

MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the Appropriations Committee was called to order by Chairman Rep. Gene Donaldson on February 3, 1987, at 1:30 p.m. in Room 104 of the State Capitol.

ROLL CALL: All members were at the meeting except Reps. Connelly, Iverson, and Menahan who were absent. Also in attendance were Judy Rippingale, LFA; Denise Thompson, secretary; and Madalyn Quinlan of the LFA.

(17:A:3.25)

HB 4:

Rep. Thoft presented HB 4 to the committee stating that it was the Cultural and Aesthetic Grant Program. He gave recognition to the analyst, Madalyn Quinlan and his secretary Lori Wolfe as well as the other members of the committee in helping him put the bill together.

He stated that the Cultural and Aesthetic grant programs is funded with one-third of the interest earning from the coal tax park acquisition trust fund. The interest earnings available for appropriation in the 1989 biennium are estimated to total \$1,160,000.

The subcommittee held hearings on 87 applications, approved funding for 57 of these and denied funding for another 30 projects. The projects are divided into four categories: 1) special projects, 2) operating support, 3) capital expenditures, and 4) challenge grants. The challenge grants are a new category this session, and the funds are used to help groups who are establishing permanent endowments. The \$84,400 appropriation for operating expenses is an increase of \$51,000 and reflects a shift in the funding of administrative costs. The Montana Arts Council estimates the total cost of project administration to be \$143,557 for the 1989 biennium.

QUESTIONS:

Rep. Manuel referred to Exhibit 1, table 3, on administration fees, why did they use the general funding, when most of it comes out of the special fund. (Exhibit 1).

Rep. Thoft stated that those figures will be reviewed by the institutions subcommittee. The general fund portion has

actually decreased. Rep. Manuel asked if that has been a history to use general funds for administration of the programs. Rep. Thoft stated that if you fund all of the administration out of the monies available for grants, you have lost the purpose of the grant program. It is simply a general fund contribution to the arts.

PROPOSERS:

(17:A:11.09) Brenda Schye, representing the Montana Cultural Advocacy. There is considerable geographic and cultural diversity represented in these projects. Many of these projects have statewide impact. The projects contribute to the cultural climate in Montana and Tourism development. These projects, in addition to contributing a great deal of quality of life in this state, also means an awful lot to economic development.

(17:A:13.17) Mr. Jack E. Kober, Montana School of Creative Arts spoke in support of the bill. The Arts Council has been very supportive of their program. He has the feeling that the last of the handicapped are gifted and talented. His program is one that does not compete with the local schools, rather it creates an atmosphere wherein we can provide for the youngsters during the summer months more often than not at their own expense. The Arts Council has helped them in their programs and so on. He thinks the continued support of the Arts Council would give us a chance to do some work for the young people in this state. He urged support of the bill.

Madalyn Quinlan distributed a copy of the projects which were approved and not approved (Exhibit 2). She explained that the approved projects were on the front and the zeroed ones were on the back. The column which says Amount Recommended refers to the amount that was recommended by the citizens advisory committee.

Rep. Bardanouve stated he had some concern with the way the committee operated on this. They spent a lot of time and they pretty much rubber stamped everything that is approved. He felt they are wasting a lot of time. We just nit pick here and there and spend over two weeks working on this, he didn't feel all the effort was worth the time they put in. Rep. Donaldson reminded Rep. Bardanouve that the statute states this will be done in the manner which is done.

EXECUTIVE ACTION:

Rep. Peck moved to DO PASS HB 4. Rep. Rehberg called the question. The motion CARRIED unanimously.

EXECUTIVE ACTION on HB 357:

(17:A:30.00) Rep. Bardanouve moved that the first amendment on Exhibit 3, Statement of Intent, be adopted. Rep. Winslow called the question. The motion CARRIED unanimously.

Rep. Rehberg moved that amendment #2 on page 1, line 19, Insert: "Legislative intent for the general appropriations act is included in the narrative that accompanies the act." be approved. Rep. Bardanouve stated he supported the amendment. Rep. Quilici called the question. The motion CARRIED unanimously.

