HOUSE BILL NO. 4

INTRODUCED BY THOFT

BY REQUEST OF THE MONTANA ARTS COUNCIL

IN THE HOUSE

JANUARY	30,	1987	INTRODUCED	AND	REFERRED	то	COMMITTEE
			ON APPROPRI	(ATIC	DNS.		

FEBRUARY 4, 1987 COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.

PRINTING REPORT.

- FEBRUARY 6, 1987 SECOND READING, DO PASS.
- ENGROSSING REPORT. FEBRUARY 7, 1987

THIRD READING, PASSED. AYES, 82; NOES, 17.

TRANSMITTED TO SENATE.

IN THE SENATE

- FEBRUARY 10, 1987
- INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
- COMMITTEE RECOMMEND BILL BE MARCH 17, 1987 CONCURRED IN. REPORT ADOPTED.
- SECOND READING, CONCURRED IN. MARCH 20, 1987
- MARCH 23, 1987 THIRD READING, CONCURRED IN. AYES, 46; NOES, 2.

RETURNED TO HOUSE.

IN THE HOUSE

RECEIVED FROM SENATE. MARCH 23, 1987

SENT TO ENROLLING.

INTRODUCED BY Thel 1 2 BY REQUEST OF THE MONTANA ARTS COUNCIL 3 4 5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS GOVERNING 6 ADMINISTRATION OF THE CULTURAL AND AESTHETIC GRANTS PROGRAM 7 BY THE MONTANA ARTS COUNCIL; ESTABLISHING PRIORITIES FOR GRANT AWARDS; APPROPRIATING MONEY FOR CULTURAL AND AESTHETIC 8 GRANTS; AMENDING SECTIONS 22-2-305, 22-2-306, AND 22-2-309, 9 MCA; AND PROVIDING AN EFFECTIVE DATE." 10 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 13 Section 1. Section 22-2-305, MCA, is amended to read: 14 "22-2-305, Allocation and disbursement of funds. (1) 15 The Montana arts council shall allocate and disburse 16 cultural and aesthetic project account funds as appropriated 17 by the legislature. 18 (2) If the funds in the cultural and aesthetic projects account are insufficient to fund projects in the 19 20 amount of the legislative appropriation for the projects, 21 the council shall allocate and disburse the account's funds 22 as-follows: (a)--Projects-of-an--ongoing--nature--during--the--full 23 24 course--of--the-grant-period-must-receive-the-first-priority for-allocation-of--account--funds----Por--purposes--of--this 25

1	section;mongoingprojectmmeansaprojectdesigned-to
2	operate-throughout-the-grant-period-with-afull-timestaff
3	and-obligations-to-be-met-monthly.
4	<pre>(b)All-other-projects-must-be-allocated-the-remaining</pre>
5	fundsonapercentagebasisThepercentagemustbe
6	determined-for-each-suchprojectbydividingtheamount
7	appropriatedforeachsuchprojectbythe-total-amount
8	appropriated-for-all-such-projects. in accordance with the
9	provisions of the appropriation act."
10	Section 2. Section 22-2-306, MCA, is amended to read:
11	"22-2-306. Grant conditions additional funds
12	accounts and reports. (1) No grant may be awarded unless the
13	grantee accepts the Montana arts council's conditions of the
14	grant and signs a contract stipulating those conditions.
15	(2) A grantee must agree in writing that:
16	(a) the grantee is the official and sole agency for
17	the administration of the project described in the grant
18	agreement; and
19	(b) no person will, on the grounds of race, color,
20	national origin, sex, or age, be excluded from participation
21	in, be denied the benefits of, or be subjected to
22	discrimination under any program or activity that results
23	from the expenditure of grant funds.
24	(3) The grantee must agree that the funds granted will
25	be expended solely for the purpose and activities described

-2-

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LC 0780/01

INTRODUCED BILL

HB-4

in the approved proposal. All funds granted to the grantee
 must be spent or encumbered during the grant period.

3 (4) Disbursements to grantees must be as follows,
4 based upon the cash flow needs of the projects and the
5 revenues available:

6 (a) Projects that are to receive more than \$10,000 may 7 receive an amount not exceeding 25% of the grant award in 8 the first 6 months of the biennium, 50% in the first year of the biennium, 75% in the first 18 months of the biennium, 9 10 and the balance in the remainder of the biennium. Within 11 such limitations, the amount of each payment must be 12 determined by the Montana arts council in its discretion. 13 Each payment may be made only after an examination of the 14 costs incurred in the project and the amount, if any, of the 15 unencumbered or unexpended balance of prior grant payments 16 for the project.

(b) Projects that are to receive \$10,000 or less may
receive the total grant in any fiscal quarter if the Montana
arts council determines that the cultural and aesthetic
project account has funds available and that, after an
examination of the costs incurred by the project, total
payment is appropriate.

(c) A grant award budget may be modified in accordance
 with this subsection. A grantee may modify line items in an
 approved budget in an amount not to exceed 10% of the total

1 grant award. A grantee may, with permission of the Montana 2 arts council, modify line items in an approved budget in an 3 amount not to exceed 20% of the total grant award. No such 4 modification may increase the grant award or change the 5 scope or purpose of the award.

