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EXECUTIVE SUMMARY

ACTION ITEM: Determination of Maximum Award for GOS in FY 1991

DISCUSSION POINTS:

Keeping the Maximum at \$75,000 - The 1991 appropriation for GOS is \$20,161,000 (pending final adjustments). We predict 1392 applications. Assuming a 4.3% increase in average awards to \$47,088, we will be able to make 428 grants, for a funding rate of 31%.

For comparative purposes, the table below provides the number of GOS applications, the percentage funded and the total dollar amount of awards between 1985 and 1991. With the increase for 1991, we predict a small reversal in the declining number and percentage of awards.

<u>Year</u>	<u># of Applications</u>	<u>% Funded</u>	<u>Total \$ Awards</u>
1985	1264	35.7	\$16,756,614
1986	1345	30.9	\$16,191,862
1987	1296	31.7	\$16,754,790
1988	1312	31.6	\$17,567,059
1989	1355	29.7	\$17,353,447
1990	1368	28.5	\$17,625,000
* 1991	1392	30.7	\$20,161,000

* projected [Increasing operating budgets among applicants has resulted in an increase in the average award. The average award has increased an average of 4.3% per year. In 1990 the average award was \$45,192 and is projected at \$47,088 for 1991.]

Raising the Maximum Award - The NMSB has kept the maximum GOS award at the \$75,000 level for fiscal years 1985-1990. Historically, the maximum amount has increased with increasing appropriations. The small increase in appropriations over the last few years has not kept pace with the increases in applications and size of the average award.

The average operating budget for the applicants to GOS in FY 1990 was \$1.6 million. It has been suggested that the GOS award should be raised to \$100,000 in order to keep pace with increasing budgets, however, appropriations adequate to reach such a target and still fund a reasonable percentage of applicants are not available for the 1991 cycle. Although increasing the maximum award is desirable for several reasons, it would not be justified within the current funding pattern.

Based on 1990 figures, of the 1368 applications submitted, only 329 awards would have been made if the maximum had been raised to \$100,000.

Lowering the Maximum Award -

The advantage of lowering the maximum award is that more museums would received GOS funds. The maximum amount of the award would have to be lowered considerably to have a significant impact on the number and percentage of awards made, as illustrated in Table A.* Yet, even by lowering the maximum award to the pre-1985 level of \$50,000, nearly 900 applicants would still be unfunded.

The additional awards at a lower maximum level would be made at the expense of larger museums that are already receiving a small percentage of their operating budget--in many cases a very small percentage. At the current \$75,000 level, about one-third of the museums receive the maximum award. Reducing the maximum would make the program less attractive to those museums.

RECOMMENDATION: The maximum award for GOS should remain at \$75,000 for the 1991 fiscal year. All efforts are underway to increase the appropriation for GOS so that up to 1200 museums will receive 10% of their operating budgets up to the \$75,000 maximum.

Each year since 1985, the NMSB has decided that the benefits of maintaining the maximum at \$75,000 outweigh the benefits of raising or lowering it. Lowering the maximum award would be a step backward for many grantees and would undermine the rationale for increased funding. Increasing the award is not justified given the current pressures on the program by increased applications and rising average budgets.

Changing the maximum award amount would be precedent setting and might have unintended consequences. We expect that the report from Reed Public Policy will provide additional guidance on this issue.

*Table A is taken from calculations using the 1368 FY 1990 applications and their rankings. They are meant as an example of the potential impact on funding percentages and numbers and not as a prediction of results of other competitions.

