

**THE BILL MONROE BLUEGRASS
MUSIC MUSEUM
FEASIBILITY STUDY**

**KENTUCKY GENERAL ASSEMBLY
PROGRAM REVIEW AND
INVESTIGATIONS COMMITTEE**

Research Report No. 239

*Legislative Research Commission
Frankfort, Kentucky
October, 1988*

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**KENTUCKY GENERAL ASSEMBLY
PROGRAM REVIEW AND
INVESTIGATIONS COMMITTEE**

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Research Report No. 239

*Legislative Research Commission
Frankfort, Kentucky
November, 1988*

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FOREWORD

This study was prepared at the request of the 1988 General Assembly. It evaluates the feasibility of establishing a bluegrass music museum and memorial to Bill Monroe in Ohio County. The report was adopted by the Program Review and Investigations Committee on September 12, 1988.

This report would not have been possible without the assistance of the Department of Parks and the Department of Travel Development. We extend our appreciation to them, and to Susie Reed and Wilda Bond, who provided the secretarial services.



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M E M O R A N D U M

TO: The Honorable Wallace Wilkinson, the Legislative Research Commission, and other interested individuals

FROM: Senator Louis T. Peniston

DATE: September 13, 1988

RE: The Bill Monroe Bluegrass Music Museum Feasibility Study

This study was requested by SJR 65 sponsored in the 1988 Regular Session by Sen. Joe Wright and Rep. "Woody" Allen. The study was accomplished with the assistance of the Department of Parks and the Department of Travel Development. Per the study proposal approved by the Committee, the final report contains no specific recommendation as to the establishment of such a museum. It does report on the possible costs and benefits of such a project and identifies possible sources of funding and technical assistance. On September 12, 1988, the Program Review and Investigations Committee adopted this report and moved that it be sent to the LRC and the Appropriations and Revenue Committee.

Ohio County advocates feel that Bill Monroe, thought to be the "father" of bluegrass music, deserves recognition for his contribution to Kentucky's heritage. These advocates are willing to donate a portion of their county park and contribute \$15,000 to purchase Bill Monroe's home. They would like the state and the Department of Parks to fund reconstruction and renovation of the home, construction of a museum and operation of the museum. Bill Monroe has indicated his willingness to support such a venture by contributing memorabilia and his public support.

The costs and benefits of three hypothetical projects are detailed in this study. Costs range from \$200,000 to \$2.3 million in start-up costs and \$53,000 to \$157,000 in operating costs. Revenues from admissions, sales and tourist-generated tax receipts could contribute \$11,000 to \$45,000 annually. Thus, like many of the state's parks and museums, this project would mean a net loss to the state. However, the project could provide a positive gain to Ohio County and surrounding counties by bringing in from 2,000 to 8,000 tourists and generating tourism trade ranging from \$73,000 to \$290,000, considering the multiplier effect. The development of this project would also help to preserve the state's history and culture. However, this study did not attempt to quantify these intangible benefits.

The report also explores funding options. It concludes that while other organizations may be able to supply a limited amount of financial assistance, the project could not be developed or maintained without state or local support.

If you have questions concerning this study, please contact Joseph Fiala, Assistant Director, Office for Program Review and Investigations.

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SUMMARY

Senate Joint Resolution 65, passed during the 1988 Regular Session of the Kentucky General Assembly, requested the Program Review and Investigations Committee to study the feasibility of establishing a bluegrass music museum and memorial to Bill Monroe in Ohio County. This study was conducted in cooperation with the Kentucky Department of Parks and the Department of Travel Development.

Bill Monroe, a native of Ohio County, is considered nationally and internationally as the "father" of bluegrass music. Bluegrass music takes its name not from the region of Kentucky but from the name of Bill Monroe's early band. Bill Monroe has written numerous classic bluegrass songs including Blue Moon of Kentucky, the Official State Bluegrass Song, Kentucky Waltz and Uncle Pen. Ohio Countians feel Bill Monroe deserves recognition for his contribution to Kentucky's heritage.

A 1982 consultant determined that a bluegrass music museum in Ohio County would not be economically feasible without external funding. In January of 1988, various Ohio County civic groups appealed to the legislature to support the development of a Bill Monroe Bluegrass Music Museum and the relocation and restoration of Bill Monroe's home in Ohio County. Interviews with Ohio County officials and Bill Monroe indicate that currently only a general plan for such a project exists. In an effort to discuss as many of the various costs and benefits which might result from such a project, staff examined three hypothetical proposals.

Start-up and annual cost estimates are based on information supplied by contractors, museum operators and consultants, and the Department of Parks. Revenue estimates are based on information provided by the Department of Travel Development.

The start-up costs for the three hypothetical projects ranged from \$200,000, for relocation and renovation of the Bill Monroe home and provision of 24-hour security, to \$2.3 million, for including a 10,000 square foot museum and staff. Based upon the estimated annual costs and the estimated attendance and resulting direct

and indirect revenue, it was determined that these projects would operate at an annual loss of between \$42,000 and \$112,000.

While it is concluded that none of these hypothetical projects would make a profit for the state, many of the state's parks, shrines and museums do not make net profits. A museum could have a positive effect on the area economy. Such a museum could attract from 2,000 to 8,000 tourists, generating a tourist trade in the area of \$73,000 to \$290,000. Such a museum and memorial could receive greater attention from bluegrass fans, as the result of current activities in neighboring Daviess County, which is in the process of becoming the new home of the International Bluegrass Music Association. Additionally, this project would help to preserve the state's culture and history. However, this report has not attempted to assign a value to these less quantifiable benefits.

If such a project is funded by the General Assembly, the Department of Parks could maintain and operate the Bluegrass Music Museum as a state park. However, the Department indicates that without specific funding, its current priority is the support of existing parks, not the acquisition of new parks. Eight other state or national organizations which assist economic development or local and state historical or cultural projects could provide financial support or technical assistance during the start-up phase of this project. None of these organizations would provide funds for operations.

INTRODUCTION

During its 1988 session, the General Assembly passed Senate Joint Resolution 65, which directed the Department of Parks to cooperate with the Program Review and Investigations Committee in its study of the feasibility of establishing a Bill Monroe Bluegrass Music Museum and Memorial in Ohio County. The completed study was presented to the Program Review and Investigations Committee in September, 1988. The Committee adopted the study and moved that it be sent to the LRC for referral to an appropriate committee, such as the Appropriations and Revenue Committee.

The concept of a Bluegrass Music Museum/Bill Monroe Memorial has been discussed in Ohio County for many years. Proponents of the museum urge support of its construction because 1) It is an appropriate recognition of a great Kentuckian, and 2) it will become an important tourist attraction, benefitting the local economy.

Bill Monroe, born in 1909, near Rosine, in Ohio County, is considered by many to be the "father" of bluegrass music. He is best known for the era beginning in 1938 when he formed his own band, known as Bill Monroe and the Bluegrass Boys. The band began performing at the Grand Ole Opry in 1939. Many of bluegrass music's most notable performers were at one time members of the Bluegrass Boys. They include Lester Flatt, Earl Scruggs, Don Reno, Carter Stanley, Mac Wiseman, Jimmie Martin, and Sonny Osborne.

All of the country music historians with whom we discussed this project agreed that his designation as the "father" of bluegrass music is appropriate. In the opinion of Neil Rosenberg, author and bluegrass music scholar, Bill Monroe's significance is self evident to those who are familiar with bluegrass music. An indication of his importance in the development of bluegrass music is the fact that the phrase "Bluegrass Music" developed not because the music was popular in Kentucky, but because Bill Monroe's band was called the Bluegrass Boys.

Bill Monroe was elected to the Country Music Hall of Fame in 1970. His numerous compositions include Blue Moon of Kentucky, Uncle Pen, Roanoke, Scotland, and Kentucky Waltz.

In January of this year, several Ohio County civic organizations petitioned the legislature to appropriate funds for construction of a Bill Monroe/bluegrass music museum and the relocation and restoration of the Bill Monroe homeplace. The Ohio County Committee for the Bill Monroe Bluegrass Music Museum has proposed that the museum display artifacts and items of interest relating to the life of Bill Monroe and the development of bluegrass music, and that the old Bill Monroe homeplace be relocated beside the museum.

In response to the museums supporters, the 1988 General Assembly passed Senate Joint Resolution 65, directing the Department of Parks to cooperate with the Program Review and Investigations Committee to study the feasibility of establishing a bluegrass music museum and memorial to Bill Monroe in Ohio County, Kentucky.