(5) The grantee must maintain accounts, records, and 6 other pertinent material pertaining to the costs incurred 7 and expenditures made under the grant. The system of 8 9 accounting employed by the grantee must be in accordance with generally accepted accounting principles and be applied 10 11 in a consistent manner so that project costs and expenditures can be clearly identified. Accounts, records, 12 13 and other pertinent material must be maintained for 3 years from the official termination date of the grant period or 14 until an audit, approved by the council, has been completed 15 and any guestions arising from the audit have been resolved 16 to the satisfaction of the council. 17

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

-4-

-3-

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

6 Section 3. Section 22-2-309, MCA, is amended to read:
7 "22-2-309. Grant categories. (1) The following
8 categories are established for grant funds:

9 (a) special projects which are specific cultural and
10 aesthetic activities, services, or events of limited
11 duration;

12 (b) operational support for cultural institutions that 13 have been in existence for at least 2 years and whose 14 <u>budgets reflect only the cost of continuing their current</u> 15 program;

16 (c) capital expenditures for acquisition,17 construction, or renovation of facilities; and

18 (d) challenge grants for permanent endowments to19 benefit cultural nonprofit grant recipients.

20 (2) The Montana arts council may require a match in 21 cash or donated services for special project and operational 22 support grants. There is a presumption that the match must 23 represent \$1 in value for each dollar of the grant. The 24 Matana arts council may accept matches in excess of the 25 presumed value or may in its discretion require a lesser 1 amount.

2 (2)(3) Capital expenditures may not exceed 25% of the 3 total grant funds appropriated. Capital expenditure grants 4 require a match of at least \$3 in cash or donated goods and 5 services, which goods and services must be donated 6 specifically for the capital expenditure project, to receive 7 each dollar of grant funds.

8 (3)(4) Challenge grants require a match of at least \$3 9 in cash or irrevocable planned or deferred gifts to receive 10 each dollar of grant funds. Challenge grants are available 11 upon meeting the specified match. Not less than one-third 12 of the specified match must be in cash. Not more than 13 one-third of the match may be in wills, devises, and 14 bequests."

15 NEW SECTION. Section 4. Appropriation of cultural and aesthetic grant funds -- priority of disbursement. (1) The 16 17 Montana arts council shall disburse money appropriated by 18 this act with priority given to subsection (2), followed by 19 subsections (3) and (4), respectively. The Montana arts 20 council must include in the award contract relating to funds dispersed under this section a statement binding the grant 21 22 to any contingencies established in the recommendations of 23 the cultural and aesthetic projects advisory committee 24 submitted to the legislature under 22-2-302 or such contingencies as modified by the long-range planning 25

LC 0780/01

-6-

subcommittee as reflected in the official minutes of the 1 2 subcommittee.

(2) If the funds in the cultural and aesthetic 3 4 projects account were insufficient in the biennium ending June 30, 1987, to fund projects in the amount for which they 5 were appropriated, the funds appropriated for such projects 6 are reappropriated from such account until funds have been 7 disbursed to fully cover such appropriations or until 8 9 January 1, 1988, whichever comes first.

10 (3) (a) The following projects are approved and 11 amounts appropriated to the Montana arts council for the 12 biennium ending June 30, 1989, from the cultural and 13 aesthetic projects account:

...

14	PROJECT	AMOUNT
15	Aleph Movement Theatre	\$ 7,500
16	Archie Bray Foundation	19,200
17	Big Fork Art and Cultural Center	6,000
18	Billings Preservation Society, Moss	
19	Mansion Museum Restoration	25,000
20	Billings Symphony Society	15,000
21	Butte-Silver Bow Arts Chateau	7,752
22	Copper Village Museum, Endowment	10,000
23	Custer County Art Center,	
24	Operational Support	20,000
25	Custer County Art Center,	

1	PROJECT	AMOUNT
2	Conservation, Permanent	
3	Collections	6,165
4	Daly Mansion Preservation Trust	30,000
5	Daniels County Museum Association	7,000
6	Dull Knife Memorial College	5,000
7	Fort Peck Tribal Museum	10,000
8	Fox Theatre Corporation	40,000
9	Gallatin County Historical Society,	
10	Endowment	15,000
11	Garnet Preservation Association	15,000
12	Great Falls Symphony, Cascade	
13	Quartet	7,500
14	Great Falls Symphony, Endowment	25,000
15	Helena Civic Center	7,500
16	Helena Film Society	50,000
17	Hockaday Center for the Arts	20,000
18	Livingston Depot Foundation	20,000
19	MSU - Media & Television Arts	
20	Department	25,000
21	MSU - Museum of the Rockies	10,000
22	MSU - Shakespeare in the Parks,	
23	Operational Support	40,000
24	MSU - Shakespeare in the Parks,	
25	Endowment	15,000