Rep. Rehberg explained amendment #3 on Page 2, following line 4. He stated that he wished to take out the potential fiscal impact that the bill had originally contained. Therefore, the people would not have to be bonded and there would be no additional expense to the state.

(17:A:38.20) Rep. Rehberg moved to adopt amendment #3. Rep. Bardanouve opposed the motion stating he felt this amendment would put the bill beyond the intent he felt he intended when he agreed to carry it, and also the intent of the finance committee. Rep. Winslow said he supported the amendment.

(17:B:1.01) Mr. Hunter, Director, Office of Program Planning, said the administration did not oppose the bill in the hearing in its original form. He stated he is concerned about the amendment. They are talking about accounting laws and the penalties and his recommendation to the governor would be if the committee adopts the amendment, the governor should oppose the bill. He stated that he would not oppose it in its introduced form.

(17:B:1.55) Mr. Jack Noble, Deputy Commissioner for Management and Fiscal Affairs, Commissioner's Office, stated it creates a lot of paper work. He felt it would be a costly bill and a bill that he didn't think would necessarily accomplish the objectives that are a concern of the finance committee.

Reps. Spaeth, Bradley and Donaldson spoke against the amendment. Rep. Rehberg and Winslow spoke in support of the amendment.

Rep. Rehberg moved that amendment #3 be accepted with the addition of 17-8-104(1b). Rep. Quilici called the question. There was a roll call vote. Reps. Thoft, Winslow, Connelly, Menke, Nathe, Peck, Poulsen, Rehberg, Swift, and Switzer voted YES. Reps. Donaldson Bardanouve, Bradley, Manuel,

Miller, Quilici, and Spaeth voted NO. The motion CARRIED by a vote of 10 to 7.

Rep. Bardanouve moved to DO PASS HB 357 as amended. Rep. Devlin called the question. Reps. Spaeth, Manuel and Bradley voted NO. The motion CARRIED.

ADJOURNMENT:

There being no further business, the meeting adjourned at 2:40 p.m.


Rep. Gene Donaldson, Chairman

DAILY ROLL CALL

APPROPRIATIONS COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2/3/87

NAME	PRESENT	ABSENT	EXCUSED
DONALDSON, GENE (Chairman)	✓		
THOFT, BOB (Vice Chairman)	✓		
WINSLOW, CAL (Vice Chairman)	✓		
BARDANOUE, FRANCIS	✓		
BRADLEY, DOROTHY	✓		
CONNELLY, MARY ELLEN		✓	
DEVLIN, GERRY	✓		
IVERSON, DENNIS		✓	
MANUEL, REX	✓		
MENAHAN, WILLIAM "RED"		✓	
MENKE, LARRY	✓		
MILLER, RON	✓		
NATHE, DENNIS	✓		
PECK, RAY	✓		
POULSEN, HAROLD	✓		
QUILICI, JOE	✓		
REHBERG, DENNIS	✓		
SPAEIH, GARY	✓		
SWIFT, BERNIE	✓		
SWITZER, DEAN	✓		

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 2/3/87 BILL NO. House Bill NUMBER 357

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman		✓
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve		✓
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly		
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson		
Rep. Rex Manuel		✓
Rep. Red Menahan		
Rep. Larry Menke	✓	
Rep. Ron Miller		✓
Rep. Dennis Nathe	✓	
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth		✓
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	

TALLY THE MOTION CARRIED.

10 7

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Rehberg moved that amendment #3 on HB 357 be
accepted with the addition of 17-8-104(1b).



STATE OF MONTANA

Office of the Legislative Fiscal Analyst

STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

February 3, 1987

TO: Representative Bob Thoft, Chairman
Long-Range Planning Subcommittee

FROM: Madalyn Quinlan *MQ*
Associate Fiscal Analyst

SUBJECT: House Bill 4 - Cultural and Aesthetic Grant Program

The cultural and aesthetic grant program is funded with one-third of the interest earnings from the coal tax park acquisition trust fund. The statute (Section 15-35-108, MCA) says that these interest earnings are to be appropriated "for the protection of works of art in the state capitol and other cultural and aesthetic projects."

