

NAPNOC

notes

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July-August 1981

MOSES MEETS THE GIPPER, PART 3: MUCH ADO ABOUT NOTHING

The most interesting things about the Presidential Task Force on the Arts and Humanities are the things which aren't being said. Let's have a look at some of these Task Force tidbits:

o The built-in bias of the Task Force is painfully obvious. In the New York Times of August 9, Irvin Molotsky reports the following exchange with Task Force member June Noble Larkin (of the Edward John Noble Foundation in New York): "*(The Task Force) is a cross-section....It has corporation executives, an actress, recipients.*" When it was remarked that everyone was white, Mrs. Larkin noted that one of the members was Alvin Ailey, the black choreographer, but he was absent that day."

Apparently all black people look alike to the Times, too. The single black (and conspicuously absent) member of the Task Force is Arthur Mitchell of the Dance Theatre of Harlem, not Alvin Ailey.

o Racial bias isn't the half of it, though. These 32 rich people have yet to note that low-budget organizations, neighborhood arts groups and groups functioning in poor communities have quite different economic bases and a quite different relationship to federal policy than the major institutions. Nowhere in their deliberations have we heard discussion of CETA and its impact or the problems of supporting decent, useful work for artists. While there's been much general discussion about beefing up corporate arts support (though no concrete suggestions yet), none of the Task Force members have noted that corporations are reluctant to support groups whose work is controversial, politically critical, aesthetically risky -- or simply not good "p.r."

o The Task Force features the two largest funders of the organized far right in this country. The various trusts and foundations of Task Force member Richard Mellon Scaife give about \$10 million annually to "New Right" opinion-molding ventures; since 1973 Scaife has given \$3.8 million to the Heritage Foundation alone. (You'll recall Heritage's cultural policy recommendations from NAPNOC notes #8.) Joseph Coors, the brewery magnate, runs Scaife a good second. Coors and Scaife teamed up to provide seed money for the Heritage Foundation.

Busy, Busy, Busy

The subjects which have occupied the Task Force's time...(cont'd on page two)

D.C. UPDATE

In a flurry of buck-passing and double-talk, the Reagan administration is making rapid headway in its campaign to turn Congress into an advisory board for the executive branch in its crusade to shift federal spending massively and decisively to the military.

In mid-August President Reagan appeared in open-necked shirt and faded dungarees at foggy Rancho del Cielo in California to sign into law the Omnibus Reconciliation Act of 1981. At the press conference which followed, Reagan allowed as how there was the "*possibility of increased deficits in the* (cont'd on page four)

A NOTE TO OUR READERS

July and August have been busy months for NAPNOC. Our office has moved to space generously provided by the Baltimore Theatre Project; note our new mailing address above. Baltimore is less than an hour from Washington, DC, so the move won't impair our ability to monitor federal policies or keep in touch with other national-level organizations. But it will provide us with a friendlier and less expensive working environment. Come visit!

July and August have also been meeting-filled months: Not only the Presidential Task Force on the Arts and Humanities, but more importantly, The Gathering in St. Peter, MD and the Alternate R.O.O.T.S. Annual Meeting at Camp Ozone, TN. NAPNOC was there -- and we'll also be at the People's Theatre Festival in San Francisco September 19-26 -- so we have lots to report.

The September issue of notes will be out mid-month (back on schedule after moving delays) and will feature coverage of these key events for the movement for cultural democracy.

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come down to a kind of busy-work: Keep the Task Force involved with a set of meaningless but important-sounding mental exercises and no hard questions will be raised. Most of the Task Force's deliberations have been devoted to non-questions like "Should the Endowments be reorganized as a quasi-public corporation?" "Should the two Endowments be merged?" "Should the Endowment Chairman continue to hold final decision-making power, or should power be given over to the National Council?"

Task Force members and staffers are astoundingly ignorant about the issues on which they are to make recommendations. At the Task Force's July 13 meeting in Washington, DC, one member asked if there couldn't be a kind of overall committee or board to coordinate various cultural agencies. She was surprised to learn that such a board already exists -- the Federal Council on the Arts and Humanities -- and so were most of the other Task Force members.

When Task Force members had questions -- how do matching funds operate? how are the Arts and Humanities Endowments different? -- they asked their eager, youthful and equally uninformed staff (most on loan from corporations and Congress). These staff members had two basic responses, always delivered in tones of panicked self-assurance (really, you had to be there). They either quoted verbatim from some handout or report of the Endowments, or they promised to look into the question later and write it up.

