

MINUTES OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION  
April 11, 1983

The House Appropriations Subcommittee on Education met at 8:00 a.m. on Monday, April 11, 1983 in Room 104 of the State Capitol. With Chairman Rep. Esther G. Bengtson presiding, all members were present. Executive action on the Cultural and Aesthetic Project grant proposals was completed.

Rep. Peck brought up the subject of the Rocky Boy Tribal Elders grant request. The School District was willing to assume sponsorship for the project, he reported. This would bring the project under the school district audits. He moved that the project be funded at \$12,500. Motion carried unanimously.

The subject of operating expenses for administering the review process were then discussed. Mr. Dave Nelson, Executive Director of the Montana Arts Council, said that for the current review process, \$5,000 on travel alone had been spent, but they were not asking for reimbursement. The estimated expense of the review for 1985 was about \$27,000.

Discussion took place regarding the Committee bill which was being drafted to appropriate the cultural and aesthetic funds.

Rep. Ernst moved that \$27,000 be taken from the fund to administer the grant program, plus any additional amounts which may be required by the passage of House Bill 312. Motion carried unanimously.

The Committee then began reviewing the proposals heard on April 5, 1983.

No. 68 - Livingston Heritage. The Committee reviewed the criteria sheet (Exhibit "A." April 8, 1983). It was brought up that the schools to be served would be served on a first-come, first-served basis, with no restrictions. Sen. Jaccobson pointed out that the project would probably not become self-sustaining. No motion was made on the Livingston Heritage project.

No. 10 - Carter County Museum. The Chairman pointed out that there was a lot of community support for the museum. In addition, the county levied a mill for museums. Sen. Tveit moved that \$5,285 be appropriated for the project; motion carried unanimously.

No. 47 - Troy Museum. It was brought out that a one-time mill had been levied, but the county had no ongoing mill. Norm Rostocki, LFA, suggested that if the Committee didn't want to

appropriate the entire amount of the request, a portion could be funded, but not awarded until the remainder of the money necessary to purchase the land had been raised. Rep. Peck moved that half of the requested amount be appropriated: \$12,225, contingent upon raising matching funds by July 1, 1985. Motion carried unanimously.

Nos. 17 and 57 - Gallatin County Historical Society. The Chairman pointed out that substantial amounts of money had been raised locally by the Gallatin County Historical Society. However, the County did not levy a mill for museums. The Chairman felt it was more important to help fund the renovation of the old jail. The Chairman felt that the Historical Society best met the funding criteria, for the Gallatin area.

No. 52 - Yellowstone River Basin Study. There was general agreement that the budget for the project was too high. No motion was made.

No. 75 - Bozeman Public Library Mural. No motion was made.

No. 42 - St. Mary's Mission. Mr. Ward Shanahan, attorney for the Helena Catholic Dioceses, had stated that he could compose a document which would pronounce the property public property. Mr. Rostocki cited advice from the attorney general's office which said that no appropriation could be made to a group not responsible to the State, and the appropriation had to be made for a public purpose. Mr. Brian Cockhill, Historical Society, pointed out that the letter which they had received from the Town of Stevensville did not state explicitly that it was sponsoring the project. In response to Sen. Haffey, Dr. Bob Archibald, Director of the Montana Historical Society, said that St. Mary's Mission was without question an important historic site in Montana. No motion was made regarding the St. Mary's Mission proposal.

The project proposals heard on April 6, 1983 were then reviewed.

No. 71 - Helena Film Society. No motion was made.

No. 46 - Three Forks Historical Society. Discussion took place regarding the levying of local mill levies for museums, and ways of alerting the Counties that the Legislature endorsed this type of approach prior to coal tax grant application. Sen. Tveit moved that the project be funded at \$7,500. Motion carried unanimously.

No. 43 - Swan Valley Study Center. No motion was made.

No. 39 - Range Riders Museum. It was brought out that the project hadn't been recommended by the Citizens' Review Committee, nor did anyone appear for the hearing. No motion was made.

No. 32 - MSU Chorale. It was brought out that this project was no longer requesting funding, as it had already made the trip which it has proposed that the State fund.

