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GOVERNMENT & THE ARTS

by FRASER BARRON

A Monthly Analysis of Developments in Federal Support for the Arts & the Humanities

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FIVE-YEAR RE-AUTHORIZATION FOR NATIONAL ENDOWMENTS AND IMS ENACTED

After more than a year of arduous and even harrowing effort, the ultimate outcome of which was long in doubt, the post-election session of the 96th Congress finally passed and sent to the President the Arts & Humanities Act of 1980, re-authorizing the National Endowments for the Arts and Humanities and the Institute of Museum Services through FY '85, and slightly amending the Art & Artifacts Indemnity Act. On December 4th President Carter signed the Act into law as PL 96-496.

The final and decisive stage of Congressional action began on Friday, November 14th, two days after the post-election session commenced, when Senator Claiborne Pell (Chairman of the Senate Subcommittee on Education, Arts & Humanities) met with Congressman William Ford (Chairman of the House Subcommittee on Post-Secondary Education) in the Senator's private office in the Capitol Building to hammer out final agreement on the details of a compromise bill. The final version of the legislation which the two chairmen agreed upon incorporates major aspects of both S 1386, the Senate-passed bill (and S 1429 pertaining to IMS) and HR 7153, the previously pending House bill which had been ordered reported by the Committee on Education & Labor last April. The compromise measure was promptly ratified by the House Committee (with one important exception to be noted below), and was sent to the House floor under suspension of the rules on Monday, November 17th. Following a series of supportive statements by Chairman Ford and Congressmen John Ashbrook (R, Ohio), the ranking minority member of the Education & Labor Committee, Norm Dicks (D, Wash.), and John Buchanan (R, Ala.), the outgoing ranking minority member of the Ford Subcommittee who played such a constructive role in the re-authorization process, the compromise version of HR 7153 was passed by voice vote without a single expression of dissent. Additional supportive statements by Congressmen John Brademas (D, Ind.), the outgoing champion of the arts in Congress, Ted Weiss (D, N.Y.), and Mario Biaggi (D, N.Y.), all of whom played key roles in shaping the House bill, were subsequently included in the Record. Having adopted the compromise substitute bill, the House conformed to parliamentary requirements by substituting it for the text of S 1386 and sending the measure back to the Senate for its concurrence. This was promptly obtained, on November 20th, again by voice vote and without an expressed dissent. The new extension of the National Foundation on the Arts & the Humanities Act of 1965 was then enrolled and sent to the White House.

PL 96-496 strikes a fairly even balance between S 1386 as passed by the Senate and HR 7153 as reported by the House Committee -- somewhat of a surprise in that Senator Pell prevailed on several major points he had been expected to yield on. The key elements of the new Act are as follows:

1. All three agencies are re-authorized through FY '85, as in the House bill (S 1429 had included only a two-year extension for IMS).
2. The Senate language affirming the Arts Endowment's authority to support "programs for the arts at the local level" is incorporated among the Endowment's program objectives as new Sec. 5(c)(5) of the basic Act.
3. The House language authorizing what has come to be called the State & Local Incentive/Challenge Grant Program is incorporated as new Sec. 5 (1)(1)(D) of the basic Act. This provision authorizes Challenge Grants "providing additional support for cooperative efforts undertaken by State arts agencies with local arts groups to promote effective arts activity at the State and local level, including support of professional artists in community-based residencies."
4. In a major victory for Senator Pell, PL 96-496 incorporates the Senate language requiring State governors and legislators (as we reported in Vol. I, No. 2) "to make a choice between bringing humanities councils within the framework of State government or maintaining them as private bodies. Wherever the former choice is made, a State would be

required to match from State funds either 50% of the council's basic operating grant (\$200,000 at present) or 25% of the total support received from NEH, whichever is greater. In effect this would mean a 25% match for councils receiving over \$400,000, and a 50% match for councils receiving up to \$400,000 --- and in either case the State matching funds would have to be 'newly appropriated' (i.e., funds appropriated for State arts agencies could not be shifted to, or blended with, State humanities appropriations). Eventually all of the members of a public State humanities council would be appointees of the governor.

