

THE MONTANA ARTS COUNCIL

An Agency Profile Prepared by the
Legislative Fiscal Division

November 2018



INTRODUCTION

The Montana Arts Council (MAC) is authorized by 22-2-101, MCA to assist public and private institutions with artistic and cultural activities. The council encourages the creative potential of all Montanans, advances education, spurs economic vibrancy and revitalizes communities through involvement 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.

HOW SERVICES ARE PROVIDED

MAC is a single program agency that administers, manages, and promotes artistic endeavors through grants, programs, and services.

Grant support is made possible by a federal award, state resources, and private donations. Current grant opportunities include:

- Artist's Innovation Awards – honors dedicated artists for their innovation and creativity
- Artists in Schools & Communities – matching support for learning opportunities with artists
- Public Values Partnerships, including Statewide Service Organizations – matches investments in established cultural organizations with an educational mission
- Strategic Investment Grants – matching support for professional development, market expansion, public outreach, and challenges and emergencies
- Cultural and Aesthetic Projects – as provided by the Cultural Trust

Programs recognize achievements and provide opportunities to advance the arts. Current programs include:

- Governor's Arts Award – honors achievement in the arts that benefit all Montanans
- Montana Artrepreneur Program – provides business training to established visual artists
- Montana's Circle of American Masters in Folk and Traditional Arts – recognizes artistic excellence and the preservation of the state's cultural heritage
- Montana Poet Laureate – honors the talents and accomplishments of an exceptional poet
- Montana Poetry Out Loud – engages high school students in a national poetry recitation contest
- Percent for Art – administers the process of acquiring art as part of capital investments in state buildings

Services support the infrastructure that allows the arts to thrive. Current services include:

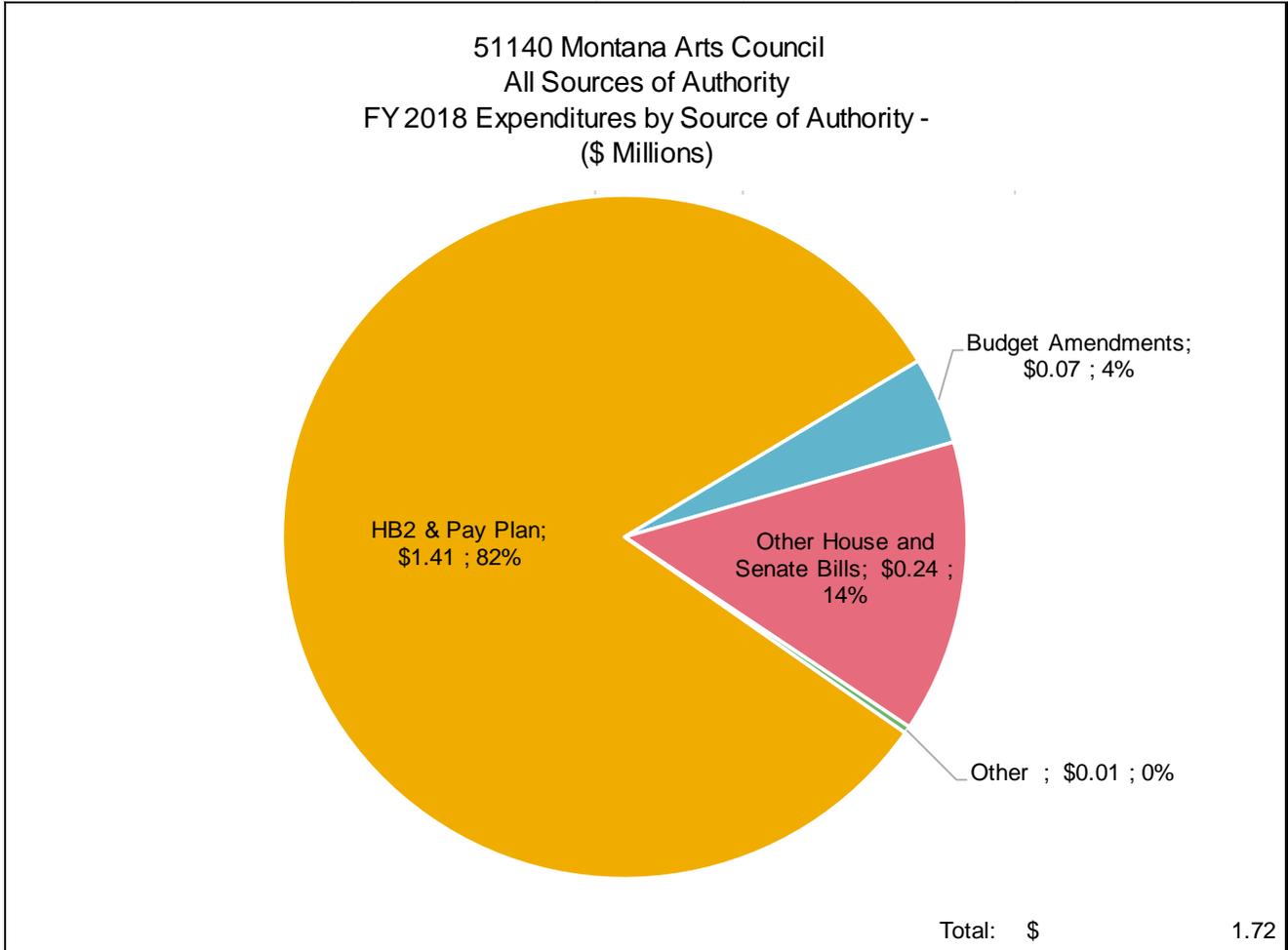
- Artists in Schools and Communities Registry – a resource of teaching artists interested in community engagement
- State of the Arts newspaper – a free quarterly print to 8,500 subscribers and 900 online viewers
- eNews bulletins – published bi-weekly to 5,000 subscribers with resources, professional development, and opportunities
- Technical Assistance – training and coaching provided by MAC staff in strategic planning, organizational development, and governance