-7-

-8-

1	PROJECT	AMOUNT
2	MSU - Vigilante Players	20,000
3	Miles Community College	12,000
4	Milwaukee Rode Cultural Project	10,000
5	Missoula Children's Theatre,	
6	Operational Support	16,000
7	Missoula Children's Theatre,	
8	Endowment	20,000
9	Missoula Mendelssohn Club	4,000
10	Missoula Museum of the Arts	25,000
11	Missoula Symphony Association,	
12	Endowment	40,000
13	Montana Art Gallery Directors	
14	Association	22,500
15	Montana Arts Council, Folklife	
16	Project	60,000
17	Montana Association of Symphony	
18	Orchestras	5,000
19	Montana Ballet Company	10,000
20	Montana Chorale, Endowment	10,000
21	Montana Chorale, Operational Support	6,000
22	Montana Dance Arts Association	6,000
23	Montana Historical Society, Oral	
24	History Office	95,000
25	Montana Institute of the Arts	

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1	PROJECT	AMOUNT
2	Foundation, Operational Support	10,300
3	Montana Performing Arts Consortium	30,000
4	Montana United Scholarship Service	30,000
5	Northern Lights Institute	20,000
6	Northern Montana College	12,000
7	P.S., A Partnership	14,000
8	Salish Kootenai College	15,000
9	St. Mary's Mission	10,000
10	String Orchestra of the Rockies,	
11	Operational Support	10,000
12	Twin Bridges Public School	3,000
13	UM - Montana Repertory Theatre	50,000
14	UM - School of Fine Arts, Endowment	60,000
15	Yellowstone Art Center, Montana's	
16	Own	20,000
17	Yellowstone Chamber Players	8,000
18	Young Audiences of Western Montana	15,000
19	Operating Expenses	84,400
20	(4) The Montana arts council is appropriated a	an amount
21	not to exceed \$10,400 for project evaluations from a	any funds
22	that revert from the projects subject to the approp	priations
23	in subsection (3). The evaluations must be done aft	er July
24	1, 1988, for the purpose of preparing a report	on such
25	projects for the 51st Legislature.	

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<u>NEW SECTION.</u> Section 5. Reversion of granted funds.
 (1) On January 1, 1988, all project funds reappropriated
 from the 1987 biennium, but not disbursed, shall revert to
 the cultural and aesthetic projects account provided for in
 15-35-108.

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6 (2) On July 1, 1989, any unencumbered balance of the
7 1989 biennium grants shall revert to the cultural and
8 aesthetic projects account provided for in 15-35-108.

9 <u>NEW SECTION.</u> Section 6. Effective date. This act is
 10 effective July 1, 1987.

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-11-

APPROVED BY COMMITTEE ON APPROPRIATIONS

House BILL NO. 4 1 INTRODUCED BY 2 BY REQUEST OF THE MONTANA ARTS COUNCIL 3 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS GOVERNING 6 ADMINISTRATION OF THE CULTURAL AND AESTHETIC GRANTS PROGRAM 7 BY THE MONTANA ARTS COUNCIL; ESTABLISHING PRIORITIES FOR 8 GRANT AWARDS; APPROPRIATING MONEY FOR CULTURAL AND AESTHETIC 9 GRANTS; AMENDING SECTIONS 22-2-305, 22-2-306, AND 22-2-309, 10 MCA; AND PROVIDING AN EFFECTIVE DATE."

11

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

Section 1. Section 22-2-305, MCA, is amended to read:
"22-2-305. Allocation and disbursement of funds. (1)
The Montana arts council shall allocate and disburse
cultural and aesthetic project account funds as appropriated
by the legislature.

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

23 (a) -- Projects-of-an--ongoing--nature--during--the--full
 24 course--of--the-grant-period-must-receive-the-first-priority
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section---uongoing--project--means--a--project--designed-to
 operate-throughout-the-grant-period-with-a--full-time--staff
 and-obligations-to-be-met-monthly-

4 (b)--All-other-projects-must-be-allocated-the-remaining 5 funds--on--a--percentage--basis----The--percentage--must--be 6 determined-for-each-such--project--by--dividing--the--amount 7 appropriated--for--each--such--projects--by--the-total-amount 8 appropriated-for-all-such-projects- in accordance with the 9 provisions of the appropriation act."

Section 2. Section 22-2-306, MCA, is amended to read: "22-2-306. Grant conditions -- additional funds -accounts and reports. (1) No grant may be awarded unless the grantee accepts the Montana arts council's conditions of the qrant and signs a contract stipulating those conditions.

15 (2) A grantee must agree in writing that:

16 (a) the grantee is the official and sole agency for
17 the administration of the project described in the grant
18 agreement; and

(b) no person will, on the grounds of race, color,
national origin, sex, or age, be excluded from participation
in, be denied the benefits of, or be subjected to
discrimination under any program or activity that results
from the expenditure of grant funds.

(3) The grantee must agree that the funds granted willbe expended solely for the purpose and activities described

-2- SECOND READING #8 4 in the approved proposal. All funds granted to the grantee
 must be spent or encumbered during the grant period.

