

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Leg. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Leg. Budget Fiscal 2005	Total Leg. Budget Fiscal 04-05
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00	7.00
Personal Services	314,676	57,744	(91)	372,329	58,380	6,292	379,348	751,677
Operating Expenses	237,299	(14,733)	(12,194)	210,372	(19,116)	(12,194)	205,989	416,361
Grants	392,434	101,257	(31,120)	462,571	101,263	(31,120)	462,577	925,148
Total Costs	\$944,409	\$144,268	(\$43,405)	\$1,045,272	\$140,527	(\$37,022)	\$1,047,914	\$2,093,186
General Fund	339,050	(7,589)	(44,740)	286,721	(6,423)	(42,751)	289,876	576,597
State/Other Special	140,829	17,271	700	158,800	12,394	3,002	156,225	315,025
Federal Special	464,530	134,586	635	599,751	134,556	2,727	601,813	1,201,564
Total Funds	\$944,409	\$144,268	(\$43,405)	\$1,045,272	\$140,527	(\$37,022)	\$1,047,914	\$2,093,186

Agency Description

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, other grants approved by the legislature, and makes recommendations to the legislature on arts related issues.

Summary of Legislative Action

Montana Arts Council Major Budget Highlights
<ul style="list-style-type: none"> ○ Decrease of \$101,500 in general fund for the 2005 biennium from the base budget ○ Increase of \$0.3 million in other funds for the 2005 biennium over the base budget ○ General fund of \$16,250 was added based on savings from legislation authorizing payment of administrative costs from the research and commercialization state special revenue account established in 90-3-102 ○ Budget balancing reductions included reduced funding for local community grants, arts education grants, and technical assistance to artists and arts administrations; an unspecified general fund reductions; and a statewide increase in vacancy savings

The total budget for the Arts Council includes \$284,800 in present law adjustments and (\$80,400) in new proposals for a net increase over the fiscal 2002 base of \$204,400. Present law adjustments adopted by the legislature include statewide adjustments, a 3 percent increase in rent, increased federal spending authority, and minor increases for board member per diem, travel, professional services and printing. New proposals adopted by the legislature provide budget balancing, general fund reductions that increase vacancy savings within the agency due to a global reduction, reduce technical assistance to artists and arts administrators, eliminate general fund for local community and arts education grants, along with an unspecified general fund reduction applied at the beginning of the session. The legislature added funding of \$10,250 to pay for the HB 13 pay plan.

Funding

The following table summarizes funding for the agency, by program and source, as adopted by the legislature.

Total Agency Funding 2005 Biennium Executive Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
Promotion Of The Arts	\$ 576,597	\$ 315,025	\$ 1,201,564	\$ 2,093,186	100.0%
Grand Total	<u>\$ 576,597</u>	<u>\$ 315,025</u>	<u>\$ 1,201,564</u>	<u>\$ 2,093,186</u>	<u>100.0%</u>

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

General fund supports administration, legislative audit costs, and Arts are Central grants.

State special revenue from the C&A project account provides for the administration of C&A grants, the cost of the council as authorized in Section 22-2-204, MCA, and the folklife program. Federal NEA funding supports education and community grants, honorariums, and administration.

Other Legislation

House Bill 9 - This bill establishes priorities and appropriates funds for cultural and aesthetic grant projects administered by the MAC. The bill appropriates \$499,150 general fund and \$335,000 state special revenue funds from the Cultural and Aesthetic Trust Fund interest earnings in the 2005 biennium. In addition, \$311,323 is appropriated in HB 2 to fund MAC administrative expenses and the Folklife Program. The bill also allows grant amounts to be re-appropriated if money in the cultural and aesthetic projects account is insufficient in the 2005 biennium to fund approved projects. For further information, see the Long Range Planning section of this volume.

Agency Budget Comparison								
Budget Item	Base Budget Fiscal 2002	Executive Budget Fiscal 2004	Legislative Budget Fiscal 2004	Leg - Exec. Difference Fiscal 2004	Executive Budget Fiscal 2005	Legislative Budget Fiscal 2005	Leg - Exec. Difference Fiscal 2005	Biennium Difference Fiscal 04-05
FTE	7.00	7.00	7.00	0.00	7.00	7.00	0.00	
Personal Services	314,676	372,420	372,329	(91)	373,056	379,348	6,292	6,201
Operating Expenses	237,299	222,566	210,372	(12,194)	218,183	205,989	(12,194)	(24,388)
Grants	392,434	462,571	462,571	0	462,577	462,577	0	0
Total Costs	\$944,409	\$1,057,557	\$1,045,272	(\$12,285)	\$1,053,816	\$1,047,914	(\$5,902)	(\$18,187)
General Fund	339,050	300,341	286,721	(13,620)	301,507	289,876	(11,631)	(25,251)
State/Other Special	140,829	158,100	158,800	700	153,223	156,225	3,002	3,702
Federal Special	464,530	599,116	599,751	635	599,086	601,813	2,727	3,362
Total Funds	\$944,409	\$1,057,557	\$1,045,272	(\$12,285)	\$1,053,816	\$1,047,914	(\$5,902)	(\$18,187)

Executive Budget Comparison

The legislature approved a budget that is \$18,200, or about 1.0 percent, below the amount recommended by the Governor due to an unspecified general fund reduction applied at the beginning of the session and a statewide reduction in personal services. The unspecified reduction was partially offset with general fund from savings due to a Department of Commerce funding switch that replaces general fund for Research and Commercialization Program administrative costs with state special revenue. Non-general fund was approved at a level slightly higher than the Executive Budget level due to funding added for the HB 13 pay plan. All Executive Budget decision packages were adopted, including new proposals that eliminate general fund support of arts education and local community grants.

