



NATIONAL  
ENDOWMENT  
FOR THE ARTS

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A great nation  
deserves great art.

**PERFORMANCE & ACCOUNTABILITY REPORT  
FISCAL YEAR 2008**

Submitted to the Congress,  
the Office of Management and Budget,  
the Department of the Treasury, and  
the Government Accountability Office  
November 2008

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# NATIONAL ENDOWMENT FOR THE ARTS

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## Performance & Accountability Report for Fiscal Year 2008 November 2008

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## *Fiscal Year 2008*

# *Performance and Accountability Report*

### *~ A Message from the Chairman ~*

I am pleased to present the National Endowment for the Arts' *Fiscal Year 2008 Performance and Accountability Report*. This report summarizes the Agency's performance and accomplishments – programmatically, financially, and operationally – during the past year.

#### **Mission and Organizational Overview**

The National Endowment for the Arts is a public agency dedicated to supporting excellence in the arts, both new and established; bringing the arts to all Americans; and providing leadership in arts education. Established by Congress in 1965 as an independent agency of the Federal government, the Arts Endowment supports art of indisputable artistic merit and broad public reach in all 50 States, the District of Columbia, and special jurisdictions, reaching rural areas, inner cities, and military installations – both here at home and overseas. We are committed to providing the American people with access to the best of their artistic legacy and do so through achievement of three clear and unambiguous goals:

- *Access to Artistic Excellence* – by supporting projects that encourage and support artistic excellence; preserve our cultural heritage; and provide access to the arts for all Americans.
- *Learning in the Arts* – by supporting projects that advance arts education for children and youth.
- *Partnerships for the Arts* – by developing and maintaining partnerships that support excellence in the arts – both new and established – bringing the arts to all Americans, and providing leadership in arts education.

We carry out our activities primarily with funds appropriated by the Congress to the Arts Endowment, but also with funds donated from the private sector and transfers from other Federal agencies. We pursue our goals primarily through grantmaking, but increasingly also through our leadership, convening, research, communication and dissemination, and partnership activities. All of these are discussed elsewhere in this report.

#### **Performance Goals, Objectives, and Results**

This Performance and Accountability Report demonstrates the successes achieved by the National Endowment for the Arts through the following strategies.

- Serving as a national voice and leader for excellence in the arts.
- Serving the American people by creating model programs of indisputable artistic merit and broad national reach.

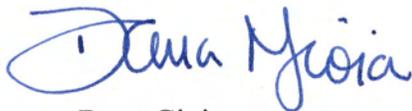
- Ensuring complete geographic coverage of our programs.
- Developing and promoting effective models for arts education.
- Providing focused leadership and careful management to improve Agency performance and productivity.

Over the last several years, the National Endowment for the Arts has reinforced its historic commitment to excellence. A vast array of Agency programs and initiatives are providing Americans with opportunities to experience the best of the arts. These include:

- Program Initiatives such as *American Masterpieces* and its literary component, the *Big Read*; the expanded *NEA Jazz Masters* program; the *Arts Journalism Institutes*; the *Poetry Out Loud: National Recitation Contest*; the *Great American Voices* program; *Operation Homecoming: Writing the Wartime Experience* and the related *Beyond Glory* tour; as well as the establishment of an ongoing Shakespeare program that builds upon the success of the Arts Endowment's *Shakespeare in American Communities* initiative.
- Outreach such as the *Challenge America: Reaching Every Community* program; grant information workshops, held in communities throughout the Nation; an online newsletter; our user-friendly Web site; and the establishment of a Development Office that has successfully formed new partnerships with the public and private sectors to support the arts – such as The Sallie Mae Fund for *Shakespeare in American Communities*; The Verizon Company and Foundation for *NEA Jazz Masters*; and The Boeing Company for *Operation Homecoming*, *Great American Voices*, and the *Big Read*.
- Management improvements such as the signing of an inter-agency agreement with the Department of Transportation (DOT) to provide the Agency with its first Office of Federal Financial Management-compliant financial system; the introduction of new services made possible by increased application of technology, such as the requirement that all grant applications be submitted electronically; and the creation of an Agency intranet, which includes tools such as meeting room scheduling, Agency calendars, and electronic forms.

### **Data Reliability**

The financial and performance data contained in this report are, to the best of our knowledge, complete and reliable; there are no material internal control weaknesses to report.



Dana Gioia  
Chairman

November 17, 2008



*Fiscal Year 2008*  
***Performance and Accountability Report***  
*~ Management's Discussion and Analysis ~*

**Mission and Organizational Structure**

The National Endowment for the Arts is the Federal agency dedicated to supporting excellence in the arts – both new and established – bringing the arts to all Americans, and providing leadership in arts education. The Arts Endowment's successes are achieved through the following strategies.

- Serving as a national voice and leader for excellence in the arts.
- Serving the American people by creating model programs of indisputable artistic merit and broad national reach.
- Ensuring complete geographic coverage of our programs.
- Developing and promoting effective models for arts education.
- Providing focused leadership and careful management to improve Agency performance and productivity.

The Arts Endowment supports art of indisputable merit and broad public reach in all 50 States, the District of Columbia, and special jurisdictions, reaching rural areas, inner cities, and military bases. We are committed to providing the American people access to the best of their artistic legacy.

An independent Federal agency, the Arts Endowment was established by Congress in 1965 and is lead by a Chairman – appointed by the President and confirmed by the United States Senate – and advised by the National Council on the Arts. Fourteen private citizens are appointed by the President and confirmed by the Senate; six ex officio members are Members of Congress appointed by Senate and House leadership.

The Arts Endowment is structured around several major programmatic and administrative Divisions headed by three Deputy Chairmen and a Chief Information Officer (CIO) – all of whom report to a Senior Deputy Chairman, the Agency's Chief Operating Officer. The Senior Deputy Chairman reports to the Chairman, who also has a support staff and a number of office directors reporting directly to him. The major program Division, Grants and Awards, organized primarily around artistic disciplines, is chiefly responsible for handling the review of grant applications. An organizational chart can be found at the end of this section. In FY 2008, the Agency operated with a staffing level of approximately 161 full time equivalents.

## **President's Management Agenda: Arts Endowment Status**

The first strategy identified by the Agency's Chairman, Dana Gioia, when he took office in 2003, was to *provide focused leadership and careful management to improve Agency performance and productivity*. We believe that the Arts Endowment has been quite successful in this effort. The following selected examples demonstrate how this success contributes to achievement of the President's Management Agenda (PMA).

### 1. Improved Grants Management

*Interagency Efforts.* The Arts Endowment continues to participate in interagency work groups and specially formed teams to assist with government-wide streamlining efforts. For example, the Agency's Grants & Contracts Officer serves on the multi-agency Grants Policy Committee, which is the governing board for all Federal grants streamlining activities (formerly under P.L. 106-107) and the CIO serves on the multi-agency Grants Executive Board, which focuses on Grants.gov and the goals of the Grants Management Line of Business initiative.

As part of these interagency efforts, the Arts Endowment has contributed to the development of a standard financial assistance opportunity announcement template, standard financial assistance award document templates, and standard financial and report formats for Federal grants and cooperative agreements with governmental and non-profit organizations. We have also worked closely with OMB and the joint interagency groups to develop and implement an effective response to the Federal Financial Assistance Transparency Act. A Web site was successfully launched with hundreds of thousands of records with consistent and searchable information about financial assistance awards across the government, including those of the Arts Endowment.

*Internal Efforts.* We continue to simplify our application requirements. Where possible, we have replaced hard copy application support items with electronic versions. Mirroring government-wide efforts, we have made many of our Agency-specific application forms "generic" so that they can be used across funding opportunities; we implement the use of new standard Federal forms as they are adopted; and we developed the "File Viewer" tool, which houses all electronic grant application submissions, allowing access by multiple Agency staff and reducing the need to borrow hard files. Additional tools have been created by the Agency's Information & Technology Management (ITM) Division that help improve grants management:

**Grants Management System (GMS) Utilities** – has several functions, including allowing discipline staff to:

- Upload spreadsheet information (following a standard template) which imports hundreds of data elements for each individual GMS record. Previously, NEA discipline specialists had to go into every record and undertake individual data entry for numerous fields.

- Request grant numbers. This program ensures that grant numbers are generated more efficiently.
- Run a variety of reports, and produce labels, rejection letters, and cover letters, among other things. Previously, each of these required requests to ITM and a single person had to process every request. Now discipline staff for every program area can take care of these themselves.

**GMS Address Update Program** – allows Agency Grants staff to confirm Congressional data concurrently with updating the grants constituent database. Previously two separate programs were required, or the Grants staff had to request updates from ITM.

*Improved Grantee Compliance.* Our efforts to help grantees improve their accountability and understanding of Federal grants include:

- The Arts Endowment's OIG has increased its financial management and compliance evaluations and limited scope audits of grantees by focusing on metropolitan areas where they can coordinate visits with several grantees during a fixed period of time. During FY 2008, 49 evaluations and audits in nine States were conducted.
- The Grantee Technical Assistance Program (GTAP) continues to provide one-on-one assistance in all areas of grants compliance. In FY 2008, we revised our General Terms & Conditions for Grants and Cooperative Agreements to strengthen our guidance on: the use of in-kind support for matching purposes, and how to document it; understanding provisional and final indirect cost rates and the impact on drawing down NEA funds and closeout; understanding the need to adhere to procurement standards in place; and where to find additional information on various topics.
- The NEA Web site helps applicants become more self-sufficient regarding Federal grants management through resources such as *Grant-At-A-Glance*, where grantees can access information about their current and past grants to help them manage their awards. A downloadable and fillable *Section 504* self-assessment workbook is available on our Web site. This Program Evaluation Workbook is designed to assist grant recipients in evaluating the current state of accessibility of their programs and activities to visitors and employees with disabilities. The workbook is intended to assist organizations in their efforts to: (a) comply with the Endowment's regulations implementing Section 504 of the Rehabilitation Act of 1973, as amended, including the preparation of a self-evaluation of all programs, activities, policies and practices to determine areas of noncompliance, and (b) better understand the relationship between 504 and the Americans with Disabilities Act (ADA).

## 2. Effective Outreach

*Grants Workshops.* There is a great demand for funding from the Arts Endowment and, as a result, the grant process is extremely competitive. The Agency is committed to broad public and geographic outreach. By offering grants workshops, often hosted by Members of Congress, the Arts Endowment provides public service and important information to small and mid-size nonprofit organizations throughout the country. By providing general technical assistance to potential applicants and grantees at community, State, and national workshops and conferences, the Arts Endowment ensures that underserved areas have knowledge of funding opportunities available to them. Since the inception of the program in 2002, more than 5,400 people have attended 69 workshops conducted in 23 States and Puerto Rico.

*National Initiatives.* Planning for and effective delivery of the Agency's National Initiatives requires extensive interaction with arts organizations, school systems, and underserved communities – such as military installations – in all 50 States. Arts Endowment staff continued their efforts in support of the National Initiatives, including *The Big Read* and its goal of reaching every Congressional district.

*International Efforts.* The Chairman of the Arts Endowment is called upon by the U.S. Department of State, Bureau of Educational and Cultural Affairs, to represent the U.S. with cultural officials of other countries. Most notable is the Agency's role in spearheading *Big Read* programs with Russia, Egypt, and Mexico, and literary anthologies with Russia, Pakistan, Northern Ireland, and Mexico.

## 3. Strategic Management of Human Capital

We have established human capital (HC) strategies that enable us to carry out the Agency's Strategic Plan. We manage our HC programs consistent with applicable internal controls and merit-based principles – confirmed by the 2004-2005 Human Resource Management Delegated Examining oversight review conducted by the Office of Personnel Management (OPM). And we build our budgets and programs consistent with our available HC resources.

We conduct assessments on an ongoing basis to ensure that our staffing level and competency mix are sufficient to operate effectively and achieve our mission. During this past year, as a result of this assessment process, we made several important changes:

- Determined that each of the National Initiatives begun under Chairman Gioia's leadership had become sufficiently established to enable them to be integrated into existing programmatic offices. Staff were re-assigned accordingly and a layer of management eliminated.
- Established Arts Education as a separate division, in recognition of the growing importance of arts education initiatives around the country.

- Created a new division – States, Regions, and Local Arts Agencies – under the direction of a newly appointed Deputy Chairman, in recognition of the vital role played by our State and Regional partners in fulfilling the Arts Endowment mission.
- Supplemented the staffing in certain areas – AccessAbility, Indemnity, and International Activities – that did not have subordinate persons in place, providing needed stability in the event the current incumbent were to leave the Agency.
- Developed a two-year Federal Career Intern Program that will give the Agency a competitive edge in recruiting, developing, and retaining top talent.

We sustain a high-performing workforce as evidenced by our capacity to manage our demanding application and grant workloads without commensurate increases in resources. Training is critical to this effort, particularly as employees retire and new staff arrive. Finally, we instituted annual leadership training to improve and enhance performance, and to serve as a key element of succession planning<sup>1</sup>.

#### 4. Expanded E-Gov

The National Endowment for the Arts has been an active partner in Grants.gov from its inception. We are pleased to report that the Agency continues to exceed the goals set by OMB and Grants.gov. The NEA posts electronic application packages for 100% of its discretionary and mandatory funding opportunities. In FY 2008, electronic application via Grants.gov was required of all applicants, both organizations and individuals.

The National Endowment for the Arts is working with applicants to heighten awareness and acceptance of Grants.gov; encourage them to register with Grants.gov; and assist their transition to using Grants.gov through customized instructions, workshops, and technical assistance.

The Agency also continues working internally to increase staff understanding of Grants.gov through training and information sharing, and to revise business practices to accommodate electronic applications. NEA staff can now access, review, print and update electronic application materials via their desktop PCs. In an ongoing pilot effort, we are making electronic application materials available to some NEA panelists so that they have the option of using “portable” versions (instead of bulky notebooks) that can be easily taken anywhere – while on travel, for example – to study in advance of panel meetings. In addition, another pilot project enables NEA panelists to preview visual arts work samples online.

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<sup>1</sup> The average years of Federal service for Agency staff is currently 14.4. At the end of FY 2008, approximately 24% of Agency staff were eligible for optional retirement.

In line with the government-wide Grants Management Line of Business (GMLoB) initiative, we received approval from OMB to address our need for a new grants management system to replace our decades-old and severely limited system with one developed and maintained by the National Endowment for the Humanities (NEH). The preliminary work began in FY 2008, and we expect to begin using the NEH system by the end of 2009.

In response to the Enterprise Human Resources Integration (EHRI) project, one of OPM's e-gov initiatives, the Arts Endowment implemented an EHRI system that became fully operational in FY 2008. EHRI is a collaborative e-gov initiative designed to transform the way Federal HR specialists and managers access human resource information and the way all Federal employees access their personnel file information.

We are also working to ensure compliance with other applicable Administration initiatives such as those required by the Federal Funding Accountability and Transparency Act, which calls for a publicly-accessible and searchable database of all Federal grants and contracts.

5. Competitive Sourcing

We conduct our staffing inventory and subsequently submit it in compliance with the Federal Activities Inventory Reform (FAIR) Act. We use contracting as an important management tool, particularly in the areas of information and facilities management – pursuant to competition.

6. Improved Financial Management

With the conversion of our legacy financial system to the Oracle-based fully-compliant financial system referenced above, we are experiencing significant improvements in reliability and timeliness of financial information.

7. Integration of Budget and Performance

We prepare our budget requests as performance budgets, with performance data integrated throughout. This integration ensures that Agency goals, programs, and budget categories are aligned with and mirror one another. For example, Agency general goals and annual performance goals are one and the same. We have developed program outcomes and indicators to assess achievements in relation to plans. Indicators are generally statistical in nature. We also are using indicators to determine areas of adjustment or emphasis in our budget request, where appropriate.

**Performance Goal Highlights: Trends and Actions**

The National Endowment for the Arts is committed to serving the American people through three clear and unambiguous goals:

- *Access to Artistic Excellence* – by supporting projects that encourage and support artistic excellence, preserve our cultural heritage, and provide access to the arts for all Americans.
- *Learning in the Arts* – by supporting projects that advance arts education for children and youth.
- *Partnerships for the Arts* – by developing and maintaining partnerships that support excellence in the arts – both new and established – bring the arts to all Americans, and provide leadership in arts education.

For each of the above performance goals, we have identified several outcomes that we intend to achieve, and we have established performance indicators for each outcome – all of which tie directly back to our mission statement. Since FY 2008 has just ended, we cannot yet report on final accomplishments related to our grantmaking during that year. As we regularly explain in our annual performance reports, actual performance data from each fiscal year is not available until final reports on funded projects have been received. We have established a threshold of 90 percent of such reports as a level that allows us to make reliable assessments of actual performance. This threshold is usually reached within approximately two years after the end of the fiscal year in which the awards were made (e.g., by the end of FY 2008, we had received 92% of the FY 2006 final reports). These final reports include statistical data tied to our performance indicators that establish the degree to which we are accomplishing our objectives.

In each year’s performance plan, we provide estimates of what will be accomplished as a result of our funding. For example, with FY 2008 funding, we estimate that 30-35 million individuals will directly benefit from projects whose primary purpose is to make art widely available to the public. Other estimates of Agency-wide accomplishments for the more than 2,200 grants and cooperative agreements awarded that year include:

- As many as 100 million individuals benefiting from Agency programs (exclusive of television and radio broadcast audiences), including 10 million children and youth.
- A combined audience of hundreds of millions receiving opportunities to benefit from Agency programs that support national and regional broadcast performances on radio and television, both single and recurring programs.
- 100 percent of Congressional districts receiving at least one direct grant.
- Nearly 4,000 communities participating in Agency-sponsored, discretionary projects - many benefiting from projects such as touring and outreach that take place in communities beyond that of the grant recipient.

- More than 2,400 communities participating in projects funded by a combination of Federal funds and State Arts Agency and Regional Arts Organization funds; of these, some 1,900 served by grants made solely with Federal funds.
- 28,000 community organizations partnering with grantees on Arts Endowment-supported projects.
- Arts Endowment grants generating \$600-700 million in matching support; in our direct grant-making categories alone, this translates into a ratio of matching to Federal funds of greater than 10:1, far exceeding the required one-to-one match.
- Arts Endowment grants helping to make possible 34,000 concerts, readings, and performances; 3,000 exhibitions (including visual and media arts); and 17,000 artist residencies in schools and other locations.
- Internationally, 70 U.S. professional arts organizations and 350 artists providing performances, exhibits, and other arts activities in 30 countries.

The grantees’ final reports provide the information that allows us to report what we have actually accomplished across the country with our programmatic activities. We have found the actual results to be quite consistent with our projections, and periodic reviews of the grantee reporting process have confirmed the accuracy and relevance of our performance data. Thus, we believe that the performance data we receive (which are reported in our annual performance reports) indicate that our goals for these programs are being met, and the critiques we receive from the panelists who convene to review grant applications and discuss program policies confirm that our programs are effective.

A significant factor in our projected and actual performance is that, beyond establishing eligibility criteria, we have no control over how many applicants we will have each year, or to what category they will apply. Nonetheless, our performance projections over the past several years have proved to be consistent with actual performance as reported by our grantees, providing us with confidence that our projections are realistic and our programs effective. We can also confidently assert the efficiency of our programs as we have continued to do more with modest increases in our resources.

### **Analysis of Financial Statements**

Underlying the Agency’s programmatic achievements is our commitment to organizational excellence and sound financial management. In the six years that we have undertaken independent audits of our financial statements, only one material weakness has been identified (during the FY 2003 audit), and that was due to our reliance on an outmoded financial management information system, which we have since replaced. Our fiscal year 2005 audit acknowledged that we resolved that material weakness by transitioning to a new system through a cross-servicing agreement with the U.S. Department of Transportation’s Enterprise Services Center. Since FY 2005, our transactions have been recorded in this new system.

The Arts Endowment’s principal financial statements have been prepared to report the financial position and results of operations of the Agency, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of the Arts Endowment in accordance with generally accepted accounting principles (GAAP) for Federal entities and the formats prescribed by the Office of Management and Budget, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. These statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

The Arts Endowment receives an annual appropriation of “no-year” funds from Congress, and has been granted authority to receive donations and invest in interest-bearing accounts. Accounts are maintained for restricted as well as unrestricted funding, and the same guidelines are used to account for both appropriated and non-appropriated funds. The Arts Endowment’s property, plant, and equipment are recorded at cost and are depreciated according to a written asset capitalization policy.

