

MINUTES OF THE MEETING  
LONG RANGE PLANNING SUBCOMMITTEE  
50TH LEGISLATIVE SESSION

The meeting of the Long Range Planning Subcommittee was called to order by Chairman Rep. Robert Thoft on January 29, 1987 at 10:00 a.m., in Room 202B of the State Capitol.

ROLL CALL: All members of the Long Range Planning Subcommittee were present.

Tape 48:A:000

CULTURAL AND AESTHETIC PROJECTS

Executive Session

Carolyn Ennis, said the Hockday requests \$25,000 to make their building handicapped accesible. Ms. Ennis said they would like \$25,000 or \$30,000 of the \$40,000 appropriated in the last session for capital expenditure to use for operational support.

Action: Sen. Van Valkenburg MOVED to reconsider action on the Hockaday Center and requires the Hockaday Center to revert \$22,000 of the 1987 biennium monies with the contingency of a minimum match of \$30,000 on the \$20,000. There was a roll call vote taken and the MOTION CARRIED with Sen. Aklestad and Rep. Bardanouve voting no. (275)

Grant #226 Montana Association of Symphony Orchestra:

Action: Rep. Bardanouve MOVED to reconsider action on grant #226. The MOTION CARRIED unanimously. Rep. Bardanouve MOVED to APPROVE grant #226 as recommended by the Citizen Review Committee. The MOTION CARRIED with Sen. Aklestad voting no.

48:000

Cultural and Aesthetic Bill Amendments:

Madalyn Quinlan, Associate Legislative Fiscal Analyst, presented the Long Range Planning Subcommittee with a copy of the proposed bill (Exhibit #1).

Carleen Lassise, Accountant, Montana Arts Council, said they need to be have \$84,400 added to the bill for administration. Ms. Lassise presented the Subcommittee with a diagram (Exhibit #2). Ms. Lassise said \$70,000 was appropriated for administration in the 1987 biennium. Chairman Thoft asked if the administration costs had raised. Dave Nelson,

MAC, said no the total administration costs will remain the same.

Action: Rep. Donaldson MOVED to APPROVE \$84,400 for administration. The MOTION CARRIED with Rep. Bardanouve voting no.

Discussion: Rep. Bardanouve asked how much input does the Legislature put into the Cultural and Aesthetic grant process. Dave Nelson said the input is greatly valued.

Action: Rep. Donaldson MOVED to not let any monies that revert be applied to any challenge grants. The MOTION CARRIED with Sen. Van Valkenburg voting no.

Sen. Van Valkenburg MOVED to APPROVE #230 for \$20,000. A roll call vote was taken and the MOTION FAILED with Sen. Van Valkenburg and Sen. McLane voting yes.

Rep. Bardanouve MOVED to APPROVE the bill as amended. The MOTION CARRIED unanimously. Sen. Van Valkenburg made a SUBSTITUTE MOTION to APPROVE grant #203 as recommended by the Citizen Review Committee. The MOTION CARRIED with Rep. Bardanouve voting no.

Discussion on Issues:

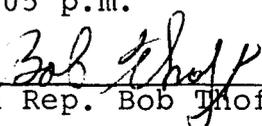
Carleen Lassise, MAC, said there were three grants in question then read from the "Issues" section in the Cultural Aesthetic Grant Proposal book (Exhibit 1 on Jan. 6, 1987).

Action: Sen. Van Valkenburg MOVED to direct the Montana Arts Council to advise the Legislative Auditor to not recover monies in the three cases, cited by the auditor in its most recent audit of the Arts Council, where grant funds were expended outside the grant period. The MOTION CARRIED unanimously.

Rep. Donaldson MOVED to have a letter be drafted by Chairman Thoft and sent to the Upper Musselshell Historical Society, stating the Long Range Planning Subcommittee's displeasure with the fact that the sponsors did not conform to the Historic Preservation Standards in carrying out the project. The MOTION CARRIED unanimously. (380)

Sen. Van Valkenburg MOVED to APPROVE an additional \$1,439 to the Powell County Project from the 1987 biennium monies for matching. The MOTION CARRIED with Chairman Thoft voting no.

