

Agency Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison					
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change	
Personal Services	1,389,594	1,420,396	30,802	2.22 %	
Operating Expenses	507,294	683,931	176,637	34.82 %	
Grants	1,046,964	1,024,476	(22,488)	(2.15)%	
Debt Service	68,237	90,982	22,745	33.33 %	
Total Expenditures	\$3,012,089	\$3,219,785	\$207,696	6.90 %	
General Fund	1,091,318	1,216,023	124,705	11.43 %	
State/Other Special Rev. Funds	467,946	432,519	(35,427)	(7.57)%	
Federal Spec. Rev. Funds	1,452,825	1,571,243	118,418	8.15 %	
Total Funds	\$3,012,089	\$3,219,785	\$207,696	6.90 %	
Total Ongoing	\$3,012,089	\$3,224,361	\$212,272	7.05 %	
Total OTO	\$0	(\$4,576)	(\$4,576)	100.00 %	

Agency Description

The Montana Arts Council (MAC) is authorized by Title 22-2-101, MCA, to assist public and private institutions with artistic and cultural activities. The council encourages participation in, and appreciation of, the arts. The council fosters interest in the state's cultural heritage, expands state cultural resources, and supports ongoing arts programs and projects. The council administers the Cultural and Aesthetic Project grants and other grants approved by the legislature, and makes recommendations to the legislature on arts related issues.

Agency Highlights

Montana Arts Council Major Budget Highlights
<ul style="list-style-type: none"> • The Montana Arts Council's 2025 biennium budget as adopted by the legislature is \$207,696 or 6.9% greater than the 2023 biennium budget. This is comprised of increases in general fund and federal authority, offset by a decrease in state special funds. This includes: <ul style="list-style-type: none"> ◦ An increase of \$50,000 general fund each year of the biennium to match federal National Endowment for the Arts (NEA) grant award ◦ A fund switch replaces \$25,000 of state special revenue funds with federal special funds for personal services each fiscal year ◦ Statewide present law increased \$156,548 over the 2025 biennium, of which \$78,537 is general fund ◦ A negative adjustment to inflation in the amount of \$10,479 ◦ An increase to board member pay in the amount of \$11,000 for the biennium, split between general and federal funds. This is a result of HB 314 ◦ A general fund reduction in the amount of \$31,349 in FY 2024, as a result of HB 132 which makes audits risk-based ◦ A negative adjustment to inflation in the amount of \$10,479

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	7.00	7.00	7.00	7.00
Personal Services	674,742	689,176	700,418	708,396	712,000
Operating Expenses	208,669	218,922	288,372	341,952	341,979
Grants	584,726	584,726	462,238	512,238	512,238
Debt Service	22,746	22,746	45,491	45,491	45,491
Total Expenditures	\$1,490,883	\$1,515,570	\$1,496,519	\$1,608,077	\$1,611,708
General Fund	533,409	558,107	533,211	607,433	608,590
State/Other Special Rev. Funds	232,703	232,703	235,243	215,886	216,633
Federal Spec. Rev. Funds	724,771	724,760	728,065	784,758	786,485
Total Funds	\$1,490,883	\$1,515,570	\$1,496,519	\$1,608,077	\$1,611,708
Total Ongoing	\$1,490,883	\$1,515,570	\$1,496,519	\$1,610,365	\$1,613,996
Total OTO	\$0	\$0	\$0	(\$2,288)	(\$2,288)

Summary of Legislative Action

The legislature approved an increase of 6.9% or approximately \$208,000 in the 2025 biennium compared to the 2023 biennium. The increase is mostly due to the following: 1 an increase to general fund in order to match and fully utilize available federal authority, and 2 a material increase to fixed costs. These increases were offset by negative adjustments to inflation, risk management and tort defense, motor pool rates, and audit costs.

Contingent language in HB 2 adopted by the legislature impacted the 2025 biennium budget. Coordination language for HB 132 removed the biennial audit appropriation, audits for this agency will now be risk based and occur less frequently. HB 314 increased pay for council members to \$100 per day, this increased the MAC budget by \$5,500 in general fund and \$5,500 in federal special revenue for the biennium.

Funding

The following table shows adopted agency funding for all sources of authority.

Total Montana Arts Council Funding by Source of Authority 2025 Biennium Budget Request - Montana Arts Council						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	1,218,310	(2,287)	0	0	1,216,023	37.77 %
State Special Total	432,919	(400)	0	0	432,519	13.43 %
Federal Special Total	1,573,132	(1,889)	0	0	1,571,243	48.80 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$3,224,361	(\$4,576)	\$0	\$0	\$3,219,785	
Percent - Total All Sources	100.14 %	(0.14)%	0.00 %	0.00 %		

The Montana Arts Council is funded with general fund, state special revenue, and federal special revenue.

