

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION**

#### **SUBCOMMITTEE ON INSTITUTIONS & CULTURAL EDUCATION**

**Call to Order:** By WM. "RED" MENAHAN, on February 13, 1991, at 8:00 A.M.

#### **ROLL CALL**

**Members Present:**

Rep. Wm. "Red" Menahan, Chairman (D)  
Sen. Gary Aklestad (R)  
Sen. Tom Beck (R)  
Rep. Dorothy Cody (D)  
Rep. Chuck Swysgood (R)  
Sen. Eleanor Vaughn (D)

**Members Excused:** Sen. Dick Manning

**Staff Present:** Skip Culver, Associate Fiscal Analyst (LFA)  
Mary LaFond, Budget Analyst (OBPP)  
Mary Lou Schmitz, Secretary

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

#### **HEARING - ARTS COUNCIL**

David Nelson, Executive Director, Montana Arts Council, MAC, introduced Bill Pratt, Director, Organizational Services for the Montana Arts Council, who explained the competitive MAC grants process and how the money is used to support the involvement of professional artists and recognized folk artists. These grants are primarily for special projects. The Council makes an effort to fund cultural diversity in Montana and makes sure different parts of the state are represented. The last two years the Council has focused on special initiatives such as the Local Arts Agency Development. These are new agencies in Montana but not new to the country. They are set up to address community cultural needs. The first community that participated in this project was Missoula and they engaged in a year-long planning process. They have been recommended for funding from the cultural trust and are hopeful they will get endowments from the National Endowment for the Arts.

**Mr. Pratt** said the Performing Arts in rural communities is one of the oldest programs of the Council and has been in existence since 1973. It annually helps over 65 rural communities in Montana. There are mini-grants to sponsor performing artists such as Shakespeare in the Parks, which won the Governor's Arts Award; Missoula Children's Theater and Montana Repertory Theater. The biggest project **Mr. Pratt** administers is the Cultural and Aesthetic grants and is a mainstay for arts and cultural organizations in the state. The program provides grants for onetime projects, current level operations of certain organizations, construction and renovation of cultural facilities and establishment of permanent endowments.

**Julie Smith, Director, Artists' Services**, said the Council also has a number of programs that follow their belief the arts happen in many places other than just the concert halls and the museums. The Artists' Services program focuses mainly on the places where art is made as its primary place and that is in the artist's studio and in the schools. The fellowship program provides financial assistance for 8 to 11 artists each year to assist them in pursuing their art form. This may be visual artists, painters, sculptors, musicians or writers.

**Ms. Smith** said the other program that supports art directly is the First Book Award program which has published several books since its inception in the early 80s. The program began as an annual award and now is run biannually. It provides for the publication of a first book of a young but promising Montana writer. Some are fiction and some are poetry. Another program that supports artists but in a very different way is the Governor's Award for the Arts. This allows the Council to celebrate some of the grand achievements people have made.

The largest program is the arts and education program which was started more than 20 years ago with two or three poets in five or six schools around the state. They now have a very broad and varied program that assists education in the arts throughout the state.

**REP. CODY** asked what is meant by a residency. **Ms. Smith** said it means the artist moves into the community for a week. It's a term used throughout the country for these kinds of programs. Rural schools have shared a residency, 2 1/2 days in one place and 2 1/2 in another. The Council pays for half and the school pays for half.

**SEN. AKLESTAD** asked how the First Book Award books are handled and what effort does the Arts Council have, such as cost for publishing. **Ms. Smith** said the award to the writer is the publication of the book so an application and judging process is set up. Two judges read all the manuscripts and select the recipient of the award then the Council spends a year letting bids to publishers and judging those publishers based on design quality, reputation and ability to distribute the book. **SEN. AKLESTAD** asked if the Arts Council pays for the publication and who does the screening of the books. **Ms. Smith** said they contract with two judges, one in state and one out of state to read the manuscripts.

**Martha Sprague, Assistant, Artists' Service Division**, said she is a part-time employee and helps coordinate the residencies, making sure the appropriate contracts are signed, the schools know which artists are coming and when. There are many benefits to the residency program but one in particular is the anthology that is printed with the student writings.

**Kathy Burt, Director, Information Services**, serves individual Montana artists through a computerized system with information, artists and organizations.

**Nicholas Vrooman, Director of Folklife Programs**, said he serves as the state advocate for the traditional culture of Montana and to preserve and encourage that culture. He works with all the various ethnic groups in the state, the various traditional occupational groups, such as ranch life, farm life, logging and mining with rich heritage. He also works with family and community life and the traditions that go along with them. Fundamentally it is the informal aspects of the culture and ways skills are passed on. This is a program that pays special emphasis to the unrecognized. He said an organization called the Big Sky Telegraph based in Dillon is funded by U.S. West. It links people to computers on an international level so they can gain access to different markets and information. All the tribal colleges are hooked up to this Telegraph to gain information from world-wide museums.

**REP. CODY** asked how many years has the Arts Council recognized Folklife as an art. **Mr. Vrooman** said since 1981 and there much of work to be done.

**Barbara Andreozzi, President, Copper Village Art Center, Anaconda**, said they have been working with the Montana Arts Council to enable them to do what is necessary in their community, to serve the community, to highlight the culture and bring in outside artists.

**Carlene Laine, CPA and Deputy Director, Montana Arts Council**, discussed the Biennial Report, Exhibit 4 and Budget sheet Exhibit 1.

**REP. CODY** said she finds it difficult to understand how a small agency such as this could have reversions up to \$150,000. **Ms. Laine** said she doesn't know what the reversions will be. The \$150,000 could be the absolute maximum they can expect. **Mr. Nelson** said the reversions are from the cultural trust grants which are about \$1,200,000. There is usually, at the end of the year, some reversion from the previous year.

**REP. CODY** asked who comprises the Citizens' Committee who makes the recommendation on Grants. **Mr. Nelson** referred to Exhibit 4, Page 5. **REP. CODY** asked why wasn't there anybody from the rural areas on the Committee. **Mr. Nelson** said the basis for the

decision and the direction from the Legislature on who the people will be has to do first with their expertise on the Arts. Then when deliberations are made there is a criteria which says "after you have recommended, go back and see that you have treated the rural areas fairly". The National Endowment for the Arts has redirected almost 15% of its resources to rural areas.

REP. SWYSGOOD asked how the Grants are administered and if Mr. Nelson considers it fair. He went through the Advisory Committee list and 9 of the 16 are from the four largest cities, Billings, Missoula, Bozeman and Helena. From the fact sheet these four communities received approximately 70% of the total recommended amount of \$1,200,000. Funding to towns with populations of approximately 10,000 and under was about 15%, with Hamilton getting 4%. Seven other communities received 15%. REP. SWYSGOOD cited the "Little Fiddlers" in Dillon and the Arts Council says because they are not professionally trained they do not qualify for some of the funding. Mr. Nelson said it is true, because they have so little general fund money and because most is federal money there are the federal requirements. Those requirements state their resources are to be used to encourage the Arts. They do not identify students or young people who have not gained professional status. That does not mean they do not receive help, such as an example of their art to progress a little further. They need to know the concerns so they can address them.

#### EXECUTIVE ACTION ON MONTANA ARTS COUNCIL

Tape No. 3;A;143

Motion/Vote: REP. SWYSGOOD moved to accept the LFA budget \$583,005 FY92 and \$582,987 FY93. MOTION CARRIED UNANIMOUSLY.

Motion/Vote: REP. SWYSGOOD moved to accept \$15,000 each year of the Biennium, #1. Honorariums to Artists Community Match (state special funds) to be expended only if Federal money is received. MOTION CARRIED UNANIMOUSLY.

Motion/Vote: REP. SWYSGOOD moved to accept the executive budget modified and change Cultural and Aesthetic Grants from \$35,000 each year to \$17,500. MOTION CARRIED UNANIMOUSLY.

Motion/Vote: REP. CODY moved to accept the additional spending authority for federal funds, \$118,800 each year of the Biennium. MOTION CARRIED UNANIMOUSLY.

Motion/Vote: REP. CODY moved to spend the federal fund appropriations over the Biennium. MOTION CARRIED UNANIMOUSLY.

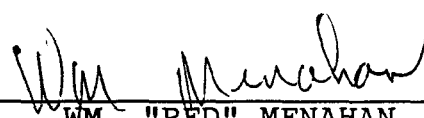
#### ADJOURNMENT

Adjournment: 11:15 A.M.


