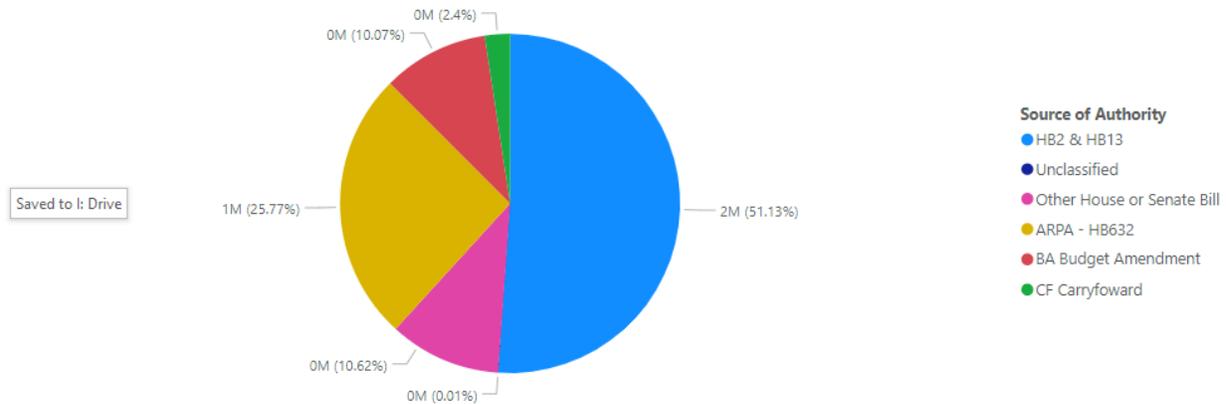


# MONTANA ARTS COUNCIL

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 51.1% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	1,515,570	1,255,062	82.8%
BA Budget Amendment	298,523	196,783	65.9%
CF Carryforward	71,149		
Other House or Senate Bill	314,800	76,150	24.2%
Unclassified	258		
ARPA	764,000		
<b>Total</b>	<b>2,964,300</b>	<b>1,527,995</b>	<b>51.5%</b>

Report Period

- Jul
- Aug
- Sep
- Oct
- Nov
- Dec
- Jan
- Feb
- Mar
- Apr
- May
- Jun

## Budget Amendments

The agency requested budget amendment authority for increased federal authority when federal grants awarded from the National Endowment for the Arts exceeded HB 2 budget authority. The agency has used 65.9% of its current budget amendment authority. This includes \$72,578 on operating expenses and \$101,460 in grants, \$5,460 of which was used to fund two artist in schools grants, and \$96,000 was used to fund statewide service organization grants.

## Carryforward

The budget includes FY 2020 carryforward authority from the general fund that was established in FY 2021 for the Montana Arts Council (MAC) to offset expenses from the Montana Artrepreneur Program. These funds have not yet been expended. Per [17-7-304](#), MCA, an agency has the following two years to spend the unspent authority that was carried forward.

## Other Bills

Montana Arts Council received \$314,800 of authority from HB 9, cultural and aesthetic grants, of which \$76,150 or 24.2% has been expended for grants.

## Unclassified

Per 39-71-403(1)(b)(iv), MCA, when workers' compensation premiums are lower than the previous year, state agencies shall reduce personal services appropriations by the amount of the premium reduction. To track the changes in appropriation authority, total appropriations are not reduced, instead the Governor's Office of Budget and Program Planning (OBPP) requires state agencies to:

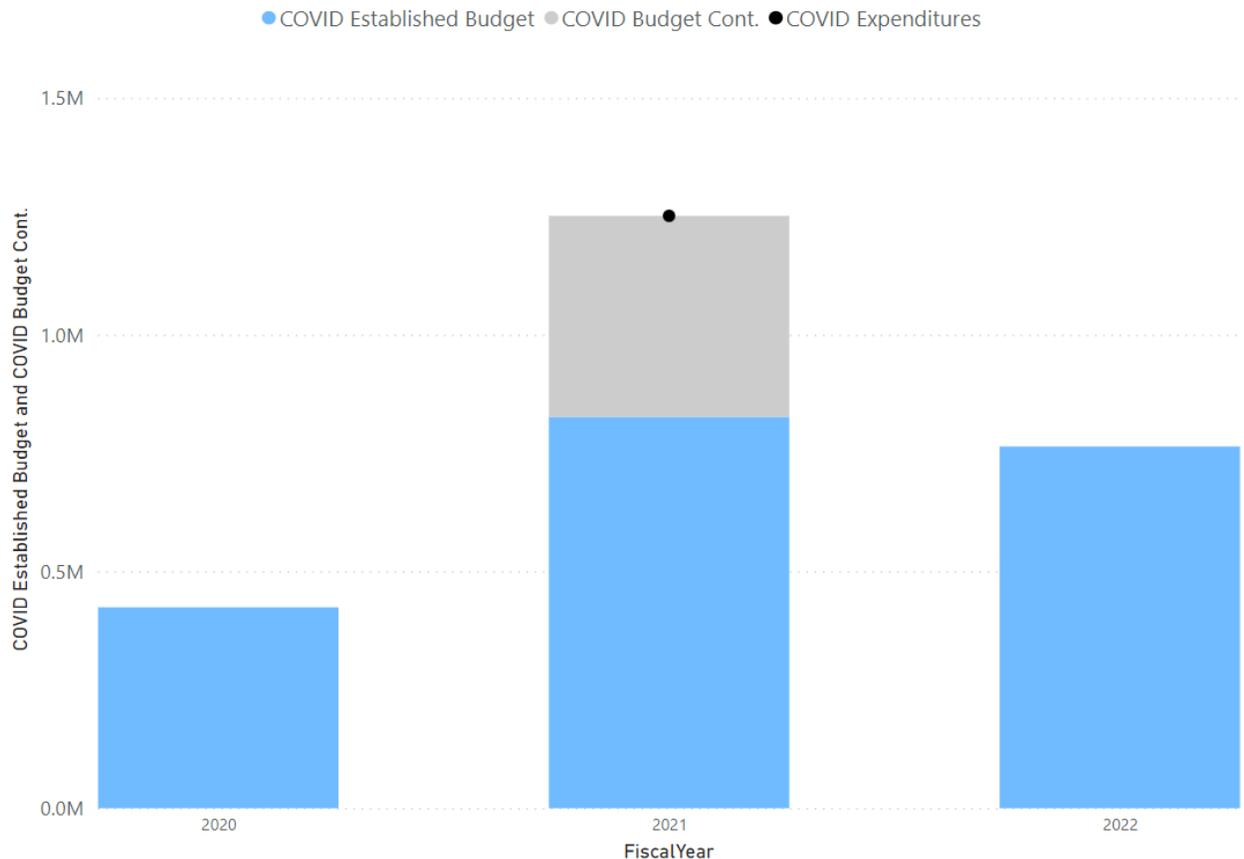
- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries

The offsetting entries are identified as "frozen" appropriations, which means the appropriations will not be spent unless authorized by OBPP.

## COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year



Under HB 632, the legislature appropriated \$7 of federal American Rescue Plan Act (ARPA) funding to the Montana Arts Council; the appropriation was authorized to begin in FY 2021 through the biennium beginning

July 1, 2023. As the chart shows, Cares I funding available in FY 2020 of \$424,400 was unspent and moved to FY 2021 (light grey). By the end of FY 2021, all of the FY 2020 and FY 2021 authority had been expended (black dot). Appropriation authority of \$764,000 in FY 2022 is 0.0% expended.

## HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through May 31, 2022. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

### Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	March Modified Budget	June Modified Budget	Net Modifications
☐ <b>Montana Arts Council</b>	<b>1,515,828</b>	<b>1,515,570</b>	<b>-258</b>
<b>Total</b>	<b>1,515,828</b>	<b>1,515,570</b>	<b>-258</b>

Acct & Lvl 1 DESC	March Modified Budget	June Modified Budget	Net Modifications
☐ 61000 Personal Services	689,434	689,176	-258
☐ 62000 Operating Expenses	362,847	341,410	-21,436
☐ 66000 Grants	462,238	462,238	
☐ 69000 Debt Service	1,309	22,746	21,436

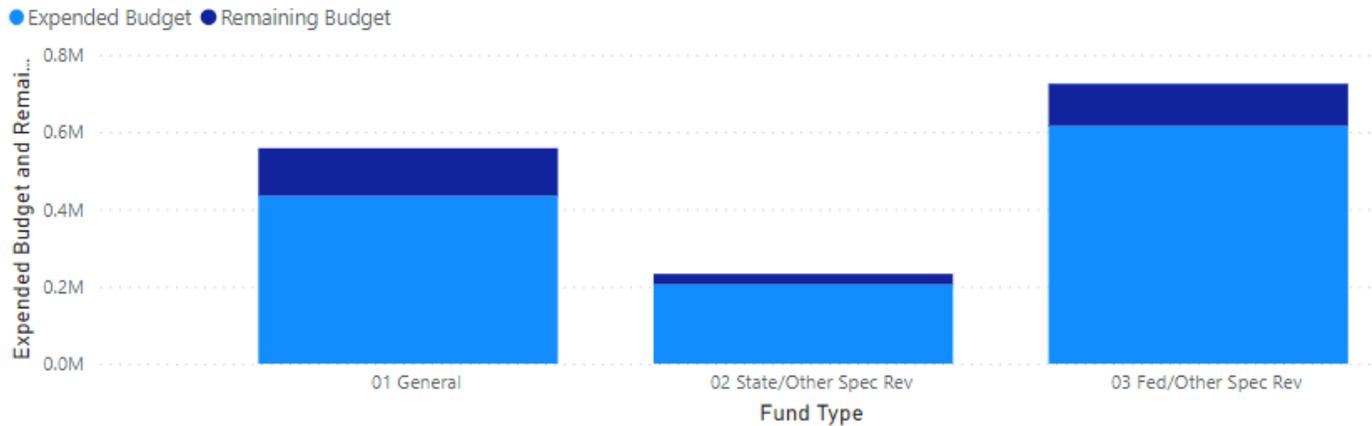
Fund Type	March Modified Budget	June Modified Budget	Net Modifications
☐ 01 General	558,191	558,107	-84
☐ 02 State/Other Spec Rev	232,779	232,703	-76
☐ 03 Fed/Other Spec Rev	724,858	724,760	-98