The study workplan, approved by the Program Review Committee in June of 1988, listed the study's objectives and included specific tasks to be accomplished:

- Determine the feasibility of establishing a Bluegrass Music Museum/ Bill Monroe Memorial in Ohio Co. Kentucky.

- Determine associated costs and revenues (construction and maintenance costs, direct and indirect tourism revenues, etc.).

- Determine what state and local financing options exist for the construction and maintenance of the museum/memorial.

- Review proposals with the Department of Parks.

To determine as many specifics as possible concerning the museum/memorial proposal, members of the Ohio County Committee for the Bill Monroe Bluegrass Music Museum and Bill Monroe himself were interviewed. In order to estimate potential costs of the construction of alternative projects, staff consulted with museum operators and consultants, the Department of Parks, private contractors and architects. Potential revenue estimates for the proposed project were developed in consultation with the Department of Parks, the Tourism Cabinet, museum operators, the director of the Green River Area Development District, the Ohio County Industrial Foundation and the Owensboro Tourism Commission. Other sources of information regarding potential support and feasibility of a museum included country and bluegrass music historians and scholars. Finally, several public and private agencies and organizations which fund art, historical, renovation or tourist projects were consulted to determine whether this project might qualify for financial support.

CHAPTER 1

OHIO COUNTY MUSEUM/MEMORIAL PROPOSALS

The idea of honoring Bill Monroe for his musical contribution to Kentucky's heritage has been discussed in Ohio County for many years. Numerous bluegrass music festivals have been held in Ohio County and Bill Monroe himself has performed in several of these. The first formally developed museum proposal was prepared in 1982 as part of an economic development strategy report. Since this time, no other formal proposals have been developed. Currently, advocates in Ohio County are supporting a very general proposal which calls for relocation of Bill Monroe's home and establishment of a museum within the Ohio County Park. No formalized proposal exists regarding the specifics of the museum or related facilities, although this general proposal does appear to have the support of numerous community organizations.

In 1982, a private consultant's study found that the development of a bluegrass music museum was not economically feasible without external funding and operating support.

In 1982, the Ohio Co. Fiscal Court hired Hiton and Associates, a consulting firm, to study Ohio County's industrial potential. While conducting this study, Mr. Hiton was also asked by the Ohio County Fiscal Court to include a Bill Monroe Museum feasibility study within the larger study.

The study concluded that while a museum by itself was not economically feasible, a museum developed in conjunction with a major bluegrass music festival would be. However, Hiton concluded that even with the development of a major bluegrass music festival, the potential profit would not be sufficient to interest a private amusement developer and the project would have to be undertaken by a public or quasi-public agency or organization. Hiton recommended the festival/museum financing come from both local and external sources, with 75% of the funds coming from a local bond issue, and 25% coming from state and federal grants.

Unfortunately, the Hiton study does not contain any of the figures used in determining that a museum by itself was not feasible. Instead, the analysis concentrates on the expenses and revenues that would exist if a museum/multi-functional building and a major bluegrass music festival were developed. The study does contain an architect's drawing of a proposed "multi-functional" building. This facility would include "display area, concessions, restrooms, security, information, office area, telephones, and storage, etc." The cost of this facility was estimated to be \$150,000.

Ohio County civic groups are currently seeking state support for the development of a Bill Monroe Bluegrass Music Museum and the restoration of Bill Monroe's old homeplace.

Several Ohio County civic groups petitioned the 1988 General Assembly to fund a museum/memorial for Bill Monroe. Their current proposal calls for construction of a museum in the Ohio County Park, and relocating the Bill Monroe homeplace on the park site. Organization members of the Ohio County Committee for Bill Monroe Blue Grass Music Tribute petitioning the General Assembly included:

The Ohio Co. Fiscal Court

The Ohio Co. Park Board

The Ohio Co. Bluegrass Music Association

The Ohio Co. Chamber of Commerce

The Ohio Co. Industrial Foundation

The Ohio Co. Ministerial Association

The Beaver Dam/Hartford Lions Club

The Ohio Co. Extension Homemakers

The Ohio Co. AARP Chapter 4061 and

The Ohio Co. Committee on Aging.

Representatives of these organizations met with Program Review staff to clarify the details of the proposed project. Members were adamant that the project be a state project, not only because the local people lack the resources and expertise necessary to develop the project, but because they feel the project deserves the support of the state. Committee members indicated that Ohio County is prepared to purchase Bill Monroe's house for \$15,000 and donate 50 acres of park land as a museum site.

Members do not have a specific blueprint in mind for the museum. They do feel that the structure should be impressive enough that Bill Monroe would feel proud of it. This is not only because they feel Bill Monroe deserves an impressive acknowledgment of his accomplishments, but also because they believe Mr. Monroe would not assist in the development or support of the project unless it was a "quality" museum.

Program Review staff met with Bill Monroe and his manager, Tony Conway, in Nashville. Despite the indications that Mr. Monroe's expectations for the project might be considerable, he seemed agreeable to most aspects of the proposal made by the Ohio County Committee and was willing to support simply restoring and relocating his home without the construction of a separate museum structure.

CHAPTER 2

COST ESTIMATES FOR THREE ALTERNATIVE PROPOSALS

Calculating construction and annual costs for a museum/memorial is complicated by the fact that a specific detailed plan does not exist. Therefore, Program Review staff developed three hypothetical projects in order to estimate various costs which might be encountered in the development of a specific project.

“Scenario A” consists of relocating and restoring Bill Monroe’s old home in the Ohio County Park near Hartford and building a small residence nearby (1,200 square feet) for the park manager.

“Scenario B” adds to Scenario A a 2,800 square foot museum with 1,600 square feet of displays. The structure proposed in the Hiton and Associates feasibility study is used as a model for this museum.

“Scenario C” includes the elements of Scenario A and adds a 10,000 square foot museum with 5,000 square feet of displays. This is the museum size recommended to Program Review staff by the museum consulting firm of Gerard Hilferty & Associates.

The start-up and annual cost estimates for the three scenarios outlined above are as follows:

TABLE 1

COSTS	Scenario A	Scenario B	Scenario C
Start-up	\$200,000	\$750,000	\$2,293,750
Annual	\$ 53,000	\$ 95,000	\$ 157,000

Start-up costs calculated for each scenario include the cost of moving and restoring Bill Monroe's house and the construction of a small park manager's residence. Scenarios B and C include the additional costs associated with the development and construction of a museum and display facilities. Estimates for the cost of restoring and relocating Bill Monroe's house were obtained from contractors in the Ohio County area. Museum construction cost estimates were taken from the Owensboro architectural firm of Ranney, Blake & Stiller, and the museum consulting firm of Gerard Hilferty & Associates.

Annual cost estimates are based on the annual costs of similar state parks and similar museums. The Department of Parks identified five historical site parks (Constitution Square, Jefferson Davis, Waveland, Whitehall, and William Whitley) which the Department felt were similar to those projected in the various museum/memorial scenarios. Budget data for each of these parks was collected and examined. Appendix A gives an itemized breakdown of each of these parks for 1986.

Ohio County organizations propose to purchase Bill Monroe's house and provide 50 acres of park land. The cost of purchasing the unrestored home (\$15,000) would be covered by the Ohio County Industrial Foundation. The Ohio County Park Board has authorized the use of 50 acres of land inside the Ohio County Park as a relocation site. The Ohio County Park contains a 2,000-seat amphitheater, restrooms, a playground, softball fields, tennis and volleyball courts, and a campground.

Start-up costs for Scenario A are estimated to be \$200,000 with annual costs of \$53,000.

The largest start-up cost associated with Scenario A is the relocation and restoration of Bill Monroe's old home. The Director of the Ohio County Industrial Foundation determined that contractors in the Ohio County area could move and restore the house for a total of \$64,500. However, in the opinion of an Ohio County attorney who is a member of the committee seeking the construction of a Bill Monroe Museum, this estimate does not include several elements which would be necessary for long-term public use of the structure. As an example, he cites the need to undergird the building with a substantial concrete foundation or steel beams.

Additionally, there is the need for appropriate fire, safety and security equipment within the refurbished building. He suggests that a figure of \$150,000 would more realistically cover the total cost of preparing the house for public viewing. Given these points and the likelihood of other unforeseen costs not included in the \$64,500 estimate, the \$150,000 figure is used as an estimate.

The construction of a modest on-site residence for the park manager is proposed by the Department of Parks as the most economical way to provide security for the museum/memorial. The Department of Parks considers twenty-four hour security surveillance of park and museum grounds essential for all state parks. The only alternative to having a resident manager would be hiring three park security personnel, whose combined salaries are estimated by the Department to total approximately \$47,000 annually. Building a residence on the grounds would require a greater initial investment; however, the annual costs of maintaining the residence would be far less than the cost of additional security personnel.