HOUSE INSTITUTIONS & CULTURAL EDUCATION SUBCOMMITTEE

February 13, 1991

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WM. "RED" MENAHAN, Chair



MARY LOU SCHMITZ, Secretary

WM/mls

HOUSE OF REPRESENTATIVES  
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

ROLL CALL

DATE 2-13-91

NAME	PRESENT	ABSENT	EXCUSED
REP. WM."RED" MENAHAN, CHAIRMAN	✓		
SEN. DICK MANNING, VICE-CHAIRMAN			✓
REP. DOROTHY CODY	✓		
SEN. ELEANOR VAUGHN	✓		
REP. CHUCK SWYSGOOD	✓		
SEN. GARY AKLESTAD	✓		
SEN. TOM BECK	✓		

HR:1991  
CS10DLRLCALIN&C.MAN

EXHIBIT  
 DATE 2-13-91  
 HB Instit Subcomm.

5114 MONTANA ARTS COUNCIL  
 01 PROMOTION OF THE ARTS  
 00000  
 DATE : 01/08/91  
 TIME : 21/29/24  
 CURRENT LEVEL COMPARISONS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	7.97	7.97	7.97	.00	7.97	7.97	.00
Personal Services	213,218	225,935	225,935	0	225,578	225,578	0
Operating Expenses	178,554	203,350	183,347	20,003	206,030	183,662	22,368
Equipment	3,374	0	0	0	0	0	0
Grants	178,856	166,709	173,723	7,014-	166,709	173,747	7,038-
Total Expend.	\$574,002	\$595,994	\$583,005	\$12,989	\$598,317	\$582,987	\$15,330
Fund Sources							
General Fund	131,169	133,695	129,227	4,468	134,476	129,216	5,260
State Revenue Fund	94,159	119,830	101,778	18,052	120,239	101,771	18,468
Federal Revenue Fund	348,674	342,469	352,000	9,531-	343,602	352,000	8,398-
Total Funds	\$574,002	\$595,994	\$583,005	\$12,989	\$598,317	\$582,987	\$15,330

MONTANA ART'S COUNCIL (Page D-34 LFA Budget Analysis Book)				EXEC OVER (UNDER) LFA			ACTION TAKEN	
				FTE	FY92	FY93	FTE	FY92
*****CURRENT LEVEL ISSUES								
1. HONORARIUMS TO ARTISTS COMMUNITY MATCH (State special funds) The MAC receives payments from the local school districts to pay the districts share of the payments to artist to participate in the artist in school programs. The last legislature appropriated \$50,000 from state special revenue for this purpose. Which is the level being recommended in the Exec budget. The LFA current level reduced this appropriation to a figure more in keeping with historical expenditures.					15,000	15,000		
2. STATEWIDE INDIRECT COSTS (Federal Funds) The MAC will begin paying indirect costs from federal funds beginning in the 1993 biennium. This was not done in the past and therefore was not included in the LFA current level base.					3,235	3,235		
3. Grants (Federal Funds)					(7,014)	(7,038)		
INFLATION BASE DIFFERENCE					(1,086)	(1,125)		
EXECUTIVE BUDGET OVER LFA					2,854	5,258		
*****FUNDING ISSUES					12,989	15,330		
General Fund					4,468	5,260		
State Special (Community Match)					15,000	15,000		
State Special (Coal Trust Fund)					3,052	3,468		
Federal revenue					(9,531)	(8,398)		
					12,989	15,330		
EXECUTIVE BUDGET MODIFICATION								
CULTURAL & AESTHETIC GRANTS (Federal Funds) See write up on page D-35 of the Executive Budget Book				0.0	35,000	35,000		
OTHER ISSUES								
ADDITIONAL FEDERAL FUNDS Since completion of the budget review the MAC has received notice of additional federal funds. This would increase their total federal fund level to \$505,800 per year or \$1,011,600 for the biennium. The MAC requests a biennial appropriation for all federal funds.				0.0	118,800	118,800		

1797  
336

For machine



EXHIBIT 2  
DATE 2-13-91  
HB Instit. Subcomm.

**MONTANA ARTS COUNCIL  
ISSUES—92-93 BIENNIUM**

**GENERAL FUND:**

The General Fund reduction to the Executive base of \$4,468 by the Legislative Fiscal Analyst appears to be primarily made up of two items which total \$4,255:

- 1) reduction of \$1,687 for half of equipment expenditure in FY 90 and
- 2) the Governor's required General Fund reversions of \$2,568 that same fiscal year.

Since the budget was submitted, the agency has learned its access to a fax machine will be removed within a few months. The agency requests \$2,668 in General Fund funds for purchase of a fax machine and its own dedicated phone line to be matched 50:50 with federal funds. The agency spends an average of \$56 per month to send and receive fax transmissions so far this fiscal year. This totals \$675 per year, which would payback the cost of the equipment within 7 years; however we believe fax use by grantees submitting reports and information for grant applications, etc. will increase over time to render the payback faster than the above calculation. If it is not possible to fund this purchase from the General Fund, we request a return of the amount shown below under federal funds for Indirect Costs for that purpose. It was our understanding from the Legislative Auditor that the Legislature may consider returning these funds to state agencies and universities. We do not know how this mechanism works.

The reduction of the agency's General Fund budget for item 2 enforces the Governor's budget cuts into the next biennium. If further reversions are required for 92-93, this has the effect of doubling up cuts in an already minute amount of General Fund support to the agency. Our General Fund support is the lowest of any state or territorial arts agency in the nation.

**STATE REVENUE FUNDS:**

The Legislative Fiscal Analyst has further recommended reducing Artists in the Schools Community Match from \$50,000 to \$35,000. We request full reinstatement of the original request in the Executive budget. As mentioned below under FEDERAL FUNDS 1), we expect an increase in these federal funds for 92-93. The federal funds may be budget amended with no problem. State Revenue Funds require an emergency situation to budget amend. These funds are only expended to the level actually received and have no impact on the General Fund. These funds would be utilized for payment of artists' honorarium in the Contracted Services expenditure codes.

**FEDERAL FUNDS:**

The Legislative Fiscal Analyst included in their 92-93 base all "known" federal funds at that time.

There are additional federal funds available for the 92-93 biennium from two sources:

1) Arts in Education funds from the National Endowment for the Arts: This amount is projected at the FY 91 level of \$26,800 for FY 92 and 93. It is primarily for payment of artists' honorarium and printing of the annual anthology in the Contracted Services expenditure codes. We understand there should be additional federal funds from this source for 92-93, but have no formal notification of this nor any specific amount. Any additional funds will be requested under budget amendment.

2) Additional Basic State Grant funds from the National Endowment for the Arts: This amount, per the enclosed documentation, is for an additional \$92,000 for FY 92. At least the same level

should be available for FY 93. These funds are a re-allocation of the NEA's total funds, which the Congress passed in this most recent reauthorization legislation. Previously the NEA was required to grant 20% of its program funds to state arts agencies and regional groups of state arts agencies. This amount was changed to 25%. The \$92,000 is Montana's portion of this money. The Endowment encourages the use of these funds for

"national priorities, including: Arts Education; Rural Arts Delivery; Cultural Diversity; and Assistance to Arts Institutions. This is not a requirement but is strongly urged"  
(from page 2 of their notification letter).

We request that federal funds be authorized as continuing appropriations. The NEA has always authorized extensions at our request. We believe this allows funds to be utilized as wisely as possible rather than just being used by a certain time.

We will be applying for additional federal funds throughout the biennium. There are additional funds the NEA is re-directing to the states for "developing arts organizations and underserved areas". These funds total about \$6.2 million. Only state arts agencies and consortia of state arts agencies are eligible to apply for these funds, which must be matched by the states. The Long Range Planning subcommittee is recommending the Arts Council be allowed to utilize some Cultural & Aesthetic Projects funds for this purpose. They directly allocated a total of \$35,000 for that purpose with up to another \$150,000 from current biennium Cultural and Aesthetic reversions, if they materialize. Without that source of money, the agency would be ineligible to receive any of these federal funds. The NEA funds, as mentioned earlier, are not new funds—they are funds being re-directed to the states from other NEA programs. Montanans, individually and as organizations, have been very enthusiastic in applying for and extremely successful in receiving direct NEA funding. Many of those artists and organizations will no longer have the NEA as a source of funds and may turn to the Montana Arts Council for their share of cultural funding, which has not increased, but has only been diverted into a new channel. We do not know at this time what the full impact of the change will be. We will be conscientious and aggressive in accessing as much federal funding as we have state funds to match it with.

# BREAKDOWN OF USE OF FEDERAL DOLLARS TO 1ST LEVEL

3  
2-13-91  
Instit Subcomm

The Council met last week and determined the additional NEA funds would be best utilized as follows by fiscal year:

	FY 92	FY 93
Expenditure Code 2100/Contracted Services	\$20,475	\$20,475
The increased workload to administer these additional programs, i.e. grants for development of rural and underserved and Arts in Education, requires additional support to the two program directors who administer these programs. The totals above reflect the addition of the equivalent of two half-time Grade 8 Step 2 FTE (salary, fringe and health insurance) on a temporary contract basis to provide this support.		

