Current Legislation

Section 3(d) Such term also includes:
(1) the renovation of facilities if (A)
the amount of the expenditure of federal
funds for such purpose in the case of any
project does not exceed $250,000, or
(B) two-thirds of the members of the National
Council on the Arts (who are present and
voting) approve of the grant or contract
involving an expenditure for such purpose; and
(2) the construction of facilities if (A)
such construction is for demonstration
purposes or under unusual circumstances where
there is no other manner in which to accomplish
an artistic purpose, and (B) two-thirds of the
members of the National Council on the Arts
(who are present and voting) approve of the
grant or contract involving an expenditure
for such purpose.

Section 3(g) omits the Northern Mariana
Islands from the list of "States"

Section 5(c) paragraph (1) projects and
productions which have substantial artistic
and cultural significance, giving emphasis
to American creativity and the maintenance
and encouragement of professional excellence;

Section 5 (g) paragraph (3) In any case where
the sums available to carry out this subsection
for any fiscal year are in excess of the amount
required to make the allotments under the first
sentence of this paragraph:

Administration Proposal

Section 3(d) "Such term also includes the
renovation of facilities if (1) the amount
of the expenditure of federal funds for such
purpose in the case of any project does not
exceed $250,000, or (2) two-thirds of the
members of the National Council on the Arts
or the National Council on the Humanities (who
are present and voting) approve of the grant
or contract involving an expenditure for such
purpose."

This section repeals from the Act the authori-
ty of the NEA to support construction projects.
Both NEA and NEH would be able to continue
their support of renovation projects.

Would add the Northern Mariana Islands to the
list of special jurisdictions. The Islands
would then be eligible for federal financial
assistance in the same manner as other terri-
tories.

Section 5(c) paragraph (1) projects and pro-
ductions which have substantial artistic and
cultural significance, giving emphasis to Amer-
ican creativity and cultural diversity and the
maintenance and encouragement of professional
excellence;

NEA wants to emphasize that their support
reflects the broad aesthetic diversity of
American society (Black Hispanic, Indian, etc)

(A) In any case where the sums available to
carry out this subsection for any fiscal year
are in excess of the amount required to make
the allotments under the first sentence of this
paragraph, the amount of such excess shall be
Current Legislation

(A) the amount of such excess which is no greater than 25% of the sums available to carry out this subsection for any fiscal year shall be available only to the Chairman for making grants under this subsection to States and regional groups, and

(B) the amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under clause (A) shall be allotted among the states which have plans approved by the Chairman in equal amounts but in no event shall any State be allotted less than $200,000.

Administration Proposal

no greater than 30% of the sums available to carry out this subsection through fiscal year 1981 shall be available only to the Chairman for making grants under this subsection to States and regional groups. This amount shall not exceed 35% during fiscal year 1982, shall not exceed 40% during fiscal year 1983, shall not exceed 45% during fiscal year 1984 and shall not exceed 50% during the succeeding fiscal years. In making such grants, the Chairman may consider such factors as i) standards of artistic excellence; ii) levels of State appropriations for such purposes; and iii) state population.

(B) The amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under subparagraph (A) shall be allotted among the states which have plans approved by the Chairman, but in no event shall any state be allotted less than $200,000

This amendment changes the structure of grants to state arts agencies. Currently 20% of the program budget is set aside for distribution to the states. Of this amount 75% is divided equally via a block grant and 25% is distributed via Chairman's discretionary grants. The NEA wants to change this ratio from 75:25 to 50:50 over the next 5 years in 5% increments each year. This will theoretically act as an incentive for states to improve the quality of their programs and for states to increase their appropriations. The third criteria the Chairman can use is based on state population - which will be favorable to the larger states.
Section 5(k) is amended by adding at the end thereof, the following: The Chairman may enter into interagency agreements to promote or assist with the arts-related activities of other federal government agencies, on either a reimbursable or non-reimbursable basis, and may use funds authorized for the purposes of section 5 (c) of the Act for the costs of such activities.

This amendment gives the Chairman specific authority to coordinate NEA programs with those of other federal agencies such as GSA and ICA.

Section 6 (c) is amended by inserting after the first sentence, the following: "The term of office of all Council members shall expire on the third day of September in the year of expiration."

Section 7 (c)(2) contains Chairman's authority to initiate loans

Section 7 (c)(2) is amended by striking out the word "loans"

The NEH's authority to make loans has never been used. Repeal is recommended.