



NATIONAL
ENDOWMENT
FOR THE ARTS

**BUDGET REQUEST
FOR FISCAL YEAR 2000**

Arts

Submitted to the Office of
Management and Budget

September 1998

PHOTOCOPY
PRESERVATION



NATIONAL ENDOWMENT FOR THE ARTS

**FY 2000
OMB**

**PHOTOCOPY
PRESERVATION**

Challenge America:

Helping Communities Realize Their Dreams Through The Arts

The National Endowment for the Arts requests that the President of the United States establish a bold new initiative, **Challenge America**, to challenge state and local governments, foundations, arts patrons and the private sector to join the federal government in making strategic investments in the arts to build a nationwide commitment to helping communities realize their dreams through the arts. **Challenge America** will enable communities to:

- Protect and share America's living cultural heritage
- Enhance American creativity
- Strengthen families, communities and our nation through the arts

Federal grants, state partnerships and leadership initiatives will serve as a catalyst to increase new investments by state and local government and the private sector to match federal grants to build a broad support infrastructure for agencies and organizations involved in the arts to work together to accomplish these goals.

As a result of the new strategic federal investment in **Challenge America**, communities will benefit in the following ways:

1. PROTECT AND SHARE AMERICA'S LIVING CULTURAL HERITAGE:

Challenge America Heritage & Preservation Grants:

-50 communities will survey and document their cultural assets to preserve our nation's cultural heritage for the 21st century through Heritage and Preservation grants awarded to museums, arts organizations, and film archives.

**50 Heritage & Preservation grants x \$40,000 =
\$2,000,000**

- 25 museums and arts organizations will receive Heritage and Preservation grants to conserve highly significant works of art, artifacts and collections of art at the turn of the century for future generations.

**25 Heritage & Preservation grants @ \$100,000 -
\$2,500,000**

Challenge America Folk and Traditional Arts Infrastructure Partnerships:

- All 50 states, 6 jurisdictions and their regional arts organizations will join with the NEA in building an infrastructure of support to assist and present those artists and forms of artistic expression that reflect the many cultural traditions of our nation to build pride in our nation's cultural heritage and ensure that important cultural traditions are passed on to the next generation.

***72 Folk Infrastructure Partnerships x \$20,000 =
\$1,440,000***

Challenge America - ArtsSHARE:

- ArtsSHARE Residencies, will enable 100 American artists and communities to share with other countries, this nation's cultural heritage and creative inspiration--democracy's calling card.

***100 ArtsSHARE artist residencies x \$20,000 =
\$2,000,000***

- ArtsSHARE Regional and National Tours, reaching over 1,000 communities will enrich American's understanding of our rich cultural heritage in this nation by presenting American dance and theater companies, symphonies, chamber musicians, art and film exhibitions and poets and writers, accompanied by public conversations with the artists about the process of creating and performing the works.

50 ArtsShare Touring Grants @ \$100,000 = \$5,000,000

- ArtsSHARE: Broadcast, will provide 5 grants to support the development, production and broadcast of radio and television projects which help Americans in all corners of this country understand the rich cultural heritage of this nation.

***5 ArtsSHARE Broadcast grants @ \$200,000 =
\$1,000,000***

Challenge America Access Grants to Organizations:

- 100 communities with limited access to performances, exhibitions, and films will broaden opportunities for citizens to participate in forms of the arts to which they normally have not had access, through Access Grants awarded to museums, arts organizations, libraries and other community organizations which present the arts.

100 Access Grants @ \$80,000 = \$8,000,000

Challenge America Cultural Tourism Partnership Grants:

- Communities will attract new visitors and enhance their tourism assets through Cultural Tourism Partnership Grants awarded to state and local arts agencies, and through grants for major national cultural tourism projects planned by museums and other arts organizations. The new investment in cultural tourism will stimulate partnerships between arts organizations, tourism offices, the public and private sectors, and help visitors learn about the cultural heritage of this nation.

56 SAA Partnership Awards @ \$50,000 = \$2,800,000*

50 LAA Partnership Awards @ \$20,000 = \$1,000,000

20 Grants to museums/ arts organizations for national cultural tourism initiatives @ \$100,000 = \$2,000,000

Challenge America Cultural Heritage Trails Initiative:

- Citizens throughout the country will be able to discover their heritage through cultural heritage trails, a federal partnership which is being developed between the DOT and the NEA. The Arts Endowment support will enable SAA's to work closely with their State DOT and secure matching funds to provide folk and traditional artists to interpret the heritage of the trails and award grants to create public art and arts celebrations along the trails. For example, in FY 1998, a grant was awarded to the North Carolina Arts Council to work with the Virginia and Tennessee SAA's to develop trails based on mountain music and Cherokee culture. The NEA/DOT partnership will also support the creation of national heritage trails based on America's cultural heritage--such as an American Music Trail which traces the roots and movement of American music forms such as jazz which began in New Orleans and moved north to Chicago.

56 SAA/RO Partnership Initiatives @ \$25,000 = \$1,400,000*

4 National Heritage Trail Initiatives @ \$250,000 = \$1,000,000

Challenge America Underserved Partnership Fund:

- State Arts Agencies and Regional Organizations in partnership with NEA will assist communities in all parts of America in providing access to the arts in areas which are considered to be underserved. As designated in the FY 1998 appropriations bill, 8.6 percent of the Endowment's grantmaking funds will be allocated for this purpose. Initiatives noted above for SAA/RO's

which provide access for the underserved will be funded through this set aside provision as well as other initiatives which provide access to underserved communities as outlined in the State and Regional Arts Organizations' Partnership Plans..

**50 SAAs/6 Jurisdictions and their 6 RO's =
\$3,093,000***

2. ENHANCE AMERICAN CREATIVITY:

Challenge America Model Arts Education Programs:

- Students, teachers and schools across America will benefit from 50 Arts Education National Model Project Grants which demonstrate the value of arts education and document and disseminate the results nationwide.

**50 Arts Education Model Project Grants @ \$100,000 =
\$5,000,000**

Challenge America Arts Education Leadership Initiatives:

- The ability of our nation's education system to enhance the creativity of America's young people and help ensure that the arts are basic to pre-K-12 education will be advanced by expanding support for the NEA's National Arts Education Leadership Initiatives for nationally significant arts education research and assessment projects, the NEA/DOE National Arts Education Partnership which brings together over 150 national organizations committed to advancing arts education in America's schools and ArtsEdge, America's national arts education Internet resource for teachers and artists working in schools.

**5 Arts Education Leadership Initiatives @ \$250,000 -
\$1,250,000**

Challenge America Lifelong Learning in the Arts Grants:

- American's of all ages in 100 communities will benefit from Arts Education Lifelong Learning Grants awarded to museums, symphonies, local arts agencies and other arts and community organizations to expand opportunities for children and adults to participate in and increase their understanding of and skills in the arts and provide opportunities for citizens to participate in the arts.

**100 Arts Education Grants to Organizations @ \$50,000
= \$5,000,000**

Challenge America Creation & Presentation Grants:

- 90 Arts organizations in communities across America will receive Creation & Presentation Grants to support the creation of new work and presentation of the arts to their citizens.

90 Grants to create and present the arts @ \$100,000 = \$9,000,000

Centers of Excellence in the Arts:

- Centers of Excellence in the Arts, focusing on specific art forms, will be recognized to encourage the creativity of outstanding American emerging artists -- choreographers, composers, playwrights, etc -- through extended residencies at Centers of Excellence in the Arts at universities. Artists will focus on creating their own work, and conducting workshops/ performances for university students and members of the community.

5 Centers of Excellence in the Arts @ \$200,000 = \$1,000,000

Challenge America Literature Fellowships:

- American's will benefit from the creative works of 20 American writers through Literature Fellowships awarded for fiction, non-fiction, poetry and translation.

20 Literature Fellowships @ \$20,000 = \$400,000

Challenge America Community Public Art Initiative:

- Citizens in 25 communities will benefit from public art commissioned by local governments and arts agencies to celebrate American creativity at the turn of the century.

25 Public Art Grants @ \$25,000 = \$625,000

Challenge America State and Regional Arts Organizations Partnership to Enhance American Creativity:

- Lifelong Learning in the Arts: It is estimated that through expansion of the NEA/SAA Partnership, residencies by over 10,000 artists will help students and teachers in all 50 states and 6 territories increase their understanding of and skills in the arts, help ensure that the arts are basic to the pre-K-12 curriculum, and expand opportunities for lifelong learning in the arts as outlined in state/regional partnership plans.

NEA/SAA Lifelong Learning in the Arts Partnerships @ an average commitment of \$100,000 per state will reach approximately 2,000 communities nationwide and generate new matching state funds. \$5,600,000*

- State/Regional Investments in Projects to commission, develop or present the arts: Based on previous statistics, SAA and RO's in partnership with the NEA, will invest their Partnership Funds in projects which enhance American creativity across America.

*Partnership Awards to enhance American creativity = \$13,163,000**

3. STRENGTHEN AMERICAN FAMILIES, COMMUNITIES AND OUR NATION THROUGH THE ARTS:

ArtsREACH: ArtsREACH in the Endowment's new successful targeted initiative which broadens public access to the arts; strengthens the role of the arts in addressing community concerns through cultural planning and related arts activities; and provides technical assistance to under-represented areas. With increased ArtsREACH funding, the Endowment will:

- Expand the number of states/areas eligible for ArtsREACH grants and services:

100 ArtsREACH Community Cultural Planning/ Implementation Grants @ \$10,000 = \$1,000,000

- Expand ArtsREACH to support comprehensive cultural planning in major megalopolis areas (TX, OH, NC, etc.) Where arts organizations from different cities need to work together and with the private sector to maximize the impact of the arts and investment in the arts.

20 Megalopolis ArtsREACH Cultural Planning Grants @ \$25,000 = \$500,000

- Support implementation of ArtsREACH cultural plans in approximately 100 communities in the 20 states which received planning grants in FY 1998 and FY 1999.

100 ArtsREACH Implementation Grants @ \$25,000 - \$2,500,000

- Expand opportunities for targeted technical assistance to organizations in under-represented areas to encourage more competitive grant applications to the Endowment and other sectors.

250 communities receive technical assistance through 10 regional workshops = \$569,000.

Community Foundation Challenge: Community foundations or similar community investment organizations in ten communities will participate in a pilot program to provide technical assistance and create or expand

local endowments to help build an infrastructure of community support to ensure that their citizens have access to a rich cultural environment through strengthening private support for their artists and arts organizations. The Endowment's challenge will help communities create opportunities to attract new philanthropic donations to the arts and protect the transfer of America's cultural legacy to future generations.

10 Community Foundation Challenge Grants @ \$100,000 x 3 years = \$3,000,000

National Technical Assistance Program for Communities = \$293,000

Higher Education Community Arts Partners: Working with a consortium of community colleges, colleges and universities, local arts agencies, organizations which present the arts, public school systems and local government officials, the Endowment will develop a nationwide initiative to help higher education institutions become vital resources for enriching the cultural life of local citizens and catalysts to broaden the understanding of America's rich cultural heritage.

Higher Education Community Arts Partners Leadership Initiative = \$500,000

Common Agendas: The NEA will identify common agendas and develop lasting partnerships and programs with businesses and the commercial arts sector which nurture and present America's artistic talent and preserve our common cultural legacy.

4 Common Agenda Partnerships @ \$250,000 = \$1,000,000

At-Risk Youth Partnership Initiative: The NEA in partnership with DOE and DOJ, and other federal agencies will support national model projects which demonstrate and document for the constituents of these other federal agencies the value of working with arts organizations to create positive alternatives for at-risk youth.

25 At-Risk Youth Partnership Grants @ \$40,000 = \$1,000,000

After-School Youth Arts Programs: Recent surveys of parents of school-age children indicate their top two priorities for engaging their children in after-school learning opportunities are technology and the arts. In partnership with DOE, DOJ, DOL provide grants for national demonstration projects in 50 communities which engage students in creative after-school learning opportunities.

20 After-School Arts Learning Grants @ \$50,000 = \$1,000,000

Challenge America

A Presidential Initiative to build communities and strengthen families through living cultural heritage and creativity.

The President/National Endowment for the Arts challenges individuals, families, communities, schools, businesses and institutions to support the central role of the arts in our nation's creative life, community spirit and cultural legacy. Creative life is enhanced by making artistic ingenuity central to individual development, educational growth and societal enrichment. Community spirit is ensured by discovering, experiencing and creating art in our homes and community centers. Cultural legacy is maintained by honoring, celebrating and conserving our rich and varied artistic resources.

The President says:

"I challenge every city and town to bring together business leaders and artists, schools and arts organizations, parents and children, to inventory community heritage, and provide opportunities to nurture creativity."

"I challenge America's entertainment companies to preserve the best of our creative heritage, and make the finest films, recordings, and television programs available to young citizens and students of the American century."

"I challenge arts organizations in every city and town to work with schools and community centers to insure that an after-school arts program is available for all of our students."

"I challenge every American family to, this very month, visit a museum, attend a musical performance, and visit the theater. And, I challenge every parent, in those minutes before bedtime, to read to your children."

"I challenge every business and every citizen to join with our National Endowment for the Arts in strengthening America's arts organizations for the next century."

"I **Challenge America** to honor the past and celebrate the present, in order to shape a future in which America's unique heritage informs the actions of a creative citizenry."

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SUMMARY AND HIGHLIGHTS

(Chairman's Statement)

As the newly-appointed Chairman of the National Endowment for the Arts, I appreciate the opportunity to submit to OMB the Endowment's budget request for Fiscal Year 2000. With the millennium approaching, I felt it was appropriate that the Endowment take stock of what it has accomplished, consider how it can best assist the people of this Nation, reexamine the agency's funding priorities, and chart a course for the future. The context for considering the past, enriching the present and imagining the future has been a new and invigorated effort to reassess the agency's mission and strategic plan. Through this effort, a new vision and mission statement has emerged along with a fresh assessment of the agency's goals and objectives.

To implement this vision and provide a framework of the agency's planning and funding efforts, we established eight goals. These goals were used as a basis for the agency's strategic and performance plans and also to build the agency's budget. In addition, we used the strategic and performance plans to develop grant application guidelines which support the funding goals. This is the first time the Endowment has totally integrated the strategic plan, performance plan, budget, grant application guidelines and agency operations.

As we move into a new century, Fiscal Year 2000 provides a unique opportunity to this ~~Administration and the Nation. It is clearly a time to reflect on the past, but more~~ importantly, it is a time to challenge all Americans to honor, protect and share America's living cultural heritage. The Arts Endowment is centrally positioned to lead this effort. Our Fiscal Year 2000 budget review includes an exciting, multi-faceted strategic initiative, "Challenge America," involving Americans in communities large and small throughout the nation. "Challenge America" will encourage partnerships, increase investments in the arts, and strengthen the role of the arts in our nation's communities. This is the first time the Arts Endowment has proposed such a bold challenge, and I look forward to working with you and the Administration to significantly increase our nation's commitment to its living cultural heritage.

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OVERVIEW

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OVERVIEW

I. INTRODUCTORY STATEMENT

As the eighth Chairman of the National Endowment for the Arts, I have the privilege of leading the Endowment into the 21st Century. It is an opportunity to reexamine our funding priorities and chart the course for the future. I believe we have rounded a corner in a torturous journey; we no longer have to debate whether there should be federal support for the arts but, rather, what is the nature and appropriate level of federal funding. The U.S. Senate has steadfastly supported the Arts Endowment and the recent vote in the U.S. House of Representatives clearly shows that we have bi-partisan support. Buoyed by that vote, at long last we can direct our energies towards the future role of the Arts Endowment.

With the millennium approaching, it is appropriate that the Arts Endowment take stock of what it has accomplished and how it can best assist the people of this nation. The context for considering the past, enriching the present and imagining the future has been a new and invigorated effort to reassess the agency's mission and strategic plan. Through this effort, a new vision and mission statement has emerged along with a fresh assessment of the agency's goals and objectives.

The arts reflect the past, enrich the present and imagine the future.

Vision:

An America where the arts play a central role in the lives of all Americans.

Mission:

The National Endowment for the Arts, an investment in America's living cultural heritage, serves the public good by nurturing the expression of human creativity, supporting the cultivation of community spirit, and fostering the recognition and appreciation of the excellence and diversity of our nation's artistic accomplishments.

To implement this vision and provide a framework for the agency's planning and funding efforts, the Endowment has established the following goals. These goals are also reflected in the revised Strategic Plan and Performance Measurement Plan, used to build our FY 2000 Budget.

National Endowment for the Arts Goals

1. Broaden public access to the arts.
2. Foster opportunities for the creation and presentation of work.
3. Strengthen the role of the arts in our nation's educational system and encourage lifelong learning in the arts.
4. Preserve our nation's cultural heritage for the 21st Century.
5. Strengthen the organizational and the financial capabilities of America's arts organizations.
6. Help address the concerns of America's communities through the arts.
7. Strengthen the Endowment's partnerships with the public and private sectors.
8. Strengthen the NEA as an innovative, efficient, and effective organization.

Fiscal Year 2000 provides a unique opportunity to this Administration and the Nation. It is clearly a time to reflect on the past; but more importantly, it is a time to focus on the future and to consider an America where its citizens are leaders of creativity, ingenuity, thought and imagination. It is a time to challenge all Americans to work together to honor and carry forward our nation's living cultural heritage; a time to challenge every family and community to examine its cultural heritage; a time for all schools to work with artists and arts organizations to ensure that local cultural heritage and the arts are a basic part of each child's education; and a time for the private sector, government agencies, non-profit organizations and individual volunteers to join ~~together to protect and share each community's living cultural heritage and nurture~~ our nation's creativity.

The Arts Endowment is centrally positioned to be a leader in this effort; to **Challenge America** and the American people to new levels of achievement. The arts play a profound role in the lives of the American people; whether in the form of traditional expression, experiencing the creative genius of our artists, or individual self-expression, inquiry, and learning. As history reveals, a society is best remembered for its artistic and cultural legacy.

In the FY 2000 Budget, we are proposing a Presidential initiative -- **Challenge America** -- an exciting multifaceted strategic initiative involving Americans in communities, large and small, throughout the nation. **Challenge America** will encourage partnerships, increase investments in the arts and strengthen the role of the

arts in our nation's communities. This is the first time the Arts Endowment has proposed such a bold challenge for which I am requesting \$100 million over the current funding level.

Challenge America would help communities:

1. Protect and share America's living cultural heritage.

To protect and share our living cultural heritage we would fund projects that:

- honor, assist, encourage and present those artists and forms of artistic expression that reflect the many cultural traditions that make up our nation;
- provide access, through touring, broadcasting, publications, exhibitions and other forms of presentation, to a broad and diverse range of arts experiences particularly in communities where such activities are not readily available because of geographic, economic or other factors;
- increase public awareness and appreciation for their local, regional and national cultural heritage;
- participate in and strengthen the building of a national folk arts infrastructure; and
- encourage American communities and artists to engage in mutually beneficial exchanges with communities and artists from abroad.

2. Enhance American creativity.

To enhance American creativity we would fund projects that:

- ~~• increase the number of works of art created and presented;~~
- encourage communities to commission artists to create public art to showcase communities and their creativity;
- expand opportunities for artists and writers to explore and create work;
- expand opportunities for children and adults to participate in and to increase their understanding of or skills in the arts; and
- help ensure that the arts are basic to the education of children and young adults in grades pre-K through 12.

3. Strengthen families, communities and our nation.

To strengthen families, communities and our nation we would fund projects that:

- improve opportunities for the positive development of children and youth;
- help make communities more livable through the arts; and
- stimulate and strengthen the role of the arts in the economic and cultural development of communities.

Challenge America represents a national partnership involving artists and arts organizations; federal, state and local governments including State Arts Agencies and their Regional Arts Organizations, and Local Arts Agencies; business and the private sector; and teachers, schools and community organizations. But, most importantly, **Challenge America** is about the American people and opportunity.

The **Challenge America** initiative is about cultural legacy, about creativity; about community and families, and presents a unique opportunity to showcase the vast, diverse and outstanding artistic and cultural resources that are this nation's strongest calling card throughout the world.

It is ironic that at the turn of the century, when countries throughout the world have been planning to celebrate the millennium -- with arts at the core of that celebration -- the United States has only recently made a modest commitment. It is also ironic that, at the turn of the century, countries throughout the world recognize the importance of sustaining the arts, the United States has reduced its support to the arts. By contrast, in aggregate, France spends ten-times more than the United States and Great Britain spends five-times more per citizen each year in support of arts and culture. ~~At the funding-level we are requesting, \$200 million, it would equate to only 77 cents per~~ American citizen each year, about the cost of one doughnut.

This is an exciting time for all Americans. We are a diverse country with many different cultures living side-by-side; the arts are the common thread linking Americans together. With the coming of a new millennium, the National Endowment for the Arts should be a focal point for leading our country in a celebration of our arts and cultural legacy. With the funding requested for FY 2000, the Federal Government would be making a profound statement about the importance of the arts, and the Arts Endowment would be significantly positioned to enhance its role as a cultural leader. Moreover, funding at \$200 million will enable the Arts Endowment to increase the investment in communities nationwide and challenge all Americans to engage themselves with our rich cultural heritage.

II. BUDGET FRAMEWORK

Under the new Chairman, the Arts Endowment has devoted considerable time to reassessing its mission, goals and objectives and clarifying the relationship of its budget and funding efforts to the mission, goals and objectives. As a result, the Arts Endowment has developed a new Strategic Plan which expresses a clear and unambiguous relationship between planning and budgeting.

This planning process has also assisted the Arts Endowment in determining its priorities and in recognizing the breadth of the activities it should undertake to effectively carry out its mission. The Strategic Plan has also helped the Arts Endowment focus on many of the unique, non grantmaking roles it plays. This FY 2000 Budget Request recognizes the importance of:

- Convening - The Endowment serves as a leader and facilitator in working with partners in the arts, in communities, in the public and private sectors, to design and implement effective strategies and programs.
- Leadership - The Endowment plays a key role in providing national leadership to generate support for artists and arts organizations through advocacy as well as grantmaking in projects such as ArtsREACH and in millennium projects.
- Research - Working in concert with the U.S. Bureau of the Census, the U.S. Department of Labor and other federal agencies, as well as state and local arts agencies, foundations, arts service organizations, etc., the Endowment conducts research to guide funding agendas and to identify strengths and needs in the arts fields.
- ~~Communication/Dissemination~~ - ~~We are working to provide a unified communications approach regarding information about the Endowment, the impact of grants, the importance of Endowment support and to share exemplary model projects so they can be duplicated by others.~~
- Partnerships - The Endowment is in a key position to establish partnerships with other funders in federal government agencies, state and local governments, and the private sector to promote cultural planning and to support projects and initiatives in communities throughout America.

Based upon our experience and feedback from the various arts fields, we have taken a close look at the grantmaking structure and funding categories implemented in FY 1997. While the basic funding categories work, we find that it will better serve the fields if we separate Education and Access into two categories. This separation should make it easier for applicants to identify the purpose of their grant applications and for us to relate grants to the goals, objectives and performance measures included in the revised Strategic Plan and in annual Performance Plans.

For FY 2000, we are proposing the following structure for Grants To Organizations:

- Creation & Presentation
- Education
- Access
- Heritage & Preservation
- Planning & Stabilization

We also will have numerous Leadership Initiatives such as ArtsREACH which is intended to support community cultural planning and stimulate the submission of grant applications from areas of the United States currently under-represented in our direct grants. During FY 1998, we targeted 20 states which received fewer than five grants in either FY 1997 or FY 1998. The response to ArtsREACH was heartening; we received 172 applications requesting over \$1.5 million; we awarded 84 grants for total funding of \$729,537. These grants will provide technical assistance and encourage cultural planning within the recipients communities. We see this as a win-win situation for arts organizations and their communities.

The Arts Endowment also plays an important role in convening various groups and organizations, both government and private, to form partnerships to support artists, arts organizations and to foster community planning and involvement.

~~III. WHAT WE COULD ACHIEVE WITH INCREASED FUNDS~~

The additional funding we are requesting would support a wide-range of exciting new projects and initiatives which would be carried out through our direct grants, through leadership initiatives and through our partnership with state, regional and local arts organizations. These projects support the Goals and Objectives articulated in the Chairman's Statement and in the revised Strategic Plan and Performance Plan included in this book (see GPRA Tab). At the FY 2000 Request Level of \$200 million, there would be an additional \$100 million available for allocation among the following projects and initiatives which comprise **Challenge America**. These activities would be supported through the revised grantmaking categories which are discussed more fully under Section V.B; the FY 2000 funding for **Challenge America** is discussed under Section VII.

Challenge America:

Helping Communities Realize Their Dreams Through The Arts

The National Endowment for the Arts requests that the President of the United States establish a bold new initiative, **Challenge America**, to challenge state and local governments, foundations, arts patrons and the private sector to join the federal government in making strategic investments in the arts to build a nationwide commitment to helping communities realize their dreams through the arts. **Challenge America** will enable communities to:

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Partnerships:

- All 50 states, 6 jurisdictions and their regional arts organizations will join with the NEA in building an infrastructure of support to assist and present those artists and forms of artistic expression that reflect the many cultural traditions of our nation to build pride in our nation's cultural heritage and ensure that important cultural traditions are passed on to the next generation.