Expenditure Code 2300/Communications	\$168	\$168
State dedicated phone line at \$28 per month/split cost with General Fund		

Expenditure Code 2800/Indirect costs	\$4,237	\$4,237
The agency is required by state law to negotiate an indirect cost rate with the NEA and has done so with the state's indirect costs as set forth in the Statewide Cost Allocation Plan. That rate is currently .9% of total federal dollars. The amount shown is the total for indirect costs based on the projected total annual level of federal funding of \$470,800.		

Expenditure Code 3100/Equipment	\$2,500	-0-
Phone bid for plain paper, high resolution fax machine/split cost with General Fund		

Expenditure Code 6200/Grants—Federal	\$64,620*	\$67,120*
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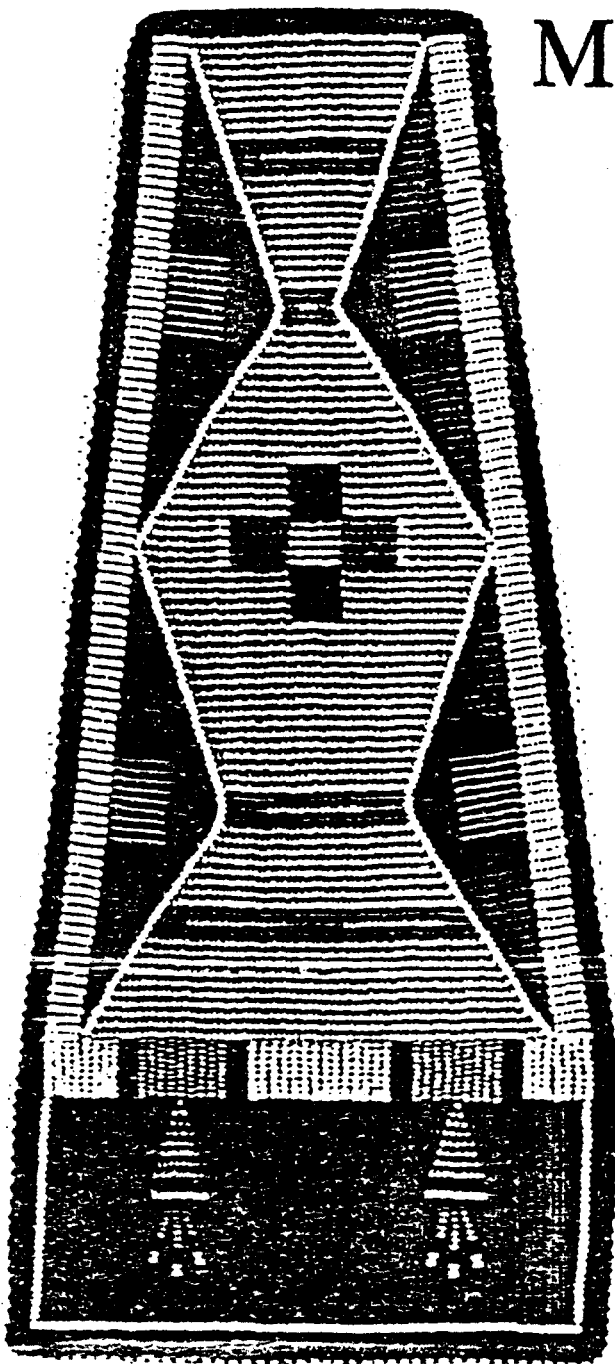
This balance of federal funds to be expended as urged by the Endowment are further broken down as follows:

National/Regional dues increase	\$2,000	\$2,000
National Assembly of State Arts		
Agencies and Western States Arts		
Federation projected increases		
Biennial Conference	\$8,000	\$8,000
to address relevant issues in the state		
and facilitate networking of cultural		
organizations		
Underwriting	\$3,000	\$3,000
"courage" money to allow small		
communities to bring performing		
arts events to their town		
Art Beyond Boundaries	\$5,000	\$5,000
Five state consortium to increase		
cultural access for rurals		
Dance on Tour	\$5,000	\$5,000
Prior NEA funded program—		
reduced funds require states to		
pick up		
Grants to rurals and underserved	\$41,620*	\$44,120*

\*In addition, any pay plan costs required to be paid from federal dollars will reduce the amount available for this category.

Exhibit 4  
EXHIBIT 4  
DATE 2-13-91  
HB Instit Subcomm.

# Montana Arts Council



Biennial Report  
1989-1990

	A	B	C	D	E	F
1						
2	R	CULTURAL & AESTHETIC GRANTS				
3	A	FY 92-93	REQUEST	Citizens'	Legislative	
4	N	FINAL		Committee	Committee	
5	K	#				
6	102	360	City of Hamilton	21,749	0	0
7	14	361	Montana Arts Council	70,000	35,000	35,000
8	54	362	Grandstreet Theatre	15,000	10,000	10,000
9	112	363	Grandstreet Theatre	15,000	0	0
10	94	364	Milwaukee Rode Cultural Proj.	15,416	2,500	4,000
11	106	365	MSU Media & Theatre Arts Dept	4,330	0	0
12	37	366	Yellowstone Chamber Players	18,490	10,000	10,000
13	15	367	Young Audiences of Western MT	16,145	10,000	10,000
14	100	368	Helena Art Center	10,000	0	0
15	93	369	Bannack State Park	2,310	2,310	2,310
16	47	370	Clack Museum Foundation	40,000	15,000	13,150
17	70	371	Blackfeet Community College	3,915	2,000	2,000
18	53	372	Montanan's for Quality TV	18,543	10,000	10,000
19	84	373	Daly Mansion Preserv. Trust	38,000	15,000	15,000
20	78	374	Treasure County 89'ers	3,000	3,000	3,000
21	60	375	Garfield County Library	7,500	5,000	5,000
22	32	376	Montanan's for Quality TV	14,800	10,000	10,000
23	120	377	Mission Valley Friends of Arts	3,000	0	0
24	31	378	Paris Gibson Square	7,500	5,000	5,000
25	26	379	Bigfork Center for the Perf. Arts	28,738	15,000	15,000
26	57	380	Montana Ballet Company	10,000	7,500	7,500
27	51	381	Bitterroot Public Library Fndn	19,770	19,770	17,332
28	82	382	Bitterroot Community Band	1,706	1,000	1,000
29	49	383	MSU Shakespeare in the Parks	20,000	20,000	17,534
30	1	384	MSU Shakespeare in the Parks	30,000	27,500	27,500
31	99	385	MSU College of Art & Architecture	21,000	0	0
32	43	386	Glacier Orchestra and Chorale	60,000	25,000	21,917
33	105	387	Lewis & Clark Library	7,348	0	0
34	64	388	Montana Assn of Symphony Orch	47,500	10,000	10,000
35	4	389	Helena Presents	75,000	30,000	30,000
36	27	390	Missoula Children's Theatre	53,725	15,000	15,000
37	110	391	Missoula Children's Theatre	47,500	0	0
38	16	392	Missoula Children's Theatre	94,000	35,000	35,000
39	89	393	UM KUFM Radio	6,000	3,000	3,000
40	45	394	Billings Symphony Society	15,000	15,000	13,150
41	115	395	Garnet Preservation Assn.	17,000	0	0
42	23	396	Aleph Movement Theatre	38,755	10,000	10,000
43	86	397	Garnet Preservation Assn.	8,000	5,000	5,000
44	97	398	Great Falls Genealogy Society	4,500	0	0
45	69	399	Daly Mansion Preserv. Trust	55,000	15,000	15,000
46	18	400	International Choral Festival	15,000	5,000	5,000
47	42	401	Bigfork Center for the Perf. Arts	37,500	20,000	17,534
48	62	402	Helena Symphony Society	20,000	10,000	10,000
49	36	403	String Orch. of the Rockies	46,440	10,000	10,000
50	12	404	Montana Historical Society	73,400	50,000	73,400
51	21	405	Town of Sunburst	50,032	10,000	10,000
52	19	406	Montana Comm for the Humanities	50,000	25,000	25,000
53	113	407	Montana Comm for the Humanities	50,000	0	0
54	125	408	Archie Bray Foundation	25,000	0	0
55	126	409	Archie Bray Foundation	47,667	0	0
56	29	410	Helena Civic Center	20,000	10,000	10,000
57	38	411	Blackfeet Community College	4,300	2,000	2,000
58	68	412	Billings Preservation Society	36,469	30,000	30,000
59	92	413	Prairie County Museum	3,921	1,000	3,000
60	59	414	Montana Ag Cntr of Ft Benton	4,000	4,000	4,000
61	122	415	MSU KUSM Public Television	14,924	0	0
62	91	416	Bitterroot Valley Public TV	30,000	5,000	0
63	17	417	Montana Art Gallery Dir Assoc	34,339	25,000	25,000
64	103	418	Custer County Art Center	5,050	0	0
65	76	419	Custer County Art Center	21,000	3,000	3,000
66	61	420	Custer County Art Center	15,336	7,000	7,000
67	6	421	Montana Performing Arts Cnsrt	75,400	40,000	40,000
68	65	422	Montana State Theatre Assn.	5,000	3,000	3,000
69	87	423	Big Sky Assn for the Arts	40,000	10,000	10,000
70	67	424	Montana Dance Arts Assn.	6,000	5,000	5,000
71	5	425	Vigilante Theatre Company	28,000	15,500	15,500
72	24	426	Beall Park Art Center	4,100	3,500	3,500
73	44	427	Beall Park Art Center	15,000	10,000	8,767
74	128	428	Helena Arts Council	30,000	0	0
75	127	429	Helena Arts Council	50,000	0	0
76	8	430	UM Montana Repertory Theatre	80,000	50,000	50,000
77	98	431	UM School of Fine Arts	25,000	0	0

EXHIBIT  
DATE 2-14-91  
Institute Subcomm.

