0
Federal Special	596,472	802,113	802,113	0	802,900	802,900	0	0
Total Funds	\$1,274,192	\$1,461,300	\$1,460,936	(\$364)	\$1,450,058	\$1,449,696	(\$362)	(\$726)

The legislature reduced personal services \$726 for the 2013 biennium when compared to the proposed executive budget for this agency to reflect an anticipated reduction in workers compensation rates.

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table Promotion Of The Arts							
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013	
01000 Total General Fund	\$ 465,294	36.5%	\$ 454,481	31.1%	\$ 444,893	30.7%	
01100 General Fund	465,294	36.5%	454,481	31.1%	444,893	30.7%	
02000 Total State Special Funds	212,426	16.7%	204,342	14.0%	201,903	13.9%	
02009 Cultural And Aesthetic Project	212,426	16.7%	204,342	14.0%	201,903	13.9%	
02134 Percent Art/Admin & Acquis	-	-	-	-	-	-	
03000 Total Federal Special Funds	596,472	46.8%	802,113	54.9%	802,900	55.4%	
03016 Nea Funds-Basic State Grant	541,472	42.5%	747,113	51.1%	747,900	51.6%	
03017 Nea Funds-Arts In Education	55,000	4.3%	55,000	3.8%	55,000	3.8%	
03348 Nea Funds - Misc	-	-	-	-	-	-	
Grand Total	<u>\$ 1,274,192</u>	<u>100.0%</u>	<u>\$ 1,460,936</u>	<u>100.0%</u>	<u>\$ 1,449,696</u>	<u>100.0%</u>	

The agency is funded with a combination of general fund, state special revenue funds from the cultural and aesthetic project account, and federal funds from the National Endowment for the Arts.

- General fund supports a portion of the agency operations and funds arts grants including artists in the schools and MAC grants

- General fund decreases in the 2013 biennium; most of this decrease is attributable to the continuation of the 17-7-140, MCA \$23,010 reduction implemented in FY 2011 for this agency and the elimination of one-time personal services costs recorded in FY 2010
- State special revenue is the cultural and aesthetic project account, which receives interest earnings from the coal tax-funded cultural trust and must, by law, be used for protection of works of art in the State Capitol and other cultural and aesthetic projects (15-35-108, MCA). This account supports the Montana Arts Council’s administration of the cultural and aesthetic trust activities and its Circle of American Masters (formerly Folklife) program, which promotes Montana’s traditional and native arts and cultures
- The federal funds require a dollar for dollar match with non-federal revenue. The agency uses general fund and its allocation from the cultural and aesthetic project account to match the federal grant

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	465,294	465,294	930,588	103.47%	1,274,192	1,274,192	2,548,384	87.55%
Statewide PL Adjustments	(7,871)	(16,771)	(24,642)	(2.74%)	(20,483)	(40,250)	(60,733)	(2.09%)
Other PL Adjustments	8,773	8,084	16,857	1.87%	14,149	14,090	28,239	0.97%
New Proposals	(11,715)	(11,714)	(23,429)	(2.61%)	193,078	201,664	394,742	13.56%
Total Budget	\$454,481	\$444,893	\$899,374		\$1,460,936	\$1,449,696	\$2,910,632	

Other Legislation

HB 9 – Establishes priorities for the Cultural and Aesthetic Project Grants. The bill appropriates \$666,299 in interest earnings to MAC for grant awards and allows for the reduction of grants on a pro rata basis if the money in the account proves to be insufficient to fund approved projects in the 2013 biennium. The approved grants include special projects of \$4,500 or less, special projects, operational support, and capital expenditures. The grants are awarded to various cultural and aesthetic projects in communities across Montana.

HB 4 – The bill provides that all remaining FY 2011 federal budget amendment authority for the state arts plan, arts education, and arts in underserved communities be authorized to continue into FY 2012. The bill also authorizes \$5,700 in federal funds for FY 2011 for poetry out loud competitions.

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget adopted by the legislature. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(42,083)					(40,866)
Inflation/Deflation					810					997
Fixed Costs					20,790					(381)
Total Statewide Present Law Adjustments		(\$7,871)	(\$9,643)	(\$2,969)	(\$20,483)		(\$16,771)	(\$12,301)	(\$11,178)	(\$40,250)
DP 102 - Arts Present Law Adjustments	0.00	8,773	1,559	3,817	14,149	0.00	8,084	1,778	4,228	14,090
Total Other Present Law Adjustments	0.00	\$8,773	\$1,559	\$3,817	\$14,149	0.00	\$8,084	\$1,778	\$4,228	\$14,090
Grand Total All Present Law Adjustments	0.00	\$902	(\$8,084)	\$848	(\$6,334)	0.00	(\$8,687)	(\$10,523)	(\$6,950)	(\$26,160)

DP 102 - Arts Present Law Adjustments - The legislative budget provides increases for office rent, computer replacement based upon a new five year schedule, and increased production and circulation costs for the agency’s State of the Arts newspaper.

New Proposals

New Proposals	Program	FTE	-----Fiscal 2012-----				-----Fiscal 2013-----				
			General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 – Federal Funds Increase	01	0.00	0	0	204,793	204,793	0.00	0	0	213,378	213,378
DP 140 – Governor’s Budget Reductions	01	0.00	(11,351)	0	0	(11,351)	0.00	(11,352)	0	0	(11,352)
DP 97100 - Reduction in Worker's Compensation Costs	01	0.00	(364)	0	0	(364)	0.00	(362)	0	0	(362)
Total		0.00	(\$11,715)	\$0	\$204,793	\$193,078	0.00	(\$11,714)	\$0	\$213,378	\$201,664

DP 101 – Federal Funds Increase - The legislature increased federal authority for anticipated additional federal funds from the National Endowment for the Arts for use primarily in rural Montana and in key arts education programs that help teachers meet state arts standards, in addition to projects geared to saving Montana’s heritage in the traditional arts area.

DP 140 – Governor’s Budget Reductions - The legislative budget continues the reduction ordered by the Governor under 17-7-140, MCA for FY 2011 into the 2013 biennium. This reduction will impact the Leadership Institute Online Program, which provides online business management training and resources and governing board leadership training to local arts organizations.

DP 97100 - Reduction in Worker's Compensation Costs - The legislature reduced general fund support for worker's compensation costs based upon the anticipated impact of HB 334.