### **Systems, Controls, and Legal Compliance**

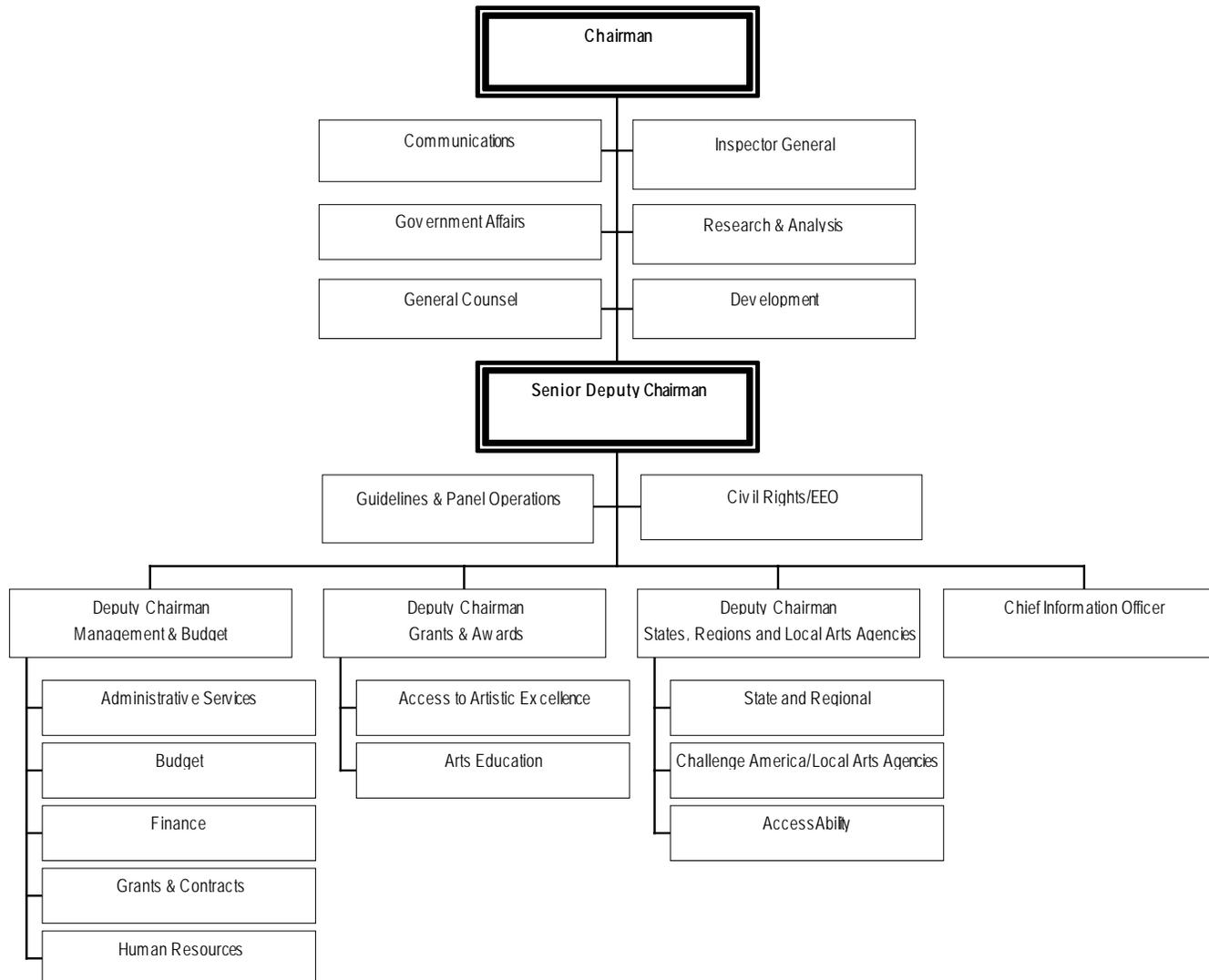
The National Endowment for the Arts is cognizant of the importance of establishing and maintaining adequate controls over its programs and administrative functions. Management continues to evaluate and modify existing controls – and establish new ones as appropriate – to ensure that we are able to provide reasonable assurance that we are accountable for our resources. We also recognize the importance of using technology to enhance effectiveness and efficiency, as well as to ensure an adequate degree of internal control and compliance with applicable laws and regulations.

### **Future Effects of Existing Events and Conditions**

In previous years, we reported on the challenges presented by our reliance on an outdated grants management system. During FY 2008 we took decisive action to address this. With the approval of OMB, we began the process of establishing a strategic partnership with the National Endowment for the Humanities, through which we will migrate our outdated GMS to their GMS – a modern, flexible grants management system developed and maintained by the NEH. We expect to see major improvements in our internal grants management and panel management processes as a result of this partnership; our grant applicants, grantees, and panelists will also find that doing business with the NEA will be easier and more flexible. Preliminary work is well underway, and we expect to begin using the NEH GMS by the end of 2009.

# National Endowment for the Arts Organization Chart

Approved October 2008



***NEA Strategic Plan FY 2006-2011***  
**Summary of Programmatic Goals and Outcomes**

<b><u>Goals</u></b>		
<b>Access to Artistic Excellence</b>	<b>Learning in the Arts</b>	<b>Partnerships for the Arts</b>
To encourage and support artistic excellence; preserve our cultural heritage; and provide access to the arts for all Americans.	To advance arts education for children and youth.	To develop and maintain partnerships that support excellence in the arts – both new and established – bring the arts to all Americans, and provide leadership in arts education.
<b><u>Outcomes *</u></b>		
1. Artists and arts organizations have opportunities to create, interpret, present, and perform artistic work.	1. Children and youth demonstrate skills, knowledge, and/or understanding of the arts, consistent with national, State, or local arts education standards.	1. Activities supported through partnerships with state arts agencies and regional arts organizations make the arts and arts education widely available.
2. Audiences throughout the Nation have opportunities to experience a wide range of art forms and activities.	2. Teachers, artists, and others demonstrate knowledge and skills necessary to engage children and youth in arts learning, consistent with national, State, or local arts education standards.	2. Activities supported through partnerships with other public and private sector organizations make the arts and arts education widely available.
3. The arts contribute to the strengthening of communities.	3. National, State, and local entities demonstrate a commitment to arts learning for children and youth, consistent with national, State, or local arts education standards.	
4. Artistic works and cultural traditions are preserved.		
5. Organizations enhance their ability to realize their artistic and public service goals.		
* The outcomes refer to the intended results of Agency-funded grant projects and activities with arts organizations, arts service organizations, educational institutions, units of government, individuals, and other public and private sector organizations involved in arts activities.		

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## *Fiscal Year 2008*

### *Performance and Accountability Report*

*~ Management Assurances ~*

#### **Overall Internal Control**

Pursuant to the Federal Manager's Financial Integrity Act of 1982 (Integrity Act), the Arts Endowment's major offices, administrative and programmatic, were asked to conduct an internal review of their respective activities to identify possible deficiencies in management controls. This important annual process enables us to provide reasonable assurance that the Arts Endowment's controls are achieving their intended objectives.

Mindful of the Administration's continuing emphasis on management accountability for effective and efficient performance, as well as the ever-present need to direct limited resources to their best use, Arts Endowment managers exercise close scrutiny over all operations. We draw upon internal and external expertise in reviewing and refining our operational policies and procedures, and work very closely with the Agency's Office of Inspector General in these endeavors.

Based on the review process described above, the Arts Endowment provides unqualified assurance that its internal management controls are adequate and effective. The Arts Endowment's Agency-wide internal management review identified no material weaknesses in FY 2008. As the following table indicates, in 2005 the Agency corrected the one previously-identified material weakness; there have been none since 2003.

#### **Integrity Act Section 2 - Internal Controls**

<b>Material Weaknesses</b>			
<b>Reporting Year</b>	<b>Number reported for first time that year</b>	<b>Number corrected that year</b>	<b>Number pending correction that year</b>
2003	1	0	1
2004	0	0	1
2005	0	1	0
2006	0	0	0
2007	0	0	0
2008	0	0	0

**Internal Control over Financial Reporting**

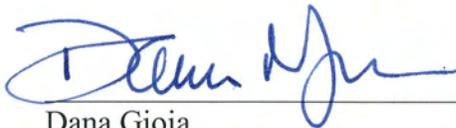
The Arts Endowment recognizes that maintaining the integrity of its systems is essential to good governance. By transitioning to a fully OFFM-compliant financial management system in 2005, we eliminated the one material weakness identified in six years of independent audits, and significantly strengthened our financial management operations.

The National Endowment for the Arts' management is responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations. The Arts Endowment conducted its assessment of the effectiveness of the Agency's internal control over financial reporting in accordance with *OMB Circulars A-123, Management's Responsibility for Internal Control*, and *A-136, Financial Reporting Requirements*. Based on the results of this evaluation, the National Endowment for the Arts can provide reasonable assurance that internal control over financial reporting as of September 30, 2008 was operating effectively, and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

In addition, as the table below indicates, the Arts Endowment has no material non-conformances to report in FY 2008.

**Integrity Act Section 4 - Financial Management Systems**

<b>Material Non-Conformances</b>			
<b>Reporting Year</b>	<b>Number reported for first time that year</b>	<b>Number corrected that year</b>	<b>Number pending correction that year</b>
2003	0	0	0
2004	0	0	0
2005	0	0	0
2006	0	0	0
2007	0	0	0
2008	0	0	0



Dana Gioia  
Chairman

November 17, 2008



*Fiscal Year 2008*  
*Performance and Accountability Report*  
*~ Performance and Impact ~*

In this section, we provide documentation of the impact of the Agency's programs, projects, initiatives, and activities. We present this information in five groupings.

**Agency-Wide Program Accomplishments** – Cumulative information on the impact of Agency activities, projects, and initiatives.

**Achieving Agency Performance Goals** – Information on the impact of Agency activities, projects, and initiatives by Agency goal, including specific project examples.

**National Initiatives** – Information on the impact of the Agency's National Initiatives, projects that cut across all Agency goals.

**Research and Analysis** – Summary information on Agency research activities intended to inform the American public, opinion makers, and the arts field.

**GPRA Performance Reports** – Quantitative reports for fiscal years 2005 – 2008.

## **Agency-Wide Program Accomplishments**

The Agency's funding of programs, projects, and initiatives resulted in the development and delivery of broad services to the American public. Based on activity to date and information from Agency awardees for FY 2008, we can report and anticipate the following:

- **More than 2,200 awards were made in communities in all 50 States and six special jurisdictions.**
- **As many as 100 million individuals will benefit from Agency programs (exclusive of television and radio broadcast audiences) including 10 million children and youth.**
- **A combined audience of hundreds of millions will benefit from Agency programs that support national and regional broadcast performances on radio and television, both single and recurring programs.**
- **100 percent of Congressional districts received at least one direct grant.**
- **Nearly 4,000 communities will participate in Agency-sponsored, discretionary projects – many benefiting from projects such as touring and outreach that take place in communities beyond that of the grant recipient.**
- **More than 2,400 communities will participate in projects funded by a combination of Federal funds and State Arts Agency and Regional Arts Organization funds; of these, some 1,900 will be served by grants made solely with Federal funds.**
- **28,000 community organizations will partner with grantees on Arts Endowment-supported projects.**
- **Arts Endowment grants will generate \$600-700 million in matching support; in our direct grant-making categories alone, this translates into a ratio of matching to Federal funds of greater than 10:1, far exceeding the required match.**
- **Arts Endowment grants will help make possible 34,000 concerts, readings, and performances; 3,000 exhibitions (including visual and media arts); and 17,000 artist residencies in schools and other locations.**
- **Internationally, 70 U.S. professional arts organizations and 350 artists will provide performances, exhibits, and other arts activities in 30 countries.**

## Achieving Agency Performance Goals

The achievement of the Agency’s programmatic accomplishments occurs through three programmatic goals: Access to Artistic Excellence, Learning in the Arts, and Partnerships through the Arts, as follows.

### Access to Artistic Excellence

Through Access to Artistic Excellence, the Arts Endowment encourages and supports artistic excellence, preserves our cultural heritage, and provides access to the arts for all Americans. More than 82% of the Agency’s FY 2008 Direct Endowment Grant funds were devoted to this effort, reflecting the high priority afforded to ensuring access to the arts for all Americans. The following table highlights accomplishments made possible with this funding.

*Access to Artistic Excellence*  
**Selected Performance Results – FY 2005-2008**

<b>Fiscal Year</b>	<b>Total Non-Broadcast Audience</b>	<b>Children/ Youth</b>	<b>Concerts/ Readings/ Performances</b>	<b>Exhibitions</b>	<b>Artist Residencies</b>
2005 Current	78 m	6.5 m	33 k	5 k	4.3 k
2006 Current	71 m	7 m	36 k	4.5 k	6.8 k
2007 Current	69 m	5.9 m	30 k	3.5 k	6.5 k
2008 Projected	100 m	7.5 m	29 k	3 k	5.6 k

*[Numbers are rounded. k=thousand; m=million.]*

The cumulative accomplishments reflected in this table result from the roughly 2,000 direct grants and cooperative agreements awarded under this goal each year. Examples of specific programs, awards, and their direct impact are presented below according to: Grants for Arts Projects, Arts on Radio and Television, Save America’s Treasures, International Activities, and innovative Leadership Initiatives.

### **Grants for Arts Projects: *Access to Artistic Excellence* examples from FY 2008:**

In **Washington**, the **Tacoma Opera Association** was awarded a \$10,000 matching grant to support performances of Rossini’s *Il Barbiere de Siviglia* (*The Barber of Seville*) and related educational outreach activities that included teacher workshops and student night at the opera. The total number of individuals benefiting from the four concerts and five workshops exceeded 3,000, including teachers and students from pre-K through grade 12 schools.

In **Cleveland, Ohio**, **Delta State University** was awarded a *Challenge America: Reaching Every Community* matching grant of \$10,000 to support the design and

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printing of a map of the Mississippi Blues Heritage Trail sites. A two-year project, the map will guide local residents and tourists to Trail locations in Mississippi, where more than 140 interpretive displays commemorating people, places, and events significant to the origin and dissemination of the American musical form are being installed. Three community organizations are expected to partner in carrying out the project, with as many as 100,000 persons benefiting.

In **Providence, Rhode Island**, the **Rhode Island School of Design** received a \$25,000 matching grant to support publication of a handbook of the Museum of Art's permanent collections of Ancient, Asian, American, European, and contemporary art for a general audience of students, adults, and children. It is anticipated that a total of 10,000 persons will benefit from the publication of the handbook, which will include identification of approximately 400 artworks.

In **Cordova, Tennessee**, **Ballet Memphis Corporation** received a matching grant of \$10,000 to support the creation and presentation of dances based on religious music. The works, choreographed by Julia Adam, Trey McIntyre, Dana Tai Soon Burgess, and Abou Lagraa were presented at the Orpheum Theatre in Memphis. Participating artists numbered 22, and audiences benefiting from the three presentations totaled approximately 1,725.

The **Wheeling Symphony Society, Inc.**, in **West Virginia**, was awarded a \$15,000 matching grant to support young peoples' concerts, reaching youth in pre-K through grade 12 schools in four counties of the State. Total participants, including concert attendees, is expected to reach up to 8,000.

In **Omaha, Nebraska**, the **Bemis Center for Contemporary Arts** was awarded a \$30,000 matching grant to support approximately 30 residencies for artists to create new work. As many as 15 participating artists will be provided housing, workspace, technical assistance, and a monthly stipend for two- to four-month residencies, and will work with up to five teachers and 600 children. It is anticipated that as many as 40,000 people will benefit from the expected 300 artworks, associated exhibitions, and supporting activities.

In addition to activities noted above, through our *Arts on Radio and Television* funding area the Arts Endowment supports nationally broadcast performances of quality arts programs on radio and television that reach, through both single and recurring programs, a combined audience in the hundreds of millions annually. Examples of recent awards include:

In **Arizona**, the **Phoenix Chorale (formerly Phoenix Bach Choir)** was awarded a \$10,000 matching grant to support the production and national distribution of a 13-week radio series devoted to choral music. Hosted by Bill McGlaughlin, the series will feature the work of up to six professional choirs of a combined 200 artists. The series is anticipated to air up to 13 hours of radio broadcast time. Total combined audience expected to benefit from the project may reach 1.1 million.

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In **Anchorage, Alaska**, the **Koahnic Broadcast Corporation** received a matching grant of \$10,000 to support the production of *Coming Home: The Story of the Alutiiq Masks*, a radio documentary to be produced by Dmae Roberts. The documentary will tell the story of the return to Alaska of masks that have been on display in France for more than a century. The project, involving as many as five artists, will include one artist residency and the partnership of two community organizations. *Coming Home* is planned for broadcast on radio, television, and cable, reaching as many as 500,000.

*Save America's Treasures* grants support preservation and/or conservation of nationally significant intellectual and cultural artifacts and historic structures and sites. Since the start of the program in 1999, the Arts Endowment has been responsible for the review of applications requesting funds for the conservation of nationally significant art works and collections. *Save America's Treasures* funds are provided to the Arts Endowment from the National Park Service and matched with at least an equal amount of non-Federal funds. The following two examples are highlights of the FY 2008 awards:

In **Utah**, the **Alden Weir Collection at Brigham Young University Museum of Art, Provo** was awarded a \$120,000 matching grant to support conservation of the Collection. Weir was one of the organizers of a leading group of 19th century American Impressionists. The Collection, currently in poor condition and now housed at Brigham Young University Museum of Art, consists of portraits and landscapes by Weir, as well as work from other American Impressionists. With the support of this grant, approximately 50 works will be repaired by conservators, framed appropriately, and stored in a new rack storage system.

In **Michigan**, the **Detroit Symphony Orchestra Recorded Sound Collection** received a matching grant of \$150,000 to support conservation of the Collection. Approximately 1,500 analog reel-to-reel tapes will be preserved and digitized, thereby conserving up to 75 works of musical art. As many as three community organizations may partner in carrying out the project.

The Arts Endowment supports **International Activities** to promote the presentation of American arts and artists at international venues and to provide short-term residencies of foreign artists in the United States. In addition, the Arts Endowment has been active in supporting literary exchange programs that provide the work of U.S. writers to foreign audiences and provide opportunities for U.S. readers to experience the work of foreign writers. The Chairman of the National Endowment for the Arts is on the U.S. National Commission for the United Nations Educational, Scientific and Cultural Organization (UNESCO) and has served as an expert on American culture at UNESCO at the invitation of the U.S. Ambassador.

Examples of the Agency's international projects include:

- ***U.S.-Mexico Poetry Anthology***, a two-volume bilingual collection of selected poems of 50 U.S. and 50 Mexican poets born after 1946, which has become a model for literary exchanges with other countries. The Arts Endowment is

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partnering with the U.S. Department of State, Bureau of Educational and Cultural Affairs, on literary anthologies with Russia, Pakistan, and Northern Ireland, as part of the U.S. Global Cultural Initiative. A significant aspect of each project is engagement of writers with audiences in the partner country.

- ***US-Russia Big Read*** extends the NEA's *Big Read* internationally to promote cross cultural dialogue and understanding through the reading of great literature. The *Big Read* in Russia began in October 2007 with the regions of Ivanova and Saratov reading and discussing Harper Lee's *To Kill a Mockingbird*. In early 2008, three communities in Illinois, Indiana, and Pennsylvania read and discussed *The Death of Ivan Ilych* by Leo Tolstoy.
- ***US-Egypt Big Read*** began in 2008 with three Egyptian communities in Cairo and Alexandria choosing a book from among the titles *Fahrenheit 451*, *Grapes of Wrath*, and *To Kill a Mockingbird*. Four U.S. communities – Miami, Florida; Huntsville, Alabama; Sioux Falls, South Dakota, and Columbia University in New York – chose to read *The Thief and the Dogs* by Naguib Mahfouz.
- ***ArtsLink Residencies***, which provide U.S. residencies for artists from Central Europe, Eurasia, and Russia.
- ***U.S./Japan Creative Artists' Program***, which supports residencies of U.S. artists in Japan.
- ***Open World Russian Cultural Leaders Program***, in which the Arts Endowment provides expertise and support for the *Open World Leadership Center's* programs that bring Russian cultural leaders and artists to the U.S. for short-term residencies.
- ***U.S. Artists International***, which supports performances of American dance and music ensembles at international festivals in European countries.

**Leadership Initiatives** provide an opportunity for the Arts Endowment to address special artistic or cultural needs – whether field- or geography-based. Examples include:

- ***Governors' Institute on Community Design, Mayors' Institute on City Design, and Your Town: Citizens' Institute on Rural Design***, design initiatives that bring public officials together with design professionals to discuss urban, rural, and regional design issues. Through these programs, the Arts Endowment is improving the livability of communities throughout the United States. Each year, approximately 60 communities – rural, urban, and regional – and 600 community leaders, designers, and planners participate in these workshops, ultimately benefiting the millions of residents in their respective communities. The *Mayors' Institute* alone has graduated more than 800 mayors since its first session in 1986. During the past year, *Mayors' Institute* sessions have been held in Portland, Oregon; Washington, DC; and Meridian, Mississippi for small to medium

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American cities. For larger American cities, *Mayors' Institute* sessions have been held in Chicago, Illinois and Charleston, South Carolina. Additionally, a technical assistance program for Alumni mayors has been launched, initiated with sessions for mayors in Santa Rosa, California and Lincoln, Nebraska. Recent *Governors' Institute* events have been held for Governor Freudentahl of Wyoming, Governor Richardson of New Mexico, and Governor Culver of Iowa. During FY 2008, the *Citizens' Institute on Rural Design* worked with communities in Zapata County, Texas; Ravalli County, Montana; Donaldsonville, Louisiana; and along the Appalachian Trail in Southwestern Virginia.

- ***NEA Arts Journalism Institutes*** were established to improve arts criticism and to gain broader media coverage for classical music, opera, theater, musical theater, and dance as they compete for attention with the commercial entertainment industry. The Institutes provide in-depth instruction in the arts for print and broadcast journalists working outside the country's major media markets. Professional development opportunities for these critics are often limited. The Institutes are convened at Columbia University in New York City, the University of Southern California in Los Angeles, and the American Dance Festival in partnership with Duke University in Durham, North Carolina. Each Institute employs a competitive application process to select 11-25 journalists. To date, 14 Institutes have engaged 260 journalists from more than 200 communities in all 50 States and the District of Columbia. Plans are being developed for another round of Institutes in the coming year.

The NEA is planning an International Arts Journalism Institute in partnership with the U.S. Department of State. The Institute, planned for summer 2009, will focus on American visual art of the last 150 years. Half of the participants will be American journalists who cover the visual arts, the other half will come from other countries. A host site has not yet been selected.

- ***NEA National Heritage Fellowships*** were established to recognize lifetime achievement, artistic excellence, and contributions to our nation's traditional arts heritage. The Arts Endowment annually awards these one-time-only Fellowships to master folk and traditional artists. A total of 349 Fellowships have been awarded since 1982; currently, each award is \$25,000.

