

Program Proposed Budget								
Budget Item	Base Budget Fiscal 1998	PL Base Adjustment Fiscal 2000	New Proposals Fiscal 2000	Total Leg. Budget Fiscal 2000	PL Base Adjustment Fiscal 2001	New Proposals Fiscal 2001	Total Leg. Budget Fiscal 2001	Total Leg. Budget Fiscal 00-01
FTE	8.00	(1.00)	.00	7.00	(1.00)	.00	7.00	7.00
Personal Services	197,880	86,478	0	284,358	84,795	0	282,675	567,033
Operating Expenses	237,454	(26,307)	0	211,147	(51,392)	0	186,062	397,209
Equipment	5,519	(5,519)	0	0	(5,519)	0	0	0
Grants	305,447	33,886	0	339,333	33,679	0	339,126	678,459
Total Costs	\$746,300	\$88,538	\$0	\$834,838	\$61,563	\$0	\$807,863	\$1,642,701
General Fund	241,069	34,858	0	275,927	20,722	0	261,791	537,718
State/Other Special	116,979	15,461	0	132,440	12,420	0	129,399	261,839
Federal Special	388,252	38,219	0	426,471	28,421	0	416,673	843,144
Total Funds	\$746,300	\$88,538	\$0	\$834,838	\$61,563	\$0	\$807,863	\$1,642,701

Agency Description

The Montana Arts Council (MAC), authorized by 22-2-101, MCA, works with public and private institutions engaged in artistic and cultural activities. The MAC is charged to: 1) recommend methods to encourage participation in and appreciation of the arts; 2) foster interest in the state's cultural heritage; 3) expand the state's cultural resources; and 4) encourage and assist freedom of artistic expression through ongoing programs and council initiated projects. The council administers the Cultural and Aesthetic Projects Advisory Committee authorized in 22-2-302, MCA. This committee reviews all proposals for cultural and aesthetic project grants and presents its recommendations to the legislature. The MAC administers grant proposals approved by the legislature.

Summary of Legislative Action

The legislature provided increases to fully fund personal services, provide position upgrades, and pay increased fixed costs. The legislature also (at the executive's request) eliminated funding for a 1.0 FTE technical assistant. The legislature made a slight adjustment in funding. While general fund had funded about 32.3 percent of total fiscal 1998 expenditures, general fund in the 2001 biennium is 32.7 percent. However, the legislature made a major funding adjustment in the cultural and aesthetic grants administered by this agency (and funded in HB 9) by funding a portion of those grants with general fund. This change in funding was primarily the result of a reduction in the Cultural and Aesthetic Trust Fund balance (and consequent interest income available to fund grants and administration) resulting from the purchase of Virginia City and Nevada City by the 1997 legislature. Provision of general fund for grants in some measure allowed for maintenance of general fund at the fiscal 1998 level for administration of the agency. For a complete discussion of cultural and aesthetic grants and their funding, see the "Long-Range Planning" section in this volume.

Agency Budget Comparison								
Budget Item	Base Budget Fiscal 1998	Executive Budget Fiscal 2000	Legislative Budget Fiscal 2000	Leg - Exec. Difference Fiscal 2000	Executive Budget Fiscal 2001	Legislative Budget Fiscal 2001	Leg - Exec. Difference Fiscal 2001	Biennium Difference Fiscal 00-01
FTE	8.00	7.00	7.00		7.00	7.00		
Personal Services	197,880	284,358	284,358	0	282,675	282,675	0	0
Operating Expenses	237,454	211,287	211,147	(140)	186,237	186,062	(175)	(315)
Equipment	5,519	0	0	0	0	0	0	0
Grants	305,447	439,333	339,333	(100,000)	439,126	339,126	(100,000)	(200,000)
Total Costs	\$746,300	\$934,978	\$834,838	(\$100,140)	\$908,038	\$807,863	(\$100,175)	(\$200,315)
General Fund	241,069	325,971	275,927	(50,044)	311,847	261,791	(50,056)	(100,100)
State/Other Special	116,979	132,464	132,440	(24)	129,427	129,399	(28)	(52)
Federal Special	388,252	476,543	426,471	(50,072)	466,764	416,673	(50,091)	(100,163)
Total Funds	\$746,300	\$934,978	\$834,838	(\$100,140)	\$908,038	\$807,863	(\$100,175)	(\$200,315)

Executive Budget Comparison

Compared to the executive request, the legislature reduced the rates the Department of Administration could charge agencies for fixed costs associated with data network services and building rent. For this agency the reduction over the

biennium was \$315. The legislature did not accept the new proposal for an Arts Program for Youth at Risk for a biennial reduction of \$100,000 general fund and \$200,000 total funds.

Funding

Montana Arts Council is funded with a combination of general fund, state special revenue from Cultural and Aesthetic (C&A) Trust Fund interest earnings, and federal funds from the National Endowment for the Arts.

Present Law Adjustments						
Present Law Description	Fiscal 2000 FTE	Fiscal 2000 General Fund	Fiscal 2000 Total Funds	Fiscal 2001 FTE	Fiscal 2001 General Fund	Fiscal 2001 Total Funds
Statewide Present Law						
Personal Services			115,464			113,574
Inflation/Deflation			1,494			1,327
Fixed Costs			5,818			(11,365)
Total Statewide Adjustments			\$122,776			\$103,536
Present Law Adjustments						
2 Adjustments to Base.	(1.00)	(9,791)	(34,098)	(1.00)	(17,491)	(41,798)
3 Rate Reduction	.00	(44)	(140)	.00	(56)	(175)
Total PL Adjustments	(1.00)	(\$9,835)	(\$34,238)	(1.00)	(\$17,547)	(\$41,973)
Present Law Adjustments Total			\$88,538			\$61,563

Present Law Adjustments

The table above shows the changes made by the legislature to the adjusted base budget. Statewide adjustments are standard categories of adjustments globally applied by the legislature to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2 - Adjustments to Base. - The legislature approved several adjustments to base year expenditures. First, it eliminated funding for a grade 14 technical assistant totaling \$28,986 in fiscal 2000 and \$28,779 in fiscal 2001. The position had been added by the 1997 legislature to attempt to secure additional federal funding. The agency contracted for this service in fiscal 1998. Second, it reduced operations appropriation authority by \$33,479 in fiscal 2000 and by \$41,179 in fiscal 2001. This reduction was the net result of a reduction in contract services and an additional \$7,700 for computer hardware in fiscal 2000 and an additional \$1,000 for rent each year (the agency has a five year computer replacement schedule). Third, it reduced equipment appropriation authority by \$5,519 for both years of the 2001 biennium. Finally, it increased grants by \$33,886 in fiscal 2000 and \$33,679 in fiscal 2001.

DP 3 - Rate Reduction - The legislature reduced the building rental rates and the rate charged by the Information Services Division (ISD) for data network services.

Language

“All funds in item 1b [Federal Grants] are biennial appropriations.”