Present Law Adjustments										
-----Fiscal 2004-----						-----Fiscal 2005-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					52,894					51,705
Inflation/Deflation					2,847					2,980
Fixed Costs					(8,770)					(24,435)
Total Statewide Present Law Adjustments					\$46,971					\$30,250
DP 1 - Rent Increase	0.00	176	255	176	607	0.00	181	263	181	625
DP 2 - Administrative Cost Adjustments	0.00	1,304	1,680	4,959	7,943	0.00	6,963	2,855	11,081	20,899
DP 3 - Federal Funds Increase	0.00	0	0	115,850	115,850	0.00	0	0	115,856	115,856
DP 7000 - Art Pros Reduction	0.00	(27,103)	0	0	(27,103)	0.00	(27,103)	0	0	(27,103)
Total Other Present Law Adjustments	0.00	(\$25,623)	\$1,935	\$120,985	\$97,297	0.00	(\$19,959)	\$3,118	\$127,118	\$110,277
Grand Total All Present Law Adjustments					\$144,268					\$140,527

Present Law Adjustments

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

DP 1 - Rent Increase - The legislature approved an increase in rented office space at the city-county building of \$607 in fiscal 2004 and \$625 in fiscal 2005 per the agency's recently negotiated rent lease. The increase is 3 percent per year for the next three years.

DP 2 - Administrative Cost Adjustments - The legislature approved this present law adjustment to reestablish per diem for the Council and for the Cultural & Aesthetic Projects Citizens' Advisory Panel and allow basic adjustments to professional services, legal fees, printing, in-state lodging, and a state and federal required strategic plan.

DP 3 - Federal Funds Increase - The legislature approved authority to spend federal NEA funds projected for fiscal 2004 and 2005 based on the current year NEA award. NEA allocates the increased funding for specific purposes including \$11,400 for artists in schools, \$40,000 to local communities for Challenge America purposes, and the balance to increase arts activities in underserved communities.

DP 7000 - Art Pros Reduction - The legislature approved reductions to professional development grants and the art pros consultant program. Professional development grants provide matching funds for Montanans to attend seminars, conferences, and workshops to further improve artistic quality, and community service in the arts. The art pros consultant program allows artists and art administrators to seek advice for technical, administrative, and marketing queries.

New Proposals Program	-----Fiscal 2004-----					-----Fiscal 2005-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 655 - Personal Services Reduction 01	0.00	(2,026)	0	0	(2,026)	0.00	(2,026)	0	0	(2,026)
DP 6800 - HB 13 - Pay Plan 01	0.00	600	700	635	1,935	0.00	2,589	3,002	2,727	8,318
DP 7002 - Reduction in the Arts Education Program 01	0.00	(15,000)	0	0	(15,000)	0.00	(15,000)	0	0	(15,000)
DP 7003 - Eliminate Local Community Grants 01	0.00	(16,120)	0	0	(16,120)	0.00	(16,120)	0	0	(16,120)
DP 9000 - Legislative Reduction to Fiscal 2000 Base Level 01	0.00	(19,737)	0	0	(19,737)	0.00	(20,903)	0	0	(20,903)
DP 9200 - Legislative Increase Contingent on Legislation 01	0.00	7,543	0	0	7,543	0.00	8,709	0	0	8,709
Total	0.00	(\$44,740)	\$700	\$635	(\$43,405)	0.00	(\$42,751)	\$3,002	\$2,727	(\$37,022)

New Proposals

DP 655 - Personal Services Reduction - The legislature applied a further vacancy savings on general fund positions. The average for this agency is 0.6 percent on general fund and 0.2 percent on total funding.

DP 6800 - HB 13 - Pay Plan - The legislature passed a pay plan in HB 13 that provides an additional \$44 per month in insurance contributions in calendar 2004 and an additional \$50 per month in calendar 2005, as well as a \$0.25 per hour salary increase in the final six months of fiscal 2005. These amounts represent this program's allocation of costs to fund this pay plan. An additional \$44 per month in insurance contribution for the first six months of fiscal 2004 was not funded.

DP 7002 - Reduction in the Arts Education Program - The legislature approved a reduction of \$15,000 per year which eliminates general fund support of the Arts Education Program. This program provides matching funds to schools and non-profit organizations to support artist residencies and other arts education projects.

DP 7003 - Eliminate Local Community Grants - The legislature approved a \$16,120 per year reduction that eliminates general fund support for grants to local communities.

DP 9000 - Legislative Reduction to Fiscal 2000 Base Level - The legislature approved an unspecified reduction to general fund of \$19,737 in fiscal 2004 and \$20,903 in fiscal 2005, or about 2.0 percent of total funds.

DP 9200 - Legislative Increase Contingent on Legislation - The legislature added general fund of \$16,252 over the biennium to the Arts Council from general fund saved within the Department of Commerce. The general fund savings was a result of legislation authorizing payment of administrative costs from the research and commercialization state special revenue account established in 90-3-1002, that were previously paid with general fund.

Language

"Item 1 includes a reduction in general fund money of \$2,026 in fiscal year 2004 and \$2,026 in fiscal year 2005 for the statewide FTE reduction."

"All federal funds in item 1 are biennial appropriations."