"Wherever a State decides not to establish the humanities council as a public agency, the council would have to match from any source the full amount of assistance received from NEH, and to comply with requirements for 'broad public participation', nomination to membership of representatives of the various population groups in the State, membership rotation, reporting procedures to advise State officials of council activities, public access to information on such activities, and periodic reports to NEH. In such a case --- the governor would have the right to appoint four (instead of two) members of the council's governing body, up to a limit of 20% of the total membership of such body."

It will be interesting to see how the new system works out. One hypothetical situation worth contemplating is a case in which a State elects to "go public" with its council only to have the decision reversed some years later by another governor and legislature -- presumably at that point the council would revert to private status, but with a governing board entirely appointed by a previous governor (or governors)!

5. By way of balancing matters, the Act includes the House language concerning re-allocation of Humanities Endowment funds to State humanities councils (see Vol. I, No. 6 for details). The net effect of the new system will be to continue the basic \$200,000 State grant and to apportion the remainder of State funding (a) 34% on a discretionary basis, (b) 44% on an equal share basis, and (c) 22% on a per capita basis -- the latter being a key innovation especially beneficial to larger States. This system will result in an overall approximate breakdown of 72% in equal shares, 17% in discretionary grants, and 11% in per capita shares.

6. The Act incorporates the House language authorizing the Federal Council on the Arts & Humanities to "undertake studies and make reports which address the state of the arts and humanities, particularly with respect to their economic needs and problems", and specifically directing the Federal Council to undertake studies of, and report to Congress on, "the state of employment opportunities for professional artists", and "the effectiveness of the --- Art & Artifacts Indemnity Act", in keeping with a major concern voiced by Congressman Brademas, including the feasibility of extending the program to indemnification of purely U.S. exhibitions (see Vol. I, No. 6). G&TA understands that prospects for such an extension in the foreseeable future are virtually nil. The House provision, authored by Congressman Biaggi, adding the U.S. Commissioner on Aging to the Federal Council was also adopted.

7. Also incorporated in the Act is the House language requiring the Chairmen of the two Endowments to conduct studies as to the effectiveness (especially as an incentive mechanism for non-federal support) and administrative complexity of the "Treasury Funds" matching grant system (see Vol. I, No. 6). Implicit in this mandate is the prospect of merging Treasury Funds and Challenge Grants at some point in the future -- a possible step which could prove to be extremely desirable to State and local arts agencies in light of the enactment of the State & Local Incentive/Challenge Grant Program.

8. The Senate prevailed in retaining the provision in the basic Act requiring Senate confirmation of Presidential appointees to the National Councils of the two Endowments.

9. PL 96-496 represents a major enhancement in the status and authority of the Institute of Museum Services, with the strongly supportive House approach being adopted on all sub-

stantive issues and augmented by remarkably high dollar authorizations. The IMS is re-authorized as a quasi-independent entity within the Department of Education through FY '85. The Act specifies that IMS may develop and apply its own grant review and evaluation procedures (not those of DOE), and that the IMS Director shall report directly to the Secretary of DOE (rather than to some lower bureaucratic level). The Secretary of Education is specifically denied the authority to "consolidate, alter or discontinue" the IMS. IMS is authorized to allocate up to 5% of its annual appropriation for one-year grants to support "professional museum organizations" (but not the "operational expenses" thereof). Talk about effective lobbying!

10. The Act incorporates the House language raising the ceiling on the aggregate potential loss or damage to exhibitions which may be covered by indemnity agreements under the Art & Artifacts Indemnity Act at any one time from \$250 million to \$400 million, and instituting a new sliding scale of deductible amounts based upon the value of covered exhibitions (see Vol. I, No. 6).

11. The Act adopts the Senate approach to allocating funds to special jurisdictions such as Guam and the Virgin Islands. Such jurisdictions having populations of less than 200,000 will receive \$200,000 basic State grants, but not necessarily additional grants, from the Arts Endowment's statutory allocation for the States.

