

MINUTES OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION
January 12, 1983

The House Appropriations Subcommittee on Education met at 8:00 a.m. on Wednesday, January 12, 1983 in Room 104 of the State Capitol. With Chairman Rep. Esther Bengtson presiding, all members were present. The budget request for the Montana Arts Council was heard.

Pam Joehler (LFA) and Francis Olson (OBPP) recapped their briefing on the Arts Council budget. Mr. Olson distributed an updated version of the Governor's proposal; see Exhibit "A".

Chairman Bengtson then called on Dave Nelson, Executive Director of the Montana Arts Council. He introduced Carleen Lassise, the Council accountant, and Jessica Stickney, the Chairperson of the Arts Council. Claudette Johnson, a member of the Council, was also present. Several publications were distributed: (1) Arts and the States, National Conference of State Legislatures; (2) a red booklet about the Arts Council. (See Exhibits "B" and "C", bulky testimony file). He explained that his agency wished to maintain the current level in their program funds, and they wished to appropriate the funds to make a move to Helena. They also wanted the State to pick up one-half of its share of administrative costs for a portion of the agency's staff. While only four FTE's show up on the budget, in reality, the agency has eight: the Folklorist is paid for by the Coal Tax funds; there are also three contract positions, in addition to the four positions which the State pays half on. He requested that the State begin paying on two of these three positions. He submitted that in order for them to maintain real current level, those figures had to be factored in.

Since federal funds had been leveling off and State funds had been maintained at current levels, what appeared to be current level funding wasn't so. Every time the State Pay Plan increases, they lose money from other grant funds to replace those funds. He stressed that the agency needed appropriate funding which would relate to what the actual staffing patterns were.

He then went through what the agency did. (See Exhibit "B") Because the low level of State appropriation had inhibited their ability to get federal funds and also because of the large size of the State, they have spent much of their time dealing with "innovative programs." Until recently, these programs had gotten them a number of grants from the National Endowment for the Arts. But this has dropped off since the federal government changed their formula, so that their funding depended on the amount of State funding which was granted. He said that the State was in an institutional building phase, and technical assistance in the management of funding and professional guidelines for programs was crucial.

The best service they can be of is to help existing small groups organize into networks. In this area, they have "artist telegrams" in order to help artists in their search for funding. Other states wish to model this program.

He distributed a document which showed the processes they used to itemize what the effects of the agency were. (Exhibit "D", bulky testimony file) They are close to a point where they can identify where every dollar that comes to the agency goes in a grant or a service. The per capita cost for community services can be computed. He pointed out that Montana was the only state in the country that had this capability of determining such costs.

He pointed out that a task force put together by the Reagan administration had expressed opposition to the concept that cultural funds should be legislated item by item, and submitted that it was painful for his agency to have to go before the Legislature each session to continue funding for the Folklife Project. An example of what the Artists in the Schools Program had accomplished was distributed; see Exhibit "E". (bulky testimony file)

Carleen Lassise then went over the funding history of the Arts Council; see Exhibit "F". In the first ten years of the agency, about 75 percent of the total funds were given in flow-through grants. In 1976, the Legislature appropriated State Grant funds. In 1980, State Grants were increased from the previous level of \$5,000 to \$19,198. They have remained at \$20,275 since 1981. She pointed out that the LFA had allowed inflationary increases to these funds while the Governor's budget hadn't. In 1980, their administrative funds from the State General Fund were cut 12 percent. Although federal funding is required to match Pay Plan and inflationary increases in State funding and half the cost of audits, the federal level of funding has decreased; this is causing an eroding of funds that are available for regrant in the State.

Jessica Stickney then addressed the issue of the move to Helena. What best can happen with the State with the resources that are available is her orientation. The idea of access to and commitment to the importance of arts is her concern. For this reason, she supported the move to Helena. She stated that frankly, she felt the budget should be much larger, but realized that this was not practical at present.

Cathy Campbell, Montana Association of Churches, then rose in support of the budget requests; see written testimony, Exhibit "G".

J.D. Holmes, Montana Arts Advocacy, then spoke. He said \$114 million was appropriated in 1982 by the states for the arts.