The interest earnings available for appropriation in the 1989 biennium are estimated to total \$1,160,000. These revenues, along with a projected ending fund balance of \$86,975 in fiscal 1987, bring total funds available for appropriation to \$1,246,975.

Table 1
Long-Range Planning Subcommittee Action
Cultural and Aesthetic Grant Program
1989 Biennium

Funds Available for Appropriation	\$1,246,975
Less: Funding for 57 Grant Projects	1,127,417
Operating Expenses, MT Arts Council	<u>84,400</u>
Ending Fund Balance	<u><u>\$ 35,158</u></u>

The subcommittee held hearings on 87 applications, approved funding for 57 of these and denied funding for another 30 projects. The projects are divided into four categories: 1) special projects, 2) operating support, 3) capital expenditures, and 4) challenge grants. Challenge grants are a new category this session, and the funds are used to help groups who are establishing permanent endowments. The "challenge" exists in that groups have to raise \$3 of matching funds for every \$1 that they receive from the cultural and aesthetic grant program. This same requirement of a three-to-one match applies to capital expenditures.

Table 2
Categories of Project Funding
Cultural and Aesthetic Grant Program

	<u>Amount Funded</u>	<u>Percent</u>
23 Special Projects	\$ 283,365	15.89
12 Operating Support	374,800	25.72
10 Capital Expenditures	179,252	33.25
<u>12 Challenge Grants</u>	<u>290,000</u>	<u>25.14</u>
57 Total Projects	<u>\$1,127,417</u>	<u>100.00</u>

The \$84,400 appropriation for operating expenses is an increase of \$51,100 and reflects a shift in the funding of administrative costs. The Montana Arts Council estimates the total cost of project administration to be \$143,557 for the 1989 biennium. In the 1987 biennium, cultural and aesthetic project funds provided 24 percent of the total administrative costs. Under House Bill 4, the cultural and aesthetic project fund would fund 59 percent of the administrative costs in the 1989 biennium. The increase in the appropriation of cultural and aesthetic project funds will free up \$39,000 of federal funds to be used for grants to artists and art programs.

Table 3
Cultural and Aesthetic Project Administration
Sources of Funding

	- - 1987 Biennium - -		- - 1989 Biennium - -	
General Fund	\$ 19,516	14.08%	\$ 19,516	13.59%
Cult. & Aesth.	33,300	24.03%	84,400	58.79%
Federal Funds	<u>85,779</u>	<u>61.89%</u>	<u>39,641</u>	<u>27.62%</u>
Total	<u>\$138,595</u>	<u>100.00%</u>	<u>\$143,557</u>	<u>100.00%</u>

Long-Range Planning Subcommittee Action
 Cultural and Aesthetic Projects
 1989 Biennium