12. Authorization of Appropriations through FY '85: When Senator Pell and Congressman Ford concluded their meeting on November 14th, they were in agreement that the final legislation should -- in the interest of discouraging floor attacks on the bill by House and Senate economizers -- adopt the Senate figures authorizing appropriations ceilings for the two Endowments through FY '85. These figures commenced with FY '81 levels of \$175 million for the Arts Endowment and \$170 million for the Humanities Endowment, and rose in annual increments of 15% to \$306 million for the Arts Endowment, and \$299 million for the Humanities Endowment, in FY '85. While these authorized funding levels were deemed to be quite austere, and far below the original goals of arts and humanities advocates -- the House bill, by comparison, had proposed starting levels of \$200 million (Arts) and \$190 million (Humanities) in FY '81, with open-ended "such sums as may be necessary" authorizations in the four succeeding years -- they did at least offer specific authorization benchmarks for annual appropriations increases, and in light of current political and economic circumstances were considered by the two chairmen to be the best terms achievable at this time.

Upon presenting the compromise agreement to key members of the Education & Labor Committee, however, Congressman Ford was confronted with adamant opposition -- chiefly from Congressman Ashbrook, the Committee's ranking minority member -- to even the modest annual increases in dollar authorizations the Senate had approved. Congressman Ashbrook insisted that instead of 15% annual increases, a maximum of 10% would have to be imposed in order to obtain unanimous Committee support (and Republican cooperation) when the bill went to the floor. Inasmuch as fiscally conservative floor opposition might well have blocked passage of the compromise bill -- a two-thirds majority was necessary to bring the bill up under suspension of the rules -- Chairman Ford felt he had no alternative but to accept Congressman Ashbrook's terms.

The authorized levels of annual appropriations for the two Endowments through FY '85 are thus as follows:

	<u>NEA</u>				
	(in millions)				
	<u>FY '81</u>	<u>FY '82</u>	<u>FY '83</u>	<u>FY '84</u>	<u>FY '85</u>
Regular Programs	\$115.5	\$127.0	\$140.0	\$154.0	\$170.0
Treasury Funds	18.5	18.5	18.5	20.0	22.5
Challenge Grants	27.0	30.0	32.5	36.0	40.0
Administration	14.0	15.0	16.0	17.0	18.0
Totals	<u>\$175.0</u>	<u>\$190.5</u>	<u>\$207.0</u>	<u>\$227.0</u>	<u>\$250.5</u>

	<u>NEH</u> (in millions)				
	<u>FY '81</u>	<u>FY '82</u>	<u>FY '83</u>	<u>FY '84</u>	<u>FY '85</u>
Regular Programs	\$114.5	\$126.0	\$138.5	\$152.0	\$167.5
Treasury Funds	12.5	14.0	15.0	16.5	18.5
Challenge Grants	30.0	33.0	36.0	40.0	44.0
Administration	13.0	14.5	15.5	16.5	17.5
Totals	<u>\$170.0</u>	<u>\$187.5</u>	<u>\$205.0</u>	<u>\$225.0</u>	<u>\$247.5</u>

There seems to be no question but that these authorized funding levels -- which invariably exceed the sums actually appropriated -- will be viewed with disappointment by the national arts and humanities community, and may well portend exacerbated conflict between the various segments of the two Endowments' constituencies for portions of the terribly limited funds available each year. At best, PL 96-496 provides annual "inflation" increases for existing programs which in many cases have been incapable of keeping up with inflation -- much less of meeting increased demand -- for the past two or three years. Even measured against the modest funding levels proposed in the Senate bill, upon which Chairmen Ford and Pell had agreed, over the period FY '82 to FY '85 the new Act authorizes \$129 million less for the Arts Endowment, and \$116 million less for the Humanities Endowment.

