

MINUTES OF THE MEETING  
LONG-RANGE PLANNING SUBCOMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

January 28, 1985

The meeting of the Long-Range Planning Subcommittee was called to order by Chairman Robert Thoft on January 28, 1985 at 8:05 a.m. in Room 420 of the State Capitol.

ROLL CALL: All members were present.

ORAL HISTORY AND FOLKLIFE PROJECTS: Representative Steve Waldron (29:A:017), District 58, said both of these projects have received cultural and aesthetic grants in the past. Last session the Historical Society (Oral History) and the Montana Arts Council (Folklife) were told to seek funding for these projects from the general fund. Representative Waldron said he feels the general fund is so tight that they will not receive funding. He said if these projects cannot be funded out of the Cultural and Aesthetic Program they will more than likely not be funded at all. Representative Waldron said he considers these projects to be the peoples art project or peoples history. He said he agrees philosophically with the movement of these projects to the general fund when it is possible. He said he referred these projects to this subcommittee because of his concern for them on a continuing basis.

Representative Bardanouve asked how much each of the projects will cost. Chairman Thoft said Oral History is asking for \$95,937 and Folklife is requesting \$59,000 for the biennium. Chairman Thoft (29:A:115) asked why these projects were to be funded out of the general fund when they fit within the Cultural and Aesthetic Program. Representative Waldron said even though they fit within the Cultural and Aesthetic Program they are done on an ongoing basis and the grants are designed for one time only projects. David Nelson, Director, Montana Arts Council said these projects are not out of line with the agency's normal functions and do fit the pattern of a continuing program.

Representative Bardanouve (29:A:135) asked if it was specified that general funds had to be used in 1985 or some other source. Mr. Nelson said the Legislative Fiscal Analyst's Office suggested the general fund or some other account should be used. The Governor's Budget Office suggested they still be funded from the coal tax revenues.

Proponents: Glenda Bradshaw (29:A:157), member, Executive Board, Montana Oral History Association is in favor of these projects and submitted written testimony (EXHIBIT 1). Senator William Yellowtail (29:A:181), District 50, appeared as a proponent of the projects because they seek to preserve and define the culture that makes Montana unique. He urged the committee to give them genuine consideration. Brenda Schye (29:A:241), representative, Montana Arts Advocacy said they are in support of both projects.

NOTE: At no time did anyone explain the purpose of either of these projects in detail. However, Chairman Thoft did receive information at an earlier date on the background of the Oral History project. This information is attached to these minutes but is not an exhibit.

ST. MARY'S MISSION: Ward Shanahan (29:A:261), Attorney, Helena Archdiocese gave a brief history on the St. Mary's Mission project. Mr. Shanahan said the mission is currently owned by the Archdiocese. In 1983 the St. Mary's Mission Committee made a cultural grant request for \$140,000 to make the site a state park. At this time there was some question about whether the money could be given to a religious institution by the state. The advisory committee decided \$7,500 should be funded to iron out the church/state problems which existed with the project. In 1984 the Bishop created a foundation with three local members on the board. This foundation was to continue with the planning process for St. Mary's Mission. During this planning period the Bishop continued insurance coverage and had audit responsibility for funds raised from private and public sources. The foundation asked for an Attorney General's opinion on whether or not it would be considered a legal recipient of state funds. The Attorney General said some provisions in the foundation trust agreement needed to be modified. The foundation has made the requested modifications. Mr. Shanahan said he is waiting to hear from the Attorney General today on the changes. The modifications remove the Roman Catholic Bishop from any decision making capability within the foundation and leave the foundation board responsible for the mission. He said the church would eventually like to donate the site to the state as a park. But in the interim the church would like the foundation to receive planning funds for an architectural design to make the site into a historic monument. He said foundation board members have personally gone into debt in order to do maintenance on the mission. Mr. Shanahan said the

mission is no longer operated as a church and only occasionally are weddings performed there.

Representative Bardanouve (29:A:381) said he felt the local people need to get the project together and if the opportunity presents itself at a later date the state should purchase the site as a park. He asked if the church is willing to give the state a clear title to the land. Mr. Shanahan said the land would have to be kept in perpetuity as a park. If it is ever used for anything else ownership would revert back to the church. Representative Bardanouve (29:A:450) asked if the Salish-Kootenai Tribes, who have a cemetery on the site, are willing to have the land donated as a state park. Mr. Shanahan said he did not know how the tribes feel but they will certainly be included in the planning process. Representative Bardanouve asked what the yearly maintenance costs are on the site. Mr. Shanahan said costs run about \$10,000 to \$15,000 a year but the local community donates alot of labor.

Chairman Thoft (29:A:526) asked if the Arts Council still has the \$7,500 funded from 1983. Carleen Lassise said the funds are still available and release of them depends on the Attorney General's opinion. She said the money could be used to pay off loans local people have obtained in maintaining the mission, if the Attorney General's opinion allows the foundation to accept funding.

Senator Fuller (29:A:562) asked if there is a request in this biennium from St. Mary's Mission. Mr. Shanahan said the foundation is requesting another \$7,500 in addition to the 1983 appropriation. The money is needed to provide for the maintenance costs incurred and for planning of the site. Senator Tveit (29:A:646) asked why a request for funding was not received prior to this meeting. Chairman Thoft said the pending Attorney General's opinion held up the request.

MEAGHER STATUE PROJECT PROPOSAL: Representative Bardanouve (29:A:666) said he did not feel this project represents an end run. The proposal will move the statue of Frances Meagher to the Historical Society and erect a statue which represents Montana's hopes and aspirations for the future at the Capitol. He said he did not feel General Meagher is truly symbolic of Montana. He said he believes the General's placement at the museum will put him in his true perspective as a historical character. Representative Bardanouve is introducing a bill which will appropriate \$15,000 for this project. The Montana Arts Council will be authorized to conduct a nationwide contest for the

sculpture which is to be placed at the Capitol. The council will also be encouraged to collect private donations from the citizens of Montana. The Arts Council will appoint an advisory committee, of at least 9 governmental and private members, to select the design of the sculpture.

Senator Fuller (29:B:098) asked what the \$15,000 will be used for. Representative Bardanouve said it will be used for advertising the design competition, compensation for the artist who wins the competition and planning of the project.

Senator Van Valkenburg (29:B:107) asked which fund Representative Bardanouve plans to have the appropriation come from. Representative Bardanouve said the Cultural and Aesthetic grant fund. Senator Van Valkenburg asked if Representative Bardanouve felt this is an end run. Representative Bardanouve said he did not feel so. He said he felt the subcommittee should carefully consider the advisory council's recommendations but these recommendations are not sacred and the legislature does have the option of choosing how the money should be spent. Chairman Thoft agreed with Representative Bardanouve and said all of the projects being heard today could not submit applications for cultural and aesthetic grants by the deadline for one reason or another. He also said an attorney who reviewed the statutes pertaining to the application process told him it is at the subcommittee's discretion to hear projects which have not been reviewed by the advisory committee.

Chairman Thoft invited comments from the Historical Society and the Arts Council on this subject. David Nelson, Director, Montana Arts Council said the final decision on project funding is up to the committee. However, he pointed out that the advisory committee did spend a large amount of time reviewing projects and he hoped the committee will give their recommendations every consideration.

Senator Tveit (29:B:174) said the advisory committee has done a very good job of screening applicants and he said he did not feel the committee should undermine their work.

LONE ROCK SCHOOL: Jim Jensen (29:B:230) said the project for Lone Rock School deals with the centennial anniversary of the school. He said the school has been operating for 100 consecutive years. The Lone Rock School centennial committee would like to compile the history of the school. Frances Houtchens (29:B:249)

told the committee about project expenses and presented a Calendar of Events for the centennial celebration which is to take place July 4 and 5, 1985 (EXHIBIT 2 AND 3).

Senator Fuller asked where the school is located, if it is still operating and if so how many students are enrolled there. Mr. Jensen said it is still operating and is located 8 miles northeast of Stevensville. The enrollment is 170 students in the first through sixth grade.

Carolyn Ennis (29:B:349), Chairman, Cultural and Aesthetics Projects Advisory Committee introduced other members of the committee who were present. She said they are all available to answer any questions the committee might have in making funding decisions.

Senator Van Valkenburg (29:B:485) said the most severe criticism the committee heard about the advisory committee was concerning funding of urban projects over rural projects. Ms. Ennis said she felt the committee had been sensitive to the diversity of the projects reviewed. David Nelson said that one has to look at the area served by various projects. He said the touring groups might be located in a larger city but they serve rural and urban areas alike. John Cook (29:B:548) advisory committee member reemphasized Mr. Nelson's point about services. He also said the Arts Council is proposing to conduct workshops next year which will aid grant applicants in writing their proposals and this should be very beneficial to rural applicants. Dick King (29:B:566) added that there is no direct correlation between the size of the city the applicant came from and the quality of the proposal. He said many small communities had very good applications and larger ones had ill-conceived projects. He said he felt the continuity of the process favors small communities.

Senator Van Valkenburg (29:B:618) said the committee has also been told that people did not realize the funding was available and did not know about the process. He asked when the applications were available, how much time applicants had to complete the forms and what media was used to distribute information about the application process. Bill Pratt, Organizational Services Director, Montana Arts Council referred Senator Van Valkenburg to the timeline section of the "1986-1987 Cultural and Aesthetic Project Advisory Committee Report" book (Exhibit 1, 1-23-85). He also gave committee members the "Montana Cultural Survey '82" (EXHIBIT 4). He said during the survey the

council built a mailing list and used this list to distribute notices about the availability of these grants.

He said in May of 1984 there was a public hearing about the criteria used in the grant application process and the administrative rules developed from this hearing were also distributed to organizations on the mailing list.

Senator Van Valkenburg asked if the advisory committee could review the modified projects that were heard today and report back to the committee about their funding recommendations. John Talbut said he was not sure they could get the needed information together on the projects but that if requested the seven committee members present would review these projects.

Senator Fuller (30:A:011) asked what challenge grants are. Ms. Ennis said the challenge grants will provide a means for setting up an endowment fund to which both coal tax monies and private funds can be contributed for individual groups. Bill Pratt passed out some information concerning the challenge grant for endowment development (EXHIBIT 5).

Senator Fuller (30:A:100) asked how the committee determined the stability of the applicant and their ability to raise funds for the future. Ms. Ennis said the committee tried to determine this through the grant application history and by asking each applicant questions which would indicate the health of the group. Diane Sands (30:A:133) said the committee did not want to grant money to a project that had no community support. Dick King (30:A:170) said when the advisory committee did have concerns about an applicant's stability they listed it in their recommendations.

