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STATEMENT OF SENATOR PELL IN OPPOSITION TO INCREASE THE REQUIRED SET-ASIDE TO THE STATES IN THE NEA BUDGET

Mr. President, increasing the present 27.5% set-aside to the states would be contrary to the goals for which our government founded the National Endowment for the Arts. Only a national agency provides the widespread notice and renown for the very best artists and arts organizations which leads to matching grants from other sources, thus encouraging wider participation by the private sector in the arts. Private individuals and corporations pay attention to the national recognition that comes with federal support in deciding how much funding to give to non-profit arts organizations. The Endowment, unlike state arts councils, can assemble the resources to implement innovative arts programs around the country, such as those in arts education or those which help to implement the results of new technologies for the arts.

Mr. President, the state arts agencies themselves oppose any increase in the set-aside given them by the Endowment. I now read from a letter written to my office by the National Assembly of State Arts Agencies: "The National Assembly of State Arts Agencies, representing the state and special jurisdictional government arts agencies of the United States, opposes any amendment to change the share of funds allocated to the states as currently provided in the authorizing statute for the National Endowment for the Arts." The letter goes on to read: "The state arts agencies want a strong and effective partner at the federal level... Nor should Congress ignore the catalyzing effect of NEA grants in attracting matching funds from the private sector and other sources, and fostering economic growth at the state
The state arts councils clearly understand that if we shifted federal funds away from the Endowment, many projects that have national or regional impact would not be funded. Some of the richest arts programs take place in the form of national partnerships between organizations in different states and require a strong national entity to encourage their work. Endowment supported theater and dance groups, operas and symphonies which leave their city stages and tour the country, radio and television programs, and major music and art institutions all require national support. These programs cross state boundaries and therefore would not receive funding from independent state arts councils. Such programs include television's "Great Performances," radio's "Folk Masters from Wolftrap" and New York City's Spanish Theater Repertory Co. which received a $100,000 grant to perform in Spanish theaters around the country. That Company performed in 37 theaters, reaching more than 22,000 people in communities such as Taos, New Mexico; Kutztown, Pennsylvania; and El Paso, Texas. Similarly, the Merce Cunningham Dance Company received a $373,000 Endowment grant. That company spent a month in Minnesota and repeatedly visited North Dakota to give classes to the public and to perform.

I also note that states are decreasing their arts budgets around the country. State funding for the arts has fallen off significantly in recent years, despite the increase in funding given to the states by the 1990 amendments. Transferring funds from a national agency to state arts councils merely encourages state budget directors to replace state funds with federal taxpayer funds. In contrast, the Endowment's requirement for matching funds has a multiplier effect on arts funding, increasing the
amount of funds going to support artists and arts organizations. This amendment would frustrate one of the most admirable strategies of the Endowment -- increasing matching funds for the arts from state and private sources, and hence the federal government will simply receive less bang for its buck and our culture will suffer accordingly.

Finally, we should recognize that Endowment funds promote production of copyrighted materials, including movies, videos, and books. These productions generate foreign sales and add substantially to our economic growth. Most state arts agencies have not focused on these nationally significant activities.

Mr. President, the states already receive very substantial funding from the National Endowment and that funding has succeeded in its aim of drawing matching funds from state and local sources. To drain the Endowment further of its ability to stand as a national patron of the arts would be counterproductive.