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### Estimated Costs of Senate Reauthorization Proposal:

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<td>$500,000</td>
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<td></td>
<td><strong>Total</strong></td>
<td><strong>$1,150,000</strong></td>
<td><strong>$1,041,610</strong></td>
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*(DKS: 9/26/90)*
ARTS EDUCATION

(d)(1) There is hereby established, within the National Endowment for the Arts, a National Arts Education Advisory Board (hereinafter referred to as the "Board").

(2)(A) The Board shall consist of fifteen members appointed by the Chairperson of the National Endowment for the Arts.

... 

(6) The Board shall meet at the call of the Chairperson of the Board, except that the Board shall meet --

(A) not less than four times each year; and

(B) whenever one-third of the appointed members request a meeting in writing, in which event seven of the appointed members shall constitute a quorum.

(7) The members of the Board shall be allowed travel expenses and other necessary expenses, including per diem in lieu of subsistence, at rates authorized ..., while away from their homes or regular places of business in the performance of services for the Board.

The cost estimate below is based upon the following assumptions:

a. The Board members will not receive a daily honorarium; i.e., they will receive travel and per diem only.

b. Four (4) meetings will be held annually; each meeting will be a one-day meeting, consistent with the meeting length of the current advisory board.

c. The National Arts Education Advisory Board will provide advice and guidance related to arts education matters for the benefit of all programs in the agency. The Arts in Education Program (AIE) will continue to have an "overview panel" which meets annually for two days.

The estimated annual cost for this activity is $25,560.

[Cost Per Person: $426
Air Fare ($275 avg)
Taxi ($30 avg)
Per Diem ($121)]
(h)(1) The Chairperson of the National Endowment for the Arts shall develop procedures which ---

(A) ensure that each panel of experts established pursuant to subsection (a)(4) has a wide geographic, aesthetic, ethnic, minority representation by --

(i) creating an agency-wide panelist bank, containing names of both qualified arts professionals and knowledgeable lay persons that have been approved by the Chairperson of the National Endowment for the Arts, or such Chairperson's designee; and

(ii) ensuring that such panels, where feasible, have knowledgeable lay persons serving on such panels at all times;

Development of an agency-wide panelist bank, as described, is currently underway. We expect that the total cost of the panel bank will be less than $10,000.

(B) establish, where feasible, standardized panel procedures;

The National Endowment for the Arts will add one (1) lay panelist to each appropriate FY '91 panel (approximately 117, including Fellowship and Pre-Screening panels). We anticipate that the addition of lay panelists will cost $47,049 per year.

(C) require, where necessary and feasible, the increased use of site visitations to view, and issue a written report on, an applicant's work in order to assist the panel of experts in making recommendations;

In order to develop standardized panel procedures and ensure internal compliance, the Endowment will need one (1) additional Council & Panel Specialist, GS-12/5, at a total additional annual cost of $51,563 (includes benefits; excludes proposed FY '91 3.5% cost-of-living increase).

Most of our performing arts programs already conduct site visits and report the results to the panel. We estimate that expansion of site visits to all areas where feasible would require a 50% increase over the current level, or an additional $650,000.
(D) require a verbatim record of all deliberations and recommendations of each panel of experts;

(E) require that the membership of each panel of experts change substantially from year to year, with no appointment to a panel of experts to exceed three consecutive years; and

(F) require all meetings of the National Council on the Arts be open to the public in accordance with the provisions of section 552b of title 5, United States Code.

All panel meetings are recorded on audio cassettes, which we consider generally sufficient. If the recordings of each panel meeting were transcribed from the audio cassettes, we estimate the annual cost would be $281,000. This estimate is based upon (a) a professional transcriber attending each meeting to note names and key points to aid in the transcription (but not using a stenographic device); (b) transcription from tape to typed copy within two weeks; (c) 2,696 regular panel meeting hours per year at an approximate cost of $90/hour; and (d) 275 overtime panel meeting hours per year at an approximate cost of $140/hour.

The additional security required for open meetings -- especially to prevent disturbances and ensure that the meeting room does not fill with more people than the fire code allows -- will cost the Endowment approximately $10,000 per year ($2,500/meeting).
(2) The Inspector General of the National Endowment for the Arts shall conduct the appropriate reviews to ensure grantee compliance with all regulations which relate to the administration of all programs and operations of the National Endowment for the Arts. This review includes, but is not limited to, grantee compliance with all accounting and financial criteria.