Ms. Ennis said the advisory committee would like to be able to give their recommendations and rankings to the Long-Range Planning Committee earlier. Chairman Thoft said it has been suggested that the appropriations bill state that all grant applications for the cultural and aesthetic, legacy and water development programs be received by January 1, rather than September 1.

Senator Van Valkenburg (30:A:211) stressed the importance of applicants having the advisory committees recommendations on their projects prior to their hearing date before the subcommittee. He said many applicants did not receive the advisory committee's recommendations prior to their hearing and it made it difficult for them to respond to committee questions in

a meaningful manner. John Talbut said he felt the advisory committee needs clarification on when their recommendations should be made public.

EXECUTIVE ACTION: Madalyn Quinlan (30:A:384), Staff Analyst, Legislative Fiscal Analyst's Office explained the revenue estimates for the Cultural and Aesthetic Grants Program (EXHIBIT 6). She said that interest earnings from the Park Trust were estimated to generate \$1,260,000 in revenues for the cultural and aesthetic grants over the 1987 biennium.

Statewide Cultural and Aesthetic Projects: In discussion the following projects were flagged as ones of concern for committee members:

Senator Van Valkenburg (30:B:686) - #141, Logon, vagueness of project; #121, Stanley Howard, opens door to anyone wanting to write a book; #132, KGLT-FM, management problems at KGLT and dilution of quality of FM stations in existence; #162, Vigilante Players, is there a need to fund three different touring groups.

Representative Ernst (30:B:066) - #166, Montana Play Creation, in his mind he felt this was a soft proposal. Chairman Thoft pointed out that the advisory committee had attached quite a contingency to granting of funds. #139, Magic Movers, the advisory council critique was quite strong about the group's new management. Senator Van Valkenburg pointed out it is the only dance project recommended for funding. Representative Ernst withdrew his concerns about the project. #110, Kleffner Barn, acquisition of the property will be the determining issue before funding planning.

Senator Fuller (30:B:191) - #147, Watershed Foundation, concern about Mansfield's cooperation with project. Senator Van Valkenburg said he felt the issue is whether or not to do a documentary now while Mansfield is alive or after he is dead. He said he felt the citizenry of Montana would be at a loss if done after his death. #122, Leadership Training for Symphonies, said he felt if projects needed to be cut, this one could be. He questioned if this is the best way to spend tax dollars, why not hold a conference for all nonprofit organizations who need help in learning how to raise funds.

Senator Fuller (30:B:450) moved that all statewide cultural and aesthetic projects, except #110, #121,

#122, #132, #141, #147, #162, and #166, be tentively approved for recommended funding. The motion passed unanimously.

Senator Van Valkenburg (30:B:468) asked members of the advisory committee and Arts Council to comment on the concerns of the committee on the eight projects which were not included in Senator Fuller's motion for funding. Ms. Ennis' comments were as follows:

Watershed Foundation (30:B:477) - Ms. Ennis said the advisory committee felt this is a good topic and thought funding at anything less than \$25,000 will jeopardize the success of the project.

Vigilante Players (30:B:526) - Ms. Ennis said the advisory committee had the same concern about how many tour groups should be funded. Bill Pratt reminded the committee that all the touring groups travel at difference times of the year.

Montana Play Creation (30:B:594) - David Nelson said the committee likes the idea behind the project but felt the project is breaking new ground and has concerns about its success.

Logon (30:B:624) - Ms. Ennis said the committee could see intriguing aspects of the project and based their recommendation on the highly successful conferences held on the same subject at Montana State University.

KGLT-FM (30:B:669) - Ms. Ennis said they felt the subject matter for this project is good and the advisory committee based their recommendations on this. David Nelson said the project applicants understand that their project must be shared with public radio stations throughout the state.

Stanley Howard (30:B:709) - Ms. Ennis said the advisory committee felt the research involved in this project could be valuable in water rights issues.

Kleffner Barn (31:A:001) - Ms. Ennis said the advisory committee felt there is a potential for duplication of the agriculture museum in other areas and, therefore, felt the recommendation for planning funds is in order.

MASO Leadership Training Conference (31:A:008) - Ms. Ennis said the committee felt there is a potential in this project to make symphony board

members more useful to the symphony by providing training on how to raise funds. She said the committee felt the original project budget was grossly inflated and they felt a reduced recommendation for a one day conference will help launch the group's idea.

CULTURAL AND AESTHETIC CAPITAL EXPENDITURE PROJECTS:

The following projects were flagged by the committee in the area of Cultural and Aesthetic Capital Expenditure Projects:

Senator Van Valkenburg (31:A:096) - #154, #155, #156, Beall Park Art Center, Senator Van Valkenburg asked if this is the only art center in Bozeman. Ms. Ennis said yes. David Nelson said for years Bozeman had a privately owned art center which went out of business and at that time the community rallied and started the Beall Art Center. Senator Van Valkenburg asked if Gallatin County has a museum mill levy. Mr. Nelson said no. Ms. Ennis (31:A:432) said they had a sketchy grant application and committee felt they could only recommend #154 for funding. Senator Van Valkenburg said an art center is very basic to community culture and this center does not have community support in the form of a mill levy. #120, Broadwater Productions, Grandstreet Theatre, he is disturbed by the fact that when the grant was submitted the applicant was unwilling to provide matching funds and then when they realized they were not being recommended for funding they became willing to provide matching funds.

Representative Ernst (31:A:157) - #120, Broadwater Productions, Grandstreet Theatre, will continue regardless of cultural and aesthetic funding and they have the advantage of a 5 minute lobbying group, suggested they come back in two years with a proposal which includes their matching funds.

Senator Fuller (31:A:170) - #120, Broadwater Productions, Grandstreet Theatre, he said he though it is a good project, the theatre does have community support and he did not feel their lobbying of the committee detracted from the quality of the project. Senator Van Valkenburg said he felt the Helena community does support the theatre but for one reason or another the advisory council chose not to recommend funding for this project and wondered if they would recommend it now that matching funds are available. Ms. Ennis said the advisory committee felt the Helena Civic

Center proposal met project criteria better and provided more evidence of private fund raising efforts. Senator Fuller said because the group is not a professional company their needs are different from other theatre groups receiving funds.

Chairman Thoft (31:A:239) - #111, Helena Civic Center, asked who owned the Civic Center and who supports its operation. Bill Pratt said it is municipally owned. Carolyn Ennis said both private and city funds have been contributed to the renovation project and the committee felt this met their criteria. Dick King said there is no mill levy that would apply to this project.

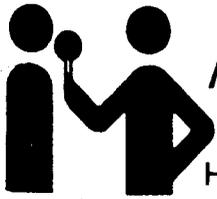
Senator Van Valkenburg (31:A:345) - #133, Powell County Museum and Arts Foundation, asked how much discussion did the advisory committee have about the need for a Law Enforcement Museum. Ms. Ennis said the committee did discuss this aspect of the project but felt the project made a historic building reusable. She also said they recommended reduced funding and a match to bolster the interest of the law enforcement community in the project. John Cook pointed out that the museum idea does have a tourism value. Chairman Thoft said he could not support this project until an effort had been made to get the county to levy a museum mill.

Senator Tveit (31:A:462) - #94, Fox Theatre Corp., #108 Culbertson Library Board, #124, Stacey Hall, #160 Sunnyside Library, he said his concern is that large amounts of funds (#94, \$103,900) are going to urban areas and rural projects are receiving small amounts or nothing at all (#108, \$3,747, #124, \$15,000, #160, \$0.00). He read from a letter received from Marvin Balzer, board member, Huntley Project Museum (EXHIBIT 7). He said the funds requested by the small communities are badly needed because they don't have a large population base to get private contributions from for their projects.

There being no further business before the subcommittee the meeting was adjourned at 11:55 a.m.

  
ROBERT THOFT, Chairman





Montana Oral History Association

P.O. Box 1282  
Helena, Montana 59624

Exhibit 1

1-28-85

Bradshaw

January 28, 1985  
Helena

The Montana Oral History Association wishes to go on the record in support of funding for the Oral History Program at the Montana Historical Society and for the Folklife Project at the Montana Arts Council from the Cultural and Aesthetic Grant Project monies.

The Montana Oral History Association is a volunteer organization with members, amateur and professional, from throughout Montana. We exist to encourage the collection, preservation and use of oral history in Montana. These goals are accomplished through publications, including a newsletter and a manual on oral history, conferences and workshops. We are often called on to provide consultation for local oral history projects and programs.

Having just completed eight months of on site visits to access the state of oral history in all fifty-six counties and on all seven reservations, we are strongly convinced of the importance of the Oral History Program and the Folklife Project to the quality of community-based programs. Museums, historical societies, libraries and Indian culture committees often knew of and had the highest praise for these programs and the exceptional people who staff them.

Speaking for our members and the many historical and cultural organizations throughout Montana, we stress our belief that the cultural and historical activities of our state will be seriously diminished if these programs are not funded. On that basis we urge your support for funding of the Oral History and Folklife programs.

Thank you.

**Lone Rock School**  
Stevensville, MT 59870

Exhibit #2

1-28-85

**1885**



**1985**

**Centennial**

"Expenses"

Celebration :

Needed

2000-5000 people

Fireworks	\$ 2,000.00
Barbecue	\$ 5,000.00
Entertainment	\$ 700.00

totaling \$ 7,700.00 needed

Money Raised :

Fire works

\$ 775.00	Stevensville Civic Club
\$ 500.00	3 Mile Fire Department
\$ 725.00	from Donations by individuals

( to be collected )

Barbecue

Beef, Pork & Lamb - meat-  
The Rest (some donations )  
utensils & plates

Entertainment

Band for the dances  
The rest will be donated

History:

**Lone Rock School**  
Stevensville, MT 59870

**1885**



**1985**

**Centennial**

con't

History :

\$ 1,000.00 transportation

( interviews & research ) ( Hamilton, Missoula, Helena)

\$ 2,500- \$ 3,000.00 Pictures

\$ 500.00 Case for display

Totaling

\$ 4,500.00

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**Lone Rock School**  
Stevensville, MT 59870

Exhibit # 3

1-28-85

**1885**



**1985**

**Centennial**

Calender of Events : for the 4<sup>th</sup> + 5<sup>th</sup>

Bitterroot Mountettes

Stevi Community Band

Sandy Ingersoll - demonstration talents

Draft Horse Show or compitetion

Dance - each night

Barbeque

Fireworks display

Square Dancing

1800's Style show

School Building Tours

Senior Citizens Band

Sweet Adelines

Newman Family Band

Don Parks Band for the 4th (Dance)

Don Felcher Band

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# Lone Rock School

Stevensville, MT 59870

1885



1985

## Centennial

----- Possibilities -----

Old Time Fiddlers

Balloonists

Sky Divers

National Guard or Malmstrom Fly Over

Helicopter Rider

Local photographers-- old time pictures

Local artist demonstrations

Antique wagon & buggy display

Le Grand Harvey

Ravalli County Vintage Car Club

Fire Department Demo.