ADJOURNMENT: There being no further business the Long Range Planning Subcommittee adjourned at 12:05 p.m.

  
Chairman Rep. Bob Thoft



1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_

3 BY REQUEST OF THE MONTANA ARTS COUNCIL

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS GOVERNING  
6 ADMINISTRATION OF THE CULTURAL AND AESTHETIC GRANTS PROGRAM  
7 BY THE MONTANA ARTS COUNCIL; ESTABLISHING PRIORITIES FOR  
8 GRANT AWARDS; APPROPRIATING MONEY FOR CULTURAL AND AESTHETIC  
9 GRANTS; AMENDING SECTIONS 22-2-305, 22-2-306, AND 22-2-309,  
10 MCA; AND PROVIDING AN EFFECTIVE DATE."

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

13 Section 1. Section 22-2-305, MCA, is amended to read:  
14 "22-2-305. Allocation and disbursement of funds. (1)  
15 The Montana arts council shall allocate and disburse  
16 cultural and aesthetic project account funds as appropriated  
17 by the legislature.

18 (2) If the funds in the cultural and aesthetic  
19 projects account are insufficient to fund projects in the  
20 amount of the legislative appropriation for the projects,  
21 the council shall allocate and disburse the account's funds  
22 as follows:

23 (a) Projects of an ongoing nature during the full  
24 course of the grant period must receive the first priority  
25 for allocation of account funds. For purposes of this

1 section, "ongoing project" means a project designed to  
2 operate throughout the grant period with a full-time staff  
3 and obligations to be met monthly.

4 (b) All other projects must be allocated the remaining  
5 funds on a percentage basis. The percentage must be  
6 determined for each such project by dividing the amount  
7 appropriated for each such project by the total amount  
8 appropriated for all such projects. in accordance with the  
9 provisions of the appropriation act."

10 Section 2. Section 22-2-306, MCA, is amended to read:

11 "22-2-306. Grant conditions -- additional funds --  
12 accounts and reports. (1) No grant may be awarded unless the  
13 grantee accepts the Montana arts council's conditions of the  
14 grant and signs a contract stipulating those conditions.

15 (2) A grantee must agree in writing that:

16 (a) the grantee is the official and sole agency for  
17 the administration of the project described in the grant  
18 agreement; and

19 (b) no person will, on the grounds of race, color,  
20 national origin, sex, or age, be excluded from participation  
21 in, be denied the benefits of, or be subjected to  
22 discrimination under any program or activity that results  
23 from the expenditure of grant funds.

24 (3) The grantee must agree that the funds granted will  
25 be expended solely for the purpose and activities described

1 in the approved proposal. All funds granted to the grantee  
2 must be spent or encumbered during the grant period.

3 (4) Disbursements to grantees must be as follows,  
4 based upon the cash flow needs of the projects and the  
5 revenues available:

6 (a) Projects that are to receive more than \$10,000 may  
7 receive an amount not exceeding 25% of the grant award in  
8 the first 6 months of the biennium, 50% in the first year of  
9 the biennium, 75% in the first 18 months of the biennium,  
10 and the balance in the remainder of the biennium. Within  
11 such limitations, the amount of each payment must be  
12 determined by the Montana arts council in its discretion.  
13 Each payment may be made only after an examination of the  
14 costs incurred in the project and the amount, if any, of the  
15 unencumbered or unexpended balance of prior grant payments  
16 for the project.

17 (b) Projects that are to receive \$10,000 or less may  
18 receive the total grant in any fiscal quarter if the Montana  
19 arts council determines that the cultural and aesthetic  
20 project account has funds available and that, after an  
21 examination of the costs incurred by the project, total  
22 payment is appropriate.

23 (c) A grant award budget may be modified in accordance  
24 with this subsection. A grantee may modify line items in an  
25 approved budget in an amount not to exceed 10% of the total

1 grant award. A grantee may, with permission of the Montana  
2 arts council, modify line items in an approved budget in an  
3 amount not to exceed 20% of the total grant award. No such  
4 modification may increase the grant award or change the  
5 scope or purpose of the award.

