This letter pertains to the Arts, Humanities, and Cultural Affairs Act Conference to be held on July 29, 1976.
Senator -- On reflection we are in trouble here if we get into an example like New York State. Comparisons with the Arts do not help.

New York funds the Arts (State monies) with approx. $30 million.

This is the outstanding example of State monies being increased -- 10 years ago the amount was under $1 million.

The Federal allotment to New York is at present $205,000.

This is just a drop in the bucket compared with the size of the State Arts program. We argue against ourselves with this example.

I think our best argument is applied to the example I've shown. It could be applicable to Indiana, Minnesota, Kentucky...

We should stress these points:

- We are just beginning this program
- We want all appropriate incentives
- We want a fair start -- not an unfair one
- We can adjust as time goes on -- just as we adjusted in the Arts area when their State programs developed.

If we are talking about the States putting up more money than the Federal share, then we should talk about a majority of State members rather than an equal number...

Put this is for another day and time.
With respect to the following years, I recommend another refinement aimed at a fair sharing between the Federal and State governments, while at the same time providing an appropriate incentive to continue private support.

We have said that future State involvement would mean a 50% representation on the State committees or entities we are discussing.

It seems to me that State funding -- in order to achieve this 50% representation -- need not exceed the Federal allotment to the State involved.

The Federal allotment is described elsewhere in the legislation. It is based on a basic State allotment of not less than $200,000, and it is also based on 20% of the total funds appropriated to the Humanities Endowment.

Thus the allotment increases as appropriated funds increase.

We have reached a point where that State allotment, in terms of appropriations already approved for the Humanities Endowment for fiscal 1977, could be somewhere in the vicinity of $240,000.

To give you an example of what I am proposing, let me set out these factors.

Let's say that a group in a State three years from now is composed of half State representatives and half private citizens.

Let's say that they have developed a total program for the Humanities in that State which will cost $900,000.

Let's say that the State allotment that year is pegged at $300,000.
Let's say that the State representatives and the private citizens are in full agreement on the value of the program.

Let's say that because of the track record of the private citizen members, especially, it is known that $300,000 is achievable from private sources to help support the program.

Under the House proposal, to maintain its representation of 50%, the State would be required to fund far more than the federal share.

The federal share would be the $300,000 allotment.

But the State share would be $150,000 -- 50% more than the Federal share -- because the State must fund half the cost of the total program which is $900,000.

In this case the private share would be $150,000 -- the difference between half the cost of the program and the federal share.

That's only one-sixth of the cost, and not in keeping with the potentials of private support which we are seeking to continue and increase, along with State funding.

In these beginning years -- especially -- we need maximum incentives. I feel -- as I have said -- that there is merit in requiring State matching, but not in excess of the Federal share. Not now.

We are initiating a new concept here. We are providing opportunities for State involvement, which should increase the size of State Humanities programs and their benefits in each State. And we are providing for State involvement in the Humanities in cooperation with the private sector. We should give this concept every opportunity to grow.
### Hypothetical Example

Total Cost of Program: **$900,000**

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<th>Existing</th>
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<th>Senate Amendment</th>
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<td>State Allotment (Federal)</td>
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(Total is 300,000 short of target -- no State funding)
State Humanities Programs

The purpose of the Conference agreement is to encourage and stimulate the development of a Federal-State partnership in the broad cultural areas of the humanities, so that this partnership may be increasingly beneficial to our people in each State. The Conferees have taken note of the dramatic growth of the Federal-State partnership with respect to the programs of the National Endowment for the Arts, exemplified by a 15-fold increase in annual State funding for the Arts in ten years -- from $4 million to $60 million -- and by the development of more than 1,000 community arts councils. The Conferees agreement envisages the development of similar challenges and opportunities for the Humanities Endowment.

The Chairman of the National Endowment for the Humanities is directed to help encourage State participation and to work more closely than in the past with State governments and State officials, so that the values, particular to the Humanities, can enter the mainstream of our democratic processes and make a more vital contribution to American life.

The Chairman is urged to study State needs in the Humanities with State leaders, so that these needs can be met in the broadest sense, through programs representing the full scope of the Humanities, and through programs which will be addressed to a multiplicity and variety of worthwhile projects. It is the position of the Conference that the 20% of the total funding allocated to the States is of deep importance in bringing the values of both the Arts and the Humanities into local communities and to groups whose needs may be relatively modest, but who have potentially great significance.
SHORT SUMMARY OF STATE HUMANITIES PROPOSAL

1. For the first year, matching would be required for any amounts above $100,000 by state monies. Matching for the first $100,000 could come from any source.

2. The state would be able to immediately appoint 50% of the membership of the state's humanities program.

3. The state matching requirement would be 100% after the first year.

4. In the event that the state does not match available Federal monies in the second year, the state appointees would be removed.

5. Two members on the state humanities would be appointed by the governor regardless of matching provision.
Combined State Arts and Humanities Councils in 11 States

There should be a provision for these Combined Arts and Humanities councils. They are State agencies. They have never been funded by the Humanities Endowment. They have been funded by the Arts Endowment. They are eager to receive help from the Humanities Endowment for their Humanities components. They have Boards which encompass both areas.

This provision makes them eligible for help, but does not mandate this help.

Warranty up to 10% in cases where geographic considerations would make such a procedure appropriate.