

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

The meeting of the Long Range Planning Subcommittee was called to order by Chairman Rep. Robert Thoft on January 6, 1987 at 9:00 a.m., in Room 202B of the State Capitol.

ROLL CALL: All members were present at the meeting.

Tape 1:A:000

Chairman Thoft informed the committee that they would hear ten hearings per day, each being ten to fifteen minutes long, five days a week.

OVERVIEW OF CULTURAL AESTHETICS: (035)

Madalyn Quinlan, Associate Analyst, Legislative Fiscal Analyst's Office, gave a summary on the projected Interest Earning on the Park Acquisition Trust in the 1989 Biennium (Exhibit 1).

History of Cultural Aesthetics: (112)

Mr. Dave Nelson, Director, Montana Arts Council (MAC), gave a summary of the origin of the Cultural and Aesthetic Fund. He stated the real description for the use of this money is for preserving the murals of the Capitol, and for Cultural and Aesthetic projects. Mr. Nelson also said the Legislature eventually set a system of review by a citizens' group. The group consists of sixteen people; one-half appointed by the Arts Council and one-half by the Historical Society, with the administrative responsibility to the Arts Council. The projects are reviewed, and recommendations are brought to the Long Range Planning committee.

Challenge Grants: (147)

Mr. Nelson felt the Challenge Grants will change the look of the Culture Committee in the State of Montana when they have full effect. The Challenge Grant is to encourage non-profit organizations to create endowments. The most important thing they can do is create endowments for on-going support. Some organizations will come in with two applications. One application from the organization is to assist them with a project or their on-going operation. The other is to help create a challenge to the community in order for them to create an endowment. Endowments are matched three dollars of endowment money with one dollar of state coal tax money.

Mr. Nelson also explained that the Challenge Grant has been carefully constructed so the money will always stay within the cultural community. Once an endowment is created, the law is very specific; should the organization for some reason go out of existence, the trust still exists and must be used for cultural purposes.

Mr. Nelson said the Coal Tax Trust was capped for three years so we are only dealing with the interest off the corpus or the principal of that fund.

In the past, more funds have been provided by the states than by the federal government for cultural and aesthetic purposes. Mr. Nelson told the committee that many art oriented organizations would be contacting them.

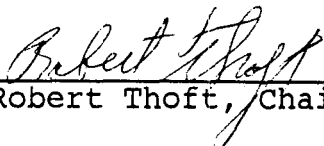
Ms. Carleen Lassise, Accountant, Montana Arts Council, presented a report to the committee on the budget section of the book entitled, "Cultural and Aesthetic Project Grant Recommendations" (Exhibit 2).

Mr. Bill Pratt, Organizational Services Director, Montana Arts Council, went through the rules on challenge grants in the miscellaneous section of the Administrative Rule 5 of the Cultural and Aesthetic Projects Advisory Committee. Basically, Mr. Pratt said the recipient of the Challenge Grant specifies the beneficiary, which has to be "an organization within the State of Montana, organized and operated exclusively for charitable, educational, religious or scientific purposes" which shall at the time qualify that as a tax exempt organization. It is interpreted strictly as being a cultural or aesthetic organization. (384)

Mr. Pratt also summarized each remaining section of the book.

Mr. John Talbot, a member of the Review Board, explained the process the board went through in recommending the projects they chose. Mr. Talbot told the committee that the board received 87 applications and ranked them in order according to the quality of the project as presented on the application. The majority of the applications affect the major cities of Montana; however, 35 of the 87 applications do affect the smaller communities of Montana.

ADJOURNMENT: There being no further business, the hearing was adjourned at 10:25 a.m.

  
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Rep. Robert Thoft, Chairman

DAILY ROLL CALL

LONG RANGE PLANNING SUBCOMMITTEE

DATE January 6, 1987

NAME	PRESENT	ABSENT	EXCUSED
Rep., Thoft, Chairman	✓		
Sen., Van Valkenburg, Vice-Chairman	✓		
Rep., Bardanoue	✓		
Rep., Donaldson	✓		
Sen., Aklestad	✓		
Sen., McLane	✓		
Sen., Walker	✓		

EXHIBIT 7  
 DATE 1/10/87  
 HB Cultural Aesthetic

January 6, 1987

TO: Long-Range Planning Subcommittee  
 FROM: Madalyn Quinlan  
 SUBJECT: Interest Earnings on the Park Acquisition Trust 1989 Biennium

The park acquisition trust is a non-expendable coal tax trust, the earnings from which are deposited to the 02408 park acquisition account (67 percent) and the 02009 cultural and aesthetic projects account (33 percent). As a result of House Bill 15, passed during the June 1986 special session of the legislature, the park acquisition trust will not receive any coal tax funds in fiscal years 1987 through 1989. Therefore, the principal of the trust fund will not grow during this period. Table 1 shows actual interest earnings from the trust in fiscal 1986 and the LFA projections for fiscal years 1987 through 1989.

Table 1  
 Coal Tax Park Acquisition Trust Investment Income  
 Fiscal Years 1986-1989

	Actual Fiscal 1986	----- Fiscal 1987	----- Projected Fiscal 1988	----- Fiscal 1989
Cult & Aesthetic	\$ 821,997	\$ 631,268	\$ 577,900	\$ 582,100
Park Acquisition	<u>1,643,993</u>	<u>1,262,536</u>	<u>1,155,800</u>	<u>1,164,200</u>
Total	<u>\$2,465,990</u>	<u>\$1,893,804</u>	<u>\$1,733,700</u>	<u>\$1,746,300</u>

MQ2:kj:lrs.

EXHIBIT 2  
DATE 1/16/87  
HB Cultural Heritage

**1988-1989**

**Cultural and Aesthetic Projects**

**Grant Recommendations**



**MONTANA ARTS COUNCIL**

VISITOR'S REGISTER

Long Range Planning

SUBCOMMITTEE

AGENCY (S) \_\_\_\_\_

DATE January 6, 1987

DEPARTMENT \_\_\_\_\_

NAME	REPRESENTING	SUP- PORT	OP- POSE
Bill Pratt	Mt Arts COUN		
Brenda Schye	Mont. Cultural Advocacy		
Carleen Kasnic	mt Arts Council		
John Talbot	Cult. & Esthetic Com.		

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