**Learning in the Arts for Children and Youth**

Through *Learning in the Arts*, the Agency supports projects that help children and youth acquire knowledge, skills, and understanding of the arts in school-based and community-based settings. The table on the following page highlights accomplishments made possible through this funding:

***Learning in the Arts***  
**Selected Performance Results – FY 2005-2008**

<b>Fiscal Year</b>	<b>Children/ Youth</b>	<b>Concerts/ Readings/ Performances</b>	<b>Artist Residencies</b>
2005 Current	.8 m	3.1 k	2.7 k
2006 Current	.3 m	2 k	3.5 k
2007 Current	.6 M	4 k	3.6 k
2008 Projected	3.2 m	5 k	11.7 k

*[Numbers are rounded. k=thousand; m=million.]*

The accomplishments listed in this table result from the hundreds of direct grants and cooperative agreements awarded under the Learning in the Arts goal each year. Examples of specific programs, grants, and their direct impact are presented below according to Grants for Arts Projects and innovative Leadership Initiatives.

**Grants for Arts Projects: *Learning in the Arts* examples from FY 2008:**

In **Santa Fe, New Mexico, National Dance Institute New Mexico** was awarded a \$42,000 matching grant to support the Albuquerque In-School Program and Advanced Training Program. Students in the 3<sup>rd</sup> through 6<sup>th</sup> grades from up to 27 classes in as many as 16 schools will receive weekly, in-school dance classes and perform in a culminating performance at the end of the school year. It is anticipated that as many as 15,000 children will benefit.

In **Poughkeepsie, New York, Bardavon 1869 Opera House, Inc.** received a matching grant of \$15,000 to support the Young Playwrights Festival Program. In partnership with Poughkeepsie City School District, the project will place playwright Casey Kurti and actor Maggie Low in 13-week residencies for up to 50 sixth-graders in two schools. The residencies will culminate in two performances by professional actors of plays written by the students, reaching a total audience of approximately 1,600 people.

In **Wahpeton, North Dakota, Circle of Nations School, Inc.** was awarded an \$18,000 matching grant to support S.T.A.R.S. (Science Taught by Artists Reaching Students). Three Native-American traditional artists, National Heritage Fellow Mary-Louise Defender-Wilson, Keith Bear, and Richard LaFromboise, will collaborate with

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astronomer Dave Weinrich from Minnesota State University-Moorhead Planetarium to lead workshops for students enrolled in the Circle of Nations School, an intertribal off-reservation boarding school. The project will include residencies by two artists in schools or other community settings, and is expected to benefit audiences totaling approximately 1,600 people.

In **Boise, Idaho**, the **Log Cabin Literary Center, Inc.** received a \$20,000 matching grant to support the Writers in the Schools project, which will provide residencies for up to 18 artists in approximately 40 rural and urban pre-K through grade 12 schools. A total of 12 organizations from the participating communities will partner in carrying out the project. Total anticipated audience, including teachers, artists, and students, is expected to reach nearly 3,500.

Through innovative **Leadership Initiatives**, the Arts Endowment provides infrastructure support that sustains the field, while encouraging educational innovation and development. Examples include:

- The **NEA Improving the Assessment of Student Learning in the Arts Initiative** builds on the lessons learned from two recent model programs, the *NEA Summer Schools in the Arts for Children and Youth* and *NEA Teacher Institutes*. In both cases, we discovered that educators need more opportunities to learn how to assess both their students and the arts programs in which they participate. The *NEA Arts Assessment Leadership Initiative* works to assist arts organizations, classroom teachers, superintendents, and principals to develop measurements to guide student learning by developing the first national compendium on top assessment methods in arts education.
- **NEA Education Leaders Institutes** convene key decision-makers and national leaders to enhance the quality and quantity of arts education at the state level. Each institute gathers teams of school leaders, legislators, policymakers, educators, professional artists, consultants, and scholars from five states to discuss arts education challenges, and engage in strategic planning to advance arts education in their respective states. Two institutes held in 2008 included teams from ten states: AK, CO, KY, LA, MI, NC, NE, OK, RI and WI . Administered by the Illinois Arts Council, the program hosts two institutes per year with the goal of reaching arts and school leaders from all 50 states, the District of Columbia, and the territories.
- The **Strategic National Arts Alumni Project (SNAAP)** project collects, tracks, and disseminates national data about the lives and careers of alumni from secondary and post-secondary arts schools. This project provides the U.S. with the first collated data related to U.S. arts school alumni. The study examines the career paths of individuals trained at arts high schools, independent art and design colleges, conservatories, and college and university art schools or departments; identifies whether they chose work as artists or pursued other paths; and determines whether and how the arts training helped or hindered their career

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paths. It is undertaken in partnership with Indiana University, Vanderbilt University, and the Surdna Foundation.

- The **Arts Education Partnership**, formed in 1995 by the Arts Endowment, the U.S. Department of Education, the National Assembly of State Arts Agencies, and the Council of Chief State School Officers, is a private, nonprofit coalition of more than 140 national organizations engaged in identifying policies and practical steps for educators to achieve educational excellence by incorporating the arts into teaching and learning. Partnership organizations have led the national movement to establish education standards that include the arts, and have conducted and published groundbreaking research on the impact of learning in the arts on student achievement.
- In partnership with the **National Assembly of State Arts Agencies (NASAA)**, the NEA supports professional development programs for arts education managers of state arts agencies, including an online network, a research-based communications toolkit, and annual meetings.

## **Partnerships for the Arts**

Through *Partnerships for the Arts*, the Arts Endowment joins with a substantial network of public, private, and nonprofit agencies and organizations for the purpose of developing and maintaining partnerships that support excellence in the arts, both new and established; bring the arts to all Americans; and provide leadership in arts education. Examples of State/Regional and Federal Partnership programs, grants, and impact are presented below; an expanded discussion of National Initiatives follows.

### **State/Regional Partnerships**

- **Forty percent (40%) of the Agency’s grantmaking funds are awarded to the State Arts Agencies (SAAs) and their Regional Arts Organizations (RAOs) through Partnership Agreements.** In recent years, more than 2,400 communities have been served each year through grants made possible by these agreements, in addition to those reached through the Agency’s direct grantmaking. Of these, approximately 1,900 have been enriched through projects supported entirely with Arts Endowment funds.
- Partnership funds to State Arts Agencies and Regional Arts Organizations are used for grantmaking and special initiatives in areas such as arts education, reaching underserved communities, and discipline-based activities; and for staff and/or administrative support. Examples of recent activity carried out with NEA Partnership funds are:

**New Mexico Arts (NMA).** The New Mexico Fiber Arts Trail, a project of NMA, highlights the work of the State’s many fiber artists – both traditional and contemporary – working in traditions such as weaving, basketry, and quilting. While acting as an artist showcase, the Fiber Arts Trail also provides a means for generating economic health and stability in the State’s many rural areas. Visitors traveling to the 60-some sites featuring more than 250 artists spend money on lodging, food, gasoline, and other activities, providing a much-needed economic boost to the State’s vast rural areas. NMA offered professional development opportunities for participating artists before launching the Trail, as many of them had no prior business training, and it actively promotes the Trail to visitors at various points throughout the State.

**Massachusetts Cultural Council (MCC).** Across Massachusetts, the MCC’s YouthReach Initiative promotes out-of-school arts, humanities and science opportunities that nurture the spirit of creative inquiry in young people through collaborations among cultural organizations, human service agencies, and other organizations. Whether it’s linking a high school dropout to a teaching artist, or introducing an incarcerated teen to Shakespeare, these programs provide at-risk youth with in-depth experiences in arts and culture and find innovative ways to inspire positive growth. Activities take place outside of the school, after regular school hours, in the summer, or on weekends – in times and places where kids most need constructive activities.

**Mid-America Arts Alliance (M-AAA)** serves the six-State region of Arkansas, Kansas, Missouri, Nebraska, Oklahoma, and Texas through numerous programs, including the NEA Regional Touring Program and Exhibits USA. Through the former, M-AAA each year presents several hundred diverse performing arts programs and projects in nearly 100 communities in the region. Exhibits USA, on the other hand, supports traveling exhibitions for small and mid-sized museums that might not otherwise have access to them.

### **Federal Partnerships**

The *Coming Up Taller* awards program is a cooperative venture among the Arts Endowment, the Humanities Endowment, the Institute for Museum and Library Services, and the President's Committee on the Arts and the Humanities. The \$10,000 awards recognize and focus national attention on exemplary after-school programs fostering the creative and intellectual development of America's children and youth through education and practical experience in the arts or the humanities. In celebrating the 2006 recipients of the *Coming Up Taller* awards, Mrs. Laura Bush remarked that, "every single *Coming Up Taller* program helps young people use their creativity and their talents so they can succeed." Exemplary organizations that recently received *Coming Up Taller* awards from the Arts Endowment include:

In **Anchorage**, the **Alaska Native Heritage Center, Inc.** (ANHC High School program) was awarded an FY 2008 *Coming Up Taller* grant in recognition of its work in providing after-school multidisciplinary arts education to youth. The program includes a broad range of activities including traditional art workshops, traditional dance instruction, and a Native Youth Olympics, allowing students to gain a deeper understanding of and appreciation for their own cultural heritage. In addition to building competence and confidence in specific cultural traditions, the program provides students with intensive mentoring and leadership cultivation by a highly qualified staff of artisans and performers. The program also builds transferable job skills through training, and employs some students to work at the Center as cultural hosts, dancers, and guest service personnel.

In **Boston, Massachusetts**, **Berklee College of Music, Inc.** received an FY 2008 *Coming Up Taller* grant in recognition of its work to bring year-round (after-school, in-school, Saturdays, and summer) tuition-free music education to at-risk middle and high school students. Berklee provides fundamental and advanced music methodologies and enriched music experiences ranging from theory to performance instruction via a graduated, integrated curriculum. The program also offers academic counseling, tutoring, and a peer advocacy program, among other support services. Additionally, the program introduces participants to post-secondary education options and provides students with the proficiency to compete for full-tuition scholarships to attend Berklee. Among the program's successes, 92 program graduates have received full four-year scholarships to attend the College since the program's inception in 1992.

## **National Initiatives**

*National Initiatives* serve the American people through multi-faceted programs of indisputable artistic quality and merit, with broad national reach and multi-media educational materials. Begun in 2003, this strategy embodies the Agency’s four-pronged commitment to artistic excellence, public accessibility, arts education, and partnership. Highlights of current National Initiatives follow.

### **American Masterpieces: Three Centuries of Artistic Genius**

This program celebrates our Nation’s greatest artistic achievements with performances, exhibitions, tours, and educational programming in all 50 States. Since its FY 2005 launch with support for visual arts exhibitions, this Arts Endowment initiative has expanded to include support for dance, choral music, musical theater, and literature. Recent *American Masterpieces* awards include:

In **Wisconsin, Madison Museum of Contemporary Art** was awarded an \$80,000 matching grant to support a touring exhibition of the work of American artist George Segal, with accompanying catalogue and education programs. “Street Scenes” is the first exhibition to explore the artist’s interest in urban themes – and the first tour of Segal’s work to include venues beyond the East Coast in more than 25 years. The tour will include lectures and related activities in up to 80 pre-K through grade 12 schools, reaching an estimated 25,000 children. In addition, the exhibition is expected to draw a total audience of up to 250,000.

In **Burlington, Vermont, the Flynn Center for the Performing Arts, Ltd.** received a matching grant of \$55,000 to support “American Masterpieces: The Art of Improvisation and the Work of Cecil Taylor; Dana Reitz and Jennifer Tipton; and Eiko and Koma.” NEA Jazz Master and pianist Cecil Taylor and choreographers/dancers Dana Reitz and Eiko and Koma will perform seminal works that influenced their art forms. During the course of the project, two new artworks will be created, six concerts will be presented, five lectures/workshops will take place, one exhibition will occur, and an artist residency will take place. Three community organizations will partner to assist with carrying out the project.

### **The Big Read**

Substantial impact has been achieved by connecting Americans to our Nation’s literary heritage through *The Big Read*, the literary component of *American Masterpieces*. The *Big Read* was developed in response to the Agency’s 2004 research report, *Reading at Risk: A Survey of Literary Reading in America*, which revealed an alarming decline in literary reading. The *Big Read* is designed to help build a nation of active readers, and thus begin to reverse the trends identified in *Reading at Risk*.

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Begun as a pilot in ten cities and towns in 2006, *The Big Read* has now expanded to include grants to 533 organizations in communities across all 50 States, as well as the District of Columbia, Puerto Rico, and the Virgin Islands. The pilot program included four classic American novels. Today, *The Big Read* library includes 30 featured authors.

Since its inception, over 21,000 local partners have been involved in *The Big Read*. Over 2 million Americans have attended *Big Read* events nationwide and 5.6 million Reader's Guides have been distributed. Between September 2009 and June 2010, additional communities nationwide will be selected to engage their citizens in reading and discussing a *Big Read* book. (See table on the following pages for a complete list of grantees.)

On July 20, 2006 at a celebration of the *Big Read* at the Library of Congress, Mrs. Laura Bush, the honorary Chair of *The Big Read*, said, "As a former teacher and librarian and a lifelong reader, I understand not only the importance of literacy to a society, but also the pure joy and personal enrichment that comes with sitting down with a good book." She applauded *The Big Read* and the NEA for "developing a program whose goal is to bring communities together through literature and reading. I'm delighted to be a part of it."

In addition, to meet the challenge, other Federal and private agencies have joined the Arts Endowment to implement *The Big Read*. The Institute of Museum and Library Services has so far provided \$2.25 million in support for the program. Additionally, the W.K. Kellogg Foundation and the Community Foundations of America have assisted participating communities with funds to match NEA's grants for *The Big Read*; The Boeing Company contributed additional funds to bring *The Big Read* to military families; and the Paul G. Allen Family Foundation pledged \$200,000 to support grants to Pacific Northwest communities and the creation of *The Big Read* educational materials for those communities.

To help build awareness of *The Big Read*, the Ford Motor Company recently donated a 2008 Ford Escape Hybrid to the program. With its colorful design featuring *The Big Read's* logo, the vehicle will help inspire interest in the program as NEA staff travel to *Big Read* events nationwide. Also, educational materials for Literary Landmarks sites are made possible through the generous support of the Poetry Foundation.

Examples of *Big Read* programs:

In **Missouri**, the **West Plains Council on the Arts** was awarded a grant of \$7,000 to host a *Big Read* on *The Adventures of Tom Sawyer* between September and October 2008. The Council planned a fun and creative community-wide celebration. A white-washed fence was installed on the courthouse lawn to be signed by anyone who finished reading the book. The local radio station, KWPM-AM, aired students from West Plains Middle School reading letters written about Mark Twain in their 6th grade language arts class. Younger readers could literally discover and explore cave-life, thanks to an inflatable cave provided by the Missouri Department of Conservation. And local educators benefited from teacher training hosted by

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Dr. Cindy Lovell, Education Coordinator for the Mark Twain Boyhood Home Museum in Hannibal, Missouri.

The **Riverside Arts Council in California** received a \$10,000 grant to support their *Big Read* program, which will occur in February 2009. Their community selected Rudolfo Anaya's *Bless Me, Ultima* to help reach the region's large Hispanic population. The Riverside Arts Council will partner with the Arlington Library and a number of community organizations, and will include after-school programs and a focus on the preservation of Latino culture and heritage through authentic costuming and dance.

The **Little Traverse Bay Bands of Odawa Indians in Michigan** received \$20,000 to support a month-long celebration of Harper Lee's *To Kill a Mockingbird*. Events encompassed a large part of the greater Northern Michigan community, including seven public libraries, the schools within the Charlevoix-Emmett Intermediate school district, local bookstores, churches, social service agencies, and the 4,000 members of the Little Traverse Bay Bands of Odawa Indians. Organizers distributed 1,500 free copies of the novel throughout the rural and economically diverse community. The Great Lakes Chamber Orchestra also commissioned a song cycle based on *To Kill a Mockingbird*. At the premiere, the piece was narrated and introduced by Mary Badham, the actress who portrayed Scout in the 1962 film adaptation of the novel.

**Wichita Public Library Foundation, Inc., in Kansas**, received a \$10,000 grant to create a community-wide read around *My Ántonia*, starting in September 2008. Program plans included exhibits featuring items from the Wichita Art Museum's permanent collection. To educate the community about the buildings and homes described in *My Ántonia*, Wichita State University's Special Collections and University Archives will display some of their over 200 photographs of sod houses, churches, post offices, schools and other buildings. The Wichita Historical Museum is also involved and will host an ongoing exhibit: "Wichita: A Magic City" that will help readers visualize and learn about the novel's prairie setting.

**Kentucky State University, in Frankfort**, received a \$20,000 grant to support the reading of *A Lesson Before Dying*. Their programming launched in mid-October 2008, and on-going events include several book discussion groups, panel discussions, contests, and screenings of the film version of the book.

From the pilot program through June 2008, 533 grants have been awarded to fund programs across the Nation. Grantee organizations have often engaged – or plan to involve – additional communities adjacent to the one in which the grant was awarded. All *Big Read* grants awarded to date are listed in the following 12 pages.

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**Big Read Grants Awarded From 2006 Through 2008**

<b>State</b>	<b>City</b>	<b>Coordinating Organization Name</b>	<b>Book</b>
AK	Anchorage	The Anchorage Municipal Libraries	<i>Fahrenheit 451</i>
AK	Homer	The Kachemak Bay Campus-Kenai Peninsula College-University of Alaska Anchorage	<i>The Joy Luck Club</i>
AK	Haines	Sheldon Museum & Cultural Center	<i>My Antonia</i>
AK	Anchorage	Anchorage Public Library	<i>To Kill a Mockingbird</i>
AK	Haines	Sheldon Museum & Cultural Center Inc.	<i>The Adventures of Tom Sawyer</i>
AL	Ozark	Ozark-Dale County Public Library	<i>To Kill a Mockingbird</i>
AL	Auburn	Auburn University	<i>To Kill a Mockingbird</i>
AL	Gadsden	Gadsden Cultural Arts Foundation, Inc	<i>To Kill a Mockingbird</i>
AL	Gadsden	Gadsden Cultural Arts Foundation	<i>The Shawl</i>
AL	Huntsville	The Huntsville-Madison County Public Library	<i>To Kill a Mockingbird</i>
AL	Huntsville	Huntsville Public Library	<i>The Maltese Falcon</i>
AL	Huntsville	Huntsville-Madison County Public Library	<i>The Thief and the Dogs</i>
AL	Huntsville	Huntsville-Madison County Public Library	<i>The Great Gatsby</i>
AL	Birmingham	Jefferson County Library Cooperative	<i>To Kill a Mockingbird</i>
AR	Melbourne	Ozarka College	<i>The Grapes of Wrath</i>
AR	Little Rock	Arkansas Center for the Book	<i>The Great Gatsby</i>
AR	Fayetteville	The Fayetteville Public Library	<i>Fahrenheit 451</i>
AZ	Safford	Safford City - Graham County Library	<i>Fahrenheit 451</i>
AZ	Safford	Safford City - Graham County Library	<i>Bless Me, Ultima</i>
AZ	Phoenix	Phoenix Public Library Foundation	<i>The Maltese Falcon</i>
AZ	Avondale	West Valley Arts Council	<i>To Kill a Mockingbird</i>
AZ	Avondale	West Valley Arts Council	<i>The Maltese Falcon</i>
CA	Redding	Shasta Public Libraries	<i>To Kill a Mockingbird</i>
CA	Roseville	Roseville Public Library	<i>Old School</i>
CA	Rohnert Park	Rural California Broadcasting Corporation/KRCB	<i>Fahrenheit 451</i>
CA	Rohnert Park	Rural California Broadcasting Corporation / KRCB	<i>To Kill a Mockingbird</i>
CA	Pittsburg	Los Medanos College	<i>To Kill a Mockingbird</i>
CA	Berkeley	Berkeley Public Library	<i>Their Eyes Were Watching God</i>
CA	Oakland	California State University East Bay Foundation Inc	<i>A Lesson Before Dying</i>
CA	Pleasant Hill	Contra Costa County Library	<i>Fahrenheit 451</i>
CA	Pleasanton	Pleasanton Public Library	<i>The Maltese Falcon</i>
CA	Pleasanton	Pleasanton Public Library	<i>The Great Gatsby</i>
CA	San Mateo	The Peninsula Library System	<i>To Kill a Mockingbird</i>
CA	Hayward	Hayward Public Library	<i>A Lesson Before Dying</i>
CA	Saratoga	The Montalvo Arts Center	<i>Fahrenheit 451</i>
CA	Salinas	The National Steinbeck Center	<i>The Grapes of Wrath</i>
CA	Salinas	The National Steinbeck Center	<i>Fahrenheit 451</i>
CA	Stockton	Stockton-San Joaquin County Public Library	<i>The Maltese Falcon</i>
CA	Stockton	Stockton-San Joaquin County Public Library	<i>Fahrenheit 451</i>
CA	Fresno	The Fresno County Library	<i>The Joy Luck Club</i>
CA	Fresno	Fresno County Library	<i>The Adventures of Tom Sawyer</i>
CA	Fresno	Fresno County Library	<i>To Kill a Mockingbird</i>
CA	Bakersfield	Bakersfield Museum of Art	<i>Their Eyes Were Watching God</i>
CA	Ventura	City of Ventura Cultural Affairs Division	<i>Bless Me, Ultima</i>