No. 4 - Hardin Herald Indexing. Mr. Cockhill said the Review Committee had felt that if indexing were to be done, it should be of a newspaper which would have use of a more statewide nature. No motion was made.

No. 83 - Fort Owen. Discussion took place regarding what level of funding would be effective. Rep. Ernst moved that the Fort be funded at \$50,000. In response to committee questions, Mr. Cockhill estimated that significant work could be done on the east barracks for about \$20,000. Dr. Archibald stated that the Fort was getting funding from a variety of sources: the Historic Preservation Office, the parks coal tax fund, as well as funding from the cultural and aesthetic funds in 1981. Rep. Peck made a substitute motion that \$20,000 be appropriated for the Fort Owen Project; motion carried unanimously.

No. 28 - Glacier Chorale Arts Institute. The Chairman testified that the group was well-organized, and had statewide support. There was discussion regarding what level of funding would be helpful. It was brought out that the amount of the grant request had been reduced by the Institute to \$77,100. There was discussion on what the results of this project would be. No motion was made.

The Committee then reviewed the executive action taken thus far on the projects.

Sen. Jacobson wanted to know why the Montana Folklife Project and the Small Town Montana project had not been fully funded. Rep. Peck explained that the monies requested, if approved, would have been increasing the amount of funding for the projects over what had been appropriated in the past. In addition, the projects were ongoing commitments out of the coal tax fund, and some of the Committee members were opposed to funding ongoing State projects in this way.

Discussion took place regarding the Review Committee having to compete with the projects they were reviewing. Sen. Jacobson felt that until a different funding source, such as the general fund, could be found for the two projects that they should be funded fully from the Cultural and Aesthetic account. Dr. Archibald pointed out that it was the Education Subcommittee which had voted to not fund the projects from the general fund. Mr. Rostocki said the Committee had wanted the projects to continue to be reviewed each biennium and this was why they were kept out of the agencies' base budgets and moved to this committee. Rep. Peck said that if the Legislature wanted the activity to be permanent and ongoing then it should be funded from the general fund. Mr. Nelson said they agreed with this, and in 1985 they wanted it understood that they wanted to compete for the general fund. The problem for the present was that they needed to keep the projects viable so they would be able to compete in 1985. As regarding the oral history project (Small Town Montana), Dr. Archibald pointed out that the project was funded in the 1983 biennium at close to \$100,000. They reduced as far as they could the amount being requested before submitting the proposal to the Review Committee. Therefore, the current proposal was below current level. Mr. Nelson explained that he had stated that at half-funding, the Folklife Project would be able to retain the folklorist, at not quite his salary.

Sen. Jacobson expressed concern about where the projects could get matching funds from if they were not funded fully. She submitted that it would be extremely difficult, due to the late date, to provide for general funding for the projects. Rep. Donaldson said he had all indications that the projects were doing good jobs, and he felt their funding should be continued at current level. Rep. Peck questioned how funding these projects fully, while funding some of the other projects at reduced levels, could be justified. Sen. Jacobson replied that many of the other projects were new projects, and possibly they wouldn't be starting up fast, or possibly they could get by with less seed money.

Sen. Tveit asked Dr. Archibald what could be accomplished with \$60,000 in the Small Town Project. Dr. Archibald replied that in one way or another, something vital to the project would have to be cut. Mr. Cockhill said the only place they could cut would be the part-time clerical help which did the cataloging and transcribing. Eight towns instead of twelve would be interviewed, with 10% less interviews in the eight towns. The program would continue, but at a much reduced level.

Regarding the Folklife Project, Mr. Nelson said that to keep the folklorist on board for two years at a grade 12 would cost \$45,000; if they had this amount they would find travel money elsewhere. Sen. Jacobson was in support of the Committee reconsidering its actions on the two projects, and funding them at the full amount requested.

The Committee agreed to review all of its action: the two projects would be reconsidered in the order which they were heard.

House Bill 881 was considered. It was brought out that there was a commemoration of Mike Mansfield in the old caucus room, at Congress. Rep. Peck pointed out that this bill came out of the Education Committee with a DO PASS. Rep. Donaldson rose in support of the use of a Jeanette Rankin statue because she represented the pioneer woman, who hadn't been recognized as much as she should have been. Rep. Peck moved that the bill DO PASS; motion carried unanimously.