	A	B	C	D	E	F
1						
2	R		CULTURAL & AESTHETIC GRANTS			
3	A		FY 92-93	REQUEST	Citizens'	Legislative
4	N		FINAL		Committee	Committee
5	K	#				
78	2	432	Montana Arts Council	73,628	50,000	50,000
79	3	433	Montana Inst of the Arts Fndn	20,500	15,000	15,000
80	13	434	Hockaday Center for the Arts	20,000	15,000	15,000
81	95	435	Bigfork Art & Cultural Center	19,764	0	0
82	28	436	Northern Lights Institute	16,150	10,000	10,000
83	56	437	Livingston Depot Foundation	29,800	12,000	12,000
84	39	438	Fox Comm. for the Performing Arts	25,000	10,000	10,000
85	119	439	Fox Comm. for the Performing Arts	25,000	0	0
86	7	440	Yellowstone Art Center	75,000	50,000	50,000
87	46	441	Yellowstone Art Center	25,000	20,000	17,534
88	124	442	ZOOMONTANA	87,500	0	0
89	123	443	Yellowstone Ballet Company	39,108	0	0
90	116	444	Fort Peck Fine Arts Council	100,000	0	0
91	48	445	Gallatin County Historical Society	10,000	10,000	8,767
92	71	446	Growth Thru Art, Inc.	27,420	10,000	10,000
93	25	447	Custer County Art Center	21,505	15,000	15,000
94	121	448	Performing Arts Group	72,952	0	0
95	104	449	Red Lodge Music Festival	26,000	0	0
96	83	450	Montana Puppet Guild	6,997	2,000	4,000
97	129	451	Jim Harris/Missoula Museum of Art	59,355	WITHDREW	WITHDREW
98	101	452	Intermountain Children's Home	15,875	0	0
99	107	453	UM Department of Music	3,565	0	0
100	90	454	Biddle Community Heritage Cntr	19,000	1,000	1,000
101	11	455	Alberta Bair Theater Corp.	30,000	10,000	10,000
102	66	456	Montana Public TV Association	44,087	10,000	10,000
103	88	457	Dillon Depot Restoration Committee	2,700	2,000	2,000
104	41	458	Alberta Bair Theater Corp.	10,000	10,000	8,767
105	114	459	J.K. Ralston Studio, Inc.	50,000	0	0
106	55	460	Powder River Historical Soc.	2,064	2,000	2,000
107	118	461	Ravalli Cnty Council on Aging	3,910	0	0
108	108	462	J.K. Ralston Studio, Inc.	4,500	0	0
109	10	463	Native American Cultural Inst.	12,000	9,000	9,000
110	109	464	Lewistown Art Center	9,955	0	1,500
111	79	465	Granite County Museum/Cult Cnt	40,160	5,000	5,000
112	85	466	MSU School of Art	57,250	18,000	18,000
113	30	467	Western Heritage Center	22,110	15,000	15,000
114	117	468	Missoula Community Access TV	23,686	0	0
115	77	469	Gallatin County Historical Society	4,500	2,500	2,500
116	63	470	Missoula Symphony Association	10,501	5,000	5,000
117	22	471	Dull Knife Memorial Coll Lib.	30,000	20,000	20,000
118	35	472	Great Falls Symphony Assn.	12,000	10,000	10,000
119	34	473	Montana Indian Art & Cult Assn	22,100	10,000	10,000
120	20	474	Watershed Foundation	70,000	27,500	27,500
121	9	475	MSU KUSM Public Television	64,760	32,500	32,500
122	81	476	Stevensville Museum	3,000	2,500	2,500
123	33	477	Fort Peck Fine Arts Council	52,154	20,000	20,000
124	74	478	Celebrate Missoula	31,152	10,000	10,000
125	73	479	Very Special Arts Montana	19,000	10,000	10,000
126	40	480	Hellgate Writers, Inc.	56,825	13,000	13,000
127	58	481	Garden City Ballet	18,000	7,500	7,500
128	50	482	Great Falls Symphony Assn.	42,520	25,000	21,918
129	52	483	Carbon County Arts Guild	22,742	5,000	5,000
130	75	484	Copper Village Museum	20,000	5,000	5,000
131	111	485	Old Trail Museum	17,520	0	0
132	72	486	Broadway 215	13,700	4,000	4,000
133	80	487	Montana Alliance for Arts Ed	6,850	5,000	5,000
134	96	488	Museum of the N. Great Plains	41,871	0	10,000
135						
136				3,638,854	1,258,080	1,270,080
137						
138						
139			Grants adjusted by Legislature			
140			number			13.95%
141			amount			0.95%

## INCORPORATING AND OBTAINING TAX EXEMPT STATUS

EXHIBIT 6  
DATE 2-14-91  
HB Instit Subcomm

A nonprofit corporation is defined under Montana statute as "a corporation, no part of the income or profit of which is distributable to its members, directors or officers" and such "corporation may be organized . . . for any lawful purpose(s)".

In Montana the incorporation process is relatively simple. The incorporators, who are the original board of directors and number at least three individuals, approve and sign the Articles of Incorporation. Attached find Sample Articles of Incorporation with explanatory information underlined on Handout #1. The Articles of Incorporation (original and one copy) are filed with the Secretary of State, with a filing fee of \$20. The Secretary of State now has the capability to accept a facsimile copy provided the original and filing fee are submitted with 5 working days. The Secretary of State's FAX number is 406-444-3976. Upon receipt of the certificate of incorporation from the Secretary, the organization exists as a nonprofit corporation in the State of Montana. At that time, giving at least three days written notice, the original board meets and formulates the organization's bylaws, elects officers and transacts such other business as may come before the meeting. The bylaws are defined by Montana state law as "the code(s) of rules adopted for the regulation or management of the affairs of the corporation". See attached sample bylaws and possible headings for articles of bylaws (Handouts #2 and #3). If the organization has members, a first meeting of the members may be held with at least three days written notice. The purposes of the meeting shall be stated in the notice of the meeting.

The organization MAY then begin the process of achieving tax exempt 501(c)(3) status. 501(c)(3) status means that the organization is exempt from virtually all taxes and that contributions are deductible by the contributor. In addition there is no known funding source that will grant funds to a private organization that is not 501(c)(3) or has not at least begun the application process. IRS Publication 557, entitled TAX EXEMPT STATUS FOR YOUR ORGANIZATION, is the best first source to read when beginning this process. The form 1023 is used to submit the information required by the IRS.

Application to the IRS must be made within 15 months of incorporation in order for tax-exempt status to be considered retroactive to the date of incorporation, unless you meet the statutory exemption described below or have an incredibly good reason for not doing so. See Revenue Procedure 79-63 and Publication 557, page 8, for more information on preparing requests for relief from the 15-month filing requirement.

The Revenue Act of 1987 also instituted payment of a user fee for determination of tax exempt status. The fee is \$150 for organizations whose gross receipts have not exceeded (or are not expected to exceed) \$10,000 annually, averaged over its first four taxable years or \$300 for all other requests for tax exempt determination. File form 8718 and the required fee with your application for tax-exempt status.

In addition to ruling on the tax exempt status of the organization, the IRS will rule on its private foundation status. For new (those in existence less than 8 months) organizations, this determination requires an advanced ruling (the IRS will make a temporary ruling immediately and a final ruling at the end of five years). If you are a publicly supported organization, but are unsure which support test you fall under, check box j in Form 1023, part III, page 6. If you have completed a tax year of at least 8 months, you may request a definitive ruling in which the IRS will determine immediately if you are a private foundation or a public charity. If you decide to go this route, you can wade through the material in Publication 557 on pages 16 through 27 to determine whether you should complete section 12 or 13 on page 7. I'll give you a hint—IRC 170(b)(1)(A)(iv) or (vi) mentioned in section 12 is equal to IRC 509(a)(1). Hopefully the discussion on the last page of Handout #4 will help. From that discussion, it appears reasonable that if you are publicly supported and have no investment and unrelated business income the calculations under IRC 509 (a)(1) should work. Otherwise try the IRC 509(a)(2) calculations.

page 2 INCORPORATING AND OBTAINING TAX EXEMPT STATUS

There is a statutory exemption from making application on form 1023 for churches and organizations with gross receipts of \$5000 or less per year [IRC 508(c)]. If the organization has gross receipts of \$5000 or less, it is not required by the IRS to go through the application process to be considered 501(c)(3) for taxation and contribution purposes. However the caveat above concerning funding sources applies.