The IMS, on the other hand, comes out of the re-authorization process in an extremely strong position with respect to dollar authorization figures. Rather than adopt the House approach, which had provided an authorization of \$25 million in FY '81 and "such sums as may be necessary" through FY '85 (the two-year Senate authorization would have provided \$21.5 million in FY '81 and \$28 million in FY '82), the Act takes the initial House figure and provides annual increments of \$5 million through FY '85:

<u>IMS</u>	
FY '81	\$25 million
FY '82	\$30 million
FY '83	\$35 million
FY '84	\$40 million
FY '85	\$45 million

Thus, while the Arts Endowment's FY '85 funding ceiling is 58% higher than its actual FY '81 appropriation, and while the FY '85 funding ceiling for the Humanities Endowment is 63.6% higher than its actual FY '81 appropriation (see below), the IMS FY '85 dollar authorization is 250% higher than its FY '81 appropriation. One effect of this disparity may be to increase the pressure over the next four fiscal years to shift more of the responsibility for museum support from the Endowments to IMS.

The Act's provisions concerning the quasi-independent status of IMS almost caused an obstacle to enactment when the bill came back to the Senate from the House for final passage. DOE apparently became highly exercised upon suddenly discovering (after seven months of inattention) the degree of autonomy the Act provides to IMS and its Director, and seriously sought a way to have the relevant provisions changed on the Senate floor. The Department was unsuccessful in this regard, although Senator Abraham Ribicoff did agree to have included in the Congressional Record, subsequent to Senate passage, a statement seeking to dilute and limit the very clear language of the Act concerning independent IMS grant review procedures and the Director's direct access to the Secretary. Inasmuch as Senator Ribicoff's statement was not made on the Senate floor during the Senate's final consideration of the legislation, and is in direct contradiction to an analysis of the bill which was integral to final House action, its efficacy as legislative history must be seriously questioned.

The matter did not end there, however, and the Department strenuously pressed its objections with the Office of Management & Budget, apparently to the bizarre point of rais-

ing the possibility of a Presidential veto of the legislation, but to no avail.

For its part, the Arts Endowment found itself in the unflattering position of expressing private reservations as to the ramifications of the new Sec. 5(c)(5) of the basic Act, specifying its authority -- and implying its responsibility -- to support "programs for the arts at the local level" (language which no one takes to mean direct grant assistance to CAA's). According to our sources, in recent days the Endowment has inquired of the Senate Committee as to whether a retrospective Committee opinion might be rendered in such form as to cast doubt upon the significance and meaningfulness of the provision in question. G&TA, in its innocence, is surprised and disappointed that at the very moment it is preparing, with professions of great earnestness, for a February National Council Meeting to consider specific steps which might be taken to support arts at the local level, the Endowment should be party to such desultory connivance at vitiating its new statutory authorization and encouragement to provide just such support.

G&TA wishes to very strongly commend Chairmen Pell and Ford, their respective Subcommittees -- with particular emphasis in the case of Congressman Brademas -- and their excellent staffs for the tremendous contribution they have made, in the most difficult circumstances, to continued federal support of the arts and humanities, and especially for having the vision and resolve to incorporate both the new Sec. 5(c)(5) and the State & Local Incentive/Challenge Grant Program within the National Foundation on the Arts & the Humanities Act. In speaking of the latter program in his valedictory Congressional statement on behalf of federal support for the arts (Congressional Record for Nov. 17, 1980, page H 10898), Congressman Brademas said:

"First, the bill provides the Arts Endowment a new State and local incentive program to develop new levels of State and local Government money to support the arts and to encourage cooperative planning for the arts between and among local arts agencies, State arts agencies, and the National Endowment for the Arts.

"This new authority to encourage increased State and community support for the arts is included in the challenge grant program, which has proven successful in helping cultural organizations expand their financial resources. The bill, while not creating a separate category of funding for local arts programs, provides the National Endowment for the Arts the flexibility to promote the cooperation needed to sustain the vitality of State and community arts activities."

As part of his presentation of the final bill to the House, Chairman Ford included in the Record a splendid article on Congressman Brademas which Mary Lynn Kotz had written for Artnews. G&TA wishes to associate itself with Chairman Ford's tribute to the distinguished Indiana Congressman, who will be remembered with fondness and gratitude for as long as the American people draw inspiration and nourishment from the wonder of art. Godspeed, Mr. Congressman.