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CA	Mammoth Lakes	Mono County Libraries	<i>Fahrenheit 451</i>
CA	Rancho Cucamonga	Rancho Cucamonga Public Library Services	<i>To Kill a Mockingbird</i>
CA	San Marino	The Henry E. Huntington Library and Art Gallery	<i>The Call of the Wild</i>
CA	Rancho Cucamonga	Rancho Cucamonga Public Library Services	<i>The Maltese Falcon</i>
CA	Los Angeles	Will & Company	<i>The Grapes of Wrath</i>
CA	Los Angeles	Will & Company	<i>Bless Me, Ultima</i>
CA	East Los Angeles	County of Los Angeles Public Library	<i>Bless Me, Ultima</i>
CA	Culver City	PEN Center USA	<i>Bless Me, Ultima</i>
CA	Santa Clarita	The County of Los Angeles Public Library	<i>Fahrenheit 451</i>
CA	Los Angeles	City of Los Angeles Department of Cultural Affairs	<i>The Maltese Falcon</i>
CA	Pomona	Cal Poly Pomona Foundation	<i>Bless Me, Ultima</i>
CA	Pomona	Cal Poly Pomona Foundation	<i>To Kill a Mockingbird</i>
CA	Norwalk	County of Los Angeles Public Library	<i>To Kill a Mockingbird</i>
CA	South Gate	County of Los Angeles Public Library	<i>Bless Me, Ultima</i>
CA	Redlands	University of Redlands	<i>Fahrenheit 451</i>
CA	Riverside	Riverside Arts Council	<i>Bless Me, Ultima</i>
CA	Corona	Corona Public Library	<i>To Kill a Mockingbird</i>
CA	Santa Ana	Orange County Public Library	<i>To Kill a Mockingbird</i>
CA	Encinitas	Friends of the Encinitas Library	<i>To Kill a Mockingbird</i>
CA	Chula Vista	Black Storytellers of San Diego, Inc.	<i>Their Eyes Were Watching God</i>
CO	Denver	Su Teatro Inc. dba El Centro Su Teatro	<i>Bless Me, Ultima</i>
CO	Alamosa	Adams State College	<i>Fahrenheit 451</i>
CO	Aspen	Aspen Writers' Foundation	<i>Bless Me, Ultima</i>
CO	Paonia	Delta County Public Library District	<i>To Kill a Mockingbird</i>
CO	Pueblo	Pueblo City-County Library District	<i>The Joy Luck Club</i>
CO	Rifle	Garfield County Public Library District	<i>The Maltese Falcon</i>
CO	Greeley	Weld Library District	<i>Bless Me, Ultima</i>
CO	Greeley	Weld Library District	<i>Fahrenheit 451</i>
CO	Englewood	Arapahoe Library Friends Foundation	<i>Fahrenheit 451</i>
CO	Aurora	Aurora Public Library	<i>The Call of the Wild</i>
CT	Hartford	The Hartford Public Library	<i>Their Eyes Were Watching God</i>
CT	Hartford	Hartford Public Library	<i>The Maltese Falcon</i>
CT	Hartford	Hartford Public Library	<i>To Kill a Mockingbird</i>
CT	New Haven	The New Haven International Festival of Arts & Ideas	<i>To Kill a Mockingbird</i>
CT	New Haven	The New Haven International Festival of Arts & Ideas	<i>Fahrenheit 451</i>
CT	Bridgeport	The City of Bridgeport	<i>To Kill a Mockingbird</i>
CT	Norwalk	City of Norwalk	<i>Fahrenheit 451</i>
CT	Bridgeport	The City of Bridgeport	<i>The Joy Luck Club</i>
CT	Norwalk	Norwalk Public Library	<i>The Adventures of Tom Sawyer</i>
CT	Waterbury	The Mattanuck Historical Society	<i>To Kill a Mockingbird</i>
CT	Waterbury	Silas Bronson Library	<i>Fahrenheit 451</i>
CT	New Britain	New Britain Museum of American Art	<i>The Call of the Wild</i>
DC	Washington	The Humanities Council of Washington, DC	<i>Their Eyes Were Watching God</i>
DC	Washington	The Humanities Council of Washington, DC	<i>The Great Gatsby</i>
DC	Washington	Humanities Council of Washington DC	<i>The Heart Is a Lonely Hunter</i>

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DE	Dover	Delaware Division of Libraries	<i>The Maltese Falcon</i>
FL	Pensacola	West Florida Literary Federation	<i>To Kill a Mockingbird</i>
FL	Tallahassee	LeRoy Collins Leon County Public Library System	<i>Fahrenheit 451</i>
FL	Live Oak	Suwannee River Regional Library	<i>The Maltese Falcon</i>
FL	Palatka	Communities in Schools of Putnam County Inc	<i>To Kill a Mockingbird</i>
FL	Gainesville	Alachua County Library District	<i>Their Eyes Were Watching God</i>
FL	Jacksonville	Jacksonville Public Library	<i>Their Eyes Were Watching God</i>
FL	Palatka	Communities in Schools of Putnam County Inc	<i>The Great Gatsby</i>
FL	Jacksonville	Jacksonville Public Libraries Foundation, Inc.	<i>The Call of the Wild</i>
FL	Wildwood	Young Performing Artists, Inc.	<i>Their Eyes Were Watching God</i>
FL	Daytona Beach	Daytona Beach Community College/DBCC Public Broadcasting	<i>Fahrenheit 451</i>
FL	Orlando	The Orange County Library System	<i>To Kill a Mockingbird</i>
FL	Ocala	Marion County Public Library System	<i>Their Eyes Were Watching God</i>
FL	Orlando	The Orange County Library System	<i>To Kill a Mockingbird</i>
FL	Clearwater	Pinellas Public Library Cooperative, Inc.	<i>The Great Gatsby</i>
FL	Tampa	Tampa-Hillsborough County Public Library Cooperative	<i>Their Eyes Were Watching God</i>
FL	Cocoa	The Brevard County Libraries	<i>To Kill a Mockingbird</i>
FL	Clewiston	Hendry County Library Cooperative	<i>Their Eyes Were Watching God</i>
FL	Clewiston	Hendry County Library Cooperative	<i>Fahrenheit 451</i>
FL	Miami	The Florida Center for the Literary Arts at Miami Dade College	<i>A Farewell to Arms</i>
FL	Miami	The Florida Center for the Literary Arts at Miami Dade College	<i>Their Eyes Were Watching God</i>
FL	Miami	Florida Center for the Literary Arts at Miami Dade College	<i>The Thief and the Dogs</i>
FL	Miami	Florida Center for the Literary Arts/Florida Center for the Book	<i>Fahrenheit 451</i>
FL	Fort Lauderdale	Florida Center for the Book/Broward Public Library Foundation	<i>The Joy Luck Club</i>
FL	Ft Lauderdale	Florida Center for the Book - Broward Public Library Foundation	<i>The Maltese Falcon</i>
FL	Fort Lauderdale	Florida Center for the Book / Broward Public Library Foundation	<i>The Great Gatsby</i>
GA	Savannah	Armstrong Atlantic State University	<i>Their Eyes Were Watching God</i>
GA	Brunswick	Golden Isles Arts and Humanities Association	<i>Fahrenheit 451</i>
GA	Valdosta	Valdosta State University, Odum Library	<i>Their Eyes Were Watching God</i>
GA	Brunswick	Golden Isles Arts and Humanities Association	<i>To Kill a Mockingbird</i>
GA	Columbus	Muscogee County Friends of Libraries	<i>To Kill a Mockingbird</i>
GA	Columbus	Muscogee County Friends of Libraries	<i>The Adventures of Tom Sawyer</i>
GA	Atlanta	National Black Arts Festival	<i>Their Eyes Were Watching God</i>
GA	Atlanta	The Literary Center at the Margaret Mitchell House & Museum	<i>The Great Gatsby</i>
GA	Woodstock	Towne Lake Arts Center	<i>The Adventures of Tom Sawyer</i>
GA	LaFayette	Cherokee Regional Library System	<i>To Kill a Mockingbird</i>
GA	Athens	University of Georgia/UGA Libraries	<i>Bless Me, Ultima</i>
GA	Savannah	Live Oak Public Libraries	<i>Fahrenheit 451</i>
GA	Milledgeville	Georgia College & State University	<i>A Lesson Before Dying</i>
GA	Savannah	Savannah State University	<i>The Maltese Falcon</i>

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GA	Douglasville	Cultural Arts Council of Douglasville/Douglas County, Inc.	<i>To Kill a Mockingbird</i>
HI	Honolulu	Hawai'i Capital Cultural District	<i>The Joy Luck Club</i>
IA	Dubuque	Carnegie-Stout Public Library	<i>The Maltese Falcon</i>
IA	Cedar Rapids	African American Heritage Foundation	<i>Their Eyes Were Watching God</i>
IA	Des Moines	State Historical Society of Iowa Library, Department of Cultural Affairs	<i>The Call of the Wild</i>
IA	Ames	The Ames Public Library	<i>My Antonia</i>
IA	Perry	Hometown Perry, Iowa	<i>The Heart Is a Lonely Hunter</i>
IA	Waukee	Waukee Public Library	<i>The Shawl</i>
IA	Perry	Perry Public Library	<i>The Great Gatsby</i>
IA	Sioux City	The Sioux City Public Library	<i>The Great Gatsby</i>
ID	Boise	The Cabin	<i>A Farewell to Arms</i>
ID	Rexburg	Madison Library District	<i>My Antonia</i>
ID	Boise	The Cabin	<i>My Antonia</i>
ID	Rexburg	Madison Library District	<i>A Farewell to Arms</i>
ID	Pocatello	Marshall Public Library	<i>Housekeeping</i>
ID	Boise	The Cabin	<i>The Maltese Falcon</i>
ID	Boise	The Cabin	<i>Fahrenheit 451</i>
IL	Oak Forest	Acorn Public Library District	<i>The Joy Luck Club</i>
IL	Chicago	Beverly Arts Center	<i>Fahrenheit 451</i>
IL	Chicago	Beverly Arts Center	<i>Bless Me, Ultima</i>
IL	Bartlett	Bartlett Public Library District	<i>The Call of the Wild</i>
IL	Oak Park	Oak Park Public Library	<i>A Farewell to Arms</i>
IL	Chicago	Center for Asian Arts and Media at Columbia College Chicago	<i>The Joy Luck Club</i>
IL	Chicago	Columbia College Chicago	<i>Fahrenheit 451</i>
IL	Mundelein	Fremont Public Library District	<i>My Antonia</i>
IL	Libertyville	The Cook Memorial Public Library District	<i>The Great Gatsby</i>
IL	Orland Park	Orland Park Public Library	<i>The Maltese Falcon</i>
IL	DeKalb	DeKalb Public Library	<i>Fahrenheit 451</i>
IL	Aurora	Aurora Public Library	<i>My Antonia</i>
IL	Aurora	Aurora Public Library	<i>A Farewell to Arms</i>
IL	DeKalb	DeKalb Public Library	<i>To Kill a Mockingbird</i>
IL	Urbana	University of Illinois, Board of Trustees	<i>The Death of Ivan Ilyich</i>
IL	Danville	Danville Area Community College	<i>To Kill a Mockingbird</i>
IL	Champaign	Champaign Public Library	<i>The Maltese Falcon</i>
IL	Sterling	The Sterling Public Library	<i>Fahrenheit 451</i>
IL	Galesburg	The Sandburg Days Festival	<i>The Grapes of Wrath</i>
IL	Sterling	The Sterling Public Library	<i>My Antonia</i>
IL	Rock Island	Quad City Arts	<i>To Kill a Mockingbird</i>
IL	Canton	Spoon River College	<i>To Kill a Mockingbird</i>
IL	Galesburg	Galesburg Public Library	<i>A Farewell to Arms</i>
IL	Galesburg	Galesburg Public Library	<i>The Adventures of Tom Sawyer</i>
IL	Canton	Spoon River College Foundation	<i>The Adventures of Tom Sawyer</i>
IL	Sterling	Sterling Public Library	<i>The Maltese Falcon</i>
IL	Peoria	The Peoria Public Library	<i>To Kill a Mockingbird</i>
IL	Peoria	The Peoria Public Library	<i>Fahrenheit 451</i>

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IL	Springfield	Illinois State Library	<i>Fahrenheit 451</i>
IL	Peoria	Peoria Public Library	<i>The Maltese Falcon</i>
IL	Ina	Rend Lake College	<i>The Joy Luck Club</i>
IL	Ina	Rend Lake College	<i>The Adventures of Tom Sawyer</i>
IN	Warsaw	Kosciusko Literacy Services, Inc.	<i>The Grapes of Wrath</i>
IN	Auburn	TerraFirma	<i>The Call of the Wild</i>
IN	Warsaw	Kosciusko Literacy Services, Inc.	<i>The Great Gatsby</i>
IN	Warsaw	Kosciusko Literacy Services Inc	<i>The Adventures of Tom Sawyer</i>
IN	Frankfort	Frankfort Community Public Library	<i>Bless Me, Ultima</i>
IN	Mooreville	Community Foundation of Morgan County, Inc.	<i>The Great Gatsby</i>
IN	Muncie	The Muncie Public Library	<i>To Kill a Mockingbird</i>
IN	New Castle	New Castle-Henry County Public Library	<i>The Great Gatsby</i>
IN	Muncie	The Muncie Public Library	<i>The Death of Ivan Ilyich</i>
IN	New Castle	New Castle-Henry County Public Library	<i>Fahrenheit 451</i>
IN	Terre Haute	The Vigo County Public Library	<i>The Great Gatsby</i>
IN	Terre Haute	The Vigo County Public Library	<i>The Maltese Falcon</i>
IN	Terre Haute	Vigo County Public Library	<i>The Call of the Wild</i>
IN	Bloomington	The Bloomington Area Arts Council	<i>Fahrenheit 451</i>
IN	Corydon	Harrison County Public Library	<i>The Great Gatsby</i>
IN	Seymour	Jackson County Public Library	<i>The Joy Luck Club</i>
IN	Columbus	Columbus Area Arts Council	<i>Bless Me, Ultima</i>
KS	Junction City	Friends of the Dorothy Bramlage Public Library	<i>The Call of the Wild</i>
KS	Topeka	Topeka and Shawnee County Public Library	<i>Fahrenheit 451</i>
KS	Topeka	Topeka and Shawnee County Public Library	<i>To Kill a Mockingbird</i>
KS	Iola	Bowlus Fine Arts Center	<i>To Kill a Mockingbird</i>
KS	Topeka	Topeka and Shawnee County Public Library	<i>Their Eyes Were Watching God</i>
KS	Kansas City	The Kansas City Kansas Public Library	<i>The Grapes of Wrath</i>
KS	Shawnee Mission	The Johnson County Library	<i>The Joy Luck Club</i>
KS	Overland Park	Johnson County Library	<i>The Maltese Falcon</i>
KS	Shawnee Mission	Johnson County Library	<i>Old School</i>
KS	Wichita	Wichita Public Library Foundation, Inc.	<i>My Antonia</i>
KY	Owensboro	Owensboro Community and Technical College	<i>The Joy Luck Club</i>
KY	Bowling Green	Western Kentucky University Foundation	<i>To Kill a Mockingbird</i>
KY	Louisville	The Louisville Free Public Library Foundation	<i>Their Eyes Were Watching God</i>
KY	Park Hills	Gateway Community and Technical College	<i>Fahrenheit 451</i>
KY	Maysville	Kentucky Gateway Museum Center	<i>The Age of Innocence</i>
KY	Olive Hill	Olive Hill Adult Learning Center, Inc.	<i>To Kill a Mockingbird</i>
KY	Williamsburg	Williamsburg Action Team	<i>A Lesson Before Dying</i>
KY	Frankfort	Kentucky State University	<i>Their Eyes Were Watching God</i>
KY	Frankfort	Kentucky State University	<i>A Lesson Before Dying</i>
LA	New Orleans	The Pirate's Alley Faulkner Society, Inc.	<i>The Great Gatsby</i>
LA	New Orleans	Southern Food and Beverage Museum Foundation	<i>To Kill a Mockingbird</i>
LA	Houma	Houma Regional Arts Council	<i>To Kill a Mockingbird</i>
LA	Houma	Houma Regional Arts Council	<i>A Lesson Before Dying</i>
LA	Houma	Houma Regional Arts Council	<i>Fahrenheit 451</i>
LA	Baton Rouge	The East Baton Rouge Parish Library	<i>To Kill a Mockingbird</i>
LA	Baton Rouge	The East Baton Rouge Parish Library	<i>Fahrenheit 451</i>

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LA	Baton Rouge	East Baton Rouge Parish Library	<i>A Lesson Before Dying</i>
LA	Lafayette	The Performing Arts Society of Acadiana	<i>Their Eyes Were Watching God</i>
MA	Deerfield	Pocumtuck Valley Memorial Association	<i>Fahrenheit 451</i>
MA	Deerfield	Pocumtuck Valley Memorial Association	<i>My Antonia</i>
MA	Pittsfield	Pittsfield - Office of Cultural Development	<i>To Kill a Mockingbird</i>
MA	Attleboro	Attleboro Public Library	<i>Fahrenheit 451</i>
MA	Shrewsbury	Shrewsbury Public Library	<i>My Antonia</i>
MA	Worcester	U Mass Memorial Health Care	<i>The Heart Is a Lonely Hunter</i>
MA	Worcester	UMass Memorial Health Care, Inc.	<i>The Adventures of Tom Sawyer</i>
MA	Attleboro	Attleboro Public Library	<i>The Great Gatsby</i>
MA	Boston	University of Massachusetts Boston	<i>To Kill a Mockingbird</i>
MA	Boston	University of Massachusetts Boston	<i>Their Eyes Were Watching God</i>
MD	Snow Hill	Worcester County Library	<i>Their Eyes Were Watching God</i>
MD	Towson	Towson University	<i>Fahrenheit 451</i>
MD	Owings Mills	Maryland Public Television	<i>To Kill a Mockingbird</i>
MD	Baltimore	Harbel Community Foundation	<i>To Kill a Mockingbird</i>
MD	Owings Mills	MPT Foundation	<i>The Call of the Wild</i>
MD	Annapolis	Annapolis Charter 300 Committee	<i>The Great Gatsby</i>
MD	La Plata	College of Southern Maryland	<i>A Lesson Before Dying</i>
MD	Hagerstown	Community Foundation of Washington County MD, Inc.	<i>To Kill a Mockingbird</i>
MD	Hagerstown	Community Foundation of Washington County MD, Inc.	<i>The Great Gatsby</i>
ME	Bath	The Patten Free Library	<i>The Grapes of Wrath</i>
ME	Portland	Maine Writers & Publishers Alliance	<i>The Joy Luck Club</i>
ME	Portland	Victoria Mansion, Inc.	<i>The Age of Innocence</i>
ME	Auburn	Auburn Public Library	<i>The Grapes of Wrath</i>
MI	Harbor Springs	The Little Traverse Bay Bands of Odawa Indians	<i>To Kill a Mockingbird</i>
MI	Ironwood	Ironwood Carnegie Library	<i>The Grapes of Wrath</i>
MI	Escanaba	Escanaba Public Library	<i>The Maltese Falcon</i>
MI	Ironwood	Ironwood Carnegie Library	<i>The Maltese Falcon</i>
MI	Scottville	West Shore Community College	<i>Their Eyes Were Watching God</i>
MI	Grand Rapids	Grand Rapids Public Library	<i>The Maltese Falcon</i>
MI	Suttons Bay	Grand Traverse Band of Ottawa and Chippewa Indians	<i>The Joy Luck Club</i>
MI	Flint	Genesee District Library	<i>Their Eyes Were Watching God</i>
MI	Jackson	Jackson Community College	<i>To Kill a Mockingbird</i>
MI	Jackson	Jackson District Library	<i>Bless Me, Ultima</i>
MI	Jackson	Jackson District Library	<i>The Grapes of Wrath</i>
MI	Hartland	Cromaine District Library	<i>Fahrenheit 451</i>
MI	Hartland	Cromaine District Library	<i>To Kill a Mockingbird</i>
MI	Detroit	Detroit Public Library	<i>Their Eyes Were Watching God</i>
MI	Wyandotte	Wayne-Metropolitan Community Action Agency	<i>To Kill a Mockingbird</i>
MI	Dearborn	Arab Community Center for Economic and Social Services	<i>The Thief and the Dogs</i>
MI	Monroe	Monroe County Community College	<i>Fahrenheit 451</i>
MI	Monroe	Foundation at Monroe County Community College	<i>To Kill a Mockingbird</i>
MI	Monroe	The Foundation at Monroe County Community	<i>The Great Gatsby</i>

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		College	
MN	Minneapolis	The Givens Foundation for African American Literature	<i>A Lesson Before Dying</i>
MN	Minneapolis	The Loft Literary Center	<i>Their Eyes Were Watching God</i>
MN	St. Cloud	St. Cloud State University, College of Education	<i>Bless Me, Ultima</i>
MN	Fergus Falls	A Center for the Arts	<i>My Antonia</i>
MN	Marshall	Marshall-Lynn County Library	<i>My Antonia</i>
MN	Fergus Falls	A Center for the Arts, Fergus Falls	<i>The Joy Luck Club</i>
MN	Fergus Falls	Fergus Falls, A Center for the Arts	<i>The Maltese Falcon</i>
MN	Grand Rapids	The Grand Rapids Area Library	<i>Fahrenheit 451</i>
MN	Cloquet	Carlton County Historical Society	<i>To Kill a Mockingbird</i>
MN	Grand Rapids	Grand Rapids Area Library	<i>The Maltese Falcon</i>
MO	St. Charles	Foundry Art Centre	<i>The Call of the Wild</i>
MO	St. Louis	Washington University in St. Louis	<i>Fahrenheit 451</i>
MO	St. Louis	Washington University in St. Louis	<i>To Kill a Mockingbird</i>
MO	Parkville	Park University	<i>A Farewell to Arms</i>
MO	St. Joseph	Allied Arts Council of St. Joseph, MO Inc.	<i>The Great Gatsby</i>
MO	Springfield	Juanita K. Hammons Hall for the Performing Arts	<i>To Kill a Mockingbird</i>
MO	West Plains	West Plains Council on the Arts	<i>The Adventures of Tom Sawyer</i>
MS	Hernando	DeSoto Arts Council	<i>The Adventures of Tom Sawyer</i>
MS	Itta Bena	College of Education, Mississippi Valley State University	<i>The Grapes of Wrath</i>
MS	Starkville	Friends of Starkville Library: Starkville Reads	<i>To Kill a Mockingbird</i>
MS	Starkville	Starkville Reads	<i>The Call of the Wild</i>
MS	Gulfport	MS Gulf Coast Community College-Jefferson Davis Campus	<i>To Kill a Mockingbird</i>
MS	Hattiesburg	University of Southern Mississippi Department of English	<i>Their Eyes Were Watching God</i>
MT	Havre	The Havre-Hill County Library Foundation	<i>The Grapes of Wrath</i>
MT	Libby	Lincoln County Public Libraries	<i>Their Eyes Were Watching God</i>
MT	Helena	Lewis & Clark Library	<i>To Kill a Mockingbird</i>
MT	Billings	YMCA Billings - The Writer's Voice	<i>The Call of the Wild</i>
MT	Helena	Lewis & Clark Library	<i>The Call of the Wild</i>
MT	Kalispell	Flathead County Library System	<i>The Call of the Wild</i>
MT	Helena	Montana Historical Society	<i>The Grapes of Wrath</i>
NC	Kinston	Lenoir Community College	<i>Fahrenheit 451</i>
NC	New Bern	The Craven-Pamlico-Carteret Regional Library	<i>The Great Gatsby</i>
NC	Kinston	Lenoir Community College	<i>Their Eyes Were Watching God</i>
NC	Elizabeth City	Pasquotank-Camden Library	<i>Bless Me, Ultima</i>
NC	Clayton	Johnston County Arts Council	<i>To Kill a Mockingbird</i>
NC	Chapel Hill	Sonja Haynes Stone Center for Black Culture and History	<i>Their Eyes Were Watching God</i>
NC	Statesville	Iredell Friends of the Library	<i>To Kill a Mockingbird</i>
NC	Fayetteville	The Cumberland County Public Library and Information Center	<i>Their Eyes Were Watching God</i>
NC	Fayetteville	Friends of the Cumberland County Public Library and Information Center	<i>Fahrenheit 451</i>
NC	Fayetteville	Friends of the Cumberland County Public Library & Info Center	<i>The Maltese Falcon</i>