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Challenge America Cultural Tourism Partnership Grants:

- Communities will attract new visitors and enhance their tourism assets through Cultural Tourism Partnership Grants awarded to state and local arts agencies, and through grants for major national cultural tourism projects planned by museums and other arts organizations. The new investment in cultural tourism will stimulate partnerships between arts organizations, tourism offices, the public and private sectors, and help visitors learn about the cultural heritage of this nation.

56 SAA Partnership Awards @ \$50,000 = \$2,800,000*

50 LAA Partnership Awards @ \$20,000 = \$1,000,000

20 Grants to museums/ arts organizations for national cultural tourism initiatives @ \$100,000 = \$2,000,000

Challenge America Cultural Heritage Trails Initiative:

- Citizens throughout the country will be able to discover their heritage through cultural heritage trails, a federal partnership which is being developed between the DOT and the NEA. The Arts Endowment support will enable SAA's to work closely with their State DOT and secure matching funds to provide folk and traditional artists to interpret the heritage of the trails and award grants to create public art and arts celebrations along the trails. For example, in FY 1998, a grant was awarded to the North Carolina Arts Council to work with the Virginia and Tennessee SAA's to develop trails based on mountain music and Cherokee culture. The NEA/DOT partnership will also support the creation of national heritage trails based on America's cultural heritage--such as an American Music Trail which traces the roots and movement of American music forms such as jazz which ~~began in New Orleans and moved north to Chicago.~~

56 SAA/RO Partnership Initiatives @ \$25,000 = \$1,400,000*

4 National Heritage Trail Initiatives @ \$250,000 = \$1,000,000

Challenge America Underserved Partnership Fund:

- State Arts Agencies and Regional Organizations in partnership with NEA will assist communities in all parts of America in providing access to the arts in areas which are considered to be underserved. As designated in the FY 1998 appropriations bill, 8.6 percent of the Endowment's grantmaking funds will be allocated for this purpose. Initiatives noted above for SAA/RO's

which provide access for the underserved will be funded through this set aside provision as well as other initiatives which provide access to underserved communities as outlined in the State and Regional Arts Organizations' Partnership Plans..

**50 SAAs/6 Jurisdictions and their 6 RO's =
\$3,093,000***

2. ENHANCE AMERICAN CREATIVITY:

Challenge America Model Arts Education Programs:

- Students, teachers and schools across America will benefit from 50 Arts Education National Model Project Grants which demonstrate the value of arts education and document and disseminate the results nationwide.

**50 Arts Education Model Project Grants @ \$100,000 =
\$5,000,000**

Challenge America Arts Education Leadership Initiatives:

- The ability of our nation's education system to enhance the creativity of America's young people and help ensure that the arts are basic to pre-K-12 education will be advanced by expanding support for the NEA's National Arts Education Leadership Initiatives for nationally significant arts education research and assessment projects, the NEA/DOE National Arts Education Partnership which brings together over 150 national organizations committed to advancing arts education in America's schools and ArtsEdge, America's national arts education Internet resource for teachers and artists working in schools.

**5 Arts Education Leadership Initiatives @ \$250,000 -
\$1,250,000**

Challenge America Lifelong Learning in the Arts Grants:

- American's of all ages in 100 communities will benefit from Arts Education Lifelong Learning Grants awarded to museums, symphonies, local arts agencies and other arts and community organizations to expand opportunities for children and adults to participate in and increase their understanding of and skills in the arts and provide opportunities for citizens to participate in the arts.

**100 Arts Education Grants to Organizations @ \$50,000
= \$5,000,000**

Challenge America Creation & Presentation Grants:

- 90 Arts organizations in communities across America will receive Creation & Presentation Grants to support the creation of new work and presentation of the arts to their citizens.

90 Grants to create and present the arts @ \$100,000 = \$9,000,000

Centers of Excellence in the Arts:

- Centers of Excellence in the Arts, focusing on specific art forms, will be recognized to encourage the creativity of outstanding American emerging artists -- choreographers, composers, playwrights, etc -- through extended residencies at Centers of Excellence in the Arts at universities. Artists will focus on creating their own work, and conducting workshops/ performances for university students and members of the community.

5 Centers of Excellence in the Arts @ \$200,000 = \$1,000,000

Challenge America Literature Fellowships:

- American's will benefit from the creative works of 20 American writers through Literature Fellowships awarded for fiction, non-fiction, poetry and translation.

20 Literature Fellowships @ \$20,000 = \$400,000

Challenge America Community Public Art Initiative:

- Citizens in 25 communities will benefit from public art commissioned by local governments and arts agencies to celebrate American creativity at the turn of the century.

25 Public Art Grants @ \$25,000 = \$625,000

Challenge America State and Regional Arts Organizations Partnership to Enhance American Creativity:

- ~~Lifelong Learning in the Arts:~~ It is estimated that through expansion of the NEA/SAA Partnership, residencies by over 10,000 artists will help students and teachers in all 50 states and 6 territories increase their understanding of and skills in the arts, help ensure that the arts are basic to the pre-K-12 curriculum, and expand opportunities for lifelong learning in the arts as outlined in state/regional partnership plans.

NEA/SAA Lifelong Learning in the Arts Partnerships @ an average commitment of \$100,000 per state will reach approximately 2,000 communities nationwide and generate new matching state funds. \$5,600,000*

- State/Regional Investments in Projects to commission, develop or present the arts: Based on previous statistics, SAA and RO's in partnership with the NEA, will invest their Partnership Funds in projects which enhance American creativity across America.

*Partnership Awards to enhance American creativity = \$13,163,000**

3. STRENGTHEN AMERICAN FAMILIES, COMMUNITIES AND OUR NATION THROUGH THE ARTS:

ArtsREACH: ArtsREACH in the Endowment's new successful targeted initiative which broadens public access to the arts; strengthens the role of the arts in addressing community concerns through cultural planning and related arts activities; and provides technical assistance to under-represented areas. With increased ArtsREACH funding, the Endowment will:

- Expand the number of states/areas eligible for ArtsREACH grants and services:

100 ArtsREACH Community Cultural Planning/ Implementation Grants @ \$10,000 = \$1,000,000

- Expand ArtsREACH to support comprehensive cultural planning in major megalopolis areas (TX, OH, NC, etc.) Where arts organizations from different cities need to work together and with the private sector to maximize the impact of the arts and investment in the arts.

20 Megalopolis ArtsREACH Cultural Planning Grants @ \$25,000 = \$500,000

- Support implementation of ArtsREACH cultural plans in approximately 100 communities in the 20 states which received ~~planning grants in FY 1998 and FY 1999.~~

100 ArtsREACH Implementation Grants @ \$25,000 - \$2,500,000

- Expand opportunities for targeted technical assistance to organizations in under-represented areas to encourage more competitive grant applications to the Endowment and other sectors.

250 communities receive technical assistance through 10 regional workshops = \$569,000.

Community Foundation Challenge: Community foundations or similar community investment organizations in ten communities will participate in a pilot program to provide technical assistance and create or expand

local endowments to help build an infrastructure of community support to ensure that their citizens have access to a rich cultural environment through strengthening private support for their artists and arts organizations. The Endowment's challenge will help communities create opportunities to attract new philanthropic donations to the arts and protect the transfer of America's cultural legacy to future generations.

10 Community Foundation Challenge Grants @ \$100,000 x 3 years = \$3,000,000

National Technical Assistance Program for Communities = \$293,000

Higher Education Community Arts Partners: Working with a consortium of community colleges, colleges and universities, local arts agencies, organizations which present the arts, public school systems and local government officials, the Endowment will develop a nationwide initiative to help higher education institutions become vital resources for enriching the cultural life of local citizens and catalysts to broaden the understanding of America's rich cultural heritage.

Higher Education Community Arts Partners Leadership Initiative = \$500,000

Common Agendas: The NEA will identify common agendas and develop lasting partnerships and programs with businesses and the commercial arts sector which nurture and present America's artistic talent and preserve our common cultural legacy.

4 Common Agenda Partnerships @ \$250,000 = \$1,000,000

At-Risk Youth Partnership Initiative: The NEA in partnership with DOE and DOJ, and other federal agencies will support national model projects which demonstrate and document for the constituents of these other federal agencies the value of working with arts organizations to create positive alternatives for at-risk youth.

25 At-Risk Youth Partnership Grants @ \$40,000 = \$1,000,000

After-School Youth Arts Programs: Recent surveys of parents of school-age children indicate their top two priorities for engaging their children in after-school learning opportunities are technology and the arts. In partnership with DOE, DOJ, DOL provide grants for national demonstration projects in 50 communities which engage students in creative after-school learning opportunities.

20 After-School Arts Learning Grants @ \$50,000 = \$1,000,000

Mayors' Institute in City Design: Mayors from an additional 50 communities will be able to participate the very successful Mayors' Institutes in City Design through the addition of five regional institutes, working with professional designers, and architects to address problems faced in the design of their cities.

5 regional institutes @ \$50,000 each = \$250,000

NEA/US Forest Service Partnership: 25 rural communities will utilize the arts to stimulate the role of the arts in the economic and cultural development of their communities through demonstration projects funded in partnership with the US Forest Service.

25 grants to rural communities @ \$10,000 = \$250,000

Challenge America State and Regional Arts Organization Partnerships to Build Strong Communities: SAA/RO Partnership: In FY 1996 in partnership with the 50 SAA's, 6 Territories and 6 Regional Organizations, NEA partnership funds helped support 44 percent of the Partnership funds awarded) across America designed to help strengthen families, communities and our nation through the arts. The **Challenge America Initiative** will challenge all states to increase their own contributions to the arts to build strong communities through the arts.

State/Jurisdictions and their Regional Arts Organizations in partnership with the NEA will invest in approximately 1,000 projects across the country will help build stronger communities through the arts. The NEA Challenge America Partnership to Build Stronger Communities' investment of \$11,400,000* will generate new matching state investments in the arts including organizational stability.

***NOTE REGARDING SAA/RO PARTNERSHIP FUNDS:**

Challenge America funds reflected in this budget for SAA/RO's are computed based on the current 40 percent formula and funds are divided among the three Challenge America Objectives based on statistical information concerning the ways in which SAA/RO's have allocated NEA Partnership Funds in previous years. It is assumed that SAA/RO's would prepare their Challenge America Partnership Plans based on this menu of three NEA Challenge America objective areas. They could select one or all of these objectives to address in their plan and funds would be allocated accordingly. They would address the performance measures connected to each objective area in their application, data gathering and final report

The Endowment's ability to directly invest in requests from American communities has been dramatically reduced. In FY 1998, the Endowment was able to support only 25 percent of the funds requested by community organizations across the country, compared to a 38 percent investment in FY 1997, and a 50 percent investment in FY 1995. At the FY 2000 Request Level of \$200 million, we project receiving 4,600 applications and being able to award approximately 3,068 grants.

IV. ENDOWMENT PROJECTS

In addition to the many exciting and significant projects supported by the Endowment in FY 1998 through its Grants To Organizations categories and Partnership Agreements, the Endowment has exercised leadership through its Leadership Initiatives. Examples of Leadership and projects which will be continued in FY 1999 and possibly in FY 2000 are described below.

A. ArtsREACH

ArtsREACH is a pilot program designed to encourage communities in underserved areas to engage in cultural planning or assessment which could lead to a cultural inventory, or for those communities with a cultural plan to enable implementation of a project related to the plan. It was intended that grant awards would range from \$3,000 to \$10,000. The pilot project targeted states that had received five or fewer direct Endowment grants during one of the last two years. During FY 1998, groups in the following 20 states were eligible to apply:

Alabama, Arkansas, Delaware, Idaho,
Indiana, Iowa, Kansas, Mississippi,
Montana, Nebraska, Nevada, North
~~Dakota~~, Oklahoma, Rhode Island, South
Carolina, Sough Dakota, Tennessee, Utah,
West Virginia and Wyoming.

Through ArtsREACH the Endowment aims to:

- Encourage the long-term development, availability, and preservation of artistic and cultural resources in targeted states that have been under-represented in the profile of direct Endowment grants;
- Help community-based coalitions in the targeted states to develop community cultural plans or undertake cultural assessments. These coalitions must involve artists and

cultural organizations that work with other community interests including governmental, educational, civic, and/or religious organizations and agencies, and the private sector; and

- Strengthen the capacity of participating arts organizations to seek and receive future support from private and public funding sources, including the Arts Endowment.

The response to ArtsREACH has been exceptional. To reiterate, we received a total of 172 grant applications covering all the targeted states; the number of applications ranged from a high of 20 from Alabama to a low of 3 from Arkansas. These applications were reviewed by the National Council on the Arts late in August. In all, applicants requested total funding of \$1,504,680. We will be able to award 84 grants totaling \$729,537 during FY 1998. **This excellent response indicates the need and desire of American communities for direct Endowment grant support in every state.**

B. Folk Arts Infrastructure Initiative

Since the beginning of the Endowment's Folk Arts Program in the late 1970's, state arts agencies have been the Endowment's primary partners in increasing the number of institutionally-based folk arts programs, in expanding the network of technical support for the field, and in increasing the level of folk arts funding by nearly 15-fold nationwide. With the severe budget cuts in FY 1996 and the dramatic increase in the share of our budget earmarked for grants to states, and the transition to four major funding categories, state arts agencies were not eligible to receive funding under the new categories.

~~The folk and traditional arts field is rich in artistic potential, but severely~~ limited by the small number of field-dedicated, professionally-staffed nonprofit organizations needed to produce public programming. To preserve and strengthen the longstanding partnership between the Endowment and state arts agencies in building a national infrastructure of support and programming for the folk and traditional arts, the following three-pronged approach was developed through consultation between state arts agency staff, leaders in the folk and traditional arts field, and Endowment staff.

- The Folk & Traditional Arts Infrastructure Initiative would continue targeted support aimed at building statewide and regional networks of support;

- Leadership in the folk and traditional arts would be a criterion in the review of the Partnership Agreement applications submitted by state arts agencies; and
- The Endowment would undertake a study to discover new means of fostering private support for the folk and traditional arts.

In FY 1998 thirty-four grants totaling \$886,000 were awarded through the Folk & Traditional Arts Infrastructure Leadership Initiative. Projects supported included the initiation or enhancement of folk arts programs in Arkansas, Colorado, Florida, Georgia, Indiana, Massachusetts, Mississippi, New Jersey, North Carolina, Ohio, Pennsylvania, and Tennessee; marketing and development services to Native American artists in Alaska and Arizona; technical assistance to traditional artists and folk arts organizations in Connecticut, Maryland, Minnesota, Ohio and the Mid-Atlantic and Western regions; cultural resource assessments in California, Iowa, Maine, Nebraska, Texas, Vermont, Virginia, Washington and West Virginia; folk arts apprenticeship programs in New Mexico, North Dakota, Rhode Island and South Carolina; touring of affordable folk arts exhibitions throughout the South; and a folk arts in the schools project in Louisiana.

A second round of Folk and Traditional Arts Infrastructure grants will be awarded in Fiscal Year 1999.

C. Millennium

"Honor the past. Imagine the future." This is the charge President Clinton presented to us as we approach the turn of the millennium. ~~It could be no more than a clever sound bite, but it could also amount~~ to a challenge to all Americans to reflect on all the accomplishments and problems of the past century and dream about the next century. We are approaching the close of what has been the American century in the arts. Our country has filled the world's consciousness with American creativity, ingenuity and imagination. The Endowment's Millennium Project grants provide opportunities not only to showcase American art, but also to involve communities in the arts in ways other than as passive observers. Guided by some of the country's finest creative artists, conservators, and administrators, the Millennium projects will allow the all Americans to be a part of the creative process from inception to completion.

In selecting projects for support, not only did they have to reflect a high level of artistic excellence and merit, but projects also had to meet the criteria of activity in every state and involve significant community participation. The following Millennium projects were supported in FY 1998:

The Favorite Poem Project

The New England Foundation for the Arts (NEFA), in Boston, is the lead partner in this consortium project that includes Boston University and the Library of Congress. The project was conceived by Poet Laureate Robert Pinsky, who is the Editorial/Artistic Director. It will involve the creation of an audio and video archive of Americans reading aloud their favorite poems: 1,000 audio participants and 200 video participants (commemorating the bicentennial of the Library). The archive will include readers from all 50 states and the District of Columbia, from a variety of ages and backgrounds, and from all sorts of occupations. The plan is to have about 15 percent of the readers be eminent Americans -- the President, members of Congress, and other civic leaders. Information kits will be distributed all over the country so that communities can organize "Favorite Poem" readings or other public events. The President and First Lady launched the project with their own readings at a White House event on April 22.

SOS!2000

This project (Save Outdoor Sculpture!) is administered by Heritage Preservation (formerly The National Institute for the Conservation of Cultural Property) in Washington, DC. It builds on the long-term commitment that Heritage Preservation has had to the conservation of public sculpture. A survey that Heritage Preservation conducted over several years has identified thousands of pieces of public sculpture and has evaluated them in terms of their present condition and how urgently they need to be conserved. SOS!2000 will work with local communities on the professional conservation of public sculpture in each of the 50 states plus DC. The sculptures will be selected for their artistic importance as well as their significance within the community.

Continental Harmony

Minneapolis-based American Composers' Forum (ACF) is directing this national composers' residency project. Underserved, rural, and small towns from all over the country will apply to have a composer in residence for a period during 1999-2000. A community may apply to have a piece of music commissioned for a specific event, such as a

town's centennial celebration; an annual festival; the school band's concert programs or any number of other situations. Composers will apply separately to be part of the program. The communities and composers will be matched, with the community making the ultimate decision on which composer will be engaged. The project will include the public debut of each work during the year 2000.

The National Millennium Residency Project

The Mid Atlantic Arts Foundation (MAAF) in Baltimore, using Underserved Set-Aside funds, is coordinating this project in concert with the other regional organizations and the state arts agencies. An artist will be in residence in each of the states and jurisdictions for a period of nine to twelve months between 1999 and 2001. The residencies will be designed by artists and communities in partnership, and will focus on one or more of several themes, such as families, values, health, community, or cultural diversity. The artists will have time to create new work and continue their professional development, but also will serve as a rallying point for community action.

Media Grants

The Endowment also is supporting a small number of millennium media grants for the completion of television series focusing on American arts in the 20th century. They are:

- American Dance Festival -- Durham, NC
Free to Dance: The African American Presence in Modern Dance
- The Civil Rights Project/Blackside, Inc. -- Boston, MA
I'll Make Me a World: A Century of African-American Arts, Artists, and Communities
- KTCA/Twin Cities Public Television -- St Paul, MN
American Photography: A Century of Images
- WETA/Greater Washington Educational Telecommunications -- Washington, DC
Jazz

For FY 1999 we are planning to continue support for Millennium projects that have activity in every state and involve significant community participation. The projects funded in FY 1999 will continue into FY 2000 so they will be even more important in that they will bridge the actual turn of the century. The Mars project, discussed below, is an example of an exciting millennium project which will begin in FY 1999.

MARS Millennium Project

The U.S. Department of Education, National Endowment for the Arts, National Aeronautics and Space Administration and its Jet Propulsion Laboratory, and the J. Paul Getty Trust are sponsoring a national educational program -- the Mars Millennium Project. The project will engage elementary, middle, and high school students across the country in an exploratory endeavor based on the marriage of art and science, complemented by the use of technology. With a goal to "Create a new community yet to be imagined," participants will work with art, science, math, and general educators, artists, scientists, designers, and engineers to design a community in which humans could actually live on Mars in the year 2030.

This cross-disciplinary project will help develop student and teacher knowledge and skills in architecture, design, the arts, sciences, math, and engineering, as well as advance technology skills. An appropriate curriculum is being designed. Teachers and students will work directly with practicing artists and scientists, and will have the opportunity for a showcase or Website display at the conclusion of the project. The project will take place during the 1999-2000 school year.

D. Interagency Partnerships

In FY 1998, the National Endowment for the Arts continued to collaborate with other federal agencies through **Federal Interagency Partnerships** in program areas such as economic development, criminal and juvenile justice systems, social services and health, and education.

Building upon a successful first year of the **Conflict Resolution Education in the Arts** partnership with the U.S. Department of Justice (DOJ), the Endowment committed funding to provide conflict resolution education, training, and technical assistance to an additional 10 arts programs for youth in high-risk environments. The Arts Endowment and DOJ also undertook two new national demonstration programs designed specifically to involve the arts in community delinquency and violence prevention efforts. The **Arts and At-Risk Youth Program**

will support multi-component arts programs that integrate arts activities, job skill development, work experience, and conflict resolution training for high school youth during nonschool hours. **Arts Programs for Juvenile Offenders in Detention and Corrections** will support the development of a new pilot site demonstration program in the arts in juvenile detention or youth corrections facilities, as well as the enhancement of existing arts programs for adjudicated youth. This two-year program will utilize this network of sites to develop technical assistance materials to provide a blueprint for communities throughout the nation that seek to undertake similar programs.

The Arts Endowment continued its partnership with the U.S. Department of Agriculture's Forest Service during FY 1998 to support the **Arts and Rural Community Assistance Initiative** which provides arts-based rural community assistance grants that demonstrate the role of the arts in rural economic development, community development, and heritage preservation. In this round of grants, the Endowment and the Forest Service will identify specific Forest Service Regions to participate. During FY 1996 and FY 1997, 36 grants were awarded in 22 states and Puerto Rico.

During FY 1999 and FY 2000 we will continue to pursue partnerships with other federal agencies to address the needs of "targeted" populations and to improve community life through the arts.

V. FY 1998 / FY 1999 FUNDING STATUS

A. Changes Imposed by FY 1998 Appropriation

In making our appropriation for FY 1998, Congress included several ~~additional directives affecting the way in which funds are allocated,~~ the manner in which the Endowment operates, and the composition of the National Council on the Arts. These changes are listed below along with a comment on their impact. We are of the opinion that they will be incorporated into the FY 1999 Appropriation and therefore, we have prepared the FY 2000 Budget Request under the assumption that they would continue to apply to our operation and funding requirements.

- *Increased the State formula funding from 35 percent of Program funds to 40 percent of all grantmaking funds -- the FY 1999 allocations included in the Senate and House Bills reflect the 40 percent allocation. Similarly, we have maintained the 40 percent allocation in our FY 2000 Budget Request;*

- *"Limited total grant funding awarded in any single state to 15 percent of the annual allocation of all grants." However, grants for projects that are of "national impact or availability or are able to tour several states" are excluded from the cap. -- We have established procedures to track, and report to Congress, the amount of money awarded to each state and for FY 1998 grants, we have not exceeded the cap; the main states of concern are California and New York.*
- *Held Administrative funding flat at the FY 1997 level with instructions to "restructure" the Administrative budget -- our proposed new line-item for Program Support addressed this directive.*
- *Provides language giving the Arts Endowment (and Humanities Endowment) expanded authority to solicit and invest funds for use in support of the functions of the agency -- in response to this authority, we have invested funds on a short-term basis in U.S. Treasury instruments; earnings have been limited, but the mechanism is in place should significant bequests or donations be received.*
- *Added language to "..... ensure that priority is given to providing services or awarding financial assistance for projects, productions, workshops, or programs that serve underserved populations," and "..... that will encourage public knowledge, education, understanding and appreciation of the arts." -- To this end, we initiated the ArtsREACH initiative discussed above, and during the current year, we significantly expanded the staff presence in underserved areas to provide information about Endowment grants and to stimulate new applications; and,*
- *Reduced the National Council on the Arts from 26 Presidentially-appointed members to 20 members of whom 14 will be appointed by the President, the remaining 6 to be members of Congress, three each from the House and Senate. -- We have experienced two Council meetings under this new structure and believe that it has potential to be a positive opportunity to improve communication between members of Congress and our Council.*

B. Funding Categories

FY 1998 was the second year of operation under our new structure and processing applications under four cross-disciplinary categories, Partnership Agreements, and Leadership Initiatives. Based upon our experience with the new categories and feedback from the fields, for FY 2000, we are proposing to split the four categories into five categories: **Heritage & Preservation, Creation & Presentation, Access, Education and Planning & Stabilization**; in addition, grants will be processed under **Leadership Initiatives and Partnership Agreements**. During the FY 2000 application cycle, we plan to suspend funding for Planning & Stabilization while we conduct a major reassessment of support for organizational stability. Applications received for FY 1999 Planning & Stabilization grants will be processed but for FY 2000, we will only provide interim funding for projects that offer services to the field and respond to vital issues affecting the professional needs and goals of artists and arts organizations. It is assumed that the suspension of the Planning & Stabilization category for one year will not reduce the total number of grant applications we receive. Organizations will simply select another category of support. Therefore, full funding of Grants to Organizations is needed. Grant applications under the other categories will most likely be handled in the same cycle, but it should be easier for applicants to identify the purpose of their grant application and for us to relate grants to the goals, objectives and performance measures included in the revised Strategic Plan and Performance Plan. For FY 1998 and FY 1999, organizations will continue to be limited to one application per grant cycle, except when they apply as a consortium with other entities. Under Congressional mandate, we have also limited direct grant awards to individuals to Literature Fellowships, American Jazz Masters and National Heritage Fellowships in the Folk and Traditional Arts.

