

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION**

JOINT SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By **CHAIRMAN ERNEST BERGSAGEL**, on January 31,
1995, at 8:00 A.M.

ROLL CALL

Members Present:

Rep. Ernest Bergsagel, Chairman (R)
Sen. Ethel M. Harding, Vice Chairman (R)
Sen. B.F. "Chris" Christiaens (D)
Rep. Matt McCann (D)
Rep. Tom Zook (R)

Members Excused: NONE

Members Absent: NONE

Staff Present: Nan LeFebvre, Office of the Legislative Fiscal
Analyst
Jane Hamman, Office of Budget & Program Planning
Tracy Bartosik, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: CULTURAL AND AESTHETIC GRANTS - HB 9
Executive Action: NONE

HEARING ON HB 9
CULTURAL AND AESTHETIC GRANTS

**Nan LeFebvre, Office of the Legislative Fiscal Analyst, provided
copies of HB 9 to the committee. EXHIBIT 1**

INFORMATIONAL TESTIMONY:

**Arlynn Fishbaugh, Executive Director of the Montana Arts Council,
submitted written testimony and gave the committee informational
testimony on the background of the Arts and Cultural Grants.
EXHIBIT 2 She also provided the committee with copies of the
"Cultural and Aesthetic Project Grants" book. EXHIBIT 3**

**Carleen Layne, Accountant for the Montana Arts Council, provided
the committee with a schedule of the projected FYE fund balance.
EXHIBIT 4**

Dick King, Chairman of the Cultural and Aesthetic Projects Advisory Committee (CAPAC), described the committee and the ranking process. He stated there were 92 applications submitted for this session. Every application was reviewed by every member on the CAPAC. There are 16 people on the committee, most of whom come from small towns across the state. Each application was ranked by the committee, then given back to the Arts Council, and ranked again in its particular category based on the criteria in the book. **Mr. King** said that the projects which had a statewide impact received a higher ranking from the committee. Sometimes ranking also tilted slightly more toward rural projects because funding is so much harder for them to raise.

{Tape: 1; Side: B}

Mr. King mentioned that the Rural Life and Folk Arts programs provide very valuable services, and the Cultural and Aesthetic Projects Advisory Committee recommends strongly that those be funded, as requested by the Governor from the general fund.

Judy Ericksen, Vice Chairman, Cultural and Aesthetic Projects Advisory Committee, said the Committee created guidelines regarding arts education projects, the moving of historical buildings, and Native American antiquities. She also asked for support of funding for the Rural Life and Folk Arts programs from the general fund.

Bill Pratt, Director of Organizational Services, Montana Arts Council, gave the committee an overview of the Cultural and Aesthetic Project Grant book (see Exhibit 3). He stated the "recommended" portion of the book gives a brief description of each project and also provides comments on the project applications from the Cultural and Aesthetic Projects Advisory Committee.

CHAIRMAN ERNEST BERGSAGEL informed the committee that in a prior session it was recommended that this committee not spend as much time on the Cultural and Aesthetic Grants program. As a result of that, there was a recommendation that any project which had a grant request of less than \$4,500 would not be required to have a hearing and this committee would accept the recommendations of the CAPAC. **CHAIRMAN BERGSAGEL** said that for the most part, that is what this committee did last session.

Mr. Pratt stated there are many applicants who have submitted two requests. In every case those applicants will speak to the committee about both requests at the same hearing.

{Tape: 1; Side: B; Approx. Counter: 735}

Brian Cockhill, Director, Montana Historical Society, said the \$15,000 appropriation in HB 9 for Capitol art work deals with all of the art in the Capitol Complex. This art has an estimated value of between \$12 and \$13 million. The Charlie Russell mural

which is located in the State House of Representatives chambers encompasses most of this amount, with a value of around \$9 million.

{Tape: 2; Side: A;}

Mr. Cockhill stated that art conservation work is extremely expensive. The Historical Society has contracted for a report from the Rocky Mountain Conservation Center which they expect to receive in July of this year. With that report in hand, the Historical Society intends to use the \$15,000 per biennium for three biennia, as stated in HB 9, to address the problems with the art work in the Capitol Complex. He said the Historical Society will probably bid that work out.

Art work in the Capitol Complex and the Historical Society is covered under a fine arts insurance rider, which has been negotiated by the insurance agent for the state. The Historical Society pays for that insurance, which is approximately \$56,000 annually, and is all hazard insurance. **Mr. Cockhill** mentioned he is unhappy with the security in the Capitol Building, and feels the greatest threat is not fire or theft, but vandalism.

Mr. Cockhill went on to say that the Historical Society's collection of art work is valued for insurance purposes at \$42 million.

SEN. CHRIS CHRISTIAENS voiced concern about the adequacy of the sprinkler systems in the Historical Society. **Mr. Cockhill** said he was more concerned with the conservation aspect because of the value represented there. He also stated that sprinklers have been installed in the more sensitive areas of the building, but the water can be as much of a hazard to the art work as the fire itself. **Mr. Cockhill** also said he is more concerned about earthquake and vandalism protection than fire.

{Tape: 2; Side: A; Approx. Counter: 521;}

HEARINGS ON CULTURAL AND AESTHETIC GRANTS
SPECIAL PROJECTS

MONTANA PRESERVATION ALLIANCE, GRANT #0663

Ellen Sievert, Rural Technical Assistance Program, said this project can be adjusted to fit with a new budget, and they are willing to go along with the funding recommendation from the Cultural and Aesthetic Projects Advisory Committee. This project requests operating and travel support for a rural community "circuit rider" technical assistance program.