3 (4) Disbursements to grantees must be as follows,
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17 (b) Projects that are to receive \$10,000 or less may 18 receive the total grant in any fiscal quarter if the Montana 19 arts council determines that the cultural and aesthetic 20 project account has funds available and that, after an 21 examination of the costs incurred by the project, total 22 payment is appropriate.

(c) A grant award budget may be modified in accordance
with this subsection. A grantee may modify line items in an
approved budget in an amount not to exceed 10% of the total

1 grant award. A grantee may, with permission of the Montana 2 arts council, modify line items in an approved budget in an 3 amount not to exceed 20% of the total grant award. No such 4 modification may increase the grant award or change the 5 scope or purpose of the award.

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LC 0780/01

-3--

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

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8 categories are established for grant funds:

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10 aesthetic activities, services, or events of limited
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13 have been in existence for at least 2 years and whose
14 budgets reflect only the cost of continuing their current
15 program;

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NEW SECTION. Section 4. Appropriation of cultural and 15 aesthetic grant funds -- priority of disbursement. (1) The 16 Montana arts council shall disburse money appropriated by 17 this act with priority given to subsection (2), followed by 18 subsections (3) and (4), respectively. The Montana arts 19 council must include in the award contract relating to funds 20 dispersed under this section a statement binding the grant 21 to any contingencies established in the recommendations of 22 the cultural and aesthetic projects advisory committee 23 submitted to the legislature under 22-2-302 or 24 such contingencies as modified by the long-range planning 25

1 subcommittee as reflected in the official minutes of the
2 subcommittee.

3 (2) If the funds in the cultural and aesthetic 4 projects account were insufficient in the biennium ending 5 June 30, 1987, to fund projects in the amount for which they 6 were appropriated, the funds appropriated for such projects 7 are reappropriated from such account until funds have been 8 disbursed to fully cover such appropriations or until 9 January 1, 1988, whichever comes first.

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18	Livingston Depot Foundation	20,000
19	MSU - Media & Television Arts	
20	Department	25,000
21	MSU - Museum of the Rockies	10,000
22	MSU - Shakespeare in the Parks,	
23	Operational Support	40,000

24 MSU - Shakespeare in the Parks,

Endowment

25

-7-

-8-

15,000

1	PROJECT	AMOUNT
2	MSU - Vigilante Players	20,000
3	Miles Community College	12,000
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20	(4) The Montana arts council is appropriated	an amount
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24	l, 1988, for the purpose of preparing a repor	t on such
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-10-

LC 0780/01

<u>NEW SECTION.</u> Section 5. Reversion of granted funds.
 (1) On January 1, 1988, all project funds reappropriated
 from the 1987 biennium, but not disbursed, shall revert to
 the cultural and aesthetic projects account provided for in
 15-35-108.

6 (2) On July 1, 1989, any unencumbered balance of the 7 1989 biennium grants shall revert to the cultural and 8 aesthetic projects account provided for in 15-35-108.

9 <u>NEW SECTION.</u> Section 6. Effective date. This act is
 10 effective July 1, 1987.

~End-

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INTRODUCED BY 1 2 3 4 5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS GOVERNING 6 ADMINISTRATION OF THE CULTURAL AND AESTHETIC GRANTS PROGRAM BY THE MONTANA ARTS COUNCIL; ESTABLISHING PRIORITIES FOR 7 GRANT AWARDS: APPROPRIATING MONEY FOR CULTURAL AND AESTHETIC 8 GRANTS; AMENDING SECTIONS 22-2-305, 22-2-306, AND 22-2-309, 9 MCA: AND PROVIDING AN EFFECTIVE DATE." 10 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 Section 1. Section 22-2-305, MCA, is amended to read: 13 "22-2-305. Allocation and disbursement of funds. (1) 14 15 The Montana arts council shall allocate and disburse cultural and aesthetic project account funds as appropriated 16 17 by the legislature.

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23 +a+--Projects-of-an--ongoing--nature--during--the--full 24 course--of--the-grant-period-must-receive-the-first-priority 25 for-allocation-of--account--funds----Por--purposes--of--this

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section7--*ongoing--project*--means--a--project--designed-to 2 operate-throughout-the-grant-period-with-a--full-time--staff and-obligations-to-be-met-monthly-3 4 (b)--All-other-projects-must-be-allocated-the-remaining 5 funds--on--a--percentage--basis----The--percentage--must--be 6 determined-for-each-such--project--by--dividing--the--amount 7 appropriated--for--each--such--project--by--the-total-amount 8 appropriated-for-all-such-projects, in accordance with the 9 provisions of the appropriation act." 10 Section 2. Section 22-2-306, MCA, is amended to read: 11 "22-2-306. Grant conditions -- additional funds --12 accounts and reports. (1) No grant may be awarded unless the grantee accepts the Montana arts council's conditions of the 13 grant and signs a contract stipulating those conditions. 14 15 (2) A grantee must agree in writing that: 16

(a) the grantee is the official and sole agency for 17 the administration of the project described in the grant 18 agreement; and

19 (b) no person will, on the grounds of race, color, national origin, sex, or age, be excluded from participation 20 21 in, be denied the benefits of, or be subjected to 22 discrimination under any program or activity that results 23 from the expenditure of grant funds.