6 (5) The grantee must maintain accounts, records, and  
7 other pertinent material pertaining to the costs incurred  
8 and expenditures made under the grant. The system of  
9 accounting employed by the grantee must be in accordance  
10 with generally accepted accounting principles and be applied  
11 in a consistent manner so that project costs and  
12 expenditures can be clearly identified. Accounts, records,  
13 and other pertinent material must be maintained for 3 years  
14 from the official termination date of the grant period or  
15 until an audit, approved by the council, has been completed  
16 and any questions arising from the audit have been resolved  
17 to the satisfaction of the council.

18 (6) Grantees must submit to the council semiannual  
19 reports of expenditures during the course of the project and  
20 such other financial and descriptive reports as the council  
21 may require. The grantee must submit, within 30 days after  
22 completion of the project, a final financial report and a  
23 narrative report stating what was accomplished with the  
24 grant. Five percent of the total grant award must be held  
25 pending receipt of final reports by the council.

1           (7) The council may, at the principal place of  
2 business of the grantee and during regular business hours,  
3 examine any directly pertinent records, accounts, and  
4 documents of the grantee involving transactions related to  
5 the grant."

6           Section 3. Section 22-2-309, MCA, is amended to read:

7           "22-2-309. Grant categories. (1) The following  
8 categories are established for grant funds:

9           (a) special projects which are specific cultural and  
10 aesthetic activities, services, or events of limited  
11 duration;

12           (b) operational support for cultural institutions that  
13 have been in existence for at least 2 years and whose  
14 budgets reflect only the cost of continuing their current  
15 program;

16           (c) capital expenditures for acquisition,  
17 construction, or renovation of facilities; and

18           (d) challenge grants for permanent endowments to  
19 benefit cultural nonprofit grant recipients.

20           (2) The Montana arts council may require a match in  
21 cash or donated services for special project and operational  
22 support grants. There is a presumption that the match must  
23 represent \$1 in value for each dollar of the grant. The  
24 Montana arts council may accept matches in excess of the  
25 presumed value or may in its discretion require a lesser

1 amount.

2 ~~(2)~~(3) Capital expenditures may not exceed 25% of the  
3 total grant funds appropriated. Capital expenditure grants  
4 require a match of at least \$3 in cash or donated goods and  
5 services, which goods and services must be donated  
6 specifically for the capital expenditure project, to receive  
7 each dollar of grant funds.

8 ~~(3)~~(4) Challenge grants require a match of at least \$3  
9 in cash or irrevocable planned or deferred gifts to receive  
10 each dollar of grant funds. Challenge grants are available  
11 upon meeting the specified match. Not less than one-third  
12 of the specified match must be in cash. Not more than  
13 one-third of the match may be in wills, devises, and  
14 bequests."

15 NEW SECTION. Section 4. Appropriation of cultural and  
16 aesthetic grant funds -- priority of disbursement. (1) The  
17 Montana arts council shall disburse money appropriated by  
18 this act with priority given to subsection (2), followed by  
19 subsections (3) through (5), respectively. The Montana arts  
20 council must include in the award contract relating to funds  
21 dispersed under this section a statement binding the grant  
22 to any contingencies established in the recommendations of  
23 the cultural and aesthetic projects advisory committee  
24 submitted to the legislature under 22-2-302 or such  
25 contingencies as modified by the long-range building

1 subcommittee as reflected in the official minutes of the  
2 subcommittee.

3 (2) If the funds in the cultural and aesthetic  
4 projects account were insufficient in the biennium ending  
5 June 30, 1987, to fund projects in the amount for which they  
6 were appropriated, the funds appropriated for such projects  
7 are reappropriated from such account until funds have been  
8 disbursed to fully cover such appropriations or until  
9 January 1, 1988, whichever comes first.