Neaves Family - old time music-

Barbar Shop Quartet

---

Exhibit 4

1-28-85



**MONTANA CULTURAL SURVEY '82**

**MONTANA ARTS COUNCIL**

1280 SOUTH THIRD STREET WEST  
MISSOULA, MONTANA 59801  
406/543-8286

## **THE COUNCIL AND ITS SERVICES**

**Established in 1967 as an agency of state government, the Montana Arts Council encourages the expansion of opportunities for all Montanans to create, participate in and appreciate the wide range of all the arts regardless of age, sex, ethnic origin, income, physical ability or place of residence. The Council strives to instill in Montanans the realization that the arts and creativity are a natural resource which must be preserved and promoted to advance our cultural legacy.**

**The Council extends resources and services to communities, organizations and individuals to stimulate and strengthen quality arts programming throughout the state by: providing financial assistance, through a competitive granting process, to support arts events, organizations and networks; delivering technical assistance in response to identified needs; coordinating support systems and making available touring opportunities for the maximum benefit of Montana audiences; facilitating arts experiences with professional artists for as many students in Montana's schools as possible; identifying, documenting and presenting aspects of Montana folklife; fostering the documentation of Montana's arts endeavors in both visual and written forms; serving constituencies with special needs. Within limited available resources, the Council also initiates research, planning, evaluation and dissemination projects in the best interests of the consumers and producers of the arts in Montana.**

## **COUNCIL MEMBERS**

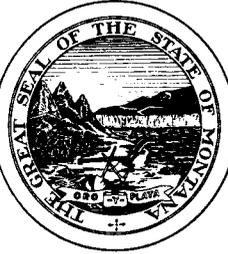
**The Council is composed of fifteen private citizens who are appointed by the Governor and who serve without pay. The Council meets four times a year to develop policy and to make final decisions on applications for funding.**

**Jessica Stickney, Chair (Miles City)  
Sue Talbot, Vice-chair (Missoula)  
Ceridwen Breen (Missoula)  
Robert Cavanaugh (Kalispell)  
Lorilee Driscoll (Butte)  
Shirley L. Hanson (Havre)  
Sonia Hoffmann (Helena)  
Howard Hunke (Sidney)  
Claudette Johnson (Helena)  
John Johnson (Glendive)  
Preston Stiffarm (Harlem)  
Charles Tooley (Billings)  
JoAnne Troxel (Bozeman)  
Carolyn Valacich (Great Falls)  
Patrick Zentz (Laurel)**

## **STAFF AND CONTRACTED SERVICES**

**David E. Nelson, Executive Director  
Michael Korn, Folklife Project Director  
Carleen Lassise, Accountant  
Jo-Anne Mussulman, Grants Officer  
William Pratt, Community Arts Coordinator  
Patricia Simmons, Artists-in-the-Schools/Communities Coordinator  
Kathy Burt and Jenda Cummings, Support Staff**

# MONTANA ARTS COUNCIL



TED SCHWINDEN, GOVERNOR

1280 S. 3RD WEST

STATE OF MONTANA

(406) 543-8286

MISSOULA, MONTANA 59801

January 3, 1984

Dear Friend of the Arts:

We are pleased to provide you with a copy of our recently completed Montana Cultural Survey. It represents cooperation from all segments of our cultural community including libraries, arts and historical museums, public and private schools, colleges, universities, and arts organizations from across the state.

This report documents, in part, the impressive growth experienced by Montana's "cultural sector" during the last fifteen years--a previous study having occurred in 1967. There currently exist almost 1,000 organizations which provide arts and humanities programming and services. With revenues of \$40.8 million dollars, the cultural sector is an element of Montana's economy which has been long overlooked. Funds spent directly by these organizations are amplified by the role they play in improving the quality of life and in attracting technology-based and highly skilled businesses and industries.

As in every other state, Montana's cultural organizations are supported by an essential mix of public grants and appropriations, private gifts and donations and earned income. While the full effect of the economic downturn of the 1980's is still to be felt, the survey indicates that expenditures may outstrip income by the end of the decade for many cultural organizations.

The Montana Cultural Survey emphasizes the importance of our state's cultural life and draws our attention to the need to reflect on its changing role in Montana. We hope that it will be useful to you in describing the current funding situation and a starting place to discuss the amounts and sources of funding necessary to meet the future needs of our state's cultural organizations.

We invite your comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "David E. Nelson".

David E. Nelson  
Executive Director

MONTANA CULTURAL SURVEY '82

COMPILED BY:

WILLIAM B. PRATT  
Community Arts Coordinator

with the assistance of:

Kathy Burt  
Jenda Cummings

MONTANA ARTS COUNCIL  
1280 S. 3rd West  
Missoula, MT 59801

December, 1983

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## 1. INTRODUCTION

The arts and cultural activities are a significant and growing part of the economy of Montana and are increasingly perceived by the citizens of our state as vital to our quality of life. The Montana Arts Council conducted the MONTANA CULTURAL SURVEY '82 to identify arts and cultural organizations, estimate the revenue generated, and assess their financial needs. This is the Montana Arts Council's first attempt at a census--the start of an ongoing information collection process about our state's cultural sector.

The cultural life of a community is a measure of its quality of life and vitality and is especially important where isolation, community tension, unemployment or population growth places stress upon the social fabric. Arts and cultural activities provide opportunities for growth and enjoyment--creating social settings for sharing common experiences. A community's cultural life also helps residents gain knowledge about their past, celebrate the present and plan for the future.

A major concern to Montanans is the economic development of our state. The cultural sector has an important place to play in helping Montanans earn a living. The 1980 U.S. census indicates that .83% of Montana's civilian labor force are artists. This represents an increase of 57% from the figures reported in the 1970 census--one which exceeds the national average (National Endowment for the Arts). Others earning a living in the cultural sector are librarians, administrators of historical museums and art centers, owners and employees of galleries and shops, and teachers who also pay taxes and purchase goods and services.

Our state's estimated 7,961 fairs, festivals, visual and performing arts and cultural events provide reasons for people to visit a community. Not only do they spend money on the event, but they also purchase food, lodging, gasoline and merchandise. We can assume that 10% of all tourists have an interest in participating in some form of the arts or cultural activity while on vacation.

The Montana Tourism Marketing Development Plan (Davidson-Peterson Associates, Inc., December 1980), estimates that 2,675,000 tourists visit our state each year. According to the Montana Promotion Bureau, the average tourist party consists of 3.2 persons, stays 4.9 days and spends approximately \$72.00 per day.

If these visitors who are interested in seeking out cultural activities could be enticed to spend an extra day in Montana, the sales revenue realized would be \$6,018,750. The Bureau of Economic Research at the University of Montana estimates that 20 percent of sales to tourists ends up as direct income to Montanans--the remaining 80 percent leaves the state in the form

of payments to wholesalers for film, food, gasoline and other items. The "multiplier" effect doubles the impact of the dollars which remain in the state--for a total increase in annual income of \$2,407,500.

The cultural sector is not overlooked by executives charged with the responsibility for industry relocation or the establishment of branch plants or offices. In fact, high technology industries which employ professional and highly educated personnel can be expected to put a particular value on the cultural and educational life of communities in which they reside ("The Bottom Line", Massachusetts Council on the Arts and Humanities, 1983). It is precisely these clean industries which have great appeal to Montanans as we seek to strengthen and diversify our economic base (Boyer & Savageau, Places Rated Almanac, 1981; Cwi, The Role of the Arts in Urban Economic Development, 1980).

Montana's cultural sector has grown steadily during the recent past and there is increased pressure for services as communities become accustomed to having arts and cultural activities available. There are indications that expenditures may soon threaten to overwhelm income, and based on current requests versus funds available, even such a source as significant as the Coal Severance Surtax for "cultural and aesthetic projects" may prove insufficient to meet the demand for support of cultural programs and facility development.

The cultural sector will need to maximize income from currently available resources such as general fund appropriations, permissive mil levies or revenue sharing funds. In addition, new mechanisms such as endowments or community foundations will have to be created to tap individual, foundation and corporate sources. Based on current funding trends, organizations may have to act collaboratively in order to tap various sources such as the National Endowment for the Arts Challenge grants.

As Montana looks forward to 1989, our Centennial year, it is essential that accurate information is available to state, regional and local governmental agencies for planning future cultural development. We must know what level of support will be needed from state sources as well as the funding available from local government, private and business donations, earned income, foundation and federal grants. The Montana Cultural Survey '82 is an important first step in providing data not only to assess the current situation but also to project future needs and to develop strategies to meet them.

How well we meet the challenge of providing adequate revenue for the cultural sector will determine how we are served by those organizations during Montana's second hundred years.

## 2. SUMMARY OF FINDINGS

▶ In 1981 Montana's cultural organizations sponsored 7,961 cultural events which were attended by 6.4 million people.

▶ Montana's arts and cultural non-profit organizations, public agencies (schools, libraries, colleges and universities) and businesses (shops and galleries) are estimated to receive 40.8 million dollars in annual revenues for cultural programming.

▶ Montana's 481 non-profit arts and cultural organizations account for almost one-third of total revenues with half of these organizations having an annual income of under \$5,000.

▶ While non-profit organizations earn a substantial part of their income, they must obtain private or public contributions to pay for half of their annual expenditures.

▶ Endowments or interest income generates only one-sixth of the income for Montana's non-profit cultural organizations. This represents half the legal limit and may be expanded to generate another 2 to 3 million dollars per year.

▶ Cultural organizations spend most of their money on program and very little on facilities. Public agencies are more likely to make capital expenditures than either non-profits or businesses.

▶ On the average, Montana's cultural businesses currently show a profit and some non-profits have operating reserves. However, most non-profits are barely breaking even or experiencing a deficit. The trend from FY81 to FY84 indicates that there will be a decreasing number which have reserves at the year's end and an increase in those who are "in the red."