TABLE 2

Relocation and Restoration of Bill Monroe Homeplace	\$150,000
Construction of Park Manager's Residence	\$50,000
TOTAL START-UP COSTS FOR SCENARIO A	\$200,000

Scenario A's annual costs are estimated to total approximately \$53,000. Of this amount, \$40,000 would be for salaries. According to the Department of Parks, Scenario A would require two full-time employees, a park manager and a maintenance worker, and probably at least one seasonal employee. In the state's personnel system, the position of park manager is a grade 7, with a minimum annual salary of \$12,408. The maintenance position is grade 4, with a minimum annual salary of \$9,264. The seasonal employee would be a tour guide, a grade 1 position earning a minimum of \$3.85 an hour. If the guide worked six months a year, the total cost would be \$4,004. At a minimum then, the theoretical total annual salary cost for Scenario A might be \$25,676. The actual salary figures might be higher. In 1986, the William Whitley Museum, which has a similar employee

composition, with an additional seasonal worker, accounted for \$43,392 in salaries and wages.

Annual utility costs for Scenario A are estimated at \$3,000. In 1986, the annual cost of utilities for the five parks identified as similar ranged from \$3,700 to \$16,000. The most important factor in determining utility costs is the size of the heated buildings. Scenario A's buildings would have a total of 2,200 square feet. This is less than any of the historical museums operated by the Department of Parks. Consequently our estimate is slightly less than the lowest Department of Parks cost.

In addition to the costs listed above, there are a number of smaller costs that each of the state parks incur annually. These are itemized within the Department of Parks budget documents under the following headings: rent, repairs, postage and freight, printing, telephone, supplies, travel, employee uniforms, laundry and cleaning, insurance, motor fuel, advertising and promotions, dues, and miscellaneous. The total of these costs for the five similar parks ranged from \$8,000 at Constitution Square to \$17,000 at Waveland and Jefferson Davis. The average "other" cost total for the five similar parks was \$13,700. A complete listing and summary of the "other" costs for each of the five similar parks in 1986 is contained in Appendix B. While the size of the structures located on the park grounds is only moderately correlated with the amount spent on "other" costs, it does seem reasonable that Scenario A's costs would be less than those for Scenarios B and C, if for no other reason than the fact that the insurance costs will increase as the area devoted to exhibits increases. Consequently, the predicted "other" cost for Scenario A is \$10,000, which is on the low end of the five similar parks.

TABLE 3
Annual Costs for Scenario A

Salaries	\$40,000
Utilities	\$ 3,000
"Other" Costs	\$10,000
Total	\$53,000

Start-up costs for Scenario B are estimated to total \$750,000, with annual costs totaling \$95,000.

Scenario B adds the cost of building a 2,800 square foot museum structure to the costs estimated for start-up in Scenario A. The Hiton and Associates feasibility study contained an estimate made by the architectural firm of Ranney, Blake & Stiller, that such a structure would cost \$150,000. Ranney, Blake & Stiller estimate that the cost of construction in 1988 would be closer to \$200,000. This figure includes all aspects of construction.

An additional cost not included in this estimate is the cost of creating and constructing the exhibits. Gerard Hilferty & Associates, whose credits include the design and construction of exhibits for the Kentucky Derby Museum, the Horse Park Museum, and the American Saddlebred Museum, estimated costs for constructing exhibits for a historical display to be in the range of \$150 to \$200 per square foot of display area. In addition to this cost, there is usually a fee of 25% of the museum's production budget (square footage for display multiplied by the per square foot cost of display) for the research, story line, preliminary and final design of the exhibits, as well as the documents, necessary contracts, and the supervision of the installation of the exhibits. This structure would have approximately 1,600 square feet of display space, producing a cost of between \$240,000 and \$320,000 for the development and construction of displays. Using the midpoint, the estimated cost for construction of displays is \$280,000. The display research and design planning fee would add \$70,000 in costs.

TABLE 4

Relocation and Restoration of Bill Monroe Homeplace	\$150,000
Construction of Park Manager's Residence	\$ 50,000
Construction of 2800 Square Foot Museum	\$200,000
Research and Exhibit Design	\$ 70,000

Construction of Displays and Exhibits \$280,000

TOTAL START-UP COST FOR SCENARIO B \$750,000

Estimated annual costs for Scenario B are \$95,000. Salaries account for \$75,000 of this estimate. Scenario B would add to the employee composition of Scenario A at least one more full-time employee and several seasonal employees. The full-time position would probably be for the position "park worker senior", a grade 4, and the seasonal employees would consist of tour guides and maintenance workers (grades 1 or 2). This would be similar to the staffing pattern of the Waveland museum. The most recent annual salary total for Waveland is approximately \$78,000.

Annual utility costs are estimated to be \$5,000. The square footage of the buildings described in Scenario B totals 5,000. This is similar to the square footage for buildings at the William Whitley House (4,659), Jefferson Davis (5,622) and Constitution Square (6,816). The averaged utility costs for these three parks in 1986 was \$5,387. This is probably a little higher than what could be expected for Scenario B. This is because 4,000 of the 5,000 square feet would be new structure, which would be better insulated and use energy more efficiently than the older structures which account for a large portion of the square footage of the parks used for comparison.

For Scenario B, the predicted "other" cost is \$15,000, which is slightly above the midpoint of the five similar state parks.

TABLE 5

Annual Costs for Scenario B

Salaries	\$ 75,000
Utilities	\$ 5,000
"Other" Costs	\$ 15,000
Total	\$ 95,000

Estimated Start-up costs for Scenario C are around \$2.3 million with annual costs of \$157,000.

In addition to the start-up costs already outlined for Scenario A, the major start-up cost for Scenario C would be the construction of a 10,000 square foot museum structure. Gerard Hilferty & Associates estimated the construction costs for a facility of this nature would be about \$100 per square foot. At that rate the construction of the building would cost \$1,000,000. The facility would have 5,000 square feet devoted to displays. Gerard Hilferty & Associates estimates the cost for the development and construction of displays would be between \$150 and \$200 per square foot. Using the midpoint of this range produces a cost of \$875,000. Additionally, there would be a fee of \$218,750 (25% of \$875,000) for the research and design of the exhibits.

TABLE 6

Relocation and Restoration of Bill Monroe Homeplace	\$ 150,000
Construction of Park Manager's Residence	\$ 50,000
Construction of 10,000 Square Foot Museum	\$1,000,000
Research and Exhibit Design	\$ 218,750
Construction of Displays and Exhibits	\$ 875,000
TOTAL START-UP COSTS FOR SCENARIO C	\$2,293,750

The estimated annual cost for Scenario C is \$157,000. Scenario C's staffing costs are difficult to estimate because it is not particularly similar to any currently operating state park. However, the American Saddlebred Museum at the Kentucky Horse Park, is very similar in terms of exhibit space. That museum usually has four full-time employees and three or four part-time employees. Their full-time employees include a director, an administrative assistant, a gift shop manager, and a control desk manager. The part-time employees are clerks and an audio/visual worker. Additionally, the American Saddlebred Museum contracts out for cleaning services and its groundskeeping work is handled by the Horse Park. In Scenario C, these services would have to be provided by park employees.

Consequently, Scenario C would require at least four full-time employees (a park manager, a business manager, a park worker senior and a maintenance worker) and probably more. Additional part-time and seasonal employees would be needed as well. Our estimate for the total annual salary costs for Scenario C is \$125,000.

The estimate for Scenario C's annual utility cost is \$7,000. The utility costs for Scenario C would probably resemble those of the Waveland Museum. That park has 14,584 square feet of buildings. Scenario C includes 12,200 square feet of buildings. In 1986, Waveland utility bills totaled \$7,092. Our estimate for Scenario C's annual utility bills is \$7,000.

For Scenario C, which includes 5,000 square feet of exhibit space, the predicted other cost is \$25,000. This is a larger amount than for any of the other similar parks, because this scenario includes more elaborate exhibits than can be found in any of the similar parks. Discussions with museum operators indicated that the insurance cost for 5,000 square feet of exhibits would itself reach \$15,000.

TABLE 7

Annual Costs for Scenario C

Salaries	\$125,000
Utilities	\$ 7,000
"Other" Costs	\$ 25,000
Total	\$157,000

CHAPTER 3

POTENTIAL ECONOMIC BENEFITS OF A MUSEUM/MEMORIAL

Program Review staff asked the Department of Travel Development to assist in calculating estimates of museum/memorial attendance and revenue. The information provided by the Department of Travel Development focused on three areas: 1) estimated attendance, 2) the economic impact of the project on Ohio County, and 3) tax revenues for state and local government.