This gave the Washington meeting an eerie, theatrical quality, as if both the Task Force members and their staffers were trying out for their parts. The audience was made up of people whose expertise was far greater than that of the Task Force members and staff, and there was much muffled laughter, pointing and note-passing throughout the meeting.

But humor aside, in its brief life the Presidential Task Force is charged with educating itself, providing its staff with on-the-job training, and coming up with informed recommendations about federal policy. Fat chance.

What's Good for The Gipper

The official remarks made by the Task Force Chairpersons tend to corroborate the view that the Task Force is being kept busy with pettiness and protocol and a kind of magical faith in the President's good intentions. Daniel Terra (ambassador-at-large-designate for cultural affairs and Task Force Co-Chair) has many times told of his long months on the campaign trail with then-candidate Reagan, and Terra's story always ends the same way: "His favorite subject for relaxation was the arts."

Likewise, Co-Chair Charlton Heston (the movie star of "Ten Commandments" fame) has brought to each meeting his assurances about the President and arts support. In Washington, Heston said that "In the President's opinion, the Endowments have been effective mechanisms for fostering the arts and humanities in this country." According to our informants, the Los Angeles meeting August 16 was similarly studded with congratulations on the President's deep concern for the arts.

But it's not only the Task Force's Chairpersons who hold this view. On the question of increasing private arts support, Margo Albert (member of both the National Council on the Arts and the California Arts Council) said "Most important is the President's emphasis on the arts; it will make a tremendous difference; it will be a stimulus to giving."

Task Force members seem to have forgotten that it was the President's budget which recommended a 50% cut in the Endowments, and committees of Congress who voted for a partial restoration. By some mystical process the Task Force seems to be transforming the administration's hard-line opposition to federal arts funding into a pro-Endowment position. Perhaps this is the price of a seat on the Task Force?

Advancing the Arts Establishment

The Task Force members have been consistently unable to see the advantage of changing a "tried and true" system. In arts establishment circles this trend toward maintaining the status quo has been applauded as good judgement; the general opinion is that the Endowment's structure and organization are so aptly suited to their task that no significant improvement is possible. Our view is a bit more cynical: The Endowments are now perfectly tailored to meet the specifications of those who dominate the Task Force; why change?

The Task Force has been amply supplied with "input" -- papers from Endowment divisions and from various special interests -- though we would be surprised to learn that Task Force members had studied this material, or even read the basic legislation and history of the Endowments. The papers we have seen all take the same tack: They accept the Task Force's bias toward establishment arts and attempt to justify programs and policies in that light.

"Advancing the Arts in America" is the paper submitted by the National Council on the Arts (NCA). The paper is distinguished by the Council's use of a weak argument where a strong one is readily available. The NCA rejects the idea that the NEA should provide ongoing operating support for our "national treasures" (though of course NEA does just that, under other names), invoking the difficulty of choosing the most worthy: "*Is the San Francisco Symphony more of a national treasure than the Actors Theater of Louisville? How does each compare to the Pennsylvania Ballet?*"

But mainly the NCA asserts that it is already supporting the "national treasures" amply: "*The national treasure idea, at bottom, rests on a misconception about the Endowment -- that the agency does not devote enough of its budget to major institutions. In fiscal 1980, however, 6.2 percent of the nation's arts organizations received 51.6 percent of the Endowment's dollars. This proportion has been steady for about a decade.*"

"*The fact is that the Endowment has been funding national treasures for years -- under a system it calls 'funding the best.'* The difference is that the Endowment doesn't fund any organization automatically; it bases its funding on a regular review of its quality." (emphasis theirs)

For advocates of cultural democracy, this flat-footed statement is the clearest admission yet that the NEA is shaped to meet the needs of the big, established institutions -- and that "funding the best" is a code-phrase for "funding the majors."

An Embarrassment of Riches

But to the National Council meeting in Washington, DC on August 1, the paper was worth an orgy of back-patting all around. According to Council member Theo Bikel, it was a "dignified and yet no-holds-barred declaration of what the arts in America demand and are entitled to in government support....The private sector must and will follow our lead....No one can come up with any better."

Self-congratulation quickly gave way to embarrassment, though, as Council member Norman Champ pressed his question home: Who was paying for the Task Force and its staff? Champ reminded the Council and Chairman that at the last NCA meeting it had been decided to provide in-kind services to the Task Force, but not cash.

