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Testimony for the U.S. House of Representatives
Interior, Environment and Related Agencies Appropriations Subcommittee
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Chair Pingree, Ranking Member Joyce, and members of the Subcommittee, thank you for the opportunity to submit this written testimony to you today in support of federal funding for both the **National Endowment for the Arts (NEA)** and **National Endowment for the Humanities (NEH) at no less than \$201 million each for FY 2023 and to continue one more year of allowing these grants to be used for general operating support as the sector recovers from the Omicron variant to COVID-19** . We also encourage the Subcommittee to build a specific path to index funding for each of these two cultural agencies at \$1 per capita. Each agency is currently funded at about .53 cents per capita.

This past year, the NEA professionally and efficiently processed thousands of grants using both its annual budget of \$167.5 million as well as \$135 million in special American Rescue Plan COVID-19 economic relief. Combined total of \$302.5 million in one year, that's already reaching close to the \$1 per capita funding that we're ultimately requesting.

Specifically for the \$135 million in ARPA funds, the grantmaking process showed that the need was far greater than even this enhanced amount of funds. After funding the first \$52 million (40%) to all of the state arts agencies per a partnership agreement and creating a highly successful \$20.2 million to 66 local arts agencies to re-grant funds to help reach the most underserved arts organizations recover from the pandemic, the NEA awarded \$57.75 million to 567 arts organizations to help the arts and cultural sector recover from the pandemic. **It's important to note that the NEA had received more than 7,500 eligible applications requesting \$695 million!**

Regarding the NEA's annual budget most recently set at \$180 million in the FY'22 Omnibus, while the consecutive years of gradual funding increases of its annual budget has allowed the NEA to invest in every congressional district in the country, it's not enough to meet the needs of the sector. Despite being underfunded, the arts and culture sector as a whole, still contributes to a **\$919.7 billion arts and culture industry** in America according to our U.S. Department of Commerce Bureau of Economic Analysis, representing 4.3 percent of the annual GDP. The nation's arts and culture industry supports **5.2 million jobs** and yields a **\$33 billion trade surplus** for our country.¹

Further, every NEA grant dollar leverages at least \$9 in private and other public funds, generating more than \$500 million in matching support. This leveraging power far surpasses the

¹ U.S. Bureau of Economic Analysis, <https://www.bea.gov/news/2021/arts-and-cultural-production-satellite-account-us-and-states>.



required non-federal match of at least 1:1 and illustrates why federal support for the arts is uniquely valuable. The federal investment in the arts helps power the creative economy across the country.

NEA grants are remarkably far-reaching, and they touch many communities which have fewer opportunities to experience the arts. According to the NEA, the majority of direct grants go to small- and medium-sized organizations, which often support projects for audiences that otherwise might not have access to arts programming.

- 42% of NEA-supported activities take place in high-poverty neighborhoods; and
- 35% of NEA grants went to organizations that reach underserved populations such as people with disabilities, people in institutions, and veterans—such as those who receive care through Creative Forces, which places creative arts therapies at the core of patient-centered care at 11 military medical facilities and a telehealth program for patients in rural and remote areas.²

NEA's funding to Local Arts Agencies (LAAs) is extremely vital to their ability to serve their communities. LAAs collectively are responsible for approximately \$912 million in public and private grantmaking annually. They are also the largest grantmaker to individual artists. LAAs work directly for or with mayors, city managers, county supervisors, and township managers as well corporate CEOs, real estate developers, and social service providers in every size community across the country. Additionally, LAAs have taken the lead in equity-centered grantmaking in their cities, counties, and rural and suburban areas. They have been entrusted with federal, state, and local funds, including CDBG grants, CARES Act and American Rescue Plan Act state and local block grant funds, and other government sources to support emergency relief grants to arts small businesses, nonprofits, individual gig artists, and entrepreneurs.

Examples of this year's Local Arts Agency re-granting of NEA ARPA funds include:

- Arts Council of Greater New Haven Inc. (New Haven, CT) \$500,000
- City of Reno, Nevada (Reno, NV) \$500,000
- SPACE Gallery (SPACE) (Portland, ME) \$250,000

Thank you for your consideration federal funding for both the **National Endowment for the Arts (NEA)** and **National Endowment for the Humanities (NEH) at no less than \$201 million each for FY 2023**. We also encourage the Subcommittee to build a specific path to index funding for each of these two cultural agencies at \$1 per capita.

Americans for the Arts is the leading nonprofit organization for advancing the arts and arts education in America. We have more than 60 years of service and are dedicated to representing and serving the more than 4,500 local arts agencies in every state. Together we work to ensure that every American has access to the transformative power of the arts.

² National Endowment for the Arts, https://www.arts.gov/sites/default/files/Quick_Facts_February2020.pdf.