CONGRESS PASSES FY '81 APPROPRIATIONS FOR ARTS & HUMANITIES

As a crucially important supplement to its completion of the re-authorization process, the Congress finally passed and sent to the President HR 7724, providing FY '81 appropriations for the Department of the Interior & Related Agencies, including the Arts and Humanities Endowments and IMS.

On November 17th the Senate called up the Committee-reported version of the bill (see Vol. I, No. 11) and quickly passed it. A House-Senate Conference to reconcile differences in the House and Senate versions was expeditiously convened under the chairmanship of Congressman Yates, and in record time Report No. 96-1470 was filed. The Conference Report went to the House floor on November 20th and, under the usual masterful guidance of Chairman Yates, was passed by voice vote with scarcely any debate. On December 1st the Conference Report received equally prompt and painless approval by the Senate (with Senator Hud-

dleston of Kentucky acting as floor manager), again by voice vote. In neither body were the arts and humanities aspects of the bill even mentioned. As of this writing, President Carter's signature, completing the enactment process, is expected momentarily. Thus, after all the continuing uncertainty and apprehension of recent months, both essential components of the arts and humanities legislative program in the 96th Congress have been brought to a successful conclusion, without a single recorded vote being taken in either the House or the Senate.

The Conference Report on HR 7724 provides a total of \$9,466,787,000 for the Department of the Interior & Related Agencies in FY '81. Of this sum, the total provided for the two Endowments and IMS comes to \$322,716,000, or 3.4%.

The Act provides \$158,560,000 for the Arts Endowment, \$151,299,000 for the Humanities Endowment, and \$12,857,000 for IMS in FY '81. A comparison with the House and Senate bills is as follows:

NEA

	<u>House</u>	<u>Senate</u>	<u>Final</u>
Regular Programs	\$114,495,000	\$112,635,000	\$113,960,000
Treasury Funds	18,500,000	18,500,000	19,250,000
Challenge Grants	14,200,000	12,700,000	13,450,000
Administration	<u>12,865,000</u>	<u>12,165,000</u>	<u>11,900,000</u>
Total	<u>\$160,060,000</u>	<u>\$156,000,000</u>	<u>\$158,560,000</u>

NEH

	<u>House</u>	<u>Senate</u>	<u>Final</u>
Regular Programs	\$106,522,000	\$106,022,000	\$106,522,000
Treasury Funds	9,500,000	9,500,000	9,500,000
Challenge Grants	24,000,000	24,000,000	24,000,000
Administration	<u>12,219,000</u>	<u>11,777,000</u>	<u>11,277,000</u>
Total	<u>\$152,241,000</u>	<u>\$151,299,000</u>	<u>\$151,299,000</u>

IMS

	<u>House</u>	<u>Senate</u>	<u>Final</u>
Total	<u>\$12,900,000</u>	<u>\$12,057,000</u>	<u>\$12,857,000</u>

The Conferees thus succeeded in restoring all the cuts the Senate had made in the Arts Endowment's budget with two exceptions, neither of which will adversely affect essential Endowment programs in the current fiscal year: \$535,000 requested for analysis of '80 Census data by outside contractors has been deleted from Program funds, and \$965,000 requested to permit NEA to move into the restored Old Post Office Building has been deleted from Administrative funds. Of the \$1.5 million the Senate had cut from Challenge Grants in order to avoid "institutional advancement" funding, half was restored to Challenge Grants and half to Treasury Funds. The net effect of this action is somewhat unclear -- the Conferees apparently conceived Treasury Funds to "require" "a two-to-one match rather than a three-to-one ratio" as in Challenge Grants. The Endowment apparently is thus free to proceed with "institutional advancement" grants, half under Treasury Funds (2-to-1) and half under Challenge Grants (3-to-1). This action would seem to indicate that any State & Local Incentive/Challenge grants which might be approved in the future will require a 3-to-1 match. Such an interpretation strongly suggests the merits -- for State and local arts agencies -- of the possible future merger of Treasury Funds with Challenge Grants contemplated by the new re-authorization.