CHAIRMAN BERGSAGEL stated it is his understanding that what the project does is find people with technical expertise according to the services requested, and the Rural Technical Assistance

Program sends technical experts to the requester. **Ms. Sievert** stated that was correct, although many times people call who don't know where to go or what kind of help to ask for, so the Rural Technical Assistance Program provides them with that kind of information.

Kathy Macefield, President, Montana Preservation Alliance, voiced support for this particular grant application.

CHAIRMAN BERGSAGEL asked if the Rural Technical Assistance Program charges a fee for its services. **Ms. Macefield** stated that they charge \$25 which is basically an administrative fee. **CHAIRMAN BERGSAGEL** suggested charging mileage when travel is involved for the organization. **Ms. Macefield** stated one of the "beauties" of the program is the use of that volunteer time, and mileage in this state can account for a fairly large "chunk of change." Charging for mileage may mean some people would just send a maintenance crew to do, perhaps, the wrong thing.

{Tape: 2; Side: B;}

SCHOOLHOUSE HISTORY AND ART CENTER, GRANT #0631

SEN. MACK COLE spoke in favor of this project, which is based in Colstrip, Montana.

REP. DON HOLLAND provided the committee with a pamphlet describing the Schoolhouse History and Art Center and spoke in support of the project. **EXHIBIT 5**

CHAIRMAN BERGSAGEL asked how much money the project received last session, and what was completed with that money. **Mr. Pratt, Montana Arts Council,** said last session the project requested \$30,000 and received \$10,000. He stated the Center has hired an executive director as part of a program that the Montana Arts Council has to address some of the problems in rural communities. Rural communities typically don't have access to professional staff. The Montana Arts Council has received some money from the National Endowment for the Arts for a two-year project to increase support for rural organizations to increase salaries. The Montana Arts Council has already committed to this project for two years, one of which is covered by this grant. The applicants have come to this committee seeking matching funds.

CHAIRMAN BERGSAGEL asked if most of the renovations of the Schoolhouse have been completed. **REP. HOLLAND** stated they have been doing restoration work for approximately two years.

SEN. CHRIS CHRISTIAENS asked if the applicant made a request for help from the coal board. **REP. HOLLAND** said there does not appear to be one.

{Tape: 3; Side: A; Comments: tape change during testimony.}

MONTANA COMMITTEE FOR THE HUMANITIES, GRANT #0625

Margaret C. Kingsland, Executive Director, Montana Committee for the Humanities, spoke in support of this project and submitted a folder of information and written testimony. **EXHIBIT 6**

CHAIRMAN BERGSAGEL said it was mentioned there were five performances held in Malta, Montana, and questioned what the average attendance was. **Ms. Kingsland** stated she was not sure of the number of people attending in Malta, but average attendance statewide is approximately 50 people, and most of the performances take place in towns of less than 2,500 people.

CHAIRMAN BERGSAGEL asked if the funding requested is to pay for the speakers' time. **Ms. Kingsland** said that it was. She stated the speakers receive \$150 and traveling per diem expenses. The community matches that by providing the advertising, promotion, marketing, and also the meeting space.

SEN. CHRISTIAENS asked if the applicant has considered setting up an endowment. **Ms. Kingsland** said they currently have an endowment.

Jamie Doggett, Chairman, Montana Committee for the Humanities, also spoke on behalf of the project.

SEN. CHRISTIAENS stated that he is concerned that the applicants can become dependent on the grants that they are given and never become self-sufficient. **Ms. Fishbaugh** stated his point was well taken, although in the majority of cases, the funding from the Cultural Trust is only 14% of their funding base.

{Tape: 3; Side: A; Approx. Counter: 895;}

WESTERN HERITAGE CENTER, GRANT #0632

Ron Bushnell, Community Historian and Public Program Specialist, stated the Western Heritage Center is requesting a special program grant to create a traveling exhibit which will be based on an oral history project entitled "The Real West: Portraits of Farming and Ranching Families." The exhibit will be distributed to interested parties across the state.

{Tape: 3; Side: B}

Mr. Bushnell showed the committee some examples of pictures which will be featured in the exhibit. The project will also involve interviews with different people, and those interviews will be put on video and included in the exhibit. The citizens' committee (CAPAC) has recommended a grant of \$9,260, of which \$2,600 will be used for salary support.

NORTHERN LIGHTS INSTITUTE, GRANT #0675

Deborah Clow, stated that *Northern Lights* is a quarterly publication focusing on the culture and politics of the northern Rockies. The magazine features local artists and writers from around the state.

REP. ZOOK asked what was holding the magazine back from being self-sufficient. **Ms. Clow** stated that although the magazine gains new readers all the time, it does not yet have enough subscribers to be self-sufficient.

MONTANA HISTORICAL SOCIETY, GRANT #0642

Susan Near, **Museum Services Administrator, Montana Historical Society**, stated this grant would provide training and technical assistance in the area of collections care and preservation to museums and cultural organizations throughout the state.

Brian Cockhill, **Director, Montana Historical Society**, stressed the importance of offering technical assistance to smaller museums around the state, and asked for support of this grant request.