29-Jan-87

Rank	Grant Number	Category	Organization	City	Amount Recommended	Committee Action	Difference
40	192	Spec Proj	Aleph Movement Theatre	Helena	\$7,500	\$7,500	\$0
5	184	Spec Proj	Archie Bray Foundation	Helena	\$19,200	\$19,200	\$0
76	235	Oper Sup	Bigfork Art & Cultural Center	Bigfork	\$0	\$6,000	(\$6,000)
17	242	Cap Expend	Billings Preservation Society	Billings	\$25,000	\$25,000	\$0
9	207	Chall Grnt	Billings Symphony Society	Billings	\$15,000	\$15,000	\$0
59	228	Cap Expend	Butte Silver-Bow Arts Chateau	Butte	\$0	\$7,752	(\$7,752)
39	232	Chall Grnt	Copper Village Museum	Anaconda	\$10,000	\$10,000	\$0
18	187	Oper Sup	Custer County Art Center	Miles City	\$20,000	\$20,000	\$0
4	188	Spec Proj	Custer County Art Center	Miles City	\$6,165	\$6,165	\$0
15	206	Cap Expend	Daly Mansion Preserv Trust	Hamilton	\$30,000	\$30,000	\$0
44	246	Cap Expend	Daniels County Museum Assn	Scobey	\$7,000	\$7,000	\$0
58	259	Spec Proj	Dull Knife Memorial College	Lame Deer	\$5,000	\$5,000	\$0
38	221	Spec Proj	Fort Peck Tribal Museum	Poplar	\$10,000	\$10,000	\$0
3	233	Chall Grnt	Fox Theatre Corporation	Billings	\$40,000	\$40,000	\$0
46	210	Chall Grnt	Gallatin County Hist Society	Bozeman	\$15,000	\$15,000	\$0
43	249	Chall Grnt	Garnet Preservation Assn	Missoula	\$15,000	\$15,000	\$0
11	178	Chall Grnt	Great Falls Symphony	Great Falls	\$25,000	\$25,000	\$0
26	177	Spec Proj	Great Falls Symphony	Great Falls	\$7,500	\$7,500	\$0
49	191	Cap Expend	Helena Civic Center	Helena	\$10,000	\$7,500	\$2,500
2	260	Cap Expend	Helena Film Society	Helena	\$75,000	\$50,000	\$25,000
25	231	Oper Sup	Hockaday Center for the Arts	Kalispell	\$20,000	\$20,000	\$0
19	208	Spec Proj	Livingston Depot Foundation	Livingston	\$20,000	\$20,000	\$0
27	257	Cap Expend	Miles Community College	Miles City	\$12,000	\$12,000	\$0
47	248	Spec Proj	Milwaukee Rode Cultural Proj	Helena	\$10,000	\$10,000	\$0
7	251	Chall Grnt	Missoula Children's Theatre	Missoula	\$20,000	\$20,000	\$0
37	247	Oper Sup	Missoula Children's Theatre	Missoula	\$16,000	\$16,000	\$0
52	179	Spec Proj	Missoula Mendelssohn Club	Missoula	\$4,000	\$4,000	\$0
23	212	Chall Grnt	Missoula Museum of the Arts	Missoula	\$25,000	\$25,000	\$0
14	176	Chall Grnt	Missoula Symphony Association	Missoula	\$40,000	\$40,000	\$0
33	190	Oper Sup	Montana Arts Council	Helena	\$34,000	\$60,000	(\$26,000)
81	202	Spec Proj	Montana Ballet Company	Bozeman	\$0	\$10,000	(\$10,000)
35	200	Chall Grnt	Montana Chorale	Great Falls	\$10,000	\$10,000	\$0
57	241	Spec Proj	Montana Chorale	Great Falls	\$6,000	\$6,000	\$0
12	175	Oper Sup	Montana Historical Society	Helena	\$50,000	\$95,000	(\$45,000)
28	205	Oper Sup	Montana Institute of the Arts	Billings	\$10,300	\$10,300	\$0
51	213	Cap Expend	MSU - Museum of the Rockies	Bozeman	\$10,000	\$10,000	\$0
24	181	Oper Sup	MSU - Shakespeare in the Park	Bozeman	\$22,500	\$40,000	(\$17,500)
10	183	Chall Grnt	MSU - Shakespeare in the Parks	Bozeman	\$25,000	\$15,000	\$10,000
22	223	Oper Sup	MSU - Vigilante Players, Inc.	Bozeman	\$20,000	\$20,000	\$0
13	196	Spec Proj	MSU - Media and Theatre Arts	Bozeman	\$30,000	\$25,000	\$5,000
20	238	Oper Sup	MT Art Gallery Dir Assoc	Billings	\$31,600	\$22,500	\$9,100
42	226	Spec Proj	MT Assoc of Symph Orchestras	Billings	\$5,000	\$5,000	\$0
56	203	Spec Proj	MT Dance Arts Association	Billings	\$6,000	\$6,000	\$0
8	199	Spec Proj	MT Performing Arts Consortium	Billings	\$30,000	\$30,000	\$0
48	240	Spec Proj	MT United Scholarship Service	Great Falls	\$30,000	\$30,000	\$0
34	215	Spec Proj	Northern Lights Institute	Missoula	\$20,000	\$20,000	\$0
55	256	Spec Proj	Northern Montana College	Havre	\$12,000	\$12,000	\$0
29	193	Spec Proj	P.S., A Partnership	Bozeman	\$14,000	\$14,000	\$0
21	189	Spec Proj	Salish Kootenai College	Polson	\$20,000	\$15,000	\$5,000
50	254	Spec Proj	String Orchestra of the Rockies	Missoula	\$10,000	\$10,000	\$0
54	227	Cap Expend	St. Mary's Mission	Stevensville	\$7,500	\$10,000	(\$2,500)
66	194	Spec Proj	Twin Bridges Public School	Twin Bridge	\$0	\$3,000	(\$3,000)
36	237	Oper Sup	UM - MT Repertory Theatre	Missoula	\$50,000	\$50,000	\$0
6	250	Chall Grnt	UM - School of Fine Arts	Missoula	\$60,000	\$60,000	\$0
1	243	Cap Expend	Yellowstone Art Center	Billings	\$29,000	\$20,000	\$9,000
41	219	Spec Proj	Yellowstone Chamber Players	Billings	\$8,000	\$8,000	\$0
30	195	Oper Sup	Young Audiences of Western MT	Missoula	\$15,000	\$15,000	\$0