Chairman Livingston Biddle, Jr., replied that he had no hard figure at that point, but the NEA had "helped to some degree." He noted that most Task Force members have traveled at their own expense; that NEA and NEH had paid for staff travel, as well as donating some staff and services.

Deputy Director Don Moore told Champ there would be a full report on August 2, the final day of the meeting when the NCA was scheduled to meet in closed session.

Champ replied that he wanted an answer in public.

Then David Morse, the boyish staff director of the Task Force, took a seat at the Council table and explained that most of the Task Force members' travel expenses were donated by the members themselves, leaving about \$10,000 to be paid for from the Task Force budget. Another \$100,000 in expenses is to be borne by NEA and NEH. NEA's share accounts for the travel of two staff members and the salaries of one summer employee and two permanent clerical employees.

Smoothing Stagnant Waters

This exchange points up the fundamental relationship between the Task Force and the Council. With the exception of Norman Champ's inquiries, the NCA and Endowment executive staff would have been happy to forego any mention of the Endowment's payment for the Task Force.

Again and again Council members emphasized their cooperative relationship with the Task Force. Theo Bikel noted that he was especially proud of the last paragraph of the NCA's paper, which notes that "*the arts will still need a strong commitment from the federal government expressed through adequate funding and an appropriately structured agency such as the National Endowment for the Arts...*" Bikel said it expressed the NCA's non-adversary relationship with the Task Force.

Council member Josh Dickinson, who chaired the committee responsible for draft-

ing the paper, noted that he had hand-delivered it to Task Force Co-Chair Charlton Heston. He also noted the importance of a non-adversary relationship, saying the Council should establish contact and "try to be helpful," that the Task Force members are "distinguished people, thinking long and hard, who are not going to rush into a quickly-drawn conclusion."

Nevertheless, all was not peaceful between the Task Force and the National Council. Some preliminary reports on NEA by Task Force staff were circulating during the Council meeting August 1. The most controversial criticized the NEA for "rivalry" with state arts agencies, offering the example of touring. The report says that the states could handle touring programs themselves, but that NEA staff fought to maintain control. "*The result was fragmentation of a function which could have achieved greater efficiencies through consolidation...The goals of accessibility and public service which NEA purports to promote were too readily sacrificed to NEA vanities about competition with the states.*"

The Washington Post of August 3 reported that some Council members expressed concern that they hadn't been consulted in the preparation of the Task Force reports; but Task Force staff head David Morse noted that two Council members sit on the Task Force -- so perhaps the problem is communication among the National Council members themselves.

At the Task Force's August 16 meeting in Los Angeles, a few more dissenting voices were heard. The National Urban Coalition, which in late June had written to Charlton Heston protesting his remarks dismissing "Expansion Arts"-type activities as "recreation," made a presentation to the Task Force. The Coalition was represented by its president, Carl Holman, along with Luis Valdez of Teatro Campesino (former California Arts Council member), musician Billy Taylor (former NCA member) and current NCA member author Toni Morrison. Morrison told the Task Force that minority artists "don't wish to be penalized because they have heard and heeded a different drummer." Co-Chair Heston predictably responded by assuring the Coalition representatives they were in complete agreement: "Not one member of the Task Force would fail to realize the contributions of minorities...."

Lower Your Expectations

But the bottom line of the Task Force's deliberations so far is much ado about nothing. Having learned what the Federal Council is, the Task Force has proposed that it be reactivated, that some private citizens should be added to the 17 officers of federal culture-related agencies that make it up, and that a private citizen should be designated Chair.

The Task Force reported that it had reached three points of "affirmative consensus":

- o There should be federal funding for the arts and humanities;
- o Generally, Endowment funds should be matched;
- o Private sector support for the arts should be increased.

In addition, Task Force watchers agree that the final recommendations concerning the Endowments' structure will be status quo all the

way. Though there's been quite a bit of discussion about converting to a quasi-public corporate status (like the Corporation for Public Broadcasting), Task Force members have thus far failed to find compelling reasons for a switch.

The points of greatest contention within the Task Force currently concern taxes and the President's role. Numerous proposals for tax incentives have been made, for example member Gordon Hanes' (Chairman of the Hanes Corporation of Winston-Salem, NC) suggestion that IRS regulations be revised to permit artists to donate work to cultural institutions for full market-value deductions; the current law permits a deduction only for the cost of raw materials. It's unclear whether the Task Force will reach consensus on tax incentives and so make recommendations.