HOUSE BILL 906 was then considered. The Chairman said that Rep. Fagg had told her that a reduced level of funding would be acceptable. Discussion took place regarding funding the project through the Long Range Building Subcommittee. Dr. Archibald said that for purposes of administration the Committee would need to specify for the Arts Council how the money was to be used. The Chairman suggested that possibly language could be put in the letter awarding the grant that the money would not be awarded until the monies needed to complete the project had been raised. Rep. Ernst moved to fund the project at \$10,000. It was brought out that the building was still in private ownership, and might not even become available during the 1985 biennium. The mansion would not become available until the death of the surviving daughter. Dr. Archibald pointed out that neither the City of Billings nor the County of Yellowstone had committed any long-term funding to the project.

It was brought out that the projects receiving funding originally requested in a House Bill would be put into the Committee bill for Cultural and Aesthetic projects, and the bills would be tabled. Rep. Ernst amended his motion: he moved that HOUSE BILL 906 be tabled, and that \$5,000 be appropriated for the Moss Mansion acquisition, on the contingency that the remainder of the funds needed would be raised before the money would be awarded. Motion carried unanimously. Rep. Ernst moved that House Bills 881 and 905 would also be tabled, and the projects included in the Committee bill. Motion carried unanimously.

Rep. Donaldson moved that the Committee reconsider its action on funding for the Jeanette Rankin statue (HB 881), and the level of funding be at \$25,000. Motion carried unanimously.

Proposal No. 13 - Helena Civic Center, was reconsidered. Rep. Donaldson moved that the project be funded at \$10,000, because this amount would enable the project to get matching funds; motion carried unanimously.

The Gallatin County Historical Society proposals, Nos. 17 were reconsidered. Rep. Donaldson moved that No. 17 be funded at \$20,000; motion carried unanimously.

No. 20 - Hockaday Center for the Arts. It was brought out that this was the only museum in the Kalispell area. Rep. Peck moved that they be funded at \$2,650. Motion carried unanimously.

No. 21 - Huntley Project Museum. The Chairman rose in support of the work done by Charlie Banderob, who had been very actively involved in the project. She pointed out that the House Local Government Committee had been unwilling to allow the museum to be funded by a county mill levy because they felt that all non-profit museums would then want to become county museums. She pointed out that the museum was non-profit. Dr. Archibald said the sponsor of the project was the Huntley Project Irrigation District, but he was unsure as to whether or not the District was eligible as a sponsor. Rep. Donaldson moved that the project be funded at \$10,000, provided an eligible sponsor could be secured. Dr. Archibald agreed with Chairman Bengtson that the museum had a lot of community support. Motion carried unanimously.

No. 26 - Montana Folklife Project. Rep. Donaldson moved that the Project be funded at \$60,000. Rep. Peck made a substitute motion that it be funded at \$45,000. The question was called for on Rep. Peck's motion; motion carried unanimously.

No. 30 - McCone County Museum. Rep. Ernst moved that the project be funded at \$5,000, on the contingency that the remainder of funds necessary to complete the project be raised by 1985. Sen. Tveit made a substitute motion that the amount to be funded be \$10,000, with the contingency. The question was called for on Sen. Tveit's motion; motion carried unanimously. There was general agreement that if this project or any other that had contingencies for raising matching monies was

able to do the job with less than the estimated amount, by scaling down the project, that the State would allow this, and would grant its share of the funding, at such time as the project had sufficient funds raised to be completed.

Proposal No. 34 - Montana School of Creative Arts, was then reconsidered. It was brought out that the summer program would involve children from all over the State, and the Citizens' Review Committee had chosen to provide funding for the summer school only. Rep. Peck moved to fund the project at \$12,000; motion carried unanimously.

No. 72 - Small Town Montana. Sen. Tveit moved that it be funded at its current level of operation. Motion carried unanimously.

The Committee then took a 20-minute recess.