In the first two years of operation a Bill Monroe Museum located in Ohio County would probably attract between 2,000 and 8,000 visitors annually.

The Department of Travel Development declined to estimate attendance for any period beyond two years, citing a number of uncertainties. Among the most important of these is the extent of future economic growth in Owensboro and the extent to which Owensboro develops as a center for bluegrass music.

The Department did not specify precisely how many visitors could be expected for each scenario outlined in Chapter 2; however, it was their feeling that Scenario A would be on the low end of the range, that Scenario B would be nearer the midpoint, and that Scenario C, while attracting the most of the three scenarios, would still not attract more than 8,000 visitors annually.

The Department cited the location of the proposed facility as one of the major obstacles to greater attendance. The estimated attendance figures were based on the experience of the Bill Monroe Museum at Twitty City in Hendersonville, Tennessee, similar experiences at Kentucky State Park museums (attendance figures for these parks are located in Appendix F), and other museums for which the Department of Travel Development has collected data.

A museum project could generate from \$9,040 to \$28,160 in direct revenue annually.

Admission fees could produce between \$8,000 and \$24,000 in annual revenue. These estimates have been calculated by multiplying the minimum attendance estimate (2,000) by an admission fee of \$1.00, and by multiplying the maximum attendance estimate (8,000) by an admission fee of \$3.00. Admission fees at historical site parks vary from park to park. Most of the adult admission fees are between one dollar and three dollars and fifty cents.

An additional \$1,040 to \$4,160 could be produced in gift shop sales. This range was calculated by multiplying the minimum and maximum attendance estimates by 52 cents. This figure was selected by combining the following two factors: 1) The Department of Travel Development suggested that a rate of \$1.50 per visitor would be a realistic estimate of gift shop and souvenir purchases; and 2) The Department of Parks in turn estimated that 65% of this revenue would go to cover the cost of the goods sold. Consequently, 35% of \$1.50 (52) would be realized in profit.

A museum project could result in \$41,000 to \$164,000 of annual tourist spending in the Ohio County area.

In addition to the direct revenue received by the state, the Ohio County area would also benefit from an increase in tourism. Based upon the hypothetical attendance figures for this project and visitor spending information collected by the Department of Travel Development during 1987, the Department of Travel Development estimates that museum visitors could generate between \$41,000 and \$164,000 in direct spending in the Ohio County area. As a result of the multiplier effect, these direct expenditures could grow to between \$73,000 and \$290,000 respectively. Of these amounts, the Department of Travel Development estimates that 86.8% might be spent in Ohio County and contiguous counties.

Tourist spending may produce between \$5,000 and \$20,000 in state and local tax receipts.

These amounts are calculated by multiplying the above tourist spending estimates by 7.04%. Of this, state taxes account for 5.63%, and local taxes account for 1.41%. These percentages were calculated from information produced by the input/output model of Kentucky's economy. This model was designed by Regional Economic Models, Incorporated, of Amherst, Massachusetts, and is used by the Department of Travel Development to assess the economic impact of proposed projects. Taxes in the above estimates include state sales tax, local room tax, gasoline tax, public utilities and other miscellaneous excise taxes.

In summary, using revenue estimates based upon annual attendance figures of 3,000 visitors for Scenario A, 5,000 for Scenario B, and 8,000 for Scenario C and an admission fee of \$1.00 for Scenario A, \$2.00 for Scenario B, and \$3.00 for Scenario C, the following revenues would be generated.

TABLE 8

**Estimated Revenues Resulting from
Three Museum Scenarios**

Source	Scenario A	Scenario B	Scenario C
Admission	\$ 3,000	\$10,000	\$24,000
Gift Shop	\$ 1,560	\$ 2,600	\$ 4,160
State Tax Receipts*	\$ 6,137	\$10,228	\$16,364
Total Revenue	\$10,697	\$22,828	\$44,524

***It is important to note that unlike admission or gift shop revenue, state tax receipts from tourist spending go to the general fund and are not necessarily available to offset park expenses.**

CHAPTER 4

NET IMPACT

The following is a summary of the costs and benefits associated with each of the three scenarios described earlier.

TABLE 9

**Summary of Cost/Revenue Estimates for
Three Project Scenarios**

	Scenario A	Scenario B	Scenario C
Start-up Cost	\$200,000	\$750,000	\$2,293,750
Annual			
Costs	\$ 53,000	\$ 95,000	\$ 157,000
Revenue	\$ 10,697	\$ 22,828	\$ 44,524
Net Annual	-42,303	-72,172	-112,476

All three scenarios produce a net operating loss, but such losses are common to many of the state's parks.

On an annual basis, the scenarios could lose approximately \$42,000 to \$113,000. In addition, initial start-up costs, which would also be lost, would total between \$200,000 and \$2.1 million.

While the above analysis does indicate that the Bill Monroe Museum is not likely to generate a profit for the state, the absence of a profit has not necessarily halted the operation of parks in the past. All of the five parks cited as similar by the Department of Parks lost money in 1986, at an average rate of just over \$50,000. While this figure does not include the tax revenue generated by these parks, it is unlikely, given their relatively low attendance, that this would significantly alter their bottom line.

By increasing the annual number of visitors to 15,000 for Scenario A, 21,000 for Scenario B and 29,000 for Scenario C, annual operating costs could be offset by revenues. These figures are based on an admission fee of \$1.00, \$2.00, and \$3.00 for Scenarios A, B, and C, and estimated visitor rates. (Tables used to calculate these estimates are in Appendices C, D, and E.) Additional revenues could be generated by either varying the admission prices or increasing gift shop sales profits. However, increased admission prices could reduce the number of visitors.

Even if the project could not generate a profit, there are non-economic benefits which should not be forgotten. While many of the state parks do not turn a profit, these facilities offer less quantifiable benefits to visitors and to local citizens. Among these is the preservation of history and culture. A museum honoring Bill Monroe and his accomplishments would similarly benefit Kentucky. However, assigning a value to these benefits is beyond the scope of this study.

CHAPTER 5

FUNDING

As indicated in the proposed project put forth by the Ohio County Committee for the Bill Monroe Bluegrass Music Museum, organizations within the county are willing to purchase Bill Monroe's home for \$15,000 and donate 50 acres of park land. The Ohio County Committee for the Bill Monroe Bluegrass Music Museum would like the balance of the financial responsibility for project completion and future annual operating expenses to come from the state by having the museum/memorial operated by the Department of Parks. This section explores this option and other potential funding sources.

There were three possible sources of financial assistance: 1) agencies offering financial assistance for economic development, 2) organizations interested in historical preservation, and 3) organizations assisting museums and cultural exhibits.

In addition to the General Assembly, eight organizations offer special proposal funding assistance; however, none of these organizations offer funding assistance that could be used for annual operating expenses. Generally, the monies and services offered by various grant and loan organizations are to be used for special projects that will enhance economic development, culture or local and state history. To take advantage of such sources would require the initiative and active involvement of the local Ohio County community or nonprofit museum organization.

If funded by the General Assembly, the Bluegrass Music Museum could be maintained and operated by the Department of Parks as a state park.

KRS 148.066 allows the Department of Parks "to accept for the state any real estate or personal property conveyed or dedicated for public park purposes to the state or to this department, or to its predecessor, but the department is not compelled to accept any such property if it deems it unwise to do so."

According to the Department of Parks officials, the department does not actively seek historical properties to acquire for the state, nor is there an established policy or criterion for the acceptance or rejection of historical properties that persons may wish to donate to the state for public park purposes. The Parks department has rejected some offers of gifts for public park purposes, however. The decision is made on an individual basis by the Parks Commissioner and the Secretary of Tourism based upon staff recommendations. According to a Department of Parks official, the current priority in the department is to maintain the parks in operation, as opposed to expansion.

The General Assembly does not routinely appropriate funds for park acquisition. Current budget practice is to budget for specific parks. To fund this project in Ohio County would require a specific appropriation by the General Assembly to the Department of Parks.

Economic development bonds administered by the Cabinet for Economic Development can be used for tourism projects.

The use of economic development bond monies for this project would supposedly depend on the extent of actual job creation, leveraging of the financial resources and, in general, the overall economic benefit that could be documented. Projects are selected by the Secretary of Commerce and may be eligible for grants or loans. As an economic development project this museum/memorial would fit the broadest criterion of the program.