{Tape: 4; Side: A;}

MONTANA ARTS FOUNDATION, GRANT #0662

John Barsness, **Executive Director, Montana Arts Foundation**, stated this organization is seeking funding from the state in order to receive the federal matching funds they need. He also stated the organization has been working on a cultural exchange with Russia, which they feel may promote tourism.

WRITER'S VOICE OF BILLINGS YMCA, GRANT #0624

Corby Skinner, **Project Director**, stated that his organization is requesting funding for a special project entitled, "Writers on the Road." He said funding for "Writers on the Road" would accomplish two major goals: 1) nurture the creative efforts of both established and emerging Montana writers by providing a vehicle for their work to be heard throughout the state, and 2) further public appreciation of the literary arts in all its forms, making them accessible and meaningful to non-traditional art communities, with a special emphasis on youth.

REP. MATT McCANN asked which rural communities the project would affect. **Mr. Skinner** said they would be targeting the rural areas within a 100-mile radius of Billings.

{Tape: 4; Side: A; Approx. Counter: 280}

MONTANA PERFORMING ARTS CONSORTIUM, GRANT #0664

Ralph Paulus, Vice President of the Performing Arts League in Choteau, Montana, testified on behalf of the grant and asked for the support of the committee. One of the things this grant would be used for is providing technical assistance for up to five rural communities so they may establish or improve a minimum three-event season subscription series, or build their audience and local revenue base. This grant would also help match and secure up to \$70,000 in federal funds for rural and urban presenters, and bring in nationally recognized dance companies to perform in rural communities.

{Tape: 4; Side: A; Approx. Counter: 485}

METIS CULTURAL RECOVERY INC., GRANT #0694

REP. SAM ROSE voiced his support of the grant request for the Metis Cultural Recovery project. He stated the applicant seeks funding for a public research archive and collection of Metis heritage and culture. No other such facility seeks to fully encompass the Montana Metis experience. He stated the fragmented history of these people is probably the best kept untold story in Montana. They were moved at one time to a reservation, and then "kicked off" the reservation. The Metis people were scattered, and as a result, they lost a great deal of their history and culture.

Kathleen Fleury, Coordinator for the Office of Indian Affairs, said she is also a member of the Little Shell Band of Chippewa Indians. She expressed her support of the grant, saying it would provide much needed help to the Metis people in gathering information about their culture.

{Tape: 4; Side: B;}

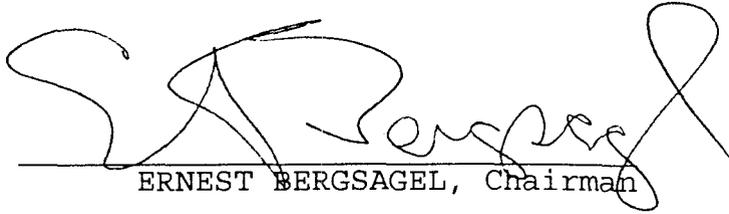
Irene Grandy voiced her support of the project.

Drena Lane Lindgren emphasized that the Metis people are neither white nor Indian; therefore, it is very important to study them as a race and as a culture. She asked for the committee's support of the grant.

Melinda Livezey, Volunteer Curator of the Metis Heritage Center in Choteau, Montana, voiced her support for the grant request. She showed the committee artifacts from the Metis Heritage Center. **Ms. Livezey** said the Center's primary effort has been toward the collection of oral histories, which have not been collected before. The Center also collects photographs and original documents to support genealogical work.

ADJOURNMENT

Adjournment: 12:20 p.m.



ERNEST BERGSAGEL, Chairman



TRACY BARTOSIK, Secretary

EB/tb

LONG RANGE PLANNING

Joint Appropriations Subcommittee

ROLL CALL

DATE 1-31-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Ernest Bergsagel, Chairman	X		
Rep. Matt McCann	X		
Rep. Tom Zook	X		
Sen. Ethel Harding, Vice Chairman	X		
Sen. Chris Christiaens	X		

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Long Range Planning SUBCOMMITTEE DATE 1-31-95

DEPARTMENT(S) _____ DIVISION _____

PLEASE PRINT

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NAME	REPRESENTING	
Margaret Kingsland Bill Pratt	MT Committee for the ^{Humanities} MT Arts, Inc.	
Jamie Doggett	INT. Committee for Humanities	
Bacia Corbier	MHS	
Judy ERICKSEN	CIA COMMITTEE	
DICK KING	CIA Committee	
Rom Budnell	Western Heritage Center	
Carlen Layre	Mt Arts Council.	
Mack Cole	Sen Dist. 4 -	
Melinda Artz Luezey MELINDA ARTZ LUEZEY	MT Cultural Recovery	
Melinda Artz Luezey Dorothy L. Lindgren	METIS CULTURAL RECOVERY	
Drene A. Lindgren	Metis Cultural Recovery	
CORBY SKINNER	Writer's Voice Billings YMCA	
Don Halland ^{Rep #107}	Schoolhouse History & Art Center	
Alyson Lonsdale	mt Arts Cnd.	
Kathy Macefield	MT Preservation Alliance	
ELLEN SEVERT	MPA	
SUSAN NEAR	MONTANA HIST. Soc. Museum	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Long-Range Planning SUBCOMMITTEE DATE 1-31-95
DEPARTMENT(S) _____ DIVISION _____