24 (3) The grantee must agree that the funds granted will 25 be expended solely for the purpose and activities described

THIRD READING -2-HB-4

in the approved proposal. All funds granted to the grantee
 must be spent or encumbered during the grant period.

3 (4) Disbursements to grantees must be as follows,
4 based upon the cash flow needs of the projects and the
5 revenues available:

6 (a) Projects that are to receive more than \$10,000 may 7 receive an amount not exceeding 25% of the grant award in 8 the first 6 months of the biennium, 50% in the first year of the biennium, 75% in the first 18 months of the biennium, 9 10 and the balance in the remainder of the biennium. Within such limitations, the amount of each payment must be 11 12 determined by the Montana arts council in its discretion. Each payment may be made only after an examination of the 13 14 costs incurred in the project and the amount, if any, of the unencumbered or unexpended balance of prior grant payments 15 16 for the project.

(b) Projects that are to receive \$10,000 or less may
receive the total grant in any fiscal quarter if the Montana
arts council determines that the cultural and aesthetic
project account has funds available and that, after an
examination of the costs incurred by the project, total
payment is appropriate.

(c) A grant award budget may be modified in accordance
 with this subsection. A grantee may modify line items in an
 approved budget in an amount not to exceed 10% of the total

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1	grant award. A grantee may, with permission of the Montana
2	arts council, modify line items in an approved budget in an
3	amount not to exceed 20% of the total grant award. No such
4	modification may increase the grant award or change the
5	scope or purpose of the award.
~	(E) The exerted must maintain accounts records and

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

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

-4-

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

6 Section 3. Section 22-2-309, MCA, is amended to read:
7 "22-2-309. Grant categories. (1) The following
8 categories are established for grant funds:

9 (a) special projects which are specific cultural and
10 aesthetic activities, services, or events of limited
11 duration;

12 (b) operational support for cultural institutions that 13 have been in existence for at least 2 years and whose 14 budgets reflect only the cost of continuing their current 15 program;

16 (c) capital expenditures for acquisition,17 construction, or renovation of facilities; and

18 (d) challenge grants for permanent endowments to19 benefit cultural nonprofit grant recipients.

(2) The Montana arts council may require a match in
 cash or donated services for special project and operational
 support grants. There is a presumption that the match must
 represent \$1 in value for each dollar of the grant. The
 Montana arts council may accept matches in excess of the
 presumed value or may in its discretion require a lesser

1 amount.

2 (2)(3) Capital expenditures may not exceed 25% of the 3 total grant funds appropriated. Capital expenditure grants 4 require a match of at least \$3 in cash or donated goods and 5 services, which goods and services must be donated 6 specifically for the capital expenditure.project, to receive 7 each dollar of grant funds.

8 (3)(4) Challenge grants require a match of at least \$3 9 in cash or irrevocable planned or deferred gifts to receive 10 each dollar of grant funds. Challenge grants are available 11 upon meeting the specified match. Not less than one-third 12 of the specified match must be in cash. Not more than 13 one-third of the match may be in wills, devises, and 14 bequests."

15 NEW SECTION. Section 4. Appropriation of cultural and 16 aesthetic grant funds -- priority of disbursement. (1) The Montana arts council shall disburse money appropriated by 17 18 this act with priority given to subsection (2), followed by 19 subsections (3) and (4), respectively. The Montana arts council must include in the award contract relating to funds 20 21 dispersed under this section a statement binding the grant to any contingencies established in the recommendations of 22 23 the cultural and aesthetic projects advisory committee submitted to the legislature under 22-2-302 or 24 such contingencies as modified by the long-range planning 25

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subcommittee as reflected in the official minutes of the
 subcommittee.

3 (2) If the funds in the cultural and aesthetic 4 projects account were insufficient in the biennium ending 5 June 30, 1987, to fund projects in the amount for which they 6 were appropriated, the funds appropriated for such projects 7 are reappropriated from such account until funds have been 8 disbursed to fully cover such appropriations or until 9 January 1, 1988, whichever comes first.

10 (3) (a) The following projects are approved and 11 amounts appropriated to the Montana arts council for the 12 biennium ending June 30, 1989, from the cultural and 13 aesthetic projects account:

14	PROJECT	AMOUNT
15	Aleph Movement Theatre	\$ 7,500
16	Archie Bray Foundation	19,200
17	Big Fork Art and Cultural Center	6,000
18	Billings Preservation Society, Moss	
19	Mansion Museum Restoration	25,000
20	Billings Symphony Society	15,000
21	Butte-Silver Bow Arts Chateau	7,752
22	Copper Village Museum, Endowment	10,000
23	Custer County Art Center,	
24	Operational Support	20,000
25	Custer County Art Center,	