The Conferees fully restored the requested FY '81 budget for the Humanities Endow-

ment save for \$942,000 requested to permit NEH to move into the restored Old Post Office Building. The original IMS budget is fully restored save for the trivial sum of \$43,000 originally intended to support grant review and evaluation in the disallowed "Cornerstone" multi-year grant program.

FY '81 Appropriations Versus FY '80:

	NEA		(in millions)		NEH	
	FY '80	FY '81	FY '80	FY '81	FY '80	FY '81
Regular Programs	\$97.0	\$113.96	\$100.3	\$106.522		
Treasury Funds	18.5	19.25	11.4	9.500		
Challenge Grants	26.9	13.45	27.0	24.000		
Administration	12.0	11.90	11.4	11.277		
Totals	<u>\$154.4</u>	<u>\$158.56</u> (+2.7%)	<u>\$150.1</u>	<u>\$151.299</u> (+0.8%)		

	IMS	
	FY '80	FY '81
Totals	\$10.9	\$12.857 (+18.0%)

FY '81 Appropriations Versus New FY '81 Authorizations:

	NEA		
	FY '81 Auth.	FY '81 Approp.	As % of Auth.
Regular Programs	\$115.5	\$113.96	98.7%
Treasury Funds	18.5	19.25	104.1%
Challenge Grants	27.0	13.45	49.8%
Administration	14.0	11.90	85.0%
Totals	<u>\$175.0</u>	<u>\$158.56</u>	<u>90.6%</u>

	NEH		
	FY '81 Auth.	FY '81 Approp.	As % of Auth.
Regular Programs	\$114.5	\$106.522	93.0%
Treasury Funds	12.5	9.500	76.0%
Challenge Grants	30.0	24.000	80.0%
Administration	13.0	11.277	86.7%
Totals	<u>\$170.0</u>	<u>\$151.299</u>	<u>90.0%</u>

	IMS		
	FY '81 Auth.	FY '81 Approp.	As % of Auth.
Totals	<u>\$25.0</u>	<u>\$12.857</u>	<u>51.4%</u>

The apparent anomaly in the last table between authorized and appropriated NEA Treasury Fund figures (a higher sum being appropriated than is authorized) may be explained by a technical Congressional rule which permits a waiver of objections to such a result where an appropriation figure is agreed to prior to the enactment of a corresponding authorization.

The significance of the figures presented above cannot be said to bode well for federal arts support: at a time of annual inflation in the range of 10.5%, the Arts Endowment budget has increased by only 2.7%, and that of the Humanities Endowment by a mere 0.8%. G&TA understands that the Arts Endowment's original request to OMB for funding in FY '82 was \$199 million (\$8.5 million in excess of its new authorization), and that OMB has given preliminary approval to a FY '82 budget of \$173 million -- which would represent an increase of \$14,440,000, or 9.1%, over the new FY '81 appropriation (90.8% of the authorized level, very close to the 90.6% achieved in FY '81). No comparable data for the Humanities Endowment has been obtained, but if OMB has approved the same sort of increase as in the case of NEA, the preliminary "mark" for NEH may be in the range of \$165-170 mil-

lion. IMS, on the other hand, presents a very rare case among federal domestic agencies, growing (in terms of appropriations) at a rate of 18.0% over FY '80, without beginning to approach the upper limits of its authorized level. Should OMB approve a similar funding increase for IMS in FY '82, it might expect a FY '82 appropriation request in excess of \$15 million. It should be noted that any FY '82 decisions reached by OMB at this time will be subject to review and possible revision by the new Reagan Administration.