Award Amount = 10% of Operating Budget

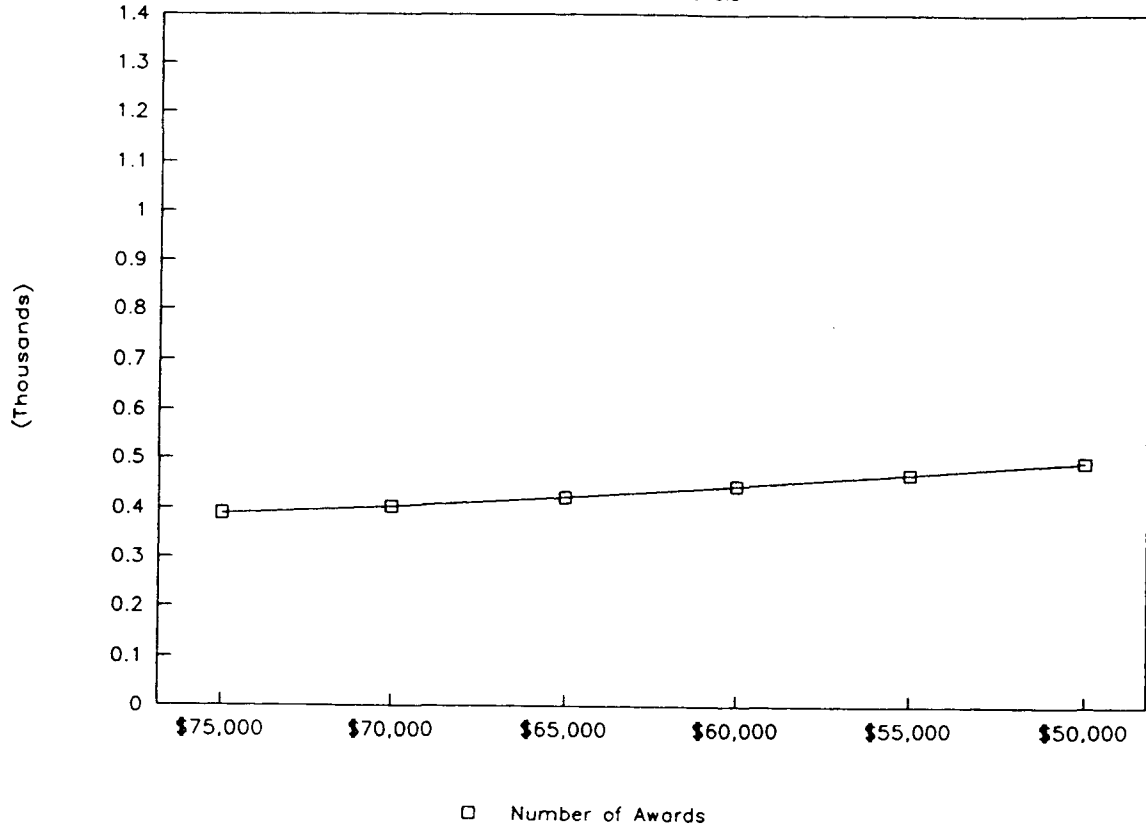
Table A

Maximum Award (by thousands)	100	95	90	85	80	75	70	65	60	55	50	16
Total Number of Awards	329	339	348	361	373	388	403	421	445	469	494	1186
Percent of 1,368	24	25	25	26	27	28	29	31	33	34	36	87
Discipline												
Aquarium	5	5	5	5	5	5	6	6	6	6	6	10
Arboretum/ Botanical Garden	14	14	15	16	18	20	20	20	20	21	21	44
Art	69	70	73	74	76	83	86	87	93	96	104	256
Children's/Junior	12	12	13	13	13	14	14	15	16	19	19	39
General	32	34	35	36	37	40	42	44	45	47	50	127
Historic House/Site	37	39	39	42	43	44	47	49	49	53	57	127
History	66	75	72	77	80	80	82	89	93	96	100	230
Natural History/Anthropology	15	15	16	16	17	17	17	17	17	18	18	55
Nature Center	14	14	14	14	15	15	15	15	17	17	20	46
Science/Technology *	16	16	16	16	16	16	16	17	19	19	19	51
Zoo	15	16	16	16	16	16	18	20	22	23	24	61
Specialized	34	34	34	36	37	38	40	42	48	54	56	140
Budget Categories												
Budget 1 (1 - 145,500)	60	61	63	64	66	67	69	72	77	79	82	190
Budget 2 (145,501 - 255,603)	61	63	63	68	72	74	76	80	83	86	87	195
Budget 3 (255,604 - 458,668)	57	59	60	61	61	64	67	68	76	83	87	198
Budget 4 (458,669 - 857,489)	43	46	45	50	53	59	61	64	68	74	80	198
Budget 5 (857,490 - 1,839,681)	45	47	50	53	55	57	62	67	68	73	80	201
Budget 6 (1,839,682 - over)	63	63	64	65	66	67	68	70	73	74	78	204
Awards by Regions												
NEMA	48	53	53	54	56	57	60	60	61	67	72	145
MAAM	93	96	98	102	105	108	110	114	119	126	129	291
SEMC	39	41	42	43	44	48	53	56	63	64	69	189
MWC	54	54	56	58	62	65	66	71	78	82	87	219
MPMC	37	37	39	43	44	47	49	51	52	55	57	155
WMC	57	58	60	61	62	63	65	69	72	75	80	187

*includes Planetariums

Number of GOS Awards

At Different Award Levels



- 1) Based on FY 1990 statistics (1368 applicants; \$17,625,000)
- 2) Number of Awards 390 awards at \$75,000 maximum to 494 awards at \$50,000 maximum.
- 3) Percentage of Successful Applications 28.5% at \$75,000 maximum to 36.1% at \$50,000 maximum.
- 4) At current \$75,000 maximum, a third of grantees receive awards that amount to less than 10% of their annual budgets.