This demonstrates that the legislatures are recognizing arts. His group supports the Arts Council request. He rose in support of the move to Helena and pointed out that the State Law Library had started in Missoula and then moved to Helena in 1965.

Claudette Johnson, a member of the Arts Council, and also representing the Montana Division for the American Association of University Women, rose in support of adequate funding for the Montana Arts Council. They have always felt the Arts Council has not had adequate funding. She was also in support of the move to Helena.

The hearing on the Arts Council budget request was then closed. Questions were asked. Mr. Nelson explained that three of the Arts Council staff members would not be making the move to Helena, and the \$10,000 in contracted services would provide for: (1) codification of all the grants given to the agency in the national standard system, and development of a manual for the types of activities which Joanne Musselman has done; (2) Pat Simmons would document her style; (3) Carleen Lassise would put into manual form her accounting system for arts organizations. Increased activities with State government is one of the primary reasons for wanting to move to Helena.

In response to Sen. Hammond, Mr. Nelson stated that he felt documentation of the growth of the Council's effectiveness in the State could be evidenced in the growth of the organizations in the State. Also, arts activities have gone up by one-half in the past ten years. Chairman Bengtson pointed out that since 1980, the cultural and aesthetic portion of the coal tax money has been designated to the arts. She stated that she had asked the Legislative Council to research the possibility of designating some of those funds for cultural endeavors. She compared what she had in mind with what had been done with the coal tax money being designated to libraries. The percentage that goes to parks and to cultural and aesthetic activities could be separated. Mr. Nelson replied that the present system of distributing the cultural and aesthetic funds met none of the standards that are usually set up for the distribution of that kind of money (grants). The Arts Council has to compete for this money alongside the people they serve. The Historical Society also requests money for an oral history project from these funds. Rep. Donaldson added that there were a number of projects which competed for this money. He submitted that in the Long Range Building Subcommittee, more input was needed from the Arts Council. At present there are 84 applications for a little over \$900,000 for the biennium. The Coal Tax Oversight Committee asked the Historical Society and the Arts Council to set up a quick citizens group to review the applications, and this was accomplished.

However, this activity was done in two days by fifteen people and was not as comprehensive as it should have been. He stated that the most appropriate way to handle the money would be through a citizens' committee that makes the determinations, which the Legislature then funds. He added that the Arts Council and the Historical Society were working closely together on this problem. Rep. Donaldson said he would like the Arts Council and the Historical Society to come forth with some recommendations regarding the problem.

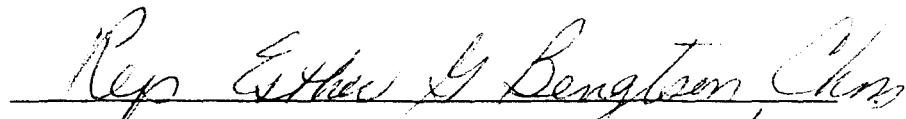
In response to questions from Chairman Bengtson, Mr. Nelson said that about \$63,000 would be removed from the Arts Council budget in the 1985 biennium if the Folklife project were discontinued.

The Chairman announced that executive action would be taken on the budget on Saturday, January 15.

The committee then took a five-minute recess. Upon reconvening the Chairman brought up the fact that the second motion, mandating that excess millage be reverted to the General Fund if the University System received more than the \$726,000 appropriation in the Supplemental request, had never been made. Sen. Hammond so moved; motion carried unanimously.

The Chairman then announced that a trip by the subcommittee to Glendive and Miles City would cost \$1,995; the cost for a trip to Kalispell would be \$850. As an alternative, on Friday, January 14, there was room for two people to go to Glendive and Miles City with the Institutions Subcommittee. Discussion took place regarding the logistics of the matter.

The meeting was adjourned at 10:00 a.m.