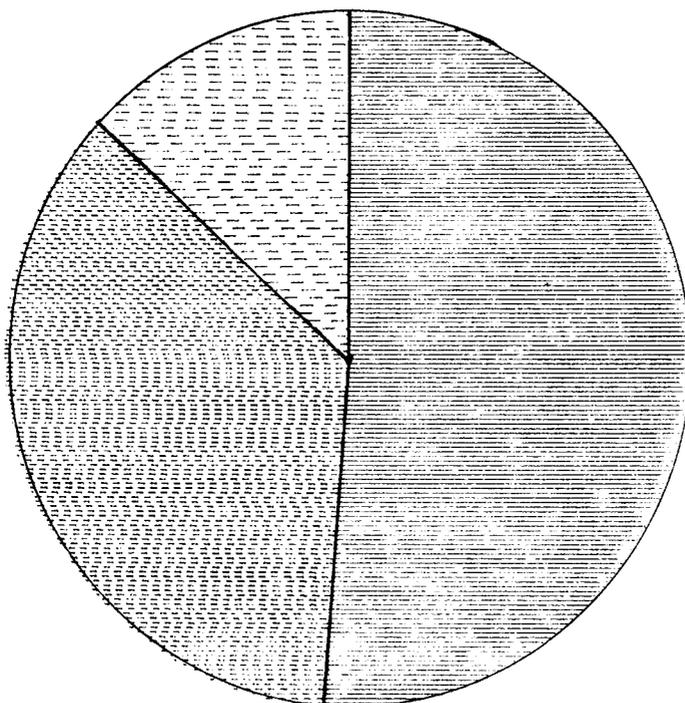
▶ Income for non-profits is predicted to level off between FY82 and FY84 while expenditures continue to increase. Inflation will cause expenditures to equal revenue in FY85-86. Many non-profits will be faced with raising more money, living off savings or cutting expenses and programs.

▶ Non-profit cultural organizations are projected to have a deficit of 3.8 million dollars in FY 90. However, increased county mil levy appropriations and interest from endowments may provide the necessary income.

### 3. The Survey

In the late summer and fall of 1982, questionnaires were mailed to 945 cultural (arts and humanities) organizations. The Montana Arts Council received an average response (31%) of returned questionnaires. Included were 150 non-profit groups (e.g. art centers, historical museums, fairs and festivals, performing groups), 18 privately owned galleries and shops and 108 public agencies such as schools, libraries, colleges and universities.

CHART I- Montana Cultural Organizations



■ 51 % - NON-PROFITS  
■ 36 % - AGENCIES  
■ 13 % - BUSINESSES

The Montana Arts Council used the Montana Cultural Survey '82 as an opportunity for organizations to report not only their individual needs but also to address county-wide concerns. County Superintendents of Schools were invited to host county cultural meetings. Their participation was encouraged by the Superintendent of Public Instruction and the Lieutenant Governor also informed county commissioners and mayors about the survey.

Approximately 15 county cultural committee meetings were conducted. While most of these were limited to one or two sessions, a few counties are still meeting. Some discussed proposals to be submitted to the 1983 Legislature for funding from Coal Surtax Revenues for "cultural and aesthetic" projects. For example, the Cultural Alliance for Eastern Montana has been funded from this source to provide a resource coordinator to serve 19 eastern Montana counties. His/her primary responsibility will be the further development of county cultural committees.

#### 4. EVENTS AND AUDIENCES

In 1981, it is estimated that Montana's cultural organizations sponsored 7,961 cultural events. They were attended by 6,439,714 people. Non-profit organizations sponsored the majority (61%)--or 4,903 events for an audience of 2,939,055. The attendance at events sponsored by non-profits averaged 528 people per event, while public agencies drew 1,208 and private galleries and shops attracted 1,456.

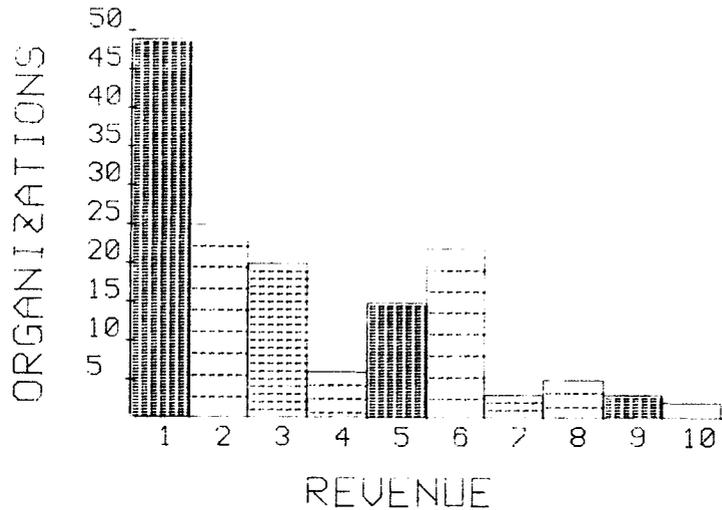
The number of events provided by cultural organizations is directly related to resources and thus is not only a measure of the level of programming available to the public but also of the cultural health of our state. For the purpose of this survey, an event is defined as the smallest unit of programming, i.e. one showing of a film, one performance of a play, or a visual arts exhibition.

Audience attendance is a measure of the response of the public to cultural offerings. It is an indication of how well the choice of material meets the needs of the community, the effectiveness of scheduling and promotional efforts, physical accessibility and the cost of the event. The accuracy of this indicator is dependent upon consistent record keeping. Ticket sales or admissions provide the most dependable figures. Often organizations must rely on door counts, tabulation of sign-in sheets or in some situations a "best guess" estimate.

#### 5. REVENUE

Cultural organizations in Montana generate an estimated average annual revenue of \$40,837,417. The majority --67 percent--was received by public agencies such as schools, libraries, colleges and universities. Non-profit organizations raised \$12,470,325 (29%) and the remaining 3% was accounted for by private businesses.

CHART II- Distribution of Average Annual Revenue Received by Non-Profit Cultural Organizations



- 1 - \$0 - \$999
- 2 - \$1,000 - \$4,999
- 3 - \$5,000 - \$9,999
- 4 - \$10,000 - \$14,999
- 5 - \$15,000 - \$24,999
- 6 - \$25,000 - \$49,999
- 7 - \$50,000 - \$74,999
- 8 - \$75,000 - \$99,999
- 9 - \$100,000 - \$249,999
- 10 - \$250,000 +

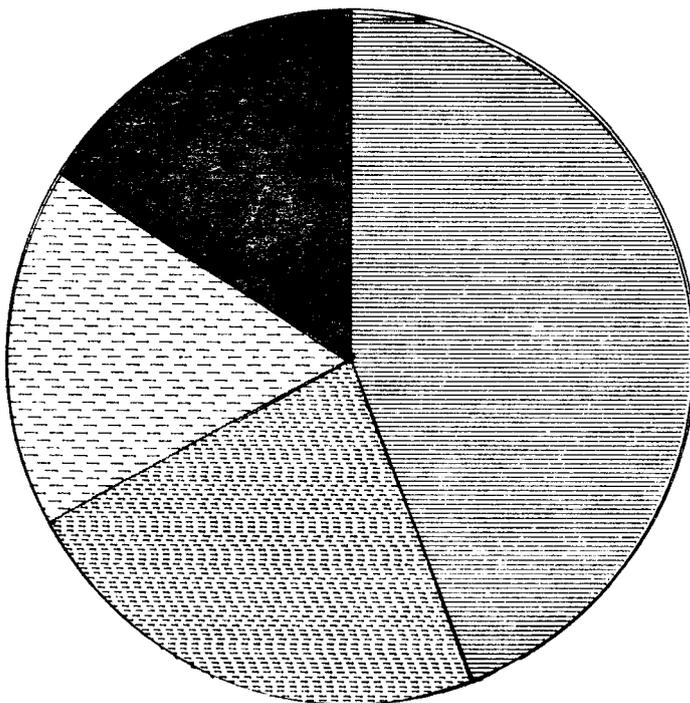
**A. The Funding Mix**

Cultural organizations receive financial support from a number of sources. These are:

- (1) earned income from ticket sales, subscriptions, or workshop fees
- (2) private contributions from businesses, foundations and individuals
- (3) government grants and annual support from local, state/regional and the federal government
- (4) other income such as from interest, bequests or endowments.

Non-profit organizations exhibit a more diversified funding mix than either public agencies or businesses which are primarily dependent upon government appropriations or sales. A comparison was made to revenue figures from 12 other states and a metropolitan area. While Montana's cultural non-profits experienced equivalent percentages from earned income (44%) and government sources (23%), they are substantially behind in private contributions which make up only one-sixth of non-profit annual income. "Other" income such as the interest from investments or endowments yield an additional one-sixth of non-profit income. This is substantially higher than that received by the other states surveyed. Examination of revenue source figures from FY81 to FY84 does not reveal any trends which would substantially alter these percentages.

CHART III- Sources of Revenue for Non-Profits



-  44 % - EARNED INCOME
-  23 % - GOVERNMENT
-  17 % - PRIVATE CONTRIBUTIONS
-  16 % - OTHER

B. Governmental Funding

Government funding of cultural activities in the U.S.A. is a relatively recent phenomenon. It wasn't until the Great Depression of the 1930s that the Federal government initiated a Public Works of Art program and only in 1965 were the National Endowments for the Arts and the National Endowment for the Humanities formed. In the last two decades there has been an upsurge in the creation of state and local arts agencies and humanities committees.

President Reagan's Task Force on the Arts and Humanities recently emphasized the continuing need for public support which helps to:

- (1) preserve and advance our pluralistic cultural and intellectual heritage,
- (2) encourage creativity,
- (3) stimulate the quality of education,
- (4) enhance our general well-being, and
- (5) stimulate diverse private and public support which provides flexibility for cultural institutions and individuals.

In Montana, county mil levy support for historical museums and libraries predates the establishment of the Montana Arts Council (1967) by many years. And it wasn't until 1983 that the appropriation of coal tax revenues for "cultural and aesthetic" projects moved Montana from the bottom to an average place in state per capita funding for the arts.

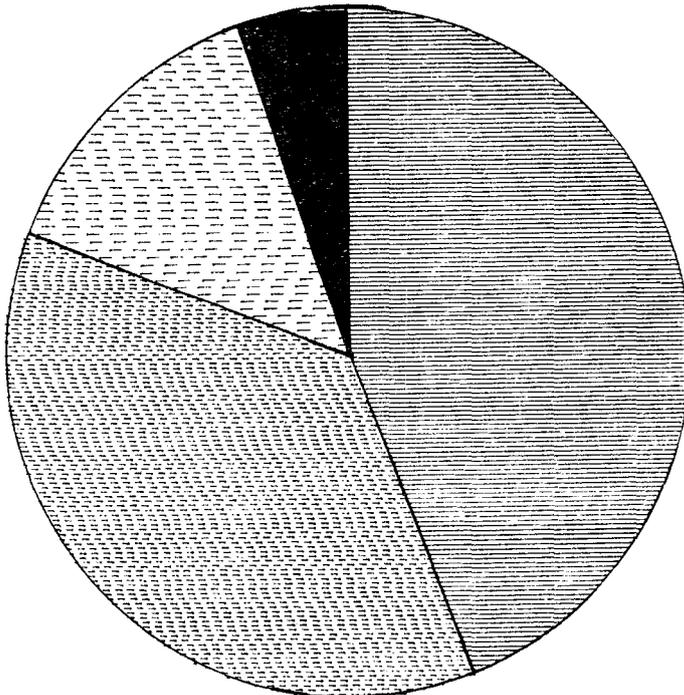
Government support for all cultural organizations in Montana is estimated to be an annual average of \$25,200,213. Of this only 2.8 million dollars or 11% is received by non-profit organizations the balance being used to fund publicly supported agencies such as schools and libraries.

