



## FEDERAL ADVOCACY UPDATE – as of June 15, 2017

### FY 2018 NEA Appropriations

2017 has been a unique year for the federal appropriations cycles. We saw nearly a \$2 million increase to the NEA's budget for FY 2017 in an omnibus bill that was signed in early May. In late May we learned that those increases could be zeroed out if the President's FY 2018 budget "A New Foundation for American Greatness", is accepted by Congress. The President's budget calls for a **total elimination** of the National Endowment for the Arts (NEA) and other cultural grant-making agencies. The minimal funds provided to the NEA and the National Endowment for the Humanities (NEH) are to bring about full closure of the agencies. **Americans for the Arts and national partners are asking for a \$155 million NEA budget for FY 2018.**

Key Federally Funded Agency	FY 2016 Enacted Appropriations	FY 2017 Enacted Appropriations	President Trump's FY 2018 Budget Proposal
NEA	\$148 mil.	\$150 mil.	\$29 mil.
NEH	\$148 mil.	\$150 mil.	\$42 mil.

#### NEA support talking points:

- The NEA's goals are fulfilled primarily through direct grants to arts organizations across the country, which are reviewed and recommended by panels of citizen experts and laypeople.
- NEA grants provide a significant return on investment of federal dollars with \$1 of NEA funding leveraging up to \$9 in private and other public funds, resulting in **\$500 million** in matching support.
- In FY2016, the NEA awarded more than **2,400 grants** in nearly **16,000 communities** in every Congressional District in the country.
- **40%** of NEA-supported activities take place in high-poverty neighborhoods.
- **36%** of NEA grants go to organizations that reach underserved populations such as people with disabilities, people in institutions, and veterans.
- The NEA recently expanded the **Creative Forces: NEA Military Healing Arts Network**, which is a collaboration with the Department of Defense that supports music, writing, and visual art therapy at military care facilities.

**TAKE ACTION:** You can meet with your U.S. Representative and U.S. Senators to share these talking points and your own stories about the importance of the NEA and other cultural agencies in your community. The U.S. 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 3-7 July 31-September 1 November 20-24 December 18-29.**

### Tax Reform

This year marks the 100th anniversary of the charitable contribution deduction. This legislation 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 will oppose policies that remove incentives for**

**charitable giving or limit the full scope and value of the tax deduction—for all forms of charitable gifts (arts, religion, education, environment, etc.).**

Americans for the Arts will work to ensure that any change made in tax reform does no less than encourage even more giving by more Americans. With that in mind, Americans for the Arts has joined the Giving100 campaign that seeks to allow charitable tax deductions for all Americans, both itemizers and non-itemizers.

The nonprofit arts sector is encouraged that policymakers say protecting the charitable deduction is a priority in tax reform. However, proposals to increase the standard deduction and lower rates unintentionally limit the value of this critical incentive. A recent study by Indiana University indicates that doubling the standard deduction and lowering the top rate to 35% could reduce charitable giving up to \$13 billion per year. That is the equivalent of funding for critical programs offered by the six largest charities in the United States.

**Americans for the Arts endorses the Giving100 campaign that seeks to allow charitable tax deductions for all Americans by adding a universal deduction, or non-itemizer deduction, as one way to enhance giving through a fair, simplified structure that provides an incentive for all taxpayers, including low- and middle-income households.** The Indiana Univ. study further concludes that expanding the charitable deduction would more than make up for the loss of giving from the proposals and potentially increase charitable giving by up to \$4.8 billion per year.

## 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 \$730 billion industry, representing 4.2% of the annual GDP. It accounts for 4.8 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 co-sponsor 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 2:30pm - Arts & Politics In the Trump Era (Continental 1-2)
- Friday 4:30pm – Creative Messaging to Pursue Pro-Arts Ballot Initiatives (Continental 8-9)
- Friday 5:15pm – Federal Policy/Local Impact for the Creative Economy (Continental 7)
- Friday 6pm – Americans for the Arts' Arts Action Fund Reception and Fundraiser (Plaza Room)
- Saturday 11am – Leadership, Politics, and the Arts (w/ Rep. Nancy Pelosi) (Continental 4-6)
- Saturday 1:15pm – Supporting the Creative Life Across the Political Spectrum (Golden Gate 2-3)
- Saturday 4:45pm – What ESSA Will Mean to Your Community's Arts Education (Continental 1-2)