Don't let all this scare you off. There's help, there's hope — and there are so many exciting, worthwhile things to be done out there by tax-exempt cultural organizations. Good Luck. Call or write if there's anything more we can do.

Enclosures:

Handout #1: SAMPLE ARTICLES OF INCORPORATION

Handout #2: BYLAWS

Handout #3: HEADINGS FOR ARTICLES OF BYLAWS

Handout #4: PRIVATE FOUNDATION?

Prepared by Carleen B. Layne, C.P.A., MONTANA ARTS COUNCIL, updated March, 1990. The Sample Articles of Incorporation and Bylaws are available on diskette in word processing format for Macintosh and IBM machines. Submit a 3 1/2 or 5 1/4 inch diskette and the format desired with your written request for these materials.



# BREAKDOWN OF USE OF FEDERAL DOLLARS TO 1ST LEVEL

The Council met last week and determined the additional NEA funds would be best utilized as follows by fiscal year:

	FY 92	FY 93
Expenditure Code 2100/Contracted Services	\$20,475	\$20,475
The increased workload to administer these additional programs, i.e. grants for development of rural and underserved and Arts in Education, requires additional support to the two program directors who administer these programs. The totals above reflect the addition of the equivalent of two half-time Grade 8 Step 2 FTE (salary, fringe and health insurance) on a temporary contract basis to provide this support.		
Expenditure Code 2300/Communications	\$168	\$168
State dedicated phone line at \$28 per month/split cost with General Fund		
Expenditure Code 2800/Indirect costs	\$4,237	\$4,237
The agency is required by state law to negotiate an indirect cost rate with the NEA and has done so with the state's indirect costs as set forth in the Statewide Cost Allocation Plan. That rate is currently .9% of total federal dollars. The amount shown is the total for indirect costs based on the projected total annual level of federal funding of \$470,800.		
Expenditure Code 3100/Equipment	\$2,500	-0-
Phone bid for plain paper, high resolution fax machine/split cost with General Fund		
Expenditure Code 6200/Grants—Federal	\$64,620*	\$67,120*
This balance of federal funds to be expended as urged by the Endowment are further broken down as follows:		
National/Regional dues increase	\$2,000	\$2,000
National Assembly of State Arts Agencies and Western States Arts Federation projected increases		
Biennial Conference	\$8,000	\$8,000
to address relevant issues in the state and facilitate networking of cultural organizations		
Underwriting	\$3,000	\$3,000
"courage" money to allow small communities to bring performing arts events to their town		
Art Beyond Boundaries	\$5,000	\$5,000
Five state consortium to increase cultural access for rurals		
Dance on Tour	\$5,000	\$5,000
Prior NEA funded program— reduced funds require states to pick up		
Grants to rurals and underserved	\$41,620*	\$44,120*

\*In addition, any pay plan costs required to be paid from federal dollars will reduce the amount available for this category.

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**MONTANA ARTS COUNCIL  
ISSUES—92-93 BIENNIUM**

**GENERAL FUND:**

The General Fund reduction to the Executive base of \$4,468 by the Legislative Fiscal Analyst appears to be primarily made up of two items which total \$4,255:

- 1) reduction of \$1,687 for half of equipment expenditure in FY 90 and
- 2) the Governor's required General Fund reversions of \$2,568 that same fiscal year.

Since the budget was submitted, the agency has learned its access to a fax machine will be removed within a few months. The agency requests \$2,668 in General Fund funds for purchase of a fax machine and its own dedicated phone line to be matched 50:50 with federal funds. The agency spends an average of \$56 per month to send and receive fax transmissions so far this fiscal year. This totals \$675 per year, which would payback the cost of the equipment within 7 years; however we believe fax use by grantees submitting reports and information for grant applications, etc. will increase over time to render the payback faster than the above calculation. If it is not possible to fund this purchase from the General Fund, we request a return of the amount shown below under federal funds for Indirect Costs for that purpose. It was our understanding from the Legislative Auditor that the Legislature may consider returning these funds to state agencies and universities. We do not know how this mechanism works.

The reduction of the agency's General Fund budget for item 2 enforces the Governor's budget cuts into the next biennium. If further reversions are required for 92-93, this has the effect of doubling up cuts in an already minute amount of General Fund support to the agency. Our General Fund support is the lowest of any state or territorial arts agency in the nation.

**STATE REVENUE FUNDS:**

The Legislative Fiscal Analyst has further recommended reducing Artists in the Schools Community Match from \$50,000 to \$35,000. We request full reinstatement of the original request in the Executive budget. As mentioned below under FEDERAL FUNDS 1), we expect an increase in these federal funds for 92-93. The federal funds may be budget amended with no problem. State Revenue Funds require an emergency situation to budget amend. These funds are only expended to the level actually received and have no impact on the General Fund. These funds would be utilized for payment of artists' honorarium in the Contracted Services expenditure codes.

**FEDERAL FUNDS:**

The Legislative Fiscal Analyst included in their 92-93 base all "known" federal funds at that time.

There are additional federal funds available for the 92-93 biennium from two sources:

1) Arts in Education funds from the National Endowment for the Arts: This amount is projected at the FY 91 level of \$26,800 for FY 92 and 93. It is primarily for payment of artists' honorarium and printing of the annual anthology in the Contracted Services expenditure codes. We understand there should be additional federal funds from this source for 92-93, but have no formal notification of this nor any specific amount. Any additional funds will be requested under budget amendment.

2) Additional Basic State Grant funds from the National Endowment for the Arts: This amount, per the enclosed documentation, is for an additional \$92,000 for FY 92. At least the same level

should be available for FY 93. These funds are a re-allocation of the NEA's total funds, which the Congress passed in this most recent reauthorization legislation. Previously the NEA was required to grant 20% of its program funds to state arts agencies and regional groups of state arts agencies. This amount was changed to 25%. The \$92,000 is Montana's portion of this money. The Endowment encourages the use of these funds for

"national priorities, including: Arts Education; Rural Arts Delivery; Cultural Diversity; and Assistance to Arts Institutions. This is not a requirement but is strongly urged" (from page 2 of their notification letter).

We request that federal funds be authorized as continuing appropriations. The NEA has always authorized extensions at our request. We believe this allows funds to be utilized as wisely as possible rather than just being used by a certain time.

We will be applying for additional federal funds throughout the biennium. There are additional funds the NEA is re-directing to the states for "developing arts organizations and underserved areas". These funds total about \$6.2 million. Only state arts agencies and consortia of state arts agencies are eligible to apply for these funds, which must be matched by the states. The Long Range Planning subcommittee is recommending the Arts Council be allowed to utilize some Cultural & Aesthetic Projects funds for this purpose. They directly allocated a total of \$35,000 for that purpose with up to another \$150,000 from current biennium Cultural and Aesthetic reversions, if they materialize. Without that source of money, the agency would be ineligible to receive any of these federal funds. The NEA funds, as mentioned earlier, are not new funds—they are funds being re-directed to the states from other NEA programs. Montanans, individually and as organizations, have been very enthusiastic in applying for and extremely successful in receiving direct NEA funding. Many of those artists and organizations will no longer have the NEA as a source of funds and may turn to the Montana Arts Council for their share of cultural funding, which has not increased, but has only been diverted into a new channel. We do not know at this time what the full impact of the change will be. We will be conscientious and aggressive in accessing as much federal funding as we have state funds to match it with.

## GRANTS &amp; SERVICES DISTRIBUTION

SORT ON COUNTY PER CAPITA

COUNTY	PER CAPITA
VALLEY	6.38
MEAGHER	5.75
CUSTER	5.31
LEWIS AND CLARK	5.14
JUDITH BASIN	4.69
GALLATIN	4.57
DANIELS	4.41
SWEET GRASS	4.16
MISSOULA	3.65
LIBERTY	3.58
PARK	3.17
LAKE	3.05
RAVALLI	2.97
FLATHEAD	2.67
DEER LODGE	2.66
YELLOWSTONE	2.60
GLACIER	2.55
ROSEBUD	2.38
TETON	2.13
CASCADE	2.03
BEAVERHEAD	1.97
MADISON	1.92
SANDERS	1.88
CARBON	1.88
POWELL	1.87
HILL	1.70
WHEATLAND	1.68
CHOUTEAU	1.47
STILLWATER	1.33
SHERIDAN	1.28
FERGUS	1.28
JEFFERSON	1.25
SILVER BOW	1.22
PONDERA	1.22
BLAINE	1.20
TOOLE	1.18
PRAIRIE	1.11
ROOSEVELT	1.04
GARFIELD	0.97
RICHLAND	0.87
POWDER RIVER	0.82
MCCONE	0.73
MINERAL	0.63
MUSSELSHELL	0.62
LINCOLN	0.61
DAWSON	0.58
BIG HORN	0.49
GOLDEN VALLEY	0.47
PHILLIPS	0.40
GRANITE	0.25
WIBAUX	0.07
BROADWATER	0.04
PETROLEUM	0.02
CARTER	0.02
FALLON	0.01
TREASURE	0.00

DATE 2-14-91  
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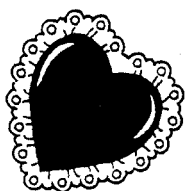


## MONTANA ARTS COUNCIL

February 1991

DATE

HB Instit Subcomm



### Group Lobbies on Arts Issues

As the Montana Legislature takes up numerous budget, tax and social issues during the ongoing 1991 session, the arts, museums and libraries will have a voice in its decisions.