Speculation about the President's role has ranged from the ridiculous to the absurd. Task Force staff reports have suggested that the President could appear in minute-long TV commercials for cultural events -- "Presidential Minutes," modeled on the "Bicentennial Minutes" many broadcasters carried in the mid-seventies. Barnabas McHenry (Task Force Vice-Chair and general counsel to Readers' Digest) proposed at the August 16 meeting that the President use his influence to raise private money for the arts; but Co-Chairs Terra and Heston responded that it would be "beneath the dignity of the man and the office." The Task Force settled on making the sort of hollow statement many suppose will characterize its final reports: *"We affirm our understanding of the President's interest in the arts and humanities and applaud his involvement...in any way he sees fit."*

On September 16 the Task Force will meet at the Library of Congress in Washington, DC, to deliver its preliminary report. The Task Force's original charge was to complete a final report by Labor Day, but apparently that time schedule was too confining. We'll keep you informed of the Task Force's recommendations and their fate as we learn of them.

One final note on the Reagan administration and "public" meetings. Task Force meetings have not been publicized, save the required notices in the Federal Register and word-of-mouth. Persons who wish to attend must telephone Jeanne Rhineland at (202) 395-6830 to reserve a place, a process which requires one to supply the Task Force with one's Social Security number.

Why advance notice of one's Social Security number is a requisite for attendance at these public meetings remains a mystery to us, but it's safe to surmise that the spirit of openness in government is not this administration's strong suit.

Don Adams
Arlene Goldbard

D.C. UPDATE (cont'd from page one)

coming years over our previous figures...due in part to not getting totally what we had asked for in the budget cuts, but also that the tax package finally came out with additional reductions...It means that we are going to have to get more additional cuts

than we might have had to get before."

Two weeks later in Washington, Ed Dale, spokesman for the Office of Management and Budget (OMB), announced that the administration will attempt to use the budget appropriations and reconciliation processes (scheduled to begin when Congress reconvenes after Labor Day) to push through even greater spending cuts than Congress approved in the budget authorization bill Reagan signed at his rancho. Dale said *"We have always reserved the right to go back and ask for our original figures (see NAPNOC notes #9)...we're sticking by our March budget request."*

As this issue of NAPNOC notes goes to press, the OMB is asking federal agencies to budget their expenditures at the levels proposed by Reagan in March, and not at the sometimes higher levels authorized by Congress in July.

Add to this the fact that Congress is not really moving any faster than normally in this budget process, though President Reagan had asked for a July 4 completion date on his budget package. Informed speculation has it that federal agencies will have to function on continuing resolution (i.e., with a month-to-month continuation of current-year budget figures) for the first few months of Fiscal Year 1982, beginning October 1. This too is business-as-usual. This year, like most others, Congress probably won't finish budget deliberations in time for October 1.

In plain English, what this means is that despite the final-sounding flourishes with which Congress delivered its budget and tax bills, the job is only half-done.

What The President Signed

Both houses of Congress have passed authorization packages which were then reconciled by a giant conference committee of both houses and signed into law by President Reagan on August 13 as the Omnibus Reconciliation Act of 1981. This authorization legislation sets spending ceilings.

The House of Representatives has passed 5 out of 12 actual appropriations packages before it; the Senate even fewer. These appropriations bills will set actual spending levels, which normally don't exceed the ceilings defined by the authorization legislation.

When Congress returns from recess on September 9, both houses will take up the remaining appropriations packages. The differing appropriations figures they decide on will again be reconciled by a conference committee of both houses before a final budget for fiscal year 1982 can go into effect.

Reagan hopes to persuade Congress to set appropriations figures lower than the amounts authorized by the Omnibus Reconciliation Act, and to thereby achieve larger cuts in non-defense spending. This strategy will add to the difficulties of people who've worked hard since March to lobby for higher authorization figures for various social programs; even the small successes which have been achieved may be undone as Reagan tries to force his original package through the appropriations process in coming weeks.