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NC	Troy	Montgomery Community College	<i>The Joy Luck Club</i>
NC	Forest City	Rutherford County Arts Council	<i>Fahrenheit 451</i>
NC	Lenoir	Caldwell County Public Library	<i>The Maltese Falcon</i>
NC	Asheville	A-B Tech Community College Foundation for Together We Read	<i>To Kill a Mockingbird</i>
NC	Asheville	Together We Read	<i>My Antonia</i>
NC	Salisbury	The Rowan Public Library	<i>The Grapes of Wrath</i>
NC	Salisbury	Livingstone College	<i>A Lesson Before Dying</i>
NC	Greensboro	Bennett College for Women	<i>Their Eyes Were Watching God</i>
NC	Winston-Salem	Forsyth County Public Library	<i>Fahrenheit 451</i>
NC	Charlotte	Public Library of Charlotte & Mecklenburg County	<i>To Kill a Mockingbird</i>
NC	Roxboro	Piedmont Community College	<i>The Grapes of Wrath</i>
ND	New Rockford	Dakota Prairie Regional Center for the Arts	<i>Fahrenheit 451</i>
ND	Devils Lake	Shakespeare Club-Lake Region Library	<i>Fahrenheit 451</i>
ND	Jamestown	The Jamestown Arts Center	<i>A Farewell to Arms</i>
ND	Belcourt	Turtle Mountain Community College	<i>The Adventures of Tom Sawyer</i>
NE	Plattsmouth	Plattsmouth Public Library	<i>The Maltese Falcon</i>
NE	Omaha	Omaha Reads	<i>The Call of the Wild</i>
NE	Omaha	Omaha's Henry Doorly Zoo	<i>The Adventures of Tom Sawyer</i>
NH	Portsmouth	Strawbery Banke Museum	<i>The Adventures of Tom Sawyer</i>
NH	Concord	Center for the Book at the New Hampshire State Library	<i>Fahrenheit 451</i>
NH	Amherst	Northeast Cultural Coop	<i>The Joy Luck Club</i>
NH	Amherst	Northeast Cultural Coop	<i>The Great Gatsby</i>
NJ	Salem	United Way of Salem County	<i>To Kill a Mockingbird</i>
NJ	Salem	United Way of Salem County	<i>Fahrenheit 451</i>
NJ	Rancocas	Burlington County Council, Boy Scouts of America	<i>The Call of the Wild</i>
NJ	Caldwell	Caldwell Public Library	<i>The Age of Innocence</i>
NJ	Parsippany	Parsippany-Troy Hills Public Library System	<i>The Joy Luck Club</i>
NJ	Caldwell	Caldwell Public Library	<i>The Shawl</i>
NJ	Jersey City	Jersey City Free Public Library	<i>Fahrenheit 451</i>
NM	Albuquerque	Bernalillo County	<i>Bless Me, Ultima</i>
NM	Las Cruces	The Regents of New Mexico State University	<i>Bless Me, Ultima</i>
NM	Roswell	High Plains Writing Project	<i>To Kill a Mockingbird</i>
NM	Silver City	Friends of the Public Library of Silver City	<i>Bless Me, Ultima</i>
NM	Santa Fe	Georgia O'Keeffe Museum	<i>Bless Me, Ultima</i>
NM	Santa Fe	The Santa Fe Opera	<i>The Adventures of Tom Sawyer</i>
NV	Las Vegas	The Las Vegas-Clark County Library District	<i>The Joy Luck Club</i>
NV	Las Vegas	Las Vegas-Clark County Library District	<i>The Great Gatsby</i>
NV	Reno	Friends of Washoe County Library	<i>Fahrenheit 451</i>
NV	Elko	Elko County Reading Council, Silver State Reading Association	<i>The Call of the Wild</i>
NV	Fallon	Churchill County Library	<i>The Maltese Falcon</i>
NY	Freeport	Long Island Arts Council at Freeport	<i>The Joy Luck Club</i>
NY	Port Washington	Long Island Traditions	<i>To Kill a Mockingbird</i>
NY	Bronx	Bronx Council on the Arts	<i>To Kill a Mockingbird</i>
NY	Brooklyn	Society for the Preservation of Weeksville and Bedford Stuyvesant	<i>To Kill a Mockingbird</i>

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NY	Brooklyn	Brooklyn Public Library	<i>To Kill a Mockingbird</i>
NY	New York	Mercantile Library Center for Fiction	<i>The Maltese Falcon</i>
NY	New York	The Mercantile Library Center for Fiction	<i>Washington Square</i>
NY	New York	Columbia University in the City of New York	<i>To Kill a Mockingbird</i>
NY	New York	African Voices Communications, Inc.	<i>Their Eyes Were Watching God</i>
NY	New York	Columbia University in the City of New York	<i>The Thief and the Dogs</i>
NY	White Plains	Westchester Arts Council	<i>Their Eyes Were Watching God</i>
NY	White Plains	Westchester Arts Council	<i>A Lesson Before Dying</i>
NY	Florida	Orange County Library Association Inc. (OLA)	<i>The Grapes of Wrath</i>
NY	Hudson	Hudson Area Association Library	<i>Fahrenheit 451</i>
NY	Coxsackie	Heermance Memorial Library	<i>The Adventures of Tom Sawyer</i>
NY	Hudson	Hudson Area Association Library	<i>The Call of the Wild</i>
NY	Albany	The Upper Hudson Library System	<i>Their Eyes Were Watching God</i>
NY	Albany	The Upper Hudson Library System	<i>Age of Innocence</i>
NY	New Paltz	Research Foundation of SUNY on behalf of SUNY New Paltz	<i>Bless Me, Ultima</i>
NY	Poughkeepsie	Poughkeepsie Public Library District	<i>To Kill a Mockingbird</i>
NY	Poughkeepsie	Poughkeepsie Public Library District	<i>The Great Gatsby</i>
NY	Cortland	Research Foundation of SUNY on behalf of SUNY Cortland	<i>Fahrenheit 451</i>
NY	Oneonta	Foothills Performing Arts Center	<i>To Kill a Mockingbird</i>
NY	Oneonta	Foothills Performing Arts Center	<i>The Adventures of Tom Sawyer</i>
NY	Fredonia	Research Foundation on behalf of SUNY Fredonia	<i>Fahrenheit 451</i>
NY	Buffalo	Buffalo & Erie County Public Library	<i>The Maltese Falcon</i>
NY	Fredonia	Research Foundation for and in behalf of SUNY Fredonia Reed Library	<i>To Kill a Mockingbird</i>
NY	Buffalo	Just Buffalo Literacy Center	<i>Their Eyes Were Watching God</i>
NY	Rochester	Writers & Books	<i>The Maltese Falcon</i>
NY	Rochester	Monroe County Library System	<i>Fahrenheit 451</i>
NY	Buffalo	Just Buffalo Literacy Center	<i>To Kill a Mockingbird</i>
NY	Rochester	Writers & Books, Inc.	<i>The Shawl</i>
NY	Buffalo	Just Buffalo Literary Center	<i>Fahrenheit 451</i>
NY	Bath	Dormann Library	<i>To Kill a Mockingbird</i>
NY	Canandaigua	Wood Library Association	<i>The Great Gatsby</i>
NY	Corning	Southeast Steuben County Library	<i>To Kill a Mockingbird</i>
NY	Canandaigua	Wood Library Association	<i>The Call of the Wild</i>
OH	Sardinia	Southern State Community College Library	<i>My Antonia</i>
OH	Portsmouth	Southern Ohio Performing Arts Association	<i>To Kill a Mockingbird</i>
OH	Archbold	Northwest State Community College	<i>The Grapes of Wrath</i>
OH	Oxford	Center for Environmental Education, Natural History, and Conservation	<i>The Call of the Wild</i>
OH	Toledo	Toledo-Lucas County Public Library	<i>To Kill a Mockingbird</i>
OH	Sandusky	Sandusky Library	<i>To Kill a Mockingbird</i>
OH	Parma	The Cuyahoga County Public Library	<i>Their Eyes Were Watching God</i>
OH	Cleveland	Young Audiences of Northeast Ohio, Inc.	<i>To Kill a Mockingbird</i>
OH	Delaware	Delaware County District Library	<i>The Great Gatsby</i>
OH	Hiram	Hiram College	<i>The Maltese Falcon</i>
OH	Columbus	Greater Columbus Arts Council	<i>The Joy Luck Club</i>

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OH	Massillon	Massillon Museum	<i>The Call of the Wild</i>
OH	Massillon	Massillon Museum	<i>The Age of Innocence</i>
OH	Newark	The Newark Public Library	<i>The Great Gatsby</i>
OK	Stillwater	The Stillwater Public Library	<i>The Grapes of Wrath</i>
OK	Norman	The Pioneer Library System	<i>The Grapes of Wrath</i>
OK	Lawton	Lawton Public Library	<i>The Grapes of Wrath</i>
OK	Norman	The Pioneer Library System	<i>Bless Me, Ultima</i>
OK	Midwest City	Rose State College	<i>Fahrenheit 451</i>
OR	St. Helens	Friends of the St. Helens Public Library	<i>The Maltese Falcon</i>
OR	Enterprise	Fishtrap, Inc	<i>The Grapes of Wrath</i>
OR	Fossil	Libraries of Eastern Oregon	<i>The Joy Luck Club</i>
OR	Enterprise	Fishtrap, Inc.	<i>The Call of the Wild</i>
OR	Enterprise	Fishtrap, Inc.	<i>Fahrenheit 451</i>
OR	Salem	Oregon Alliance for Arts Education	<i>Fahrenheit 451</i>
OR	Woodburn	Woodburn Public Library	<i>Bless Me, Ultima</i>
PA	Erie	The Arts Council of Erie	<i>The Great Gatsby</i>
PA	Franklin	Franklin Public Library	<i>The Call of the Wild</i>
PA	Lansdowne	Lansdowne Public Library	<i>The Heart Is a Lonely Hunter</i>
PA	Altoona	Altoona Area Public Library	<i>Fahrenheit 451</i>
PA	Williamsport	The Lycoming County Library System	<i>To Kill a Mockingbird</i>
PA	Montrose	Susquehanna County Literacy Program	<i>The Great Gatsby</i>
PA	Shohola	American Reader's Theater	<i>The Grapes of Wrath</i>
PA	Scranton	Scranton Public Library	<i>The Grapes of Wrath</i>
PA	Scranton	Scranton Public Library	<i>The Maltese Falcon</i>
PA	Kittanning	Kittanning Public Library	<i>To Kill a Mockingbird</i>
PA	Blue Bell	Montgomery County Community College Foundation	<i>To Kill a Mockingbird</i>
PA	Pittsburgh	The August Wilson Center for African American Culture	<i>A Lesson Before Dying</i>
PA	Easton	Easton Area Public Library	<i>Fahrenheit 451</i>
PA	Easton	Easton Area Public Library	<i>The Great Gatsby</i>
PA	Ephrata	Ephrata Public Library	<i>The Death of Ivan Ilyich</i>
PA	Harrisburg	Jump Street	<i>To Kill a Mockingbird</i>
PA	Harrisburg	Jump Street	<i>The Maltese Falcon</i>
PR	Ponce	Museo de Arte de Ponce	<i>The Age of Innocence</i>
RI	Warwick	RI Coalition Against Domestic Violence	<i>Their Eyes Were Watching God</i>
RI	Warwick	West Bay Collaborative	<i>To Kill a Mockingbird</i>
SC	Charleston	Charleston County Public Library	<i>Their Eyes Were Watching God</i>
SC	Anderson	Anderson County Arts Council	<i>The Heart Is a Lonely Hunter</i>
SC	Spartanburg	Spartanburg County Public Libraries	<i>The Great Gatsby</i>
SC	Spartanburg	Spartanburg County Public Libraries	<i>The Maltese Falcon</i>
SC	Sumter	The Sumter County Library	<i>Fahrenheit 451</i>
SC	Columbia	Benedict College	<i>A Lesson Before Dying</i>
SD	Brookings	South Dakota Center for the Book	<i>My Antonia</i>
SD	Brookings	South Dakota Humanities Council	<i>Fahrenheit 451</i>
SD	Mitchell	Dakota Wesleyan University	<i>Fahrenheit 451</i>
SD	Brookings	South Dakota Humanities Council	<i>The Thief and the Dogs</i>

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SD	Brookings	South Dakota Center for the Book	<i>To Kill a Mockingbird</i>
TN	Knoxville	YWCA Knoxville	<i>To Kill a Mockingbird</i>
TN	Knoxville	YWCA Knoxville	<i>The Grapes of Wrath</i>
TN	Athens	E.G. Fisher Public Library	<i>To Kill a Mockingbird</i>
TN	Columbia	South Central Tennessee Workforce Alliance	<i>To Kill a Mockingbird</i>
TN	Columbia	South Central Tennessee Workforce Alliance	<i>The Great Gatsby</i>
TN	Columbia	South Central Tennessee Workforce Alliance	<i>The Adventures of Tom Sawyer</i>
TN	Nashville	Adventure Science Center	<i>Fahrenheit 451</i>
TN	Franklin	City of Franklin	<i>The Maltese Falcon</i>
TN	Huntingdon	The Dixie Carter Performing Arts Center	<i>To Kill a Mockingbird</i>
TN	Huntingdon	The Dixie Carter Performing Arts Center	<i>The Adventures of Tom Sawyer</i>
TN	Memphis	Rhodes College	<i>To Kill a Mockingbird</i>
TN	Memphis	Rhodes College	<i>A Lesson Before Dying</i>
TX	Marshall	Wiley College	<i>A Lesson Before Dying</i>
TX	Beaumont	Communities in Schools Southeast Texas, Inc.	<i>The Maltese Falcon</i>
TX	Mesquite	Mesquite Arts Center	<i>Fahrenheit 451</i>
TX	Huntsville	Huntsville Public Library	<i>A Wizard of Earthsea</i>
TX	Houston	Harris County Public Library	<i>The Joy Luck Club</i>
TX	Houston	Harris County Public Library	<i>To Kill a Mockingbird</i>
TX	Weatherford	Weatherford College	<i>My Antonia</i>
TX	Edinburg	The University of Texas - Pan American	<i>Bless Me, Ultima</i>
TX	El Paso	The El Paso Public Library	<i>To Kill a Mockingbird</i>
TX	El Paso	The El Paso Public Library	<i>Fahrenheit 451</i>
TX	El Paso	El Paso Public Library	<i>Sun, Stone, and Shadows</i>
TX	Waco	Greater Waco Chamber of Commerce/Community Development Foundation	<i>Fahrenheit 451</i>
TX	Houston	Houston Library Board	<i>Bless Me, Ultima</i>
TX	San Antonio	San Antonio Public Library Foundation	<i>To Kill a Mockingbird</i>
TX	San Antonio	San Antonio Public Library Foundation	<i>Fahrenheit 451</i>
TX	Live Oak	Northeast Lakeview College	<i>To Kill a Mockingbird</i>
TX	Marfa	Friends of the Marfa Public Library	<i>Bless Me, Ultima</i>
TX	Corpus Christi	Friends of Corpus Christi Public Libraries	<i>Bless Me, Ultima</i>
TX	Kingsville	Texas A & M University Kingsville	<i>Bless Me, Ultima</i>
TX	Brownsville	University of Texas at Brownsville and Texas Southmost College	<i>To Kill a Mockingbird</i>
TX	Corpus Christi	Friends of Corpus Christi Public Libraries	<i>Fahrenheit 451</i>
TX	Brownsville	University of Texas at Brownsville and Texas Southmost College	<i>Sun, Stone, and Shadows</i>
TX	Dallas	Latino Cultural Center, a division of the OCA City of Dallas	<i>Bless Me, Ultima</i>
TX	Irving	Irving Public Library	<i>The Maltese Falcon</i>
UT	Salt Lake City	Friends of Salt Lake City Public Library	<i>The Grapes of Wrath</i>
UT	Salt Lake City	Utah Arts Council	<i>Bless Me, Ultima</i>
UT	Cedar City	Cedar City Public Library	<i>To Kill a Mockingbird</i>
UT	Cedar City	Cedar City Public Library	<i>Fahrenheit 451</i>
UT	Orem	Orem Public Library	<i>My Antonia</i>
UT	Orem	Orem Public Library	<i>To Kill a Mockingbird</i>
VA	Newport News	Newport News Public Library System	<i>Their Eyes Were Watching God</i>

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VA	Virginia Beach	Regent University Library	<i>The Death of Ivan Ilyich</i>
VA	Hampton	Hampton University	<i>A Lesson Before Dying</i>
VA	Charlottesville	The Virginia Foundation for The Humanities	<i>The Great Gatsby</i>
VA	Charlottesville	The Virginia Foundation for the Humanities	<i>To Kill a Mockingbird</i>
VA	Charlottesville	Virginia Foundation for the Humanities	<i>Their Eyes Were Watching God</i>
VA	Martinsville	Piedmont Arts Association	<i>To Kill a Mockingbird</i>
VA	Harrisonburg	Rockingham Library Association (dba Massanutten Regional Library)	<i>To Kill a Mockingbird</i>
VA	Staunton	The Community Foundation of the Central Blue Ridge	<i>To Kill a Mockingbird</i>
VA	Lynchburg	Amazement Square	<i>Fahrenheit 451</i>
VA	Harrisonburg	Rockingham Library Assoc. (dba Massanutten Regional Library)	<i>The Adventures of Tom Sawyer</i>
VA	Staunton	The Community Foundation of the Central Blue Ridge	<i>The Maltese Falcon</i>
VA	Hanover	Pamunkey Regional Library	<i>Fahrenheit 451</i>
VA	Arlington	Arlington Cultural Affairs Division	<i>Bless Me, Ultima</i>
VA	Abingdon	Barter Foundation, Inc. (dba Barter Theatre)	<i>Fahrenheit 451</i>
VA	Wise	Lonesome Pine Regional Library	<i>The Maltese Falcon</i>
VA	Wise	Lonesome Pine Regional Library	<i>My Antonia</i>
VA	Abingdon	Barter Theatre	<i>The Heart Is a Lonely Hunter</i>
VI	St. Thomas	VI Council on the Arts	<i>Fahrenheit 451</i>
VI	St Thomas	VI Council on the Arts	<i>A Wizard of Earthsea</i>
VT	Montpelier	Vermont Arts Council	<i>The Maltese Falcon</i>
VT	Montpelier	Vermont Arts Council	<i>Fahrenheit 451</i>
WA	Bainbridge Island	Bainbridge Public Library	<i>Fahrenheit 451</i>
WA	Marysville	Sno-Isle Libraries	<i>The Maltese Falcon</i>
WA	Tumwater	Timberland Regional Library	<i>My Antonia</i>
WA	Yakima	Yakima Valley Libraries	<i>The Grapes of Wrath</i>
WA	Wenatchee	North Central Regional Library	<i>Bless Me, Ultima</i>
WA	Yakima	Yakima Valley Libraries	<i>To Kill a Mockingbird</i>
WA	Spokane	Spokane Public Library	<i>The Maltese Falcon</i>
WA	Hoquiam	Timberland Regional Library	<i>A Wizard of Earthsea</i>
WA	Seattle	Pat Graney Performance	<i>Their Eyes Were Watching God</i>
WA	Issaquah	King County Library System Foundation	<i>Fahrenheit 451</i>
WA	Issaquah	King County Library System Foundation	<i>The Call of the Wild</i>
WI	Whitewater	Irvin L Young Auditorium	<i>To Kill a Mockingbird</i>
WI	Eau Claire	University of Wisconsin-Eau Claire Center for Service-Learning	<i>Fahrenheit 451</i>
WI	Richland Center	University of Wisconsin-Richland Library	<i>The Grapes of Wrath</i>
WI	Eau Claire	University of Wisconsin-Eau Claire Center for Service-Learning	<i>The Maltese Falcon</i>
WI	Menomonie	Menomonie Public Library	<i>The Call of the Wild</i>
WI	Milwaukee	Milwaukee Public Library	<i>Their Eyes Were Watching God</i>
WI	Waukesha	Waukesha Public Library	<i>Fahrenheit 451</i>
WI	Waukesha	Waukesha Public Library	<i>The Great Gatsby</i>
WI	Sheboygan	Mead Public Library	<i>Fahrenheit 451</i>
WI	Wausau	Marathon County Public Library	<i>My Antonia</i>

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WI	St. Croix Falls	St. Croix Falls Public Library/Festival Theatre	<i>My Antonia</i>
WI	St. Croix Falls	St. Croix Falls Public Library/Festival Theatre	<i>The Call of the Wild</i>
WI	Amery	Amery Public Library	<i>The Great Gatsby</i>
WI	Fish Creek	Peninsula Players Theatre Foundation, Inc.	<i>The Grapes of Wrath</i>
WI	Fish Creek	Peninsula Players Theatre Foundation, Inc.	<i>The Adventures of Tom Sawyer</i>
WV	New Martinsville	ArtsLink, Inc.	<i>The Call of the Wild</i>
WV	Martinsburg	Martinsburg-Berkeley County Public Libraries	<i>The Joy Luck Club</i>
WV	Martinsburg	Martinsburg-Berkeley County Public Libraries	<i>The Maltese Falcon</i>
WY	Cheyenne	The Wyoming Center for the Book, Inc.	<i>My Antonia</i>

***The Big Read – International Partnerships***

*The Big Read*'s international partnerships are designed to deepen dialogue and cultural understanding with other countries through the reading of great literature. In 2007, the first *Big Read* international partnership was formed with Russia. With assistance from the Open World Leadership Center and Russia's Library for Foreign Literature, a Russian delegation visited selected *Big Read* communities in the United States to learn how the program works. Subsequently, two regions in Russia, Ivanovo and Saratov, hosted *Big Reads* with programming centered on *To Kill a Mockingbird* by Harper Lee. In early 2008, communities in three states – Illinois, Indiana, and Pennsylvania – took part in the U.S. component of *Big Read Russia* by hosting *Big Read* programs celebrating Leo Tolstoy's *The Death of Ivan Ilyich*.