The groups are represented by the Montana Cultural Advocacy (MCA), a subcommittee of the Montana Institute of the Arts Foundation. The advocacy, supported by private donations, has lobbied on arts and cultural issues since its creation in 1978.

The advocacy's main goal this session is protection of the coal severance tax trust fund, says MCA lobbyist Gloria Hermanson. A number of proposals have been introduced that would affect that fund, including legislation to divert coal tax revenue to higher education and to invest a portion of the permanent trust in the Montana economy.

Those proposals, in turn, would affect the amount of money available for the Cultural Trust Fund, which provides money for the Cultural and Aesthetic Project grants made every two years by the Legislature. The Cultural Trust Fund is made up of revenue from coal severance taxes.

"The coal tax is always an issue for us," says Hermanson. "And our stance is simply to protect what we've got, because we don't have much."

Interest earnings on the Cultural Trust provide slightly more than \$1 million for arts and cultural projects in each two-year state budget period. Demand for those

funds has steadily increased in recent years. Groups can use the money to fund construction, endowments, operational support or special projects.

The latest round of Cultural and Aesthetic Project funding drew 129 applications. The Cultural and Aesthetic Project Advisory Committee reviewed those applications in November and recommended that the Legislature fund 94 of those projects.

The Montana Cultural Advocacy also will lobby on behalf of those recommendations, which will be studied and acted on by the Joint Appropriations Subcommittee on Long-Range Planning and then by the full Legislature.

An estimated two weeks of testimony on the recommendations was slated to begin Jan. 23 before the subcommittee.

Hermanson said other cultural advocacy goals for the session include:

- Supporting a bill that would exempt libraries and museums from Initiative 105. That measure, passed by voters in 1986, froze property taxes at their 1986 levels. The bill would allow local governments to raise taxes to support libraries or museums.
- Lobbying for full funding of a bill passed in 1989 that would have provided \$1.7 million in state general fund support to libraries each biennium. Gov. Stan Stephens reduced that amount to \$566,000, through an amendatory veto.
- Monitoring arts-related legislation, including proposed changes in county museum board terms and a proposal to require that all state agency printing work be done in Montana.

Both Hermanson and Jim Poor, MCA chairman, stressed that the group spends much of its time simply monitoring legislation that could affect arts or cultural institutions. If necessary, the advocacy will then decide whether to take a position on it.

While no legislation involving arts funding or censorship issues had surfaced by mid-January, both Poor and Hermanson said they almost expect such bills to be introduced.

"I guess I'd be surprised if something didn't show up before the time was up," Hermanson says.

### How to Make Yourself Heard

Lobbying your local legislator is easier than you might think and can be done even if you can't make it to Helena.

The status of bills, and the dates hearings are scheduled on them, can be checked with a phone call to the legislative information office, 1-800-237-5079.

Hearings on bills are open to anyone wishing to testify. No arrangements are necessary before the hearing — all you have to do is show up.

And if you can't make it to Helena, messages for legislators can be left by calling 444-4800. Letters can be sent to legislators care of the Capitol Station, Capitol Building, Helena, MT 59620.

### Inside

- NEA Visit
- Deadlines
- Artists' Library
- Briefs
- People
- Opportunities



EXHIBIT  
DATE 9-14-91  
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Nominations are invited for the  
*Montana Arts Council Governor's Awards for the Arts*  
for Montanans and/or Montana organizations making significant progress in or  
contributions to the arts in Montana and the  
*Governor's Award for Distinguished Achievement in the Arts*  
for a single Montanan or Montana organization making outstanding  
contributions to the arts in Montana

#### Recipients of Montana Governor's Awards for the Arts

1981	<i>Eugene Andrie</i>	Music
	<i>Archie Bray Foundation</i>	Patron of the Arts
	<i>Rudy Autio</i>	Visual Arts
	<i>James Haughey</i>	Patron of the Arts
	<i>Bernie Rasmussen</i>	Folk Arts
	<i>Michael Smuin</i>	Dance/Montana Artist Working Out-of-State
	<i>James Welch</i>	Literature
1982	<i>A.B. Guthrie, Jr.</i>	Distinguished Achievement in the Arts, Literature
1983	<i>Judith Blegen</i>	Opera/Montana Artist Working Out-of-State
	<i>Robert &amp; LaDonna Fehlberg</i>	Service to the Arts
	<i>Dorothy Johnson</i>	Literature
	<i>Isabelle Johnson</i>	Visual Arts
	<i>Stan Lynde</i>	Cartooning
	<i>Montana Repertory Theatre</i>	Performing Arts
	<i>Agnes Vanderburg</i>	Folk Arts
1984	<i>James Kenneth Ralston</i>	Distinguished Achievement in the Arts, Visual Arts
1985	<i>Walter Hook</i>	Visual Arts
	<i>William Kittredge</i>	Literature
	<i>James Poor</i>	Service to the Arts
	<i>Harold &amp; Virginia Sprague</i>	Folk Arts
	<i>Peter Voulkos</i>	Visual Arts/Montana Artist Working Out-of-State
1986	<i>John Lester</i>	Distinguished Achievement in the Arts, Music
1987	<i>Dana Boussard</i>	Visual Arts
	<i>Ray Campeau</i>	Service to the Arts
	<i>Norman Maclean</i>	Literature/Montana Artist Working Out-of-State
	<i>Missoula Children's Theatre</i>	Theater
	<i>Christopher Parkening</i>	Music/Montana Artist Working Out-of-State
	<i>Kevin Shannon</i>	Folk Arts
1988	<i>Frances Senska &amp; Jessie Wilber</i>	Distinguished Achievement in the Arts, Visual Arts
1989	<i>Myrna Loy</i>	Media Arts/Montana Artist Working Out-of-State
	<i>Thomas McGuane</i>	Literature
	<i>Wally McRae</i>	Folk Arts
	<i>David Shaner</i>	Visual Arts
	<i>US West Foundation</i>	Service to the Arts
1990	<i>Robert Sriver</i>	Distinguished Achievement in the Arts, Visual Arts

## Teachers Must Advocate for Arts

Arts teachers must take a more active role in developing public policy that will make arts education a priority in the schools, several speakers said during a panel discussion yesterday on arts in education.

"You can't ignore the political situation," Claudette Morton emphasized. "You must stay on top of things."

Morton was the top administrator for the Board of Public Education and now teaches at Western Montana College of the University of Montana. She said she first interested herself into the politics of education when her child turned 5 and she realized Montana schools didn't have kindergarten classes.

He advised Cultural Congress participants to get on the Board of Public Education's mailing list, so they can have a voice in decisions that affect arts education. She said that while teacher groups follow the board's meetings, little comment is received from teachers in specific disciplines.

"You must monitor," she stressed. "You must advocate."

Harry Williams, superintendent of the Great Falls Public Schools and chairman of the Montana Arts Council, also said arts supporters should define their agenda and the lobby for it on a local level.

He said many schools place too little emphasis on the arts, not realizing the important role they play in shaping children's lives.

"There's no doubt at all that young people learn primarily through artistic stimuli," he said.

Participants also heard about a new master's program in arts education at the University of Montana. The program was developed by a diverse group of people involved in arts and education.

Jim Kriley, dean of the UM School of Fine Arts, said the group talked with knowledgeable people in the field to come up with the program, which has both academic classes and a practicum.

"We listened, and I think we developed a program that we think is exciting," he said.

Kriley stressed that a number of factors have led to a declining emphasis on arts education in the schools, including the

dismantling of some arts programs as school budgets tighten and the emphasis businesses are placing on classes that will make graduates employable.

He said the significance of arts in education "is largely unrecognized, often ignored and generally unregarded."

—Sue O'Connell



8028 MAN SENIOR ART CLUB  
PAINTING AT THE CULTURAL CONGRESS  
KATHY SCHMIDT  
"ARTIST IN SCHOOLS" RESIDENCY

## International Exchange

The session was subtitled "How to Get From Here to There" and the message was an old one — that international exchange can happen and will happen, but it demands the long view.

