Arts and Humanities: Pell Statement (January 27, 1976): Memorandum 01

Livingston Biddle

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United States Senate

MEMORANDUM

To: Senator

From: LB

Feb. 4

Attached is rough draft, as requested, re Sen. Williams' letter asking for a statement on FY '77 funding levels. Letter attached for ref. The statement leaves some flexibility but follows the patterns discussed yesterday. Jean is doing material on

ED.
MEMORANDUM

TO: SENATOR

FROM: LB

Jan 28

The attached from Sen. Williams is just FYI.

We are working on all this -- I have established connections with the Committee's new Budget coordinator and expeditor, and we have had two meetings on how best to follow out the necessary procedures outlined in Sen. Williams' letter.
The Honorable Claiborne Pell  
Chairman  
Subcommittee on Education  
Special Subcommittee on Arts and Humanities  
Committee on Labor and Public Welfare  
United States Senate  
Washington, D. C. 20510  

Dear Clai:

You will recall last year that you generously provided assistance in our Report to the Senate Budget Committee pursuant to the provisions of the Congressional Budget and Impoundment Control Act of 1974, P.L. 93-344. While the first report under that Act was advisory in nature, its full statutory scheme must be implemented with respect to the 1977 fiscal year beginning October 1, 1976.

The Committee now is required to undertake a demanding set of activities geared primarily to two deadlines established by the Act. On March 15, 1976, we are required to submit to the Senate Budget Committee our views and estimates as to needed levels of appropriations and outlays regarding policies and programs within our jurisdiction. On May 15, 1976, we are required to have reported to the Senate, any bill or resolution which authorizes new budget authority for the fiscal year beginning the following October. Inasmuch as doubt exists about which legislation may be interpreted as exerting a budgetary impact for Fiscal Year 1977, we should report all legislation by May 15 in order to limit the need to seek waivers of this deadline.

From my scrutiny of the Act, and from the Committee's experience during the advisory year of its operation, it is clear that we must respond to the budget process as advocates for the policies and programs under our jurisdiction. I would appreciate your assistance as Chairman of the Subcommittee on Education and the Special Subcommittee on Arts and Humanities as follows:
1. Preparation of a statement no later than February 20, 1976 setting forth your judgment as to the proper level of appropriations you believe should be forthcoming for your programs for FY 1977. We shall be pleased to provide assistance to your staff as they may be needed to complete the statement.

2. Formulation of your plans for the Subcommittee in advancing legislation intended for enactment in this Session. This summary of legislative plans has been requested by the Senate Budget Committee to aid their preparation of the First Budget Resolution. It is also useful for our Committee to have this information as an aid to scheduling Committee work to meet the May 15 deadline for reporting of authorizing legislation.

3. I hope to convene a meeting of the Full Committee the first week in March to consider a response of the Committee to the Senate Budget Committee setting forth our views and estimates for fiscal need for the 1977 fiscal year.

4. I would expect a further meeting of the Full Committee in late April to determine whether there is a need for a Committee response to the First Senate Budget Committee Report and appended reports of the Congressional Budget Office as they may concern the policies and programs within our jurisdiction.

These steps have been formulated in order to afford the Committee the opportunity to respond effectively to the new policymaking initiatives which have been implemented under the Budget Act. Much work faces the Committee as we contemplate the first operational year of the budget process.

Your assistance in facilitating our report for the Senate Budget Committee will be very much appreciated. Your collaboration in our discussions of the budget process will be valued greatly.

With warm personal regards,

Sincerely,

Harrison A. Williams, Jr.
Chairman
Draft Statement in Response to Senator Williams Letter

Arts and Humanities. (Special Subcommittee on Arts and Humanities)

The National Foundation on the Arts and the Humanities, established by P.L. 89-209 in 1965, has the following current levels of authorization: for the National Endowment for the Arts, $113.5 million in program funds; and for the National Endowment for the Humanities, $113.5 million in program funds. In addition, a ceiling of $25 million is authorized for matching gifts made to the two Endowments—a maximum amount which the two Endowments traditionally share equally and which is authorized under section 10(a)(2) of the basic act. In total, each Endowment is thus authorized for the present fiscal year a total of $126 million—$113.5 million, plus half of the $25 million authorized to match gifts ($113.5 million plus half of the $25 million, or $12.5 million equals $126 million).

Administrative funds are traditionally authorized by a "such sums as may be necessary" provision. The current administrative costs are $11 million.

Current appropriations are as follows: for the Arts, a total of $82 million ($74.5 million in program funds and $7.5 million to match gifts made to the Arts Endowment); for the Humanities, a total of $79.5 million ($72 million in program funds and $7.5 million to match gifts made to the Humanities Endowment).

The President's budget request for Fiscal '77 would provide the Arts Endowment with an additional $5 million—or a total of $87 million; and it would provide the Humanities Endowment with an equal sum, $87 million. Administrative costs would remain at $11 million.

The above figures have been summarized in order to
to show that the current authorized levels exceed current appropriations (for fiscal '76 by a total of $90.5 million.) They also exceed the President's budget request by a total of $78 million.

In contrast, it should be pointed out that leading arts organizations throughout the nation, based on extensive research presented at the Subcommittee's hearings in November on reauthorization legislation for the Arts and Humanities program, are urging a minimum of $225 million for the Arts Endowment alone for the coming fiscal year. It should also be pointed out that the Senate after two full days of debate in May, 1973, approved by a vote of 61 to 30 a total authorization of $400 million, to be divided equally between the Arts Endowment and the Humanities Endowment ($200 million for each Endowment) to apply to the current fiscal year. This amount was reduced by House action and in Senate-House conference to the present $126 million for each Endowment mentioned above.

Pending at present before the Subcommittee is legislation to reauthorize the Arts and Humanities Endowments for up to four additional years. It is my intention to remain within the presently authorized ceilings for Fiscal '77. That is, to remain within the presently authorized total of $252 million for the two Endowments, exclusive of administrative costs, which as mentioned above have traditionally been left open-ended. In this respect, I would expect no significant change in funding procedures.

Within present funding levels, I expect to include appropriate funds for the two Endowments and their regular program needs. I also expect to give greater emphasis than in the past to the needs of our nation's museums, and to additional challenge concepts for the Arts Endowment, which has had a marked success in exceeding the normal one for one match (one federal dollar to match one non-federal dollar) standard to the enabling legislation. I intend to increase the availability of funds for the
Arts Endowment, so that maximum use can be made of the federal investment and so that a challenge program for arts organizations can be further developed with the federal dollar matched, in this case, by three non-federal dollars. I believe that such a challenge program can prove effective to many arts organizations which, through the catalyst of the federal investment, can improve substantially their base of non-federal support. At the same time, smaller organizations which cannot match at this ratio will continue to be aided through the standard provisions in the law. The combination of options I propose should give the total program greater flexibility, allowing for increased help to all concerned.

I may also wish to include emphasis on the inservice retraining of arts teachers. We have an adequate number of such teachers, but training needs are of great importance. If implemented, such a proposal would be on a modest basis with stress on demonstration and pilot-type endeavors.

In sum, I intend to recommend essentially the existing level of funding for the program for the coming fiscal year — 1977. I would hope that appropriations would measure up to the needs expressed in the authorization process. With the specifics I have outlined above, I would recommend that appropriations reach the proposed level for the National Foundation on the Arts and the Humanities of approximately $250 million in federal funds, plus approximately funds needed for administration. In accordance with present percentages of administrative costs to total program, the $250 million funding level would involve approximately $17 million for administration, or an overall total of $267 million in federal funds.