The final version of HR 7724 also includes the specific grants of National Park Service assistance to various major cultural institutions in the Washington, D.C. area on which we reported in Vol. I, No. 11, including \$300,000 in building maintenance assistance to both the Folger Shakespeare Library and the Corcoran Gallery of Art, and a special challenge grant of \$1,000,000 to the National Symphony Orchestra. The Conference Report amended slightly the conditions imposed on the NSO grant. It stipulates that "\$1,000,000 shall be available for assistance to the National Symphony Orchestra --- such assistance to be available only to the extent matched by" NSO "with a like amount of contributions or pledges derived from non-government sources which have not previously been used for Federal matching purposes. --- The federal funds are to be matched dollar for dollar by cash contributions or pledges obtained between October 1, 1980, and September 30, 1981, from non-government sources which have not been used for other matching purposes. The federal funds shall be released in \$100,000 increments as matched by like amounts of contributions or pledges." G&TA is delighted that Congress has responded so affirmatively to the tremendous financial needs of major D.C. cultural institutions. On the other hand, countless equally needy institutions across the country will contemplate the great advantages enjoyed by our local institutions in regularly performing or exhibiting to audiences which include dozens of highly appreciative Members of Congress.

Our report on the successful completion of the FY '81 arts and humanities appropriations process would be seriously inadequate without a final word of appreciation and gratitude to Chairman Sidney R. Yates for his brilliant and masterful direction of HR 7724 through an exceptionally difficult obstacle course to enactment. Thank you, Mr. Chairman!

MC CLURE TO CHAIR SENATE APPROPRIATIONS SUBCOMMITTEE

Senator James A. McClure (R, Idaho) will succeed Senator Robert C. Byrd (D, W.Va.) as Chairman of the Senate Appropriations Subcommittee on Interior & Related Agencies in the 97th Congress. Senator McClure has served in the Senate since 1973. An attorney, former State Senator, and Congressman, Senator McClure is the fifth-ranking Republican Member of the Appropriations Committee, and has served on the Interior Subcommittee for several years. He jumps from fifth-ranking Minority Subcommittee Member to Chairman due to the preference of Senator Ted Stevens of Alaska (the new Assistant Majority Leader) for the Defense Appropriations Subcommittee, the retirement of Senators Milton Young (N.D.) and Henry Bellmon (Okla.), and the decision of Senator Mark Hatfield of Oregon, the new Chairman of the full Appropriations Committee, not to chair any subcommittee. G&TA has been advised by Senator McClure's staff that he has a "strong interest" in the arts and humanities, and that he will be attentive to that portion of the annual Interior & Related Agencies budget. Decisions on new assignments to Appropriations subcommittees may be expected early in January. New Republican members of the Appropriations Committee will be Senators Mattingly of Georgia, Rudman of New Hampshire, D'Amato of New York, Specter of Pennsylvania, Andrews of North Dakota, and Abdnor of South Dakota.

No decisions have yet been reached by the new Senate Republican Majority as to chairmanships of the Labor & Human Resources subcommittees, but these also should be known early in January. It therefore remains unclear at this time as to who will succeed Senator Pell as Chairman of the Education, Arts & Humanities Subcommittee. New Republican members of the full Committee will be Senators Denton of Alabama, East of North Carolina, Nickles of Oklahoma, and Quayle of Indiana. Senator Edward M. Kennedy of Massachusetts has elected to become ranking minority member of the Labor & Human Resources Committee (rather than of the Judiciary Committee, of which he has been chairman).

ARTS IN EDUCATION FUNDING FACES UNCERTAIN FUTURE

The Department of Education is one of many federal departments and agencies for which the post-election session of the 96th Congress has elected to defer passage of FY '81 appropriations legislation to the 97th Congress, and instead to provide continued interim funding authority under a second "continuing resolution". It will therefore be necessary for the new Administration to send a new FY '81 budget request for the Department to Congress next month (as well as an original FY '82 request shortly thereafter). Future funding for the Department's Arts in Education programs therefore remains in doubt, especially in light of indications that the Reagan Administration will seriously consider proposals to dismantle the new Department.

Included in the Carter Administration's FY '81 budget request for Arts in Education was \$1,250,000 to continue the new grant program for State, urban, and rural arts in education consortia (the initial 20 grants for which were announced at the end of last summer -- see Vol. I, No. 10). Pending further decisions by the new Administration and the 97th Congress, the new program will proceed with plans to issue new program regulations (the proposed new regulations were published in the Federal Register for September 22nd) this winter, and to consider new applications consistent therewith for a few new projects (February 27th is the deadline for applications -- contact Dr. Harold Arberg, Director of the Department's Arts & Humanities Program Office, Room 3728, Donovan Building, 400 Maryland Avenue, SW, Washington, D.C.; 202-245-8912). Also included in the deferred request are \$1,500,000 for the programs of the National Committee, Arts for the Handicapped, and \$750,000 for the education programs of the John F. Kennedy Center for the Performing Arts, including \$200,000 for the Alliance for Arts Education.

