



**NORTH CAROLINA CENTER FOR
PUBLIC POLICY RESEARCH INC.**

NEWS RELEASE

For Immediate Release: March 14, 1983

FEDERAL BUDGET CUTS HIT N.C. ARTS PROGRAMS

In the last two years, one of every two dollars which had previously been available to North Carolina artists from the National Endowment for the Arts has vanished due to federal budget cuts. That is the finding of the N.C. Center for Public Policy Research in an article in a special arts issue of the Center's magazine, N.C. Insight.

Author Lyman Collins examined federal cutbacks to North Carolina arts programs over the last two years and found that total funds from the National Endowment for the Arts (NEA) to the state of North Carolina declined by 25 percent from Fiscal Year (FY) 1980 to FY 1981. From 1981 to 1982, another decrease of 32 percent took place. Thus, federal budget cuts reduced NEA funding to North Carolina from \$2,394,785 in FY 1980 to \$1,212,568 in FY 1982, a 49.4 percent cut. The National Endowment for the Arts is a federal agency which gives basic grants to all 50 states and has historically supported a Dance Touring Program and Artists-in-Education effort in North Carolina.

Since NEA is not the only source of federal money for North Carolina arts programs, Collins (who is formerly the arts program adviser for Davidson College) examined all federal funds going to the N.C. Dept. of Cultural Resources. He found that federal funding to the Department has declined from \$3,804,423 in FY 1980 to \$2,824,439 in FY 1982, a 25.8 percent cut.

"These cutbacks affect North Carolina's ability to call itself 'The State of the Arts,'" said the Center's director, Ran Coble. "The cutbacks are going to hurt historic preservation efforts, dance companies, and perhaps the N.C. Symphony," added Coble. "Many groups are looking to state government to offset federal cuts, but with the tight revenue picture, it is unlikely the General Assembly will be able to help."

The article takes special note of arts projects or groups particularly affected by federal cutbacks. For example, the Frank Holder Dance Company in Greensboro cut back its travel schedule due to losses of federal funds. And, due to cutbacks in historic preservation funds, development projects in six locations, ranging from Cabarrus to Carteret counties, were scaled back or dropped.

President Reagan has proposed deep cuts in federal funding for the arts both of the last two years, but each year arts groups and supporters convinced Congress to soften the blow. The Reagan Administration proposed cutting the overall NEA budget nationally by 44 percent in 1981, but Congress went along with a 9 percent cut instead.

"Arts funding represents not only money but a philosophy," said Holder Dance Company Director Louis Hrabovsky in the article. "The arts are what this country will be remembered by, not whether we developed a certain type of bomber."

The N.C. Center for Public Policy Research has conducted extensive research on the effects of federal cutbacks on North Carolina, notably in a 1982 report documenting \$241 million in reductions for Fiscal Year 1982. "We continue to look at the effects of federal budget cuts on North Carolina because we think it is one of the most important public policy issues of the last few years," said its director, Ran Coble.

The N.C. Center for Public Policy Research is a private nonprofit corporation formed to study state government policies and practices. The Center received a special corporate contribution of \$1500 from R.J. Reynolds Industries, Inc. for this fifth anniversary arts issue of N.C. Insight. The Center also receives support from the Mary Reynolds Babcock and Z. Smith Reynolds Foundations, other corporate contributions, and individual members across the state. In addition to publishing N.C. Insight, the Center also publishes major research reports, such as its recent study of Teacher Certification: Out-of-Field Teaching in N.C.

For more information, call Beth Briggs at (919) 832-2839.

Table 1. National Endowment for the Arts Funding to North Carolina (Federal FY 1980-82)

	FY 1980	FY 1981	FY 1982	Percent Change	
				80-81	81-82
I. Number of Grants					
A. Department of Cultural Resources (DCR) ¹	7	6	5		
B. N.C. Artists and Organizations	<u>81</u>	<u>67</u>	<u>53</u>		
C. Total No. of Grants	88	73	58	-17.0	-20.5
II. Amount of Funds					
A. Department of Cultural Resources (DCR)					
1. N.C. Arts Council ²	\$ 580,808	\$ 587,924	\$ 513,252		
2. Other ³	<u>78,052</u>				
Total DCR	658,860	587,924	513,252	-10.7	-12.7
B. N.C. Artists and Organizations not under DCR ⁴	1,735,925	1,185,772	699,316	-31.6	-41.0
C. Total Amount of Funds	2,394,785	1,773,696	1,212,568	-25.1	-31.7

Table 2. Federal Funding to N.C. Dept. of Cultural Resources (DCR) and N.C. Symphony (Federal FY 1980-82)

	FY 1980	FY 1981	FY 1982	Percent Change	
				80-81	81-82
Divisions of DCR					
Arts Council	580,808	587,924	513,252	+1.2	-12.7
% of budget from federal funds	28%	27%	24%		
State Library	1,613,388	1,791,621	1,741,163	+11.0	-2.8
% of budget from federal funds	20.4%	22.2%	19.9%		
Archives and History ¹	1,610,227	737,064	605,024	-54.2	-17.9
% of budget from federal funds	20.7%	11%	7.6%		
Divisions Total ²	3,804,423	3,082,294	2,824,439	-19.0	-8.4
N.C. Symphony	202,500	75,000	60,000	-62.9	-20.0
% of budget from federal funds	9.7%	3.6%	2.7%		