Montana's cultural organizations received a total of \$5,941,231 in Federal grants. Only \$392,798 was received by non-profits.

Funds from state sources total \$6,177,778. Of this, 1.3 million dollars or 20% goes to non-profit organizations. During FY 84 and FY 85, the Montana Legislature appropriated \$400,000 per year from the interest earned by the Coal Severance Surtax for "cultural and aesthetic projects." These funds have been used since 1976 to help fund a variety of programs and facilities sponsored by public agencies and non-profit organizations. Requests have increased 373% since the 1981 Legislative session. Currently, the fund had been asked to support projects totaling 3.5 million dollars, but was able to meet less than one-quarter of those requests.

Montana counties contributed \$1,048,321 to cultural organizations. Of this amount, \$739,661 in FY 83 came from county permissive mil levies.

CHART IV- Sources of Governmental Revenue for Non-Profits



-  44 % - STATE
-  37 % - COUNTY
-  14 % - FEDERAL
-  5 % - CITY

Historical museums and art centers in 18 Montana counties receive this support. Currently, only 12.4 mils of this fund are being used--the legal limit is 112 mils which has the potential of providing an additional 4 million dollars.

Cities in Montana contributed \$4,530,734 annually to cultural organizations with only \$128,028 going to non-profits.

In summary, non-profit cultural organizations received 2.8 million dollars or 23% of their support from public sources as follows:

Federal	\$	392,798	3.1%
State		1,258,142	10.1
County		1,048,321	8.4
City		128,028	1.0
TOTAL	\$	2,827,289	22.6%

#### C. Private Contributions

Individuals, businesses and corporations gave \$2,913,250 to Montana's cultural organizations, with almost three-quarters of the total going to non-profits.

While Montana is estimated to be above the national average in revenue received from earned income, government and "other" sources, revenue from private sources was substantially lower.

Individuals in our state's communities support cultural institutions through memberships and donations, but business and corporate support has always been problematic. The lack of corporate executive offices, major urban areas and cultural organizations of national reputation have not produced a climate conducive for substantial corporate funding. In addition, there has not been a concerted effort by cultural organizations to tap this source as has been done in other states through business committees for the arts or united fund drives.

Recently, there have been indications that the corporate funding picture may brighten since both the Burlington Northern Foundation and the First Bank System have substantially increased their giving to cultural organizations in Montana.

According to the Foundation Center (New York City, NY), a national resource for funding information, 3.15 billion dollars or 5.2% of all philanthropic giving in the United States was contributed by foundations during 1981. During that year, 208.7 million dollars was granted nationally to cultural activities.

The National Foundations Database-1983 lists 50 foundations in Montana. During 1982, these foundations had assets of 16.2 million dollars and awarded \$831,399 in grants. This is a 13.3 % increase in giving from 1979 but represents less than .01% of total foundation contributions in the United States. Montana rated 43rd in foundation giving in 1979. (Foundation Fundamentals, 1980) Currently, Montana does not have a major foundation which has the sole purpose of supporting our state's non-profit organizations.

D. Other Income

Income from "other" sources which included bequests, endowments and interest payments totaled \$3,119,410 for all of Montana's cultural organizations. Non-profits received almost 70 percent of this income.

A non-profit organization may receive up to one-third of its income from interest income. As "other" income only comprises one-sixth of non-profit revenue, it is estimated that an additional two to three million dollars could legally be raised by the cultural sector.

In order to maximize interest income, non-profits often keep temporary cash assets from non-governmental sources in short term certificates of deposit or money market funds. Endowments, however, provide an effective way for an organization to receive bequests which can be invested in financial instruments with higher rates of return and thus generate consistent, long term operating support.

Although not a focus of this survey, informal discussions with non-profit organizations indicates that only the larger institutions have created endowments and even those may be too new to produce significant income.

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E. Support of Museums

Survey responses from 28 Montana historical museums and art centers were compared to a national survey of 4,609 museums conducted by the Institute of Museum studies in 1977.

Montana's museums and art centers earned less of their income and are not as dependent on Federal grants as the national sample. Support from private sources is about the same for both. Montana's historical museums are more heavily state supported than the national sample and local sources of revenue rank higher for our art centers and museums. Montana's historical museums receive significantly more income from "other" sources than does the national sample. Our art museums, on the other hand, obtain less income from "other sources"--a percentage which equals the national average.

CHART V- Comparison of Revenue Sources of Museums

	Sample	Earned	Private	Federal	State	Local	Other	Total
=====								
Montana Cultural Survey '82								
-Art	19	32%	17%	2%	7%	33%	9%	100%
-Other	9	35%	8%	2%	20%	2%	33%	100%
* Montana sample includes museums and art centers								
Institute of Museum Studies: Museum Program Survey '77								
-Art	624	48%	16%	8%	5%	14%	8%	99%
-Other	3,985	40%	10%	16%	14%	18%	3%	101%
=====								

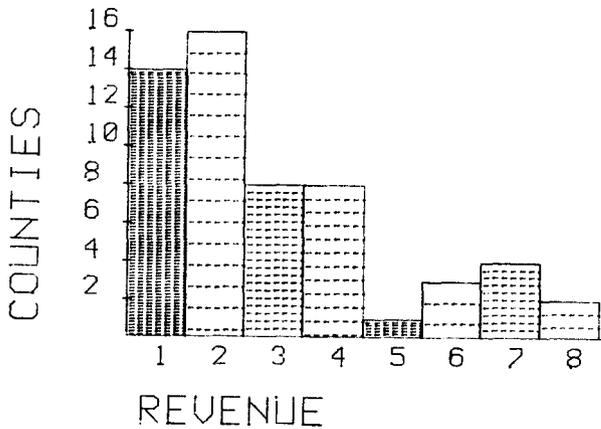
F. County Revenue

Cultural organizations in forty two Montana counties reported receiving income. The average annual revenue per county is estimated to be \$972,319. Per county reported income ranges from \$1,346 per year to \$8,327,751 annually. Approximately half of Montana's 56 counties have more than \$50,000 in annual cultural revenue.

The six urban counties ( Cascade, Lewis and Clark, Gallatin, Missoula, Silver Bow and Yellowstone) accounted for 65% of the total reported revenue and 76% of the non profit revenue. These counties make up half of Montana's population. It is important to note that urban areas--especially those with universities and colleges-- are export-

ers of cultural activities. Thus, while revenue might be accrued by organizations in urban areas, it is often used to provide cultural opportunities to other parts of the state.

CHART VI- Distribution of Annual Revenue for All Cultural Organizations by County



- 1 - NOT REPORTING
- 2 - \$1 - \$50,000
- 3 - \$50,000 - \$250,000
- 4 - \$250,000 - \$500,000
- 5 - \$500,000 - \$1,000,000
- 6 - \$1,000,000 - \$2,000,000
- 7 - \$2,000,000 - \$5,000,000
- 8 - \$5,000,000 AND ABOVE

G. Institutional Revenue

Montana's historical museums, galleries and art centers receive average annual revenue of \$3,517,753 or 21% of the total. Facilities operated by non-profit organizations account for almost seventy-five percent of this total which equals half of non-profit revenues.

Performing groups receive \$1,403,497 and comprise 8% of the total revenue and almost one-quarter of non-profit income.

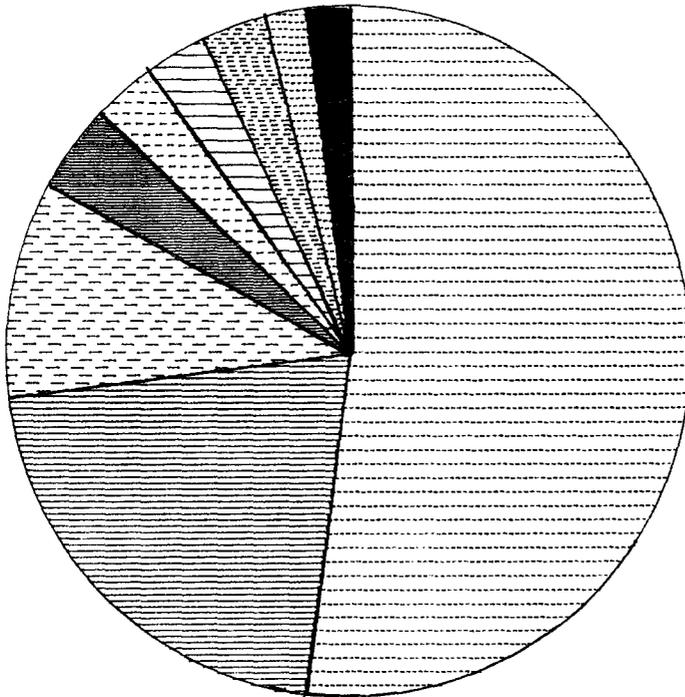
Community service organizations which include community performing art sponsors receive \$537,454 or 3% of the total revenue. They account for 10% of non-profit income.

Fairs and festivals, arts service organizations, unions and professional associations which include art guilds adds another \$407,736 or 3% of the total and 9% of non-profit revenue.

Historical societies receive \$293,005 and represent 2% of the total revenue and 3% of non-profit income.

Cultural media (radio, TV and periodicals) contributes \$376,118 or 2% of the total and 3% of non-profit income.