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NAME	REPRESENTING	
Carol Waretus	The Helena Art Center	
Myrna Paulus	MONTANA PERFORMING ARTS CONSORTIUM	
Ralph Paulus	MONTANA PERFORMING ARTS ^{concert}	
JOHN C. BARNES	MONTANA ARTS FOUNDATION	
ARNA HOOPE	MONTANA ARTS COUNCIL	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

EXHIBIT 1
DATE 1-31-95
HB 9

HOUSE BILL NO. 9

INTRODUCED BY BERGSAGEL

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING PRIORITIES FOR CULTURAL AND AESTHETIC PROJECT GRANT AWARDS; APPROPRIATING MONEY FOR CULTURAL AND AESTHETIC GRANTS; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Appropriation of cultural and aesthetic grant funds -- priority of

disbursement. (1) The Montana arts council shall award grants for projects authorized by and limited to the amounts appropriated by this section. Money must be disbursed in priority order, first to projects covered under subsection (2), second to the project listed in subsection (3), and third to the projects listed in subsection (4). The Montana arts council shall disburse money to projects authorized by this section through grant contracts between the Montana arts council and the grant recipient. The award contract must bind the parties to conditions, if any, listed with the appropriation in subsection (4).

(2) Money in the cultural and aesthetic projects account is insufficient in the biennium ending June 30, 1995, to fund projects in the amount for which they were approved. All grants not already disbursed at the time of the shortfall have been reduced by 26.68%. If the money in the cultural and aesthetic projects account is insufficient in the biennium ending June 30, 1995, to fund those projects in the amount of the reduced grant for which they were approved, the approved amount for the projects is reappropriated from the account until money has been disbursed to fully cover the grant awards as reduced.

(3) There is appropriated to the Montana historical society \$15,000 for the biennium ending July 1, 1997, for care and conservation of capitol complex artwork. This appropriation is recommended to be repeated for three successive bienniums and to be reviewed in fiscal year 2001 to determine if it should continue.

(4) The following projects are approved and amounts appropriated to the Montana arts council for the biennium ending June 30, 1997, from the cultural and aesthetic projects account:

- (a) Special Projects – \$4,500 or Less:

1	Garden City Ballet Company Ballet for Children - Lecture - Demonstration	3,410
2	Montana Preservation Alliance Rural Design Technical Assistance and Operating Support	3,900
3	Carbon County Historical Society A Finnish Country Kitchen	2,920
4	Montana Agricultural Center and Museum Water and the Farming Culture	3,410
5	Montana Players, Inc. Technical Assistance for Artistic Diversity	3,240
6	Schoolhouse History and Art Center Salary Support for Executive Director	0
7	Clack Museum Foundation Havre Area Promotional Video	0
8	(b) Special Projects:	
9	Montana Committee for Humanities Montana Committee For Humanities Speakers Bureau	24,370
10	Western Heritage Center Real West - Western Heritage Center Traveling Exhibit	9,260
11	Vigilante Theatre Company Artistic Support	9,750
12	Northern Lights Institute Featuring Montana Artists and Writers	13,650
13	Montana Historical Society Statewide Conservator Initiative	29,250
14	Montana Arts Foundation Two-Part Special Project	19,500
15	Condition: Grant funds may be used only to pay for the operational costs of the organization.	
16	Montana Arts Council Tribal Arts Education Project	9,750
17	Writer's Voice of Billings YMCA Writers on the Road	9,750
18	Montana Performing Arts Consortium Four-Part Special Project	21,450
19	Condition: Grant funds may be used to pay tour coordinators.	
20	Hockaday Center for the Arts Hockaday Center for the Arts Education Programs	9,750
21	Alberta Bair Theater Arts Outreach and Education	7,310
22	MSU Libraries Montana WPA Project	4,870
23	Montanans For Quality TV Bella Vista - A View of World War II From Montana	5,850
24	Metis Cultural Recovery Inc. Metis Heritage Center	9,750
25	Hellgate Writers, Inc. Hellgate Writers Center for Literary Arts, Expansion Phase III	9,750
26	Young Audiences of Western MT Artists' Travel Expenses	5,850
27	Rattlesnake Productions, Inc. Backbone of the World - The Blackfeet	14,620
28	Aleph Movement Theatre, Inc. Art and Technology	8,770
29	Montana Historical Society Campbell Farm Films - Preservation and Access	8,770
30	Missoula Community Access TV Montana Media Arts in Education Project	3,900