As a part of the Global Cultural Initiative undertaken with the U.S. Department of State and managed by Arts Midwest, the NEA expanded *The Big Read* to include Egypt. Between September 2008 and June 2009, five U.S. communities are reading Nobel laureate Egyptian author Naguib Mahfouz's *The Thief and the Dogs*. Four of these grantee organizations visited Egypt to learn about Mahfouz's life and writing, as well as Egyptian literature, history, government, and customs. Three Egyptian organizations are collaborating on this program: the American University in Cairo, the Bibliotheca Alexandrina, and the Egyptian Association for Educational Resources. In spring 2008, representatives of these Egyptian organizations visited the U.S. to observe how *The Big Read* operates. Egyptian communities will conduct their own *Big Reads* around new translations of Ray Bradbury's *Fahrenheit 451* and Harper Lee's *To Kill a Mockingbird*, as well as a reissued translation of John Steinbeck's *The Grapes of Wrath*. These Egyptian communities will also use many of *The Big Read* materials for these books, which will be translated into Arabic.

*The Big Read* with Mexico brought together partners on both sides of the border for a pilot program in September and October 2008. The book of Mexican literature, *Sun, Stone, and Shadows: 20 Great Mexican Short Stories*, was published for *The Big Read* by Mexican's Fondo de Cultura Economica. Its stories were selected with U.S. readers in mind. For the pilot program, the El Paso Public Library hosted *Big Read* activities in El Paso, Texas and across the border in Ciudad Juarez, Mexico. The University of Texas at Brownsville and Texas Southmost College conducted events and programming in Brownsville, Texas and in neighboring Matamoros, Mexico.

### ***Literary Landmarks***

In 2007, the National Endowment for the Arts created *Literary Landmarks*, a new component of *The Big Read*, to celebrate great American poets and the Nation's historic poetry sites. In partnership with the Poetry Foundation, the NEA provided these sites with educational and promotional materials similar to those created for the national *Big Read* program, as well as grants to support programming. This pilot initiative featured two poets: Robinson Jeffers and Henry Wadsworth Longfellow. Plans are underway to expand the pilot phase to include the poetry and life of Emily Dickinson.

Beginning with 2009-2010 programming, interested organizations nationwide can apply to host a *Big Read* program featuring one of three poets: Dickinson, Jeffers, or Longfellow. In addition to receiving a grant to support programming, one of the major benefits of *The Big Read* for community organizations is the availability of high-quality educational and promotional materials provided at no cost. The *Literary Landmarks* educational and promotional materials will continue to be made possible through the generous support of the Poetry Foundation.

### ***Big Read Films***

In 2008, the Agency also produced educational films about three living *Big Read* authors – Rudolfo Anaya, Ray Bradbury, and Amy Tan. In 2008–2009, three additional films will be created to feature interviews with authors Ernest Gaines, Cynthia Ozick, and Tobias Wolff, whose books have been selected for *The Big Read*. The primary use for the films is educational. They will be available – free-of-charge – to teachers, students, and librarians participating in *The Big Read* nationwide. In addition, these films serve as excellent resources for participating communities that may not be able to afford hosting the author at an event.

The films will support the fundamental goal of *The Big Read* and the Arts Endowment – to bring excellence in the arts to all Americans. *Big Read* communities are expanding their reach beyond libraries and schools, striving to make *The Big Read* accessible to citizens in hospitals, nursing homes, and prisons. These educational films will help communities reach even more Americans, inspiring them to read and discuss selected books as a part of *The Big Read*.

### ***Big Read Television Spots***

In support of *The Big Read*, the Arts Endowment produced television spots for ten of *The Big Read* titles. Communities can access these public service announcements (PSAs) from *The Big Read* web site. Local public and commercial television stations air the PSAs in support of *Big Read* activities in their community.

### ***Big Read Radio Spots***

The Arts Endowment produced 30-second radio PSAs for 16 *Big Read* featured titles. Local commercial and public radio stations are integral partners in the promotion of *Big Read* activities in participating communities. Ultimately, radio stations will encourage more citizens, young and old, to read and discuss great literature together. The Arts Endowment is committed to programming that reaches *all* Americans. Public service announcements designed for radio continue to greatly expand the reach of *The Big Read*.

As another vehicle for expanding access, the Agency partnered with XM Satellite Radio (now merged with SIRIUS Satellite Radio) to produce shows featuring *The Big Read* books, intended for weekday broadcast on XM's "Sonic Theater" station. By donating its services, XM joined with the NEA in introducing one *Big Read* book each month to XM listeners.

### ***The Big Read – Assessing the Impact***

The Arts Endowment recognizes the need for short- and long-term assessment of outcomes, especially for a program as expansive and innovative as *The Big Read*. Soon after the ten pilot communities completed their programs, the Agency conducted an internal review of the data and took steps to ensure a national evaluation for 2007 and 2008. The Agency's Office of Research & Analysis is supervising the effort, which is intended to characterize the effectiveness and impact of *Big Read* programs and materials, as reported by sponsors and participants. Final results are due in FY 2009.

### ***Poetry Out Loud: National Recitation Contest***

Created by the NEA and the Poetry Foundation, *Poetry Out Loud: National Recitation Contest* is administered in partnership with the State Arts Agencies. By encouraging high school students to memorize and perform great poems, *Poetry Out Loud* helps students master public speaking skills, build self-confidence, and learn about their literary heritage.

*Poetry Out Loud* began as a pilot in 2005 in Chicago and the Washington, D.C., metropolitan area. In 2006, it expanded to all 50 State Capitals and the District of Columbia. With substantial nationwide growth in both 2007 and 2008, the program most recently served nearly 225,000 students during the 2007-08 school year. Using curriculum and an anthology developed as part of *Poetry Out Loud*, teachers introduce students to poetry and recitation before holding a classroom poetry recitation competition. Following a pyramid structure, classroom champions move on to school competitions, regional and State competitions, and ultimately to the National Finals, which are held each spring. The Arts Endowment's partner, the Poetry Foundation, produces substantive educational materials for teachers participating in *Poetry Out Loud* and provides additional financial support for the National Finals, with a total contribution of approximately \$500,000.

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For 2008-09, the fourth national year of *Poetry Out Loud*, many State Arts Agencies anticipate doubling school participation, with more than 2,000 schools nationwide likely to participate. The U.S. Virgin Islands joined the competition last year; students from Puerto Rico will join competitors from 50 States, Washington, D.C., and the U.S. Virgin Islands to compete at the 2009 National Finals on April 27 and 28, 2009.

Reactions from teachers and students participating in *Poetry Out Loud* have been enthusiastic:

The POL event was amazing. Despite initial resistance among the members of my class, only one student “opted out” of learning a poem. And as they got into the class competition more, some of them realized they had picked weak poems out of laziness, and so they changed to better, more difficult poems to learn in order to be more competitive. The peer support was also incredible. My students all were rooting for their classmates, and when one of mine actually won the school-wide contest, over half the class wanted to travel to the state contest to be there in the audience for him. All this over poetry! I have never seen such enthusiasm from students for poetry before. This is absolutely the best time I have had teaching poetry to my students in my 25 year career. They discovered the power of words through this activity.

*- participating teacher*

Competing in Washington, D.C., was a wonderful and unforgettable experience. I think that *Poetry Out Loud* offers a great opportunity for our nation’s students, and I just wanted to let you know how much it meant to me. I hope this incredible competition will take place for many years in the future!

*-PA State Champion, Olivia Meldrum*

***Shakespeare for a New Generation***

*Shakespeare for a New Generation* represents the current phase of the *Shakespeare in American Communities* initiative, the first of the Arts Endowment’s National Initiatives, launched in New London, Connecticut in September 2003. Since then, the program has:

- Provided 4,100 performances of professional Shakespeare productions to more than 2,000 communities in all 50 States and the District of Columbia.
- Entertained more than 1,300,000 community audience members (including 1,000,000 students as mentioned below).
- Provided free performances and educational activities for approximately 1,000,000 students in 3,200 middle and high schools.
  - Educators, especially those in rural areas, are thrilled by the opportunity for their students to experience live theater.

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My students have very little contact with drama or fine arts. Many have not seen a play. As teachers, we are concerned that the students would not behave in an appropriate manner or understand. However, the students sat in rapt attention as if they were dehydrated and the stage play was cool spring water flowing over them.

*- Teacher, Fort Bowman Academy  
(Chokia, Illinois), Performance by  
Shakespeare Festival of St. Louis*

- Reached more than 20 million students through the free distribution of 55,000 Shakespeare multi-media toolkits used by teachers in more than 26,000 middle and high schools, of which 33% are in rural communities.
  - The feedback received from teachers who responded to a survey of those who requested the toolkit has been enormously positive. The teachers reported that 99% of their students demonstrated a better understanding of Shakespeare after use of the toolkit.
- Provided professional performances of Shakespeare plays and educational activities to military families at 18 military installations in 14 States through a partnership with the Department of Defense, reaching an estimated 6,000 individuals.
- Generated nearly \$900,000 in private sector support.

**Operation Homecoming: Writing the Wartime Experience**

*Operation Homecoming* was created by the Arts Endowment to help U.S. troops and their families write about their wartime experiences. Selected by an independent NEA panel, the best submissions were published in a literary anthology in September 2006 by Random House. The anthology, entitled *Operation Homecoming: Iraq, Afghanistan, and the Home Front in the Words of U.S. Troops and Their Families*, is edited by Andrew Carroll. In 2007, an expanded edition of the anthology was published by the University of Chicago Press.

Through this program, the Arts Endowment engaged some of America's most distinguished writers to conduct workshops at military installations, and provided educational resources to help the troops and their families share their stories. The Arts Endowment created an accompanying audio CD and online materials to inspire and develop writing skills.

During 2008 and 2009, the NEA will invite veterans as well as active duty troops to participate in a series of four-week writing workshops at approximately 25 sites around the country. The new phase of *Operation Homecoming* is the first instance in which the NEA will hold writing workshops at Department of Veterans Affairs (VA) medical centers, military hospitals, and affiliated centers in communities around the country. St.

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Louis VA Medical Center in Missouri and Walter Reed Army Medical Center in Washington, D.C., served as pilot sites for the new phase of the program.

Secretary of Veterans Affairs, Dr. James Peake, said, “I commend the NEA for providing a positive outlet for our service members to share their experiences. These workshops serve to highlight and improve veterans’ writing talents by putting on paper reminders to all of us of their heroism.”

Accomplishments of *Operation Homecoming* include:

- Provided more than 60 writing workshops with distinguished authors – and related activities – for more than 6,000 people at 33 military installations in the U.S. and overseas (Asia, Europe, and the Middle East, including Afghanistan and on the USS Carl Vinson aircraft carrier in the Persian Gulf). Another 25,000 individuals have utilized our online educational resources or received copies of our print materials, including the *Operation Homecoming* audio CD.
- Collected nearly 2,000 submissions written by troops and military families for the *Operation Homecoming* anthology and historical archive. The submissions are comprised of approximately 12,000 pages of writing.
- Held 37 book readings, symposia, and conference discussions of the award-winning *Operation Homecoming* anthology at cultural centers, libraries, and military installations across the country from September 2006 to summer 2008. These events included first-person accounts and readings by troops and writers.
- Distributing *Muse of Fire*, an educational DVD featuring accomplished writers and military personnel-turned-writers reading from their work and discussing the craft of writing. The film is being given free to military base libraries and educational centers, and veterans’ facilities and hospitals. The film premiered at the National Archives in Washington, DC, on March 14, 2007.

In 2008, an independent documentary, *Operation Homecoming*, directed by Richard Robbins, received two Emmy Awards and was a finalist for the Academy Award for Best Documentary. The film was created in coordination with the NEA and based on the anthology by Andy Carroll.

The Arts Endowment secured more than \$1.75 million in private sector support for the *Operation Homecoming* initiative from FY 2004-2008.

**NEA Jazz Masters**

Through the *NEA Jazz Masters* program, which became a National Endowment for the Arts National Initiative in 2005, the Agency celebrates America’s truly indigenous art form. Since its inception in 1982, 106 awards have been made, while the program has evolved into the highest honor in jazz in the United States. The mission of the *NEA Jazz*

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*Masters* initiative is to honor lifelong contributions in the field of jazz and to engage the honorees in performances, broadcasts, residencies, and educational activities in communities nationwide – with a special focus on developing future generations of jazz enthusiasts. Today, the *NEA Jazz Masters* initiative consists of the following components:

- The *NEA Jazz Masters Awards*.
- *NEA Jazz Masters Live* with performances and residencies occurring at selected regional festivals throughout the nation.
- Television and radio programming featuring NEA Jazz Masters, including programs on PBS such as *Legends of Jazz* and *NPR Jazz Profiles*; and “Jazz Moments” on SIRIUS XM Satellite Radio and other stations nationwide. By the end of FY 2008, 129 “Jazz Moments” were in circulation.
- A two-CD set of recordings by 27 NEA Jazz Masters, produced by Verve Music Group.
- The *NEA Jazz in the Schools* multimedia curriculum, developed in collaboration with Jazz at Lincoln Center, introduces high school students to jazz and its important role in American history. Available free-of-charge, *NEA Jazz in the Schools* can be found at: [www.neajazzintheschools.org](http://www.neajazzintheschools.org). For educators without Internet access, a limited number of educational toolkits have been made available. To date - through the toolkits alone - we have reached nearly 7.5 million students nationwide.
- An illustrated publication with profiles and discographies of all the NEA Jazz Masters, including a CD with tracks and a sample collection of “Jazz Moments.”

***Great American Voices Military Base Tour: Unforgettable Melodies from Opera & Broadway***

The *Great American Voices Military Base Tour* provided performances of opera and musical theater classics for military families in 2006-2007. Due to the overwhelmingly positive response to the initial tour of 39 bases in 2005-2006, additional grants were awarded to six opera companies to provide additional performances and educational opportunities on nine military installations.

With each performance, a booklet and CD developed by the Arts Endowment as an introduction to opera and musical theater were distributed free of charge. In addition, educational activities were provided for adults and students at each base to enhance their knowledge and appreciation of the music. The Arts Endowment secured more than \$700,000 in private sector support for this initiative.

*Great American Voices* kicked off on July 4, 2005, at Camp Lejeune in Jacksonville, North Carolina, with a performance by Opera Carolina and the Winston-Salem Symphony before an audience of more than 15,000 Marines and their families. Camp

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Lejeune's standard July 4<sup>th</sup> entertainment, their own Second Marine Division Band, had been deployed to Iraq.

Other tour highlights include a performance by young artists from the Washington National Opera at West Point for an audience of more than 1,000 freshman cadets in January 2006 that was reviewed in *The Wall Street Journal*. In March 2007, Los Angeles Opera carried out a two-day residency at Twentynine Palms High School and performed at the Sunset Cinema at Marine Corps Air Ground Combat Center Twentynine Palms. Los Angeles Opera was brought back to the base by popular demand, having carried out an extraordinarily successful residency in February 2006 as part of *Great American Voices*.

## **Research and Analysis**

The NEA's Office of Research & Analysis (ORA) aims to provide statistically reliable data and analyses that allow policy-makers, civic leaders, educators, and the general public to engage in a meaningful dialogue about the role of arts and culture in American life. At the center of the office's data collection and reporting efforts is the Survey of Public Participation in the Arts, the nation's largest behavioral survey of American adult participation in arts activities and arts learning opportunities. In May 2008, the United States Census Bureau conducted the ORA-designed survey of more than 19,000 individuals, for a response rate of 82 percent – about 12 points higher than in 2002, the previous year of the survey.

The 2008 survey addresses many new topics – including arts participation through digital media, community involvement, and parents' attempts to expose children to arts performances – but the core questions will permit trend analyses going back to 1982, the initial year of the survey. In FY 2008, ORA issued solicitations requesting a full summary report of the survey findings, and an accompanying guidebook or manual for arts researchers. In consultation with the arts research community, ORA has decided to commission a series of follow-up reports using the survey results. Planned topics for the solicitation, to be issued in FY 2009, include: 1) the aging of arts participants, and differences in arts participation across four generational cohorts; 2) the role of technology in enhancing access to arts participation; 3) the correlation between arts learning and arts participation and the creation of artworks; and 4) trends in reading books and literature.

All of these study topics align with the Arts Endowment's three-fold mission: supporting excellence in the arts, new and established; bringing the arts to all Americans; and providing leadership in arts education. Issues surrounding access to the arts have been a special focus of past studies – notably with ORA's 2004 report, *Reading at Risk*, which documented a 20-year decline in literary reading among American adults.

On the heels of that widely influential study, ORA issued a follow-up report in FY 2008. Titled *To Read or Not To Read: A Question of National Consequence*, this omnibus research report – available as a 99-page document and fold-out executive summary – compiled and analyzed data from more than 40 sources, including large, nationally representative studies from academia, foundations, and government agencies. The report concluded:

- 1) Americans are spending less time reading.
- 2) Reading comprehension skills are eroding.
- 3) These declines have serious civic, social, cultural, and economic implications.

As with *Reading at Risk*, the new report stimulated long-term conversations among teachers, librarians, scholars, journalists, publishers, and literacy experts. The report generated more than 500 unique news stories appearing in virtually every major national news outlet and in local and international news media. (Many more blog entries,

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editorials, and letters to the editor have not been counted.) The findings were presented and discussed at national and regional conferences and events throughout the year. Some of those opportunities were provided by the Library of Congress, the Arts Education Partnership, the American Educational Research Association, regional chapters of the Modern Language Association, the International Reading Association, the American Library Association, The Conference Board, Catholic University, Clarion University, the University of Maryland, BookExpo America, Ann Arbor Book Festival, a U.S. Congressional member's roundtable on literacy, and the Department of Labor.

In FY 2009, these outreach efforts will continue, as the report is featured in talks or panels at the Association of Literary Scholars and Critics, National Council of Teachers of English, and Modern Language Association annual meetings. At the start of the fiscal year, ORA convened the NEA Forum to Promote Youth Reading – a day-long series of presentations and brainstorming sessions designed to prompt ideas for a national youth reading campaign. The results will be developed into a white paper for circulation to the public. Participants included publishing consultants, media and marketing executives, literacy experts from nonprofit organizations, and teachers and librarians.

The second major report to be released in FY 2008 was *Artists in the Workforce: 1990 to 2005*. This publication – issued as a full report and executive summary brochure – represents the first look at artist employment in the twenty-first century. By combining 1990 and 2000 decennial census data with the newly available American Community Survey data for 2003-2005, ORA organized American artists into a cohesive data set that can be tracked in relation to other workers and the labor force in general. The report also profiles 11 artist occupations. Some highlights of the report:

- Nearly two million Americans are artists, as identified by their primary occupation.
- The number of artists has kept pace with the growth in the overall labor force.
- Artists remain highly concentrated in urban areas, and yet, as a percentage of the labor force, they cluster in a diverse array of towns and cities.
- Artists are generally more educated than the workforce as a whole – although they typically earn less than workers with similar levels of education.
- Artists are 3.5 times more likely than other workers to be self-employed.
- Fewer artists have full-year, full-time jobs than other workers.
- The West and South have seen the greatest growth in artists by State.

*Artists in the Workforce* filled an information gap in the arts field, which often lacks reliable, national statistics about factors affecting its long-term viability. The study of artist employment can be viewed as a logical counterpart to the ORA survey of arts participation – with the emphasis on supply instead of demand. By highlighting the contributions of artists to the workforce, moreover, the report raised public awareness of artists as hard-working professionals and, in many cases, entrepreneurs.

On the day of the report's release, at the National Performing Arts Convention in Denver, major newspapers such as *The New York Times*, the *Los Angeles Times*, and *The*

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*Washington Post* carried the findings as a lead story in their arts sections. The report's focus on the number of artists per capita in towns, cities, and states – for all 11 artist occupations – unleashed a flood of local news stories. Readers learned about the types and concentrations of artists in their communities.

In FY 2008, ORA planned and implemented two other large research projects. Late in the fiscal year, the office neared the end of a national evaluation of *The Big Read*, working with the contractor Rockman et al. This study employed multiple survey tools to characterize the effectiveness and impact of *Big Read* programs and materials, as reported by sponsors and participants. In FY 2008, ORA reviewed interim study results, and distilled them for NEA leadership, NEA Literature staff, and the agency's partners, the Institute of Museum & Library Services and Arts Midwest. ORA also conveyed "lessons learned" to *Big Read* grantees at national orientation sessions. Most importantly, ORA supervised the quality of the survey instruments, methodology, and interpretation of results by Rockman – steps that should improve the final evaluation report, due in FY 2009. During this period, ORA also oversaw an evaluation connected with the distribution of free *Big Read* audio guides to all of the nation's public libraries. Those results, too, will be available in FY 2009.