The Kentucky Development Finance Authority also provides loans for economic development projects. The Authority's Executive Director reviewed the hypothetical bluegrass music museum and Bill Monroe memorial proposals herein. He indicated that because of the attendance and income being doubtful and given the need for fixed and operating costs, a proposal presented to the Authority for financial assistance would likely be denied.

The Kentucky Community Development Block Grant (CDBG) program offers financial assistance to locally supported projects.

The Kentucky CDBG adopted a goal this year of improving the quality

of life in Kentucky by funding special community projects to enhance community pride and involvement and to perpetuate local identity.

The Kentucky Community Development Block Grant program increased its funding for special projects by 20-30% for 1988. The maximum award per project this year is \$750,000. The amount of a grant is generally based on the number of jobs created by the project. Project applicants must be cities or counties and the projects must be aimed at promoting community and economic development.

There are three key points with CDBG's that affect the program itself:

- The application process is highly competitive; thus the packaging of the application is very important;
- The funds for the program are federal dollars and there is no guarantee as to the amount of money available from year to year;
- Program guidelines and percentage distribution of total program dollars among the CDBG subprograms are subject to change annually; therefore, these funds are not a reliable, long-term source.

The Kentucky Arts Council has funds available that can be used for hiring consultants once the museum is established.

The Kentucky Arts Council consultants can provide expertise on a short-term basis to help solve specific problems, either artistic or managerial. Eligibility for grants is restricted to Kentucky non-profit arts, community and service organizations, chambers of commerce, local governments and educational institutions.

Project grants provide opportunities for Kentucky non-profit organizations to enhance or complement their arts programs. Projects may focus on the development of arts organizations and the art forms they present; community arts development; support for Kentucky artists; and arts education.

The Council's services, other than grant programs, include resource and mailing lists and labels, and staff technical assistance in such areas as program planning, audience outreach, community arts organizing and artist residency planning.

The Kentucky Humanities Council could offer financial assistance for educational planning once the museum is established.

The Kentucky Humanities Council offers grants to non-profit organizations that support public programs which creatively relate insights and perspectives in the humanities to the interests and concerns of Kentuckians.

The Humanities Council provides support services which include: fees for speakers; expenses for program materials; rental of necessary equipment, offices, telephone, and meeting rooms; posters, brochures, and other advertising expenses; supplies, postage, and other incidental expenses. Grant funds may also provide honoraria and travel expenses; stipends for teachers' work outside contractual teaching and planning time; materials; printing and duplicating expenses; and other programming expenses. Media purchases are allowed if the media are to be given to the Humanities Council's Resource Center collection after the project's completion. There are no fixed limits to the size of the grants, although the Council will rarely make an award of more than \$10,000 without substantial cash match from other sources.

The Kentucky Heritage Council is the only agency that administers a grant program for the preservation of public and/or private properties.

The duties and functions of the Kentucky Heritage Council include "reviewing and recommending" appropriate projects and programs to insure the proper recognition, preservation, and protection of matters related to Kentucky's heritage, particularly those in the nature of or associated with real property." (KRS 171.381 (2a).) The Heritage Council provides project funding as well as support services.

The Kentucky Heritage Council received a state allocation of \$87,500 for fiscal year 1988. The funds have been distributed among three categories: a)

Restoration/Rehabilitation Projects; b) Archeological Projects; and c) Special Projects. There are general grant requirements that must be met by all recipients and each specific category has requirements and criteria applicable to projects within that particular category.

The restoration of Bill Monroe's home could possibly be a Category A project if the building were eligible for or listed on the National Register of Historic Places. Category A received \$60,000 of the \$87,500 1988 state grant and the 1988 funds have been dispersed among 20 groups.

Prior to 1980, there were federal monies available for restoration projects. Since 1980 there have been only two special cases where federal dollars were given for restoration projects. The Executive Director of the Heritage Council, who is also the State Preservation Officer, does not foresee any federal monies being available in the future.

The American Association for State and Local History (AASLH) has had grant-in-aid funds available for research assistance for historical projects.

AASLH grants are made available by matching funds with the National Endowment for the Humanities. AASLH did not have the resources to match the NEH gift this past year and asked for financial and technical participation from state historic agencies in all fifty states. Kentucky was one of fifteen states that did not participate.

The NEH does not make monies available to the AASLH on an annual basis. The next possible time grant monies might be available to a Kentucky project would be in 1990. The maximum grant awarded during this past grant period was \$5,000.

The AASLH also offers technical assistance through a variety of publications it produces. Additionally, the AASLH offers consultation and provides a referral service for professional consultants in a number of specialized areas.

The National Trust for Historic Preservation provides restoration funds.

The National Trust for Historic Preservation is a private organization chartered by Congress to encourage public participation in the preservation of sites, buildings and objects significant in American history and culture. The Trust has two funding programs that could offer financial assistance to a restoration project.

The Preservation Services Fund offers matching grants to non-profit incorporated organizations, public agencies or members of the National Trust's Preservation Forum program. Maximum grants are \$5,000 but, because of strong competition and limited resources, most will be \$1,000 to \$1,500. Activities eligible for Preservation Services Fund grants include hiring consultants, sponsoring preservation conferences, and educational programs.

The National Preservation Loan Funds are awarded as below-market rate loans, loan guaranties or lines of credit on a matching basis. The NPLF awards can be used to acquire, stabilize, rehabilitate or restore a National Register-listed or eligible property for use, lease or resale; establish or expand a revolving fund either to acquire and re-sell properties or to re-lend for acquisition and rehabilitation costs; or purchase options to acquire historic properties.

The major consideration for NPLF funding is the historic significance of a project property. All properties must meet at least one of the following criteria: be listed individually in the National Register of Historic Places; be located in and contributing to a historic district listed in the National Register; or be supported by a letter from the state historic preservation office stating that the property meets National Register eligibility criteria either individually or as a contributing part of a potential historic district.

In summary, eight organizations offer funding or assistance possibilities for projects that will enhance economic development or local and state history or culture.

Each organization stressed that the amount of money a project such as this could receive would depend on several variables: 1) How much money the

organizational factors, 2) how attractively the project is presented to the selection committee, and 3) how intense the competition is for the available funds. Additionally, the applying organization must have a very concrete plan and specific purpose for use of the money being sought.

There is no way to determine whether the project would actually receive funds from any of these organizations until an application is made to that organization. It should be noted that even if the project received all of the grants possible, which is not very probable, the amount of money received would not likely be enough to provide either the start-up costs or the annual operating expenses of any of the scenarios presented in this study.

APPENDIX A

BUDGET SUMMARIES FOR FIVE HISTORIC SITE STATE PARKS
(1986)

	Consti- tution	Jefferson Davis	Waveland	Whitehall	William Whitley	Total	Average	Maximum	Minimum
Net: Sales, Fees, Commission	499.02	36,107.75	1,440.71	42,837.12	9,645.41	90,530.01	18,106.00	42,837.12	499.02
Cost of Goods Sold	0.00	10,295.27	80.95	11,615.71	2,455.11	24,447.04	4,889.41	11,615.71	0.00
Gross Profit	499.02	25,812.48	1,359.76	31,221.41	7,190.30	66,082.97	13,216.59	31,221.41	499.02
Salaries & Wages	31,925.89	45,445.20	33,810.81	56,472.20	43,392.47	211,046.57	42,209.31	56,472.20	31,925.89
Unemployment Compensation	0.00	0.00	2,867.00	50.00	461.00	3,378.00	675.60	2,867.00	0.00
Other Casual Services	441.00	528.22	1,703.27	1,000.00	1,682.83	5,355.32	1,071.06	1,703.27	441.00
Utilities	5,154.45	7,316.13	7,090.42	15,999.95	3,690.97	39,251.92	7,850.38	15,999.95	3,690.97
Rent	46.90	62.00	290.13	290.75	20.77	710.55	142.11	290.75	20.77
Repairs	632.50	2,412.02	1,149.94	728.15	714.63	5,637.24	1,127.45	2,412.02	632.50
Postage & Freight	88.00	227.00	270.60	161.00	220.00	966.60	193.32	270.60	88.00
Printing	154.96	160.72	353.76	175.33	155.87	1,000.64	200.13	353.76	154.96
Telephone	873.44	1,323.97	1,595.00	2,968.61	1,070.07	7,831.09	1,566.22	2,968.61	873.44
Supplies	1,816.33	7,725.22	2,446.27	3,363.96	2,830.76	18,182.54	3,636.51	7,725.22	1,816.33
Travel	462.45	516.99	456.91	38.84	48.15	1,523.34	304.67	516.99	38.84
Employee Uniforms	0.00	0.00	0.00	9.40	0.00	9.40	1.88	9.40	0.00
Laundry and Cleaning	45.90	123.35	0.00	217.35	0.00	386.60	77.32	217.35	0.00
Insurance	2,600.00	2,900.00	5,500.00	4,700.00	3,200.00	18,900.00	3,780.00	5,500.00	2,600.00
Motor Fuels	670.19	770.53	40.34	476.63	647.98	2,605.67	521.13	770.53	40.34
Late Payment-Parks	0.00	0.00	0.00	0.00	78.50	78.50	15.70	78.50	0.00
Advertising & Promotions	141.31	155.50	189.21	1,222.97	0.00	1,708.99	341.80	1,222.97	0.00
Dues	54.75	20.00	0.00	0.00	0.00	74.75	14.95	54.75	0.00
Miscellaneous	9.82	0.00	0.00	38.91	10.00	58.73	11.75	38.91	0.00
Total Operating Expense	45,117.89	69,686.85	57,763.66	87,914.05	58,224.00	318,706.45	63,741.29	99,472.78	42,323.04
Net Income from Normal Opera	-44,618.87	-43,874.37	-56,403.90	-56,692.64	-51,033.70	-252,623.48	-50,524.70	-56,692.64	-43,874.37
Capital Outlay	8,245.20	10,331.22	27,122.20	9,020.55	9,233.03	63,952.20	12,790.44	27,122.20	8,245.20
Furniture/Fixtures (over \$30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Capital Outlay	8,245.20	10,331.22	27,122.20	9,020.55	9,233.03	63,952.20	12,790.44	27,122.20	8,245.20
Prior Year Claims	65.77	907.86	5,463.58	986.72	630.79	8,054.72	1,610.94	5,463.58	65.77
Net Income or Loss(CR)	-52,929.84	-55,113.45	-88,989.68	-66,699.91	-60,897.52	-324,630.40	-64,926.08	-88,989.68	-52,929.84