1	MonDak Historical and Arts Society Gaslight Theatre Enhancement	2,240
2	MSU KGLT-FM Live Wire Weekly Live Concerts/Broadcasts	7,800
3	MSU Montana Public Television Native Voices Public Television Workshop	15,600
4	Condition: Grant funds may be used only to pay for the training aspects of the project.	
5	Paris Gibson Square Museum of Art Collections Storage and Conservation Improvements	3,410
6	Very Special Arts Montana Clearinghouse/Committee Recognition	3,900
7	Copper Village Museum and Arts Center Achieving Full Stride	7,800
8	UM Montana Transport Company 1996-97 Rural Montana Tours	3,900
9	Bozeman Public Library Montana Women in Rodeo Documentary	7,800
10	Helena Art Center Helena Art Center Three-Part Project	4,870
11	Helena Symphony Society Cascade String Quartet Residency	2,920
12	Beall Park Art Center Membership Campaign/Brochure	1,950
13	Butte Symphony Orchestra Staff Expansion - Butte Symphony	4,880
14	Northern Showcase Northern Showcase Performing Arts Series	2,920
15	Montana Indian Contemporary Arts American Indian Contemporary Arts Symposium IV and V	6,820
16	Glacier Orchestra and Chorale, Inc. Glacier Orchestra and Chorale Educational Outreach	4,870
17	Fort Belknap College Fort Belknap College Public Radio Station	5,850
18	Missoula Symphony Association Concert Support for Elementary Students in Minority Population	
19	Schools	0
20	Missoula Cultural Council Staff Development	0
21	Montana Ballet Company Inc. Special Project to Aid in Hiring Ballet Mistress	0
22	Great Falls Symphony Association Ensemble Outreach	0
23	Montana Assn. Symphony Orchestras National Symphony Orchestras Tour America Program	0
24	Bozeman Symphony Orchestra Senior Citizen Concert Attendance	0
25	College of Great Falls College of Great Falls Renaissance Faire	0
26	Emerson Cultural Center Community Art in Living and Learning	0
27	Billings Symphony Society Special Project - Combined High School/Symphony Orchestra Concert	0
28	MSU Art Department Native American Voices	0
29	Big Horn Arts and Crafts Association Big Horn County Cowboys - 100 Years	0
30	MSU Department Media and Theatre Arts Theatrical Media Production	0

1	Butte Family YMCA Arts Camp	0
2	(c) Operational Support:	
3	MSU Shakespeare in the Parks Operational Support Montana Shakespeare in the Parks	26,320
4	Helena Presents Operational Support for Helena Presents 1995-96 and 1996-97	19,500
5	Montana Art Gallery Directors Assn. Exhibition Fee Support for Art Galleries/Museums	19,500
6	Custer County Art Center Operational Support	14,620
7	Montana Alliance for Arts Education Operational Support	4,870
8	Livingston Depot Foundation Livingston Depot Operational Support	4,870
9	Montana Dance Arts Association Operational Support	4,870
10	Growth Thru Art, Inc. Operational Support for Growth Thru Art, Inc.	4,870
11	UM Montana Repertory Theater Operational Support for Montana Tour	15,600
12	Coordinator of Indian Affairs Montana Burial Preservation Board Support	0
13	Montana Chorale Operational Support for Montana Chorale	0
14	(d) Capital Expenditure:	
15	Indian Monument/Flag Circle Committee American Indian Monument/MT Tribal Flag Circle	29,250
16	Butte Center for Performing Arts Renovation of Fox Theatre	14,620
17	Fort Peck Fine Arts Council Fort Peck Theatre Restoration	4,870
18	Yellowstone Art Center New Yellowstone Art Center	14,620
19	Butte-Silver Bow Arts Foundation Renovation of Arts Chateau	14,620
20	Missoula Children's Theatre Missoula Children's Theatre Capital Campaign	14,620
21	Garnet Preservation Association Garnet Ghost Town Restoration Project	3,900
22	Archie Bray Foundation Save the Beehives - 5-Year Facility Renovation	14,620
23	Condition: Grant funds will be released only upon receipt of a letter of agreement from the state	
24	historic preservation office.	
25	Arlee Historical Society Inc. Install Secure System, Outside Light, Paint Museum	2,440
26	C M Russell Museum Exalted Ruler Acquisition	3,900
27	Historical Museum at Fort Missoula Drummond Depot RR Exhibit and Education Space	3,410
28	Prairie Winds Arts Council Cultural Arts and Interpretive Center	6,820
29	Culbertson High School Heather Hotchkiss Memorial Sculpture	0
30	Beaverhead Development Corp. Road Agent's Trail	0

1	Blaine County Wildlife Museum Historic Diorama	0
2	Gallatin County Historical Society Elevator Lift Installation - Special Needs	0
3	Three Forks Area Historical Society Historic Stained Glass in Museum	0
4	(e) Endowment Development:	
5	Billings Preservation Society Billings Preservation Society Endowment Trust	4,390
6	Billings Studio Theatre Establish Permanent Endowment Billings Studio	7,020
7	Clack Museum Foundation Increase Endowment Funds	5,700
8	Gallatin County Historical Society Endowment Fund Enhancement	4,390
9	Great Falls Symphony Association Development of Endowment	8,770
10	Billings Symphony Society Endowment Expansion	6,580
11	Glacier Orchestra and Chorale, Inc. Glacier Orchestra and Chorale Permanent Endow Challenge Grant	0
12	Hockaday Center for the Arts Hockaday Endowment	0

13 (5) An amount not to exceed \$11,000 is appropriated from money that may revert from
 14 appropriations made in subsection (4) to the Montana arts council for project evaluations. The evaluations
 15 must be done after July 1, 1996, and results must be included in a report on the projects funded by
 16 subsections (1) through (4) to be submitted to the 55th legislature.

17

18 **NEW SECTION. Section 2. Reversion of granted money.** (1) On October 1, 1996, money
 19 reappropriated in [section 1(2)] but not disbursed reverts to the cultural and aesthetic projects account
 20 provided for in 15-35-108.

21 (2) On July 1, 1997, the unencumbered balance of the 1997 biennium grants reverts to the cultural
 22 and aesthetic project account provided for in 15-35-108.