Applications for FY 1998 funding were received in April 1997. We streamlined the advisory panel process for FY 1998, and strengthened the role of the National Council on the Arts. We envision all these changes being continued in FY 1999 and FY 2000.

Each of the five categories is described below, followed by a brief description of Leadership Initiatives and Partnership Agreements.

CREATION & PRESENTATION

The Arts Endowment's goals through this category are to 1) increase the number of artistically excellent works that are created and presented to the public, and 2) expand opportunities for artists to interpret, explore, and create work.

Creation

To assist the creation of excellent work in the various art forms, both within or across artistic fields and disciplines. Projects may include, but are not limited to, opportunities for artists to create and refine their work, such as commissions, residencies, rehearsals, workshops, or design charettes; and the development, re-creation, or imaginative reinterpretation of specific works. These may include creative film, video, and audio works, and works that use new technology.

Presentation

To make available the most creative and inspired artistic works of all cultures and periods through public presentation, exhibition, performance, and publication. Projects may include premieres, and second or subsequent productions of new American works; collaborations within or across artistic fields and disciplines; touring, festivals, media broadcast, literary publishing; and new technology that assists in the presentation of work.

HERITAGE & PRESERVATION

The Arts Endowment's goals through this category are to 1) honor, assist, encourage, and present those artists and forms of artistic ~~expression that reflect the many cultural traditions that make up our~~ nation; and 2) document or conserve highly significant works of art, artifacts, and collections of art .

Heritage

To strengthen and make visible America's living cultural heritage. Projects may include, but are not limited to, festivals and other public presentations of artists and art forms that reflect our diverse cultural traditions; apprenticeships or other forms of instruction that pass artistic repertoire, techniques, and traditions on to future generations; technical assistance to traditional/folk artists; publications or recordings that disseminate our artistic heritage; projects that increase the public's awareness and appreciation for their local, regional, and national cultural

heritage; and model projects that use new technology to help strengthen our artistic heritage.

Preservation

To preserve America's unique cultural heritage for future generations through the conservation, documentation, or preservation of our nation's art. These may include models of preservation; projects that demonstrate how modern technology can be used to preserve our artistic heritage; documentation of choreography or other forms of creative work; projects that environmentally maintain works of art; and documentation of methods of teaching or making art.

ACCESS

The Arts Endowment's goals through this category are to 1) broaden, diversify, and increase the kinds of arts events or activities available to the American public, and 2) provide access to arts experiences in communities where such activities are not readily available.

This category supports projects that provide a broad public with access to excellent art, while increasing understanding and appreciation of our heritage and culture.

Access projects often seek to heighten awareness and appreciation among:

- Those in underserved areas.
- Those whose opportunities to participate in the arts may have been limited by educational, geographic, ethnic, or economic constraints.
- ~~Individuals with disabilities and older adults.~~

Projects may include, but are not limited to:

- Exhibitions, distribution of books, broadcast, and other activities that provide access to a broad and diverse range of art in a variety of settings that may include arts spaces, schools, community centers, parks, etc.
- Outreach projects which involve diverse communities in partnerships.
- Touring performances to rural, state-wide, or multi-state areas.
- Innovative uses of new technology to enhance and strengthen public access to the arts.

- Collaborative projects that reach different or new audiences.

The Endowment regards the direct involvement of artists and, where appropriate, the use of original works of art and live performances as crucial elements in excellent Access projects.

EDUCATION

The Arts Endowment's goals through this category are to 1) help ensure that the arts are basic to the education of children and young adults in grades pre-K through 12; 2) expand opportunities for children and adults to participate in and increase their understanding of or skills in the arts; and 3) provide professional development opportunities for artists, arts professionals, and teachers.

For the purposes of this category, the Arts Endowment takes an encompassing view of the term "education." The Endowment subscribes to the concept of lifelong learning in the arts: the arts should be an integral part of education, not only for children and young adults during their elementary and secondary school years, but for Americans of all ages, in settings in and outside the formal classroom.

Within this broad framework, the Arts Endowment provides support for both curriculum-based projects and other types of educational activities that may be undertaken by arts and other organizations.

- **Curriculum-based projects** focus on the arts in grades pre-K through 12 and are intended to have an impact on the curricular and instructional areas of a school or a broader educational system. Project activities may take place within or outside of a school setting and during or outside of the school day and year, but they must involve a systematic, curricular approach to engaging students to increase their knowledge about and/or skills in the arts. Projects may include, but are not limited to:
 - Sequential lessons or courses that have explicit learning objectives and are in line with appropriate national-, state- and local-level achievement standards and curricular frameworks.
 - Development of model projects that explore new ways to engage students through sequential learning in the arts or to integrate arts learning with other subjects in the school curriculum.

- Professional development for teachers, artists, and others who do arts education work with students in grades pre-K through 12.
 - Documentation and/or dissemination of promising or proven arts education programs and practices.
 - Efforts to increase students' achievements according to state/local standards in the arts and/or assess achievement in the arts.
 - Projects that identify the impact of the arts and artists in the nation's educational system.
- **Discipline/Field-based projects** include a variety of learning activities for children, youth, or adults that are conducted by arts organizations or artists and that involve learners in activities designed to increase their understanding of or skills in the arts. These include projects in schools or that involve school-age children where the primary intention is not to affect significantly a school's curricular and/or instructional approach. Projects may include, but are not limited to:
 - Arts instruction (not for academic credit) that is offered by arts organizations or artists.
 - Master classes, workshops, and apprenticeship programs outside of formal pre-K through 12 settings.
 - Training and professional development for artists and arts professionals.
 - Residencies by or exhibitions of artists that are intended to increase students' understanding of an arts discipline, genre, or form and that are integrated into existing classroom plans.
 - Student attendance at specially designed performances ~~or demonstrations which may be accompanied by material to be used by students and teachers before and/or after the event.~~
 - Projects that identify the impact of the arts and artists in community settings.

The Endowment regards the direct involvement of artists and, where appropriate, the use of original works of art and live performances as crucial elements in excellent Education projects.

PLANNING & STABILIZATION

The Arts Endowment's goal through this category is to strengthen arts organizations' ability to realize their artistic and public service goals by becoming more effective, adaptable, and stable organizations.

During the FY 2000 application cycle, the Arts Endowment will suspend funding for Planning & Stabilization as previously defined while it conducts a major reassessment of its support for organizational strengthening. During that time, this Planning & Stabilization category is offered as interim funding for projects that offer services to the field that identify and respond to vital issues affecting the professional needs and goals of artists and arts organizations.

Projects that serve a broad constituency may include, but are not limited to:

- Technical assistance to help arts organizations develop long-range plans, improve skills, or otherwise develop strategies to strengthen their capabilities or those of their fields.
- Examining the feasibility of a new or enhanced performing/presenting venue for a whole community.
- Implementation of a model computer program for ticket sales, scheduling, or marketing purposes that could be made available to arts groups.
- The institution of training and marketing strategies to enhance artists' or arts organizations' capacity to increase earned income.
- A conference that provides information, training, networking opportunities, and resources field-wide.
- ~~The development of a Web site for a constituency with a searchable database and online workshops with field professionals.~~

LEADERSHIP INITIATIVES that will advance the arts significantly, and that have demonstrable national or fieldwide importance. Millennium Projects that are supported as Leadership Initiatives must have project activity nationwide, and must incorporate significant community participation as a primary element of the project.

PARTNERSHIP AGREEMENTS involving the simplification and consolidation of multiple grants, into a single agreement, to state and regional arts organizations. State Partnership Agreement awards include three components: non-competitive support for basic state plans to address priorities identified at the state level; a combination of competitive and non-competitive support for those elements of the plans that specifically address arts education; and a combination of competitive and non-competitive support for those elements of the plans that foster the arts in underserved communities. Multi-state regional organizations receive Partnership Agreement awards to support plans that address, among other things, touring and presenting of the performing arts. The new system, now in its second year, has reduced paperwork and contributed to a more comprehensive understanding of each agency's plans and activities.

C. FY 1998 Funding Status

For FY 1998, Congress appropriated \$98 million, of which \$81.02 million was available for grantmaking; this was combined with approximately \$1.8 million of uncommitted grantmaking funds carried over from FY 1997 for a total of \$82.8 million.

Table 1 shows the grantmaking funding available in FY 1998 and how it is being allocated to the various areas. For reference, we have also shown the FY 1997 allocations which included more than \$10 million of funds carried over from FY 1996; about \$1.8 million of uncommitted FY 1997 grantmaking funds were carried over into FY 1998. While the overall FY 1998 appropriation was reduced by \$1.5 million from the FY 1997 level, (from \$99.5 million to \$98 million), State Partnerships increased by \$4.1 million (14.5 percent) and Direct Endowment Grants decreased by \$5.6 million (10.4 percent, exclusive of carryover funds). ~~About \$1 million of FY 1998 grantmaking funds will be carried over~~ and available FY 1999; if there is no increase for the Endowment in FY 1999, the overall funding picture will remain tight.

Table 1. Allocation of FY 1997 and FY 1998 Grantmaking Funds.

	(\$ thousands)	
	FY 97 Allocations a/	FY 98 Estimated Allocations g/
A. CATEGORY GRANTS		
Heritage & Preservation	6,152	4,175
Education & Access	10,637 b/ c/	9,146 c/
Creation & Presentation	23,361	17,299
Planning & Stabilization	10,414	8,113
Subtotal Category Grants	50,564	38,733
B. LEADERSHIP INITIATIVES	9,077 d/	8,592 h/
C. STATE PARTNERSHIPS		
State & Regional Grants	22,250 e/	25,486
Underserved Set-Aside Grants	6,069 d/,f/	6,952 i/
Subtotal State Formula Funds	28,319	32,438
Arts Education (through State Arts Agencies)	2,850	2,210 j/
Subtotal State Partnerships	31,169	34,648
D. LITERATURE FELLOWSHIPS	800	705
Total	\$91,610 a/	\$82,678

a/ Includes FY 96 carryover funds.

b/ Of this amount, \$2.85 million for arts education programs of State Arts Agencies was subtracted from here and awarded in conjunction with the State Partnerships amount earmarked by Congress.

c/ ~~This amount does not include a Heinz Company Foundation gift of \$150,000 for arts education project support.~~

d/ \$1.277 million of Underserved funds were allocated for Leadership Initiatives.

e/ Does not include \$400,000 of Matching Grant (3:1 match) funds.

f/ Does not include \$142,000 of FY 96 carryover funds.

g/ Includes \$1,552,405 of uncommitted and \$1,785,860 of committed FY 1997 carryover funds.

h/ Excludes \$1,050,000 of Underserved funds.

i/ Excludes \$27,000 of FY 1997 carryover funds.

j/ Includes \$10,000 of FY 1997 carryover funds.

Table 2 shows FY 1998 applications, grants, amounts requested, and amounts recommended for funding under the four categories. To date, we have awarded 1,173 grants totaling \$38.4 million in Heritage & Preservation, Education & Access, Creation & Presentation and Planning & Stabilization, in which \$152.6 million had been requested. Overall, 25 percent of the amount requested by applicants for FY 1998 will be funded -- down from 33.8 percent in FY 1997.

Table 2. FY 1998 Organizational Grants by Category

Category	Number of Applications	Number of Grants Recommended	Percent of Applications Recommended	Amount Requested (\$ millions)	Proposed Allocations (\$ millions)	Percent of Funds Requested
Heritage & Preservation	236	140	59.3%	\$16.1	\$4.2	26.1%
Education & Access	488	265	54.3%	\$35.3	\$9.1 a/	25.8%
Creation & Presentation	997	613	61.5%	\$64.3	\$17.3	26.9%
Planning & Stabilization	353	154	43.6%	\$36.8	\$8.1	22.0%
Total	2,074	1,172	56.5%	\$152.5	\$38.7 a/	25.4%

a/ Excludes \$150,000 of Heinz money.

Under FY 1998 Leadership Initiatives, in which we supported demonstrable projects of national or fieldwide significance, we awarded more than \$9 million in grants, cooperative agreements and interagency agreements. Of these, about \$3 million were awarded for special millennium projects.

D. Status of FY 1999 House/Senate Appropriation

On July 21, 1998 the full House of Representatives voted to fund the Arts Endowment at \$98 million for FY 1999. This was an important vote in that it had significant bi-partisan support. The House Bill maintained the same funding allocations and funding categories as in the FY 1998 Bill; although their charts showed the Program Support line item, they did not allocate money to that line item. Additionally, we had requested a reduction in the Matching Grants allocation (from \$16,760,000 to \$15,000,000), but the House did not change the allocation.

The full Senate has begun debate on the Interior Bill but we are not certain whether it will be approved before the OMB Budget is submitted; an amendment to eliminate funding for the Endowment was defeated with strong bipartisan support. The Senate Appropriations Committee voted to fund the Arts Endowment at \$100.060 million for FY 1999. The Committee Report allocations reflect our request to include a Program Support line item and to reduce the Matching Grants allocation to \$14.5 million; additionally, under the administrative areas the Grants and Administration account has been changed to "Salaries and Expenses" and Computer Replacement has been changed to "Computer Conversion;" these terms more accurately describe the activities supported under these accounts.

It is likely there will have to be a conference to resolve the differences between the House and Senate Bills. We are hopeful that, the Senate's allocations will prevail. If the Program Support line-item is not included in the budget, it is essential that the \$977,000 requested be reintegrated with the Salaries and Expenses account.

- E. In response to Amendment No. 121 of the FY 1998 Conference Report (Report 105-337, to accompany H.R. 2107), the Endowment proposed for FY 1999 a restructuring of the Administrative accounts that more accurately reflects the Endowment's various functions and activities. Specifically, we identified certain activities which directly support our interaction with the field and programmatic activity. We grouped these activities under a new line-item entitled "Program Support" and redefined the Operating Administrative account as "Salaries and Expenses." We believe that this structure more accurately segregates, as Program Support, costs such as merit review panels, National Council on the Arts activities, application guidelines, programmatic research and accessibility activity. (The research and accessibility activities are ~~supported under the Office of Policy, Research and Technology.~~) In our FY 1999 Congressional Budget Justification, and in a Capability Statement provided to the Senate and the House, we included the following items under Program Support which totaled \$977,000: Office of Policy, Research & Technology \$380,000; Panels \$500,000; Consultants \$10,000; Guidelines \$40,000; Council Travel \$45,000; and Council Books \$2,000. Looking towards FY 2000, we plan to expand this area to include our Website and other publications serving the field such as our Annual Report and the "Guide to NEA."

VI. NEEDS AND OPPORTUNITIES/RATIONALE FOR FEDERAL ROLE AND ENDOWMENT RESPONSE

The nonprofit arts in America blossomed over the past 32 years. More Americans are reached, and communities enriched, by the arts today than even the founders of the Endowment could have imagined.

Results from the National Endowment for the Arts nationwide survey of Public Participation In The Arts, indicate that the number of people who attended a live performance or an art exhibit during 1997 increased since 1992; **in 1997, nearly 50 percent of the adult American population (more than 97.1 million Americans) attended at least one type of arts activity such as: jazz, classical music, opera, musicals, plays, ballets, or art museums.** If we expand the arts activities to include other art forms such as reading literature, attending arts/crafts fairs, visiting historic parks or neighborhoods for their design and cultural value, and attending other dance events (folk, modern, etc.), the proportion of the adult population participating increased to 81 percent of the American population. The number of people exposed to the arts through television and radio is even larger than the live attendance audience. **These results put to rest decisively any claim that the arts are the province of the affluent and the elite.** They are deeply rooted in the lives of the vast majority of the American people.

According to Giving USA 1998, in 1997 Americans contributed \$143.46 billion to nonprofit organizations. This represents a 7.5 percent increase over the revised number, \$133.46 billion for 1996. Inflation was low in 1997, and giving easily outpaced it, increasing by 5.1 percent in inflation-adjusted dollars. By comparison, giving to arts, culture and humanities organizations (which includes science and history museums, public television and other cultural institutions as well as performing and visual arts institutions) declined by 2.8 percent in 1997 from that of 1996. Giving USA reports that this decrease is ~~consistent with the trend of slower growth of contributions to arts organizations evident throughout the 1990's.~~ For example, total donations within the seven year period between 1991 and 1997 increased by a mere 21 percent compared to the 73 percent and 86 percent increases for the seven-year periods from 1985 to 1991 and 1979 to 1985, respectively. Furthermore, the average increase in giving for each year between 1991 and 1997 was 3.0 percent. Between 1985 and 1991, it was 10.4 per annum and between 1979 and 1985 it was 12.3 percent.

As reported by the National Assembly of State Arts Agencies (NASAA), in 1998, state funding for the arts was \$305.4 million, just slightly above the 1990 high of \$290 million. This increase reflects overall growth of the national economy. However, NASAA reported that according to a recent report by the National Governors' Association, state governments remain cautious in

predicting future revenues. NASAA said, "states are limiting their spending and putting monies into reserve funds to protect against economic downturns, and to act as a hedge against flat federal revenues and future tax revenue drops." Endowment dollars represent as much as 50 percent of the funding for state arts agencies in states such as Alaska, Maine, Montana, North Dakota, Vermont and Wyoming.

Notwithstanding the increase in State and local arts organization funding, many nonprofit arts organizations are facing operating deficits. In 1997, for example, about 22 percent of opera companies and 31 percent of nonprofit theatres (in the TCG Survey) had a deficit for the year. Similarly, 41 percent of large dance companies reported deficits for 1997. Arts institutions have been faced with inordinate pressure to seek increased donations, to increase ticket prices, or to cut back on services such as fewer concerts, exhibits or reduced outreach programs. The decrease in Arts Endowment support compounds their financial problems in that Endowment grants have a catalytic effect in leveraging donations.

The Endowment's role in supporting the arts is unique and its leadership serves as a catalyst and standard bearer. The Endowment:

- Provides **national recognition of artistic excellence and merit**, and support for artistic activity based on the highest standards, national competition, and citizen review.
- Provides **access** to the arts for all Americans regardless of geography, income levels, age, disability, or race/ethnicity through **leadership and national and regional distribution** of art.
- **Convenes**, at the national and regional levels, representatives of various fields in the arts and of public and private sectors to recognize and ~~explore ways in which the arts can continue to grow and enhance the~~ quality of life for all of our citizens.
- Provides **national leadership** in **arts education** for our children.
- Supports **recognition, preservation and sharing** of America's traditional and diverse **cultural heritages**, including digitization, use of the Internet, etc.
- Through a modest investment of federal dollars, is a powerful **financial catalyst**, with unique capacity to leverage funds from the private sector and other governmental agencies.

- Serves as a **national symbol and voice** for American culture at home and abroad.
- Provides critical, often substantial, support for projects with **national, multi-state and/or field-wide impact**.
- Establishes **national standards and incentives for state and local governments** in support of the arts.
- Is a **national partner** with foundations and national organizations in the private sector, and with federal, state and local agencies, to support and bring the arts and life long learning in the arts to all people.
- Provides **national leadership and facilitation for communication, dialogue, research, and new thinking** on issues critical to the future of the arts in America.
- Provides national overview and **nurturing of distinct artistic fields**, such as jazz, dance, and the folk arts.

VII. FY 2000 BUDGET REQUEST

At the FY 2000 Request Level of \$200 million, which is comparable to the funding of \$175 million we had in FY 1992 and FY 1993, we could make a significant investment in our nation's cultural legacy through existing programs and the **Challenge America** initiative.

A. Grant-Making

Table 3 shows proposed allocations at our FY 2000 Request Level of ~~\$200 million and at the Planning Level of \$136 million.~~ Also shown, for comparative purposes, are allocations for FY 1995 through FY 1998; for FY 1999 we have shown the President's Request of \$136 million, the Senate's Bill at \$100.06 million and the House's Bill at \$98 million. At the Request Level we would also be able to support the initiatives comprising the **Challenge America** Initiative. These initiatives would be supported through the revised funding categories and are tied to the funding strategies devised to address the goals and objectives contained in the revised Strategic Plan and Performance Plan prepared in response to the GPRA. The FY 2000 Request was "built up" from the funding strategies identified to meet the goals and objectives.

Table 3. Proposed Allocations for FY 2000 Planning and Request Levels

APPROPRIATIONS / REQUEST HISTORY

(\$ Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8a)	(8b)
	FY 95 Allocations	FY 96 Allocations	FY 97 Allocations	FY 98 Estimated	FY 99 Request	FY 99 Senate Committee	FY 99 House Bill	FY 2000 OMB Planning (Level I)	FY 2000 OMB Request (Level II)
Direct Endowment Grants:									
Program Grants (\$1-\$1 match)	69,816	36,017	37,435	31,822	55,614	35,074	31,822	60,429	96,357
Matching Grants (\$3-\$1 match)	28,512	17,235	16,760	16,760	15,500	14,500	16,760	10,000	11,500
(Subtotal)	98,328	53,252	54,195	48,582	71,114	49,574	48,582	70,429	107,857
State Partnerships:									
State & Regional – Formula	31,010	21,592	22,250	25,486	37,248	25,934	25,486	36,891	36,891
Underserved Set-Aside	8,175	5,890	6,069	6,952	10,160	7,074	6,952	10,062	10,062
State & Regional – Challenge America Incentive	.....	.....	.....	.....	.....	.....	.....	.....	24,952
(Subtotal)	39,185	27,482	28,319	32,438	47,408	33,008	32,438	46,953	71,905
Program Support	....	....	....	....	977	977	0	1,438	1,638
Administrative:									
Office of Policy, Research & Technology	571	378	420	440	....	....	440	....	....
Salaries and Expenses	23,417	17,548 a/	15,900	15,880	16,011	16,011	15,880	17,180	18,600
Computer Conversion	810	810	660	660	490	490	660	.....	.....
(Subtotal)	24,798	18,736	16,980	16,980	16,501	16,501	16,980	17,180	18,600
Grand Total	162,311	99,470	99,494	98,000	136,000	100,060	98,000	136,000	200,000

a/ Includes \$2.5 million for downsizing costs.

To develop allocations for the five organizational grantmaking categories, Leadership and Partnership Agreements, we used the revised Strategic Plan as the basis for determining the funding required to implement the strategies supporting the eight goals and their objectives. The costs associated with each of the **Challenge America** initiatives are shown in Table 4 along with the ongoing "core" activities being supported at the current funding level of \$98 million. The top part of the table shows the total allocations by funding category; the bottom shows allocations for each of the FY 2000 **Challenge America** initiatives. In determining the allocations for each of the funding categories, we used the Strategic Plan as the basis for costing out each goal and then tied them back to the **Challenge America** initiatives and base funding levels.

Table 4. Allocations for Funding Categories and Challenge America Initiative

(\$ thousands)					
ACTIVITY	FY 1998 Estimated Allocations a/	FY 1999 House Bill (\$98 M)	FY 1999 Senate Committee (\$100.06 M)	FY 2000 Planning Level I (\$136 M)	FY 2000 Request Level II (\$200 M)
Core Activities:					
Category Grants:					
Heritage & Preservation	4,175	3,900	3,991	6,600	8,600
Education & Access	9,146 b/				
Education	n/a	4,200	4,246	8,600	15,190
Access	n/a	4,900	4,955	7,200	18,000
Creation & Presentation	17,299	16,516	16,601	24,062	26,000
Planning & Stabilization	8,113	7,000	7,715	7,400 e/	7,900 e/
(subtotal)	38,733	36,516	37,508	53,862	75,690
Leadership Initiatives	8,595 c/	9,000	9,000	13,501	28,701
State Partnerships:					
State & Regional -- Formula	27,686 d/	27,686 d/	28,134 d/	39,288 d/	39,288 d/
Underserved Set-Aside	6,952	6,952	7,074	9,865	9,865
State & Regional -- Challenge America Incentive					24,952
(subtotal)	34,638	34,638	35,208	49,153	74,105
Literature Fellowships	705	866	866	866	1,266
Program Support		0	977	1,438	1,638
Administration:					
Planning, Rsch & Tech	636	440			
Salaries and Expenses	16,032	15,880	16,011	17,180	18,600
Computer Replacement	1,104	660	490		
(subtotal)	17,772 f/	16,980	16,501	17,180	18,600
Grand Total	100,443 g/	98,000	100,060	136,000	200,000
CHALLENGE AMERICA:					
1. Protect and Share America's Living Cultural Heritage:					
Challenge America:					
- Heritage & Preservation Grants					4,500
- Folk & Traditional Arts Infrastructure Partnerships					1,440
ArtsShare:					
- Residencies					2,000
- Regional & National Tours					5,000
- Broadcast					1,000
- Access Grants to Organizations					8,000
- Cultural Tourism Partnership Grants					5,800
- Cultural Heritage Trails Initiative					2,400
- Underserved Partnership Fund					3,093
2. Enhance American Creativity:					
Challenge America:					
- Model Arts Education Programs					5,000
- Arts Education Leadership Initiatives					1,250
- Lifelong Learning in the Arts Grants					5,000
- Creation & Presentation Grants					9,000
- Centers of Excellence in the Arts					1,000
- Literature Fellowships					400
- Community Public Art Initiative					625
- State & Regional Arts Organizations Partnership to Enhance American Creativity:					
- Lifelong Learning in the Arts					5,600
- State & Regional Investments in Projects to Commission, Develop or Present the Arts					13,163
3. Strengthen Families, Communities and our Nation Through The Arts					
- ArtsREACH:					4,569
- Community Foundation Challenge					3,293
- Higher Education Community Arts Partners					500
- Common Agendas					1,000
- At-Risk Youth Partnership Initiative					1,000
- After School Youth Arts Programs					1,000
- Mayor's Institute In City Design					250
- Endowment/U.S. Forest Service Partnership					250
- State & Regional Arts Organization Partnerships to Build Strong Communities					11,400
Total Challenge					97,533

a/ Includes \$1,552,405 of uncommitted and \$1,785,860 of committed FY 1997 carryover funds.

b/ Excludes a \$150,000 Heinz Company Foundation gift for arts education project support.

c/ Excludes \$1,050,000 of Underserved funds and \$450,000 of Interagency funds.

d/ Includes \$2,200,000 of Arts Education funds awarded to State Arts Agencies.

e/ Except for Service Organizations, Planning & Stabilization grants will be suspended during FY 2000 for re-evaluation of impact.

f/ Includes \$726,360 of FY 1997 carryover Administrative funds and \$65,580 of deobligations.

g/ FY 1998 numbers reflect actual allocations and may differ slightly from the Strategic Plan due to grants in process.