Besides evaluating *The Big Read*, ORA is conducting a national survey of outdoor arts festivals organizers, and a series of case studies focusing on festival administrators, participants, volunteers, and artists. In FY 2008, ORA awarded the study contract to Silber & Associates. The survey instruments, still in development, will be deployed in FY 2009, with results to be reported in FY 2010. The study will provide a snapshot of the festival community through aggregated data on the number, types, financing, staffing, regional distribution, artist employment patterns, and other characteristics of U.S. arts festivals. The in-depth case study interviews, focus groups, and intercept surveys will give a context for discussion of the national statistics.

## **Performance Reports**

As required by the Government Performance and Results Act of 1993 (GPRA) and subsequent guidance from OMB on the preparation of performance budgets, the Arts Endowment is submitting performance data for Fiscal Years 2005 through 2008. The data relate to performance goals and indicators contained in applicable Performance Plans for the same period. The tables that follow this narrative compare actual performance as of September 30, 2008 with prior estimates. It is important to consider the following as one examines the tables.

**First, we have determined that approximately 24 months must pass after the close of a fiscal year before sufficient information is received to fully assess the accomplishments of that year.** The table below shows the trend of final report submissions over the most recent four-year period.

Fiscal Year	# of Months Since Close of Year	# of Months Above or Below 24 Month Benchmark	% of Final Reports Received as of September 30, 2008
2005	36	12	97
2006	24	0	93
2007	12	-12	72
2008	0	-24	14

**Second, we rely upon information provided by our applicants and grantees when making projections.** Performance projections rely upon information provided by our grantees – reflected in application forms, revised project/budget forms, and final reports. By the time we consider the Performance Report for a given fiscal year to be “final,” all the performance data come from grantee final reports.

**Third, eligible applicants to the Arts Endowment have full discretion in choosing the funding area from which to seek support, and in determining the nature of their projects.** From year to year, applicant interests may change from one area to another or from one type of project to another, thus adding to the challenge of making reliable estimates.

Beginning on page 56 is a set of tables with the most current performance data for Fiscal Years 2005 through 2008.

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FY 2005 FINAL PERFORMANCE REPORT  
September 2008**

GENERAL GOALS AND PERFORMANCE GOALS (OUTCOMES)	FUNDING AREA	SELECTED PERFORMANCE MEASURES (INDICATORS)	FY 2005 Final Projections with FY 2005 PAR (Performance as of 9-30-05; 15% of Final Reports Received)			FY 2005 Current Performance with FY 2008 PAR (Performance as of 9-30-08; 96% of Final Reports Received)			Difference		
			# of Awards	\$	Target Levels	# of Awards	\$	Current Levels	# of Awards	\$	Extent of Activity
Dollars rounded to the nearest thousand.											
1. ACCESS TO ARTISTIC EXCELLENCE: Foster and preserve excellence in the arts and provide access to the arts for all Americans.	Access to Artistic Excellence		1,876	\$ 48,850		1,876	\$ 48,850		0	\$ -	
a. Artists & arts organizations have opportunities to create, interpret, present, & perform artistic work.		<i>The number of projects whose primary purpose is to create or present art.</i>			900-1,000	992					on target
		<i>The number of artists participating in projects whose primary purpose is to create art.</i>			150,000- 200,000	92,000					below
b. Audiences throughout the Nation have opportunities to experience a wide range of art forms & activities.		<i>The number of individuals directly benefiting from projects whose primary purpose is to make the arts widely available to the public (excluding broadcast audiences).</i>			35-45 m	31 m					below
c. The arts contribute to the strengthening of communities.		<i>The number of projects whose primary purpose is to strengthen communities through access to the arts.</i>			215-240	227					on target
d. Artistic works & cultural traditions are preserved.		<i>The number of projects whose primary purpose is the preservation of artistic works &amp; cultural traditions.</i>			175-200	185					on target
e. Organizations enhance their ability to achieve their artistic & public service goals.		<i>The number of projects whose primary purpose is to assist organizations to enhance their ability to achieve their artistic &amp; public service goals.</i>			250-275	267					on target
2. LEARNING IN THE ARTS: Advance learning in the arts for children and youth.	Learning in the Arts		202	\$ 10,976		202	\$ 10,976		0	\$ -	
a. Children & youth demonstrate skills, knowledge, and/or understanding of the arts consistent with national, state, or local arts education standards.		<i>The number of projects whose primary purpose is to impart to children &amp; youth newly acquired skills, knowledge, and/or understanding of at least one art form.</i>			150-175	156					on target
		<i>The number of children &amp; youth directly participating in projects whose primary purpose is to impart newly acquired skills, knowledge, and/or understanding of at least one art form.</i>			300,000- 400,000	322,000					on target
b. Teachers, artists, & others demonstrate knowledge & skills necessary to engage children & youth in arts learning consistent with national, state, or local arts education standards.		<i>The number of projects whose primary purpose is to provide professional development opportunities for teachers, artists, &amp; other arts instruction providers. The number of teachers and artists directly</i>			30-40	38					on target
		<i>participating in projects whose primary purpose is to provide professional development opportunities for teachers, artists, &amp; other arts instruction providers.</i>			5,000-7,000	55,000					above
c. National, State, and local entities demonstrate a commitment to arts learning for children & youth consistent with national, state, or local arts education standards.		<i>The number of national initiatives in which the Arts Endowment directly participates that recognize and support the arts as essential to the development of children &amp; youth.</i>			5-10	10					on target

**National Endowment for the Arts  
FY 2005 FINAL PERFORMANCE REPORT  
September 2008**

GENERAL GOALS AND PERFORMANCE GOALS (OUTCOMES)	FUNDING AREA	SELECTED PERFORMANCE MEASURES (INDICATORS)	FY 2005 Final Projections with FY 2005 PAR (Performance as of 9-30-05; 15% of Final Reports Received)			FY 2005 Current Performance with FY 2008 PAR (Performance as of 9-30-08; 96% of Final Reports Received)			Difference		
			# of Awards	\$	Target Levels	# of Awards	\$	Current Levels	# of Awards	\$	Extent of Activity
Dollars rounded to the nearest thousand.											
3. PARTNERSHIPS FOR THE ARTS: Develop and maintain partnerships that advance the mission of the National Endowment for the Arts.	Partnerships for the Arts										
<i>State Partnerships</i>											
State & Regional				\$ 23,961			\$ 23,961			\$ -	
Underserved Set-Aside				\$ 6,552			\$ 6,552			\$ -	
Challenge America				\$ 8,570			\$ 8,570			\$ -	
Subtotal State Partnerships				\$ 39,083			\$ 39,083			\$ -	
<i>Other Public &amp; Private Partnerships</i>				\$ 1,287			\$ 1,287			\$ -	
Total Partnerships for the Arts			63	\$ 40,370		63	\$ 40,370		0	\$ -	
a. State arts agencies & regional arts organizations enable the Arts Endowment to make the arts available in more communities than it could directly.		<i>The number of communities reached through grants made solely with NEA funds by State arts agencies and regional arts organizations utilizing partnership agreements with the Arts Endowment.</i>			2,000-2,500			1,933			below
b. State arts agencies, regional arts organizations, & the Arts Endowment work together to achieve common or complementary goals.		<i>The number of initiatives between the Arts Endowment, the State arts agencies, &amp; the regional arts organizations.</i>			5-10			2			below
c. Other public & private sector organizations support arts activities that advance the mission of the Arts Endowment.		<i>The number of other government agencies participating in interagency arrangements with the Arts Endowment that support the Arts Endowment's mission.</i>			10-15			17			above
<b>GRAND TOTAL GRANTMAKING FUNDS</b> (Obligations, excluding Interagency and Gift funds.)			<b>2,141</b>	<b>\$ 100,196</b>		<b>2,141</b>	<b>\$ 100,196</b>		<b>0</b>	<b>\$ -</b>	
Cross-Cutting Indicators		<i>The amount of matching funds reported by Arts Endowment grantees.</i>			500-600 m			513 m			on target
		<i>The number of distinct communities directly benefiting from Arts Endowment-funded projects.</i>			4,250-4,750			2,350			below

**National Endowment for the Arts  
FY 2006 PERFORMANCE REPORT  
September 2008**

GENERAL GOALS AND PERFORMANCE GOALS (OUTCOMES)	SELECTED PERFORMANCE MEASURES (INDICATORS)	FY 2006 Final Projections with FY 2006 PAR (Performance as of 9-29-06; 9% of Final Reports Received)			FY 2006 Current Performance with FY 2008 PAR (Performance as of 9-30-08; 90% of Final Reports Received)			Difference		
		# of Awards	\$	Target Levels	# of Awards	\$	Current Levels	# of Awards	\$	Extent of Activity
Dollars rounded to the nearest thousand.										
1. ACCESS TO ARTISTIC EXCELLENCE: Foster and preserve excellence in the arts and provide access to the arts for all Americans.		2,020	\$ 50,157		2,020	\$ 50,157		0	\$ -	
a. Artists & arts organizations have opportunities to create, interpret, present, & perform artistic work.	<i>The number of projects whose primary purpose is to create or present art.</i>			1,000-1,250		1,144				on target
	<i>The number of artists participating in projects whose primary purpose is to create art.</i>			150,000-200,000		96,000				below
b. Audiences throughout the Nation have opportunities to experience a wide range of art forms & activities.	<i>The number of individuals directly benefiting from projects whose primary purpose is to make the arts widely available to the public (excluding broadcast audiences).</i>			30-35 m		25.1 m				below
c. The arts contribute to the strengthening of communities.	<i>The number of projects whose primary purpose is to strengthen communities through access to the arts.</i>			175-225		190				on target
d. Artistic works & cultural traditions are preserved.	<i>The number of projects whose primary purpose is the preservation of artistic works &amp; cultural traditions.</i>			200-225		209				on target
e. Organizations enhance their ability to achieve their artistic & public service goals.	<i>The number of projects whose primary purpose is to assist organizations to enhance their abilities to achieve their artistic &amp; public service goals.</i>			225-275		249				on target
2. LEARNING IN THE ARTS: Advance arts education for children and youth.		211	\$ 10,563		211	\$ 10,563		0	\$ -	
a. Children & youth demonstrate skills, knowledge, and/or understanding of the arts, consistent with national, state, or local arts education standards.	<i>The number of projects whose primary purpose is to impart to children &amp; youth newly acquired skills, knowledge, and/or understanding of at least one art form.</i>			200-225		209				on target
	<i>The number of children &amp; youth directly participating in projects whose primary purpose is to impart newly acquired skills, knowledge, and/or understanding of at least one art form.</i>			.25-.5 m		.4 m				on target
b. Teachers, artists, & others demonstrate knowledge & skills necessary to engage children & youth in arts learning, consistent with national, state, or local arts education standards.	<i>The number of projects whose primary purpose is to provide professional development opportunities for teachers, artists, &amp; other arts instruction providers.</i>			0		0				n/a
c. National, State, and local entities demonstrate a commitment to arts learning for children & youth, consistent with national, state, or local arts education standards.	<i>The number of national initiatives in which the Arts Endowment directly participates that recognize and support the arts as essential to the development of children &amp; youth.</i>			1		2				above

**National Endowment for the Arts  
FY 2006 PERFORMANCE REPORT  
September 2008**

GENERAL GOALS AND PERFORMANCE GOALS (OUTCOMES)	SELECTED PERFORMANCE MEASURES (INDICATORS)	FY 2006 Final Projections with FY 2006 PAR (Performance as of 9-29-06; 9% of Final Reports Received)			FY 2006 Current Performance with FY 2008 PAR (Performance as of 9-30-08; 90% of Final Reports Received)			Difference		
		# of Awards	\$	Target Levels	# of Awards	\$	Current Levels	# of Awards	\$	Extent of Activity
Dollars rounded to the nearest thousand.										
3. PARTNERSHIPS FOR THE ARTS: Develop and maintain partnerships that advance the mission of the National Endowment for the Arts.										
<i>State Partnerships</i>										
State & Regional			\$ 23,357			\$ 23,357			\$ -	
Underserved Set-Aside			\$ 6,282			\$ 6,282			\$ -	
Challenge America			\$ 7,063			\$ 7,063			\$ -	
National Initiatives			\$ 4,730			\$ 4,730			\$ -	
Subtotal State Partnerships			\$ 41,432			\$ 41,432			\$ -	
<i>Other Public &amp; Private Partnerships</i>			\$ 280			\$ 280			\$ -	
Total Partnerships for the Arts		84	\$ 41,712		84	\$ 41,712		0	\$ -	
a. State arts agencies & regional arts organizations enable the Arts Endowment to make the arts available in more communities than it could directly.	<i>The number of communities reached through grants made solely with NEA funds by State arts agencies and regional arts organizations utilizing partnership agreements with the Arts Endowment.</i>			1,900-2,250			1,870			below
b. Other public & private sector organizations support arts activities that advance the mission of the Arts Endowment.	<i>The number of other government agencies participating in interagency arrangements with the Arts Endowment that support the Arts Endowment's mission.</i>			5-15			13			on target
<b>GRAND TOTAL GRANTMAKING FUNDS</b> (Obligations, excluding Interagency and Gift funds.)		<b>2,315</b>	<b>\$ 102,432</b>		<b>2,315</b>	<b>\$ 102,432</b>		<b>0</b>	<b>\$ -</b>	
Cross-Cutting Indicators	<i>The amount of matching funds reported by Arts Endowment grantees.</i>			575-650 m			555 m			below
	<i>The number of distinct communities directly benefiting from Arts Endowment-funded projects.</i>			3,750-4,000			3,700			on target

**National Endowment for the Arts  
FY 2007 PERFORMANCE REPORT  
September 2008**

GENERAL GOALS AND PERFORMANCE GOALS (OUTCOMES)	SELECTED PERFORMANCE MEASURES (INDICATORS)	FY 2007 Final Projections with FY 2007 PAR (Performance as of 9-30-07; 14% of Final Reports Received)			FY 2007 Current Performance with FY 2008 PAR (Performance as of 9-30-08; 55% of Final Reports Received)			Difference		
		# of Awards	\$	Target Levels	# of Awards	\$	Current Levels	# of Awards	\$	Extent of Activity
Dollars rounded to the nearest thousand.										
1. ACCESS TO ARTISTIC EXCELLENCE: Foster and preserve excellence in the arts and provide access to the arts for all Americans.		1,902	\$ 49,659		1,902	\$ 49,659		0	\$ -	
a. Artists & arts organizations have opportunities to create, interpret, present, & perform artistic work.	<i>The number of projects whose primary purpose is to create or present art.</i>			1,000-1,250		1,037				on target
	<i>The number of artists participating in projects whose primary purpose is to create art.</i>			75,000-100,000		83,000				on target
b. Audiences throughout the Nation have opportunities to experience a wide range of art forms & activities.	<i>The number of individuals directly benefiting from projects whose primary purpose is to make the arts widely available to the public (excluding broadcast audiences).</i>			30-35 m		23 m				below
c. The arts contribute to the strengthening of communities.	<i>The number of projects whose primary purpose is to strengthen communities through access to the arts.</i>			175-225		178				on target
d. Artistic works & cultural traditions are preserved.	<i>The number of projects whose primary purpose is the preservation of artistic works &amp; cultural traditions.</i>			150-200		206				above
e. Organizations enhance their ability to achieve their artistic & public service goals.	<i>The number of projects whose primary purpose is to assist organizations to enhance their abilities to achieve their artistic &amp; public service goals.</i>			225-275		273				on target
2. LEARNING IN THE ARTS: Advance arts education for children and youth.		208	\$ 10,251		208	\$ 10,251		0	\$ -	
a. Children & youth demonstrate skills, knowledge, and/or understanding of the arts, consistent with national, state, or local arts education standards.	<i>The number of projects whose primary purpose is to impart to children &amp; youth newly acquired skills, knowledge, and/or understanding of at least one art form.</i>			200-225		204				on target
	<i>The number of children &amp; youth directly participating in projects whose primary purpose is to impart newly acquired skills, knowledge, and/or understanding of at least one art form.</i>			.25-.5 m		.6 m				above
b. Teachers, artists, & others demonstrate knowledge & skills necessary to engage children & youth in arts learning, consistent with national, state, or local arts education standards.	<i>The number of projects whose primary purpose is to provide professional development opportunities for teachers, artists, &amp; other arts instruction providers.</i>			3		1				below
c. National, State, and local entities demonstrate a commitment to arts learning for children & youth, consistent with national, state, or local arts education standards.	<i>The number of national initiatives in which the Arts Endowment directly participates that recognize and support the arts as essential to the development of children &amp; youth.</i>			6		3				below

**National Endowment for the Arts  
FY 2007 PERFORMANCE REPORT  
September 2008**

GENERAL GOALS AND PERFORMANCE GOALS (OUTCOMES)	SELECTED PERFORMANCE MEASURES (INDICATORS)	FY 2007 Final Projections with FY 2007 PAR (Performance as of 9-30-07; 14% of Final Reports Received)			FY 2007 Current Performance with FY 2008 PAR (Performance as of 9-30-08; 55% of Final Reports Received)			Difference		
		# of Awards	\$	Target Levels	# of Awards	\$	Current Levels	# of Awards	\$	Extent of Activity
Dollars rounded to the nearest thousand.										
3. PARTNERSHIPS FOR THE ARTS: Develop and maintain partnerships that advance the mission of the National Endowment for the Arts.										
<i>State Partnerships</i>										
State & Regional										
Underserved Set-Aside										
Challenge America										
National Initiatives										
Subtotal State Partnerships										
<i>Other Public &amp; Private Partnerships</i>										
Total Partnerships for the Arts										
a. State arts agencies & regional arts organizations enable the Arts Endowment to make the arts available in more communities than it could directly.	<i>The number of communities reached through grants made solely with NEA funds by State arts agencies and regional arts organizations utilizing partnership agreements with the Arts Endowment.</i>		\$ 23,162			\$ 23,162		\$ -		
			\$ 6,227			\$ 6,227		\$ -		
			\$ 6,998			\$ 6,998		\$ -		
			\$ 3,941			\$ 3,941		\$ -		
			\$ 40,328			\$ 40,328		\$ -		
			\$ 474			\$ 474		\$ -		
		83	\$ 40,802		83	\$ 40,802		0	\$ -	
				1,800-2,000		1,900				on target
b. Other public & private sector organizations support arts activities that advance the mission of the Arts Endowment.	<i>The number of other government agencies participating in interagency arrangements with the Arts Endowment that support the Arts Endowment's mission.</i>			10-15		12				on target
<b>GRAND TOTAL GRANTMAKING FUNDS</b> (Obligations, excluding Interagency and Gift funds.)		<b>2,193</b>	<b>\$ 100,712</b>		<b>2,193</b>	<b>\$ 100,712</b>		<b>0</b>	<b>\$ -</b>	
Cross-Cutting Indicators										
	<i>The amount of matching funds reported by Arts Endowment grantees.</i>			500-550 m		619 m				above
	<i>The number of distinct communities directly benefiting from Arts Endowment-funded projects.</i>			3,750-4,000		2,950				below

**National Endowment for the Arts  
FY 2008 PERFORMANCE REPORT  
September 2008**

GENERAL GOALS AND PERFORMANCE GOALS (OUTCOMES)	SELECTED PERFORMANCE MEASURES (INDICATORS)	FY 2008 Projections with FY 2009 Performance Plan (February, 2008)			FY 2008 Final Projections with FY 2008 PAR (Performance as of 9-30-08; 14% of Final Reports Received)			Difference		
		# of Awards	\$	Target Levels	# of Awards	\$	Target Levels	# of Awards	\$	Extent of Activity
Dollars rounded to the nearest thousand.										
1. ACCESS TO ARTISTIC EXCELLENCE: Foster and preserve excellence in the arts and provide access to the arts for all Americans.		2,123	\$ 58,860		1,941	\$ 60,840		(182)	\$ 1,980	
a. Artists & arts organizations have opportunities to create, interpret, present, & perform artistic work.	<i>The number of projects whose primary purpose is to create or present art.</i>			1,050-1,300			1,088			on target
	<i>The number of artists participating in projects whose primary purpose is to create art.</i>			75,000-100,000			114,000			above
b. Audiences throughout the Nation have opportunities to experience a wide range of art forms & activities.	<i>The number of individuals directly benefiting from projects whose primary purpose is to make the arts widely available to the public (excluding broadcast audiences).</i>			40-50 m			32 m			below
c. The arts contribute to the strengthening of communities.	<i>The number of projects whose primary purpose is to strengthen communities through access to the arts.</i>			200-250			185			below
d. Artistic works & cultural traditions are preserved.	<i>The number of projects whose primary purpose is the preservation of artistic works &amp; cultural traditions.</i>			160-200			186			on target
e. Organizations enhance their ability to achieve their artistic & public service goals.	<i>The number of projects whose primary purpose is to assist organizations to enhance their abilities to achieve their artistic &amp; public service goals.</i>			225-275			268			on target
2. LEARNING IN THE ARTS: Advance arts education for children and youth.		250	\$ 12,650		222	\$ 12,808		(28)	\$ 158	
a. Children & youth demonstrate skills, knowledge, and/or understanding of the arts, consistent with national, state, or local arts education standards.	<i>The number of projects whose primary purpose is to impart to children &amp; youth newly acquired skills, knowledge, and/or understanding of at least one art form.</i>			225-250			198			below
	<i>The number of children &amp; youth directly participating in projects whose primary purpose is to impart newly acquired skills, knowledge, and/or understanding of at least one art form.</i>			.5-1.5 m			.6 m			on target
b. Teachers, artists, & others demonstrate knowledge & skills necessary to engage children & youth in arts learning, consistent with national, state, or local arts education standards.	<i>The number of projects whose primary purpose is to provide professional development opportunities for teachers, artists, &amp; other arts instruction providers.</i>			5-10			19			above
c. National, State, and local entities demonstrate a commitment to arts learning for children & youth, consistent with national, state, or local arts education standards.	<i>The number of national initiatives in which the Arts Endowment directly participates that recognize and support the arts as essential to the development of children &amp; youth.</i>			2-5			5			on target

**National Endowment for the Arts  
FY 2008 PERFORMANCE REPORT  
September 2008**

GENERAL GOALS AND PERFORMANCE GOALS (OUTCOMES)	SELECTED PERFORMANCE MEASURES (INDICATORS)	FY 2008 Projections with FY 2009 Performance Plan (February, 2008)			FY 2008 Final Projections with FY 2008 PAR (Performance as of 9-30-08; 14% of Final Reports Received)			Difference		
		# of Awards	\$	Target Levels	# of Awards	\$	Target Levels	# of Awards	\$	Extent of Activity
Dollars rounded to the nearest thousand.										
3. PARTNERSHIPS FOR THE ARTS: Develop and maintain partnerships that advance the mission of the National Endowment for the Arts.										
<i>State Partnerships</i>										
State & Regional			\$ 39,376			\$ 39,415			\$ 39	
Underserved Set-Aside			\$ 8,466			\$ 8,481			\$ 15	
Subtotal State Partnerships			\$ 47,842			\$ 47,896			\$ 54	
<i>Other Public &amp; Private Partnerships</i>			\$ 252			\$ 222			\$ (30)	
Total Partnerships for the Arts		80	\$ 48,094		82	\$ 48,118			\$ 24	
a. State arts agencies & regional arts organizations enable the Arts Endowment to make the arts available in more communities than it could directly.	<i>The number of communities reached through grants made solely with NEA funds by State arts agencies and regional arts organizations utilizing partnership agreements with the Arts Endowment.</i>			2,000-2,250			2,000-2,250			on target
b. Other public & private sector organizations support arts activities that advance the mission of the Arts Endowment.	<i>The number of other government agencies participating in interagency arrangements with the Arts Endowment that support the Arts Endowment's mission.</i>			5-10			12			on target
<b>GRAND TOTAL GRANTMAKING FUNDS</b> (Obligations, excluding Interagency and Gift funds.)		<b>2,453</b>	<b>\$ 119,604</b>		<b>2,245</b>	<b>\$ 121,766</b>		(208)	\$ 2,162	
Cross-Cutting Indicators				600-650 m			707 m			above
<i>The amount of matching funds reported by Arts Endowment grantees.</i>				4,000-4,500			2,950			below
<i>The number of distinct communities directly benefiting from Arts Endowment-funded projects.</i>										

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NATIONAL  
ENDOWMENT  
FOR THE ARTS

A great nation  
deserves great art.

