

**Agency Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	1,383,261	1,381,029	(2,232)	(0.16)%
Operating Expenses	607,033	698,019	90,986	14.99 %
Grants	1,019,764	924,476	(95,288)	(9.34)%
<b>Total Expenditures</b>	<b>\$3,010,058</b>	<b>\$3,003,524</b>	<b>(\$6,534)</b>	<b>(0.22)%</b>
General Fund	1,081,152	1,088,692	7,540	0.70 %
State/Other Special Rev. Funds	487,722	465,436	(22,286)	(4.57)%
Federal Spec. Rev. Funds	1,441,184	1,449,396	8,212	0.57 %
<b>Total Funds</b>	<b>\$3,010,058</b>	<b>\$3,003,524</b>	<b>(\$6,534)</b>	<b>(0.22)%</b>
<b>Total Ongoing</b>	<b>\$3,010,058</b>	<b>\$3,005,582</b>	<b>(\$4,476)</b>	<b>(0.15)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$2,058)</b>	<b>(\$2,058)</b>	<b>100.00 %</b>

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

Please refer to the agency profile for the Montana Arts Council at <https://leg.mt.gov/lfd/state-agency-profiles/montana-arts-council/> for additional information about the agency's organizational structure, historical expenditures, FY 2020 expenditure dashboard, and recent studies, audits, and legislation.

**Agency Highlights**

<b>Montana Arts Council Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Montana Arts Council's 2023 biennium appropriations are approximately \$6,500 or 0.2% lower than the 2021 biennium. Significant changes include:                             <ul style="list-style-type: none"> <li>◦ An increase in operating expenses due to the statewide present law adjustment for fixed costs. In FY 2022, \$30,000 of the increase is because of legislative audit costs</li> <li>◦ A decrease in HB 2 operating expenses in order to fund additional grants in HB 9</li> <li>◦ A decrease in general fund for a two-month state share holiday for employer contributions for state health insurance</li> </ul> </li> </ul>

**Agency Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	7.00	7.00	7.00	7.00
Personal Services	535,056	687,783	695,478	688,098	692,931
Operating Expenses	256,709	269,775	337,258	364,156	333,863
Grants	557,526	557,526	462,238	462,238	462,238
<b>Total Expenditures</b>	<b>\$1,349,291</b>	<b>\$1,515,084</b>	<b>\$1,494,974</b>	<b>\$1,514,492</b>	<b>\$1,489,032</b>
General Fund	387,308	553,116	528,036	557,923	530,769
State/Other Special Rev. Funds	242,808	242,803	244,919	232,341	233,095
Federal Spec. Rev. Funds	719,175	719,165	722,019	724,228	725,168
<b>Total Funds</b>	<b>\$1,349,291</b>	<b>\$1,515,084</b>	<b>\$1,494,974</b>	<b>\$1,514,492</b>	<b>\$1,489,032</b>
<b>Total Ongoing</b>	<b>\$1,349,291</b>	<b>\$1,515,084</b>	<b>\$1,494,974</b>	<b>\$1,516,550</b>	<b>\$1,489,032</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,058)</b>	<b>\$0</b>

**Summary of Legislative Action**

The legislature approved an increase of 0.5% or approximately \$14,000 in the 2023 biennium compared to the FY 2021 base appropriation. The increase is primarily comprised of the statewide present law adjustment for fixed costs, and the adjustment for legislative audit costs is the main contributing factor for this increase. This increase is offset by decreases for the state share insurance holiday and a reduction in HB 2 operating expenses in order to have additional funds available for grants in HB 9.

**Funding**

The following table shows adopted agency funding by source of authority.

Total Montana Arts Council Funding by Source of Authority 2023 Biennium Budget Request - Montana Arts Council						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	1,090,750	(2,058)	0	0	1,088,692	36.25 %
State Special Total	465,436	0	0	0	465,436	15.50 %
Federal Special Total	1,449,396	0	0	0	1,449,396	48.26 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$3,005,582</b>	<b>(\$2,058)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,003,524</b>	
<b>Percent - Total All Sources</b>	<b>100.07 %</b>	<b>(0.07)%</b>	<b>0.00 %</b>	<b>0.00 %</b>		

The Montana Arts Council is funded with general fund, state special revenue, and federal special revenue.

General fund supports:

- A portion of the agency operations and services to the state’s art community
- Grants, which include Artists in the Schools and several other grant programs available to non-profit art organizations, schools, and other eligible entities

The cultural and aesthetic project state special revenue fund supports:

- Overall agency operations

- Administration of cultural and aesthetic trust activities and the preservation of the state’s cultural heritage
- Grant awards in HB 9 for cultural and aesthetic projects

Federal special revenue from the National Endowment of the Arts supports:

- Formula-based grants, which require a non-federal dollar match. The agency utilizes general fund and state special revenue as a source of matching funds
- The agency’s administration of services to the state’s art community

**Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	528,036	528,036	1,056,072	97.00 %	1,494,974	1,494,974	2,989,948	99.55 %
SWPL Adjustments	32,016	2,767	34,783	3.19 %	33,905	6,387	40,292	1.34 %
PL Adjustments	(71)	(34)	(105)	(0.01)%	(12,329)	(12,329)	(24,658)	(0.82)%
New Proposals	(2,058)	0	(2,058)	(0.19)%	(2,058)	0	(2,058)	(0.07)%
<b>Total Budget</b>	<b>\$557,923</b>	<b>\$530,769</b>	<b>\$1,088,692</b>		<b>\$1,514,492</b>	<b>\$1,489,032</b>	<b>\$3,003,524</b>	

**Other Legislation**

*HB 9 – Cultural and Aesthetic Grants*

The Montana Arts Council awards cultural and aesthetic projects grants authorized in HB 9. The legislature appropriated nearly \$315,000 for 75 projects statewide. A full list of the projects and associated funding is located in HB 9.

