

**Prepared Statement of
Dana Gioia, Chairman
National Endowment for the Arts
Appropriations Subcommittee on Interior and Related Agencies
U.S. House of Representatives
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Mr. Chairman and Distinguished Members of the Subcommittee:

I am honored to come before you today after one year in office to report on the state of the National Endowment for the Arts and to discuss the President's 2005 budget request for \$139.4 million.

As we plan for the fortieth anniversary of the National Endowment for the Arts, we face the future with a positive and focused sense of mission and a greater degree of public confidence than we have enjoyed at any time during the past decade. Through a series of significant national initiatives such as *Shakespeare in American Communities*, *NEA Jazz Masters*, *Challenge America: Reaching Every Community*, as well as State partnerships, the Arts Endowment has demonstrated a clear commitment to serving the American people. By supporting arts and arts education programs of the highest quality across the entire United States, the Endowment now reaches both large and small communities as well as rural areas, inner cities, and military bases — successfully combining artistic excellence with public outreach.

FY 2005 BUDGET REQUEST

The National Endowment for the Arts is proud to support the President's Budget Request for Fiscal Year 2005 and to report on our progress during the past year. To support our vital mission, we are requesting a Fiscal Year 2005 budget of \$139,400,000, which includes \$47,121,000 for Direct Endowment Grants, \$22,000,000 for *Challenge America: Reaching Every Community*, \$31,414,000 for State and Regional Partnerships, and \$15,000,000 for a National Initiative to celebrate our Nation's greatest artistic achievements through *American Masterpieces: Three Centuries of Artistic Genius*. This ambitious three-year program, which vividly embodies the goals of both our Agency and the Administration, will provide the best of America's creative legacy to a broad public in all 50 states.

The need for national arts leadership has never been more critical. There is presently a national crisis in state, local, and private arts funding across the United States. Budget cutbacks are nearly universal, and the majority of institutions in most arts fields are currently operating at a deficit with numerous bankruptcies, even among established organizations. Our appropriations — 40% of which are directly allocated to state arts agencies and regional organizations — provide much needed stability in this challenging environment.

GOALS AND ACCOMPLISHMENTS

The past year has proved to be a decisive and positive period for the Arts Endowment. We made a series of significant changes that have enabled the Agency to serve the public better. Genuine progress has been achieved on each of four objectives identified to Congress in our previous testimony.

1. ***To improve the effectiveness and efficiency of the Agency.*** A new management attitude has been initiated at the Arts Endowment. Significant improvements have been made. An agency-initiated Business Process Review resulted in improved productivity and performance. Key departments have been reorganized, most notably Information Technology. The Arts Endowment has undergone the first financial statement audit in the Agency's history pursuant to the requirements of the *Accountability of Tax Dollars Act of 2002* and received a clear opinion.

Grant categories have been simplified to make the application process clearer for the public, and the grant approval process has been streamlined to reduce time and expense. An E-Grant system has been initiated as the first step toward making our complex application system electronic — both to reduce expense and to better serve the public. I am pleased to report that the Agency now has an attractive, enlarged, and easily navigated website.

2. ***To create model programs of indisputable artistic merit and broad national reach.*** The new Arts Endowment seeks to embody a dual commitment to artistic excellence and public accessibility with nationally visible programs. *Shakespeare in American Communities*, the largest tour of Shakespeare in American history, is achieving these goals by bringing performances of the highest quality to the American people. Since September 2003, professional theater companies have been touring to 200 cities in all 50 states, as well as 16 military bases and 1,000 high schools. Most significantly, this ambitious program is introducing one million high school students to live professional theater and the genius of William Shakespeare.

Received with overwhelming enthusiasm by the press, the public, and educators, *Shakespeare in American Communities* represents the first in a series of landmark programs that demonstrate the unique cultural and educational value of the National Endowment for the Arts. It also provides the model and the experience base for future programs such as the expanded *NEA Jazz Masters* and the proposed *American Masterpieces: Three Centuries of Artistic Genius* initiative.

The Arts Endowment is addressing the challenge of how American culture is perceived abroad. With the Library of Congress, the Endowment is expanding the *Open World* Russian leadership program to introduce Russian cultural leaders and artists to the best of American culture and the private-public support system. With the Department of Defense, the Endowment has initiated *Operation Homecoming: Writing the Wartime Experience*. Distinguished writers will

conduct writing seminars for military personnel recently returned from Iraq and Afghanistan and their spouses. To help Iraqi youth revive their rich musical traditions, the Arts Endowment launched *Operation Harmony* to replenish musical instruments for the Baghdad Conservatory of Music and Ballet and other secondary schools. The American people have donated more than 300 musical instruments and with private funds the Arts Endowment will ship the instruments to Iraq.

3. ***To ensure truly national coverage of our programs.*** The National Endowment for the Arts is committed to ensuring that all Americans have access to the arts through the Agency's ongoing programs, initiatives, and partnerships. In FY 2003, we received 5,712 grant applications and awarded 1,893 grants. Through the Shakespeare, Jazz and state partnership grants we reach all 50 states, but significant portions of the U.S. remain underserved.