The Economic Recovery Tax Act of 1981, also signed into law on August 13, is a \$749

billion collection of pork-barrel provisions including: sped-up depreciation allowances for business with a special provision for racehorse owners; special tax cuts for congressional campaign committees and state legislators; and near-elimination of corporate tax on income from new investments. The exemption on estate taxes will grow from \$175,625 currently to \$600,000 in 1987 -- the maximum tax rate will drop from 70 percent currently to 50 percent in 1985, with no tax at all on estates left to spouses. The maximum tax on long-term capital gains is being reduced retroactively from 28 to 20 percent for sales and exchanges after June 9, 1981. The maximum tax on unearned or property income, including interest and dividend income, will drop from 70 percent to 50 percent effective January 1. And the oil companies will receive a total of \$11.8 billion in special windfall tax breaks -- in addition to the big breaks provided for all large corporations.

This last moved Representative Parren Mitchell (D-MD) to note that there are 2,000 former CETA employees out of work in his district because of the administration's cuts. *"How in the name of God do I go back to these same people and say you've got to make a sacrifice when we are giving \$12 billion to the oil companies?"*

Tax Facts

Part of the Tax Act affects contributions to nonprofit organizations. The law has been changed to permit taxpayers to claim a small deduction for charitable contributions even though they don't itemize deductions on Schedule A of their tax returns. In 1982 and 1983, taxpayers will be permitted to claim a deduction of up to \$25 (25% of charitable contributions up to \$100); in 1984, up to \$75 may be deducted; in 1985, 50% of all charitable contributions; and in 1986, 100% of all charitable contributions.

It's difficult to speculate about the effects of this new deduction on neighborhood arts. First, is a deduction of \$25 enough incentive to encourage taxpayers to donate \$100 to their local neighborhood arts group? Or will tax-deductible contribution continue to be the province of the wealthy? Few neighborhood arts programs have wealthy patrons who benefitted from the old charitable contributions law; few have supporters whose tax bracket makes it worthwhile to contribute \$100 in return for a \$25 deduction.

Of greater potential interest is the effect of the new tax laws on corporations -- the much-touted private sector on which some hopes for making up lost funding are pinned. The common wisdom is that high taxes help to spur corporate contributions. If corporations are faced with the choice of paying taxes or making contributions, they will be persuaded to choose the latter. But the new Tax Act dramatically reduces corporate taxes. Instead, it encourages large corporations to reinvest, initiate new projects and increase profits.

A report prepared for the Presidential Task Force on the Arts and Humanities sums it up nicely: *"...proposed changes in the depreciation deduction and investment tax credit are expected to eliminate the tax liability*

of many corporations that are, in fact, profitable enterprises by financial accounting standards. These developments may significantly weaken the current tax incentives to corporate giving."

On August 27, Independent Sector, an alliance of large nonprofit organizations, projected a decline in charitable contributions amounting to \$18.3 billion over the next four years as a result of the new tax law. Independent Sector had earlier predicted that cuts in the federal budget would result in a decline in the income of nonprofits totalling \$27.3 billion. In sum, the organization predicts that the bills President Reagan signed on August 13 will cost nonprofits a total of \$45.6 billion through 1984.

The same negative effects are expected to reduce charitable contributions by individuals, since the Tax Act reduces the tax liability of higher-bracket taxpayers, and so removes their economic incentive to make charitable contributions. And the dramatic lowering of estate taxes will certainly reduce the number of bequests to nonprofit institutions by wealthy individuals. Instead, our tax policy will help to consolidate wealth within the family.

National Endowments for the Arts and Humanities

The Omnibus Reconciliation Act of 1981 sets ceilings of \$119.3 million for NEA and \$113.7 for NEH in Fiscal Years 1982, '83 and '84. These are the same figures approved by the Senate appropriations committee in late July; but they are much lower than the appropriation figures recommended by Representative Sid Yates' (D-IL) subcommittee back in June. Yates' committee, and subsequently the full House, appropriated \$157.5 million for NEA and \$144.6 million for NEH.

Yates' unusual move -- pushing for appropriations well in excess of the authorized ceiling -- will complicate the Senate's deliberations on Endowment appropriations in September. Will the Senate as a whole vote for the lower appropriation figures its committee has approved, or will there be a move to adopt the higher figures the House appropriations committee has endorsed?

What about the problem of approving appropriations figures higher than authorized ceilings? Congressman Yates reputedly hopes that any increases in Endowment appropriations over the ceiling can be made up by reductions in other programs covered by the same authorization and appropriation bills. After the Senate approves its appropriations bill, there's still the conference process whereby the two houses of Congress reach a compromise.