The organizational grantmaking categories, Leadership Initiatives and State Partnerships funding mechanisms correlate with the Endowment's revised Strategic Plan and Performance Plan. These plans identify grantmaking funds required to achieve the various goals and objectives; these estimates provided the basis for developing allocations in our FY 2000 OMB Budget Request. Table 5 shows the relationship between the grantmaking categories and the goals and objectives included in the Strategic Plan and Performance Plan; we have included allocations for FY 1998 and FY 1999 for reference. The Performance Measures and Outcome Measurements are discussed in the Performance Plan which is included under the GPRA Tab.

The goals and objectives of the Strategic Plan were used to develop the goals and objectives of the annual Performance Plan. The resources required to carry out the annual Performance Plan were derived by reviewing baseline data for similar activity conducted in the past or at present and correlating estimates of applications, grants and leadership activity with the programmatic funding, staffing and other operational costs, such as space and automation needs, and program support necessary to effectively and efficiently implement the plan. Changes in funding level necessitate changes in programmatic funding and in the Salaries & Expenses and Program Support areas. These plans will enable the Endowment to correlate increased or new programmatic activity and the resources necessary to carry them out.

Table 5. Crosswalk Between Funding Categories and Goals and Objectives

(\$ Thousands)

<u>GOAL</u>	<u>OBJECTIVE</u>	<u>FUNDING CATEGORY</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 2000 Planning Level I (\$136 M)</u>	<u>FY 2000 Request Level II (\$200 M)</u>
1. Access: Broaden public access to the arts.	1.1 Increase number of, and broaden and diversify the kinds of, arts events or activities available to the American public.	Access	3,731	3,680	3,556	9,556
		Leadership	1,325	1,416	1,416	1,416
		Partnership	5,806	5,855	5,722	5,722
	1.2 Provide access to arts experiences in communities where such activities are not readily available because of geographic, economic or other factors	Access	1,292	1,275	3,732	8,470
		Leadership	26	28	28	28
		Partnership	2,677	2,700	4,639	7,703
		(Subtotal)	14,857	14,954	19,093	32,895
2. Creativity: Foster opportunities for the creation and presentation of work.	2.1 Increase the number of works created and presented.	Creation	16,032	15,810	23,325	24,278
		Leadership			0	625
		Partnership	369	373	5,480	13,528
	2.2 Expand opportunities for artists to interpret, explore and create work.	Creation	801	791	765	765
		Fellowships	705	866	866	1,266
		Leadership	1,450	1,549	1,549	1,549
		Partnership	1,000	1,007	984	984
		(Subtotal)	20,357	20,396	32,969	42,995

Table 5. Crosswalk Between Funding Categories and Goals and Objectives (Continued)

<u>GOAL</u>	<u>OBJECTIVE</u>	<u>FUNDING CATEGORY</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 2000 Planning Level I (\$136 M)</u>	<u>FY 2000 Request Level II (\$200 M)</u>
3. Arts Education: Strengthen the role of the arts in our nation's education system and encourage lifelong learning in the arts.	3.1 Help ensure that the arts are basic to the education of children and young adults in grades pre-K through 12.	Education	1,292	1,275	3,482	6,232
		Leadership	580	620	1,120	1,870
		Partnership	4,937	4,978	4,865	4,865
	3.2 Expand opportunities for children and adults to participate in and to increase their understanding of, or skills in, the arts.	Education	2,190	2,160	4,338	7,088
		Leadership	40	42	42	42
		Partnership	2,763	2,785	6,222	8,322
	3.3 Provide professional development opportunities for artists, arts professionals, and teachers.	Education	804	791	765	1,765
		Leadership	110	118	118	118
		Partnership	1,990	2,007	1,961	1,961
		(Subtotal)	14,706	14,778	22,914	32,264
4. Preservation: Preserve our nation's cultural heritage for the 21st Century	4.1 Document or conserve highly significant works of art, artifacts, and collections of art.	Heritage & Preservation	1,291	1,272	2,829	3,729
		Leadership	1,050	1,121	1,121	1,621
		Partnership	394	397	388	388
	4.2 Honor, assist, encourage, and present those artists and forms of artistic expression that reflect the many cultural traditions that make up our nation.	Heritage & Preservation	2,759	2,719	3,828	4,628
		Leadership	1,489	1,591	2,091	2,591
		Partnership	343	345	337	3,177
		(Subtotal)	7,326	7,446	10,595	16,135

Table 5. Crosswalk Between Funding Categories and Goals and Objectives (Continued)

<u>GOAL</u>	<u>OBJECTIVE</u>	<u>FUNDING CATEGORY</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 2000 Planning Level I (\$136 M)</u>	<u>FY 2000 Request Level II (\$200 M)</u>
5. Organizational Stability: Strengthen the organizational, financial and programmatic capabilities of America's arts organizations.	5.1 Strengthen arts organizations' ability to realize their artistic and public service goals by becoming more effective, adaptable, and stable organizations.	Planning	7,825	7,715	7,456	7,456
		Stabilization				
		Leadership	175	187	187	187
		Partnership	14,076	14,196	13,874	13,874
		Challenge America Initiative				
		(Subtotal)	22,076	22,098	21,517	21,517
6. Community Arts Development: Help address the concerns of America's communities through the arts.	6.1 Help make communities more livable through the arts.	Leadership	622	665	665	915
		Partnership			3,400	11,400
	6.2 Enhance public awareness of the importance of the arts in our lives and communities.	Partnership	556	560	547	547
	6.3 Improve opportunities for the positive development of children and youth.	Leadership	112	120	120	2,120
		Education	20	19	18	18
	6.4 Stimulate and strengthen the role of the arts in the economic and cultural development of communities.	Partnership				
		Leadership	805	860	3,860	11,972
		Partnership			0	2,800
		Education	0	0	0	0
		(Subtotal)	2,115	2,223	8,610	29,772

Table 5. Crosswalk Between Funding Categories and Goals and Objectives (Continued)

<u>GOAL</u>	<u>OBJECTIVE</u>	<u>FUNDING CATEGORY</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 2000 Planning Level I (\$136 M)</u>	<u>FY 2000 Request Level II (\$200 M)</u>
7. Partnerships: Strengthen the Endowment's partnerships with the public and private sectors	7.1 Strengthen partnerships between the Endowment and federal/state/local governments.	Partnership				
	7.2 Develop partnerships with the private sector and the commercial arts sector that enhance the arts in America.	Leadership			500	1,000
	7.3 build strategic alliances with other Federal agencies.	Leadership	175	187	187	187
	7.4 Develop and strengthen international partnerships.	Leadership	465	497	497	2,497
		(Subtotal)	640	684	1,184	3,684
8. Strengthen the NEA as an innovative, efficient, and effective organization.	8.1 Improve public understanding, recognition, and appreciation of the role and impact of the Arts Endowment.	Administrative OPRT				
	8.2 Improve the agency's interaction with the public.	Administrative OPRT				
	8.3 Improve the efficiency and delivery of agency services.	Administrative OPRT				
	8.4 Strengthen the Arts Endowment's role as a national leader in the support of the arts and in the development of the nation's cultural policy.	Administrative OPRT				
		(Subtotal)	0	0	0	0

B. Program Support

For FY 2000 we have expanded the Program Support area to include our Website and publications such as the Annual Report and "Guide to the NEA" since they also serve the fields. Table 5 shows proposed Program Support allocations at the FY 2000 Planning Level and Request Level; for reference, we have included the allocations requested for FY 1999 in the President's Budget and as included in the Senate Bill. At the FY 2000 Planning and Request Levels, we have increased support for the Office of Policy, Research and Technology to accommodate improvements in the national database on arts organizations initiated in FY 1998, and to allow additional testing and planning in preparation for the 2002 National Survey of Public Participation in the Arts (the fifth in a series of quinquennial national surveys).

Additionally, we increased Panels to cover the cost of reviewing the increased number of grant applications at the higher funding levels; Guideline printing also increased in anticipation of increased demand for applications. Finally, we increased the allocation for Consultants to meet special needs for overview meetings.

Table 6. Program Support Allocations

Composition of Program Support::	(\$ Thousands)			
	FY 1999 Congressional Request (\$136 M)	FY 1999 Senate Bill (\$100 M)	FY 2000 Planning Level I (\$136 M)	FY 2000 Request Level II (\$200 M)
OPRT	440	380	601	636
Panels	450	500	625	740
Consultants	10	10	10	40
Guidelines	30	40	65	85
IPA's	0	0	0	0
NCA Travel	45	45	45	45
Council Books	2	2	2	2
Pubs (Guide to NEA, Ann Rpt)	....	....	50	50
Website (taken from 2540)	....	....	40	40
	977	977	1,438	1,638

C. Salaries and Expenses

For FY 2000 the Endowment requests \$18.6 million for Salaries and Expenses; this represents 9.3 percent of total budget. By FY 2000, we will have completed the major portions of migrating from the antiquated, Wang Laboratories, Inc. main-frame computer to a LAN-based computer platform; we are not requesting funds for Computer Conversion as a separate line item.

The FY 1998 Salaries and Expenses (formerly Operating Administrative) budget was held at the FY 1997 level which required us to absorb the FY 1998 ECI pay adjustment as well as uncontrolled cost increases for other goods and services. However, given the transition in Chairmanship, we experienced an unusually high attrition rate during FY 1998 and expect to end the fiscal year at a running level of about 147 FTE. For FY 1999 the Senate Committee included \$16.5 million for Salaries and Expenses and \$977 thousand for Program Support; with this funding we could support 153 FTE (Full Time Equivalents). The House Bill maintained the same FY 1999 Administrative funding levels as FY 1998 (and FY 1997), including the allocation for the Office of Policy, Research and Technology (\$440 thousand and Computer Conversion (\$660 thousand). Under the Program Support line item, we requested \$380 thousand for OPRT and no funds for Computer Conversion; the House allocations present a problem in that we would have to absorb the costs for panels, guidelines, etc., as shown in Table 5, within the Salaries and Expenses budget. Moreover, we will have to absorb the cost of the 3.6 percent ECI pay adjustment proposed for FY 1999 and an increase of \$106 thousand for GSA Rent. If the House numbers prevail, that budget would only support about 146 FTE; inasmuch as we were operating well below planned ceiling in FY 1998, there are carryover funds which could be used to bring staffing up to the ~~155 FTE level for FY 1999 only.~~

The budget proposed for FY 2000, includes funds to cover the proposed 4.4 percent ECI pay raise and would support 155 FTE at the Planning Level of \$136 million. At the Request Level of \$200 million, we have requested funds to support an additional 17 FTE. It is interesting to note that when the Endowment's funding was at \$175 million, we had a ceiling of 273 FTE; at \$200 million, we are requesting an FTE level more than 100 FTE below the old ceiling. The additional staff will be needed to handle the anticipated increase in grant applications and grant awards in response to current efforts under ArtsREACH and the **Challenge America** Initiative. Fifteen of the additional FTE would be allocated to grantmaking activities.

We have been advised by GSA that we will be directed to move out of our present location at the Old Post Office building by FY 2000. Inasmuch as this is a directed move, GSA is supposed to cover the cost of the relocation. Based upon our experience with the move to this present location, the GSA moving allowance will not be adequate. We estimate that we could be faced with additional moving costs as high as \$1.4 million. In addition, GSA has advised agencies that rent costs for downtown space will increase to between \$38 to \$51 per square foot; currently, we are paying about \$34 per square foot. In projecting our GSA Rent cost for FY 2000, we used the \$38 per square foot rate and estimate that our rent will increase by \$159 thousand over the FY 1999 rate; however, if the higher rates prevail, we could face a rent increase of almost \$500 thousand. In the event that GSA finds us a new office space with a lower rent, we might break even with the lower estimate. In addition, if our request for increased funding and 17 more FTE is approved, we will have to factor in additional workspace in the new location. These issues will have to be closely watched and our space Rent estimate may need to be revised after this budget is submitted.

As of this time, our Local Area Network (LAN) is fully operational and we have contracted through the General Services Administration's Federal System Information Management Center (FEDSIM) for services to complete the migration of our corporate information systems from the Wang Laboratories, Inc. main-frame computer to a Year 2000 (Y2K)-compliant, LAN-based computer platform. Work is underway and the targeted completion date is the end of FY 1999. We have allocated \$100 thousand in the Salaries and Expenses budget for unplanned items involving the new computer system. Using savings resulting from the lower FTE utilization rate in FY 1998, we were able to significantly accelerate the Computer Conversion project. Additionally, we were able to fund higher than initially planned Y2K fixes for our Grants Management, Financial Management, and Automated Panel Bank Systems.

VIII. SUMMARY

This FY 2000 request represents an opportunity to take a bold step in placing the National Endowment for the Arts in a strong leadership position as we enter the 21st Century. We believe the **Challenge America** initiative will do much to broaden access to the arts by greater numbers of Americans, stimulate support for and strengthen arts organizations and benefit individual artists throughout America. Investment in the arts is an investment in our communities and our children. The arts not only benefit individuals, they benefit communities both culturally and economically.

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REAUTHORIZATION

Divider Title: _____

REAUTHORIZATION PROPOSALS

Authorization of appropriations for the National Endowment for the Arts expired in the fiscal year ending September 30, 1993. Since that time, the agency has continued to operate under the statutory framework of the National Foundation on the Arts and the Humanities Act of 1965, last amended in 1990, and general provisions enacted through the annual appropriations process.

A measure to reauthorize the Arts Endowment passed the House during the 103rd Congress, but failed to pass the Senate. During the 104th and 105th Congresses, the Senate Labor and Human Resources Committee reported Arts Endowment reauthorization bills but they failed to come to the full Senate for debate. In the House, a three-year phase out measure was reported by the Economic and Educational Opportunities Committee during the 104th Congress, but there was no effort to bring the measure before the full House for debate. During the 105th Congress, the House Committee on Education and the Workforce failed to act on any Endowment related legislation. Since becoming Chairman, Bill Ivey has been informed by the Chairman of the House Education and Workforce Committee that the committee has no intention of moving Arts Endowment reauthorization legislation forward in the foreseeable future.

The Endowment believes that all of the Chairman's initiatives contained in the proposed FY 2000 budget could be accomplished under the existing statutory framework. As a practical matter, the only outstanding issue that requires a statutory change relates to the Arts and Artifacts Indemnity program.

The Arts and Artifacts Indemnity program, established in 1975, has indemnified 567 exhibitions, saving museums \$116 million in insurance premiums, and bringing the public such blockbuster shows as the National Gallery's Vermeer and Van Gogh exhibits, the Cezanne exhibit at the Philadelphia Museum of Art, and the upcoming Picasso exhibit to be presented by the San Francisco Fine Arts Commission. In the 23-year program history, the program has had to pay out only two claims totaling \$104,700.

In the past, increases in the program caps have been accomplished through the reauthorization process. Most recently, the 1990 National Foundation on the Arts and the Humanities Amendments raised the cap from \$1.2 billion to \$3 billion. The Arts Endowment agrees with the art museum community that current and projected demand warrants increasing the cap to \$5 billion. The FY 1999 House-passed Interior Appropriations legislation includes the increase, but the corresponding Senate bill does not. If the issue is not resolved this year, the agency will propose the increase as part of the FY 2000 appropriations process.

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BUDGET TABLES

Divider Title: _____

NATIONAL ENDOWMENT FOR THE ARTS
ANALYSIS OF RESOURCES AND STATISTICAL SUMMARY
Budget Account: 59-0100-0-1-503
(Dollars in thousands)

	<u>FY 1998 Estimates</u>	<u>FY 1999 Senate Committee Bill</u>	<u>FY 1999 House Bill</u>	<u>FY 2000 Request</u>
Budget Authority	98,000	100,060	98,000	200,000
Outlays	106,943	106,642	105,962	138,230
Applications Received a/	2,708	3,131	3,131	4,600
Grants Awarded a/	1,340	1,400	1,400	3,068
Percent of Applications Funded	49.5%	44.7%	44.7%	66.7%
Full-Time Equivalent Employment (work years)	143.0	157.0	157.0	172.0

Productivity Indexes:

Productivity measurements are included in the FY 2000 Performance Plan

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Budget Authority: b/	204,600	209,306	214,120	219,045	224,083
Outlays:	158,431	164,693	171,761	176,226	180,808
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Budget Authority: b/	229,237	234,509	239,903	245,420	251,065
Outlays:	185,509	190,332	195,281	200,358	204,966

a/ September 1998 estimates.

b/ Estimates are adjusted to reflect the projected growth in the Consumer Price Index.

NATIONAL ENDOWMENT FOR THE ARTS
SUMMARY OF FEDERAL APPROPRIATIONS BY ACCOUNT
(Dollars in thousands)

	FY 1998		FY 1999		FY 1999		FY 2000		FY 2000	
	Actual		Senate Committee Rpt		House Bill		Planning		Request	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Definite										
Program Funds -- Section 5 (c)	64,260	65.6%	68,082	68.0%	64,260	65.6%	107,382	79.0%	168,262	84.1%
Administrative Funds -- Section 5 (a)	15,880	16.2%	16,011	16.0%	15,880	16.2%	17,180	12.6%	18,600	9.3%
Office of Pol, Rsch & Te	440	0.4%	....	0.0%	440	0.4%	....	0.0%	....	0.0%
Computer Conversion	660	0.7%	490	0.5%	660	0.7%	....	0.0%	....	0.0%
Subtotal, Definite	81,240	82.9%	84,583	84.5%	81,240	82.9%	124,562	91.6%	186,862	93.4%
Program Support -- (New)	....	....	977	1.0%	0	0.0%	1,438	1.1%	1,638	0.8%
Indefinite										
Matching Grants Section 10 (a)(2)	16,760	17.1%	14,500	14.5%	16,760	17.1%	10,000	7.4%	15,500	7.8%
Subtotal, Indefinite	16,760	17.1%	14,500	14.5%	16,760	17.1%	10,000	7.4%	11,500	5.8%
TOTAL, FEDERAL APPROPRIATIONS	98,000	100.0%	100,060	100.0%	98,000	100.0%	136,000	100.0%	200,000	100.0%

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**SALARIES &
EXPENSES**

Divider Title: _____

SALARIES AND EXPENSES

I. INTRODUCTION

For FY 2000, the Endowment requests \$18.6 million for Salaries and Expenses. This budget reflects the additional costs we would incur to: implement the **Challenge America** initiative; to meet the proposed ECI pay adjustments of 3.6 percent for FY 1999 and 4.4 percent for FY 2000; and increased GSA space rental costs in both FY 1999 and FY 2000. At the \$200 million request level, we are requesting an additional 17 staff which would bring our Full Time Equivalent (FTE) up to 172 FTE. The additional staff are required to support, implement and administer **Challenge America** and would be assigned primarily as entry-level program specialists and clerical assistants to handle the increased leadership and grantmaking activities anticipated for FY 2000.

In looking at the administrative costs during FY 1998, personnel compensation is unusually low. This is the result of the change of chairmanship and the unplanned departure of a number of key staff during the time we were without a chairman, September 1997 through June 1998. We estimate ending FY 1998 with an annualized FTE of 145. This is substantially lower than the 160 FTE originally planned for FY 1998. Funds previously earmarked for Personnel Compensation and Benefits were shifted to agency priorities associated with the migration of the Corporate Information Systems off the Wang Laboratories, Inc., mainframe computer, and the Year 2000 conversion of Corporate Information Systems which reside on the Wang computer which will have to be operated in parallel until the new system is tested and accepted. The increased funding for computer conversion has enabled us to maintain a very aggressive completion schedule and eliminate the need for a separate line item for Computer Conversion in FY 2000.

The FY 1998 Interior Appropriation Conference Report contained Amendment No. 121 ~~which instructed the Arts Endowment to restructure Administrative accounts to more~~ accurately reflect the various functions and activities. In response, the FY 1999 Administrative Budget includes Salaries and Expenses and Computer Conversion. In our FY 1999 Congressional Budget Request, field-related activities and those relating to programmatic areas are included in the Program Support Budget. The FY 1999 Salaries and Expenses Budget of \$16.011 million will support an annualized FTE of 155, and cover annualized costs associated with the 3.1 percent FY 1998 ECI pay raise and the proposed 3.6 percent FY 1999 ECI pay raise, increased GSA rent costs, and increased staff travel earmarked for the ArtsREACH initiative. The Personnel Compensation and Benefits estimate may require an adjustment depending on how many Endowment employees convert from the Civil Service Retirement System to the Federal Employees Retirement System; this option closes on December 31, 1998. The original FY 1999 request for Computer Conversion has been reduced from \$660 thousand to \$490 thousand as a result of FY 1998 funding shifts.

GSA has informed all tenants of the Old Post Office Pavilion that the building will need to be vacated before FY 2000. The Endowment is currently working with GSA to locate another building. Since this is a "directed move," GSA has informed the National Endowment for the Arts that it will pay for relocation costs such as build-out of space, construction of suitable rooms for panels and National Council meetings, and Local Area Network wiring. The rental rates provided by GSA ranges from \$38 to \$51 per square foot.. The FY 2000 GSA Rent request represents an 8.9 percent increase over the FY 1999 estimate and uses the \$38 square footage rate; depending upon where we move, the rental rate could increase to \$51 per square foot -- this could potentially increase our GSA rent by an additional \$655 thousand. Moving an agency to a new location is a major project and there are many issues that still need to be addressed. We will continue to work with GSA to resolve issues such as relocation cost responsibilities of the agency and GSA, and space requirements. Based on past experience with relocating the entire agency, we may be required to pay costs associated with: environment upgrades required by the computer center; security costs; hours of operation beyond normal core hours; and relocating the telecommunication system. The costs to be borne by the Endowment could run as high as \$1.4 million. The Endowment is currently working with Congress to include language in the FY 1999 appropriation bill for authority to reprogram funds to cover the one-time costs associated with relocating the agency. As a contingency, FY 1998 carryover funds could be applied to cover these costs.

The FY 2000 Travel request is significantly higher than the FY 1999 estimate. Increased staff presence in the arts fields is essential to achieving the agency's goals of broadening public access to the arts, developing partnerships with business, strengthening partnerships with local and state governments, and working with communities to see how the arts can advance their concerns.

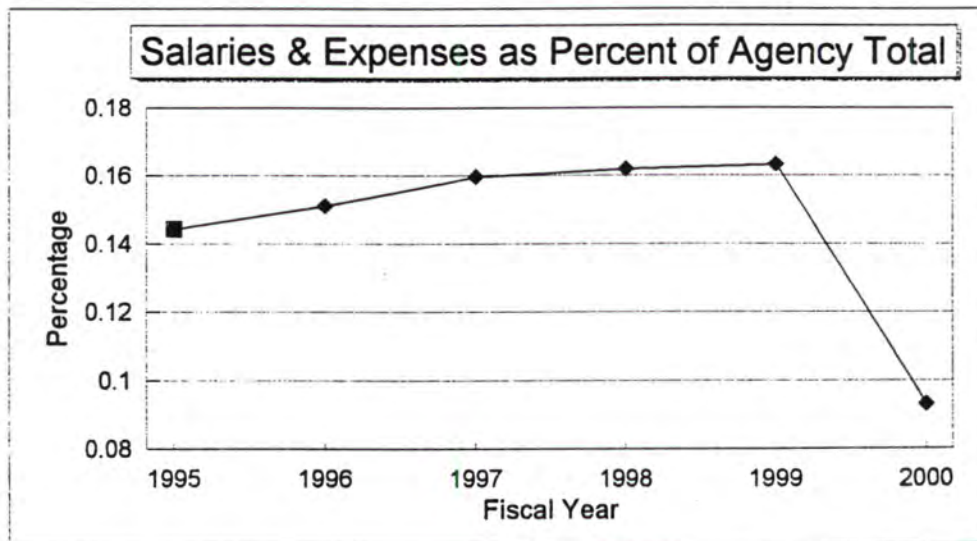
The FY 2000 Miscellaneous Contracts request covers: additional funds for Training needs determined by staff Individual Development Plans; increased maintenance costs due to supporting two computing platforms and the World Wide Web agency Home Page; system development funds to enable the agency to better use its information technology; and anticipated increased costs in facility management reprographic contracts.