10 (3) (a) The following projects are approved and  
11 amounts appropriated to the Montana arts council for the  
12 biennium ending June 30, 1989, from the cultural and  
13 aesthetic projects account:

14 <u>PROJECT</u>	<u>AMOUNT</u>
15 Aleph Movement Theatre	\$ 7,500
16 Archie Bray Foundation	19,200
17 Big Fork Art and Cultural Center	6,000
18 Billings Preservation Society, Moss 19 Mansion Museum Restoration	25,000
20 Billings Symphony Society	15,000
21 Butte-Silver Bow Arts Chateau	7,752
22 Copper Village Museum, Endowment	10,000
23 Custer County Art Center, 24 Operational Support	20,000
25 Custer County Art Center,	

1	<u>PROJECT</u>	<u>AMOUNT</u>
2	Conservation, Permanent	
3	Collections	6,165
4	Daly Mansion Preservation Trust	30,000
5	Daniels County Museum Association	7,000
6	Dull Knife Memorial College	5,000
7	Fort Peck Tribal Museum	10,000
8	Fox Theatre Corporation	40,000
9	Gallatin County Historical Society,	
10	Endowment	15,000
11	Garnet Preservation Association	15,000
12	Great Falls Symphony, Cascade	
13	Quartet	7,500
14	Great Falls Symphony, Endowment	25,000
15	Helena Civic Center	7,500
16	Helena Film Society	50,000
17	Hockaday Center for the Arts	20,000
18	Livingston Depot Foundation	20,000
19	MSU - Media & Television Arts	
20	Department	25,000
21	MSU - Museum of the Rockies	10,000
22	MSU - Shakespeare in the Parks,	
23	Operational Support	40,000
24	MSU - Shakespeare in the Parks,	
25	Endowment	15,000

1	<u>PROJECT</u>	<u>AMOUNT</u>
2	MSU - Vigilante Players	20,000
3	Miles Community College	12,000
4	Milwaukee Rode Cultural Project	10,000
5	Missoula Children's Theatre,	
6	Operational Support	16,000
7	Missoula Children's Theatre,	
8	Endowment	20,000
9	Missoula Mendelssohn Club	4,000
10	Missoula Museum of the Arts	25,000
11	Missoula Symphony Association,	
12	Endowment	40,000
13	Montana Art Gallery Directors	
14	Association	22,500
15	Montana Arts Council, Folklife	
16	Project	60,000
17	Montana Ballet Company	10,000
18	Montana Chorale, Endowment	10,000
19	Montana Chorale, Operational Support	6,000
20	Montana Historical Society, Oral	
21	History Office	95,000
22	Montana Institute of the Arts	
23	Foundation, Operational Support	10,300
24	Montana Performing Arts Consortium	30,000
25	Montana United Scholarship Service	30,000

1	<u>PROJECT</u>	<u>AMOUNT</u>
2	Northern Lights Institute	20,000
3	Northern Montana College	12,000
4	P.S., A Partnership	14,000
5	Salish Kootenai College	15,000
6	St. Mary's Mission	10,000
7	String Orchestra of the Rockies,	
8	Operational Support	10,000
9	Twin Bridges Public School	3,000
10	UM - Montana Repertory Theatre	50,000
11	UM - School of Fine Arts, Endowment	60,000
12	Yellowstone Art Center, Montana's	
13	Own	20,000
14	Yellowstone Chamber Players	8,000
15	Young Audiences of Western Montana	15,000

16 (4) The Montana arts council is appropriated an amount  
17 not to exceed \$10,400 for project evaluations from any funds  
18 that revert from the projects subject to the appropriations  
19 in subsection (3). The evaluations must be done after July  
20 1, 1988, for the purpose of preparing a report on such  
21 projects for the 51st Legislature.

22 (5) An additional amount is appropriated not to exceed  
23 \$35,000 in reversions from the projects subject to the  
24 appropriations in subsection (3). This amount will be  
25 dispersed in a ratio of 3:2:2 up to \$15,000 for the

1 University of Montana Challenge Grant, up to \$10,000 for the  
2 Montana Chorale Challenge Grant, and up to \$10,000 for the  
3 Missoula Symphony Challenge Grant.