Representative Esther G. Bengtson, Chairman

VISITORS' REGISTER

HOUSE Appropriations COMMITTEE

BILL

Subcomm. on Education

COMMITTEE

Date 1/12/83

SPONSOR

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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1/12/83

Exhibit "A" PAGE 221

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

REPORT EBSR100
DATE : 01/08/83
TIME : 16/25/25

AGENCY : 5114 MONTANA ARTS COUNCIL
PROGRAM : 01 PROMOTION OF THE ARTS
CONTROL : 000000

CURRENT LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
00000	FULL TIME EQUIVALENT (FTE).	4,00	4,00	—,—,—	4,00	4,00	4,00	—,—,—	4,00
1100	SALARIES	86,307	86,731	424	—,—,—	85,979	86,405	426	—,—,—
1400	EMPLOYEE BENEFITS	12,402	12,139	-263	—,—,—	12,501	12,323	-178	—,—,—
1500	HEALTH INSURANCE	3,840	3,840	—,—,—	—,—,—	3,810	3,840	—,—,—	—,—,—
	TOTAL LEVEL	102,549	102,710	161	—,—,—	102,320	102,568	248	—,—,—
2100	CONTRACTED SERVICES	150,075	158,622	+ 8547	—,—,—	150,217	152,992	+ 2,775	—,—,—
2200	SUPPLIES & MATERIALS	24,479	24,466	- 13	—,—,—	25,950	25,923	- 27	—,—,—
2300	COMMUNICATIONS	10,848	10,119	- 129	—,—,—	12,238	11,515	- 723	—,—,—
2400	TRAVEL	23,758	23,835	+ 77	—,—,—	24,595	24,717	+ 122	—,—,—
2500	RENT	8,060	9,802	+ 1742	—,—,—	8,543	10,389	+ 1846	—,—,—
2700	REPAIR & MAINTENANCE	1513	1,511	- 2	—,—,—	1,604	1,601	- 3	—,—,—
2800	OTHER EXPENSES	1437	1,422	- 5	—,—,—	1511	1,503	- 8	—,—,—
	TOTAL LEVEL	230,160	229,777	+ 9617	—,—,—	234,658	228,640	+ 3982	—,—,—
3100	EQUIPMENT	2,625	2,625	—,—,—	—,—,—	2,625	2,625	-2,625	—,—,—
	TOTAL LEVEL	2,625	2,625	—,—,—	—,—,—	2,625	2,625	-2,625	—,—,—
6100	FROM STATE SOURCES	20,275	22,068	+ 1,793	—,—,—	20,275	23,392	+ 3,117	—,—,—
6200	FROM FEDERAL SOURCES	149,693	154,645	+ 4,952	—,—,—	145,247	154,645	+ 9,378	—,—,—
	TOTAL LEVEL	169,968	176,713	+ 6,745	—,—,—	165,542	178,037	+ 12,495	—,—,—
	TOTAL PROGRAM	495,302	509,200	+ 13,898	—,—,—	495,145	509,245	+ 14,100	—,—,—
01100	GENERAL FUND	116,924	118,546	+ 1,622	—,—,—	116,767	117,662	+ 895	—,—,—
02805	MONTANA FOLKLIFE PROJECT	47,500	47,500	—,—,—	—,—,—	46,148	47,500	+ 1,352	—,—,—
03015	MAC COMMUNITY MATCH	46,148	47,500	+ 1,352	—,—,—	46,148	47,500	+ 1,352	—,—,—

REPORT #BSR100
DATE : 01/08/83
TIME : 16/25/25

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

PAGE 222

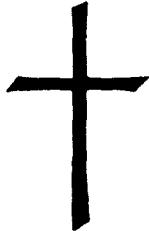
AGENCY : 5111 MONTANA ARTS COUNCIL
PROGRAM : 01 PROMOTION OF THE ARTS
CONTROL : 00000

AE/OE	DESCRIPTION	CURRENT LEVEL SERVICES ONLY			LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
		OBPP FY 84	LFA FY 84	DIFF. FY 84			
03016	MAC OPERATIONS	182,537	188,509	+ 5,972	186,963	189,438	+ 2,475
03017	MAC GRANTS	149,643	154,645	+ 4,952	145,267	154,645	+ 9,378
	TOTAL PROGRAM	495,302	509,200	+ 13,898	495,145	509,245	+ 14,100

COMMENTS : _____

OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
182,537	188,509	+ 5,972	186,963	186,963	189,438	+ 2,475	189,438
149,643	154,645	+ 4,952	145,267	145,267	154,645	+ 9,378	154,645
495,302	509,200	+ 13,898	495,145	495,145	509,245	+ 14,100	509,245