The Montana Arts Council had net budget modifications totaling negative \$258, this difference is due to the workers' compensation reductions. An operating plan change transferred \$21,436 from operating expenses to debt service to conform to an accounting rule change.

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2022.

Expended Budget and Remaining Budget by Fund Type - HB 2 Only



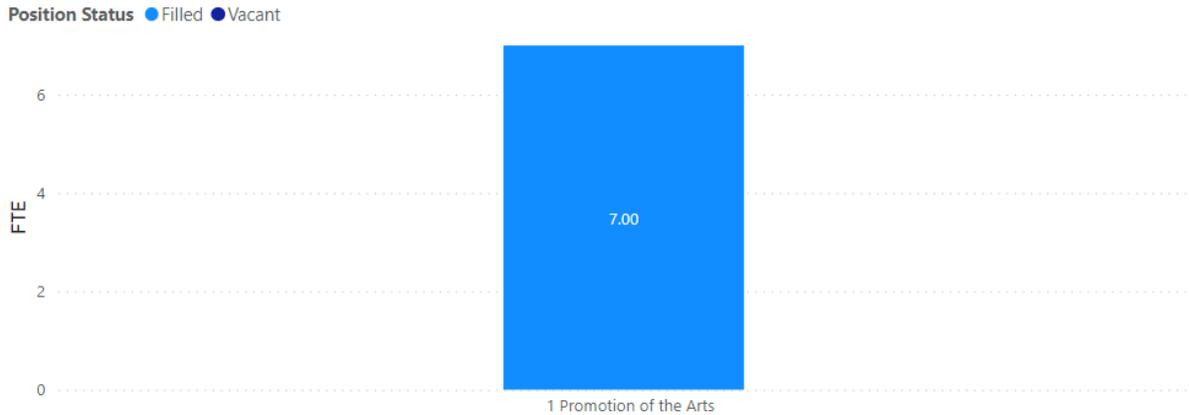
acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	689,176	602,530	87.4%
Operating Expenses	341,410	187,615	55.0%
Grants	462,238	442,172	95.7%
Debt Service	22,746	22,746	100.0%

Program Name	Modified Budget	Expended Budget	Percent Expended
<b>PROMOTION OF THE ARTS</b>	<b>1,515,570</b>	<b>1,255,062</b>	<b>82.8%</b>
<b>Total</b>	<b>1,515,570</b>	<b>1,255,062</b>	<b>82.8%</b>

The agency's HB 2 modified budget for FY 2022 is \$1.5 million. At this point in the fiscal year, the agency expended \$1.3 million or 82.8%. The majority of these appropriations are federal funding for grant expenditures. For more information, please follow the link under the required reports section of this report.

## Personal Services

The following chart shows the filled and vacant FTE within the agency as of May 1, 2021.



The agency has 7.00 FTE and no vacant positions.

## Next Steps for Personal Services Reporting

In upcoming Quarterly Financial Reports, the LFD will begin the process of a more comprehensive look at personal services. The LFD will compare two executive “snapshots” -- July 2020 and July 2022. The analysis will identify adjustments adopted by the legislature in 2021 and modifications made by the agencies, within the confines of budget law.

The September Quarterly Financial Report will provide the complete comparison from July 2020 to July 2022. Ultimately, the analysis will result in a description of all the components that will be part of the executive’s decision package one (DP 1) 2025 biennium budget request. This work will prepare legislators for budget deliberations in the 2023 session. For a review of how DP 1 works and snapshot components, please read this [brochure](#) from 2019.

## OTHER ISSUES

### Required Reports

A link to the MAC’s ARPA funding quarterly report, as required by HB 632, is available on the Education Interim Budget Committee’s (IBC) webpage in the Meeting Materials section: <https://www.leg.mt.gov/lfd/interim-budget-committee-section-e/>