1	PROJECT	TUDOMA
2	Conservation, Permanent	
3	Collections	6,165
4	Daly Mansion Preservation Trust	30,000
5	Daniels County Museum Association	7,000
6	Dull Knife Memorial College	5,000
7	Fort Peck Tribal Museum	10,000
8	Fox Theatre Corporation	40,000
9	Gallatin County Historical Society,	
10	Endowment	15,000
11	Garnet Preservation Association	15,000
12	Great Falls Symphony, Cascade	
13	Quartet	7,500
14	Great Falls Symphony, Endowment	25,000
15	Helena Civic Center	7,500
16	Helena Film Society	50,000
17	Hockaday Center for the Arts	20,000
18	Livingston Depot Foundation	20,000
19	MSU - Media & Television Arts	
20	Department	25,000
21	MSU - Museum of the Rockies	10,000
22	MSU - Shakespeare in the Parks,	
23	Operational Support	40,000
24	MSU - Shakespeare in the Parks,	
25	Endowment	15,000

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-8-

1	PROJECT	AMOUNT
2	MSU - Vigilante Players	20,000
3	Miles Community College	12,000
4	Milwaukee Rode Cultural Project	10,000
5	Missoula Children's Theatre,	
6	Operational Support	16,000
7	Missoula Children's Theatre,	
8	Endowment	20,000
9	Missoula Mendelssohn Club	4,000
10	Missoula Museum of the Arts	25,000
11	Missoula Symphony Association,	
12	Endowment	40,000
13	Montana Art Gallery Directors	
14	Association	22,500
15	Montana Arts Council, Folklife	
16	Project	60,000
17	Montana Association of Symphony	
18	Orchestras	5,000
19	Montana Ballet Company	10,000
20	Montana Chorale, Endowment	10,000
21	Montana Chorale, Operational Support	6,000
22	Montana Dance Arts Association	6,000
23	Montana Historical Society, Oral	
24	History Office	95,000
25	Montana Institute of the Arts	

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1	PROJECT	AMOUNT
2	Foundation, Operational Support	10,300
3	Montana Performing Arts Consortium	30,000
4	Montana United Scholarship Service	30,000
5	Northern Lights Institute	20,000
6	Northern Montana College	12,000
7	P.S., A Partnership	14,000
8	Salish Kootenai College	15,000
9	St. Mary's Mission	10,000
10	String Orchestra of the Rockies,	
11	Operational Support	10,000
12	Twin Bridges Public School	3,000
13	UM - Montana Repertory Theatre	50,000
14	UM - School of Fine Arts, Endowment	60,000
15	Yellowstone Art Center, Montana's	
16	Own	20,000
17	Yellowstone Chamber Players	8,000
18	Young Audiences of Western Montana	15,000
19	Operating Expenses	84,400
20	(4) The Montana arts council is appropriated a	n amount
21	not to exceed \$10,400 for project evaluations from a	ny funds
22	that revert from the projects subject to the approp	riations
23	in subsection (3). The evaluations must be done aft	er July
24	l, 1988, for the purpose of preparing a report	on such

25 projects for the 51st Legislature.

-9-

-10-

LC 0780/01

<u>NEW SECTION.</u> Section 5. Reversion of granted funds.
 (1) On January 1, 1988, all project funds reappropriated
 from the 1987 biennium, but not disbursed, shall revert to
 the cultural and aesthetic projects account provided for in
 15-35-108.

6 (2) On July 1, 1989, any unencumbered balance of the
7 1989 biennium grants shall revert to the cultural and
8 aesthetic projects account provided for in 15-35-108.

9 <u>NEW SECTION.</u> Section 6. Effective date. This act is
10 effective July 1, 1987.

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-11-

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1	HOUSE BILL NO. 4	1	section7#ongoingproject#meansaprojectdesigned-to
2	INTRODUCED BY THOFT	2	operate-throughout-the-grant-period-with-afull-timestaff
3	BY REQUEST OF THE MONTANA ARTS COUNCIL	3	and-obligations-to-be-met-monthly-
4		4	{b}+-All-other-projects-must-be-allocated-the-remaining
5	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS GOVERNING	5	fundsonapercentagebasisThepercentagemustbe
6	ADMINISTRATION OF THE CULTURAL AND AESTHETIC GRANTS PROGRAM	6	determined-for-each-suchprojectbydividingtheamount
7	BY THE MONTANA ARTS COUNCIL; ESTABLISHING PRIORITIES FOR	7	appropriatedforeachsuchprojectbythe-total-amount
8	GRANT AWARDS; APPROPRIATING MONEY FOR CULTURAL AND AESTHETIC	8	appropriated-for-all-such-projects; in accordance with the
9	GRANTS; AMENDING SECTIONS 22-2-305, 22-2-306, AND 22-2-309,	9	provisions of the appropriation act."
10	MCA; AND PROVIDING AN EFFECTIVE DATE."	10	Section 2. Section 22-2-306, MCA, is amended to read:
11		11	"22-2-306. Grant conditions additional funds
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	12	accounts and reports. (1) No grant may be awarded unless the
13	Section 1. Section 22-2-305, MCA, is amended to read:	13	grantee accepts the Montana arts council's conditions of the
14	"22-2-305. Allocation and disbursement of funds. (1)	14	grant and signs a contract stipulating those conditions.
15	The Montana arts council shall allocate and disburse	15	(2) A grantee must agree in writing that:
16	cultural and aesthetic project account funds as appropriated	16	(a) the grantee is the official and sole agency for
17	by the legislature.	17	the administration of the project described in the grant
18	(2) If the funds in the cultural and aesthetic	18	agreement; and
19	projects account are insufficient to fund projects in the	19	(b) no person will, on the grounds of race, color,
20	amount of the legislative appropriation for the projects,	20	national origin, sex, or age, be excluded from participation
21	the council shall allocate and disburse the account's funds	21	in, be denied the benefits of, or be subjected to
22	as-follows:	22	discrimination under any program or activity that results
23	{a}Projects-of-anongoingnatureduringthefull	23	from the expenditure of grant funds.
24	courseofthe-grant-period-must-receive-the-first-priority	24	(3) The grantee must agree that the funds granted will
25	for-allocation-ofaccountfundsPorpurposesofthis	25	be expended solely for the purpose and activities described