23

24 **NEW SECTION. Section 3. Pro rata reduction of grant awards.** If money in the cultural and
 25 aesthetic project account is insufficient to fund projects at the appropriation levels contained in [section
 26 1(4)], the Montana arts council shall allocate the available money on a pro rata basis to the authorized
 27 projects.

28

29 **NEW SECTION. Section 4. Effective date.** [This act] is effective July 1, 1995.

30

-END-

54th Legislative Session

LONG – RANGE PLANNING SUBCOMMITTEE

Chairman: Ernest Bergsagel

LFA Staff: Nan LeFebvre OBPP Staff: Jane Hamman
Meeting Room: 317 7:00 a.m. to 12:00 noon
Secretary: Tracy Bartosik

Monday – January 30, 1995

**House Bill 7
Reclamation and Development Grants**

**House Bills 6 & 8
Renewable Resource Grant and Loan Program**

**House Bill 11
Treasure State Endowment Program**

Agenda

Item Project/Topic

- I. **Executive Action – House Bill 7
 Reclamation and Development Grants**

- II. **Executive Action – House Bills 6 & 8
 Renewable Resource Grant and Loan Program**

- Executive Action – House Bill 11
 Treasure State Endowment Program**

- III. **Subcommittee Business**

LONG – RANGE PLANNING SUBCOMMITTEE

Chairman: Ernest Bergsagel

LFA Staff: Nan LeFebvre OBPP Staff: Jane Hamman
 Meeting Room: 317 8:00 a.m. to 12:00 noon
 Secretary: Tracy Bartosik

Thursday – February 2, 1995

House Bill 9 Cultural & Aesthetic Grant Program

Agenda Item	Project/Topic	Priority	Reference	Grant Request	Grant Recommended
I.	Project Presentations		"Cultural and Aesthetic Project Grants" Booklet – "RECOMMEND" Tab		
	<u>Special Projects</u>				
1.	MSU KGLT–FM	Priority #22	Page 42	\$12,584	\$7,800
2.	MSU Montana Public Television	Priority #23	Page 55	\$89,450	\$15,600
3.	Paris Gibson Square Museum of Art	Priority #24	Page 76	\$7,399	\$3,410
4.	Copper Village Museum & Arts Center	Priority #26	Page 6	\$23,000	\$7,800
5.	UM Montana Transport Company	Priority #27	Page 44	\$8,324	\$3,900
6.	Helena Art Center	Priority #29	Page 7	\$15,000	\$4,870
7.	Helena Symphony Society	Priority #30	Page 19	\$6,600	\$2,920
8.	Beall Park Art Center	Priority #31	Page 73	\$6,000	\$1,950
9.	Butte Symphony Orchestra	Priority #32	Page 88	\$12,000	\$4,880
10.	Northern Showcase	Priority #33	Page 25	\$3,849	\$2,920
11.	Montana Indian Contemporary Arts	Priority #34	Page 87	\$21,000	\$6,920
12.	Glacier Orchestra & Chorale, Inc.	Priority #35	Page 91	\$18,000	\$4,870
13.	Glacier Orchestra & Chorale, Inc. (Challenge Grant)	Priority #7	Page 92	\$30,000	\$0
II.	Subcommittee Business				

CULTURAL TRUST GRANT HEARINGS: HB9
MONTANA ARTS COUNCIL INTRODUCTORY TESTIMONY

January 31, 1995

Arlynn Fishbaugh, Executive Director
Montana Arts Council

Good morning Chairman Bergsagel, and members of the Committee. For the record, my name is Arlynn Fishbaugh and I am the Executive Director of the Montana Arts Council. As you're aware, the Montana Arts Council is the state agency charged with the responsibility for administering the Cultural and Aesthetics grants program.

The Cultural Trust continues to be a most valuable asset for cultural organizations and communities throughout Montana. You'll find in the coming days an abundance of wonderful cultural activities that truly enrich life in Big Sky Country.

I would like to begin with an overview of the current status of the Cultural Trust program for 1994-95, as it does have a significant bearing on your work for the 96-97 biennium.

1994-95 Overview

In the 94-95 biennium, 99 grants were awarded funding for a total of \$1.3 million. Revenue projections were based on interest earnings originally calculated at 9.5%, and then revised in early 1994 to 7.2%, resulting in a shortfall of \$375,000 in available funds.

Grant Award Reductions.

We wanted to break this news gently. So, the Council first called all grant recipients in April 1994 to alert them to the revenue shortfall situation and to let them know that they would receive written notification more fully describing it. The

subsequent letter delineated the actions to be taken, the impact on the Council's budget, and requested information regarding the impact of the cuts on the projects and organizations. It informed recipients that the law states, should a shortfall occur, grants are to be reduced on a pro-rata basis. We explained that a target reduction figure of 26.68% was developed by taking the LFA revised revenue projection, then deducting the amount of grants funded at 95-100% of their full amount (assuming we would not receive any of these funds back), and then applying the estimated shortfall across-the-board.

While recognizing that grants of \$10,000 or less may be paid in one payment and approximately \$90,000 of these grants had been paid, the Council requested that recipients that had received 95-100% of their grant award return their share of the cut. Recipients were also informed that the Attorney General's office has indicated to us that, under the existing contract, a "demand" for return of funds would not stand up in court. Six grant recipients exercised this option to return their share of funds.

The Council will amend its grant contract to ensure that starting in FY96-97, any future grant reductions will be returned.