Rep. Bob Thoft, Stevensville, spoke to the Committee about the St. Mary's Mission project proposal, No. 42. He stressed that because of the tremendous historical value of the building, he would like to see a contingency fund set up through the Historical Society, which stipulated that the State would have to acquire a dedication or the title to the property that would satisfy the Attorney General and the Historical Society, before any funding would be received. This would enable them to start rehabilitating the buildings as well as giving the State the dedication of the property, which he felt would be valuable. Rep. Peck moved to set up a contingency fund of \$7,500, subject to approval of the Attorney General as to legality, and the legal work would have to be taken care of before the money could be released. Mr. Cockhill said it would be acceptable for the Historical Society to be involved in the process. The question was called for and the motion carried unanimously.

No. 58 - Young Audiences, and No. 76 - Bozeman Public Library Tapestry, had not been funded by the Committee although they had been recommended by the Review Committee, Rep. Peck pointed out. Rep. Donaldson moved that No. 58 - Young Audiences of Western Montana be funded at \$12,000. Rep. Peck made a substitute motion that No. 61 - Children's Arts Center, be funded at \$12,000. The question was called for on Rep. Peck's motion; motion carried unanimously.

Rep. Ernst moved to reconsider the Committee's action on the Fort Owen proposal, no. 83; motion carried with Rep. Bengtson opposed. Rep. Peck moved that funding for Fort Owen be increased to \$30,000; motion carried unanimously.

Mr. Rostocki said that Montana Arts Council had brought to his attention the possibility that they might be able to raise some federal funds for the Folklife Project to bring it back up to the level of the request. He wanted to know if the Committee wanted to put language in the appropriations bill which would enable the project to budget amend any additional funds acquired. Sen. Jacobson moved that an amendment for HB 447 be drafted to that effect. Motion carried unanimously.


The Committee recessed at 10:45 a.m., until 5:30 p.m., at which time a draft copy of the Committee bill for Cultural and Aesthetic Projects was presented to the Committee; see Exhibit "A." Section 1 (3) was discussed. Mr. Nelson explained that this language had been requested because the coal tax revenues came in on a quarterly basis, and the total amount for the biennium would not be available on July 1, 1984. There was concern expressed by the Committee regarding small grants and remodeling projects and how these projects could be undertaken.

Mr. Rostocki explained that if the Committee wished, the language could be changed to allow certain types of projects to receive their awards first. However, it would also be necessary to set priorities on which projects would be funded first, and which would be put back. The result of the current language would probably be that many of the projects would be pushed to the last year of the biennium, because only 50% of their project grant money would be available on July 1, 1984. The matter was discussed and there was general agreement to accept the language.

Mr. Rostocki suggested enclosing a copy of the Committee bill with the grant acceptance letters, to help clarify for the recipients what was contained in the statutes.

Rep. Peck moved that the Committee bill DO PASS; motion carried unanimously.

The meeting was adjourned at 5:45 p.m.



Rep. Esther G. Bengtson - Chairman



4/11/83

EXHIBIT "A"

Draft copy. Must still be proof read by Legislative Council & checked by drafter. This may result in minor changes prior to delivery of bill. BILL NO. \_\_\_\_\_

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

3 BY REQUEST OF THE JOINT APPROPRIATIONS SUBCOMMITTEE

4 ON EDUCATION AND CULTURAL RESOURCES

5

6 -A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING -FOR  
7 ADMINISTRATION OF THE CULTURAL AND AESTHETIC GRANTS PROGRAM  
8 BY THE MONTANA ARTS COUNCIL; PROVIDING FOR GRANT CONDITIONS  
9 AND EXPENDITURES; APPROPRIATING MONEY FOR CERTAIN PROJECTS;  
10 AND PROVIDING AN EFFECTIVE DATE."

11

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

13 Section 1. Conditions -- additional funds -- accounts  
14 and reports. (1) No grant may be awarded unless the grantee  
15 accepts the Montana arts council's conditions of the grant  
16 and signs a contract stipulating those conditions.

17 (2) The grantee must agree that the funds granted will  
18 be expended solely for the purpose and activities described  
19 in the approved proposal. If the grant award proves to be  
20 inadequate for the administration of the project as  
21 originally submitted, the grantee may submit, prior to the  
22 beginning of the grant period, modifications to the proposal  
23 and an operational budget supporting the modifications. All  
24 granted funds to be expended by the grantee must be spent or  
25 encumbered during the grant period.