32	220	Oper Sup	Beall Park Art Center	Bozeman	\$9,840	\$0	\$9,840
16	209	Spec Proj	Billings Preservation Society	Billings	\$10,000	\$0	\$10,000
53	185	Oper Sup	Brunswick Gallery	Missoula	\$7,500	\$0	\$7,500
45	224	Spec Proj	Butte Historical Society	Butte	\$10,000	\$0	\$10,000
80	234	Spec Proj	Butte School District #1	Butte	\$0	\$0	\$0
62	217	Cap Expend	Carbon Co Historical Society	Red Lodge	\$0	\$0	\$0
72	245	Spec Proj	Center for Public Vision	Bozeman	\$0	\$0	\$0
78	261	Spec Proj	Copper Village Museum/Art Ctr	Anaconda	\$0	\$0	\$0
83	204	Spec Proj	EMC Department of Music	Billings	\$0	\$0	\$0
84	198	Spec Proj	Gallatin Co Historical Soc	Bozeman	\$0	\$0	\$0
79	186	Spec Proj	Glasgow Kiwanis	Glasgow	\$0	\$0	\$0
63	180	Cap Expend	Hamilton City Library	Hamilton	\$0	\$0	\$0
82	253	Oper Sup	Huntley Project Museum	Ballantine	\$0	\$0	\$0
61	225	Spec Proj	Loft Community Theatre	Bozeman	\$0	\$0	\$0
67	214	Spec Proj	Missoula Summerfest Committee	Missoula	\$0	\$0	\$0
77	239	Spec Proj	Montana Chorale	Great Falls	\$0	\$0	\$0
70	197	Spec Proj	Montana Institute of the Arts	Great Falls	\$0	\$0	\$0
65	201	Cap Expend	Montana Institute of the Arts	Billings	\$0	\$0	\$0
75	252	Spec Proj	Montana State Music Teachers	Whitefish	\$0	\$0	\$0
71	216	Cap Expend	MSU - KUSM Television	Bozeman	\$0	\$0	\$0
68	222	Cap Expend	Powell Co Museum/Arts Found	Deer Lodge	\$0	\$0	\$0
74	258	Spec Proj	Rocky Mountain Film Institute	Missoula	\$0	\$0	\$0
87	229	Spec Proj	Snowbird Chapter Sweet Adelines	Bozeman	\$0	\$0	\$0
69	255	Spec Proj	String Orchestra of the Rockies	Missoula	\$0	\$0	\$0
86	182	Cap Expend	St. Ignatius Mission	St. Ignatiu	\$0	\$0	\$0
64	211	Spec Proj	Two Eagle River School	Dixon	\$0	\$0	\$0
85	244	Cap Expend	UM - Dept of Geology	Missoula	\$0	\$0	\$0
31	230	Spec Proj	UM- Art Department	Missoula	\$20,000	\$0	\$20,000
73	236	Spec Proj	UM- Repertory Theatre	Missoula	\$0	\$0	\$0
60	218	Oper Sup	Yellowstone Art Center	Billings	\$0	\$0	\$0
					\$1,132,605	\$1,127,417	\$5,188