Saturday afternoon 40 conference goers heard a panel recount 90 minutes of theory, pitfalls, past history and hopes for the "exporting of Montana" to the rest of the world, especially the Far East.

"The biggest barrier to trade is ignorance," stated Pat Owen, the international affairs coordinator for the governor's office. International exchange is itself an industry in its infancy, said David Nelson, director of the Montana Arts Council. Judging from the discussion, the growing up may be more slow than Montanans are used to.

The name of the game — and the focus of the "problem" — is the specific and slow world of diplomacy and protocol, a new world for Montana government officials.

So how can the industry "grow up?" And what are the pragmatic ways for Montana artists and business people to share the state with the rest of the world?

Frankly, it was a topic with more questions than answers.

Lacking a centralized, government focus is part of the problem, Owen said. Another is the difference in cultures — with Montana doing much of its exporting in the Far East,

the meeting of East and West has sometimes been off by a few degrees.

"It is not as simple as selling something," Owens continued. "The trade-offs, the courtesies, what the trade delegations expect. The trade offices get so bogged down in the trade-offs and protocol that they can't get any work done."

Owen added that he is a "one-person office" and "sometimes the best I can do is answer the phone."

Sometimes Montanans don't understand the different cultural mores, laws or tax situations they must deal with, he continued.

And sometimes the problems are more practical. Owen recounted the example of a Townsend firm that makes picnic tables for international export — but assembled them with standard bolts instead of metric bolts.

"The world isn't going to buy many of their tables unless they drill some metric bolt holes," he explained.

Nelson also added an example of a common problem with Canadian-Montana exchanges: their tax laws on art differ greatly from American laws. In this instance, original art is not taxed but reproductions are, in an effort to guarantee artists the profit from their work.

—Karen Davis

## Draper—NEA Regional Rep

Ruth Draper, western states representative for the National Endowment of the Arts, has high praise for artists in her eight-state region, especially Montana.

Draper is the National Endowment for the Arts' regional representative for the western states, advocating for those states in Washington, D. C. She has shepherded many a grant application from Montana groups through the NEA process.

She spends 40 percent of her time visiting arts councils and attending endowment meetings in Montana, Wyoming, Idaho, Colorado, New Mexico, Nevada, Arizona and her home state of Utah.

So she knows whereof she speaks as to cultural quality and state art organizations.

For 11 years starting in the prosperous '70s, Draper headed the Utah Arts Council. Obtaining grants was much easier then than it is today, she said.

She also served as president of the Utah League of Women Voters and headed the three field offices of then-Sen. Frank Moss, D-Utah. They were at Salt Lake City, Provo and Ogden.

She said these experiences still help her in the lobbying

activities so valuable to the arts in every state and, of course, in the Congress.

She congratulates the Montana Arts Council for holding cultural meetings such as the current conference and for helping develop statewide organizations such as symphony associations.

Also earning plaudits from her are Montana's artists. She said their success rates are better than elsewhere in the eight states she covers.

At a Grants for Artists panel yesterday, Draper said this is a good time to temporarily set aside the arts and get political. She said the NEA is only able to fund about 200 of the thousands of grant applications it receives.

Nevertheless, she said, applicants should keep submitting requests, even if earlier attempts were turned down. Panels are subjective and change yearly; a proposal rejected by one panel may excite the next year's panel. She cited a case that happened during her time with the Utah Arts Council: a thrice-rejected application won approval the fourth time around.

She recommended using straightforward talk in applying for grants.

—J.D. Holmes

SIGNER.  
SHIRLEY KLAY

9/11/90



## Group Protests Williams

A small group of people gathered outside the Strand Theatre yesterday to protest Rep. Pat Williams' stand on government funding of the arts.

And two conservative groups invited Williams to debate Republican Rep. Dana Rohrabacher of California on the topic.

"We came out because we don't think government money should be spent in the manner that it is," Bob Davies of Bozeman said.

He said the U.S. Constitution doesn't provide for the funding of the arts. And he challenged Williams' contention that imposing content restrictions on

work funded by the National Endowment for the Arts amounts to censorship. He said the NEA's selection of some projects over others could be construed as censorship.

While Williams spoke inside the theater, the protesters carried signs with such slogans as "Artists Against Porn," "Porno Pat: Gov't Waste," "Pat Promotes Perversion" and "Williams Censors Christians."

The debate invitation came from the American Family Association of Gallatin County and the Montana Family Forum, which said Rohrabacher has indicated he would attend such a session with Williams.





## Signing Makes Conference More Accessible

Shirley Klatt was 53 years old when she decided to learn how to sign and interpret for the deaf.

And learn she did. It was Shirley you saw signing for Friday's headliners—John Brohmayer and Patrick Overton, as well as the invocation and welcome by William Tall Bull.

What got you started in this unusual avocation? I asked.

The Lutheran Church in Bozeman had one overworked interpreter and three deaf members, Klatt said. "When the church offered to finance a six-week training course for anyone interested, at Fort Wayne, Ind., I volunteered," she added.

Over the next few years, the church sent this obviously apt pupil to a theological course at St. Louis, to help teach lay people to interpret. She also put in four more weeks at the Ft. Wayne training school.

"There's always more to learn," said the mother of five who turns 59 in November.

Do you really keep up with the speaker? was my next question.

"Pretty much," was the reply.

She said that before Overton

began his talk, he warned her that he used some big words. But don't worry, he told her, no other interpreters have got them.

"What did you do with the word Chataqua for example?" I asked.

"I spelled it," she answered, although she admitted being uncertain of the spelling.

"Signing for the hearing impaired is an art," she stated proudly.

"When you enjoy something, it's not tiring," she said when asked about her 2 1/2 hour stint on the stage with Friday's main speakers.

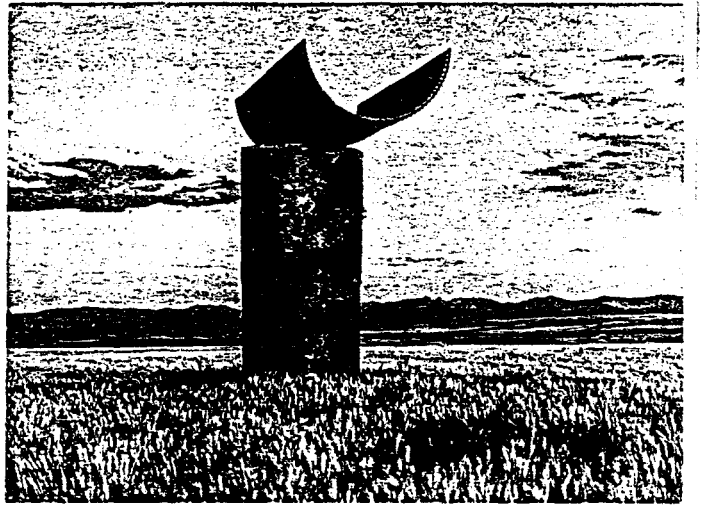
Klatt and her husband, Ernest, are in their 21st year of running a day-care center. Currently, 12 children are enrolled, none deaf.

However, she said, two deaf youngsters visit her often just to talk with their hands and expressions. And in her spare time, she baby-sits.

All the interpreting she does for her church is free but at such an event as the Cultural Congress, the remuneration is \$15.

Saturday's interpreter was Sarah Freeland, who has a 7-year-old deaf son.

—J. D. Holmes



Gary Bates, Lunar Kecherschmitt, 1986

## Network Provides Access

"Big Sky Telegraph is knitting together the small towns and rural areas of Montana into a true community and, at the same time, giving them access to a world of people and information stretching from New York City to Tokyo," said Frank Odasz, director of the computer service at Western Montana College.

The computer network was originally set up in 1988 to link Montana's one-room schools to larger school systems and major educational resources, but is now providing a host of services to small-town businesses and rural residents as well. It is equipped, said Odasz, to provide an electronic mail service far more flexible and efficient than U.S. mail, telephone or fax services.

"You can send messages that can be read and studied at the convenience of the person addressed. No more telephone tag," Odasz said.

He described the system's capabilities and potential at a presentation yesterday morning in the Strand Theatre.

For the arts community, he said Big Sky Telegraph can link Montana artists on ranches or reservations directly to world art markets. It also can make mass mailings and transmission

of simplified graphics possible, Odasz added.

"You could communicate directly to someone interested in Native American art in Paris or Rome. No need to go through someone in Helena or New York," he said. And documents could be sent back and forth several times in a day to be edited or reviewed, he said.

Odasz commented that in line with Patrick Overton's views on the tremendous creativity of rural Americans, the computer network is a natural tool to both lessen general isolation and build communities of people with like interests.

"The creative applications really seem almost limitless," Odasz said.