TRANSITION PROCESS GOES SMOOTHLY AT ARTS & HUMANITIES ENDOWMENTS

Sources at the National Endowments for the Arts & Humanities report that the initial month of the transition process has gone smoothly, and that, with few exceptions, the representatives of the Office of the President-Elect have demonstrated a positive and constructive interest in gathering objective information on the organization and programs of the two Endowments. In particular, the two transition coordinators, Mr. Robert S. Carter at the Arts Endowment and Prof. Richard Bishirjian at the Humanities Endowment, seem to have gone out of their way to dispel the apprehensions of some that the new Administration might harbor negative attitudes toward the Endowments. To the contrary, an unusual degree of rapport seems already to have been achieved between leading figures in the Reagan entourage and the Washington cultural community. The transition teams have reached out for advice and counsel to many present and former members of the National Councils of the two Endowments, and the names already being floated as possible successors to Chairmen Biddle and Duffey are without exception cultural leaders of great distinction.

Preliminary reports on the Endowments have already been submitted by Mr. Carter and Prof. Bishirjian to the Transition Headquarters, and final reports and recommendations are due to be submitted to the President-Elect on December 22nd. At this point G&TA feels confident in reporting that all is well on the Potomac.

BRIEF NOTES:

*** The International City Management Association has called our attention to its recent publication The Practice of Local Government Planning, which includes a chapter entitled "Planning for the Arts", by Janet I. Harris, Executive Director of the Indiana Arts Commission. The book is available at \$35.00 per copy from ICMA, 1140 Connecticut Ave., NW, Washington, D.C. 20036.

*** G&TA would like to take this opportunity to offer special thanks (First Annual Kudos) to just a few of the many people who have provided us with such splendid and absolutely invaluable assistance over the course of our initial year of publication. While we cannot

possibly mention everyone who has contributed to the success of G&TA, and dare not mention certain of our "highly placed sources" (to whom our profound thanks will nonetheless be obvious), we would think it intolerable not to make known our deep appreciation to, and great esteem for, the following fellow-toilers in the vineyards of arts and humanities support:

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|-------------------------|---------------------|
| Mr. James Backas | Mr. Alexander Crary |
| Mr. Larry Chernikoff | Mr. David Morse |
| Mr. Michael Dorf | Mr. B.J. Stiles |
| Dr. Thomas R. Wolanin | Ms. Gretchen Wiest |
| Ms. Arlene Shuler | Mr. J.B. Conroy |
| Mr. William G. Phillips | Dr. Joseph Golden |

To all our friends, supporters, and snitchers: THANK YOU!!

G&TA Reminder: Effective January 1, 1981, the subscription rate for one year (12 issues) becomes \$30.00 -- subscriptions accepted at \$25.00 through December 31, 1980. Make cheques payable to Fraser Barron Associates.

ANNOUNCEMENTS

*** DIRECTORIES OF ARTS/HUMANITIES/EDUCATION FINANCIAL SUPPORT: "Private Foundations", "Business Corporations", and "Grants and Aid to Individuals". ALL available from WASHINGTON INTERNATIONAL ARTS LETTER, PO Box 9005, Washington, D.C. 20003. Regularly updated, these are cumulative studies issued in perfect bound form. Send SASE for more information.

*** ART ON STAMPS. Send SASE for current price list. NESSIE STAMPS, P.O. Box 3664, Washington, D.C. 20007.

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LATE NEWS

On Friday, December 12, 1980 President Carter signed into law HR7724, the FY81 Appropriations for the Department of the Interior and Related Agencies, including the Arts and Humanities Endowments and the IMS.