CHART VII- Annual Revenue of Non-Profit Cultural Organizations by Type



-  52 % MUSEUMS, GALLERIES, ART CNTRS
-  21 % PERFORMING GROUPS
-  10 % COMMUNITY SERVICE ORG.
-  4 % UNIONS & PROFESSIONAL ASSOC.
-  3 % ART SERVICE ORGANIZATIONS
-  3 % HISTORICAL SOCIETIES
-  3 % MEDIA (RADIO & TV)
-  2 % FAIRS & FESTIVALS
-  2 % OTHER

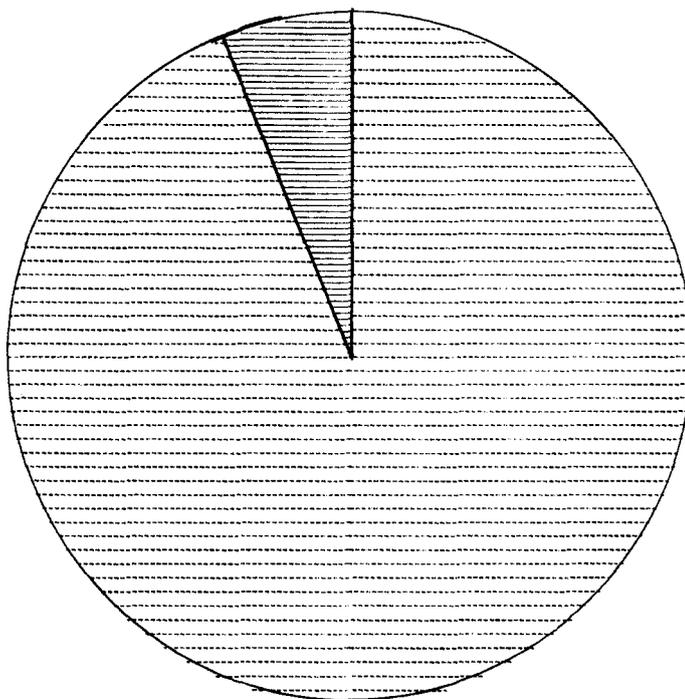
6. EXPENDITURES

Montana's cultural organizations are estimated to have annual expenditures of \$39,145,019. Public agencies spent 69% of total expenditures, with non-profits accounting for 28%. Businesses are estimated to spend 1.1 million dollars annually.

Of the total, 89% is spent on program, administration and acquisitions with the remaining 4.2 million dollars budgeted for capital expenditures, e.g. facility construction and renovation. Non-profits and businesses use 6% of their expenditures for facilities while public agencies spend 13%.

Capital expenditures by non-profits jumped 500% from FY 81 to FY 83 and are projected to decrease by one-third in FY 84. Agencies maintained a fairly constant 13% annual increase for capital expenditures over the four years. Businesses anticipated a decreasing trend of capital spending from FY 81 to FY 84.

CHART VIII- Expenditures of Non-Profit Cultural Organizations



94 % PROGRAMMING, ADMINISTRATION  
ACQUISITIONS  
6 % CAPITAL EXPENDITURES

A. Reserves and Deficits

One measure of the financial health of an organization is the extent of the reserves or deficit it anticipates. While Montana's cultural businesses and public agencies appear to be holding their own, a majority of non-profit cultural organizations are either barely breaking even or experiencing a deficit. There is a small but definite trend which suggests that this number will increase.

The average annual reserves of all cultural organizations is estimated to be \$1,728,397 with non-profits accounting for three-quarters of the total. Businesses retain 15% of their income with non-profits having operating reserves of 10%. Public agencies exhibited negligible annual reserves --most likely a result of "carry over" from funding source fiscal year differences.

Public agencies had an average annual surplus of \$840 with non-profits anticipating \$2,601 per year. Businesses had an average annual profit of \$1,534.

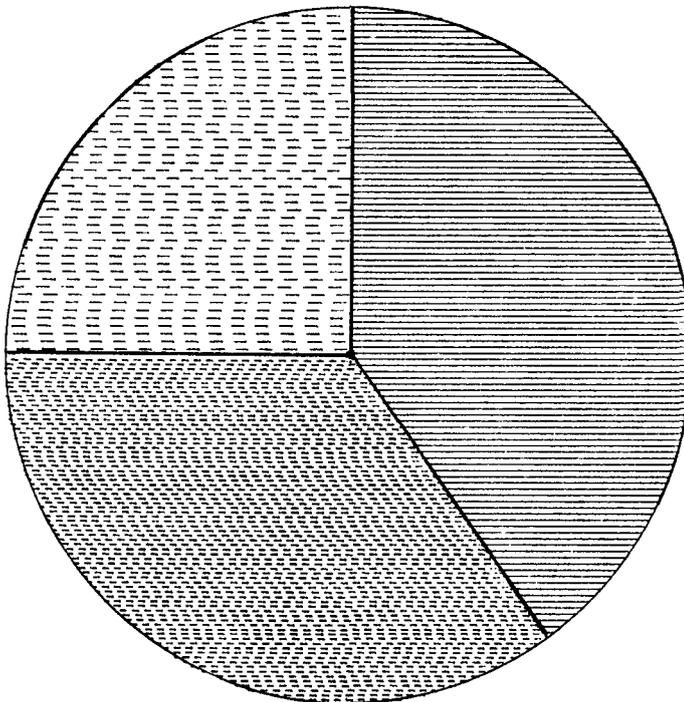
Non-profits as a whole exhibited annual reserves, but closer examination reveals that 35% are barely breaking even and 25% are experiencing deficits. The trend from FY81 to FY84 indicates an 8% increase in organizations with deficits and a 6% decrease in those with reserves.

Reserve income functions differently in each type of organization. While the main objective of business is to maximize profits, public agencies attempt to balance revenue and expenditures. Any reserve exhibited by agencies is primarily reflective of "carry over" funds created by funding source fiscal year differences. Unlike businesses and non-profits which weather inflation through increased prices, fundraising activities or accumulated reserves, agencies are dependent upon yearly appropriations to maintain current programming levels.

Non-profit organizations combine some of the characteristics of agencies and businesses. They serve a public function, but in most cases do not have an on-going commitment of government support. In many ways, non-profits function like a business although reserves do not accrue to any individual

in the organization. Current non-profit management practice encourages their boards of directors to earmark reserves for future contingencies. For example, the board may establish a building fund, create an endowment or allocate funds for operating expenses.

CHART IX- Percentage of Non-Profits having a Reserve, a Deficit or Breaking Even

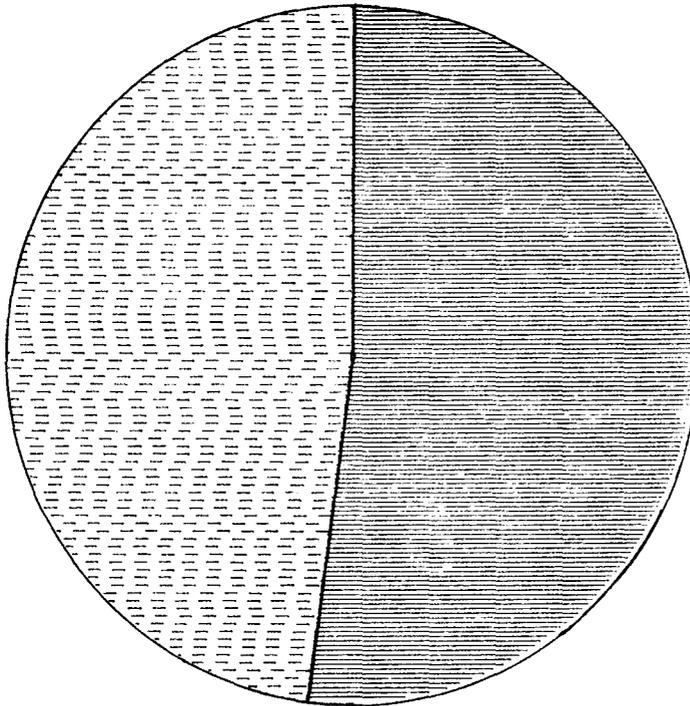


- ▨ 40 % - SURPLUS
- ▩ 35 % - BREAKEVEN
- ▧ 25 % - DEFICIT

**B. The Earnings Gap**

Revenue for non-profit cultural organizations are of two main types--earned income and contributed revenue. Contributed income is the bridge across what is called the "earnings gap"--the difference between total expenditures and earned income. While Montana's non-profit cultural organizations earned a healthy 44% of their annual revenue, they do not anticipate significant growth in this revenue source. Therefore, contributed revenue must be available to maintain current programs and to keep them within financial reach of Montana's citizens.

CHART X- Percentage of Earned and Contributed Revenue for Non-Profit Organizations



■ 52 % - CONTRIBUTED AND OTHER  
▨ 48 % - EARNED

Non-profit organizations anticipate that the amount of contributed and interest income necessary to "fill the gap" will grow from 48% of expenditures in FY 81 to 53% in FY 84. Currently, the average annual earnings gap for Montana's cultural non-profits is estimated to be \$5,435,822 or 52% of annual expenditures.

7. Revenue and Expenditure Projections

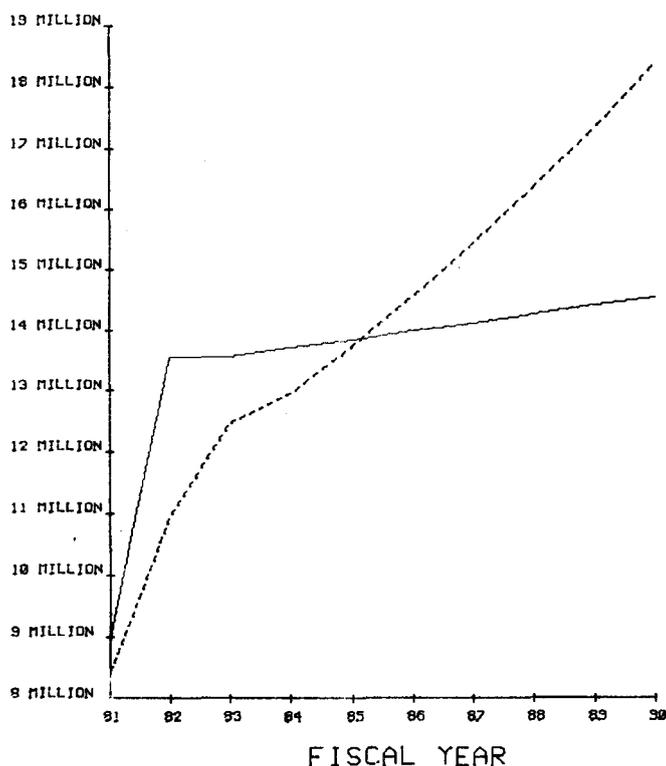
Using the income, expenditure and estimated growth rate data from the survey, projections can be made into the second half of this decade. Businesses and public agencies will continue to maintain an annual reserve, but for non-profits, expenditures may begin to outstrip income in 1986. As demand continues to increase for cultural services, available financial resources will be asked to contribute more and additional sources of income may need to be developed.

Business income is growing at a rate greater than expenditures, and therefore they will continue to experience a profit through 1990.

The income and expenditure of Montana's public agencies are both increasing at a rate of 2% per year and thus their year end reserves are estimated to grow from \$555,000 in FY 85 to \$750,000 in FY 90.