He said the system could be used in many ways, including: sending messages to specific groups of people or private messages to an individual; finding pen pals for students; setting up conferences; finding information almost anywhere in the world; sharing work with others; and providing general "bulletin board" services.

Today, Odasz said, the health of rural communities depends on telecommunications to compete in the global information marketplace.

—John Talbot

### Directions to Bates Ranch:

1. Take the Interstate west from Bozeman to Belgrade.
2. Exit at Belgrade, go left (south) over the overpass and take a right on the frontage road, Amsterdam Road.
3. You are now traveling west again, parallel to and south of the freeway.
4. Go 5.7 miles to the "T" intersection; take a left at the "T." After a mile you take a right, which takes you through the town of Amsterdam.
5. Go 2.5 miles straight through Amsterdam to the Art Ranch, 9250 Amsterdam Road. The big gear is a clue that you're at the right place.

## Task Force Discussions, continued

The group's final recommendations included proposals to seek money from the state's Cultural Trust for expanded programs in rural areas, change from an annual to a biennial granting cycle and define and address the needs of major institutions.

The recommendation to apply for Cultural Trust money generated the most discussion during yesterday's meeting, as some people questioned whether it would force the Council to compete with other groups that seek the funds.

The Cultural Trust was created with interest money earned on the state's coal severance tax revenue, and funds Cultural and Aesthetic Project grants. Applications for the grants are reviewed by a 16-member advisory group, which makes recommendations to the Legislature. The Legislature makes the final funding decisions.

The Montana Arts Council staff administers the grants and has also received funding for its own Folklife Program from the trust fund.

The Grants Task Force suggested that the Council apply for the funds to leverage federal Arts in Education funds that would be available if the state had matching funds for them.

David Nelson, executive director of the Council, said state budget officials have already said increased state funds will be granted in the coming budget period only for "life-and-death situations." He said the Council was advised to seek Cultural Trust money to use as a match instead.

Laura Millin of the Missoula Museum of the Arts questioned whether such an application would be a conflict of interest, "because in a way it seems like

an extension of what you do."

"I think it would be an awful situation if we felt like we were competing with you," she added.

Nelson said the task force had taken that concern into account before endorsing the plan. And he stressed that the Council would seek Cultural and Aesthetic Project money only because it would bring in a federal match.

Barry Bonifas of the Alberta Bair Theater in Billings suggested that state education funds should be used as a match for the federal grant, since the program benefits schools. He questioned whether other agencies should be responsible for funding needed programs in the schools.

But Sheila Miles said the program benefits artists as well as schools.

On the issue of changing the Council's grant cycle, most people indicated they didn't feel the change would create a large enough pool of money to warrant a two-year wait between grant periods.

The Grants Task Force had estimated that the Council could save about \$6,000 by convening peer review panels every two years rather than annually. That money could then be put into grant and fellowship programs.

"I feel artists need all the opportunities they can get," said Cathryn Mallory of Paris Gibson Square. She opposed the idea of awarding fellowships every two years rather than every year.

And representatives of institutions said it would be easier to budget and to document their growth if the grants remained on an annual cycle.

The other proposal that drew some comment involved iden-



tifying major art institutions and addressing their needs.

Representatives of larger arts groups generally said they felt the recommendation could be divisive. And they said they didn't necessarily need more money from the Council.

Jim Kriley, dean of the University of Montana School of Fine Arts, said many of the groups need other types of assistance, such as networking and information on ways to tap into corporate funding.

"If an arts council doesn't deal with these organizations on some kind of basis, I think it's remiss in its job," said Kriley, who serves on the Council.

The Montana Arts Council will accept written comment on the proposals until Sept. 21. To submit comments or request a copy of the recommendations, write to: Montana Arts Council, 48 N. Last Chance Gulch, Helena, MT 59620

—Sue O'Connell

## Quick-to-See Smith Challenges Mainstream Culture

Salish artist Jaune Quick-to-See Smith challenged members of a packed Strand theatre audience yesterday to take the concept of "ethnic culture" as their own—and in the process rethink the prejudices of mainstream America.

The final keynote address of *Working Together: Cultural Congress III* was pointed, political and tongue-in-cheek. Smith sandwiched a slide show of contemporary Indian art with a litany of examples of what mainstream America owes to the prehistoric, native cultures of the Americas.

The upcoming Columbian Quincentenary figured heavily into Smith's talk. To nationally celebrate the "discovery" of a continent that was already peopled is just a part of the prejudice and assumptions that must be overcome, she said.

Philosophically, the fallout for a society allowed to think that the "New World" was uninhabited is that mainstream America continues to be unaware of how much it owes to the indigenous peoples of the Americas, she continued.

"Some of the richest and most productive cultures in the world existed on the North and South American continents before the advent of Europeans," Smith said.

"The American Indians were the world's greatest agriculturists and pharmacists, while at the same time the Europeans were producing the world's greatest arsenals of weapons."

Smith rhetorically asked whether history will ever tell the real story: "That your life, your total life... is affected by the indigenous peoples of this continent. And because you are here and not in Europe, that is your history, too."

Smith's examples included the U.S. Constitution, taken from Iroquois tribal government; thousands of varieties of corn, potatoes and other vegetables, which now make up more than half the world's food supply; natural, botanical sources of medicine; and even spices.

"There is no culture in the world today who has not incorporated some food or spice from the American Indian into their culture," she added, saying history, language, science and math are all subconsciously treated as European "inventions."



Salish, 1889



Petroglyph Park, 1986

U.S. history is written as though it's a product of Europe. We still don't understand the complex mathematical systems of the Mayans or the sophisticated geometric science of the Aztecs. The civilizations of Mexico and Guatemala developed a more accurate calendar than the one used in Europe—but it took decades of work for us to understand it.

"We know more about the language of the Hittites, who are long gone, than the language of the Quechuas, who are descended from the Incas and who are very much alive today."

Although Columbus landed in the Caribbean nearly 500 years ago, "the history and culture of the Americas remains a mystery," she said.

Change will probably be a forced issue, Smith continued.

"The 'browning' of America is already here," she said. Changing demographics show that the country's major urban centers will have 50 percent or more people of color by the year 2000. Immigrants are no longer European but Asian, Caribbean, Latin American. The workforce no longer depends solely on white males to carry us into the 21st Century. This country will be forced to turn to the ethnic community.

"Classical Eurocentric paradigms no longer fit. Think of yourself as the shaper of those new paradigms."

Smith showed slides to introduce conference participants to the art of Native artists Corky Clairmont ("soon to be famous"); and sisters Kathryn and Susan Stewart and Ernie Pepion, who hosted a stage of Thursday's progressive dinner.

Smith concluded with the observation that not one of the 3,000 Indian languages has a word for "art."

"It was never a separate endeavor in any Indian tribe. But American Indian art in today's world is definitely part of American culture.

"Indian people still continue to make art whether it's called traditional or contemporary. It enhances our lives. Uplifts our souls. It means we are not dying. We celebrate life through our art.

"We give thanks with it; it sustains us as it has for thousands of years because art is part of our cultural identity."

—Karen Davis

montana

# cultural congress

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## Pat Williams Speaks of Art & Democracy

The current debate over placing restrictions on government-funded art boils down to a basic question of the state of democracy in the United States, Rep. Pat Williams told Cultural Congress participants yesterday.

"In order for democracy to flourish and survive, it must have the right environment," he said. "People must be free. They must have the freedom to create."

If artists can continue to create free of government interference, he said, "then democracy has a chance. If not, then I doubt this experiment will work."

The Montana Democrat who has championed the National Endowment for the Arts throughout its current controversy drew applause throughout his speech, which concentrated on the benefits the NEA has brought to Montanans and Americans in its 25-year history.

"No longer are the arts available to only the privileged few who have the wealth to gather the arts about them," Williams said. "No longer are the arts available only to those who live in metropolitan areas."

He said the United States had 58 symphony orchestras, 27 opera companies, 22 nonprofit regional theater companies and 27 dance companies 25 years ago. It now has more than 250 symphonies, 137 opera companies, 400 theaters and 270 dance companies, thanks in part to NEA funding.

Williams, who heads the House subcommittee working on the NEA reauthorization bill, noted the agency has made more than 85,000 grants in its history.

"Of that number, yeah, some have been pretty controversial," he said. "About 20. HUD would kill for a record like that."

—Sue O'Connell



## Task Force Proposals Questioned

Questions and concerns were voiced yesterday about whether proposed changes in Montana Arts Council operations would put the agency in competition with other arts organizations and whether it would make more money available to a wide range of artists and organizations.

The comments came during a one-hour meeting at which recommendations by an advisory panel were discussed. The concerns will be taken into account as the 15-member Montana Arts Council considers the recommendations in the coming months.

The Council established the Grants Task Force last year to review the agency's funding and suggest ways to make the relatively static amount of money available for the arts go further.

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*Jaune Quick-to-See Smith enlightened, encouraged and delighted her audience yesterday afternoon. See story on page 2.*



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