*HB 632 – Implement receipt of and appropriate federal stimulus and COVID recovery funds*

The Montana Arts Council received \$764,000 in the American Rescue Plan Act of 2021. HB 632 appropriates this funding to the MAC.

**Executive Budget Comparison**

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2021	Executive Budget Fiscal 2022	Legislative Budget Fiscal 2022	Leg — Exec. Difference Fiscal 2022	Executive Budget Fiscal 2023	Legislative Budget Fiscal 2023	Leg — Exec. Difference Fiscal 2023	Biennium Difference Fiscal 22-23
FTE	7.00	7.00	7.00	0.00	7.00	7.00	0.00	0.00
Personal Services	695,478	688,098	688,098	0	692,931	692,931	0	0
Operating Expenses	337,258	364,239	364,156	(83)	333,946	333,863	(83)	(166)
Grants	462,238	462,238	462,238	0	462,238	462,238	0	0
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$1,494,974</b>	<b>\$1,514,575</b>	<b>\$1,514,492</b>	<b>(\$83)</b>	<b>\$1,489,115</b>	<b>\$1,489,032</b>	<b>(\$83)</b>	<b>(\$166)</b>
General Fund	528,036	557,994	557,923	(71)	530,803	530,769	(34)	(105)
State/other Special Rev. Funds	244,919	232,344	232,341	(3)	233,106	233,095	(11)	(14)
Federal Spec. Rev. Funds	722,019	724,237	724,228	(9)	725,206	725,168	(38)	(47)
<b>Total Funds</b>	<b>\$1,494,974</b>	<b>\$1,514,575</b>	<b>\$1,514,492</b>	<b>(\$83)</b>	<b>\$1,489,115</b>	<b>\$1,489,032</b>	<b>(\$83)</b>	<b>(\$166)</b>
<b>Total Ongoing</b>	<b>\$1,494,974</b>	<b>\$1,516,633</b>	<b>\$1,516,550</b>	<b>(\$83)</b>	<b>\$1,489,115</b>	<b>\$1,489,032</b>	<b>(\$83)</b>	<b>(\$166)</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$2,058)</b>	<b>(\$2,058)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The legislature adopted ongoing appropriations that are approximately \$200 lower than the proposed executive appropriations for the 2023 biennium. The only difference is due to a reduction in fixed costs for information technology services.

**Language and Statutory Authority**

The legislature included the following language in HB 2:

"All HB 2 federal funding appropriations for the Montana Arts Council are biennial appropriations."

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	7.00	7.00	7.00	7.00
Personal Services	535,056	687,783	695,478	688,098	692,931
Operating Expenses	256,709	269,775	337,258	364,156	333,863
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<b>Total Expenditures</b>	<b>\$1,349,291</b>	<b>\$1,515,084</b>	<b>\$1,494,974</b>	<b>\$1,514,492</b>	<b>\$1,489,032</b>
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<b>Total Ongoing</b>	<b>\$1,349,291</b>	<b>\$1,515,084</b>	<b>\$1,494,974</b>	<b>\$1,516,550</b>	<b>\$1,489,032</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,058)</b>	<b>\$0</b>

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(1,863)	(1,490)	(1,969)	(5,322)	0.00	(891)	(713)	(943)	(2,547)
DP 2 - Fixed Costs	0.00	33,984	1,192	4,335	39,511	0.00	3,724	1,166	4,222	9,112
DP 3 - Inflation Deflation	0.00	(105)	(31)	(148)	(284)	0.00	(66)	(20)	(92)	(178)
DP 4 - SSR Administration Reduction	0.00	0	(12,246)	0	(12,246)	0.00	0	(12,246)	0	(12,246)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(71)	(3)	(9)	(83)	0.00	(34)	(11)	(38)	(83)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$31,945</b>	<b>(\$12,578)</b>	<b>\$2,209</b>	<b>\$21,576</b>	<b>0.00</b>	<b>\$2,733</b>	<b>(\$11,824)</b>	<b>\$3,149</b>	<b>(\$5,942)</b>

\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - SSR Administration Reduction -

The legislature adopted a decrease in state special revenue to reduce operating expenses in the cultural and aesthetics project state special revenue account and use the funds for additional cultural trust grants that are appropriated in HB 9.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

**New Proposals**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - Reduce GF Budget for State Share Holiday	0.00	(2,058)	0	0	(2,058)	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>(\$2,058)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,058)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 5555 - Reduce GF Budget for State Share Holiday -

The legislature adopted a reduction in general fund appropriations for a two-month state share holiday for employer contributions into the state health insurance fund. This change removes the general fund portion of the savings generate by the contribution holiday. Savings from other funding sources remain in the agency to be able to address ongoing functions of the agency.