



## FEDERAL ADVOCACY UPDATE – as of June 14, 2019

### Appropriations Update

For fiscal year (FY) 2019—which ends on Sept. 30, 2019—we saw another \$2 million increase to the National Endowment for the Arts’ (NEA) budget in an omnibus bill that was signed February (FY 2018 also saw a \$2 million increase in NEA funding). This was the second year in a row that the Trump administration recommended terminating the NEA and other cultural grantmaking agencies. However, Congress again soundly rejected the administration’s request. As the FY 2020 appropriations process has begun, we are happy to report that the House Appropriations Committee—led by the masterful leadership of Interior Appropriations Subcommittee **Chair Betty McCollum (D-MN)—increased funding for the NEA by \$12.5 million** to a level of **\$167.5 million**, matching **Americans for the Arts’ request at this year’s Arts Advocacy Day**. Additionally, Chair McCollum is working to strengthen support for the arts (specifically creative arts therapies) in the bills that fund the Defense Department and our nation’s veterans’ programs.

This week, the House passed four appropriations bills on the floor—Defense Department, Labor-Health and Human Services-Education, Energy and Water, and State Department. The House hopes to have all 12 appropriations bills passed on the House floor by the end of June and will likely be bringing up another “minibus” for a vote by the full chamber next week (that may include the **Interior appropriations bill**).

The Senate has been on a slower track with their appropriations process and have yet to vote on any of their 12 bills in subcommittee or full committee. This is partially because the House and Senate still have not agreed to an overall spending number for FY 2020—the House is using an assumed top-line number in order to move their process along. If Congress and the White House do not come to an agreement on FY 2020 spending numbers, a deficit reduction measure (sequestration) would impose an across-the-board \$125 million spending cut to discretionary programs.

Key Federally Funded Agency	FY 2018 Enacted Appropriations	FY 2019 Enacted Appropriations	FY 2020 House Appropriations Cmte. Passage
<b>NEA</b>	\$153 mil.	\$155 mil.	\$167.5 mil.
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<b>IMLS</b>	\$240 mil.	\$242 mil.	\$257 mil.
<b>Smithsonian Inst.</b>	\$1,043 mil.	\$1,043 mil.	\$1,070 mil.
<b>CPB</b>	\$445 mil.	\$445 mil.	\$495 mil.

**TAKE ACTION:** You can meet with your U.S. Representative and U.S. Senators to share your own stories about the importance of the NEA and other cultural agencies in your community. Congress has several recess periods this year when your elected lawmakers will be working at home. Go to their district office, invite them to a local arts event, or attend a congressional town hall during these timeframes:

**July 1 – 5**

**July 29 – Sept. 6**

**Sept. 30 – Oct. 14**

**Nov. 25 – 29**

**Dec. 16 – 31.**

## Tax Reform

The charitable deduction—now over 100 years old—was enacted by Congress to promote charitable giving by Americans. It empowers individuals to give of their personal income for the benefit of the public. **Americans for the Arts urges Congress to restore and expand the full scope and value of charitable giving incentives for all taxpayers through enacting a universal charitable deduction.**

While the 2017 tax code overhaul maintained the charitable deduction, Americans for the Arts was disappointed that Congress removed the giving incentive for many Americans by nearly doubling the standard deduction and not expanding access to the charitable deduction to non-itemizers.

**Americans for the Arts encourages Congress to pass a universal charitable deduction—such as Rep. Danny Davis’ bill, H.R. 1260—to restore and expand giving incentives for all Americans.**

Tax policy talking points:

- Take action to repeal the new tax on nonprofit expenses, strengthen the capacity of the arts sector to support communities, and protect nonprofit nonpartisanship.
- Enact the **Artist-Museum Partnership Act**, which would allow artists to deduct the fair market value of their work when they donate it to charitable collecting institutions.
- Update the qualified performing artist tax deduction; maintain artist eligibility in the **Low-Income Housing Tax Credit** program, the **Historic Tax Credit**, and the income tax exemption for private activity bonds, often employed to finance cultural infrastructure projects that benefit the public.

## The Creative Economy

**The federal government can improve support for artists and entrepreneurs working in the creative economy through minor adjustments to existing federal programs.** According to the U.S. Bureau of Economic Analysis, the creative economy is a \$804.2 billion industry, representing 4.3% of the annual GDP. It accounts for 5 million jobs and contributes federal, state and local tax revenue of \$26 billion annually.

Taking steps to better invest in our country’s workforce and creative industries, will empower the entrepreneurial spirit of artists and encourage their role as contributors to the small business community. To accomplish this, U.S. Senator Tom Udall (D-NM) introduced legislation in the Senate and a companion bill was introduced by U.S. Representative Debbie Dingell (D-MI) in the U.S. House of Representatives—the **Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy (CREATE) Act** is a non-partisan bill crafted to support this growing workforce.

**TAKE ACTION:** Easily ask your member of Congress to cosponsor the CREATE Act by clicking on our customizable and direct E-alert, linked here: [www.AmericansForTheArts.org/create](http://www.AmericansForTheArts.org/create)

## Related Government Affairs Sessions at Americans for the Arts Annual Convention

- Friday 2:30 pm—Meet and Ask the National Endowment for the Arts (Grand Ballroom BC)
- Friday 4:30 pm—Revolutionizing Arts Education Policy through Data and Mapping (Grand Ballroom A)
- Friday 4:30 pm—Advocacy Rules of the Road (Duluth)
- Friday 6 pm—Americans for the Arts’ Arts Action Fund Reception & Fundraiser (Gallery Collections Room)
- Saturday 4:45 pm—How Does Arts Education Fit in the School Choice Policy Landscape? (Marquette 4,7)
- Saturday 4:45pm—You Should Think About Running for Local Political Office (Duluth)