APPENDIX B

"OTHER" EXPENSES FOR FIVE HISTORIC SITE STATE PARKS
(1986)

	Constitution	Jefferson Davis	Waveland	Whitehall	William Whitley	Total	Average	Maximum	Minimum
Unemployment Compensation	0.00	0.00	2,867.00	50.00	461.00	3,378.00	675.60	2,867.00	0.00
Other Casual Services	441.00	528.22	1,703.27	1,000.00	1,682.83	5,355.32	1,071.06	1,703.27	441.00
Rent	46.90	62.00	290.13	290.75	20.77	710.55	142.11	290.75	20.77
Repairs	632.50	2,412.02	1,149.94	728.15	714.63	5,637.24	1,127.45	2,412.02	632.50
Postage & Freight	88.00	227.00	270.60	161.00	220.00	966.60	193.32	270.60	88.00
Printing	154.96	160.72	353.76	175.33	155.87	1,000.64	200.13	353.76	154.96
Telephone	873.44	1,323.97	1,595.00	2,968.61	1,070.07	7,831.09	1,566.22	2,968.61	873.44
Supplies	1,816.33	7,725.22	2,446.27	3,363.96	2,830.76	18,182.54	3,636.51	7,725.22	1,816.33
Travel	462.45	516.99	456.91	38.84	48.15	1,523.34	304.67	516.99	38.84
Employee Uniforms	0.00	0.00	0.00	9.40	0.00	9.40	1.88	9.40	0.00
Laundry and Cleaning	45.90	123.35	0.00	217.35	0.00	386.60	77.32	217.35	0.00
Insurance	2,600.00	2,900.00	5,500.00	4,700.00	3,200.00	18,900.00	3,780.00	5,500.00	2,600.00
Motor Fuels	670.19	770.53	40.34	476.63	647.98	2,605.67	521.13	770.53	40.34
Late Payment--Parks	0.00	0.00	0.00	0.00	78.50	78.50	15.70	78.50	0.00
Advertising & Promotions	141.31	155.50	189.21	1,222.97	0.00	1,708.99	341.80	1,222.97	0.00
Dues	54.75	20.00	0.00	0.00	0.00	74.75	14.95	54.75	0.00
Miscellaneous	9.82	0.00	0.00	38.91	10.00	58.73	11.75	38.91	0.00
Total "OTHER" Expense	8,037.55	16,925.52	16,862.43	15,441.90	11,140.56	68,407.96	13,681.59	27,000.63	6,706.18

SOURCE: Compiled by Program Review staff based on Budget Documents supplied by the Kentucky Department of Parks.

APPENDIX C
STATE REVENUE GENERATED BY MUSEUM VISITORS
WITH ADMISSION FEE OF \$1.00

Visitors	Direct Spending Constant	Direct Spending	Multiplier	Direct Spending with Multiplier	State Tax Divisor	State Tax Receipts	Admission Fee	Admission Receipts	Gift Shop Multiplier	Gift Shop Receipts	Total Revenue
1,000	20.51	\$20,513.00	1.77	\$36,308.01	17.75	\$2,045.52	\$1.00	\$1,000	\$0.52	\$520.00	\$3,565.52
2,000	20.51	\$41,026.00	1.77	\$72,616.02	17.75	\$4,091.04	\$1.00	\$2,000	\$0.52	\$1,040.00	\$7,131.04
3,000	20.51	\$61,539.00	1.77	\$108,924.03	17.75	\$6,136.57	\$1.00	\$3,000	\$0.52	\$1,560.00	\$10,696.57
4,000	20.51	\$82,052.00	1.77	\$145,232.04	17.75	\$8,182.09	\$1.00	\$4,000	\$0.52	\$2,080.00	\$14,262.09
5,000	20.51	\$102,565.00	1.77	\$181,540.05	17.75	\$10,227.61	\$1.00	\$5,000	\$0.52	\$2,600.00	\$17,827.61
6,000	20.51	\$123,078.00	1.77	\$217,848.06	17.75	\$12,273.13	\$1.00	\$6,000	\$0.52	\$3,120.00	\$21,393.13
7,000	20.51	\$143,591.00	1.77	\$254,156.07	17.75	\$14,318.65	\$1.00	\$7,000	\$0.52	\$3,640.00	\$24,958.65
8,000	20.51	\$164,104.00	1.77	\$290,464.08	17.75	\$16,364.17	\$1.00	\$8,000	\$0.52	\$4,160.00	\$28,524.17
9,000	20.51	\$184,617.00	1.77	\$326,772.09	17.75	\$18,409.70	\$1.00	\$9,000	\$0.52	\$4,680.00	\$32,089.70
10,000	20.51	\$205,130.00	1.77	\$363,080.10	17.75	\$20,455.22	\$1.00	\$10,000	\$0.52	\$5,200.00	\$35,655.22
11,000	20.51	\$225,643.00	1.77	\$399,388.11	17.75	\$22,500.74	\$1.00	\$11,000	\$0.52	\$5,720.00	\$39,220.74
12,000	20.51	\$246,156.00	1.77	\$435,696.12	17.75	\$24,546.26	\$1.00	\$12,000	\$0.52	\$6,240.00	\$42,786.26
13,000	20.51	\$266,669.00	1.77	\$472,004.13	17.75	\$26,591.78	\$1.00	\$13,000	\$0.52	\$6,760.00	\$46,351.78
14,000	20.51	\$287,182.00	1.77	\$508,312.14	17.75	\$28,637.30	\$1.00	\$14,000	\$0.52	\$7,280.00	\$49,917.30
15,000	20.51	\$307,695.00	1.77	\$544,620.15	17.75	\$30,682.83	\$1.00	\$15,000	\$0.52	\$7,800.00	\$53,482.83
16,000	20.51	\$328,208.00	1.77	\$580,928.16	17.75	\$32,728.35	\$1.00	\$16,000	\$0.52	\$8,320.00	\$57,048.35
17,000	20.51	\$348,721.00	1.77	\$617,236.17	17.75	\$34,773.87	\$1.00	\$17,000	\$0.52	\$8,840.00	\$60,613.87
18,000	20.51	\$369,234.00	1.77	\$653,544.18	17.75	\$36,819.39	\$1.00	\$18,000	\$0.52	\$9,360.00	\$64,179.39
19,000	20.51	\$389,747.00	1.77	\$689,852.19	17.75	\$38,864.91	\$1.00	\$19,000	\$0.52	\$9,880.00	\$67,744.91
20,000	20.51	\$410,260.00	1.77	\$726,160.20	17.75	\$40,910.43	\$1.00	\$20,000	\$0.52	\$10,400.00	\$71,310.43
21,000	20.51	\$430,773.00	1.77	\$762,468.21	17.75	\$42,955.96	\$1.00	\$21,000	\$0.52	\$10,920.00	\$74,875.96
22,000	20.51	\$451,286.00	1.77	\$798,776.22	17.75	\$45,001.48	\$1.00	\$22,000	\$0.52	\$11,440.00	\$78,441.48
23,000	20.51	\$471,799.00	1.77	\$835,084.23	17.75	\$47,047.00	\$1.00	\$23,000	\$0.52	\$11,960.00	\$82,007.00
24,000	20.51	\$492,312.00	1.77	\$871,392.24	17.75	\$49,092.52	\$1.00	\$24,000	\$0.52	\$12,480.00	\$85,572.52
25,000	20.51	\$512,825.00	1.77	\$907,700.25	17.75	\$51,138.04	\$1.00	\$25,000	\$0.52	\$13,000.00	\$89,138.04

SOURCE: Compiled by Program Review Staff from information supplied by the Department of Travel Development.