Sources of Spending Authority

The chart below shows the expenditures by source of authority for the Montana Arts Council for FY 2018. The majority of all funding sources are from HB 2 and pay plan. Other sources of funding authority include:

- HB 9 Cultural and Aesthetic Grants (other house and senate bills)

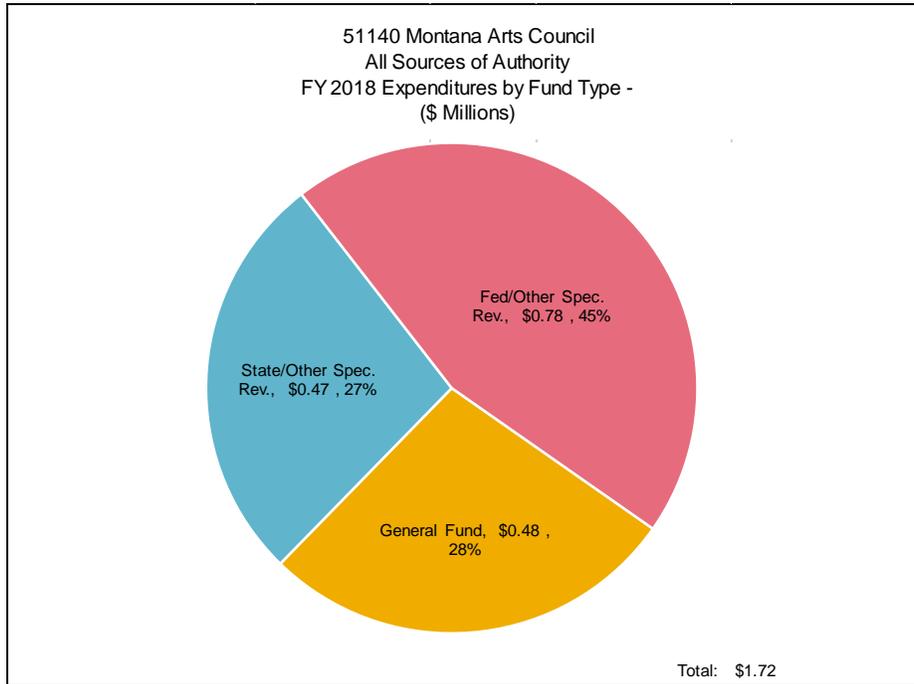
- Budget amendments for the National Endowment of the Arts federal grants
- Continuing authority of federal funds