FISCAL YR		1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	*TOTALS*
SOURCE OF FUNDS	GENERAL FUND											
GENERAL FUND	ADMINISTRATIVE	9280	13240	21377	24766	24677	25000	28023	30618	42423	219404	0
AUDIT		780	1700	3681	234	323			5000		11718	0
GRANTS											0	
RANKIN											0	
AIS											16	
GENERAL FUND		0	10060	14940	25058	25000	25000	28023	30618	47423	231122	0
OF TOTAL		0	20	33	41	18	14	13	11	13	16	
FEDERAL FUNDS												
FSP/ADMINI												
FSP/AUDIT												
FSP/PROGRAM												
FSP/UNALLO												
FSP/GRANTS												
*FSP												
AIS												
AIS—ADMIN												
CRTP												
SPECIAL GR												
FLOW-THRU												
FEDERAL FUNDS												
OF TOTAL												
OTHER FUNDS												
COAL TAX												
RANKIN/PRIVATE												
LIS/COMMUNITY MATCH												
LIS/OPI												
OTHER FUNDS												
OF TOTAL												
FUND												
INCREASE												
ADMINISTRATION		0	9718	13240	21377	24766	27535	40578	43016	59422	70049	309701
PERCENT OF *FUNDS		0	20	29	35	21	20	22	19	22	19	21
PROGRAM		0	0	0	0	7850	7	0	0	12838	16996	20700
PERCENT OF *FUNDS		0	0	0	0	61421	119227	136320	180450	222123	275818	366926
GRANTS		25000	49443	45849	40044	86611	108785	139872	159569	199400	276177	1107792
PERCENT OF *FUNDS		100	80	71	65	73	80	78	72	72	75	75
FLOW-THRU		0	0	0	0	0	0	0	6700	0	0	6700
PERCENT OF *FUNDS		0	0	0	0	0	0	0	0	3	0	0
FUND		25000	49443	45849	61421	119227	136320	180450	222123	275818	366926	1482577



Montana
Association of
Churches

MONTANA RELIGIOUS LEGISLATIVE COALITION • P.O. Box 1708 • Helena, MT 59601

January 12, 1983

WORKING TOGETHER:

American Baptist Churches
of the Northwest

American Lutheran Church
Rocky Mountain District

Christian Church
(Disciples of Christ)
in Montana

Episcopal Church
Diocese of Montana

Lutheran Church
in America
Pacific Northwest Synod

Roman Catholic Diocese
of Great Falls

Roman Catholic Diocese
of Helena

United Church
of Christ
Montana Conference

United Presbyterian Church
Glacier Presbytery

United Methodist Church
Yellowstone Conference

United Presbyterian Church
Yellowstone Presbytery

Madam Chairman and Members of the Joint Education Committee:

I am Cathy Campbell of Helena, representing the Montana Association of Churches, speaking in favor of the Montana Arts Council budget request.

The Montana Association of Churches consists of nine major church denominations. The Association has unanimously adopted a position supporting public funding of the arts.

In concerning ourselves with the arts in our society, we are recognizing the development of the whole person as a cultural, social, political and spiritual being. We want to give our support to programs which recognize the importance of the arts in our lives and help them to flourish in our State.

We support full access to the arts by all Montanans in their schools, communities and public institutions. Public funding has a direct relationship to this accessibility. The Montana Arts Council, with its programs of arts in the schools, assistance to artists, and distribution of grants, has contributed to increasing the access to the arts in Montana.

We urge your continued support of the Montana Arts Council.

For your information, I would like to submit copies of our paper on Public Funding of the Arts which outlines our position more completely.

Thank you.