General fund supports the following:

- A portion of the agency operations and services to the state’s art community
- Grants, which include Artists in the Schools and several other grant programs available to non-profit art organizations, schools, and other eligible entities

The cultural and aesthetic project state special revenue fund supports the following:

- Overall agency operations
- Administration of cultural and aesthetic trust activities and the preservation of the state’s cultural heritage
- Grant awards in HB 9 for cultural and aesthetic projects

Federal special revenue from the National Endowment of the Arts supports the following:

- Formula-based grants, which require a non-federal dollar match. The agency utilizes general fund and state special revenue as a source of matching funds
- The agency’s administration of services to the state’s art community

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	533,211	533,211	1,066,422	87.70 %	1,496,519	1,496,519	2,993,038	92.96 %
SWPL Adjustments	54,079	24,458	78,537	6.46 %	91,518	65,030	156,548	4.86 %
PL Adjustments	243	81	324	0.03 %	342	219	561	0.02 %
New Proposals	19,900	50,840	70,740	5.82 %	19,698	49,940	69,638	2.16 %
Total Budget	\$607,433	\$608,590	\$1,216,023		\$1,608,077	\$1,611,708	\$3,219,785	

Other Legislation

HB 3 - Supplemental appropriations - The arts council was appropriated \$54,000 general fund to meet the match for the 1:1 National Endowment for the Arts (NEA grant

HB 9 - Cultural and aesthetic grants - Appropriates revenue from coal severance taxes to art entities throughout the state

HB 110 - Make interim budget committees permanent - Makes interim budget committees permanent and assigns Arts Council to section E

HB 132 - Modify timing of legislative audits - Removes the biennial audit appropriation. Audits for this agency will now be risk-based

HB 314 - Revise compensation for members of boards, commissions, and councils - Increases the compensation rate for boards, commissions, and councils to \$100 per day

HB 946 - Implement provision of HB 2 - Section E - Education - The interim budget committee will direct a study of potential services the Department of Administration may be able to perform for the Historical Society, State Library, and Arts Council to create operating efficiencies

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	7.00	7.00	7.00	0.00	7.00	7.00	0.00	0.00
Personal Services	700,418	702,896	708,396	5,500	706,500	712,000	5,500	11,000
Operating Expenses	288,372	377,645	341,952	(35,693)	347,553	341,979	(5,574)	(41,267)
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Grants	462,238	512,238	512,238	0	512,238	512,238	0	0
Transfers	0	0	0	0	0	0	0	0
Debt Service	45,491	45,491	45,491	0	45,491	45,491	0	0
Total Costs	\$1,496,519	\$1,638,270	\$1,608,077	(\$30,193)	\$1,611,782	\$1,611,708	(\$74)	(\$30,267)
General Fund	533,211	637,523	607,433	(30,090)	607,902	608,590	688	(29,402)
State/other Special Rev. Funds	235,243	216,383	215,886	(497)	217,246	216,633	(613)	(1,110)
Federal Spec. Rev. Funds	728,065	784,364	784,758	394	786,634	786,485	(149)	245
Total Funds	\$1,496,519	\$1,638,270	\$1,608,077	(\$30,193)	\$1,611,782	\$1,611,708	(\$74)	(\$30,267)
Total Ongoing	\$1,496,519	\$1,638,270	\$1,610,365	(\$27,905)	\$1,611,782	\$1,613,996	\$2,214	(\$25,691)
Total OTO	\$0	\$0	(\$2,288)	(\$2,288)	\$0	(\$2,288)	(\$2,288)	(\$4,576)

The legislature adopted ongoing appropriations that are \$30,267 lower than the proposed executive appropriations for the 2025 biennium. The differences are due to an increase in fixed costs for SAHBRS, offset by reductions in motor pool rates, inflation, risk management and tort defense (RMTD) insurance premium holiday, and audit fees. The reduction for RMTD premiums was designated as one-time-only.

Language and Statutory Authority

The legislature adopted the following language in HB 2:

"All HB 2 federal funding appropriations for the Montana Arts Council are biennial appropriations."

"Promotion of the Arts includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund."

Additionally, the legislature adopted the following HB 2 language, contingent on the passage and approval of other bills, and the adjustments to HB 2 appropriations are included as decision packages and incorporated in the tables in the fiscal report:

"If HB 132 is passed and approved by the Legislature, Legislative Audit is void."