Remember, though, that appropriations can also be lower than expected. President Reagan will be pushing Congress to adopt the appropriations figures he called for last March. If he pressed this point with respect to the Endowments, he would be asking for cuts to \$88 million for NEA and \$85 million for NEH, far below the current Congressional figures.

Some Washington arts-watchers speculate that Reagan regrets his hard line on arts budgets and will lay off the Endowments. But some believe he can't insist on heavy cuts in basic social programs without leaning on the "frill" programs too.

Department of Labor

The Omnibus Reconciliation Act has made official the death of the largest federal subsidy source for neighborhood arts work: Titles II-D and VI of the Comprehensive Employment and Training Act (CETA), the public service employment titles, have been eliminated from the 1982 budget. Since the mid-'70s these programs have made hundreds of millions of dollars available for community cultural groups.

The President was not successful in pushing through his proposed consolidation of the remaining Title II training programs and Title IV youth employment programs -- so far; both the House and the Senate authorized funds for each separately.

Current figures for CETA authorizations in 1982 are \$1.43 billion for Titles II-A, B and C (general employment and training categories); \$219 million for National Programs (Title III); \$576 million for Title IV-A (Youth Employment and Training Programs, Youth Community Conservation and Improvement Projects and Youth Incentive Entitlement Pilot Projects); \$628 million for Title IV-B (Job Corps -- the only increase in the CETA budget, up from \$607 million in the current year); and \$766 million for Title IV-C (Summer Youth Employment Program). The Private Sector Initiative Program (Title VII) is authorized at \$274 million. And CETA Title VIII (the Young Adult Conservation Corps, a joint program with the Departments of the Interior and Agriculture) is being eliminated by October 1.

Apart from these budget ceilings, the Omnibus Reconciliation Act has shifted some regulations affecting distribution of CETA funds. The percentage of funds being passed directly to the Prime Sponsors has been increased in several titles: from 85% to 86.5% in Titles II-B and II-C; from 75% to 85% for Title IV-A; and from 85% to 95% for Title VII. The remainder of funds in these titles is reserved for governors' discretionary funds and national demonstration projects. The provision of Title VII that formerly required 10% of these funds be used for economic development work has been scratched.

The Reconciliation Act also moved CETA's authorization deadline to the end of Fiscal Year 1982, as it's unlikely that Congress would be able to meet the current deadline of October 1, 1981. There's some speculation that this deadline extension was designed to allow CETA opponents time to lobby against reauthorization.

The Act will also have bureaucrats at the Department of Labor busy in September: It requires that all revised regulations resulting from these shifts in CETA programs be in final form and ready for Prime Sponsors by October 1.

Aside from keeping up with changing budget figures, CETA-watchers in Washington have their eyes on several major issues affecting CETA's future. One key issue is Prime Sponsors.

Some critics would like to see the elimination of Prime Sponsors in areas with just over 100,000 residents, arguing that their elimination would cut expenses and improve efficiency. Currently, each area with a population of 100,000 or more has a Prime Sponsor

allocating CETA funds.

Another issue is state vs. local control. The governors support shifting more CETA authority to the states, which now handle those areas with no Prime Sponsor as well as their governor's discretionary fund. Reagan generally sides with the governors on such matters of state authority. Mayors, on the other hand, wish to avoid having to work through their states and prefer to continue dealing directly with Washington.

Other concerns center on the continuation of CETA as a separate categorical program. Some have proposed "folding" CETA into a large social services block grant -- along with welfare, food stamps and the like -- and leaving the creation of job development programs to state and local governments, if they choose.

Department of Commerce

The Reagan administration called for the abolition of the Economic Development Administration (EDA), but Congress authorized \$290 million for EDA next year, compared to \$668 million this year.

The Appalachian Regional Commission's authorization budget was cut by a third to \$215 million for 1982; Reagan had asked that the Commission be abolished. \$165 million of ARC's funds are earmarked for the Appalachian highway system. All Title V regional economic development commissions were totally abolished; they will be phased out by September 30.

Corporation for Public Broadcasting (CPB)

CPB's authorization has been set at \$130 million per year from 1984-86; the agency operates under an advance funding arrangement with Congress which has already determined authorization ceilings for 1982 and 1983. CPB's current federal budget is \$172 million; Reagan had proposed gradual reductions to a level around \$100 million by 1985.