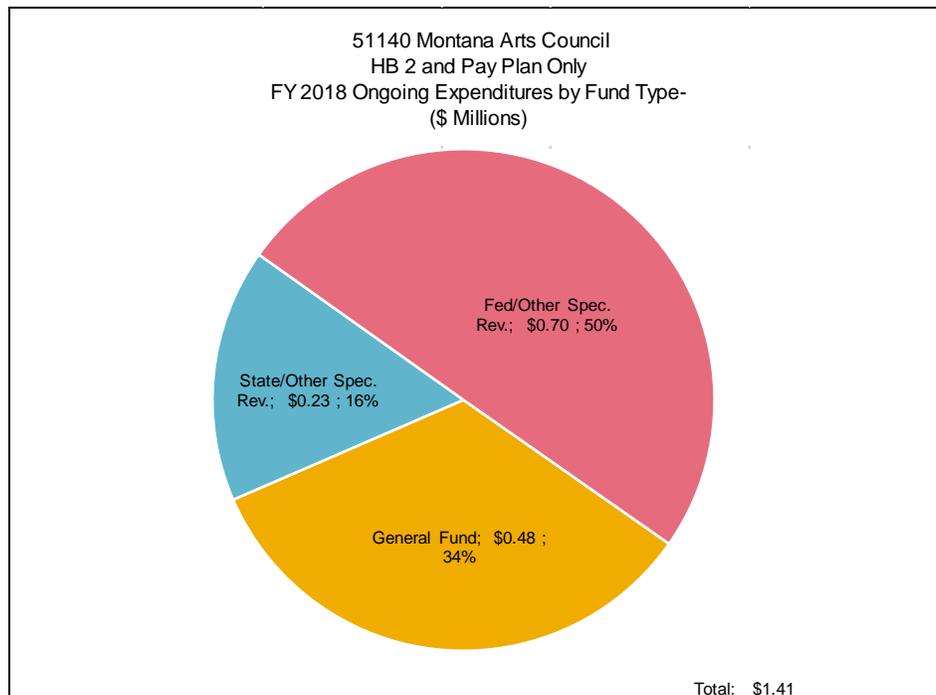
Funding

The Montana Arts Council receives general fund, and state and federal special revenue. General fund of approximately \$475,000 were 27.5% of total expenditures. State special revenue is the earnings from the Cultural and Aesthetic trust fund. These expenditures were approximately \$470,000 or 27.2% of the total. Finally, federal special revenue from the National Endowment of the Arts, accounts for the majority of the expenditures. Federal special revenue spending was approximately \$780,000 or 45.2% of the total.

The chart below shows FY 2018 actual expenditures by fund type for all sources of authority.



