

THE ARTS IN CONGRESS: A LEGISLATIVE PREVIEW

Election-year politics will play a powerful role.

By Robert Holley

Both the tenor and the accomplishments of the second session of the 98th Congress which began on Jan. 23 will be largely governed by the 1984 elections. One-third of the Senate, all 435 members of the House of Representatives and the President go before the voters in November.

In the coming months, the actions of the legislative and executive branches will be heavily influenced by potential political impact. This year's congressional calendar calls for only 60 working days before Nov. 6, while a substantial load of legislation awaits attention. The prospect of a completed federal budget by the Oct. 1 deadline seems unlikely in many quarters; delays in appropriations legislation could again result in a continuing resolution to keep the business of the federal government running after the beginning of the new fiscal year. Action—or the lack of it—on a wide variety of bills before the Congress will impact directly on nonprofit arts organizations.

The most visible piece of arts legislation before the Congress is the Interior Appropriations Bill, which includes funding for both National Endowments and the Institute of Museum Services. In his budget which was presented to Congress Feb. 1, President Reagan requested an \$18 million cut in arts funding for the coming fiscal year. This represents an 11 percent reduction from the 1984 Congressional appropriation of \$162 million for the National Endowment for the Arts.

Congressman Thomas J. Downey (D-NY), chairman of the bipartisan Congressional Arts Caucus, which includes more than 180 members of the House, termed the President's request "unrealistic and unacceptable." Downey noted, "The Administration knows there is tremendous support for the arts in Congress. This Congress, the Arts Caucus and the Appropriations Subcommittee have made the arts in America a priority. It's unfortunate the Administration doesn't share our commitment."

NEA representatives, including

chairman Frank Hodsoll, were scheduled to testify before the House Interior Appropriations Subcommittee—chaired by Congressman Sidney R. Yates (D-IL)—on March 28 to explain the Administration's rationale for reduced arts funding. The subcommittee has also scheduled hearings with members of the national arts community on April 10. Testimony for these hearings is being coordinated by the American Arts Alliance in Washington. According to Anne G. Murphy, executive director of the Alliance, "At these hearings, we will present testimony and documentation in support of a 1985 NEA budget not only greater than the Administration's request, but greater than the 1984 congressional appropriation of \$162 million. "In working with its nationwide constituency, the American Arts Alliance has identified a need for increases in both program and Challenge Grant funds. "We are concerned that while overall Endowment funding has gone up,"

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Murphy continued, "the level of support offered to arts institutions has been eroded. Our case for increased funding will be based on meeting the growing needs of America's arts institutions."

Although serious legislative debate will likely be deferred until 1985, the Congress may also spend some time this year studying the reauthorization of the National Endowment for the Arts. The basic legislation which authorizes spending levels for the NEA expires Sept. 30, 1985, and Congress must pass a bill to continue the NEA authorization before then.

Action taken by the Congress in the closing days of the 1983 session kept nonprofit postal rates at the current 5.2 cents per piece through Sept. 30, 1984. For fiscal 1985, the President has again proposed reducing the Postal Revenue Foregone Subsidy—by \$479 million. In light of ongoing national budget deficits, as the postal subsidy reaches the billion-dollar level (\$879 million was approved for the subsidy in 1984), Congress is certain to take a much closer look at this budget item.

The impact of reduced federal subsidy in this area could have dire consequences for the thousands of nonprofit arts organizations which are struggling with their own deficits. If the President's proposal for fiscal 1985 is adopted, the per-piece rate for third-class bulk mail will jump to at least 8.5 cents. Such an increase, which would add \$16,500 to the cost of mailing 500,000 brochures, could substantially affect the audience-building and fund-raising direct-mail activities on which most arts organizations depend.

Legislation calling for increased taxes is unlikely in an election year, but following the November elections, the new Congress may resort to tax hikes in order to deal with the prospect of looming deficits during the rest of this decade. During the first session of this Congress, efforts to limit the full implementation of the Charitable Contributions Law—passed as a part of the Economic Recovery Tax Act of 1981—were defeated in both the House and Senate. As it now stands, the sliding-scale charitable deduction for individuals who do not itemize their federal income tax is due to expire in 1986, the same year the law will be fully implemented. Current provisions allow taxpayers to deduct 25 percent of the