The Endowment continues to seek ways to reduce operating expenses and to contain overall administrative costs. As shown in Chart 1, in FY 2000, Salaries and Expenses costs would be 9.3 percent of total funding at the request level of \$200 million.

Chart 1
Appropriation (thousands)

<u>FY</u>	<u>Agency</u>	<u>Salaries & Expenses</u>	<u>Percent Of Total</u>
1995	162,311	23,417	14.43%
1996	99,470	15,048 a/	15.13%
1997	99,494	15,900	15.98%
1998	98,000	15,880	16.20%
1999	98,000	16,011	16.34%
2000	200,000	18,600	9.30%

a/ Excludes \$2.5 million for downsizing costs.



II. ADMINISTRATIVE MANDATES

The agency's personnel requirements are a direct function of its mission, its legal responsibilities imposed by Congress under the National Foundation on the Arts and the Humanities Act of 1965, as amended, (NFAHA), successive appropriations statutes and mandates, and the many other federal statutes, regulations, and Executive Orders and Circulars which govern the administration of Federal agencies. Below is a discussion of the agency's legal responsibilities.

Basic Functions Required as a Independent Federal Agency

All federal agencies must maintain the basic administrative functions. These functions include: budgeting; financial management; information systems management; personnel management; grants and contracts management; Inspector General; service, supply and building support; public information; legal counsel; civil rights and equal employment opportunity enforcement; and all of its programmatic functions.

National Foundation on the Arts and the Humanities Act of 1965, as amended, (NFAHA)

NFAHA mandates that all applications for grant assistance be subjected to a rigorous multi-step review. Specifically, the act requires that: the chairman utilize advisory panels to review applications; that panels be composed of citizens reflecting wide geographic, ethnic and minority representation as well as individuals reflecting diverse artistic and cultural points of view, and that the panels further include lay members who are not engaged in the arts as a profession but who are knowledgeable about the arts. NFAHA also established a separate National Council on the Arts, and charges the Council with conducting a second level of review of all panel recommendations. Finally the law requires a third level of review by the chairman.

NFAHA also imposes strict reporting requirements on all grantees, and requires the agency to recover grant dollars spent inappropriately. These authorities are important in ensuring accountability for taxpayer dollars.

Appropriations Bills Enacted since FY 1990

Pursuant to the FY 1998 legislation, the Endowment has been directed to: ensure that priority is given to awarding financial assistance for projects serving underserved populations; encourage public knowledge, education, understanding and appreciation of the arts; report to Congress on multi-state grants; and provide technical assistance to smaller organizations and those without sophisticated development offices, such as entities in rural or underserved communities operating with part-time or volunteer staff.

The Endowment has been given expanded authority to solicit and invest private funding. Unless the agency hires personnel with specific fund-raising and development skills, it will be difficult to take full advantage of this opportunity.

The Endowment is continually exploring new ways to improve productivity since absorbing major personnel cuts in FY 1996. At current personnel levels, the agency is able to serve the public efficiently. However, any further cuts would jeopardize the Endowment's ability to fulfill its obligations under the NFAHA, appropriation bills, and the various other federal laws, rules and regulations governing the operation of a federal agency.

III. AGENCY STREAMLINING

The Arts Endowment is processing the third round of project-specific grants under the new categories adopted in FY 1997. To further improve operations, the Endowment recently embarked upon an agency-wide review of internal processes/policies to identify ways to create a more efficient and effective agency. In addition, we conducted a customer-service survey of our applicants and grantees and will use that feedback to further improve the delivery of services.

The agency has completed the installation of a LAN, and has hired a contractor to move all major information systems from a Wang Laboratories, Inc. mainframe computer to a client-server platform.

Other **management improvements** include:

- A simplification of the Endowment's *Grants to Organizations*, *ArtsREACH*, and *Folk & Traditional Arts Infrastructure Initiative* application guidelines so that they are more "user-friendly." The guidelines have also been posted on the NEA Web site for wider access, giving applicants the ability to download them electronically. We have also made discs available to applicants so that they can complete the forms on their own computers. Additionally, information is being requested in the guidelines that will enhance the Endowment's capacity to collect data for the Government Performance and Results Act (GPRA) Performance Measures.
- Deadlines for applications in each of the funding categories have been placed on a new timetable to distribute workload more evenly for our reduced staff and more time for applicants to decide on the most appropriate category in which to apply.
- Two positions have been designated to assist the Endowment in its efforts to improve the collection and utilization of information; they are particularly important for GPRA and tracking "national impact" grants.
- The Endowment has further refined its final reporting process and established a single set of Final Descriptive Reporting Requirements to cover all categories. (Partnership Agreements awarded to State Arts Agencies have a separate set of guidelines.) This eliminates the 12 reports required in FY 1997, which replaced more than 100 different specific reporting requirements called for in FY 1996. The Arts Endowment has also centralized the process for reviewing and accepting final reports, thus facilitating a more timely review and improving accountability for the results of funded projects.
- The agency has updated its Grants Management Manual (GMM) to reflect grants and cooperative agreement procedures and policies in a more "user-friendly" format.
- The General Terms, included in each award notification, have been re-organized and made more "user-friendly." In addition, the *Financial Management Guide for Nonprofit Organizations*, issued by the Office of Inspector General, is being included in the grant award notification package to help grantees meet federal accounting and other financial management requirements.
- The Endowment has established an interagency agreement with the Department of Treasury pursuant to the Debt Collection Improvement Act.

- Investments accounts have been set-up to respond to new Congressional legislation allowing the Endowment to invest funds.
- In response to the National Performance Review (NPR), a Customer Service Survey has been mailed to over 600 applicants and grantees. Responses are being analyzed and taken under consideration for future improvement.
- The Endowment is continuing to refine its new Performance Appraisal Program so that it will increase communication, and simplify the process.

IV. COMPUTER CONVERSION

The Computer Conversion project was established to address material weakness in the Endowment's antiquated Wang Laboratories, Inc., mainframe computing system. The Computer Conversion project also enables the NEA to enhance internal and external communication and optimize its computing environment. The agency has already accomplished several tasks relating to this goal. In April 1996, the Endowment created a Web Site on the World Wide Web to facilitate the exchange of information with its constituents and improve external communication. In December 1997, with assistance from GSA's Federal Systems Information Management Center (FEDSIM), the Endowment completed the installation of a Local Area Network (LAN). This new computing platform fostered data, information and resource sharing, and provided the agency with the capability to improve communication via electronic mail.

The final goal is to migrate the agency's Corporate Information Systems (CIS) off the Wang Laboratories, Inc. mainframe computer system. Through FEDSIM, a contract has been awarded to assist the agency in achieving this goal. The Project Overview states that the migration is for the "purpose of replacing several vital corporate computer processing and management information systems with a single, integrated system based upon the most recent proven and cost-effective technology, and to improve productivity and the availability of information." Our goal is to have the migration completed by September 30, 1999. To accelerate work on this task, the Endowment increased the FY 1998 Computer Conversion Budget by \$384 thousand. The current migration schedule is: Business Process Reengineering workgroup sessions — May 1998 through June 1998; technical evaluations, systems development and implementation — July 1998 through July 1999; end user training — August 1999. To complete the migration task, the agency requests \$490 thousand in FY 1999. For FY 2000, the Endowment requests \$100 thousand, under the Salaries and Expenses budget, to cover any unanticipated items.

V. YEAR 2000 CONVERSION

To meet federal requirements, the Endowment has established a plan to identify and resolve FY 2000 conversion issues prior to October 1, 1999. The importance of solving this problem as soon as possible is reinforced by the fact that the agency's Grants and Contracts Office as well as the Finance Office have already begun experiencing problems with grants which extend into the year 2000. Agency FY 2000 conversion issues/activities are discussed below.

Telecommunication System: The agency's telephone switching system and voice mail system upgrade to ensure Year 2000 capability was completed in September 1998.

Equipment and System Purchases: The Endowment purchases most of its equipment off the GSA schedule which is supposed to be Year 2000 compliant. Agency contracts for purchasing or modifying systems now require Year 2000 compliance.

Wang Computer Systems: The agency has hired a contractor to modify two of the three Corporate Information Systems (GMS, and APBS) operating on the Wang Laboratories Inc. computer to be Year 2000 compliant; we plan to award a contract for the third system (FMIS) early in FY 1999. Validation and implementation of all three systems is targeted for completion by January 1999 and March 1999, respectively. It is anticipated that the agency's new computing platform should be completed by FY 2000. However, there is a need to make the agency's existing Corporate Information Systems Year 2000 compliant because of the requirement for parallel operations until we are able to fully phase out the Wang equipment.

LAN Platform: The Novell Operating System (hardware and software) is Year 2000 compliant.

Migration from the Wang Environment: The agency has hired, through GSA's FEDSIM, a contractor to assist in migrating the Corporate Information Systems from the Wang environment to the new LAN platform. The migration process has been separated into three major tasks with associated time frames: ~~Business Process Re-engineering~~ workgroup sessions completed by July 1998; technical evaluations, development and implementation completed by July 1999 and end user training completed by August 1999. In addition, the contract for the Corporate Information Systems conversion project requires that all equipment and software be Year 2000 compliant.

The Endowment plans to use FY 1998 and FY 1999 funds to cover Year 2000 Conversion costs to ensure that this project remains on a fast track.

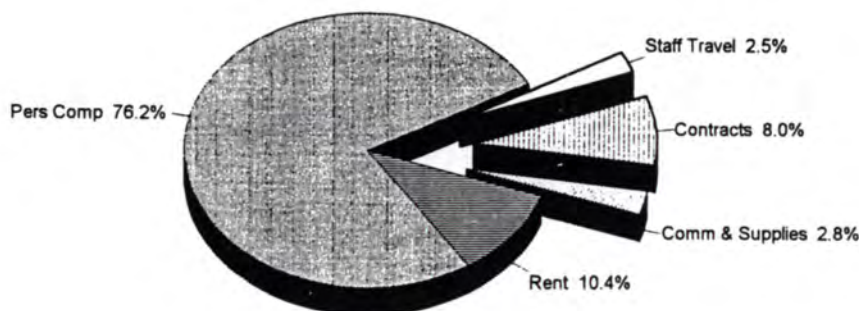
VI. ANALYSIS OF FY 2000 SALARIES AND EXPENSES BUDGET REQUEST

For FY 2000, the Endowment requests \$18.6 million for Salaries and Expenses (previously referred to as the Operating Administrative Budget). This budget request will support the administrative activities necessary to operate an independent Federal agency processing an estimated 4,600 applications and awarding grants totaling \$181.4 million.

Chart 2 portrays how the FY 2000 Salaries and Expenses Budget is allocated. Personnel Compensation and GSA Rent alone account for approximately 87 percent of the Salaries and Expenses Budget.

Chart 2

FY 2000 Salaries and Expenses



The Salaries and Expenses allocations are discussed (by object class) in the following paragraphs. A summary of the allocations is shown in Chart 3 at the end of this Tab.

A. PERSONNEL COMPENSATION AND BENEFITS

Approximately 76 percent (\$14.187 million) of the FY 2000 Salaries and Expenses Budget, is for personnel compensation. The Personnel Compensation and Benefits budget funds 172 FTE (including the National Council on the Arts), as well as the annualized cost of the proposed FY 1999 3.6 percent pay increase (covering the ECI and Locality Pay adjustments) and the proposed 4.4 percent pay increase for FY 2000.

The amount budgeted for benefits is based on the agency's adjusted composite benefit rate of 19 percent. The agency's FY 1998 benefit estimate includes the mandated 1.51 percent increase for Civil Service Retirement System Employees, and the final fiscal year of the Retirement Fund assessment.

Additionally, the benefits estimate assumes that approximately 47 percent of agency compensation applies to employees under the Federal Employees Retirement System (FERS) and 53 percent applies to employees under the Civil Service Retirement System (CSRS). FY 1999 and FY 2000 benefit estimates may require adjustment based on the outcome of the option for employees under the CSRS to switch to the FERS. The impact will not be known until after the open season to switch retirement systems closes on December 31, 1998.

As with every agency, the changing of leadership during FY 1998 resulted in several high-level positions becoming vacant. Prior vacancies remained unfilled to allow a new Chairman flexibility in hiring critical staffing positions. Due to the abnormally high attrition rate, the agency expects to end FY 1998 with an annualized level of 145 FTE. As a result, the FY 1998 Personnel Compensation and Benefits are significantly below the amount requested in the FY 1999 Congressional Justification book. In FY 1999, the agency anticipates being able to use some FY 1998 carryover funds which would allow us to support an annualized 156 FTE.

For FY 2000, the estimate for personnel compensation and benefits (at the \$200 million Request Level) would support 172 FTE, an increase of 17 FTE over the FY 1999 FTE level. The requested increase for **Challenge America** would result in additional grant applications and awards. We estimate that 15 of the 17 FTE will be directly used to support programmatic activities. At the Endowment's peak appropriation of \$176 million in FY 1992, the FTE ceiling was 273; our FY 2000 Budget Request is \$24 million higher than the FY 1992 appropriation and yet the FTE we are requesting is 101 FTE below the FY 1992 ceiling.

The following is a summary of personnel compensation and benefit costs:

	(\$ in thousands)		
	FY 1998 <u>EST</u>	FY 1999 <u>EST</u>	FY 2000 <u>REQ</u>
11.1 Full-Time Permanent (FTP)	\$7,751	\$8,359	\$9,693
11.3 Other Than FTP	1,325	1,839	2,132
11.5 Other Personnel Comp.	107	109	109
11.8 Special Personnel Svcs.	<u>28</u>	<u>38</u>	<u>0</u>
11.9 Total Personnel Comp.	9,211	10,345	11,934
12.1 Personnel Benefits	1,873	1,886	2,243
13.1 Benefits to Former Personnel	<u>7</u>	<u>10</u>	<u>10</u>
Total Comp. & Benefits	11,091	12,241	14,187

B. TRAVEL OF PERSONS

For FY 2000, the Endowment is requesting \$465 thousand for local and out-of-town travel for staff (including the Office of Inspector General and the Endowment's portion for the President's Committee on the Arts and the Humanities). Starting in FY 1999, Council Member travel costs will be shown under the Program Support budget.

The Endowment utilizes staff travel to ensure that information regarding agency programs, including its Leadership and Millennium initiatives, are available to the broadest range of Americans and communities. Beginning in FY 1998, staff travel was increased in response to the agency's ArtsREACH initiative. The increase in the FY 1999 and FY 2000 travel will be used mainly to support initiatives such as ArtsREACH, **Challenge America**, ArtsShare, preserving cultural heritage, and to ensure that travel to other underserved areas is maintained. While travel to off-line and rural areas is more expensive, the agency is attempting to control travel costs by prioritizing staff trips, monitoring staff attendance at national conferences, and encouraging travelers to link and consolidate trips to various regions.

(\$ in thousands)

	FY 1998 <u>EST</u>	FY 1999 <u>EST</u>	FY 2000 <u>REQ</u>
21.1 Staff Travel	206	252	465
21.3 Council Travel	<u>30</u>	<u>---</u>	<u>---</u>
Total Travel	236	252	465

C. TRANSPORTATION OF THINGS

~~\$40 thousand is requested for this object class in FY 2000. Funds are used primarily~~ for express delivery (GSA courier contract) of time-sensitive materials primarily for panels and National Council on the Arts meetings.

(\$ in thousands)

	FY 1998 <u>EST</u>	FY 1999 <u>EST</u>	FY 2000 <u>REQ</u>
22.0 Transportation of Things	38	30	40

D. RENT, COMMUNICATIONS AND UTILITIES

1. Rent

GSA has formulated a plan to redevelop the Old Post Office Pavilion and expects to receive approval to implement the strategy. As a result, all occupants, including the National Endowment for the Arts, will be required to vacate the building no later than FY 2000. GSA has informed the Endowment that anticipated rental rates in the Central Employment Area (CEA) will range between \$38 and \$51 per square foot. Since this is a GSA directed move, GSA has informed the agency that it will cover relocation expenses. However, the agency also anticipates additional expenses. For example: the agency's computer center requirements may exceed what GSA covers under its relocation policy, the new building may have different or new security requirements, and agency operating hours may exceed the new building's basic services.

For FY 2000, the agency requests \$1.943 million for GSA Rent costs. This request is based on the \$38 per square foot rate and maintaining the same amount of space as currently used. This represents an increase of \$159 thousand (approximately 9 percent) over the FY 1999 estimate. The agency's FY 2000 space requirements and rent estimate will need to be revisited if the FY 2000 request for increased funding and 17 more FTE is approved.

2. Communications, Utilities, and Rental Payments to Others

For FY 2000, \$262 thousand is requested for communications, utilities, and equipment rental. These figures may need to be adjusted based on the outcome of the agency's relocation.

\$ in thousands)

	FY 1998 <u>EST</u>	FY 1999 <u>EST</u>	FY 2000 <u>REQ</u>
23.1 Rental Payments to GSA	1,678	1,784	1,943
23.3 Rental Payments to Others	3	9	9
23.3 Telephone	116	139	153
23.3 Postage	<u>46</u>	<u>88</u>	<u>100</u>
Total Rent, Comm. & Utilities	1,843	2,020	2,205

E. PRINTING AND REPRODUCTION

The Endowment is requesting \$152 thousand for this object class in FY 2000. These funds are used to print notices in the Federal Register and Code of Regulations, and supports reproducing standard agency forms. In addition, approximately 50 percent of the FY 2000 request will be used to print various brochures and booklets discussing agency initiatives such as preserving America's cultural heritage and sharing this information with other countries (ArtsShare), celebrating the millennium, utilizing technology to increase access to arts education (ArtsEdge), challenging America to invest in a nationwide commitment to the arts (**Challenge America**), and broadening access to the arts in under-represented areas (ArtsREACH)..

In FY 98 the agency produced or reprinted the following brochures: Bringing the Arts to Life for Children and Adults since 1965, Lifelong Journey: An Education in the Arts, 1996, America in the Making, Writing America, and Brief Chronology of Federal Involvement in the Arts.

The Endowment continues to monitor and control printing costs. However, two factors beyond the agency's control influence the printing estimates. First, the Government Printing Office (GPO) estimates that printing costs for FY 1999 will increase 4.8 percent over FY 1998, and FY 2000 will increase 3.1 percent over FY 1999. Second, making publications available on the agency's world wide web (WWW) home site has brought about a significant increase in the number of publications being requested for mailing.

The agency's FY 1999 estimate and FY 2000 request for costs associated with its grantmaking guidelines are included in the Program Support Budget. Additionally, in FY 2000 the Annual Report, and "Guide to the National Endowment for the Arts" costs will also be included in the Program Support budget.

(\$ in thousands)

	FY 1998 <u>EST</u>	FY 1999 <u>EST</u>	FY 2000 <u>REQ</u>
24.0 Printing & Reproduction	178	169	152

F. OTHER CONTRACTUAL SERVICES

1. Training

The Endowment requests \$93 thousand for agency-wide training in FY 2000. Non-ADP training funds will be used to support approved employee training identified through a newly instituted agency-wide training needs assessment process. The purpose of training is to enhance developmental opportunities for staff and to improve their skills and capabilities.

ADP training emphasis will shift from classes for applications associated with the LAN in FY 1998 to basic use and technical training related to migrating to the new computing platform in FY 1999 and FY 2000.

2. Contractual Services (25.4 and 25.9)

The FY 2000 request for contractual services is \$1.183 million and includes \$838 thousand for Miscellaneous Contracts and \$345 thousand for Administrative Contracts.

The Endowment utilizes contractual services for a multitude of activities which include: payroll and personnel processing with the U.S. Department of Agriculture; GSA Guard Service; health services with the U.S. Department of Justice; interagency audits; operation, modification and/or enhancements of Automated Data Processing (ADP) hardware and software systems; services for temporary clerical personnel; management of agency duplicating and internal mail service; and maintenance of duplicating and telephone equipment.

For planning purposes, the agency has budgeted enough funds in FY 2000 to maintain both the new LAN computing platform as well as the Wang Laboratories, Inc. computer. It is anticipated that after FY 2000, support for the Wang Laboratories, Inc. system will end.

3. Panelist and Consultant Contracts

Panelists and Consultants are used to review and make recommendations on grant applications. Beginning in FY 1999, costs associated with these activities are included under the Program Support budget request.

4. Intergovernmental Personnel Act Agreements

Intergovernmental Personnel Act agreements (IPAs) are used to bring individuals to the Endowment from state and local agencies and universities who are experts in various fields. These individuals offer the Endowment a unique view of their field and related issues. These costs are usually directly related to the development and review of grant programs and applications and are included in the Program Support budget starting in FY 1999. As in the past, agency vacancies which require specific arts field expertise may be best filled by entering into an IPA agreement. If this happens, the agency will need the flexibility to shift funds into the Program Support budget to support cost of the agreements.

The following is a summary of Other Contractual Services costs:

	(\$ in thousands)		
	FY 1998 <u>EST</u>	FY 1999 <u>EST</u>	FY 2000 <u>REQ</u>
25.2 Training	75	86	93
25.4 Miscellaneous Contracts	671	799	838
25.8 Panelist Contracts	447	---	----
25.8 Consultant Contracts	21	---	----
25.9 Administrative Contracts	1,103	220	370
25.4 IPA Agreements	<u>0</u>	<u>---</u>	<u>----</u>
Total Other Contractual Svcs.	2,317	1,105	1,301

G. SUPPLIES AND EQUIPMENT

~~In FY 2000 the Endowment requests \$170 thousand for Supplies and \$80 thousand for Equipment.~~ Purchasing of supplies and equipment for the Endowment is coordinated through the following offices: Administrative Services for non-ADP requirements; Information Management for ADP needs; and Office of Policy, Research and Technology for library resource requests. In FY 1998, the agency purchased equipment to: replace older duplicating machines whose operating downtime and maintenance cost were unacceptable; upgrade and replace laptop computers to meet agency compatibility requirements; and provide a small inventory of personal computers for backup purposes.

In past fiscal years, the Endowment relied on year-end savings to purchase ADP equipment needed to replace out-of-date or failing equipment, and hardware/software upgrades. This flexibility will be minimized as the agency continues to tighten its Salaries and Expenses budget. In response to this need, the agency has prepared an ADP replacement plan which is addressed in the FY 2000 budget.

(\$ in thousands)

	FY 1998 <u>EST</u>	FY 1999 <u>EST</u>	FY 2000 <u>REQ</u>
26.0 Supplies and Materials	140	144	170
31.0 Equipment	171	50	80

VII. OFFICE OF INSPECTOR GENERAL (OIG)

The Endowment has had an independent Audit Office since 1978. In 1989, pursuant to the provisions of the Inspector General Act Amendments of 1988 (P. L. 100-504), the Audit Office was redesignated the Office of Inspector General for the National Endowment for the Arts. The OIG's administrative support activities (e.g., personnel, travel, equipment, supplies, contractual services, etc.) are provided by the Arts Endowment. The costs for the OIG are reflected in the various object classes of the Arts Endowment's Salaries and Expenses Budget. No authority within the Endowment, other than the Chairman, approves the Inspector General's budget.

The following is a summary of the OIG costs:

	(\$ in thousands)		
	FY 1998	FY 1999	FY 2000
	<u>EST</u>	<u>EST</u>	<u>REQ</u>
11.1 Personnel Compensation a/	217	273	284
12.1 Personnel Benefits	39	50	51
21.1 Travel	3	5	5
24.1 Printing	0	1	1
25.2 Training	3	3	3
25.4 Contractual Services	5	10	10
26.0 Supplies	<u>1</u>	<u>2</u>	<u>2</u>
Total	268	344	356

~~a/ Supports 3.13 FTE in FY 1998 and 4.0 FTE for FY 1999 and FY 2000.~~

VIII. PRESIDENT'S COMMITTEE ON THE ARTS AND THE HUMANITIES (PCAH)

The President's Committee on the Arts and the Humanities was established in 1982 by Presidential Executive Order to study and stimulate more private sector giving to the arts and the humanities. The current Executive Order expires on September 30, 1999. The costs of the PCAH are reflected in the various object classes of the Arts Endowment's Salaries and Expenses Budget. PCAH's logistical and administrative support activities (e.g., supplies, reprographic services, telephone service, etc.) are provided by the Arts Endowment. The National Endowment for the Humanities (NEH) shares half the cost of the PCAH, through an interagency agreement. Each agency supports 1 FTE and associated travel.