Statement of Intent
House Bill 357

2/3/87
357
Rehberg

A statement of intent is not required for this bill but is included to clarify certain issues regarding the implementation of the bill.

It is not the intent of this bill that the department of administration put controls into the statewide budgeting and accounting system (SBAS) that would preclude a state agency from expending funds differently than as provided in its approved operational plan.

2.
House Bill 357 (Yellow Copy)

1) Page 1, line 19.

Following: "intent."

Insert: "Legislative intent for the general appropriations act is included in the narrative that accompanies the act."

House Bill 357 (Yellow Copy)

1) Page 2, following line 4.

Insert: "(3) A person authorizing an expenditure in violation of this section is subject to the same penalties imposed under 17-8-104, for a violation of 17-8-103."

(1b)

APPROVED BY COMMITTEE
ON APPROPRIATIONS

House BILL NO. 357
B. Anderson

INTRODUCED BY
BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

1 for changing an operating budget must reference the current
2 fully completed and approved operational plan, show the
3 proposed changes to the operating budget, and reference any
4 other pending documents to change the operating budget.
5 Section 2. Effective date. This act is effective July
6 1, 1987.

-End-

5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT
6 EXPENDITURES BY A STATE AGENCY BE MADE IN ACCORDANCE WITH AN
7 APPROVED OPERATING BUDGET; REQUIRING THAT THE OPERATING
8 BUDGET AND CHANGES TO THE BUDGET MEET CERTAIN CONDITIONS;
9 AND PROVIDING AN EFFECTIVE DATE."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Operating budget. (1) Expenditures by a
13 state agency may be made only in accordance with an
14 operating budget approved by an approving authority as
15 defined in 17-7-401. Appropriations are contingent upon
16 approval of the operating budget by August 1 of each fiscal
17 year. An approved operating budget must comply with
18 legislative intent as expressed in state law and legislative
19 statements of intent.

20 (2) Each operating budget must include expenditures
21 for each agency program, detailed at least by personal
22 services, operating expenses, equipment, benefits and
23 claims, grants, transfers, and local assistance. Each agency
24 shall record its operating budget and any approved changes
25 on the statewide budget and accounting system. Forms used



VISITOR'S REGISTER

Appropriations

COMMITTEE

BILL(S) _____

DATE 2/3/87

SPONSOR(S) _____

NAME	REPRESENTING	BILL NO.	SUP-PORT	OP-POSE
Beverly J. Allen	Grandstreet Theatre	4	X	
KATHRYN O'Connell	GRAND STREET Theatre	4	X	
Char Murdo	Grand Street Theatre	4	X	
Brookes Morin	City of Helena	4	X	
Bill TRATT	MT. Arts COUNCIL	4	X	
Carleen Lasseise	MT Arts Council	4	X	
DEBORAH SCITLESINKEN	MT LIBRARIAN ASSOC	4	X	
Brenda Schye	Mont Cultural Advocacy	4 ^{HB}	X	
Dave Nelson	MT. Arts Council	4	X	
Jack E. Kober	MT School of Creative Arts	4	X	
Joe Smith	City of Helena ^{CEA} Board	4	X	
Clauette Morton	Board of Public Education	4	X	
MATTHEW THIEL	ASS. STUDENTS UFM	4		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR VISITOR'S STATEMENT
 IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.