The Council advised grant recipients that if revenue is higher than projected, funds would be distributed on a pro-rata basis to those recipients who experienced cuts during FY94-95.

The law does not require that the Montana Arts Council cut its budget. However, the 15 members of the Montana Arts Council believed that grant recipients should not have to absorb even more cuts to cover the agency's share of the funds. Therefore, it

voted to take a percentage cut in its Cultural Trust funds equivalent to that taken by grant recipients -- a reduction of \$72,236 over the biennium. This cut was substantial.

While the agency was not able to incur across-the-board cuts in the three areas funded by the Trust -- Folklife Program, Rural Arts Specialist and administration of the grant program -- it was forced to take extended vacancy savings, utilize all unspent reversions from 1993 that had been appropriated by the Legislature to the agency (in fact, this was where the majority of the cut came), among other one-time reductions.

It is also important to note that the Daly Mansion Preservation Trust's grant of \$109,280 was written by the Legislature as a separate part of the law, and not subject to cuts. Furthermore, it was paid in full in 1993, as the law dictated. The Council requested that the Daly Mansion Trust return the 26.68 percentage cut. However, it was unable to do so, citing insufficient funds to do so.

The impact of the cuts

The Council asked all grant recipients to submit in writing how the cuts would affect their project or organization. A number indicated there would be multiple impacts. Seventeen organizations did not respond. The balance responded as follows:

25 indicated they would have to cut the proposed project or organization activity by reducing outreach efforts, numbers of performances or events, limiting tour locations or by reducing staff hours or salaries.

The shortfall necessitated significant reductions in fee support for performing artists by the Montana Performing Arts Consortium, visual arts exhibition fee support for

the Montana Art Gallery Directors Association and halted the ability of the Montana Committee for the Humanities to meet current and increasing requests for its Speakers Bureau services. These cut-backs to state-wide organizations will primarily affect Montana's small communities and cultural organizations.

The committee should be aware that these cuts are exacerbated by current reductions in federal grant dollars that benefitted state-wide cultural service organizations, and cuts anticipated in the near future.

Fourteen organizations said they would raise additional funds.

Two would use available cash reserves; two would delay the project; four would cut costs; four said there would be no impact; one indicated other impacts; and one reverted half of its grant funds.

Our Accountant Carleen Layne has recorded the implications of these cuts on each organization, if the Committee would like to have this information in writing.

There were few bright spots during this entire process of grant and budget reduction. However, one statement continued to be heard as Carleen and I made those 99 phone calls. And that was how people who faced such substantial grant reductions, and the attendant hardships it created, still voiced their strong feelings for the Cultural Trust and the value it serves in their communities.

Additional impact of cuts on Montana Arts Council

In addition to the \$72,000 in one-time reductions to the Arts Council budget, this revenue shortfall eliminates the capability to do any evaluations of the Trust grants, and

eliminates the use of Cultural Trust grant reversions appropriated to the agency for matching federal grants earmarked for "rural and underserved" areas of the country. You will find that we did not include language in HB9 this year which would appropriate up to \$150,000 in reverted funds to the Montana Arts Council for matching federal funds designated to benefit rural projects, as had been done in the past.

How are 94-95 grant recipients doing?

Chairman Bergsagel asked me to prepare a report as to which organizations funded in 94-95 were achieving particular success, and which were having difficulty. All organizations still working on their projects are, to the best of our knowledge, doing well. Three organizations are having difficulty, and have or plan to revert all or a portion of their grant.

(PICK UP FROM MEMORANDUM SENT TO CHAIRMAN BERGSAGEL.)

Governor's Budget

In the midst of dealing with the grant and budget reductions, the Montana Arts Council was also busy preparing our agency's 1996-97 budget.

We did not create a long laundry list of requests. We had but two primary needs: to switch the funding from the Cultural Trust to the general fund for the Folklife and Rural Arts Programs. The 16-member Cultural and Aesthetics Projects Citizens Advisory Committee and the 15 members of the Montana Arts Council unanimously and strongly concurred that these two programs be funded through the general fund rather than the

Trust. Both are programs designated as top strengths of our agency by the citizens of Montana.

The Governor recommended funding these two programs from the general fund for 1996-97 in recognition of their importance to small communities throughout the state, and how highly valued they are to these constituents. His decision also reinforces the fact that the Cultural Trust should benefit grant applicants, and not serve as a funding vehicle for on-going agency programs. It also alleviates the Arts Council being put in the uncomfortable position of competing against the constituents it is mandated to serve for scarce and very valuable resources. This opinion is especially relevant since the Cultural Trust revenue projections for 1996-97 are 1/2 to 1/3 below the \$1.3 million originally awarded in FY94-95, depending on whose revenue figures are used. Another important factor was the Arts Council's small general fund budget (less than \$125,000 per year), and the fact that there has been no increase in our general fund during the past ten years. In fact, in 1994 it is 7% less than it was in 1984.

Although the Governor's Budget recommends funding these two programs from the General Fund, the Institutions Subcommittee (which hears our agency's budget) has recommended that the Cultural Trust continue to fund these programs.

The agency and constituents throughout the state will continue to advocate strongly for this funding switch, which does not increase the Arts Council's total budget, nor does it add any FTE's. Its cost is \$80,000 per year in general fund -- putting the agency's total general fund cost to Montanans at 24 cents per person per year, instead of the current 15 cents per year.