In recognition of our expanded efforts to ensure complete national coverage of our programs, we designated our Challenge America program as *Challenge America: Reaching Every Community*. In addition to achieving broad geographic reach through projects in communities large and small, rural and inner-city, one measure of our success will be the award of a direct grant in every Congressional district. Supplementing our current state, regional, and local partnerships, this program will make the Arts Endowment truly national. For the first time the Arts Endowment will reach every portion of the United States.

4. ***To develop and promote effective models for arts education.*** The goal of providing leadership in arts education is the most complex and challenging part of the Arts Endowment's public portfolio. To establish model programs, policies, and standards, the Endowment has joined with the Arts Education Partnership and the U.S. Department of Education to assess learning and expertise in the arts education field and to establish a reliable and demonstrable basis for future programs. This review will identify the best practices in the field and recommend model programs of proven effectiveness and efficiency.

Ten model arts education programs will be tested this summer. In addition, we will pilot an institute for school principals and administrators to learn about the best practices in arts education.

Educational programs and materials are now integral parts of our major initiatives. *Shakespeare in American Communities*, for example, effectively combines the presentation of art with arts education. Performances and workshops for students constitute a major portion of the initial program. The larger second phase involving 21 new companies will focus entirely on introducing high school students to Shakespeare and live theater. High quality educational material developed by the Arts Endowment showcasing some of the greatest actors of our day, is being distributed, free of charge, to 25,000 high school teachers. Our

expanded Shakespeare program will reach approximately five million new students each year.

AMERICAN MASTERPIECES: THREE CENTURIES OF ARTISTIC GENIUS

The President has requested \$139.4 million for the National Endowment for the Arts for FY 2005. Of this amount, \$15 million is designated to carry out an ambitious national program to acquaint Americans, especially school children, with the best of their artistic heritage. The name of this program is *American Masterpieces: Three Centuries of Artistic Genius*.

America is a nation with an enormously distinguished and diverse artistic legacy. America's great cultural achievements also demonstrate a deep connection between creative genius in the arts, science, business, and technology, and protection of individual rights and freedoms. Over the past three centuries, no other nation has surpassed the United States in its creative achievements – from the high arts to folk and popular arts. Dynamic, diverse, and original, the arts are an essential part of our American identity and civilization.

American Masterpieces is a three-year program that will reach hundreds of cities, large and small, in all 50 states, as well as thousands of schools and dozens of military bases. Forty percent of the funds for this program will go directly to State Arts Agencies.

American Masterpieces will consist of three elements – touring programs, local presentations, and arts education. All of these elements will focus on celebrating the finest works in our national legacy and making them available to the broadest cross-section of America. The program will be developed and administered through existing competitive grant and panel processes to ensure fairness, quality, and access to all arts organizations.

- 1. Touring.** The first major element of *American Masterpieces* will consist of touring programs by major and mid-sized arts organizations designed to make the best of America's artistic achievements available to new audiences. Outstanding projects will be selected through a competitive grant process. These programs will present acknowledged masterpieces selected from a wide variety of art forms, and make them available to communities in all 50 states.
- 2. Local Presentations.** *American Masterpieces* will provide competitive grants to the full range of local institutions throughout the country to create programs consistent with the overall theme. These programs will present the high points of the American arts across every field. They will include new collaborative productions of classic American operas, plays, ballets, musicals and choral works shared by several companies. These joint ventures will allow local companies, including small regional institutions, to offer new productions of the highest quality and at affordable costs.

- 3. *Arts Education.*** The ultimate goal of *American Masterpieces* is to combine arts presentation with arts education. The knowledge and appreciation of our Nation's artistic legacy must begin in our schools. Thus, a substantial portion of the program will focus on arts education at all levels – both by bringing students to the exhibitions, presentations, and performances, and by creating substantial and engaging in-school programs.

The *American Masterpieces* program will be added to the Endowment's budget with only a modest increase in Agency overhead. In FY 2005 total Agency overhead will fall by nearly one full point as a percentage of total appropriated funds. The Arts Endowment is committed to increasing its organizational efficiency and effectiveness to ensure that a higher percentage of funds reaches the public.

VISION FOR THE FUTURE

The National Endowment for the Arts is committed to supporting excellence in the arts — both new and established — bringing the arts to all Americans, and providing leadership in arts education. In FY 2003, we rededicated ourselves to accomplishing this core mission. Our considerable achievements have been affirmed by the American public, arts and civic leaders, and Members of Congress.

We pledge to Congress that we will build on this goodwill by continuing to bring programs of indisputable artistic merit and educational substance to the broadest possible audience. We are proud to take a positive leadership role in shaping American culture for the better.

As I stated upon taking office one year ago, too many Americans live in the present tense — cut off from their own history and cultural heritage. The National Endowment for the Arts is committed to addressing our Nation's "cultural illiteracy" by fostering programs that celebrate the best of America's artistic genius in all fields. Our budget request — and specifically the new *American Masterpieces* initiative — reflects this priority.

The measure of a great nation is not merely its wealth and power but also its civilization — most notably the political and artistic ideals it creates, promotes and preserves. A great nation deserves great art and, in a democracy, it is important that its citizens know, value and have access to the best of their cultural legacy.