As a rider to the Omnibus Reconciliation Act, the Federal Communications Commission (FCC) was authorized to "experiment" with deregulation of commercial radio and TV stations -- a longer licensing period and the awarding of licenses by lottery. The Senate had wanted all limitations on advertising abolished and the institution of permanent licensing, not subject to review and renewal; but this somewhat less rash "experiment" prevailed.

National Consumer Co-op Bank

Threatened with abolition, the Bank was saved by the Omnibus Reconciliation bill, which takes the Bank off the federal budget and into the private money markets by the end of 1982.

Originally the Treasury was to buy up to \$300 million of the Bank's stock by the end of Fiscal Year 1983, providing seed money for the Bank's program of loans to consumer co-ops. After 1983, the Co-op Bank was to gradually buy its stock back from the Treasury, eventually becoming independent.

Under the Reconciliation Act, the Bank will have 'til the end of this year to exchange the Treasury's stock for debt notes, to be paid off by the year 2020. The Bank

will go to private money markets for funding, with less than \$200 million in federal backing -- perhaps less than \$150 million, depending on the final outcome of the budget process -- and will sink or swim on its ability to raise private capital.

Department of The Interior

Interior's Heritage, Conservation and Recreation Service (HCRS, discussed in NAPNOC notes #6) is no more. HCRS has ostensibly been consolidated with the National Parks Service, though its programs have been suspended and its staff is unable to predict how much activity will ultimately be carried out under this new arrangement.

Currently, the Information Exchange -- a provider of technical assistance and publications to recreation and parks programs and concerned citizen groups -- has been consolidated with the Parks Service's Park and Recreation Technical Services Division. Its staff is still in place (though "RIFs" -- reductions in force -- are rumored to be imminent), but the Division has been unable to carry out its work, thanks to a moratorium on all publication since last spring. (Already-printed materials are still available by writing Recreation Resource Development at 440 G St. NW, Washington, DC 20243.)

The Urban Parks Programs, which funded a good number of innovative urban and rural parks programs (many involving cultural programs and facilities), appears to be on its last legs: Reagan and the Senate concur in recommending a zero-budget for this program; the House has recommended \$10 million for a program heretofore authorized at \$125 million.

Block Grants

Back in March, the Reagan administration was pushing hard to convert categorical grant programs to block grants, ostensibly to minimize federal control and give the states and municipalities greater authority to determine priorities. But to many the block grant strategy looked like a way to diminish federal responsibility and shift the locus of struggle to the states -- to let the potential grantees fight it out among themselves.

The block grant strategy did not meet with much success in Congress. Reagan wanted to consolidate more than 90 individual grants programs into seven huge block grants. Three of the proposed blocks -- social services, community development, and low-income energy and emergency welfare assistance -- failed entirely.

The Community Services Administration was turned into a separate "mini-block" grant with \$389 million a year of which \$354 million will be granted to the states for sub-granting to community-based organizations and local government. The rest of the funds will be administered by the Department of Health and Human Services; the Community Services Administration itself will be abolished. Other social service programs -- like vocational rehabilitation and child abuse prevention -- will be continued as separate programs with budgets reduced by approximately 20%, and reduced federal controls over program guidelines.

Community Development Block Grants (CDBG) and Urban Development Action Grants (UDAG) will be continued as separate programs, contrary to Reagan's recommendations. CDBG was authorized for \$3.66 billion a year; UDAG for \$500 million -- both figures far in excess of Reagan's proposals. Congress also removed some federal controls over the programs, making it easier for communities to receive these grants without promising to build low-cost housing, thus eliminating the programs' usefulness as a tool to promote residential desegregation.

Reagan's block-granting strategy was more successful in education programs, but even there he lost some key fights. Some 30 separate programs were consolidated into a \$589 million program of block grants to the states -- some of these were arts-related programs like Ethnic Heritage Studies, arts education, and Emergency School Aid (ESAA).

These block-granted funds are supposed to be allocated by the state education agencies, according to 3-year plans prepared with advisory committees appointed by each state's governor. Funds are to be spent in three general areas: basic skills education; educational improvement and support; and special projects. Even these minimal conditions placed on the administration of education block grant funds are more than the carte blanche for which Reagan had hoped.