Non-profit cultural organizations experienced a 51% increase in revenue between FY81 and FY82. This was most likely because of an influx of money from the Coal Tax fund for "cultural and aesthetic projects", the infusion of new sources of corporate donations, the expansion of existing organizations or the creation of new ones. However, projected income is estimated to level off between FY82 and FY84. Expenditures which increased 31% between FY81 and FY82 are projected to be only 4% more in FY84 than in FY83. If expenditures continue to grow at a rate necessary to maintain current level programming--perhaps 6%-- they will equal revenue in FY 86. In 1990, the resulting deficit is projected to be 3.8 million dollars.

CHART XI- Projections of Annual Revenue and Expenditures for Non-Profit Organizations



—— REVENUE  
----- EXPENSES

With 60% of non-profit organizations barely breaking even or experiencing a deficit, important management decisions will need to be made. For those which have been able to accumulate reserves an immediate fiscal crisis can be forestalled by "living off savings." For those without reserves, new sources of income will need to be found or programming cut back. Perhaps a mix of all three approaches will be used by Montana's non-profit cultural organizations as they attempt to balance community need, sources of revenue and rising costs.

While Montana has experienced a growth in the cultural sector during the 1970s and early 1980s, it is apparent that even with the influx of Coal Tax revenues, this growth is beginning to outstrip available resources. State and Federal appropriations for arts and cultural organizations are not projected to increase significantly. While the initial prognosis looks somewhat bleak, there is an opportunity to more than match the projected deficit. The answer for increasing revenue lies in a number of avenues.

County permissive mil levy appropriations for historical museums and art centers exist in 18 counties, but only total 12.4 mils or \$784,387. The legal limit for the entire state is 112 mils and thus may potentially provide local support of 4 million dollars. As the legislature begins to require local governmental match for Coal Tax grants, the county mil levy will begin to become increasingly important.

The establishment of endowments or a community foundation can provide another source of income for the cultural sector by tapping bequests from members and supporters. Historically, this money has often gone outside of the state. However, as our organizations mature and become a significant and valued part of community life, the likelihood for these donations will increase. An estimated 2 to 3 million dollars could currently be legally absorbed by non-profit cultural organizations and prudent non-profits will explore this "untapped" revenue.

Funding sources on a regional and national level are becoming increasingly interested in supporting coalitions, networks and other types of cooperative activity. The funding levels involved and the matching requirements often put them out of the range of most Montana organizations. However, there is nothing which prevents a number of organizations from pooling their resources and making application cooperatively. Montana is just beginning to see this type of funding strategy develop. A grant for general support recently submitted to the National Endowment for the Arts Expansion Arts Program by the Montana Institute of the Arts, the Montana Art Gallery Directors Association and the Montana Performing Arts Consortium is an example of such an effort.

During the 1980s and 1990s, cooperative activity, development of new funding sources and maximizing those currently available will give Montana's cultural sector a chance to consolidate and solidify its hard won gains. This is not only a practical necessity but an essential one if we hope to continue to make significant cultural impact in Montana during its second hundred years.

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MONTANA ARTS COUNCIL



TED SCHWINDEN, GOVERNOR

35 SOUTH LAST CHANCE GULCH

STATE OF MONTANA

(406) 444-6400

HELENA, MONTANA 59620

DATE: January 28, 1985

TO: Representative Bob Thoft, Chairman  
Long Range Planning Committee

FROM: Bill Pratt, Director of Organizational Services  
Montana Arts Council

RE: Challenge Grant for Endowment Development

"While Montana's (non-profit cultural organizations) were estimated to be above the national average in revenue received from earned income and governmental grants and appropriations, private giving was substantially lower. Individuals in our state's communities support cultural institutions through memberships and annual donations, but business and corporate support and planned giving has always been problematic."

MONTANA CULTURAL SURVEY '82

"The need for increased funding. It came up at every table and is critical. The Montana Arts Council is being asked to do funding sources studies, training, endowment development assistance, and to explore a wide range of funding options. The commitment is strong to develop diversified funding bases, but a way to do this is less clear."

VISIONS OF '89: Montana Cultural Conference

"WHEREAS the financial needs of Montana's cultural sector continue to grow without the necessary public and private financial resources to sustain this growth.. and, Whereas the strength of the cultural sector is dependent upon stable and consistent financial resources, the Montana Arts Council resolves to explore and pursue the establishment of an endowment fund to provide this financial stability."

MONTANA ARTS COUNCIL, Resolution passed 10/84

AN EQUAL OPPORTUNITY EMPLOYER



P. 2 Challenge Grants for Endowment Development

POINTS FOR CONSIDERATION:

1. Non-profit organizations can legally earn up to one-third of their annual revenue from interest income.
2. In order to meet long term financial needs, arts and cultural organizations create permanent endowments. The principal is invested and the interest used to pay annual operating expenses.
3. This principal is often raised--not from annual donation campaigns-- but from wills, bequests, memorials, donations of securities, life insurance and property. In some cases, an individual can make a donation, receive income from it while he or she lives and still deduct it from their taxes. They donate from their capital rather than from their income.
4. These gifts are often larger than annual gifts, but take time for the organization to receive them.
5. Governmental agencies often help non-profit organizations develop endowments. For example, the National Endowment for the Arts and the National Endowment for the Humanities have programs in place to "challenge" the private sector to raise three dollars for every one federal dollar.
6. An opportunity exists in Montana to allow a portion of funds allocated for "cultural and aesthetic" project grants, to be used for endowment development.
7. These grants would:
  - A. meet an established financial need of the cultural community
  - B. stimulate additional private giving
  - C. insure the long term life of our cultural organizations.
  - D. make maximum use of Coal Tax funds.
  - E. be used to match NEA and NEH Challenge Grants
8. A "challenge grant for endowment development" option would supplement grants for projects, operating support and capital expenditures.
9. As it takes at least a minimum of three years to begin to develop an endowment, this option would need to be tested for the two Centennial biennia. It could be evaluated during the 1989 legislative session.

\*\*\*\*\*

Exhibit 5  
1-28-85

Exhibit #6  
1-28-85

LONG-RANGE PLANNING SUBCOMMITTEE

Funds Available for Appropriation by the  
1985 Legislature  
under the Cultural and Aesthetic Grants Program

Ending balance June 30, 1985:	\$ 35,000
Revenue (LFA Estimate)	
Interest earnings on Park Acquisition Trust:	1,260,000
Expenditures	
Art Council's Administration of Grant Program	<u>(33,300)</u>
Total Available for Appropriation	\$ 1,261,700
Projects recommended by the Cultural and Aesthetic Projects Advisory Committee	<u>(1,248,395)</u>
Balance:	<u><u>\$ 13,305</u></u>
Additional requests from the Arts Council for workshops, brochures and evaluations	\$ (29,000)

# Huntley Project Museum of Irrigated Agriculture

Exhibit # 7  
1-28-85



OSBORN, MONTANA  
Jan. 19, 1985

TO THE MEMBERS of,

Montana Long Range Planning  
Committee.

Rep. Steve Waldron  
Ron Miller  
Wm. Menahan  
Sen. Esther Bengston  
Matt Himsl  
Gary C. Aklestad

Montana Institutions & Cultural  
Education Committee.

Sen. Fred VanValkenburg  
Dave Fuller  
Larry Tveit ✓  
Rep. Bob Thaft  
Gene Ernst  
Francis Bardanouve

You will soon be receiving the recommendations of the Cultural and Aesthetic Projects Advisory Committee, as to the allocation of the Coal Tax funds for Cultural and Aesthetic Projects in Montana.

In our analysis of the Advisory Committee's recommendations we find that 26 groups will be receiving from \$20,000 to \$103,922. each. While 17 will be receiving \$10,000 or less each, and that they recommend that 22 projects receive nothing.

While it is conceivable that some projects are not in need of financial assistance or are not worthy of it. However it is unrealistic to believe that over 1/4 of the applicants have projects that are not worthy of financial assistance from the Coal Tax monies, while 9 are to receive from \$40,000 to \$103,922 of it.

This is precisely what is a major problem in our states economy, the large to ultra large get extra large funding help and the smaller and struggling get very little or none at all. It is entirely possible that denile of funds to the smaller projects could cause them substantial difficulty. The Huntley Project Museum of Irrigated Agriculture included.

We there-fore appeal to your better judgement and ask that you consider a 10% reduction in those over \$8,000 and allocate that amount porportionatly among those worthy applicants which are in the group of 22 which the advisory committee rejected.

The Coal Trains rattle our Museum daily.

Trusting your better judgement.

I am Sincerely,

*Marvin Balzer*

A Huntley Project Museum, Boardmember.

WITNESS STATEMENT

NAME SEN. WILLIAM YELLOWTAIL BILL NO. \_\_\_\_\_  
ADDRESS WYOLA MT DATE 1/28/95  
WHOM DO YOU REPRESENT? MT FOLKLIFE PROJECT / MT ORAL HISTORY PROJECT  
SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

To summarize my extemporaneous comments:

The Folklife Project and the Oral History Project are the state's only concentrated efforts to define and conserve the culture that truly makes Montana unique in our nation. In the context of the "melting pot" effect of the inevitable influx of people into the state, it is critical that we maintain these efforts to articulate Montana's identity.

I am aware that neither project applied for funding through the Cultural and Aesthetic Grants Program, and it is not my intention to encourage the Committee to circumvent the established process and the requirements thereof.

I just hope that this legislature will be able to recognize the importance of these efforts, and find some way to keep these projects from "falling through the cracks."

Bill Yellowtail

WITNESS STATEMENT

NAME P. Brenda Schyze BILL NO. \_\_\_\_\_  
ADDRESS North Star Pk., Glasgow MT DATE 1-28-85  
WHOM DO YOU REPRESENT? Montana Arts Advocacy  
SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Re: The Oral History Project and the Folk Life Project

The Montana Arts Advocacy is a 700-member cross section of Montanans who are committed to Montana's cultural development. We are strongly supportive of the continuation of the Oral History Project (under the Montana Historical Society) and the Montana Folk Life Project (under the Montana Arts Council). It is our preference that the legislature recognize the value of continuing these projects by appropriating general funds to maintain them. We recognize the fiscal constraints that you face, but hope that you will look favorably on these important projects.

Attachment to  
Long-Range Planning  
Subcommittee  
Minutes 1-28-85

MONTANA HISTORICAL SOCIETY  
ORAL HISTORY PROGRAM  
CURRENT AND PAST IMPACTS AND FUTURE ACTIVITIES

I. Project Interview Results

Operations over the last biennium and the current biennium of the two projects operated by the Montana Historical Society, "Montanans at Work" and "Small Town Montana" have produced, by the end of November, 550 interviews with state residents. These interviews have been or are being processed and are available for public use. See map.

