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Appropriations (1978-1986): Correspondence 02

Bob Lyke

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June 14, 1985

TO : Senate Committee on Labor and Human Resources  
   Attention: Sandy Crary

FROM : Bob Lyke  
   Specialist in Education  
   Education and Public Welfare Division

SUBJECT : Comparison of the Fiscal Year 1981 Appropriations, Adjusted  
   for Inflation, the Fiscal Year 1986 Budget Request, and the  
   Fiscal Year 1986 Authorization Levels in S. 1264 for the  
   National Foundation on the Arts and the Humanities

At your request, we have prepared a table comparing the fiscal year 1981  
appropriations, adjusted for inflation, the fiscal year 1986 budget request,  
and the fiscal year authorization levels in S. 1264 for the National Foundation  
on the Arts and the Humanities. There are three Federal agencies within the  
Foundation, each of which receives a separate appropriation: the National En-  
dowment for the Arts (NEA), the National Endowment for the Humanities (NEH),  
and the Institute of Museum Services (IMS). (In fiscal year 1981, IMS was  
part of the Department of Education, not the Foundation, but it still had a  
separate appropriation.) There is no separate appropriation for the fourth  
entity within the Foundation, the Federal Council on the Arts and the Humani-  
ties.

In making the comparisons, we used the total amounts appropriated, includ-  
ing a supplemental appropriation, for these agencies in fiscal year 1981. 1/

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1/ Department of the Interior and Related Agencies Appropriation Act,  
We adjusted the appropriations for inflation by expressing them in constant fiscal year 1986 dollars. 2/ The resulting figures are then compared to the fiscal year 1986 budget request that President Reagan made on February 4, 1985, as well as to the fiscal year 1986 authorization levels in S. 1264, the "National Foundation on the Arts and Humanities Amendments of 1985."

If you would like additional information about these data, please feel free to telephone.

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2/ When actual fiscal year 1981 appropriations are expressed in constant fiscal year 1986 dollars, they can be compared directly to budget levels that are being recommended for fiscal year 1986. In theory, this constant fiscal year 1986 dollar level for the Foundation shows what the actual fiscal year 1986 appropriation for it would have to be if an amount were provided that in real economic terms were the same as the amount provided in fiscal year 1981, that is, if the appropriation were changed only to compensate for the effect of inflation on prices. However, since price indices specific to the arts and humanities are not available, the constant dollar calculations were made using a general index, the implicit price deflator for the gross national product. For arts and humanities, this index may not precisely measure the inflation that has occurred since 1981; actual inflation may have been higher or lower. Data for the gross national product implicit price deflator, including the estimate for fiscal year 1986, were obtained from the Office of Management and Budget in February, 1985 (the fiscal year 1986 estimate was based upon certain economic assumptions that might or might not be borne out). For the table, the fiscal year 1981 appropriations for the NEA, NEH, and IMS were multiplied by the ratio of the estimated price deflator for fiscal year 1986 to the price deflator for fiscal year 1981, or by 244.23/195.35 (with the price deflator for fiscal year 1972, the base year, equal to 100). For example, the NEA's appropriation of $158,795,000 was multiplied by this ratio, resulting in the produce of $198,528,000 (rounded to the nearest thousand dollar).
National Foundation on the Arts and the Humanities

Comparison of Fiscal year 1981 Appropriations (adjusted for inflation), the Fiscal Year 1986 Budget Request, and the Authorization Levels in S. 1264

<table>
<thead>
<tr>
<th></th>
<th>FY 1981 Actual appropriation</th>
<th>FY 1981 appropriation in constant FY 1986 dollars a/</th>
<th>FY 1986 budget request</th>
<th>S. 1264 authorization levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Endowment for the Arts</td>
<td>$158,795,000</td>
<td>$198,528,000</td>
<td>$144,450,000</td>
<td>$163,660,000</td>
</tr>
<tr>
<td>National Endowment for the Humanities</td>
<td>151,299,000</td>
<td>189,157,000</td>
<td>126,000,000</td>
<td>139,478,000</td>
</tr>
<tr>
<td>Institute of Museum Services</td>
<td>12,857,000</td>
<td>16,074,000</td>
<td>292,000 c/</td>
<td>21,600,000</td>
</tr>
</tbody>
</table>

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a/ See footnote 2 for how the figures in this column were calculated.

b/ Part of the Department of Education in Fiscal Year 1981.

c/ Under the President's budget proposal, IMS would only be given administrative funds for fiscal year 1986; it would be terminated effective October 1, 1986.