In Reagan's biggest education block grant defeat, the largest federal education program -- Title One, which provides grants to school districts to help "disadvantaged" children -- was reauthorized as a separate program at \$3.48 billion a year. Similarly continued as separate programs were aid to the handicapped at \$1.149 billion in 1982 and rising in subsequent years; adult education at \$100 million a year; the Women's Educational Equity Act at \$6 million a year; and bilingual and vocational education.

Twenty health programs were consolidated into four block grants: Maternal and Child Health; Preventive Health and Health Services; Alcohol, Drug Abuse and Mental Health; and Primary Care Community Health Centers. Most health programs, however, are being continued as categorical grants, albeit at reduced funding levels.

Welfare programs are currently the object of controversy between the administration and the states. The National Governors' Association meeting in Atlantic City, NJ on August 11 passed the following resolution: *"The governors reiterate their strong belief that the so-called 'safety-net' programs -- such as welfare and Medicaid -- have been, are, and should continue to be primarily a federal responsibility. We will continue to resist...any effort to shift Medicaid or Aid to Families with Dependent Children (AFDC) in any way....We offer to work with the administration and Congress toward a phased-in reduction of federal support in the areas of education, law enforcement and transportation in return for increased federal responsibility in income security programs..."*

For the moment, Congress has continued welfare programs as separate categorical grants. We'll keep you posted on the budget.

IN PRINT

ruralamerica

Rural America is a Washington-based membership organization dedicated to "speaking up for rural and small-town citizens." With plans afoot to overhaul its excellent monthly publication ruralamerica, Rural America wants to speak up more often on the cultural lives of people in rural areas.

Doyle Niemann, ruralamerica's new editor, has contacted NAPNOC to ask for help in locating writers on the arts and culture of rural communities. He has no aversion to reprinting articles that have appeared in other publications and also welcomes original material. Here are several examples of the kinds of articles he's looking for:

- o critical commentaries on culture as it affects rural people and reviews of mass culture treatments of rural culture;
- o features on people involved in rural cultural programs and activities;
- o news of interest to people doing rural cultural work; and
- o articles which discuss ways of developing rural culture and involving people more actively in community cultural life.

For those who are familiar with ruralamerica's current format, Niemann characterized the changes he foresees: A larger, magazine-type format will replace current tabloid style, with more feature articles and educational articles that will reach a broader audience. The new publication budget allows for some small fees for writers.

For more information, contact Doyle Niemann at Rural America, 1346 Connecticut Avenue NW, Washington, DC 20036; 202/659-2800.

Journal of Community Action

The Center for Responsive Governance has asked us to run the following announcement about its new publication.

"The Journal of Community Action, a new bi-monthly magazine devoted to the role of community organizations in American society, will commence publication in September 1981. The Journal will address the broad range of issues and activities encompassed by the concept of community action: community self-help, community-based advocacy and public participation, community economic development, community service delivery, community self-government. The basic purpose of the Journal is to advance the cause of small-scale, community-based alternatives in the competition of ideas over government structure and social policy in the 1980's.

"The Journal of Community Action has three specific objectives. First, it will serve as a major forum for debate among practitioners, public officials, and policy analysts on the issues facing community organizations in the 1980's. Second, it will serve as a vehicle for presentation of current scholarly research on community action strategies in a form that is both understandable and useful. Finally, it will keep readers informed of significant trends in practice through reports on recent developments among community organizations and through reviews of relevant literature in the field.

"Subscriptions to the Journal of Community Action are available for one year (6 issues), at \$18 (individual) and \$24 (institutional). Subscriptions may be ordered -- or further information may be obtained -- by writing to: Journal of Community Action, P.O. Box 42120, Northwest Station, Washington, DC 20015."

JOIN NAPNOC and help build CULTURAL DEMOCRACY

NAPNOC has set a target this year: If NAPNOC has 600 members and subscribers by the summer 1982 annual meeting, it will be completely self-sustaining. The movement for cultural democracy needs NAPNOC's independent, unbought voice -- and if you are concerned about community cultural work, you need it too.

Write to NAPNOC, P.O. Box 11440, Baltimore, MD 21239; or call NAPNOC at 301/727-6776.

NAPNOC memberships start at \$25 a year; each membership includes a year's subscription to NAPNOC notes. Libraries, institutions and others who don't want to become members can take out a year's subscription at \$25.

Drop us a card today. We'll send you full information on joining NAPNOC or subscribing to NAPNOC notes. Do it today!

NAPNOC

neighborhood arts programs
national organizing committee

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