The following is a summary of PCAH's total budget including the costs covered by NEH:

(\$ in thousands)

	FY 1998	FY 1999	FY 2000
	<u>EST</u>	<u>EST</u>	<u>REQ</u>
11.1 Personnel Compensation	200	209	215
12.1 Personnel Benefits	44	48	49
21.1 Travel	6	6	6
22.0 Trans. of Things	1	1	1
23.1 Rent a/	49	50	55
23.3 Postage	3	3	3
23.3 Telephone	5	5	5
24.0 Printing	3	6	6
25.4 Contractual Services	5	6	6
26.0 Supplies	2	2	2
31.0 Equipment	<u>5</u>	<u>5</u>	<u>10</u>
Total	323	341	358

a/ FY 2000 request may require an adjustment if Rent rates in new building (GSA directed move) exceed \$38 per square foot.

CHART 3

NATIONAL ENDOWMENT FOR THE ARTS DETAIL OF OBJECT CLASSIFICATION (\$ in Thousands)

OBJECT CLASSES	FY 98 Estimate	FY 99 Estimate	FY 2000	
			Planning Level @ \$136 M	Request Level @ \$200 M
11.1 Full-Time Permanent	\$7,751	\$8,359	\$8,931	\$9,693
11.3 Other Than Full-Time Permanent	1,325	1,839	1,965	2,132
11.5 Other Personnel Compensation	107	109	109	109
11.8 Special Personal Services	28	38	0	0
11.9 Total Personnel Compensation	9,211	10,345	11,005	11,934
12.1 Civilian Personnel Benefits	1,873	1,886	2,025	2,243
13.0 Benefits for Former Personnel	7	10	10	10
Total Compensation & Benefits	11,091	12,241	13,040	14,187
21.0 Travel & Transportation of Persons	236	252	292	465
22.0 Transportation of Things	38	30	30	40
23.1 Rental Payments to GSA	1,678	1,784	1,943	1,943
23.3 Comm., Utilities & Misc. Charges	165	236	252	262
24.0 Printing and Reproduction	196	169	137	152
25.2 Other Services a/	2,317	1,105	1,261	1,301
26.0 Supplies and Materials	140	144	160	170
31.0 Equipment	171	50	65	80
99.0 Total: Salaries and Expenses	16,032	16,011	17,180	18,600
Computer Conversion	1,104	490	0	0
Office of Policy, Research & Technology	636	b/	b/	b/
TOTAL ADMINISTRATIVE	\$17,772	\$16,501	\$17,180	\$18,600

a/ Excludes NEH reimbursement for one-half of PCAH expenses.

b/ OPRT activities are included in the Program Support Budget.

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GPRA

Divider Title: _____

NATIONAL ENDOWMENT FOR THE ARTS

Strategic Plan 1999 - 2004

The Endowment's revised Strategic Plan is included as part of this budget book. This plan is a working draft and has not been reviewed by the National Council on the Arts, arts organizations, or other individuals outside the Endowment. We will initiate these consultations during the coming weeks.

Given the short time since the arrival of the new Chairman, preparation of a comprehensive Strategic Plan and Performance Plan which serves as the basis for the allocations shown in our FY 2000 OMB Budget Request represents an extraordinary effort. The Strategic Plan also will serve as the basis for grant application guidelines and our communications strategy. We believe this document clearly presents the ongoing and proposed work of the Arts Endowment and will be well received by OMB, the arts fields and ultimately the Congress.

FINAL DRAFT 9/23/98

NATIONAL ENDOWMENT FOR THE ARTS

Strategic Plan: 1999 - 2004



AN INVESTMENT IN AMERICA'S LIVING CULTURAL HERITAGE

September 1998

NATIONAL ENDOWMENT FOR THE ARTS

*The arts
reflect the past,
enrich the present,
and
imagine the future.*

VISION

An America where the arts play a central role in the lives of all Americans.

MISSION

**The National Endowment for the Arts,
an investment in America's living cultural heritage,
serves the public good by
nurturing the expression of human creativity,
supporting the cultivation of community spirit, and
fostering the recognition and appreciation of the excellence and diversity of
our nation's artistic accomplishments.**

Outcome Goals

- ◆ The American public has access to a wide range of arts experiences.
- ◆ Artists and organizations have multiple opportunities to create and present artistic work.
- ◆ The arts play a central role in our nation's education system and in lifelong learning for its citizens.
- ◆ Our nation's cultural heritage is preserved, documented, and conveyed to future generations.
- ◆ America's cultural organizations in the 21st century possess organizational strength and financial stability to realize their programmatic goals.
- ◆ Arts are central to the realization of community dreams.
- ◆ America's Arts Endowment possesses strong ongoing working relationships with government agencies and the private sector.
- ◆ The National Endowment for the Arts and its program of federal investment in living cultural heritage are central to the well being of America's democratic society.

Chairman's Statement

The arts reflect the past, enrich the present and imagine the future. As the 21st century approaches, the United States joins many other nations of the world in turning to the arts as a way to define who we are and as an opportunity to dream of what we might be. It is ironic that at this time of celebration and anticipation, the federal government has significantly diminished its capacity to assume a leadership role in nurturing and sustaining the arts.

What makes our arts American?

First, it is their democratic spirit. Our art reflects -- and our music echoes -- the diverse cultural richness of our people. To that mix, we add what is intrinsic to the American experience: a willingness to experiment and to share, to accommodate and to borrow. A true mingling of cultures. We Americans gave the world among other artistic treasures, film, jazz, modern dance, musical theater, cowboy poetry, inter-tribal pow wows, abstract expressionism -- and country music. And, it is high time that we see ourselves as the rest of the world sees us -- as a questioning, innovative, creative people.

That is why the arts are so important to how we Americans explain ourselves to each other -- and how we present ourselves to the world. And that is why the American arts legacy is so different from that in hierarchical societies. We have demonstrated great respect for the European cultural heritage of patronage; but, here in America, great art is not commissioned by sovereigns or states. It is the product of a creative ferment -- to which artists, their audiences, and the nonprofit, business and commercial sectors contribute.

Government can contribute as well -- but as a partner, not a patron. And government must contribute because American art is democracy's calling card. This insight already has informed the National Endowment for the Arts. It is itself a uniquely American institution. And it has become, over time, ever-more American.

America is all the better for this. It is better because the Arts Endowment has provided funds for the design for the Vietnam Veterans Memorial ... better because it helped start Garrison Keillor's "A Prairie Home Companion" ... better because it supported the development of "Driving Miss Daisy," "Angels in America," and the musical "Rent" ... better because it sponsored chamber music groups in Jessup, Iowa, and in small towns in Georgia, Maine and Arkansas.

For the past few years, there has been a free and furious debate about the Arts Endowment and its programs and policies. That debate, as difficult as it has been, has generated light as well as heat because it has taught us more about what many of our fellow citizens appreciate or abhor. The debate should not intimidate us. It should encourage us to include more communities in our cultural life -- the culturally conservative as well as the aesthetically adventuresome.

We face this fundamental question: Does America want an arts agency that sees and serves America as it is? And, if we are to be that kind of agency -- as most Americans want us to be -- then how can we reflect and respect every element of a diverse and dynamic democracy? We have had the negative debate about what the Endowment should not do. Now it is time to have the positive conversation about what the Endowment can do.

We believe that the Arts Endowment should be a catalyst and convener for the entire arts community. We believe that with our grants, we can be a leveraging force for larger contributions from the entire society - because every dollar we spend triggers many more private contributions - and even more in economic activity. But, we can and must be something more: a national advocate for the arts. We cannot be satisfied with merely presenting the arts, we must serve a greater public purpose by nurturing a wider appreciation of the importance of the arts.

This is my vision for the Arts Endowment.

First, we must do what we do best: Foster excellence, diversity and vitality in the arts. That means preserving America's unique cultural heritage for future generations. And that also means encouraging creativity and artistic inspiration by recognizing and supporting America's developing artists. And it means keeping our arts

organizations strong.

These goals reinforce one another -- because today's creation is tomorrow's classic. We have seen how a small amount of support can encourage artists to persevere at crucial moments in their careers. And we have also seen how excellence can take many forms. It is worthless to debate which is worthier -- classical music or the blues. It is worthwhile to encourage the best classical musicians and the best jazz musicians.

Second, we must broaden public access to the arts for all Americans. It matters that people in our inner cities and rural communities can enjoy a symphony, the opera, an art gallery or a poetry reading. And it also matters that those who can afford the finest are exposed to experiences beyond their everyday life. That is why ArtsREACH, the Arts Endowment's pilot effort to nurture community cultural planning, must be continued and expanded.

Third, we should reinforce the value of arts education, from kindergarten to grade twelve and through a lifetime of learning as well. We have recently confirmed what many have always suspected: that studying and exposure to sophisticated musical forms can enhance every aspect of a child's intellectual growth. And I believe the same is true for other art forms as well -- from painting to poetry.

Fourth, we must help the arts advance the concerns of our communities, from social health to cultural wealth.

Fifth, we should develop lasting partnerships with business -- partnerships that multiply the value of public dollars allocated to the arts. Business can contribute more than money. Many corporations own important parts of America's cultural heritage and many entertainment companies develop new talent and new works of art. We must identify those areas where every segment of the arts community can work together.

And finally, the Arts Endowment must continue to strengthen its vital partnerships with other federal agencies, local and state governments. Our partnership with State Arts Agencies helps insure that Americans in communities nationwide have access to the arts, and our partnerships with other federal agencies help strengthen the role of the arts in the education, health, and economic well-being of American communities.

As Chairman, I am presented with a unique opportunity to lead the National Endowment for the Arts into the 21st century. It is an opportunity to reexamine the agency's funding priorities and chart a course for the future. It is an opportunity to reframe the debates of the past few years from rancorous discussions about whether there should be federal support for the arts to the nature and appropriate level of funding.

With the millennium approaching, it is appropriate that the Endowment take stock of what it has accomplished and how it can best assist the people of this Nation. The context for considering the past, enriching the present and imagining the future has been a new and invigorated effort to reassess the agency's mission and strategic plan. Through this effort, new vision and mission statements have emerged, along with a fresh assessment of the agency's goals and objectives.

To implement this vision and provide a framework for the agency's planning and funding efforts, the Endowment established eight goals. These goals were used not only as a basis for the agency's strategic and performance plans, but also to build the agency's budget. This planning framework will serve as the Endowment's roadmap that will guide us into the next century.

Today presents a great opportunity for the Nation and the American people. Today we propose that we all join together on a joyous journey to embrace the creative spirit of America.

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Introduction

Agency Overview: The National Endowment for the Arts was established in 1965 as an independent federal agency. Its mission is to serve the public by:

- nurturing the expression of human creativity;
- supporting the cultivation of community spirit; and
- fostering the recognition and appreciation of the excellence and diversity of our nation's artistic accomplishments.

In carrying out its mission, the Endowment is guided by the following principles, drawn from its authorizing legislation's "Declaration of Findings and Purpose:"

1. The arts and humanities belong to all the people of the United States.
2. The encouragement and support of national progress and scholarship in the humanities and the arts, while primarily a matter for private and local initiative, are also appropriate matters of concern to the federal government.
3. Democracy demands wisdom and vision in its citizens. It must therefore foster and support a form of education and access to the arts and the humanities, designed to make people of all backgrounds and wherever located masters of their technology and not its unthinking servants.
4. The Government must be sensitive to the nature of public sponsorship. Public funding of the arts and humanities is subject to the conditions that traditionally govern the use of public money. Such funding should contribute to public support and confidence in the use of taxpayer funds. Public funds provided by the Federal Government must ultimately serve public purposes the Congress defines.
5. The arts and the humanities reflect the high place accorded by the American people to the nation's rich cultural heritage and to the fostering of mutual respect for the diverse beliefs and values of all persons and groups.
6. The practice of art and the study of the humanities require constant dedication and devotion. While no government can call a great artist or scholar into existence, it is necessary and appropriate for the federal government to help create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry but also the material conditions facilitating the release of this creative talent.
7. Americans should receive in school, background and preparation in the arts and humanities to enable them to recognize and appreciate the aesthetic dimensions of our lives, the diversity of excellence that comprises our cultural heritage, and artistic and scholarly expression.
8. It is vital to a democracy to honor and preserve its multi-cultural artistic heritage as well as support new ideas; and therefore it is essential to provide financial assistance to its artists and the organizations that support their work.
9. An advanced civilization must not limit its efforts to science and technology alone, but must give full value and support to the other great branches of scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future.

10. The world leadership which has come to the United States cannot rest solely upon superior power, wealth, and technology, but must be solidly founded upon worldwide respect and admiration for the Nation's high qualities as a leader in the realm of ideas and of the spirit.
11. To fulfill its educational mission, achieve an orderly continuation of a free society, and provide models of excellence to the American people, the federal government must transmit the achievement and values of civilization from the past via the present to the future, and make widely available the greatest achievements of art.

Private Citizen Involvement: The Endowment achieves its mission through grant-making, leadership initiatives and partnering. The agency head, or Chairman, is advised by the National Council on the Arts. The Council advises on agency policy, programs and procedures in addition to making recommendations on grant applications. The agency relies on private citizens -- persons having no affiliation with the agency and who come from all parts of the country and have expertise in the arts -- to review applications and make recommendations for funding.

Grant-making and Leadership: The primary tool for carrying out the agency's mission has been the awarding of grants. These awards take the form of grants to nonprofit arts organizations and, as permitted by law, individual artists. These awards also take the form of partnership agreements with all 50 states and the six jurisdictions.

The Endowment also assumes a number of leadership roles to fulfill its mission. These include:

- assisting catalytic, **national model projects** which advance the arts in pivotal ways in communities, both large and small, across the country;
- serving as a **convener** to address issues or matters important to the arts or to bring people together to discuss matters of mutual concern;
- supporting **research** to enhance knowledge and understanding and to inform decision-making; and
- **communicating/disseminating** information about the role and impact of the arts as well as information about model programs or projects.

Applications submitted for support are reviewed on the basis of artistic excellence and artistic merit; the potential impact of the project; and the applicant's ability to carry out the project. The Endowment is committed to supporting equitable opportunity for all and investing in as diverse a reflection of our society as possible, including works of all cultures and periods.

Partnering: At the heart of everything the Endowment does is the formation of partnerships. On its simplest level, agency grant-making reflects a partnership between the federal government and the recipient of federal funds to carry out a public purpose. With most grants requiring a minimum one-to-one match, it is typically a partnership also involving the private sector. On a more complex level, it is a partnership between the Arts Endowment and artists and arts organizations; a partnership between the Arts Endowment, and state and local arts agencies; and it is a partnership between the Arts Endowment, the communities, and the American people. More recently, it has also become a strong partnership between the Arts Endowment and other federal agencies. Strengthening these partnerships is at the core of the agency's activity.

Unique Federal Role: The Endowment's role in supporting the arts is unique, serving as catalyst and standard bearer. The Endowment:

- Provides national recognition of artistic excellence and merit and support for artistic activity based on the highest standards, national competition, and citizen review.

- Provides access to the arts for all Americans regardless of geography, income level, age, disability, or race/ethnicity through leadership and national and regional distribution of art.
- Convenes, at the national and regional levels, representatives of various fields in the arts, and of the public and private sectors, to recognize and explore ways in which the arts can continue to grow and enhance the quality of life for all of our citizens.
- Provides national leadership in arts education for our children.
- Supports recognition, preservation, and sharing of America's traditional and diverse cultural heritages.
- Through a modest investment of federal dollars, is a powerful financial catalyst, with a unique capacity to leverage funds from the private sector and other government agencies.
- Serves as a national symbol and voice for American culture at home and abroad.
- Provides critical, often substantial, support for projects with national, multi-state, and/or field-wide impact.
- Establishes national standards and incentives for state and local government in support of the arts.
- As a national partner with the private sector, and with federal, state, and local agencies, supports and brings the arts and lifelong learning in the arts to people in all parts of the country.
- Provides national leadership and facilitation for communication, dialogue, research, and new thinking on issues critical to the future of the arts in America.
- Provides national overview and nurturing of distinct artistic fields, such as jazz, dance, and the folk arts.

Accomplishments

The National Endowment for the Arts...

...Belongs to the American People -- The National Endowment for the Arts costs each American about 36 cents per year -- less than one-hundredth of 1% of the federal budget. Since 1965, the NEA has awarded more than 111,000 grants to support thousands of projects like:

- Music, theater, and film festivals.
- Touring dance and opera performances.
- Poetry readings and workshops.
- National radio and television arts broadcasts.
- Orchestra and chamber music concerts.
- Artist residencies in schools.
- Publication of new books and literature.
- International exchanges.
- Mentorships with master artists.
- City design and downtown renewal.
- Folk arts, storytelling, and historic preservation.
- Museum exhibitions, large and small, contemporary and historical.

...Helps the Arts Grow -- Due in part to the Endowment's key role, arts organizations, and those they support, have grown:

- Nonprofit professional theaters have grown from about 50 less than three decades ago to a network of more than 600 today.
- There are over 120 professional opera companies, compared to only 27 in 1965. Opera companies pay more than \$300 million annually to more than 20,000 artistic and administrative personnel.
- The number of professional dance companies has increased from 37 in 1965 to over 400 today. Nearly \$325 million is spent in the employment of dancers, administrative staff, and costs related to production.
- Today there are over 1,800 orchestras in America. Large orchestras have grown from about 100 to over 230. These orchestras employ more than 85,000 musicians and administrative staff, and in 1995-96 generated revenues in excess of \$940 million, and filled 31 million seats.

...Makes the Arts Accessible to More Americans -- Public participation in the arts has increased as well over the past 33 years. More people have had the opportunity to attend first-rate arts events in their communities than ever before, and attendance at arts events is greater than attendance at professional sports events. The NEA:

- Brings excellent performances beyond big cities to small towns and rural areas in all 50 states and the six U.S. jurisdictions.
- Helps keep ticket and admission prices affordable.
- Awards grants that reach millions through national tours of orchestras or dance, free public broadcasts, Internet initiatives, and festivals or exhibitions visited by tourists.
- Helps make museum exhibitions possible.
- Contributes to the strength and stability of local, state, and regional arts organizations.

...Promotes Arts Education

- The NEA and the state arts agencies provide \$30 million in annual support for more than 7,800 arts education

projects in more than 2,400 communities. In 1997, the NEA invested \$8.2 million, 10% of its annual grant dollars, in kindergarten through grade 12 arts programs.

- Thousands of artists contribute to learning in and about the arts in America's schools through NEA-supported initiatives including artist residencies, outreach programs, teacher training, special performances, and master classes.
- The NEA provides national arts education leadership through grants, research, forums, and policy development.
- The NEA, in partnership with the Department of Education, has helped to ensure the development of education content standards of what all students should know and be able to do in the arts. The Endowment's investment in student assessment returned the arts to the National Assessment of Educational Progress, better known as "The Nation's Report Card," for the first time in 20 years.
- Lifelong learning through the arts is supported with NEA funds for programs that include folk arts classes at senior centers, and training for young professional conductors.
- Arts education improves life skills including self-esteem, teamwork, motivation, discipline, and problem solving that help young people compete in a challenging and high-tech workforce.
- Research from 1995-97 shows that students who studied the arts scored an average of 83 points higher than non-arts students on the Scholastic Aptitude Test.

...Supports Cultural Activities that Strengthen Our Economy

- Nationally, the nonprofit arts generate an estimated \$37 billion in economic activity.
- Nonprofit arts return \$3.4 billion in federal income taxes to the U.S. Treasury each year, and spur \$1.2 billion in state government revenue and \$790 million in local government revenue.
- More than 1.3 million full-time equivalent jobs are supported by the nonprofit arts industry.
- Urban centers are building arts centers to help revitalize neighborhoods and generate new business.
- Cultural tourism is a flourishing industry -- cultural tourists spend more money than the average traveler (\$615 vs. \$425), take longer trips, shop more, and are more likely to stay in hotels or motels.
- The artist work force has grown to nearly 1.7 million people.

...Provides a Stamp of Excellence that Leverages Private Support

- NEA grants confer national prestige that cannot be duplicated on a state or local level.
- National panels of private citizens select grantees in a rigorous, democratic review process.
- Each NEA dollar is matched by at least 1:1 providing a funding catalyst that attracts many more dollars from local and state agencies, corporations, foundations, and individuals.

...Preserves America's Living Cultural Heritage for the 21st Century -- The NEA provides grants that help:

- Conserve historic paintings and restore public monuments.
- Preserve historic recordings of the blues.
- Showcase Native American contemporary art.
- Fund anthologies of American literature.
- Assist Master craftsmen to pass on their skills.
- Establish creative centers for families.

...Provides National Leadership

- The NEA uses its unique position to address arts issues beyond the state or local level by sponsoring national forums, industry-wide research, and international exchange.
 - In April 1994, *ART-21: Art Reaches into the 21st Century* was held as the first national conference on the arts called by the federal government.
 - In 1995, Arts Education in Public Elementary and Secondary Schools, a joint project of the Endowment and the National Center for Education Statistics of the Department of Education, provided Americans with

- a picture of the conditions of arts education. The Endowment and Education Department are renewing this collaboration in 1999 to update the national survey of elementary and secondary schools.
- In 1996, through *American Canvas*, the Arts Endowment initiated a national discussion on enriching our cultural legacy for future generations through community nurturing of the arts.
 - New Leadership Initiatives of national scope encourage innovative partnerships and help launch the celebration of the new century.
 - ArtsREACH provides direct grants to communities in targeted states to create or implement community cultural plans which represent partnerships of arts and non-arts organizations working together to ensure the arts are an integral part of achieving community goals.
 - The Arts Endowment, along with other federal agencies and the private sector, has joined with the White House Millennium Council to “honor the past and imagine the future” at the turn of the Millennium. The Endowment supports artistically excellent Millennium Projects that are national in scope, and that incorporate significant community participation.
 - By a 3 to 1 margin, Americans support current government-funded arts programs, and 61% said they would pay \$5 more in taxes to fund the arts, according to a 1996 Louis Harris poll.

...Partners with Local, State, Regional, and Federal Arts Organizations -- Since 1965, the example at the federal level has led to the establishment of public arts agencies in every state and the creation of seven regional arts agencies. Public arts agencies in small towns and cities have grown to over 3,800. The NEA:

- Links local, state, and regional organizations in a cooperative system of arts support.
- Devotes 40% of its budget to partnerships with state and regional arts agencies.
- Promotes, within the federal sector, the unique role artists and art organizations play within the broad spectrum of community programs supported by federal resources. Many federal program areas, including those in the Departments of Education and Justice, the Center for Substance Abuse Prevention, and the National Science Foundation, are now inclusive of the arts.

...Improves Performance and Streamlines the Agency

...For the Public

- A cost-effective and efficient National Endowment for the Arts that can better serve the public has been created through many improvements.
- The agency launched its own Web site in April 1996, and since then has received over 8 million hits. Through the Web site at <http://arts.endow.gov>, the public can keep track of the Endowment's activities, review application guidelines, tap into other resources, and link to funding partners and an ever-expanding universe of information.

...For Applicants and Grantees

- Staff travel has been increased to provide technical assistance to applicants in areas that have tended to apply less and receive fewer direct grants from the Endowment. In addition, a *Frequently Asked Questions and Tips for Applicants* document has been developed to assist applicants and accompany the application guidelines on our Web site.
- The time between application due date and grant notification date for most grant categories has been reduced from 11-12 months to 7-8 months to encourage applications from a broader range of organizations.
- Over 31 separate application guideline booklets have been collapsed into three primary booklets, and four special booklets and brochures to address targeted needs.
- Brochures have been developed outlining basic information about NEA funding opportunities for wide circulation to encourage a broader range of applicants.
- The FY 1999 *Grants to Organizations* application guidelines are approximately 40% shorter than the previous

year's guidelines. This same philosophy has been applied to all guidelines, making clearer, more accessible guidelines, and reducing printing and postage costs.

- All application forms have been converted to an on-line format that allows applicants to fill out NEA forms on their computers. Potential applicants can download guidelines and application forms from the Endowment's Web site, ensuring a broader range of potential applicants.
- New reporting requirements have been developed for all grantees. One generic final report form has replaced more than 100 different, category-specific forms previously used. In addition, the agency has centralized its review of final reports to ensure timely customer service and coordination.

...For Internal Operations

- A PC-based Local Area Network (LAN) platform has been implemented. Mission critical systems are currently being re-engineered.
- A revised Performance Management Program has been implemented, resulting in a more streamlined, customer focused process.
- Forms used by the agency have been updated for use on desktop computers rather than typewriter, reducing the staff time needed to complete hundreds of required forms.
- An internal review has been performed which examined cross-cutting agency-wide management and process issues. Resulting recommendations for increased efficiency and workload reduction are currently being reviewed and implemented.

