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State Humanities Committees (1979-1982): Correspondence 20

R. Oakley Winters

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North Carolina Humanities Committee

1209 West Market Street, Greensboro, North Carolina 27412 • (919) 379-5325

July 23, 1979

Mr. Steve Weiland, Executive Director
Federation of Public Programs in the Humanities
15 South 5th Street - Suite 720
Minneapolis, Minnesota 55402

Dear Steve:

In response to Betsy McCreight's memo of July 6 which asked for opinions concerning OMB's proposed funding forumula, we in North Carolina are favorable to it--based on what we know of it. Vaguaries in implementation and our failure to grasp all its implications could cancel this endorsement, of course, but we like its intent to introduce a more equitable balance between population and program funds allocated. In the absence of more objective measures of quality, a per-capita funding ratio with lower minimum grants is most equitable. The resources at NEH committed to relatively large minimum grants serve to penalize states with large but rural populations, as these states not only fail to receive an equitable share of state program from NEH, they also do not have extensive private resources (museums, galleries, universities and the like) to pull up the so-called cultural slack. Whereas state program resources, regardless of their size, may be negligible when compared to other cultural programs extant in such urban states as New York, Massachusetts, and California, state programs in the southeast and the middle west reflect cultural dowries of considerable size.

I should also like to suggest two additional changes in the policies affecting the distribution of state program monies at NEH.

1. There is no policy so corrupting to the image and purpose of state programs as the "hustle factor" in the current gifts-and-matching procedure. Limited by the restrictive $85,000 lid on their administrative budgets, large states receiving grants of less than $425,000 are forced to siphon off a percentage of their private gifts to meet administrative costs. When faced with this temptation, few among us can resist favoring sponsors who may come bearing cash gifts for NEH matching. Many states have invested large amounts of staff time in fund raising; this is fine if it is consistent

with the improvement of public programming in the humanities. To help insure the programmatic integrity of our Committees' fund raising efforts, we would propose a stipulation that 100% of all gifts presented for NEH matching be utilized as regrant monies; in turn, we propose that gifts (or portions of gifts) raised for unrestricted use by state committees not be eligible for matching by NEH.

2. As companion to the above, we propose that the Endowment lift the current limits on administratives expenses to be paid by grant monies. In its place a proportional scale could be adopted to reflect more accurately varying administrative needs of the state programs. For example:

   (a) States receiving $500,000 or more from the Endowment would be held to administrative budgets of no more than 20%;
   (b) States receiving $400,000 - $499,000 would have a maximum limit of $100,000 imposed upon them for administration;
   (c) States receiving $300,000 or less would adhere to $85,000 maximum for administration.

We believe the above suggestions, if implemented as policy, would help to eliminate a potential conflict-of-interest evident in current G & M policies.

Sincerely yours,

Oak

R. Oakley Winters
Executive Director

ROW:lf

cc: Maynard Adams, Chairman