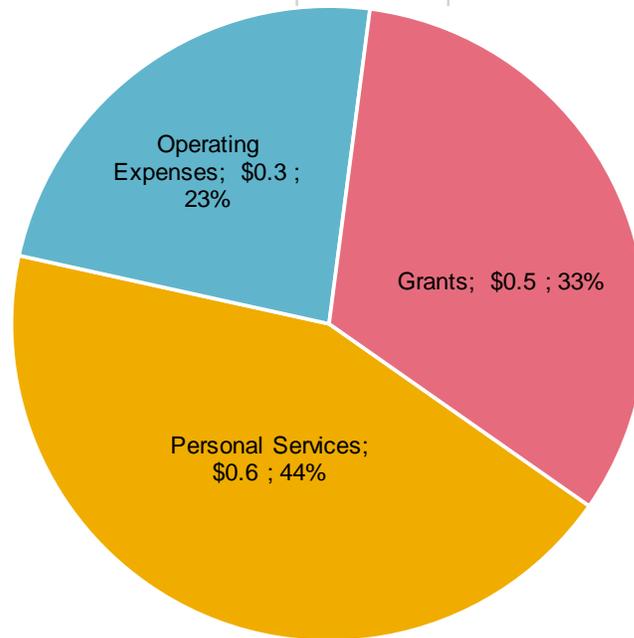
The chart below shows the agency's HB 2 and pay plan expenditures by fund type.



Expenditures

The chart below explains how the HB 2 and pay plan authority is spent. HB 2 and pay plan ongoing expenditures in FY 2018 totaled \$1.4 million. The largest expenditure category is personal services at 43.7%. The second largest category is grants at 32.7%. Grants are primarily federal special revenue (69.4%) with the remainder from general fund.

51140 Montana Arts Council
HB 2 and Pay Plan Only
FY 2018 Ongoing Expenditures by First Level-
(\$ Millions)



Total: \$1.41

How the 2019 Legislature Can Effect Change

In order to change expenditure levels and/or activity, the legislature might address legislation:

- Governing the existence, definition, and funding of the Montana Arts Council
- Impacting the council staff such as consultation with and support of local communities; applying for, accepting and expending grant funds; and providing services for the educational community
- Relating to the Cultural and Aesthetic Trust

The legislature is less likely to control:

- Federal legislation or funding for the arts
- Initiatives or legislation responding to citizen action
- Growth in web-based or long distance access to information and/or grant applications, or other changes in technology that serves the art community
- The number of Montana citizens needing this service from year to year
- Economic changes related to costs of utilities, rent, and transportation