NATIONAL ENDOWMENT FOR THE ARTS FRAMEWORK OF STRATEGIC PLAN GOALS AND OBJECTIVES

Mission: The National Endowment for the Arts, an investment in America's living cultural heritage, serves the public good by *nurturing* the expression of human creativity, *supporting* the cultivation of community spirit, and *fostering* the recognition and appreciation of the excellence and diversity of our nation's artistic accomplishments.

Goal 1 Access: Broaden public access to the arts.	Goal 2 Creativity: Foster opportunities for the creation and presentation of work.	Goal 3 Arts Education: Strengthen the role of the arts in our nation's educational system and encourage lifelong learning in the arts.	Goal 4 Preservation: Preserve our nation's cultural heritage for the 21st century.
Objectives 1.1 Increase number of, and broaden and diversify the kinds of, arts events or activities available to the American public. 1.2 Provide access to arts experiences in communities where such activities are not available because of geographic, economic or other factors.	Objectives 2.1 Increase the number of works created and presented. 2.2 Expand opportunities for artists to interpret, explore, and create work.	Objectives 3.1 Help ensure that the arts are basic to the education of children and young adults in grades pre-K through 12. 3.2 Expand opportunities for children and adults to participate in and to increase their understanding of, or skills in, the arts. 3.3 Provide professional development opportunities for artists, arts professionals, and teachers.	Objectives 4.1 Document or conserve highly significant works of art, artifacts, and collections of art. 4.2 Honor, assist, encourage, and present those artists and forms of artistic expression that reflect the many cultural traditions that make up our nation.

Goal 5 Organizational Stability: Strengthen the organizational and financial capabilities of America's arts organizations.	Goal 6 Community Arts Development: Help address the concerns of America's communities through the arts.	Goal 7 Partnerships: Strengthen the Endowment's partnerships with the public and private sectors.	Goal 8 Strengthen the NEA as an innovative, efficient, and effective organization.
Objectives 5.1 Strengthen arts organizations' ability to realize their artistic and public service goals by becoming more effective, adaptable, and stable organizations.	Objectives 6.1 Help make communities more livable through the arts. 6.2 Enhance public awareness of the importance of the arts in our lives and communities. 6.3 Increase opportunities for the positive development of children and youth. 6.4 Stimulate and strengthen the role of the arts in the economic and cultural development of communities.	Objectives 7.1 Strengthen partnerships between the Endowment and state/local governments. 7.2 Develop partnerships with the private sector and the commercial arts sector that enhance the arts in America. 7.3 Develop and strengthen partnerships with other federal agencies. 7.4 Develop and strengthen international partnerships.	Objectives 8.1 Improve public understanding, recognition, and appreciation of the role and impact of the Arts Endowment. 8.2 Improve the agency's interaction with the public. 8.3 Improve the efficiency and delivery of agency services. 8.4 Strengthen the Arts Endowment's role as a national leader in the support of the arts and in the development of the nation's cultural policy.

Goals and Objectives

Strategic Goals: Access **Broaden Public Access to the Arts**

Overview: Since its inception in 1965, the Arts Endowment has regarded broad access to the arts as one of its primary responsibilities. The agency operates on the premise that every American should be able to participate in a vast array of arts activities, either as an artist or as an audience member. Access to the arts may be limited by any number of factors; geographic isolation, economic constraints, and physical limitations are some of the factors that the Endowment addresses. Many strategies are used to provide broad access to the arts, such as the broadcast of television or radio programs on the arts; the presentation or touring of artistic work; the publication of literary arts; or the dissemination of information on how to make the arts more available to older Americans or those with disabilities. Support in these areas can bring the finest of arts programming to millions of Americans in every part of the country, increasing knowledge and appreciation of the arts while providing a great measure of inspiration, enjoyment, and entertainment.

Example: The Endowment supports the National Dance Project (NDP), launched by the New England Foundation for the Arts (NEFA) in 1996 to support the production and touring of contemporary dance throughout the United States. During 1997-98, NDP reached 89 different venues in 33 states, ensuring that the best of contemporary dance is available not only in metropolitan areas, but also in states where few dance companies reside. As noted by Sam Miller, NEFA's Executive Director, "Dance is this country's moveable feast."

Example: Regardless of geographic or economic limitations, American television audiences in all states and territories are provided free access to many of our greatest cultural treasures through arts programs broadcast nationally on more than 340 public television stations. Three Endowment-supported performing arts programs have tremendous reach: "Live from Lincoln Center" is broadcast on 347 stations and is seen by more than 32 million viewers each year; "American Masters" reaches 3.8 million households per program; and "Great Performances" is seen by 5 to 7 million viewers per program.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- invest in a broad and diverse range of arts projects that present, exhibit, perform, tour, broadcast, and/or publish artistic work.
- invest in projects that use new technologies to improve public access to the arts.
- provide indemnity (insurance) for international exhibitions to make accessible to the American public cultural treasures from abroad.

- work with state arts agencies and their regional organizations to support activities that broaden public access to the arts.
- jointly invest with other federal agencies in projects that broaden public access to the arts.
- invest in projects or activities that provide broader access to the arts.
- invest in regular, national arts participation surveys that provide travel data on the characteristics of participants and non-participants in the arts.
- fund research projects that analyze arts participation survey results to determine trends and patterns in participation across demographic and socioeconomic groups and geographic areas.
- work with state arts agencies and their regional organizations to jointly provide activities to those located in rural, inner-city, and other underserved communities.

Objective	Measurement	Source of Data
1.1 Increase number of, and broaden and diversify the kinds of, arts events or activities available to the American public.	• Total activity types, such as # of exhibitions or national broadcasts • artistic discipline and repertoire of project • Geographic location of project award and project activity • Total # audience/participants* • # projects where children/ youth are primary beneficiary • # languages translated into English • # multi-state projects, especially touring • # arts organizations participating (includes # recipients, consortium members and fiscal agents) • # principal artists participating • # exhibitions indemnified and country of origin • Total # 1st time recipients (within 5 yr pd)	• Final reports • Application and other related forms • Research, reports and papers • Through Partnership with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports

1.2 Provide access to arts experiences in communities where such activities are not readily available because of geographic, economic or other factors.	• Geographic location of project award and project • # projects for rural or inner-city communities, for “at risk” persons or for “special constituencies”** and MSA data • # partnerships/projects with other federal agencies and amount of other federal \$ for programs designed to reach underserved audiences • Total # audience/participants* • Total activity types, such as # of exhibitions, concerts, or readings • # multi-state projects, especially touring • Total # 1st time recipients (within 5 yr pd) • obtain results from national surveys about perceived availability of arts activity (conducted every 5 years)	• Final reports • Application and other related forms • Research, reports and papers • Survey of Public Participation in the arts (SPPA) • Periodic special surveys • Anecdotal information submitted with final reports
*Includes live attendance, broadcast/recording media and personally participating. **Includes older Americans, individuals with disabilities and incarcerated persons. NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to providing helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the “Data Capacity” section for its limitations).		

Strategic Goal: Creativity

Foster opportunities for the creation and presentation of work

Overview: Artistic work — its creation and presentation — is at the core of the work of the National Endowment for the Arts. Although a work of art is often created by an artist in solitude, the Endowment focuses on the many factors that must be in place to allow creativity to flourish. Often the most critical factor is time. Through support to organizations that provide essential creative time to artists, the Endowment helps in the development of new work and the imaginative reinterpretation of existing work. The Endowment also supports nurturing environments such as artists’ communities, where artists can devote unencumbered time to their work. Perhaps one of the most important roles that the Endowment can play is that of convener, helping to foster communication between arts organizations and across artistic disciplines, resulting in the creation of new art work or in the formation of new and expanded opportunities for performance or exhibition.

Example: The United States is home to several artists’ communities, places that accommodate individuals in their creative pursuits. They may be in relatively isolated areas, such as Cape Cod in winter, or in downtown New York City. Key to the philosophy of these communities is the

accumulation of a “critical mass” of artists who stimulate each other’s creativity. The Endowment began support for these creative retreats in 1969. At the present time, over 2,500 artists per year are in residence at artists’ communities across the country.

Example: From their inception in 1967, the Endowment’s Literature Fellowships have afforded writers the time and the means to write. At the time that they receive Fellowships, few writers are able to make a living from writing; most hold full time jobs in teaching or other professions. Fellowships give not only creative time, but also validation within the literary community and recognition to publishers and agents. Past Arts Endowment literary fellows have received more than 80% of this decade’s National Book Awards, National Book Critics Circle Awards, and Pulitzer Prizes in Poetry and Fiction.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- invest in projects, in a wide variety of art forms, to commission, develop, or present work, or to reinterpret existing work.
- convene groups to discuss, evaluate and propose agency policies, programs, and strategies that foster opportunities for the creation and presentation of new work.
- invest in arts projects that provide resources, time and space to assist artists in creating work.
- work with state arts agencies and their regional organizations to support activities that foster opportunities for the creation and presentation of work.

Objective	Measurement	Source of Data
2.1 Increase the number of works created and presented.	• # works created • # works presented • Total activity types, such as # of exhibitions or national broadcasts • Total # audience/participants* • Geographic location of project award and project activity • artistic discipline and repertoire of project • # projects where children/ youth are primary beneficiary • # principal artists participating	• Final reports • Application and other related forms • Through Partnership with states arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies’ National Standard data base. • Anecdotal information submitted with final reports

2.2 Expand opportunities for artists to interpret, explore, and create work.	• # principal artists participating • Total activity types, such as # of projects which support artwork creation or writing about art • Geographic location of project award and project activity • applicant institution type	• Final reports • Application and other related forms • Through Partnership with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports
*Includes live attendance, broadcast/recording media and personally participating. NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to providing helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).		

Strategic Goal: Arts Education

Strengthen the role of the arts in our nation's educational system and encourage lifelong learning in the arts

Overview: The arts play a central role in the quality of life of citizens of all ages. In order to take full advantage of all of the artistic possibilities available to them, Americans must have opportunities for education in the arts at all ages. The Endowment works closely with the Department of Education and other public and private partners to ensure that the arts are a basic educational element in grades pre-K through 12 in furtherance of the Goals 2000: Educate America Act. In addition, educational activities that take place outside of school settings are essential to many arts organizations. These activities may focus on the professional development of artists, or they may focus on the public. Through investing in projects that increase understanding, appreciation, and skills in the arts, the Endowment encourages lifelong learning that benefits all Americans.

Example: The Arts Education Partnership is in its third year of coordinating communications and collaborative actions among more than 100 national organizations both to ensure inclusion of the arts in state and local Goals 2000 plans and to increase focus on the arts as central to schooling. Over the past three years, Partnership organizations have helped constituents to gain more than 200 Goals 2000 subgrants totaling \$10.1 million to support arts education. In addition, Partnership task forces in the areas of research, assessment, and early childhood education and the arts have issued important reports on the value of arts teaching and learning for all students.

Example: Many of America's more than 1,800 professional symphony orchestras and youth orchestras have identified the need to go beyond providing students with occasional live musical performances, and are engaging in extensive, ongoing collaborations with schools, musicians, and community-based organizations. Orchestral concerts for students and the general public in which

education and outreach are the primary focus now constitute 31% of all concerts performed. In 1997 alone, American orchestras gave nearly 9,000 education concerts for an audience of more than 4 million people. The explosion in orchestra education and outreach efforts is a reflection of the expanded role orchestras are playing in their communities, from supplementing music programs in the public schools to seeking new audiences in nontraditional places.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- promote and invest in projects and activities that contribute toward making the arts essential to basic education in American schools.
- invest in and disseminate results of effective programs, projects or activities that identify the impact of the arts and artists in our nation's education system..
- invest in project intended to increase the public's understanding of, or skills in, the arts.
- invest in and disseminate results of effective programs, projects or activities that identify the impact of the arts and artists in our community settings.
- convene and work with partners in designing opportunities for professional development for artists, arts professionals, and teachers.
- invest in projects and activities that provide professional development opportunities for artists, arts professionals, and teachers.
- work with state arts agencies and their regional organizations to support the role of the arts in our nation's education systems and encourage lifelong learning.

Objective	Measurement	Source of Data
3.1 Help ensure that the arts are basic to the education of children and young adults in grades pre-K through 12.	• Total activity types, such as # projects supporting arts instruction or curriculum development and/or implementation • # projects where children/youth are primary beneficiary • # schools/districts • # teachers participating • # principal artists participating • # arts organizations participating (includes # recipients, consortium members and fiscal agents) • Total # audience/participants* • # reports, publications or other information distributed	• Final reports • Application and other related forms • Research, reports and papers • Through Partnership with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base • Department of Education's National Center for Educational Statistics studies (NCES) • Anecdotal information submitted with final reports • Arts Education Goals 2000 Partnership • Field research and publications
3.2 Expand opportunities for children and adults to participate in and to increase their understanding of, or skills in, the arts.	• Total activity types, such as # projects supporting seminars or conferences, or those that build public awareness of the arts • # projects where children/ youth are primary beneficiary • Total # audience/participants* • Geographic location of project award and project activity • # principal artists participating • # schools participating • # teachers participating • # arts organizations participating (includes # recipients, consortium members and fiscal agents)	• Final reports • Application and other related forms • Research, reports and papers • Anecdotal information submitted with final reports
3.3 Provide professional development opportunities for artists, arts professionals, and teachers.	• Total activity types, such as # projects supporting arts instruction or school residencies, or those that support professional development/training • # principal artists participating • # teachers participating • # arts professionals participating • Geographic location of project award and project activity • # states funding professional development activities under our partnership agreements • Total # audience/participants*	• Final reports • Application and other related forms • Research, reports and papers • Through Partnership with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports • Survey of colleges of arts and education

*Includes live attendance, broadcast/recording media and personally participating.

NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to providing helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).

Strategic Goal: Preservation

Preserve our nation's cultural heritage for the 21st century

Overview: The cultural heritage of a nation often is ephemeral: techniques or styles of playing music that are known only to aging masters; dance that is not documented, but exists only in performance; outdoor sculptures that decay over time. And yet it is that cultural heritage that not only defines who we have been, but informs who we are and who we will be. The Endowment is committed to the preservation and documentation of our nation's cultural heritage and its transmission to future generations. Preservation may be accomplished through instruction, such as masters teaching apprentices. It may be done through the documentation or conservation of important works of art. It also may take the form of support that strengthens the country's traditional arts infrastructure. Cultural heritage is a country's identity.

Example: The Endowment is working in partnership with Heritage Preservation, Inc. to sponsor SOS!2000 (Save Outdoor Sculpture!). More than 50% of this country's 32,000 pieces of outdoor sculpture are in serious need of conservation. These are the monuments to the people, events, and spirit that define who we have been as a country over the past two centuries. SOS!2000 will organize the appropriate repair of sculpture in every state and the District of Columbia, and will make certain that maintenance plans are developed so that communities will be able to keep up these monuments for many years to come.

Example: National Heritage Fellowships are awarded to approximately 12 exemplary master traditional artists and artisans each year. Because many of our most significant and influential folk and traditional artists go unrecognized by the larger community and receive little or no compensation, there are styles, techniques, and art forms that are in danger of extinction. The cash and recognition that is provided to National Heritage Fellows help to keep them active as practitioners and teachers of a part of this country's cultural heritage.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- invest in projects to conserve, document, and preserve our nation's art.
- invest in projects to environmentally maintain works of art.
- invest in projects that assist, document and/or present artists, artistic traditions, techniques, models, and forms of artistic expression that reflect our nation's cultural traditions.

- invest in apprenticeships or other forms of instruction that pass artistic repertoire, techniques and traditions on to future generations.
- invest in projects that foster opportunities for interactions and exchanges of artistic practices and styles reflective of our nation's many cultural traditions.
- recognize the contributions of exceptional artists.
- increase the public's awareness and appreciation for their local, regional, and national cultural heritage.
- participate in building a national folk arts infrastructure.
- work with state arts agencies and their regional organizations to preserve our nation's cultural heritage for the 21st century.

Objective	Measurement	Source of Data
4.1 Document or conserve highly significant works of art, artifacts, and collections of art.	• # artistic works conserved, documented or preserved • Total activity types, such as # projects supporting identification or documentation of artistic works • Geographic location of project award and project activity	• Final reports • Application and other related forms • Research, reports and papers • Through Partnership with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports
4.2 Honor, assist, encourage, and present those artists and forms of artistic expression that reflect the many cultural traditions that make up our nation.	• # principal artists participating • Total activity types, such as # projects supporting apprenticeships, concerts performances or readings, etc. • Total # audience/participants* • Geographic location of project award and project activity	• Final reports • Application and other related forms • research, reports and papers • Anecdotal information submitted with final reports
*Includes live attendance, broadcast/recording media and personally participating. NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to providing helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).		

Strategic Goal: Organizational Stability
Strengthen the organizational and financial capabilities
of America's arts organizations

Overview: The meaning of the word “stability” has evolved for arts organizations in the past decade, just as it has for other non-profit and commercial entities. In order to be stable, an organization now must be adaptable and flexible. Some arts organizations are finding success in entrepreneurial ventures, including some increased interaction with the entertainment and commercial sectors. The Arts Endowment helps to strengthen arts organizations by investing in projects that help them to discover their appropriate capacities, take the lead of other successful models for stability, or develop new strategies to achieve or maintain organizational health.

Example: The Endowment awards grants that help organizations to adapt to current circumstances and to market themselves successfully. For example, a theater company received support to make the transition from primarily a touring company to one with a base in its home town. Although the artistic work of the company remained strong, the costs of extensive travel were prohibitive. After surveying the potential for a local audience, the company successfully marketed its home season.

Example: Earned income is a source of revenue that sometimes has been underutilized by arts organizations. Through the support of planning and marketing grants, some organizations have increased their earning power by creating packages that would be attractive to tourists; professionalizing the public profiles of their retail shops; or working closely with local commercial leaders and elected officials to be part of community development efforts.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- invest in projects that improve the organizational and financial capability of arts organizations.
- invest in a national data system to measure, on a regular basis, changes in the size and financial condition of arts organizations.
- invest in organizations to implement projects or achieve financial goals that strengthen a particular artistic field.
- promote and invest in projects that develop the next generation's arts leaders.
- invest in projects that link arts organizations with other sectors of the economy.
- invest in and disseminate results of model projects that identify successful approaches to organizational and financial stability.
- convene groups to discuss, evaluate and propose agency policies, programs and strategies that will help keep arts organizations strong.

- work with state arts agencies and their regional organizations to strengthen the organizational and financial capability of arts organizations.

Objective	Measurement	Source of Data
5.1 Strengthen arts organizations' ability to realize their artistic and public service goals by becoming more effective, adaptable, and stable organizations.	• Total activity types, such as # projects supporting technical assistance or stabilization/endowment/challenge • # organizations participating (includes # recipients, consortium members and fiscal agents) • Geographic location of project award and project activity	• Final reports • Application and other related forms • research, reports and papers • National unified data base of arts organizations • Through Partnership with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports
*Includes live attendance, broadcast/recording media and personally participating. NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to providing helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).		

Strategic Goal: Community Arts Development

Help address the concerns of America's communities through the arts

Overview: The arts help to make communities more livable places. The quality of design, for example, affects how we live, work, and play. But the role of the arts in helping communities to be strong and vibrant places often is less visible. Many programs that help at-risk youth or children without afterschool supervision are centered around the arts. Communities also have learned that thoughtful community cultural plans lead not only to increased arts activity, but also to stronger local economies. The Endowment recognizes that the arts must be nurtured on the local level. A strong arts presence can be the catalyst to a healthier community.

Example: The Mayors' Institute on City Design, established in 1986, brings together a small group of American mayors and design professionals to define goals and strategies for addressing design and development issues from each participating mayor's city. Topics might include the redevelopment of an underused waterfront, the siting and design of a new public building, or the preservation of historic structures. Milwaukee Mayor John Norquist attended the Institute in 1992, and has since become a powerful advocate for good city design. Now a member of the Board of Directors of the Congress for New Urbanism, Norquist is sought after as an inspirational public speaker on design issues.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the endowment intends to utilize the following strategies:

- invest in projects that promote and use design as a vehicle to make communities more livable.
- invest in projects that disseminate information about, and foster appreciation of, the role of the arts in communities.
- support research, analysis and publications concerning the impact of the arts in communities.
- promote and invest in projects in which use or involvement of the arts helps to improve the lives of children and youth.
- help community-based coalitions to develop community cultural plans or undertake cultural assessments or implement projects that lead to a strengthened role of the arts in communities.
- convene groups to discuss, evaluate and propose agency policies, programs and strategies that use the arts to strengthen the economic, social, and cultural development of communities.
- work with state arts agencies and their regional organizations to use the arts to strengthen the economic, social and cultural development of communities.

Objective	Measurement	Source of Data
6.1 Help make communities more livable through the arts.	• # mayors participating in Mayor's Institute • Total activity types, such as # projects supporting seminars and conferences • Geographic location of project award and project activity • Total # audience/participants* • # principal artists participating • # federal partnerships and \$ contributed that help make communities more livable through the arts	• Final reports • Application and other related forms • Research, reports and papers • Through Partnership with state arts agencies and their regional organizations, obtain statistical information from the National Assembly of State Arts Agencies' National Standard data base. • Anecdotal information submitted with final reports
6.2 Enhance public awareness of the importance of the arts in our lives and communities.	• Total activity types, such as building public awareness	• Final reports • Research, reports and papers

6.3 Increase opportunities for the positive development of children and youth.	• # projects where children/ youth are primary beneficiary • Geographic location of project award and project activity • Total # audience/participants* • # at-risk persons participating • # fed partnerships and \$ contributed that provide opportunities for the positive development of children and youth	• Final reports • Application and other related forms • Research, reports and papers
6.4 Stimulate and strengthen the role of the arts in the economic and cultural development of communities.	• Total activity types, such as # projects supporting activities that build public awareness of the arts • # organizations participating (includes # recipients, consortium members and fiscal agents) • # principal artists participating • Geographic location of project award and project activity • # fed partnerships and \$ contributed that stimulates and strengthens the role of the arts in the economic and cultural development of communities	• Final reports • Application and other related forms • Research, reports and papers • Anecdotal information submitted with final reports

*Includes live attendance, broadcast/recording media and personally participating.

NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to providing helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).

Strategic Goal: Partnerships

Strengthen the Endowment's partnerships with the public and private sectors

Overview: Just as the Endowment promotes collaborations among the various arts organizations, fields, and disciplines, it also recognizes that the work of the agency can be strengthened by partnerships with other federal agencies, units of state and local government, and the business and commercial sectors. The agency's partnership with the state arts agencies is one of its oldest and strongest, dating to the Endowment's creation in 1965. Beginning in the early 1980's, a direct formal relationship was established also with local arts agencies. The Endowment has come to realize in recent years the potential of increased alliances with other federal agencies, not only to advance the goals of this agency, but also to afford greater funding opportunities to arts organizations. The next step is to develop mutually beneficial partnerships with the private sector, especially the business and commercial arts sectors. Through these partnerships, the Arts Endowment optimizes its role as the national cultural agency.

Example: The Arts Endowment entered into a partnership with the U.S. Department of

Agriculture Forest Service to support arts based community development projects in rural and small communities. Although the Forest Service had a program designed to diversify and strengthen the economies in these communities, few arts organizations were aware that they were eligible. With equal funding from the Endowment and the Forest Service and a concerted publicity effort, the "Arts and Rural Community Assistance Initiative" has awarded 36 grants in 21 states and Puerto Rico. Projects have included marketing efforts for local artisans, economic development through performing arts events, and the creation of new tourism strategies.

Example: The Endowment's annual appropriation is approximately one-third of the combined amount appropriated by the states. Working in partnership, the two levels are able to respond most effectively to national and to statewide needs and opportunities in the arts. Through Endowment-approved plans, the state arts agencies invest in arts education activities, work in underserved communities, and strengthen economic development and cultural tourism.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- invest, through partnership agreements with state arts agencies and their regional organizations, in activities that support the mission and goals of the Arts Endowment.*
- convene representatives from local arts agencies to discuss strategies or initiatives that strengthen the role of local arts agencies in support of the arts.
- convene representatives from the non-profit and profit sectors to facilitate mutual efforts to sustain and strengthen the arts.
- jointly invest with other funders in projects that support the arts.
- develop and conduct seminars for funders concerning the importance of and how to fund the arts.
- work with other federal partners to include and recognize the role and value of the arts in their activities.
- invest in projects or activities that encourage American communities and artist to engage in mutually beneficial exchanges with communities and artists from abroad.

NOTE: The funds awarded to state arts agencies and their regional organizations in the form of partnership agreements are to enable states and regions to carry out plans that are responsive to needs and opportunities identified through public planning and that provide leadership for the arts in education and in underserved areas. On an annual basis, the emphasis may shift from one area to another.