Montana Legislative Council

-2-

HB 4

REFERENCE BILL

HB 4

in the approved proposal. All funds granted to the grantee
 must be spent or encumbered during the grant period.

3 (4) Disbursements to grantees must be as follows,
4 based upon the cash flow needs of the projects and the
5 revenues available:

6 (a) Projects that are to receive more than \$10,000 may 7 receive an amount not exceeding 25% of the grant award in 8 the first 6 months of the biennium, 50% in the first year of the biennium, 75% in the first 18 months of the biennium, 9 10 and the balance in the remainder of the biennium. Within 11 such limitations, the amount of each payment must be 12 determined by the Montana arts council in its discretion. 13 Each payment may be made only after an examination of the costs incurred in the project and the amount, if any, of the 14 15 unencumbered or unexpended balance of prior grant payments 16 for the project.

17 (b) Projects that are to receive \$10,000 or less may 18 receive the total grant in any fiscal guarter if the Montana 19 arts council determines that the cultural and aesthetic 20 project account has funds available and that, after an 21 examination of the costs incurred by the project, total 22 payment is appropriate.

(c) A grant award budget may be modified in accordance
 with this subsection. A grantee may modify line items in an
 approved budget in an amount not to exceed 10% of the total

-3-

grant award. A grantee may, with permission of the Montana arts council, modify line items in an approved budget in an amount not to exceed 20% of the total grant award. No such modification may increase the grant award or change the scope or purpose of the award.

(5) The grantee must maintain accounts, records, and 6 other pertinent material pertaining to the costs incurred 7 and expenditures made under the grant. The system of 8 9 accounting employed by the grantee must be in accordance with generally accepted accounting principles and be applied 10 a consistent manner so that project costs and 11 in expenditures can be clearly identified. Accounts, records, 12 and other pertinent material must be maintained for 3 years 13 14 from the official termination date of the grant period or 15 until an audit, approved by the council, has been completed and any questions arising from the audit have been resolved 16 to the satisfaction of the council. 17

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

HB 0004/02

-4-

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

6 Section 3. Section 22-2-309, MCA, is amended to read:
7 "22-2-309. Grant categories. (1) The following
8 categories are established for grant funds:

9 (a) special projects which are specific cultural and 10 aesthetic activities, services, or events of limited 11 duration;

(b) operational support for cultural institutions that
have been in existence for at least 2 years and whose
budgets reflect only the cost of continuing their current
program;

16 (c) capital expenditures for acquisition,17 construction, or renovation of facilities; and

18 (d) challenge grants for permanent endowments to19 benefit cultural nonprofit grant recipients.

(2) The Montana arts council may require a match in
 cash or donated services for special project and operational
 support grants. There is a presumption that the match must
 represent \$1 in value for each dollar of the grant. The
 Montana arts council may accept matches in excess of the
 presumed value or may in its discretion require a lesser

1 <u>amount.</u>

2 (12)(3) Capital expenditures may not exceed 25% of the 3 total grant funds appropriated. Capital expenditure grants 4 require a match of at least \$3 in cash or donated goods and 5 services, which goods and services must be donated 6 specifically for the capital expenditure project, to receive 7 each dollar of grant funds.

8 (3)(4) Challenge grants require a match of at least \$3 9 in cash or irrevocable planned or deferred gifts to receive 10 each dollar of grant funds. Challenge grants are available 11 upon meeting the specified match. Not less than one-third 12 of the specified match must be in cash. Not more than 13 one-third of the match may be in wills, devises, and 14 bequests."