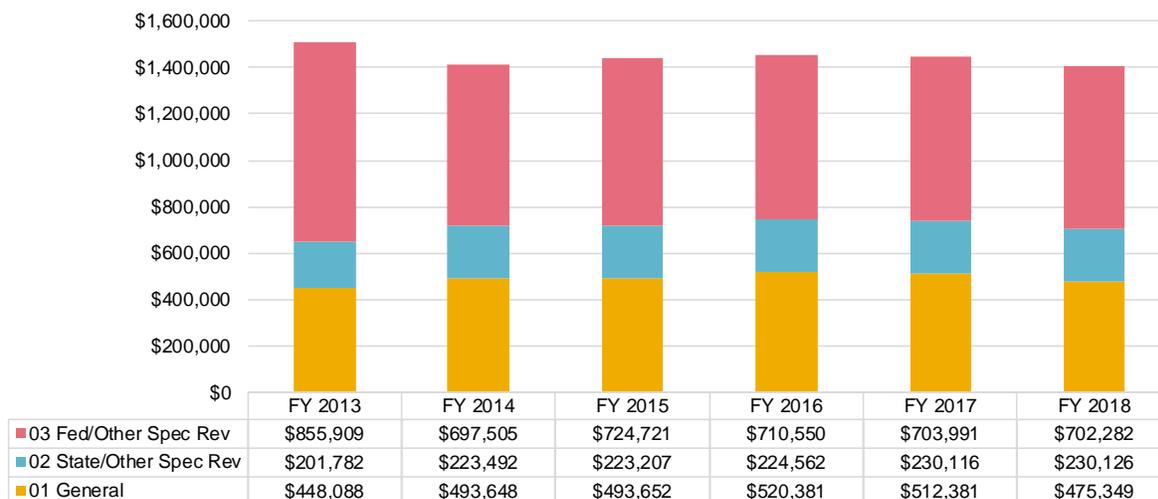
Major Cost Drivers

Major Cost Drivers for the Montana Arts Council			
Element	FY 2016	FY 2018	Significance of Data
Develop Creative Potential			
Number of Artist's Innovation Awards	8	8	Honorees provide public service through presentations and workshops
Amount awarded to Artist's Innovation Awards	\$ 24,000	\$ 24,000	
Number of Strategic Investment Grants for the Arts	39	43	Awards to individuals and non-profit arts organizations
Amount awarded for Strategic Investment Grants for the Arts	\$ 35,344	\$ 41,409	
Number of Cultural and Aesthetic Trust Grants	75	77	Awarded by the legislature and administered by the Montana Arts Council. Number of awards are based on the available earnings
Amount awarded to Cultural and Aesthetic Trust Grants	\$ 384,995	\$ 440,000	
Cultural and Aesthetic requested funding	\$ 2,130,853	\$ 1,026,408	
New inductees to the Montana Circle of American Masters	1	0	Honorees representing the finest traditional arts in the state
Advance Education			
Number of grants for Artists in Schools and Communities Residencies	26	26	Support to work alongside and learn from professional artists
Amount awarded for Artists in Schools and Communities Residencies	\$ 117,824	\$ 112,825	
Number trained in workforce development program	81	51	Provides entrepreneurial skill training for artists
Number of events in workforce development program	36	83	
Spur Economic Vibrancy & Revitalize Communities			
Number of Public Value Partnership Operating Grants	42	44	Support for Montana non-profit arts organizations with paid staff
Amount awarded for Public Value Partnership Operating Grants	\$ 226,320	\$ 226,320	
Organization technical assistance	9	3	Governance and management training for board members
Number of Statewide Arts Service Organization Grants	5	5	Operating support grants for non-profit arts organizations with a statewide service impact
Amount awarded for Statewide Arts Service Organization Grants	\$ 130,643	\$ 130,000	

Funding/Expenditure History

The table on the following page shows the six-year funding history for the agency. Funding on this table reflects ongoing funding included in the HB 2 and pay plan budget. One-time-only appropriations are excluded from this table.

**51140 Montana Arts Council
Ongoing Historical Expenditures**



Over the last six years, total expenditures included in the HB 2 and pay plan base budget have decreased at an average annual rate of 6.5%. General fund and state special revenue have increased 6.1% and 14.0% respectively during this time. While federal special revenue has decreased 17.9%. Historically, roughly 50% of all expenditures are from federal funds.

State special revenue includes proceeds from the cultural and aesthetic project account. This account:

- Receives interest earnings from a statutory trust account that is funded from a 0.63% distribution from the coal severance tax
- Must be used for protection of works of art in the State Capitol and other cultural and aesthetic projects (15-35-108, MCA)
- Supports the agency’s administration of the cultural and aesthetic trust activities and its Circle of American Masters program, which promotes Montana’s traditional and native arts and cultures

Federal funds come from the National Endowment for the Arts. These federal funds:

- Are formula grants from the federal agency rather than competitive grants
- 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
- Are used for agency administration, grants, and services to the state’s arts community

Major Legislative Changes in the Last Ten Years

The November 2017 Special Session caused a reduction of approximately \$52,000 which was restored in FY 2019.

An additional one-time-only appropriation was provided in the 2017 biennium for a Glassblowing Arts program.

One-time-only funds of \$90,000 were provided in the 2015 biennium for the Arts in Education program. Of these funds, \$35,000 were designated for the Fine Arts Glass Blowing program at Box Elder schools.

MAC received an increase of 14.0% in general fund for the 2013 biennium. This increase was to meet the matching requirement for the additional federal grant funds from the National Endowment of the Arts.

HB 645 during the 2009 Legislative Session provided an additional \$291,000 in federal authority from the National Endowment of the Arts. These grant funds supported subgrants to eligible non-profit organizations as part of the American Recovery and Reinvestment Act.

For more information on the Montana Arts Council, please view their website here: <http://art.mt.gov/>