II. Work with local individuals and groups includes:

- 1) Workshops: Roundup High School; C. R. Anderson School; Indian Education Program; Great Falls Public Schools; Bridger and Eureka Public Libraries; Original Governors' Mansion board members; Montana Education Association; and others.
- 2) Office mail/calls/visits by individuals searching for information and assistance with oral history: We receive requests for OH information, manuals, equipment use, funding sources, referrals for good narrator candidates, tape duplication services, collection processing information, individuals/organizations wishing to donate their collection to MHS and time spent with such transactions, and inquiries by those wishing to use collection for research.
- 3) Tape Duplication Service: a tape duplication service is available to those wishing to donate copies to MHS; wishing to have their own back-up copy; wishing to purchase interviews from the collection; and family members wanting copies to give to relatives as gifts. Photo-archives maintains a revolving account which allows deposit of this revenue.
- 4) The Oral History Office has provided support to the Montana Oral History Association, The Education Program (MHS), The Montana History Conference with programming, the Montana Oral History Assessment Project, Montana Oral History workshop series, production and revision of Oral History Manual, and has been called on by the Montana Committee for the Humanities, Centennial Committee and Montana Historical Society, as well as several other organizations in the state, to provide information regarding interest that exists in Montana for oral history. (We've discovered that, contrary to some opinions, most feel that there are still many, many people, topics, geographical areas, and of course, as time passes, new people/narrators emerge, that should be interviewed and/or included in an oral history project of some kind.)
- 5) Several communities have been inspired/assisted by the Oral History Office to conduct or utilize oral histories in some way. They are:

## II. Work (Continued)

- a) Cathryn Schroeder, Eureka, Montana; Montana Magazine of Western History (Railroad article); The Speculator, Butte Historical Society's magazine included an article consisting exclusively of excerpts from an oral history conducted by Laurie Mercier; Ann Cameron/Les Morse, Havre, Montana on Chinook Oral History Project; Steve Jones, AFL-CIO Project, Missoula; Penelope Loucas, Paris Gibson Square, Great Falls, on Montana Artist project; Gary McLean, Kalispell, on Cherry Warehouse project; Therese Sullivan, Carroll College, on Nursing Project; Rick Cronen, Rural Employment Opportunities, on Migrant Farmworkers Project.

## III. Oral History Office Expanded Services/Activities for the Future

### A. Collecting

- 1) Continuing interviewing but on smaller scale; working several different projects and assisting other Montana Historical Society departments with interviewing needs such as: rounding out archives' collection donations; Historic Preservation needs interviews with person or people regarding particular neighborhood or building project; assistance with museum exhibit designing; interviewing people for publications department needs, etc.
- 2) Project ideas/topics include:
  - a) Stockraising industry, 1930s-1980s, "From Grass to Table."
  - b) State Legislature history
  - c) Montana's Judicial System
  - d) Forest Products Industry: Growth & Development since WW-II
  - e) Supplementing collection to communicate and educate public on valuable uses for oral history, e.g. photo exhibit on smelters and smelter towns, utilizing ACM glass plates Montana Historical Society and Oral History (Montanans at Work) collections (with additional interviews). Show could open in Anaconda, Black Eagle and East Helena with public program.
  - f) Montanans at Work interviews could be utilized in publication(s) on occupations, possibly geared to school-aged readers.

### B. Continue to serve the public

- 1) public workshops
- 2) oral history handouts/sale of manuals
- 3) dispensing advice to groups wanting to start a project and

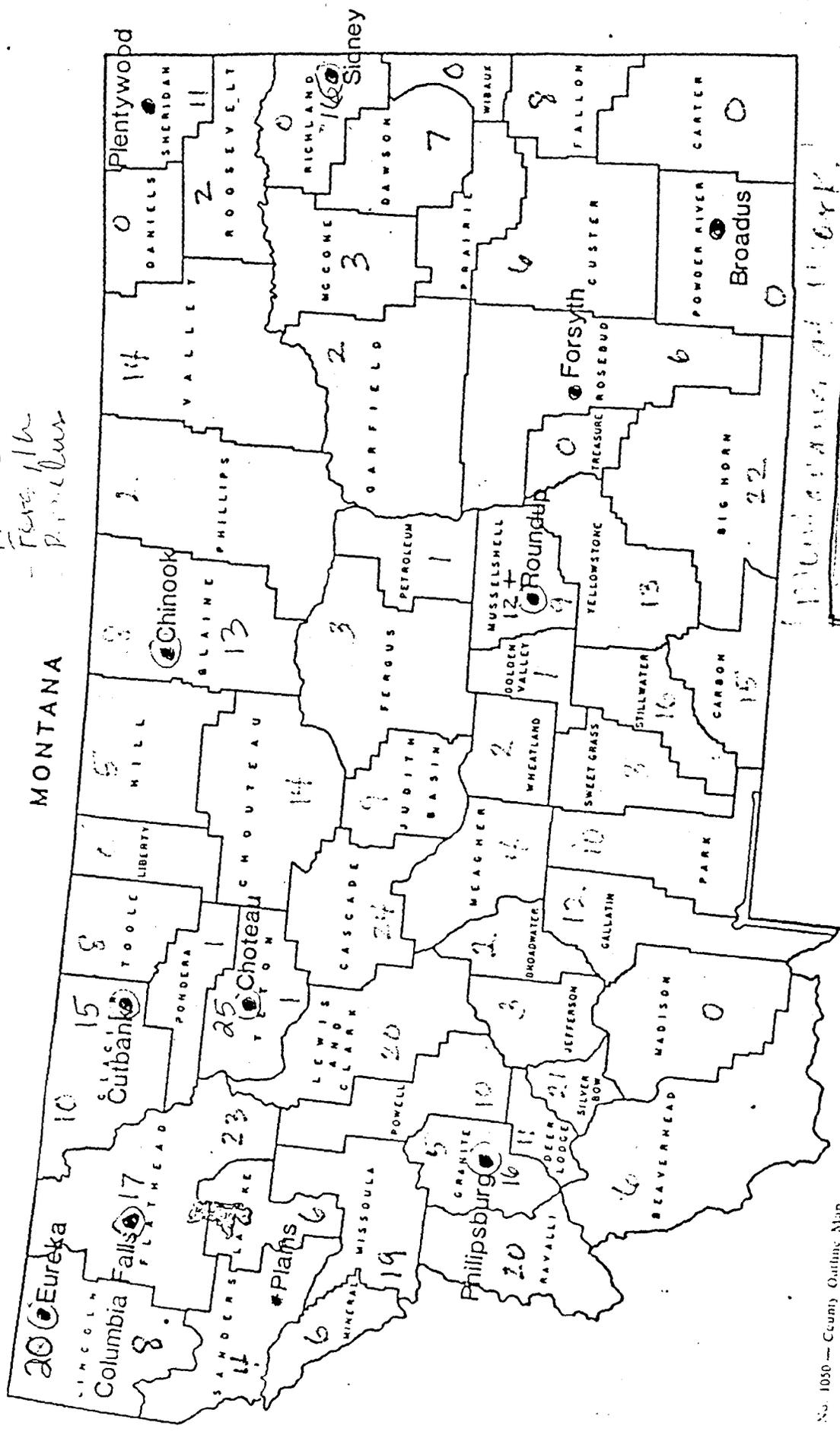
### III. Oral History Office Expanded (continued)

needing support throughout the period of the project

- 4) Monitoring progress of oral history in state
  - 5) Offer specific services such as: tape duplication, project planning assistance, collection processing and storage assistance and critiquing services, which have been requested of us in the past, to aid budding oral historians in evaluating their interviewing techniques.
- C. Complete or partial responsibility for accessioning procedures of all oral histories generated by this office or donated by the public.
- 1) Since 1981 the number of oral histories donated to the Montana Historical Society has increased considerably. The existing archives staff is finding it difficult to process (summarize, index, accession and file) the interviews swiftly enough to make them available to the public.
  - 2) The Oral History Office could do all the time-consuming clerical tasks now performed by the Archival Assistants, thus providing the public and the Montana Historical Society with a growing and accessible collection.
  - 3) A directory/catalog is greatly needed to assist researchers as well as Society staff in identifying resources in the Oral History collection. Since over 800 interviews exist at the Historical Society, not to mention those as yet unnumbered, it is imperative that computerization of the collection be accomplished.

UAW - Montana in Work C  
 STM - Small Towns Montana

Further coming  
 Flat wood  
 Plains  
 Forest  
 Rivers



Montana in Work

SMALL TOWN MONTANA

No. 1050 - County Outline Map  
 STATE PUBLISHING COMPANY  
 Helena  
 AZ. Fads - R. Y.

Oral History Project Communities

Total #s of interviews

BUDGET  
MONTANA ORAL HISTORY PROGRAM  
MONTANA HISTORICAL SOCIETY  
1986-1987 BIENNIUM

	FY 1986	FY 1987
FTE	1.5	1.5
Salaries	\$27,791	\$27,791
Longevity	-0-	-0-
Benefits	4,134	4,184
Insurance	2,400	2,400
Total Personnel	\$34,325	\$34,612
Contracted Services	\$ 3,000	\$ 3,000
Supplies and Materials	1,500	1,500
Communications	2,000	2,000
Travel	6,000	6,000
Rent	200	200
Repair and Maintenance	200	200
Other Expenses	100	100
Total Operating Expenses	\$13,000	\$13,000
Equipment	\$ 500	\$ 500
Total Program	\$47,825	\$48,112
TOTAL BIENNIUM	\$95,937	

VISITORS' REGISTER

LONG-RANGE PLANNING SUB COMMITTEE

BILL NO. \_\_\_\_\_

DATE JANUARY 28, 1985 \_\_\_\_\_

SPONSOR \_\_\_\_\_

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
MICHAEL KORN	CORBIN, MT.		
Bill Pratt	Helena, MT		
Carleen Karsine	Helena mt		
Brenda Selvig	Montana Art Advocacy		
Dick King	CULTURAL & AESTHETIC ADVISORY COMM.		
John Koch	CULTURAL & AESTHETIC ADVISORY COMMITTEE		
Bill Yellowtail	Wynola / Advisory Committee		
Tom Crosser	Helena		
D. Schlegel	Montana Art Assoc		
Dave Nelson	Helena		
Gregory H. Boone	Helena		
John Selby	Helena		
Sam Jensen	Stevensville		
John Jensen	Stevensville		
John Houtchens	Stevensville		
Janice Houtchens	Stevensville		
John Selby	Missoula		
Joe Turner	Helena		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