MONTANA ASSOCIATION OF CHURCHES
POSITION — 1981

PUBLIC FUNDING FOR THE ARTS

- Other M.A.C. Position Papers:
Environment and Land Use
Government - Institutions (Us and Them)
Tax Exemption
Victims of Crime Compensation
Released Time for Religious Education
Welfare and Financial Support
Legislating Morality
M.R.L.C. Introduction and History
Energy and Environment
Gambling
Home Health Care
Funding of Conciliation Courts
Pre-marital Counseling for Minors
Pornography
Capital Punishment
Corrections
Traffic Safety



Member Units of the Montana Association
of Churches

- American Baptist Church
American Lutheran Church
Christian Church (Disciples of Christ)
Episcopal Church, Diocese of Montana
Lutheran Church of America
Roman Catholic Church -
Diocese of Great Falls
Diocese of Helena
United Church of Christ
United Methodist Church
United Presbyterian Church
The Presbytery of Glacier
The Presbytery of Yellowstone

Single Member Congregations
[non-voting]

Christ's Church On The Hill, Great Falls
Holy Trinity Serbian Orthodox Church, Butte
Cover design by Tim Holmes, Helena

Public Funding for the Arts

Montana
Religious Legislative Coalition [MRLC]
Committee of the
Montana Association of Churches
1981

MONTANA ASSOCIATION OF CHURCHES

Position Paper on PUBLIC FUNDING FOR THE ARTS

POSITION STATEMENT

The Montana Association of Churches supports:

1. Full access to the arts by all Montanans in their schools, communities and public institutions;
2. Increased State funding for the arts;
3. The development of economic and social policies which will (a) encourage the arts as an essential dimension of life, and (b) enable artists to live and work in Montana;
4. The continued use for cultural and aesthetic purposes of monies from interest on the Coal Tax Fund;
5. The distribution of the above funds for cultural and aesthetic purposes in a manner which gives due consideration to all areas and constituencies of the State (both rural and urban).

SUPPORTING STATEMENT

Throughout the ages, the church has been a patron and preserver of the arts and the artists. It is not surprising that the church today should also concern itself with the arts in our society. We are recognizing the development of the whole person as a cultural, social, political, and spiritual being. A part of this wholeness is the potential for magnificent creative activity within each of us as we respond to the creator God. Experiencing and responding to the arts within and around us, we are given insight and inspiration to act in God's world. The churches in Montana can speak to this need as it affects the priorities of our society.

Public funding has a direct relationship to accessibility. When we begin to deal with questions of full access to the arts, we must have the broadest possible participation in mind. We believe that everyone has the right to:

- make art;
- have access to artistic experiences;
- enjoy an aesthetically rich life, and even
- to define what art is.

The presence of public education and libraries in our society makes clear the importance of accessibility to education. In the same way, appropriate use of public money can influence full access to the arts.

The ideal system of support for the arts in our free society seems to be a combination of public, private and corporate money. Private philanthropy has sustained much of our cultural treasure, and corporate investment has helped to develop an art market. But it is usually public money which will risk the funding of art on the growing edge, or developing programs in profitably unstable areas. In the last decade, it has been the unique combination of funding which has nurtured the growth of the arts across the nation.

In Montana, the public money has come through the Federal grants to the Montana Arts Council. These in turn have generated an unprecedented match in private and corporate money, enabling communities to sponsor touring groups, establish artists-in-residence, and develop varieties of visual and performing arts programs. However, Montana ranks 54th out of 55 States and territories in per capita State appropriations for the arts. It is the state commitment to funding for the arts which is missing from the picture. Continued development of the arts in Montana is

dependent upon a higher priority in state appropriations. This would provide essential money, and also constitute a strong philosophical statement by the State government that the arts are important in the lives of its citizens.

- We support and encourage the arts as a way of making a living in Montana. As public funding and public policies support the arts as a priority in our society, the individual artist will find Montana an economically viable place in which to work. The arts are good business — high value, self-employed, labor intensive, clean, good for communities, with a positive economic impact. We encourage policies which will improve marketing, small loan benefits, tax incentives, and programs for public art.

We support the use of coal tax interest money for the arts.* It seems most fitting that the benefits from one natural resource should be used to nurture and develop the creative resources for our citizens. We are concerned that this commitment be maintained, and that through appropriate guidelines, the cultural and aesthetic needs of the people of Montana will be met most beneficially.

There are many areas of concern in the arts, but we feel these few issues would help to build a basis of support which would recognize the importance of the arts in our lives and help them to flourish in our State.

*Section 15-35-108 (h) (i) MCA. Authorized by HB 550, 46th Legislature.