APPENDIX D

STATE REVENUE GENERATED BY MUSEUM VISITORS
WITH ADMISSION FEE OF \$2.00

Visitors	Direct Spending Constant	Direct Spending	Multiplier	Direct Spending with Multiplier	State Tax Divisor	State Tax Receipts	Admission Fee	Admission Receipts	Gift Shop Multiplier	Gift Shop Receipts	Total Revenue
1,000	20.51	\$20,513.00	1.77	\$36,308.01	17.75	\$2,045.52	\$2.00	\$2,000	\$.52	\$520.00	\$4,565.52
2,000	20.51	\$41,026.00	1.77	\$72,616.02	17.75	\$4,091.04	\$2.00	\$4,000	\$.52	\$1,040.00	\$9,131.04
3,000	20.51	\$61,539.00	1.77	\$108,924.03	17.75	\$6,136.57	\$2.00	\$6,000	\$.52	\$1,560.00	\$13,696.57
4,000	20.51	\$82,052.00	1.77	\$145,232.04	17.75	\$8,182.09	\$2.00	\$8,000	\$.52	\$2,080.00	\$18,262.09
5,000	20.51	\$102,565.00	1.77	\$181,540.05	17.75	\$10,227.61	\$2.00	\$10,000	\$.52	\$2,600.00	\$22,827.61
6,000	20.51	\$123,078.00	1.77	\$217,848.06	17.75	\$12,273.13	\$2.00	\$12,000	\$.52	\$3,120.00	\$27,393.13
7,000	20.51	\$143,591.00	1.77	\$254,156.07	17.75	\$14,318.65	\$2.00	\$14,000	\$.52	\$3,640.00	\$31,958.65
8,000	20.51	\$164,104.00	1.77	\$290,464.08	17.75	\$16,364.17	\$2.00	\$16,000	\$.52	\$4,160.00	\$36,524.17
9,000	20.51	\$184,617.00	1.77	\$326,772.09	17.75	\$18,409.70	\$2.00	\$18,000	\$.52	\$4,680.00	\$41,089.70
10,000	20.51	\$205,130.00	1.77	\$363,080.10	17.75	\$20,455.22	\$2.00	\$20,000	\$.52	\$5,200.00	\$45,655.22
11,000	20.51	\$225,643.00	1.77	\$399,388.11	17.75	\$22,500.74	\$2.00	\$22,000	\$.52	\$5,720.00	\$50,220.74
12,000	20.51	\$246,156.00	1.77	\$435,696.12	17.75	\$24,546.26	\$2.00	\$24,000	\$.52	\$6,240.00	\$54,786.26
13,000	20.51	\$266,669.00	1.77	\$472,004.13	17.75	\$26,591.78	\$2.00	\$26,000	\$.52	\$6,760.00	\$59,351.78
14,000	20.51	\$287,182.00	1.77	\$508,312.14	17.75	\$28,637.30	\$2.00	\$28,000	\$.52	\$7,280.00	\$63,917.30
15,000	20.51	\$307,695.00	1.77	\$544,620.15	17.75	\$30,682.83	\$2.00	\$30,000	\$.52	\$7,800.00	\$68,482.83
16,000	20.51	\$328,208.00	1.77	\$580,928.16	17.75	\$32,728.35	\$2.00	\$32,000	\$.52	\$8,320.00	\$73,048.35
17,000	20.51	\$348,721.00	1.77	\$617,236.17	17.75	\$34,773.87	\$2.00	\$34,000	\$.52	\$8,840.00	\$77,613.87
18,000	20.51	\$369,234.00	1.77	\$653,544.18	17.75	\$36,819.39	\$2.00	\$36,000	\$.52	\$9,360.00	\$82,179.39
19,000	20.51	\$389,747.00	1.77	\$689,852.19	17.75	\$38,864.91	\$2.00	\$38,000	\$.52	\$9,880.00	\$86,744.91
20,000	20.51	\$410,260.00	1.77	\$726,160.20	17.75	\$40,910.43	\$2.00	\$40,000	\$.52	\$10,400.00	\$91,310.43
21,000	20.51	\$430,773.00	1.77	\$762,468.21	17.75	\$42,955.96	\$2.00	\$42,000	\$.52	\$10,920.00	\$95,875.96
22,000	20.51	\$451,286.00	1.77	\$798,776.22	17.75	\$45,001.48	\$2.00	\$44,000	\$.52	\$11,440.00	\$100,441.48
23,000	20.51	\$471,799.00	1.77	\$835,084.23	17.75	\$47,047.00	\$2.00	\$46,000	\$.52	\$11,960.00	\$105,007.00
24,000	20.51	\$492,312.00	1.77	\$871,392.24	17.75	\$49,092.52	\$2.00	\$48,000	\$.52	\$12,480.00	\$109,572.52
25,000	20.51	\$512,825.00	1.77	\$907,700.25	17.75	\$51,138.04	\$2.00	\$50,000	\$.52	\$13,000.00	\$114,138.04

SOURCE: Compiled by Program Review Staff from information supplied by the Department of Travel Development.

APPENDIX E

STATE REVENUE GENERATED BY MUSEUM VISITORS
WITH ADMISSION FEE OF \$3.00

Visitors	Direct Spending Constant	Direct Spending	Multiplier	Direct Spending with Multiplier	State Tax Divisor	State Tax Receipts	Admission Fee	Admission Receipts	Gift Shop Multiplier	Gift Shop Receipts	Total Revenue
1,000	20.51	\$20,513.00	1.77	\$36,308.01	17.75	\$2,045.52	\$3.00	\$3,000	\$.52	\$520.00	\$5,565.52
2,000	20.51	\$41,026.00	1.77	\$72,616.02	17.75	\$4,091.04	\$3.00	\$6,000	\$.52	\$1,040.00	\$11,131.04
3,000	20.51	\$61,539.00	1.77	\$108,924.03	17.75	\$6,136.57	\$3.00	\$9,000	\$.52	\$1,560.00	\$16,696.57
4,000	20.51	\$82,052.00	1.77	\$145,232.04	17.75	\$8,182.09	\$3.00	\$12,000	\$.52	\$2,080.00	\$22,262.09
5,000	20.51	\$102,565.00	1.77	\$181,540.05	17.75	\$10,227.61	\$3.00	\$15,000	\$.52	\$2,600.00	\$27,827.61
6,000	20.51	\$123,078.00	1.77	\$217,848.06	17.75	\$12,273.13	\$3.00	\$18,000	\$.52	\$3,120.00	\$33,393.13
7,000	20.51	\$143,591.00	1.77	\$254,156.07	17.75	\$14,318.65	\$3.00	\$21,000	\$.52	\$3,640.00	\$38,958.65
8,000	20.51	\$164,104.00	1.77	\$290,464.08	17.75	\$16,364.17	\$3.00	\$24,000	\$.52	\$4,160.00	\$44,524.17
9,000	20.51	\$184,617.00	1.77	\$326,772.09	17.75	\$18,409.70	\$3.00	\$27,000	\$.52	\$4,680.00	\$50,089.70
10,000	20.51	\$205,130.00	1.77	\$363,080.10	17.75	\$20,455.22	\$3.00	\$30,000	\$.52	\$5,200.00	\$55,655.22
11,000	20.51	\$225,643.00	1.77	\$399,388.11	17.75	\$22,500.74	\$3.00	\$33,000	\$.52	\$5,720.00	\$61,220.74
12,000	20.51	\$246,156.00	1.77	\$435,696.12	17.75	\$24,546.26	\$3.00	\$36,000	\$.52	\$6,240.00	\$66,786.26
13,000	20.51	\$266,669.00	1.77	\$472,004.13	17.75	\$26,591.78	\$3.00	\$39,000	\$.52	\$6,760.00	\$72,351.78
14,000	20.51	\$287,182.00	1.77	\$508,312.14	17.75	\$28,637.30	\$3.00	\$42,000	\$.52	\$7,280.00	\$77,917.30
15,000	20.51	\$307,695.00	1.77	\$544,620.15	17.75	\$30,682.83	\$3.00	\$45,000	\$.52	\$7,800.00	\$83,482.83
16,000	20.51	\$328,208.00	1.77	\$580,928.16	17.75	\$32,728.35	\$3.00	\$48,000	\$.52	\$8,320.00	\$89,048.35
17,000	20.51	\$348,721.00	1.77	\$617,236.17	17.75	\$34,773.87	\$3.00	\$51,000	\$.52	\$8,840.00	\$94,613.87
18,000	20.51	\$369,234.00	1.77	\$653,544.18	17.75	\$36,819.39	\$3.00	\$54,000	\$.52	\$9,360.00	\$100,179.39
19,000	20.51	\$389,747.00	1.77	\$689,852.19	17.75	\$38,864.91	\$3.00	\$57,000	\$.52	\$9,880.00	\$105,744.91
20,000	20.51	\$410,260.00	1.77	\$726,160.20	17.75	\$40,910.43	\$3.00	\$60,000	\$.52	\$10,400.00	\$111,310.43
21,000	20.51	\$430,773.00	1.77	\$762,468.21	17.75	\$42,955.96	\$3.00	\$63,000	\$.52	\$10,920.00	\$116,875.96
22,000	20.51	\$451,286.00	1.77	\$798,776.22	17.75	\$45,001.48	\$3.00	\$66,000	\$.52	\$11,440.00	\$122,441.48
23,000	20.51	\$471,799.00	1.77	\$835,084.23	17.75	\$47,047.00	\$3.00	\$69,000	\$.52	\$11,960.00	\$128,007.00
24,000	20.51	\$492,312.00	1.77	\$871,392.24	17.75	\$49,092.52	\$3.00	\$72,000	\$.52	\$12,480.00	\$133,572.52
25,000	20.51	\$512,825.00	1.77	\$907,700.25	17.75	\$51,138.04	\$3.00	\$75,000	\$.52	\$13,000.00	\$139,138.04