4 NEW SECTION. Section 5. Reversion of granted funds.

5 (1) On January 1, 1988, all project funds reappropriated  
6 from the 1987 biennium, but not disbursed, shall revert to  
7 the cultural and aesthetic projects account provided for in  
8 15-35-108.

9 (2) On July 1, 1989, any unencumbered balance of the  
10 1989 biennium grants shall revert to the cultural and  
11 aesthetic projects account provided for in 15-35-108.

12 NEW SECTION. Section 6. Effective date. This act is  
13 effective July 1, 1987.

-End-

MONTANA ARTS COUNCIL  
CULTURAL & AESTHETIC PROJECTS  
ADMINISTRATION  
PROJECTED FY 88-89

EXHIBIT 3  
DATE 1/29/89  
HB

	FY 84 ACTUAL	FY 85 ACTUAL	TOTAL 84-85 BIENNIUM	FY 86 ACTUAL .5 FTE	FY 87 BUDGET .5 FTE	FY 86-87 BIENNIUM TOTAL	FY 88 2714	FY 89 2728	FY 88-89 BIENNIUM TOTAL
SALARIES	5801.90	5061.98	10863.88	6446.42	1768.00	2368.00	600	1768*	2368.00
FRINGE BENEFITS	675.00	1700.00	2375.00	600.00	606.62	606.62	405	345	749.84
CONTRACTED SERVICES	405.00	344.84	749.84	606.62	2884.46	4916.95	2032	2884	4916.95
STAFF	652.61	2773.52	3426.13	2032.49	1103.64	2312.12	1208	1104	2312.12
COMMITTEE	197.06	927.43	1124.49	1208.48	7386.97	11025.49	3639	7387	11025.49
OTHER	2824.92	7102.86	9927.78	3638.52	268.69	668.74	400	269	668.74
SUPPLIES & MATERIALS	64.00	258.36	322.36	400.05	22.32	133.85	112	22	133.85
COMMUNICATIONS	12.66	21.46	34.12	111.53	26.40	52.29	26	26	52.29
TRAVEL	5.10	25.38	30.48	25.89					
RENT									
REPAIR & MAINTENANCE									
OTHER									
EQUIPMENT									
TOTAL	10638.25	18275.83	28914.08	15070.00	23866.56	38936.56	20261.96	25624.32	45886.28

	PERCENT CHANGE	CURRENT APPROPRIATION	EXCESS TO BE ABSORBED BY FEDERAL FUNDS
	41.66	30.59	
		33300.00	
		-5636.56	

\*IF STATUTE CHANGES THE AMOUNT OF HONORARIUM FOR ADVISORY COMMITTEE, THIS ITEM SHOULD ALSO BE CHANGED.  
PLUS OTHER STAFF SUPPORT CURRENTLY PAID OUT OF OTHER SOURCES, AT FY 86 RATES:

	% TIME	ACTUAL FY 86
BPRATT, ORGANIZATIONAL SERVICES	0.50	34535.13
CLASSISE, ACCOUNTING SERVICES, NET OF SALARY ABOVE	0.50	27597.07
DNELSON, EXECUTIVE DIRECTOR & MUSSULMAN, EXECUTIVE SECRETARY	0.13	88604.00
JMCARTHY, DOCUMENT PROCESSING	0.20	12449.58
KBURT, INFORMATION SERVICES	0.20	21159.50
CLERICAL SUPPORT (INCLUDED ABOVE IN EXEC. SEC'Y)		4231.90

	48835	48835	97671
TOTAL ADDITIONAL STAFF SUPPORT			
TOTAL COSTS FY 88-89	69097.32	74459.68	143557

	9113.00	10403.05	19516.05	% OF TOTAL
SOURCE OF FUNDING				
GENERAL FUND	39722.36	38432.31	78154.67	54.44
FEDERAL FUNDS	20261.96	25624.32	45886.28	31.96
COAL TAX				
TOTAL FUNDS FY 88-89	69097.32	74459.68	143557	100.00