15 NEW SECTION. Section 4. Appropriation of cultural and aesthetic grant funds -- priority of disbursement. (1) The 16 Montana arts council shall disburse money appropriated by 17 this act with priority given to subsection (2), followed by 18 subsections (3) and (4), respectively. The Montana arts 19 council must include in the award contract relating to funds 20 dispersed under this section a statement binding the grant 21 to any contingencies established in the recommendations of 22 the cultural and aesthetic projects advisory committee 23 submitted to the legislature under 22-2-302 or such 24 modified by the long-range planning 25 contingencies as

-5-

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subcommittee as reflected in the official minutes of the 1 2 subcommittee. 3 (2) If the funds in the cultural and aesthetic projects account were insufficient in the biennium ending 4 June 30, 1987, to fund projects in the amount for which they 5 were appropriated, the funds appropriated for such projects 6 7 are reappropriated from such account until funds have been disbursed to fully cover such appropriations or until 8 9 January 1, 1988, whichever comes first.

10 (3) (a) The following projects are approved and 11 amounts appropriated to the Montana arts council for the 12 biennium ending June 30, 1989, from the cultural and 13 aesthetic projects account:

14	PROJECT	AMOUNT
15	Aleph Movement Theatre	\$ 7,500
16	Archie Bray Foundation	19,200
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18	Billings Preservation Society, Moss	
19	Mansion Museum Restoration	25,000
20	Billings Symphony Society	15,000
21	Butte-Silver Bow Arts Chateau	7,752
22	Copper Village Museum, Endowment	10,000
23	Custer County Art Center,	
24	Operational Support	20,000
25	Custer County Art Center,	

-7-

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HB 4

HB 0004/02

1	PROJECT	AMOUNT
2	Conservation, Permanent	
3	Collections	6,165
4	Daly Mansion Preservation Trust	30,000
5	Daniels County Museum Association	7,000
6	Dull Knife Memorial College	5,000
7	Fort Peck Tribal Museum	10,000
8	Fox Theatre Corporation	40,000
9	Gallatin County Historical Society,	
10	Endowment	15,000
11	Garnet Preservation Association	15,000
1 2	Great Falls Symphony, Cascade	
13	Quartet	7,500
14	Great Falls Symphony, Endowment	25,000
15	Helena Civic Center	7,500
16	Helena Film Society	50,000
17	Hockaday Center for the Arts	20,000
18	Livingston Depot Foundation	20,000
19	MSU - Media & Television Arts	
20	Department	25,000
21	MSU - Museum of the Rockies	10,000
22	MSU - Shakespeare in the Parks,	
23	Operational Support	40,000
24	MSU - Shakespeare in the Parks,	
25	Endowment	15,000

-8-

l	PROJECT	AMOUNT
2	MSU - Vigilante Players	20,000
3	Miles Community College	12,000
4	Milwaukee Rode Cultural Project	10,000
5	Missoula Children's Theatre,	
6	Operational Support	16,000
7	Missoula Children's Theatre,	
8	Endowment	20,000
9	Missoula Mendelssohn Club	4,000
10	Missoula Museum of the Arts	25,000
11	Missoula Symphony Association,	
12	Endowment	40,000
13	Montana Art Gallery Directors	
14	Association	22,500
15	Montana Arts Council, Folklife	
16	Project	60,000
17	Montana Association of Symphony	
18	Orchestras	5,000
1 9	Montana Ballet Company	10,000
20	Montana Chorale, Endowment	10,000
21	Montana Chorale, Operational Support	6,000
22	Montana Dance Arts Association	6,000
23	Montana Historical Society, Oral	
24	History Office	95,000
25	Montana Institute of the Arts	

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1	PROJECT	AMOUNT
2	Foundation, Operational Support	10,300
3	Montana Performing Arts Consortium	30,000
4	Montana United Scholarship Service	30,000
5	Northern Lights Institute	20,000
6	Northern Montana College	12,000
7	P.S., A Partnership	14,000
8	Salish Kootenai College	15,000
9	St. Mary's Mission	10,000
10	String Orchestra of the Rockies,	
11	Operational Support	10,000
12	Twin Bridges Public School	3,000
13	UM - Montana Repertory Theatre	50,000
14	UM - School of Fine Arts, Endowment	60,000
15	Yellowstone Art Center, Montana's	
16	Own	20,000
17	Yellowstone Chamber Players	8,000
18	Young Audiences of Western Montana	15,000
19	Operating Expenses	84,400
20	(4) The Montana arts council is appropriated a	n amount
21	not to exceed \$10,400 for project evaluations from a	ny funds
22	that revert from the projects subject to the approp	riations
23	in subsection (3). The evaluations must be done after	er July
24	l, 1988, for the purpose of preparing a report	on such
25	projects for the 51st Legislature.	

-9-

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<u>NEW SECTION.</u> Section 5. Reversion of granted funds.
 (1) On January 1, 1988, all project funds reappropriated
 from the 1987 biennium, but not disbursed, shall revert to
 the cultural and aesthetic projects account provided for in
 15-35-108.

6 (2) On July 1, 1989, any unencumbered balance of the
7 1989 biennium grants shall revert to the cultural and
8 aesthetic projects account provided for in 15-35-108.

9 <u>NEW SECTION.</u> Section 6. Effective date. This act is
10 effective July 1, 1987.

-End-