"If HB 314 is passed and approved, the Montana Arts Council is increased by \$2,750 general fund and \$2,750 federal special revenue in FY 2024 and \$2,750 general fund and \$2,750 federal special revenue in FY 2025."

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	7.00	7.00	7.00	7.00
Personal Services	674,742	689,176	700,418	708,396	712,000
Operating Expenses	208,669	218,922	288,372	341,952	341,979
Grants	584,726	584,726	462,238	512,238	512,238
Debt Service	22,746	22,746	45,491	45,491	45,491
Total Expenditures	\$1,490,883	\$1,515,570	\$1,496,519	\$1,608,077	\$1,611,708
General Fund	533,409	558,107	533,211	607,433	608,590
State/Other Special Rev. Funds	232,703	232,703	235,243	215,886	216,633
Federal Spec. Rev. Funds	724,771	724,760	728,065	784,758	786,485
Total Funds	\$1,490,883	\$1,515,570	\$1,496,519	\$1,608,077	\$1,611,708
Total Ongoing	\$1,490,883	\$1,515,570	\$1,496,519	\$1,610,365	\$1,613,996
Total OTO	\$0	\$0	\$0	(\$2,288)	(\$2,288)

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	1,392	(204)	1,290	2,478	0.00	2,654	516	2,912	6,082
DP 2 - Fixed Costs	0.00	47,838	4,903	23,193	75,934	0.00	15,963	4,750	22,447	43,160
DP 3 - Inflation Deflation	0.00	4,849	1,441	6,816	13,106	0.00	5,841	1,737	8,210	15,788
DP 20 - SABHRS Rate Adjustment	0.00	282	29	136	447	0.00	118	35	165	318
DP 30 - Motor Pool Rate Adjustment	0.00	(39)	(11)	(55)	(105)	0.00	(37)	(11)	(51)	(99)
DP 222 - RMTD Adjustment	0.00	1,441	148	699	2,288	0.00	846	252	1,190	2,288
DP 223 - RMTD Adjustment (OTO)	0.00	(1,441)	(148)	(699)	(2,288)	0.00	(846)	(252)	(1,190)	(2,288)
Grand Total All Present Law Adjustments	0.00	\$54,322	\$6,158	\$31,380	\$91,860	0.00	\$24,539	\$7,027	\$33,683	\$65,249

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4 - Personal Services Fund Switch	0.00	0	(25,000)	25,000	0	0.00	0	(25,000)	25,000	0
DP 5 - General Fund Federal Match Increase	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 99 - New Fixed Costs	0.00	233	0	0	233	0.00	233	0	0	233
DP 333 - Adjustment to Inflation	0.00	(1,734)	(515)	(2,437)	(4,686)	0.00	(2,143)	(637)	(3,013)	(5,793)
DP 1400 - HB 314	0.00	2,750	0	2,750	5,500	0.00	2,750	0	2,750	5,500
DP 1401 - HB 132	0.00	(31,349)	0	0	(31,349)	0.00	0	0	0	0
Total	0.00	\$19,900	(\$25,515)	\$25,313	\$19,698	0.00	\$50,840	(\$25,637)	\$24,737	\$49,940

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 4 - Personal Services Fund Switch -

The legislature adopted a personal services reduction of \$25,000 in FY 2024 and FY 2025 in the state special revenue fund (Cultural Trust) and a corresponding personal services increase of \$25,000 in FY 2024 and FY 2025 in federal special revenue (National Endowment for the Arts).

DP 5 - General Fund Federal Match Increase -

The legislature adopted an appropriation of \$50,000 general fund for each year of the 2025 biennium to fully match the federal National Endowment for the Arts (NEA) grant award without reverting funds.

DP 99 - New Fixed Costs -

The legislature adopted an appropriation of \$233 in each year of the 2025 biennium to provide funding for the agency to pay for new fixed cost allocations related to the Chief Data Office and the State Management Training Center. Rates for the fix costs are reviewed by the Section A subcommittee.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 1400 - HB 314 -

The legislature adopted contingency language to increase appropriations if HB 314 was passed and approved and this decision package implements that language. HB 314 increases compensation to members of boards, commissions, and councils.

DP 1401 - HB 132 -

The legislature adopted contingency language to reduce appropriations if HB 132 was passed and approved and this decision package implements this language. HB 132 modifies the timing of legislative audits, providing for a transition from biennial audits, to allowing the auditor to select agencies for auditing based on certain considerations.