The Office of Management and Budget (OMB) recently issued Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions. The Circular required either an annual or bi-annual independent financial audit of all recipients and sub-recipients of Federal awards of $25,000 and over. In order to implement the circular -- and this provision of the Senate reauthorization proposal -- the National Endowment for the Arts will need one additional GM -13/5 Auditor at an additional annual cost of $61,316 (includes benefits; excludes proposed FY '91 3.5% cost-of-living increase).
CONTENT RESTRICTIONS

(i) (1) The Chairperson of the National Endowment for the Arts shall establish sanctions for groups or individuals who receive funds pursuant to the provisions of section 5 and use such funds to create, produce, or support a project or production which is found to be obscene under criminal laws or is found to be a criminal violation of child pornography laws, as determined by a court decision, after final appeals, in the State or States in which the group or individual produced such project or production or in the State or States described in the grant award as the site or sites of the project or production.

Except as provided in paragraphs (3) and (4), the sanctions described in paragraph (1) shall include --

(A) repayment by the individual or organization which created or produced the project or production found to be obscene or to violate child pornography laws pursuant to the provisions of paragraph (1) to the Chairperson of the portion of the funds received under section 5 which were used to create or produce such project or production in accordance with the provisions of paragraph (3); and

(B) ineligibility of the individual or organization which --

(i) used funds received under section 5 to create or produce the project or production found to be obscene or to violate child pornography laws pursuant to the provisions of paragraph (1); and

(See page 6 for an estimate of costs associated with this activity.)
(ii) was a defendant convicted in the criminal action described in paragraph (1);

to receive funds under this Act for a period to be determined by the Chairperson of the National Endowment for the Arts, which shall not be less than 3 years from the date such project or production is found to be obscene or to violate child pornography laws pursuant to the provisions of subparagraph (A), whichever is longer.

(3) (A) Except as provided in paragraph (4), funds required to be repaid pursuant to the provisions of this subsection shall be repaid within 90 days from the date such project or production is found to be obscene or to violate child pornography laws pursuant to the provisions of paragraph (1).

(B) If a State, local, or regional agency or arts group received funds directly from the Chairperson under section 5 and awarded all or a portion of such funds to an individual or organization which used such funds to create, produce or support a project or production found to be obscene or to violate child pornography laws pursuant to the provisions of paragraph (1), and the Chairperson determines that such individual or organization is not able to repay such funds in accordance with the provisions of paragraph (2) and this paragraph, then such agency or group shall repay such funds to the Chairperson within 30 days of the expiration of--

(i) the 90-day period described in paragraph (3); or

We estimate that approximately $10,000 will be needed to modify the software of the Endowment’s Grants Management System (GMS) to enable appropriate “flagging” of grants by application and grant number to prevent payment or continuation of processing until funds are repaid.
(ii) the waiver period described in paragraph (4).

(C) Each individual or organization required to repay funds pursuant to the provisions of subparagraph (A) of paragraph (2) shall be ineligible to receive further funds under this Act until such funds are repaid.

(D) If a State, local, or regional agency or arts group is required to repay funds pursuant to the provisions of subparagraph (A) of paragraph (2) or subparagraph (B) of this paragraph and fails to make such repayment in accordance with the provisions of this subsection, then such agency or group shall be ineligible to receive funds under this Act until such funds are repaid.

(4) The Chairperson of the National Endowment for the Arts may waive the provisions of paragraph (3)(A) for a period not to exceed 2 years.

(5) The Chairperson of the National Endowment for the Arts shall develop procedures to ensure compliance with the sanctions described in paragraph (1).

(6) The general information and guidance form provided to recipients of funds under section 5 shall include on such form the following:

REPAYMENT OF FUNDS AND DEBARMENT. -- In accordance with a Congressional directive, recipients of funds under section 5 of the National Foundation of the Arts and the Humanities Act of 1965 are requested to note the provisions of section 10(g) of such Act regarding repayment of funds and debarment.
(7) The Chairperson shall develop regulations to implement the sanctions described in this subsection.

(See page 6 for an estimate of costs associated with this activity.)
ARTS & ARTIFACTS
INDEMNITY ACT

Section 5 of the Arts and Artifacts Indemnity Act (20 U. S. C. 974) is amended --

(1) in subsection (b), by striking "$1,200,000,000" and inserting "$5,000,000,000"; and

(2) in subsection (c), by striking "$125,000,000" and inserting "$500,000,000".

[Note: the overall ceiling of the Arts & Artifacts Indemnity Program is thus raised from $1.2 billion to $5 billion; and the per-exhibition ceiling is raised from $125 million to $500 million. The "deductibles" are raised accordingly.]