Objective	Measurement	Source of Data
7.1 Strengthen partnerships between the Endowment and state/local governments.	# joint initiatives and projects # of meetings to strengthen working relationships	- Agreements - Reports and papers
7.2 Develop partnerships with the private sector and the commercial arts sector that enhance the arts in America.	# private and commercial partnerships developed # initiatives developed and implemented - contributions by partners	- Agreements - Reports and papers
7.3 Develop and strengthen partnerships with other Federal agencies.	# agencies # partnerships - geographic distribution of projects undertaken by federal partners # recipients of projects undertaken by federal partners - contributions by partners	- Interagency agreements and memorandum of understanding - Reports, papers and related information provided by federal partners
7.4 Develop and strengthen International partnerships.	# countries participating # partnerships - contributions of partners # principal artists participating, nationally and internationally # organizations participating, nationally and internationally (includes # recipients, consortium members and fiscal agents)	- Final reports - Application and other related forms - Anecdotal information submitted with final reports
*Includes live attendance, broadcast/recording media and personally participating. NOTES: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to providing helpful information for the performance report. Final reports are due within 90 days of the completion of the grant period. The Final Reporting Requirements continue to be modified so that information necessary to conducting performance assessments can be provided directly by recipients of NEA funds. The information in this chart includes measurements which the agency is not currently able to collect in its data base system (please refer to the "Data Capacity" section for its limitations).		

Strategic Goal: Agency Management

Strengthen the NEA as an innovative, efficient, and effective organization

Overview: The National Endowment for the Arts has weathered several years of public controversy. During that time, the agency reinvented itself as a leaner, more focused institution. Ever present within that redesign, however, has been the goal of serving the American public by supporting artistic projects of the highest quality. Through a carefully organized system of grants, leadership initiatives, and technical assistance, the Endowment strives to improve its effectiveness and efficiency.

Example: The strength of the Endowment is critical to its effectiveness in the field. One way of ensuring that the work of the Endowment's staff is readily available to constituents is through the

agency's web site and printed publications. From the web site, one can download copies of the agency's guidelines and application forms, as well as find information about Endowment staff and programs. The site also is home to online news and feature articles on the arts. Many publications, available free of charge, provide valuable information to the public. They range from research reports on audience demographics, to creative writing collections by Literature Fellows, to descriptions of model programs for youth at risk.

How We Will Achieve the Strategic Goal: To carry out this strategic goal, the Endowment intends to utilize the following strategies:

- develop and implement a comprehensive communication plan that integrates the agency's vision, mission and goals.
- improve the availability and accessibility of information about the value and impact of the arts.
- increase funds and time available for staff to travel.
- expand the agency's use of technology in its operations.
- plan and manage to effectively and efficiently utilize the multiple skills of staff.
- undertake customer service surveys or inquiries.
- improve the application/grant process.
- strengthen the data bases on the supply of and demand for the arts to enhance the agency's ability to more effectively design programs to meet current and future needs in the arts.
- align agency programming and resources with agency goals.
- strengthen the Arts Endowment's role as a national leader in the support of the arts and in the development of the nation's cultural policy.

Objective	Measurement	Source of Data
8.1 Improve public understanding, recognition, and appreciation of the role and impact of the Arts Endowment.	• Successful completion of comprehensive communication plan and follow-up assessment • "Hits" on agency web site • Produce publications and distribute widely	• Final reports • Application and other related forms • Research, reports and papers • web site • Anecdotal information submitted with final reports
8.2 Improve the agency's interaction with the public.	• Increase time and dollars available for staff to travel • Geographic locale of staff travel • Increase information available on agency website.	• Budget/execution plan • Research, reports and papers • Web site

8.3 Improve the efficiency and delivery of agency services.	• Y2K compliance will be met by deadline • Technology migration of mission central automated systems completed. • On-line application established and integrated into agency operations. • Develop and implement a management improvement plan • Application/grant process is improved and simplified. • More in-depth and timely reporting of research project results.	• Final reports • Application and other related forms • Research, reports and papers • Recommendations resulting from survey are acted on.
8.4 Strengthen the Arts Endowment's role as a national leader in the support of the arts and in the development of the nation's cultural policy.	• Successful completion of measurements noted above.	• Tracking of implementation of measurements noted above.
NOTE: The measurements noted above are not exclusive. Additional measurements continue to be discussed and evaluated as necessary to providing helpful information for the performance report.		

Relationship between agency goals and objectives in the Strategic Plan and the performance goals and indicators in the Performance Plan

The goals and objectives contained in the Strategic Plan provide a framework for agency activity over a five year period. Actual implementation of this plan on an annual basis is reflected in the Annual Performance Plans. It is the results of this implementation that enables an agency to evaluate the accomplishments and impact of its programs and activities.

The closer the relationship between the goals in the Strategic Plan with those in the Performance Plan, the clearer the ability to gauge accomplishments and impact. The Arts Endowment has determined that the goals in its Performance Plan will be identical to those contained in its Strategic Plan. This is also true for the performance measurements contained in the Strategic Plan which were used to develop the performance indicators in the Performance Plan. However, as with any planning effort, it is also clear that on an annual basis, the performance goals identified may only address some of the goals or objectives contained in the Strategic Plan.

Finally, it should be noted that this planning process has resulted in the establishment of direct linkages between the agency's Strategic and Performance Plans and its budget. The budget proposals submitted draw directly from the Strategic and Performance plans and correlate directly to the goals and indicators contained in the Performance Plan.

Data Capacity

Source of Data: The Arts Endowment's primary source of performance plan data will come from information on grant application forms and the final reports submitted by recipients of agency funds. Recipients of grants and cooperative agreements will be included as well as recipients through inter-agency agreements with other federal agencies. In addition, by means of an agreement with an external source, data from the 56 state arts agencies and jurisdictions and their regional arts organizations will be accumulated on an annual basis and reported to the Arts Endowment.

The agency currently collects statistical information from other reporting mechanisms. For example, applicants provide certain information with the application and grantees provide geographic information in the form of a geography report submitted within 30 days of receipt of the grant.

In addition to above, the Arts Endowment will rely upon a number of methods to collect performance data. These will include conducting research and preparing related reports and analyses, and convening. The agency will also continue to rely upon information collected from views and assessments of the Presidentially-appointed National Council on the Arts and the hundreds of citizen-representatives that serve on the agency's various application and overview panels.

Data Content: Final report data will contain descriptive information on the project or activity funded and an explanation of the relationship of the project or activity to the Arts Endowment's strategic goals or objectives. Statistical information will also be requested concerning the geographic and audience impact, number of artists involved and the number of presentations, performances, books distributed, works created, etc. In addition, narrative and anecdotal information will also be requested.

Data Limitations: The Arts Endowment's data collection effort is presently focused primarily on grants and does not fully address cooperative agreements and inter-agency activity; nor does it account for the data accumulated on the 56 state arts agencies and jurisdictions and their regional organizations.

To address these and other information technology concerns, the Arts Endowment is in the process of migrating its critical information management systems from a Wang-based mainframe environment to a client-server platform on a Local Area Network. Once completed, the new system will represent a single, fully integrated system with significant data collection and reporting capabilities.

Even with the new system capabilities, it is clear that determinations will carefully need to be made as to the nature of information requested, collected and subsequently analyzed. During our efforts to revise the agency's strategic plan, a number of data collection issues surfaced. For example, the need to take steps to ensure reliability of statistical information, the need to capture information not currently captured, the need to collect nine-digit zip codes, the need to ensure that information

requested is clearly defined and understood, the need to increase the capacity to report on multiple impacts of agency grants, etc. The data limitations identified above will be addressed by: one, ensuring system modifications are made to enter and report this information and two, conducting a review of the agency's reporting requirements. While the Arts Endowment has considerably modified its reporting requirements (particularly final reports) for FY 1997 and FY 1998, it may be necessary to make further modifications for FY 1999. Our capacity to report information for the annual performance plans is directly tied to our data collection (e.g., final reports) and automation (e.g., migration) efforts.

Baseline Data: When submitting the Arts Endowment's performance plan for FY 1999, the agency noted that it was in the process of establishing baseline data and that FY 1997 awards would prove helpful in this effort. Progress has been made and to date, all grants awarded in FY 1997 and FY 1998 have been associated with a primary goal, objective and strategy and, as applicable, a secondary goal, objective and strategy. [NOTE: The agency determined that many of its awards impact more than one of the agency's goals and objectives. As a result, a system was designed which allows for this recognition.] Thus, the Arts Endowment can report on the amount of grant funds awarded in support of each of the agency's goals and objectives.

The grant period, or time the grantee has to complete the project, typically is one year or more from the grant award date. For FY 1997 grants, the final reports have been coming in as scheduled. However, because of staggered end dates, this information is incomplete and insufficient at this point to develop baseline data. While we will continue to estimate performance impact with each performance plan, the existence of the baseline data should help us to greatly refine our estimates.

Baseline data on Endowment funds awarded through Partnership Agreements to the State Arts Agencies and their Regional Arts Organizations is collected through a separate mechanism. Working in concert with the National Assembly of State Arts Agencies, cumulative data is collected and assessed and then forwarded to the Arts Endowment. In 1996, and prior years, data was not available on the states as a whole for up to three years. In the new final reporting requirements for 1998 funds, an "Interim Report" is required from State Arts Agencies if their entire final reporting statistics will not be filed by the original due date of the grant; the regional arts organizations will be submitting data with their request for final payment.

Resources

Relationship between resources and the Strategic and Performance Plan: The Arts Endowment's budget request is directly linked to the Strategic and Performance Plans. The Goals and Objectives contained in the Strategic Plan were used to develop the goals and objectives for the annual Performance Plan. In turn, the resources necessary to carry out the Annual Performance Plan were developed by reviewing baseline data for similar activity conducted in the past or at present and correlating estimates of applications, grants and leadership activity with the programmatic funding, staffing and other operational costs, such as space and automation needs, and program support necessary to effectively and efficiently implement the plan. Clearly, economies of scale can be achieved, but substantive changes in funding necessitate changes in programmatic funding and in the salaries and expenses and program support areas. Because of these efforts, the agency will be better positioned in the future to correlate new or increased programmatic activity with the resources necessary to carry them out.

Provided below is information that provides additional information concerning resources:

- **Funding Source:** The Arts Endowment relies primarily on federal appropriations to carry out its mission. The appropriations are anticipated to take the form of direct grant funds, matching grant funds, partnership funds, salaries and expenses and program support. The direct and matching grant funds are discretionary while the partnership funds are awarded to state arts agencies and their regional organizations based on Congressional determinations. The salary and expenses support basic operations such as personnel and supply and equipment purchase. The program support allows for the funding of activities which primarily relate to the field and those activities involved in programmatic areas. Examples include research, publication and panel activity.
- **Funding Activities:** In addition to grant-making and the awarding of partnership agreements with the state arts agencies and their regional organizations, the Arts Endowment undertakes various leadership activities which include cooperative agreements, interagency agreements, and convening.
- **Current Funding:** Prior to 1996, the Arts Endowment's budget was in the \$160 million range. Beginning in 1996 and continuing through 1998, the agency's budget has been under \$100 million. This dramatic change in funding has had an equal impact on the agency's operations and its ability to carry out its mission. For example, prior to 1996, the agency routinely received approximately 6,000 applications from organizations and approximately 10,000 applications from individuals; today, those numbers have been reduced to 3,000 and under 1,000, respectively. Prior to 1996, the agency awarded nearly 4,000 grants per year; today, it awards approximately 1,300.
- **Staffing:** Because of the reductions in programmatic funds that occurred in 1996, the Endowment had to significantly reduce the number of projects or activities it could support. Because of the reductions in administrative funds, the Arts Endowment significantly reduced its

staffing level and now operates with approximately 160 positions, a reduction of some 100 positions or 40% from the number of positions previously allocated. To manage this reduction in staffing, the agency had to significantly streamline its operations, increase reliance on automation, and delegate authorities. Most significantly, the agency had to reduce the opportunities for organizations to apply for support, thus limiting the number of applications received. As a result of these experiences, the Endowment is particularly sensitive to the workload implications of programmatic dollars.

Historically, the number of applications received tends to drive workload more than the number of grants awarded. This relationship, however, may require some reassessment given an increased emphasis on leadership activities which, by their nature, tend to be more labor intensive.

- **Automation:** In 1986, the Arts Endowment initiated its automated Grants Management System. Since then, it established an automated Financial Management System and an automated Panel Bank System. It has also developed various smaller automated systems or reporting capability and has expanded the availability of pc's to all staff. More recently, a Local Area Network (LAN) was put in place and Internet access has provided another means of public contact with agency staff. In addition, a web site was established which has received millions of hits since its inauguration.

Increasingly, automation is becoming essential to nearly every aspect of this agency's work. And, it is clear that an organization's ability to interact and deliver services to the public is directly linked to its automation capability. The Arts Endowment is in the process of migrating its mission critical systems from a Wang-based environment to a client-server platform on the LAN. In the process of accomplishing this migration the Endowment will establish a single, integrated system for conducting its business. This will greatly improve the capacity of the staff to conduct business and deliver service.

- **Space:** Experience has shown that productivity is not limited only by the staffing resources and automated tools available to undertake an activity. The physical environment also affects productivity. In a grant-making agency such as the Arts Endowment, quality space is critical. Many of the applications received by the Arts Endowment are accompanied by visual material such as slides, tape, photographs or video. Adequate space (and adequate professional quality equipment) is needed to process the applications, review the material, retain the material for the required time period, and provide for outside reviewers.

Plans for Program Evaluations

The National Endowment for the Arts employs a variety of methods for program evaluation.

Applicant and Grantee Information

Extensive information is required of all applicants and grantees. In addition to data that identify the characteristics of the organization, information is gathered about the location of project activity; the demographics of project participants or audiences; and other sources of support for the project. Information is required at the time of application, at the time of grant award, and in a final report at the project's conclusion. In this way, the Endowment is able to assess how successfully a number of the goals in its plan are being met.

Research

The Endowment, as well as Congress, the cultural community, and the administration, depend on consistent and reliable data for cultural policy assessment and formulation. The agency's Research Division helps develop the information necessary to inform policy processes by examining the cultural needs of the public, identifying ways to enhance access to cultural opportunities, studying the effects of cultural activities on the economy and documenting the value of arts education to the nation's educational system. In addition to research reports and notes on a variety of specific topics, the Division also tracks demographic information for the various arts disciplines and national and local surveys of public participation in the arts.

Advisory Panels

The Endowment convenes approximately 43 advisory panels each year. In addition to assessing the merits of grant applications and advising the agency as to awards, these panels also participate in policy discussions that help to assess the agency's effectiveness and guide its future strategies. Panels typically are composed of artists, arts professionals, and lay people who are grounded in the various arts disciplines. Their observations and recommendations are taken into consideration by the Endowment's leadership when evaluating existing programs and designing new initiatives.

Issue-Oriented Convening

As the national cultural agency, the Endowment has a valuable tool in its ability to convene nationally recognized leaders in specific areas. Meetings are held on an ad-hoc basis to address issues such as: potential partnerships between private and public funders; the infrastructure needs of a field such as jazz; or projects that may be sponsored jointly with the non-profit and commercial sectors to celebrate the turn of the Millennium.

Staff Meetings

Evaluative and planning meetings regularly convene the Endowment's program and administrative staffs. Information from these meetings is forwarded to the Chairman, the senior staff, and the Office of Policy, Research and Technology.

External Factors

The agency has identified a number of key external factors that fall mainly outside of its control. The successful implementation of the strategic plan is predicated on the following conditions:

- **The Endowment must receive level or increased annual appropriations.** A continuing reduction in appropriations over the past several years has hampered the agency's ability to plan. Only with some degree of confidence in the size of the total annual budget can it successfully achieve the commitments stated in the strategic plan.
- **The state legislatures must continue and increase their appropriations to the state arts agencies.** It is a partnership of the National Endowment for the Arts and the state arts agencies that brings the arts to all Americans. A decrease or discontinuation of funding on the part of any state damages that delivery system.
- **American education must recognize the importance of the arts.** Education in the arts from an early age not only helps to form the artists and audiences of the future, but also to develop individuals who perform better in all academic subjects and in employment. Having the arts integrated as a basic component of K-12 education will provide the foundation upon which much of the Endowment's strategic plan rests.
- **Private support of the arts must continue and increase.** The combined appropriations of the Endowment and all the state arts agencies still makes up a fraction of the total cost of the arts in this country. Foundation, corporate, and individual donors are essential to maintaining necessary funding levels.
- **Arts organizations must be healthy.** The Endowment relies on the thousands of arts organizations across the country to carry out its mission. Financial stability is only one component of an organization's health; staff expertise and satisfaction, facilities, and service to artists and the public also must be addressed.
- **The American public must recognize the importance of the arts.** As with many things, the arts can be taken for granted. The public's demand for and participation in the arts is crucial to the success of the Endowment's work.
- **Individual artists must have opportunities to pursue their work.** No art work exists without artists to create it. The Endowment's inability to work directly with individual artists, with the exception of Literature fellowships, American Jazz Masters, and Folk Heritage awards, has reduced greatly the opportunities that exist for them. A partnership of federal, state, local, and private support must provide the funding and environment that nurtures America's living cultural heritage.

Agency Management Strategy

No matter how lofty the goal of some endeavor, the ability to achieve the desired results demands careful planning and defining of purpose, the identification and availability of the resources to carry out those plans and an assessment of how well the plans were implemented.

The Endowment has begun a process of examination and assessment that has resulted in the reestablishment of a management goal of strengthening the Arts Endowment as an innovative, efficient and effective organization. Opportunities for improvement exist and they include:

- articulating a vision and redefining the agency's mission, goals and objectives;
- developing a reinvigorated planning process and linking this to the agency's budget process;
- putting in place an effective structure that provides leadership and ensures a team-work approach to decision-making and implementation; and
- providing the resources and authority for staff to carry out their duties.

The agency management goal identified in the Strategic Plan provides a framework for managerially accomplishing the agency's goals and objectives. Particularly significant is the recognition of the relationships that exist between programmatic goals and the organizational capacity to achieve these goals.

Four objectives have been established within the goal.

Improving public understanding, recognition and appreciation of the role and impact of the Arts Endowment. Implementation of a comprehensive communication plan is critical to this effort, as is improving the availability of and accessibility to information about the value and impact of the arts. The world wide web and other new vehicles for sharing information provide exciting opportunities to share information with citizens from all walks of life about the role and impact of the arts and the Arts Endowment.

Improving the agency's interaction with the public. Providing time and resources for staff to travel, particularly to parts of the nation that are more isolated or have less direct contact with the Arts Endowment, is critical if this objective is to be achieved.

Improving the efficiency and delivery of service. Expanding the agency's use of technology in its operations, planning and managing to effectively and efficiently utilize the multiple skills of staff, undertaking customer services inquiries, improving the application/grant processes, improving the data bases of information concerning the demands for the arts and aligning the agency programming and resources with agency goals are all critical to this effort. Completion of the agency's computer migration project will immensely enhance the capability of staff to improve the efficiency and delivery of service. Continued efforts to train staff and provide them with the tools and decision-making authority will also significantly improve the agency's efficiency and delivery of service.

Strengthening the Arts Endowment's role as a national leader in the support of the arts and in the development of the nation's cultural policy. Identifying issues, undertaking studies, conducting research and policy analysis, convening groups and identifying and disseminating information about model projects in the arts is critical to this effort. Expanding our convening role and partnering with the public and private sectors is essential to this endeavor.

Consultation and Dissemination Efforts

The vision of the agency's Chairman provided the impetus and the framework for revising the Endowment's Strategic Plan. The consultation that occurred in preparation of the Endowment's initial Strategic Plan informed the preparation of the revised plan, as did the result of meetings and discussions held by agency staff with individuals outside the agency, including overview sessions with panelists and other informed individuals.

Internal: Agency staff were fully involved in the development of this plan. A working group, broadly representative of the agency, was formed to develop the agency's goals, objectives and strategies and review various drafts of the plan. Internal meetings were held with staff throughout the agency and subsequent drafts of the plan circulated for comment. Smaller groups of staff were formed to address specific areas such as measurements. A final draft was provided to all staff and comments incorporated.

External: The Endowment intends to circulate this revised plan to the National Council on the Arts at its October, 1998 meeting and to representatives in the arts. The agency also intends to place the plan on its website for general public view and comment. Finally, consultation will occur with the Office of Management and Budget and the Congress. Subsequent to external dissemination and consultation, revisions will be made as appropriate.

Arts Endowment staff continually consult with individuals outside the agency. This occurs in numerous settings. Input from these events will routinely inform the Endowment as it develops annual performance plans and any subsequent revisions to its Strategic Plan.

1. Chair agenda
2. Working group--internal
3. Directors
4. Entire agency

External

1. Council
2. Web
3. Service groups
4. OMB
5. Congress

Cross-cutting Efforts

The National Endowment for the Arts continues to enhance its long-standing federal interagency collaborations and to pursue new opportunities that further the Endowment's mission to increase access to the arts for all Americans through support for artists and arts organizations.

The Arts Endowment currently maintains 21 formal interagency agreements with 12 other federal agencies. The overall purpose of the Endowment's interagency partnerships is to encourage new opportunities of support for artists and arts organizations through their more direct involvement in the programs and policies of other federal agencies. The Arts Endowment has undertaken initiatives to promote within the federal sector the unique role artists and arts organizations play in the broad spectrum of community programs supported by federal funds. Many of these federal program areas, such as those in economic development housing, criminal and juvenile justice systems, social services and health, have not traditionally been perceived as inclusive of the arts.

Recent initiatives have notably involved "non-traditional" federal funding partners and a focus on the role of the arts in meeting the economic and social needs of communities, including

- An NEA/Department of Justice partnership, **Conflict Resolution Education in the Arts**, designed to provide conflict dispute educational training and technical assistance to arts-based programs for youth.
- **Partners in Tourism: Culture and Commerce**, a collaboration designed to better position cultural organizations in a national economic development trend — cultural tourism. The project supported a series of regional cultural tourism leadership forums funded in fiscal year 1996 by the arts Endowment, the National Endowment for the Humanities, the Institute for Museum and Library Services, and the President's Committee on the Arts and the Humanities in cooperation with the American Association of Museums.
- **The Arts and Rural Communities Assistance Agreement** is a partnership between the Arts Endowment and the Department of Agriculture's Forest Service that supports arts-based rural community development projects.

There are also partnerships between the Arts Endowment and other federal agencies that are the result of the Endowment exercising a leadership role in the federal community on behalf of artists and arts organizations. For example, there has been a long history of the Arts Endowment's leadership within the federal sector to support quality design criteria and planning; to ensure accessibility by all Americans to the arts and arts facilities; and to promote recognition of the folk and traditional arts.

The number and focus of interagency agreements, the sources of their funding support and the methods for their implementation vary from fiscal year to fiscal year. The program priorities of the Arts Endowment, the identified needs of artists and arts organizations, and unanticipated opportunities within the federal sector all influence the development of interagency collaborations.

Provided below is a list of current agreements, the agencies they are with and a brief description of the purpose.

Department	Department Unit	Summary
Agriculture	Rural and Small Community Development	Endowment is member of National Rural Development Council and encourages State Arts Agency participation in state rural development councils
	Forest Service	For arts and rural community assistance grants
Education	Educational Research and Improvement	Endowment/ED/Kennedy Center project for arts education information network
		Endowment working with Education to conduct national surveys on the conditions of arts education in schools
		Endowment working with ED to sustain a national arts education coalition
	National Institute on Disabilities Research and Rehabilitation and Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration	For national forum on careers in the arts
	Safe and Drug Free Schools Program	A collaboration to provide schools, arts agencies and youth-serving organizations with drug and violence prevention strategies incorporating arts and culture
General Services Administration	Public Building Service	Federal Design Improvement Program:
		To support the National Register of Peer Professionals
		For the Presidential Design Awards
Health and Human Services	Administration on Developmental Disabilities and Social Security Administration	For national forum on careers in the arts

Institute of Museum and Library Services		For a prototype kit for community participation in a millennium initiative For a five year comprehensive research project on learning in museums To explore ways to encourage cultural tourism development throughout the United States
Japan-U.S. Friendship Commission		Support five fellowships per year for creative artists in two-way exchange (Japanese government contributes funds for their artists in the U.S.)
Justice	Bureau of Prisons Office of Juvenile Justice and Delinquency Prevention	Artists-in-Residence at Federal correctional institutions in Florida, Maryland and New Jersey Conflict resolution education and training for arts-based at-risk youth programs Arts and At-Risk Youth Programs Arts Programs for offenders in Juvenile Detention and Correction Institutions
Library of Congress	American Folklife Center	Representatives from Smithsonian, NEH, NEA and others report and consult on folklife activities
National Endowment for the Humanities		For a prototype kit for community participation in a millennium initiative For a five-year comprehensive research project on learning in museums To explore ways to encourage cultural tourism development throughout the United States
National Science Foundation		For a five-year comprehensive research project on learning in museums
Smithsonian Institution	National Museum of American Art	Transfer and digitizing of slides and a publication documenting visual artists fellowships
USIA		For U.S. representation at international festivals and exhibitions