1           (3) No project may receive more than 25% of the total  
2 grant award during any 6-month period. The second and each  
3 succeeding payment may be made only after an examination of  
4 the costs incurred and expenditures made to date by the  
5 grantee and a determination of any remaining balance from  
6 prior grant periods is made.

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

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

1 pending receipt of final reports by the council.

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

7 (7) A grantee must agree in writing that no person  
8 will, on the grounds of race, color, national origin, sex,  
9 or age, be excluded from participation in, be denied the  
10 benefits of, or be subjected to discrimination under any  
11 program or activity that results from the expenditure of  
12 grant funds.

13 (8) A grantee must agree in writing that the grantee  
14 is the official and sole agency for the administration of  
15 the project described in the grant agreement.

16 Section 2. Allocation and disbursement of funds. (1)  
17 The Montana arts council shall allocate and disburse  
18 cultural and aesthetic project account funds as appropriated  
19 by the legislature.

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

25 (a) Projects of an ongoing nature during the full

1 course of the grant period must receive the first priority  
 2 for allocation of account funds. For purposes of this  
 3 section, "ongoing project" means a project designed to  
 4 operate throughout the grant period with a full-time staff  
 5 and obligations to be met monthly.

6 (b) All other projects must be allocated the remaining  
 7 funds on a percentage basis. The percentage must be  
 8 determined for each <sup>such</sup> project by dividing the amount <sup>appropriated for</sup> ~~awarded~~  
 9 each <sup>such</sup> project by ~~the~~ <sup>the</sup> ~~total appropriation for cultural and~~  
 10 ~~amount remaining in the account following the~~  
 11 ~~framing of ongoing projects.~~

total amount appropriated for all such projects

11 Section 3. Reversion of granted funds. At the end of a  
 12 grant period, any unexpended balance of the grant shall  
 13 revert to the cultural and aesthetic project account  
 14 provided for in 15-35-108.

15 Section 4. Projects approved -- appropriation. The  
 16 following projects are approved and amounts appropriated to  
 17 the Montana arts council for the biennium ending June 31, 1985,  
 18 from the cultural and aesthetic projects account:

19	<u>Project</u>	<u>Amount</u>
20	Butte-Silverbow Arts Chateau	\$35,000
21	Carbon County Arts Guild	20,000
22	Blaine County Museum	40,000
23	Montana Folklife Project	45,000
24	Montana School of Creative Arts	12,000
25	Jordan Museum	4,000

1	Shakespeare in the Parks	20,000
2	Montana Association of Symphony Orchestras	13,000
3	Vigilante Players	5,000
4	Eastern Montana Resource Coordination Project	35,000
5	Custer County Arts Center	12,000
6	Montana Authors Biographical Directory	1,410
7	Tri-County Historical Society	58,000
8	Robert Yellowtail Film Documentary	28,000
9	K. Ross Toole's Montana	44,000
10	Small Town Montana	82,160 <del>80,150</del>
11	Growth Through Art	30,000
12	Western Heritage Center	25,000
13	Helena Civic Center	10,000
14	Paris Gibson Square	50,000
15	McCone County Museum	10,000
16	Childrens Arts Center	12,000
17	Powell County Museum and Arts Foundation	15,000
18	Butte-Silverbow Public Archives	8,600
19	Rocky Boy Tribal Elders	12,500
20	University of Montana Magic Movers	10,000
21	University of Montana Repertory Theatre	25,000
22	Conrad Public Library	2,000
23	Hockaday Center for the Arts	2,650
24		
25	Jeanette Rankin Statue	25,000

1	Carbon County Museum	5,285
2	Troy Museum	12,225
3	Gallatin County Historical Society	20,000
4	St. Mary's Mission	7,500
5	Fort Owen	30,000
6	Three Forks Historical Society	7,500
7	Moss Mansion	5,000
8	Huntley Project Museum	10,000
9	Operating expenses	28,649

10 Section 5. Effective date. This act is effective

11 July 1, 1983

End