We do not anticipate any additional cost for this activity.
(a) **STATEMENT OF PURPOSE.**-- It is the purpose of this section to provide for a *series of regional celebrations* through which Americans will see the wonderful interaction of art and democracy, and will participate in an unprecedented national celebration of American arts and culture.

(b) **AMERICAN ARTS CELEBRATION.**-- (1) In fiscal year 1991 and each fiscal year thereafter, the National Endowment for the Arts shall sponsor for the American public a series of regional celebrations of traditional and contemporary American art.

(2) The celebrations described in paragraph (1) shall be multicultural, and shall pay tribute to the diversity and creativity of the American artistic genius in all its past and present forms. Each celebration shall feature the widest spectrum of artists and artwork available in that region, including indigenous traditions as well as expressions from diverse ethnic cultures.

(3) The National Endowment for the Arts shall work in concert with appropriate entities in each region of the United States to plan and implement such regional American arts celebrations.

(c) **AUTHORIZATION OF APPROPRIATIONS.**-- There are authorized to be appropriated for fiscal year 1991 and each fiscal year thereafter $10,000,000 to carry out the provisions of this section.

If such a program is implemented, we propose that planning occur during FY '91 for start-up during FY '92. The Arts Endowment would be hard pressed to organize and fund this new program in FY '91.

We estimate that management of this proposed program would require a staff of ten (10) people, consisting of a Program Director, Assistant Program Director, Program Administrator, three program specialists, three program assistants and a secretary. Staffing, supplies, space and related expenses such as travel are estimated to cost $486.4 thousand annually.
(a) SHORT TITLE.-- This section may be cited as the "Great American Landscapes Act of 1990".

(b) LANDSCAPE ASSESSMENTS AND PLANS.-- Section 5 of the National Foundation on the Arts and Humanities Act of 1965 (20 U. S. C. 954) is amended by adding the following new subsection at the end thereof:

(n)(1) In addition to the other authorities provided in this section the Chairperson of the National Endowment for the Arts shall make matching grants to States under paragraph (2) of this subsection for Statewide landscape assessments and to States, local governments, and private groups under paragraph (3) for individual comprehensive landscape plans. All grants under this subsection shall be on a competitive basis. No grant under this subsection shall cover more than 50 percent of the costs of any assessment or plan receiving assistance under this subsection.

(2) Each Statewide landscape assessment funded under this subsection shall systematically identify, evaluate, and comparatively assess a variety of landscape values to the public, including a detailed, comparative assessment of nationally significant natural, historic, cultural, and aesthetic values. The assessment shall be carried out utilizing a task force of public and private interests representative of major landscape values and interests within the State.

In FY '91, the first year of this activity, the Endowment would need an additional $500,000 in regular program funds to award ten grants of $50,000 each. We would also need additional administrative resources as shown below.

The cost estimate for administrative resources is based upon the following assumptions:

a. The staff of the Design Arts Program would be augmented by one (1) Program Specialist, GS-11/5.

b. An additional $5,000/year in staff travel would be required.

c. A nine-member panel would meet once each year for four (4) days.

The annual estimated additional administrative costs for this activity total $58,722, as follows:

<table>
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<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff (includes benefits; excludes proposed FY '91 3.5% cost-of-living increase)</td>
<td>$43,021</td>
</tr>
<tr>
<td>Travel</td>
<td>$5,000</td>
</tr>
<tr>
<td>Panel</td>
<td>$10,701</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$58,722</strong></td>
</tr>
</tbody>
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(3)(A) Each comprehensive landscape plan funded under this subsection shall develop a guide for achieving desired community recommendation for future landscape management with the area subject to the plan for one or more specific landscape areas that are threatened. Each plan under this paragraph shall meet each of the following criteria:

(i) The area subject to the plan must have a recognized and definable boundary that is related to significant national or regional cultural patterns, traditional land uses, or topographic features or any combination thereof.

(ii) The area subject to the plan must contain identifiable and nationally recognized cultural, historic, aesthetic, natural, or tourism features, or a combination of these that are significant to the community and to the national citizenry.

(iii) The landscape subject to the plan must be already managed or used in ways that reflect its value as a resource and provide a clear sense of the value of the resources of the landscape.

(iv) A clear public benefit must be achieved from a cooperative effort.

(V) An organization, agency, or group of agencies or organizations must be in place, or must be established to organize and facilitate the cooperative planning effort.

(vi) There must be State and local government and public support and involvement for and in the proposal.

(See page 11 for cost estimates for this activity.)