SOURCE: Compiled by Program Review Staff from information supplied by the Department of Travel Development.

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Appendix F

Historic Site State Park Attendance Figures 1987

Historic Site	1987
Audubon	7,216
Big Bone	6,965
Blue Licks	9,011
Constitution Square	Not Available
Columbus-Belmont	11,026
Fort Boonesboro	62,243
General Butler	0
Jefferson Davis	14,234
Levi Jackson	9,476
Lincoln Homestead	4,325
My Old Kentucky Home	83,933
Old Fort Harrod	45,190
Perryville Battlefield	9,166
Waveland	2,733
Whitehall	14,077
William Whitley	3,808
Total	283,403

Appendix G

OTHER ORGANIZATIONS OFFERING TECHNICAL ASSISTANCE

Four organizations contacted by Program Review staff do not offer financial assistance to museum or historical restoration projects. Three of these organizations do offer technical assistance and expertise to various areas of museum planning or historical restoration.

The Historic Properties Advisory Commission has the responsibilities for the “preservation, restoration, acquisition and conservation of all decorations, objects of art, . . . furnishings, accouterments and other aesthetic materials that have been acquired by the Commonwealth . . . for historic properties under the control of the Finance and Administration Cabinet. (KRS 11.026) The advisory Commission does not have funds available for the restoration of properties other than those previously mentioned.

The corporation charter for the Historical Society (KRS 171.311) states that “the purpose of the Society shall include the collection, maintenance and preservation of authentic records, information, facts and relics connected with the history of the Commonwealth and the genealogy of her peoples”. The Society collects and maintains information concerning Kentucky family cemeteries. Additionally, they are responsible for the Kentucky military museum and all military historical objects placed therein.

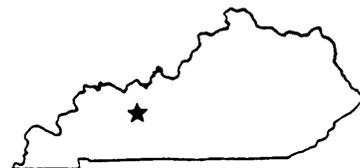
The Historical Society offers research assistance and can provide access to historical documents. They do not have funds available for restoration or rehabilitation projects.

The Kentucky Association of Museums does not have funds available to offer financial assistance for museum projects. The Association does provide expert advice from within their membership to organizations requesting information on museum projects.

The Country Music Foundation does not provide funding for museum projects. The Foundation does provide consultation, reference and research services to organizations and individuals. There is a fee for these services.

The Smithsonian Institution no longer operates a grant program for funding assistance. The Institution does provide limited technical advice and reference information to organizations involved with museums.

OHIO COUNTY INDUSTRIAL FOUNDATION



P.O. BOX 3 • HARTFORD, KENTUCKY 42347 • (502) 298-3551

September 19, 1988

Mr. Henry L. Hipkens
Kentucky Legislative Research Commission
State Capitol
Frankfort, KY 40601

Dear Sir:

In speaking for the Ohio County Bluegrass Committee, please accept our warmest congratulations for the excellent "Bill Monroe Bluegrass Museum" project study done by you and your staff at LRC. From the depth of analysis within the report, we feel this study lends direct support for our tourism efforts within Ohio County and western Kentucky.

As established by the report, Bill Monroe is nationally and internationally recognized as the "Father of Bluegrass Music". The development and propagation of this music style is directly attributable to an unique occurrence within the history of the U.S. during the past seventy odd years -- the talent and determination of a lone Kentuckian, Bill Monroe. His continuing pursuit of excellence within the field of music entertainment and constant worldwide exposure is a matter of record that approaches legendary status. And, at this time, he is a "living legend" equal or greater in internationally stature as such other famous Kentuckians as Colonel Harland Sanders or Mohammed Ali.

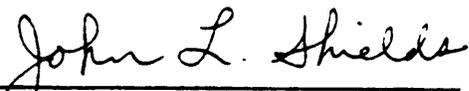
There have been previous as well as on-going attempts to organize a fitting tribute to Bill Monroe and his music. These efforts have not been successful, possibly because of a lack of proper funding and promotion but more importantly, they all lack a sense of permanency and "history". As Ohio County is Bill Monroe's family and childhood home, these attributes will be the strengths of the Ohio County proposal. With the county, regional and near state interest in bluegrass music, this "birthplace" citing of Mr. Monroe's museum will be a natural drawing card that "fits" bluegrass music appreciation like no other recent development.

The continuing regional, state and international interest in bluegrass music and its "Father", Bill Monroe, is growing. In support of our testimony given on September 12, 1988 about this movement, witness the relocating of the International Bluegrass Music Association to Owensboro and a recent article from the Owensboro Messenger - Inquirer (article enclosed; September 16, 1988); the biggest bluegrass festivals in the world are being held in western Kentucky and the "world" is not only watching but attending!

Ohio County is located on a natural travel route between the famous Kentucky Lake's area, several Kentucky metropolitan areas located on the Ohio River and just north of Nashville, Tennessee. Additionally, Ohio County is uniquely qualified to provide the history and substance of the happenings which produced an international music style and the "star" personality that caused its beginning and perhaps its worldwide acceptance.

We of the Ohio County Bluegrass Committee for the Bill Monroe - Bluegrass Museum recommend that the state of Kentucky proudly step forward and endorse the proper funding for the recognition of one of the state's own sons who has given the entire world not only an avenue for commerce but also an unique art form that will endure and be appreciated for many ages to come.

Sincerely,



John L. Shields, Director
Industrial-Economic Development

Executive Director
Ohio County Bluegrass Committee

JLS/jls

Enclosure.

Appendix I



ARTIST MANAGEMENT · THE WORLD'S FOREMOST ENTERTAINMENT
SUITE 300 38 MUSIC SQUARE EAST · NASHVILLE, TENN 37203 · 615 244-4336
B L A FAX #615 726-0429

September 8, 1988

Adanna Keller
Program Evaluation Analyst
Program Review & Investigations Com.
LEGISLATIVE RESEARCH COMMISSION
State Capitol
Frankfort, KY 40601

Dear Adanna:

Thank you for your letter dated Sept. 1 concerning the feasibility study for the Bluegrass Music Museum or Bill Monroe Memorial. Bill and I are very pleased with the information, and once again offer our help in any way possible to make this a reality.

If you need further information, don't hesitate to contact us.

Warmest regards,

BUDDY LEE ATTRACTIONS, INC.


Tony Conway
President

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