Revenue Oversight Committee estimates

In October, when the Citizen's Advisory Committee met -- the only revenue figures they had were those provided by the Board of Investments. These numbers showed an additional projected shortfall of \$109,000 on top of the \$375,000 shortfall already predicted for FY94-95. The Committee chose to request that the legislature take this additional shortfall from revenues available at the beginning of 1996-97, rather than impose further cuts on top of the 27% reductions already made in 94-95. The capability to do so has been traditionally allowed for in legislation, but has never been necessary before. Because the Governor had designated funding the Rural Arts and Folklife Programs from the general fund, the Citizen's Advisory Committee utilized all revenue projected at the time to fund \$620,000 in grants, plus administration costs. Again, this compares to \$1.3 million originally granted in 94-95.

All in all, the Revenue Oversight Committee's projections are \$210,000 higher than figures projected by the Board of Investments and utilized by the Citizen's Advisory Committee. This may have had a bearing on the Institutions Committee's decision to continue funding the Rural Arts and Folklife Programs from the Trust rather than the general fund. Regardless of whose revenue projections are used -- grant funds are still 1/2 to 1/3 below levels originally granted in 94-95, and stand to be reduced even further by continued funding of the Rural Arts and Folklife programs from the Trust in lieu of general fund.

Our Accountant, Carleen Layne, has prepared additional information on the projections, which may be of help to you.

**CARLEEN PRESENTS HISTORICAL ANALYSIS OF PROJECTIONS AND ACTUALS,
PLUS OTHER BUDGET INFO.**

The Cultural and Aesthetics Projects Citizen's Advisory Committee consists of 16 very committed Montanans, who take their responsibility in making recommendations to the legislature very seriously. All have specific expertise in the field of arts and/or history; eight members are appointed by the Montana Historic Society and 8 members are appointed by the Montana Arts Council. All in all, they spend literally thousands of hours in thoroughly reviewing the grants, and in deliberations over recommendations they make to this Subcommittee. They continue to do an extraordinary job on behalf of all Montanans.

It is my privilege to introduce to you today the Chair and the Vice-Chair of this Committee. Dick King is Chair. He is the Director of Bear Paw Development in Havre, and one of the 8 appointees made by the Montana Historical Society. Judy Ericksen is Vice-Chair, and a renowned ceramic artist and potter from Great Falls. She is an appointee made by the Montana Arts Council members. They will describe the process, guidelines and other decision-making factors used to make the recommendations before you today. **(DICK KING AND JUDY ERICKSEN)**

To conclude, I would like to introduce to you Bill Pratt, the man responsible for all other elements in administering this program. Bill has prepared the hearings books for you, and he'll take us through how to use the books and provide an overview of the

testimony scheduling. Before he begins, I would like to extend my thanks to both Bill and Carleen for the excellent work they continue to do in helping administer the many elements of this program. Bill...

BILL PRATT PRESENTS HIS INFO.

That concludes our introduction. I'd like you to have a copy of our latest Agency Report. Info on Cultural Trust funding in your own counties is located at the end of the book. We would be happy to answer any questions for before the grant applicant testimony begins.

EXHIBIT 3
DATE 1-31-94
\$B 9

1996 - 1997

**Cultural and Aesthetic Project
Grants**

submitted by the

Montana Arts Council

and the

**Cultural and Aesthetic Projects
Advisory Committee**

to the

54th Montana Legislature

January 1995

*EXHIBIT #3
JANUARY 31, 1995*

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HELENA MT 59620-1201. PHONE NO: 444-2694

MONTANA ARTS COUNCIL
 SCHEDULE OF PROJECTED FYE FUND BALANCE
 COMPARED WITH ACTUAL/UPDATED PROJECTION

EXHIBIT 4
 DATE 1-31-95
 HB 9

	FYE 95 Actual	FYE 93 Actual	FYE 91
PROJECTED FUND BALANCE for end of biennium (PRUDENT RESERVE)	147,327	208,322	58,329
source: LFA APPROPRIATION BOOK			
ACTUAL/UPDATED PROJECTION (Based on ROC)-with cuts	-27,100	20,286	389,805
VARIANCE BETWEEN FIGURES	174,427	188,036	-331,476
CUTS TAKEN IN 95-95 BIENNIUM	382,622		
ENDING FUND BALANCE IF CUTS NOT TAKEN	-409,722		
VARIANCE BETWEEN FIGURES	557,049		

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Schoolhouse History and Art Center

P.O. Box 430

Colstrip, MT 59323

SHAC is a 501(c)(3) Non-profit Corporation

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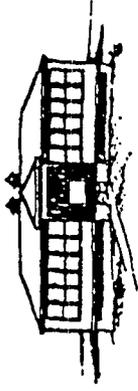
Address

City _____ ST _____ Zip _____

Schoolhouse History and Art Center
P.O. Box 430
Colstrip, MT 59323

EXHIBIT 5
DATE 1-31-95
#8 9

Schoolhouse History and Art Center



P.O. Box 430
Colstrip, MT 59323



MISSION STATEMENT:

Schoolhouse History and Art Center is established to provide the opportunity for cultural events, arts education and promotion and to encourage and preserve the culture and history of Colstrip and the surrounding area.



EXHIBIT 6
DATE 1-31-95
SB 9



EXHIBIT #6
JANUARY 31, 1995

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