*Fiscal Year 2008  
Performance and Accountability Report  
~ A Message from the Director of Finance ~*

I am pleased to join with Chairman Gioia in presenting the National Endowment for the Arts' *Fiscal Year 2008 Performance and Accountability Report*. This report summarizes the Arts Endowment's performance and accomplishments – programmatically, financially, and operationally – during the past year.

Fiscal Year 2008 has been a time of great accomplishment for the Arts Endowment's financial operations. Through a cross-servicing agreement with the U.S. Department of Transportation, the NEA uses a federal financial system that is fully compliant with the Office of Management and Budget's Office of Federal Financial Management requirements. All FY 2008 transactions were recorded in the system. We continue to improve our knowledgebase of the Oracle system, crosswalks to the financial statements, and transactional flows to comply with new requirements. Our sixth consecutive financial statements independent audit has been successfully completed. No issues of non-compliance and no material weaknesses have been identified.

Fiscal Year 2009 will be challenging as we continue to enhance Agency efficiency and effectiveness, and streamline Agency financial processes for credit cards and reimbursable agreements. We will also be modernizing reporting systems to improve succession planning and training capabilities, to ensure adherence to all applicable guidance, and to optimize efficiencies from improved use of technology. We are confident that our finance system represents one of the most significant steps the Arts Endowment has taken in recent years in its ongoing commitment to ensuring that we are fully accountable for the funds that have been entrusted to us for the benefit of the American people.

A handwritten signature in black ink, reading "Sandra L. Stueckler".

Sandra L. Stueckler  
Director of Finance

November 17, 2008

*Financial Statements  
and Related Auditor's Report  
Fiscal Year 2008*

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Inspector General, National Endowment for the Arts  
Chairman, National Endowment for the Arts

### **Independent Auditor's Report**

We have audited the balance sheets of the National Endowment for the Arts (the Arts Endowment) as of September 30, 2008 and 2007, and the related statements of net cost, changes in net position, and budgetary resources (the financial statements) for the years then ended. The objective of our audits was to express an opinion on the fair presentation of those financial statements. In connection with our audit, we also considered the Arts Endowment's internal control over financial reporting and tested the Arts Endowment's compliance with certain provisions of applicable laws and regulations that could have a direct and material effect on its financial statements.

#### **SUMMARY**

As stated in our opinion on the financial statements, we found that the Arts Endowment's financial statements as of and for the year ended September 30, 2008, and the restated financial statements as of and for the year ended September 30, 2007, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

Our consideration of internal control would not necessarily disclose all deficiencies in internal control over financial reporting that might be material weaknesses under standards issued by the American Institute of Certified Public Accountants. However, our testing of internal control identified no material weaknesses in financial reporting.

The results of our tests of compliance with certain provisions of laws and regulations disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*, issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements* as amended.

The following sections discuss in more detail our opinion on the Arts Endowment's financial statements, our consideration of the Arts Endowment's internal control over financial reporting, our tests of the Arts Endowment's compliance with certain provisions of applicable laws and regulations, and management's and our responsibilities.

## OPINION ON THE FINANCIAL STATEMENTS

We have audited the accompanying balance sheets of the Arts Endowment as of September 30, 2008 and September 30, 2007, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended.

In our report dated November 8, 2007, we expressed an opinion that the 2007 financial statements presented fairly, in all material respects, the budgetary resources of the Arts Endowment as of and for the years ended September 30, 2007, in conformity with accounting principles generally accepted in the United States of America. In 2008, the Arts Endowment discovered an error in its 2007 reporting of offsetting receipts in the Statement of Budgetary Resources and the related Note 16, Reconciliation of Net Cost of Operations to Budget (formerly, the Statement of Financing). In 2007, the Agency included the donations received in the offsetting receipts on the Statement of Budgetary Resources and the note based on the accounts listed in the U.S. Standard General Ledger crosswalk for the Statement of Budgetary Resources. The Arts Endowment discovered that its donations were considered to be budgetary receipts, not offsetting receipts, and should not have been reported as offsetting receipts. The offsetting receipts originally reported in 2007 were \$1,791,135, a difference of \$1,746,146 from the amount reported in the current presentation of the 2007 Statement of Budgetary Resources and Note 19, Reconciliation of Net Cost of Operations to Budget. As a result of this restatement, our previous report on the 2007 financial statements is not to be relied upon because the previously issued financial statements were materially misstated and that report is replaced by this report on the restated financial statements. The circumstances related to this restatement are more fully described in Note 17 and in our reporting on controls, beginning on the next page.

In our opinion, the financial statements referred to in the first paragraph of this section present fairly, in all material respects, the financial position, net cost, changes in net position, and budgetary resources of the Arts Endowment as of and for the years ended September 30, 2008 and 2007, in conformity with accounting principles generally accepted in the United States of America.

The information in the Management's Discussion and Analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America or OMB Circular A-136, *Financial Reporting Requirements*. We have applied certain limited procedures, which consisted principally of inquiries of Arts Endowment management regarding the methods of measurement and presentation of the supplementary information and analysis of the information for consistency with the financial statements. However, we did not audit the information and express no opinion on it. The Performance and Accountability Report, except for Management's Discussion and Analysis, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

## INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the Arts Endowment as of and for the years ended September 30, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Arts Endowment's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the Arts Endowment's internal control.

Because of inherent limitations in internal control, including the possibility of management override of controls, misstatements, losses, or noncompliance may nevertheless occur and not be detected. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is a more than remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

1. The Arts Endowment included donations in Offsetting Receipts in the Statement of Budgetary Resources (SBR) for the year ended September 30, 2007.

Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, defines offsetting receipts as "composed of proprietary receipts from the public, receipts from intragovernmental transactions, and offsetting governmental receipts." The Receipts by Department Listing is an unpublished part of the Combined Statement of Receipts, Outlays, and Balances of the United States Government, issued by the Department of the Treasury. OMB Circular A-136 states that agencies should include in the SBR the receipt accounts that are classified in the report as Proprietary Receipts from the Public, Intrabudgetary Receipts Deducted by Agencies, and Offsetting Governmental Receipts. The report classifies the Arts Endowment's donations as Budgetary Receipts.

The U.S. Standard General Ledger (USSGL) crosswalks define the general ledger accounts to be included in each line of Federal financial statements. The crosswalk for the SBR includes account 5600, "Donated Revenue - Financial Resources" in the Offsetting Receipts line. In addition, a footnote to the offsetting receipts instructions indicates that offsetting receipts "...must equal cash deposits to Treasury that are

reported on [form] SF 224 [Report of Transactions]...In all cases, include only amounts collected, deposited, and distributed in offsetting receipt accounts.”

The Arts Endowment properly records its donations in account 5600 and reports the transactions on monthly SF 224 reports. Based on the instructions in the USSGL crosswalk, the Arts Endowment included the donations received in the Offsetting Receipts lines of the SBR and the related Reconciliation of Net Cost of Operations to Budget footnote. However, the Agency was unaware that the Receipts by Department Listing report from Treasury defined its donations as budgetary receipts, not offsetting receipts.

When the Arts Endowment discovered the error and verified the applicability of the requirements for offsetting receipts late in fiscal year 2008, the Agency restated the 2007 SBR in the fiscal year 2008 financial statements. The offsetting receipts originally reported in 2007 were \$1,791,135, a difference of \$1,746,146 from the amount reported in the current presentation of the 2007 SBR and Note 19.

Because the Arts Endowment researched the appropriate reporting of offsetting receipts and incorporated them into the Agency financial reporting processes, the error that caused the restatement is unlikely to recur. We recommend that the Arts Endowment continue to monitor the general ledger accounts containing offsetting receipts to ensure that those receipts are reported correctly.

#### Management Response

The Arts Endowment concurred that the discovery, thorough verification of the applicability of various sources of guidance, and correction of reporting offsetting receipts for 2007, as restated, has corrected the error. Going forward with the 2008 financial statements, the Arts Endowment has changed its crosswalk to properly report only the offsetting receipts on that line of the Statement of Budgetary Resources.

Our consideration of internal control was for the limited purpose described in the first paragraph in this section of the report and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

A summary of the status of prior year findings is included as Attachment 1.

We noted other control risks over financial reporting and its operation that we have reported to the management of the Arts Endowment and those charged with governance in a separate letter dated November 12, 2008.

## COMPLIANCE WITH LAWS AND REGULATIONS

The results of our tests of compliance with certain provisions of laws and regulations, as described in the Responsibilities section of this report, disclosed no instances of noncompliance with laws and regulations that are required to be reported under *Government Auditing Standards* and OMB Bulletin 07-04.

## RESPONSIBILITIES

### Management Responsibilities

Management of the Arts Endowment is responsible for: (1) preparing the financial statements in conformity with generally accepted accounting principles; (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA) are met; and (3) complying with applicable laws and regulations. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies.

### Auditor Responsibilities

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Bulletin 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes (1) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; (2) assessing the accounting principles used and significant estimates made by management; and (3) evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In planning and performing our audit, we considered the Arts Endowment's internal control over financial reporting by obtaining an understanding of the agency's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements.

We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin 07-04 and *Government Auditing Standards*. We did not test all internal controls relevant to operating objectives as broadly defined by FMFIA. Our procedures were not designed to provide an opinion on internal control over financial reporting. Consequently, we do not express an opinion thereon.

As required by OMB Bulletin 07-04, with respect to internal control related to performance measures determined to be key and reported in Management's Discussion and Analysis, we made inquiries of management concerning the methods of preparing the information, including whether it was measured and presented within prescribed guidelines; changes in the methods of measurement or presentation from those used in the prior period(s) and the reasons for any such changes; and significant assumptions or interpretations underlying the measurement or presentation. We also evaluated the consistency of Management's Discussion and Analysis with management's responses to the foregoing inquiries, audited financial statements, and other audit evidence obtained during the examination of the financial statements. Our procedures were not designed to provide assurance on internal control over reported performance measures, and, accordingly, we do not provide an opinion thereon.

As part of obtaining reasonable assurance about whether the Arts Endowment's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and significant provisions of contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin 07-04. We limited our tests of compliance to these provisions and we did not test compliance with all laws and regulations applicable to the Arts Endowment. Providing an opinion on compliance with certain provisions of laws, regulations, and significant contract provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

#### **AGENCY COMMENTS AND AUDITOR EVALUATION**

In commenting on the draft of this report, the management of the Arts Endowment concurred with the facts and conclusions in our report. A copy of management's response accompanies this report.

The Arts Endowment's written response to the significant deficiency identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it

#### **DISTRIBUTION**

This report is intended solely for the information and use of the management, the Chairman, the Office of Inspector General and others within the Arts Endowment, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

*Leon Snead & Company, P.C.*  
Leon Snead & Company, P.C.

November 12, 2008

**Status of Prior Year Findings**

<u>Description</u>	<u>Status as of September 30, 2008</u>
1. As of June 30, 2007, transactions applicable to reimbursable funds were incorrectly applied to accounts that were designed to record the use of direct appropriations only.	1. In August 2007, the Arts Endowment corrected the accounting by posting a journal voucher for the reversing of the erroneous 3107 and 5700 accounts in the reimbursable funds; notated each gift/reimbursable obligation document with the correct transaction code to remind the invoice technician to select that transaction code; changed the quarter-end integrity check to run specific reports to verify transactions had been processed correctly; requested its service provider to modify the application programs and/or setup of the Arts Endowment's set of books and/or provide warning notices to link the proper transaction code to the funding obligation; and created a formalized quarter-end checklist to include an integrity check for correct accounting for reimbursable funds. The Arts Endowment completed the corrective actions on this control deficiency and no additional errors occurred during the remainder of the 2007 and 2008 fiscal years.
2. For the fourth quarter of 2007, the Arts Endowment recorded imputed costs for health benefits based solely on the fourth quarter factor provided by the Office of Personnel Management (OPM); however, the health insurance factors in the OPM Benefits Administration Letters are designed to be cumulative.	2. A journal voucher was created for the difference in imputed costs and the 2007 financial statements were appropriately adjusted. The integrity controls checklist was updated to include assurances that the official Benefits Administration Letter from OPM is included in the imputed costs journal voucher documentation. Additionally, the worksheet item labels were clarified to ensure that the appropriate rate is used cumulatively beginning with the first quarter reports in fiscal year 2008. The Arts Endowment completed the corrective actions on this control deficiency and the audit disclosed no additional errors during the 2008 fiscal year.

**National Endowment for the Arts**  
**BALANCE SHEET**  
**As of September 30, 2008 and 2007**  
(In Dollars)

	<b>September 30, 2008</b>			<b>September 30, 2007 (Restated)</b>		
	All Other	Earmarked Funds	Cumulative	All Other	Earmarked Funds	Cumulative
<b>ASSETS:</b>						
Intragovernmental:						
Fund Balance With Treasury (Note 2)	\$ 134,781,387	\$ 3,018,785	\$ 137,800,172	\$ 122,346,295	\$ 3,585,766	\$ 125,932,061
Fund Balance With Treasury Under A Continuing Resolution (Note 2)	-		-	-		-
Investments (Note 3)		1,080,670	1,080,670		1,110,560	1,110,560
Accounts Receivable (Note 4)	726		726	180		180
Other Assets (Note 6)	247,891	-	247,891	500,000		500,000
Total Intragovernmental	<u>\$ 135,030,004</u>	<u>\$ 4,099,455</u>	<u>\$ 139,129,459</u>	<u>\$ 122,846,475</u>	<u>\$ 4,696,326</u>	<u>\$ 127,542,801</u>
Accounts Receivable (Note 4)	74,130		74,130	69,826		69,826
Property, Plant and Equipment, Net (Note 5)	-		-	6,642		6,642
<b>TOTAL ASSETS</b>	<u><u>\$ 135,104,134</u></u>	<u><u>\$ 4,099,455</u></u>	<u><u>\$ 139,203,589</u></u>	<u><u>\$ 122,922,943</u></u>	<u><u>\$ 4,696,326</u></u>	<u><u>\$ 127,619,269</u></u>
<b>LIABILITIES:</b>						
Intragovernmental:						
Accounts Payable (Note 7,8)	\$ 4,274,932	\$ 1,104	\$ 4,276,036	\$ 3,907,775	\$ 2,256	\$ 3,910,031
Total Intragovernmental	<u>\$ 4,274,932</u>	<u>\$ 1,104</u>	<u>\$ 4,276,036</u>	<u>\$ 3,907,775</u>	<u>\$ 2,256</u>	<u>\$ 3,910,031</u>
Other (Notes 7,8)	44,449,584	513,757	44,963,341	50,104,209	493,419	50,597,628
<b>TOTAL LIABILITIES</b>	<u>\$ 48,724,516</u>	<u>\$ 514,861</u>	<u>\$ 49,239,377</u>	<u>\$ 54,011,984</u>	<u>\$ 495,675</u>	<u>\$ 54,507,659</u>
Commitments and contingencies (Note 1)						
<b>NET POSITION:</b>						
Unexpended Appropriations	89,645,779		\$ 89,645,779	\$ 72,528,426		\$ 72,528,426
Cumulative Results of Operations	(3,266,161)	3,584,594	318,433	(3,617,467)	4,200,651	583,184
<b>TOTAL NET POSITION</b>	<u><u>\$ 86,379,618</u></u>	<u><u>\$ 3,584,594</u></u>	<u><u>\$ 89,964,212</u></u>	<u><u>\$ 68,910,959</u></u>	<u><u>\$ 4,200,651</u></u>	<u><u>\$ 73,111,610</u></u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 135,104,134</u></u>	<u><u>\$ 4,099,455</u></u>	<u><u>\$ 139,203,589</u></u>	<u><u>\$ 122,922,943</u></u>	<u><u>\$ 4,696,326</u></u>	<u><u>\$ 127,619,269</u></u>

The accompanying notes are an integral part of these statements

**National Endowment for the Arts**  
**STATEMENT OF NET COST**  
**For the period ended September 30, 2008 and September 30, 2007**  
(In Dollars)

	<b>2008</b>	<b>2007</b>
<b>Program Costs (Note 10):</b>		
<b>Artistic Creativity &amp; Preservation:</b>		
Gross Costs	\$ 54,897,227	\$ 56,990,210
Less: Earned Revenue	(1,637,269)	(70,275)
Net AC&P Costs	<u>\$ 53,259,958</u>	<u>\$ 56,919,935</u>
<b>Learning in the Arts:</b>		
Gross Costs	\$ 11,199,953	12,022,057
Less: Earned Revenue	(300,000)	0
Net Learning in the Arts Costs	<u>\$ 10,899,953</u>	<u>\$ 12,022,057</u>
<b>Access to the Arts:</b>		
Gross Costs	\$ 133,590	\$ (235,697)
Less: Earned Revenue	0	0
Net Access to the Arts Costs	<u>\$ 133,590</u>	<u>\$ (235,697)</u>
<b>Partnerships for the Arts:</b>		
Gross Costs	\$ 40,135,879	\$ 42,988,010
Less: Earned Revenue	(297,400)	0
Net Partnerships Arts Costs	<u>\$ 39,838,479</u>	<u>\$ 42,988,010</u>
<b>Total Program Costs</b>	<u>\$ 104,131,980</u>	<u>\$ 111,694,305</u>
Costs Not Assigned to Programs	\$ 26,808,147	\$ 26,795,562
Less: Earned Revenues Not Attributed to Programs	(36,048)	(81,053)
<b>Net Cost of Operations</b>	<u><u>\$ 130,904,079</u></u>	<u><u>\$ 138,408,815</u></u>

The accompanying notes are an integral part of these statements.

**National Endowment for the Arts**  
**Statement of Changes in Net Position**  
**As of September 30, 2008 and 2007**  
(In Dollars)

	FY 2008			FY 2007 (Restated)		
	Earmarked Funds	All Other Funds	Consolidated Total	Earmarked Funds	All Other Funds	Consolidated Total
<b>Cumulative Results of Operations:</b>						
Beginning Balances	\$ 4,200,652	\$ (3,617,467)	\$ 583,185	\$ 4,700,263	\$ 4,006,535	\$ 8,706,798
Expended Appropriations Prior-Period Adjustments		-	-		(106,090)	(106,090)
Prior-Period Adjustments Correction of Errors			-		(873,772)	(873,772)
Adjusted Beginning Balance	<u>\$ 4,200,652</u>	<u>\$ (3,617,467)</u>	<u>\$ 583,185</u>	<u>\$ 4,700,263</u>	<u>\$ 3,026,673</u>	<u>\$ 7,726,936</u>
<b>Budgetary Financing Sources:</b>						
Appropriations Used		127,589,447	127,589,447		128,349,264	128,349,264
Non-Exchange Revenue	30,609	-	30,609	73,123	-	73,123
Donations	1,690,884		1,690,884	1,646,455		1,646,455
<b>Other Financing Sources (Non-Exchange)</b>						
Imputed financing		1,328,387	1,328,387		1,196,222	1,196,222
<b>Total Financing Sources</b>	<u>\$ 1,721,493</u>	<u>\$ 128,917,834</u>	<u>\$ 130,639,327</u>	<u>\$ 1,719,578</u>	<u>\$ 129,545,486</u>	<u>\$ 131,265,064</u>
<b>Net Cost of Operations</b>	<u>2,337,551</u>	<u>128,566,528</u>	<u>130,904,079</u>	<u>2,219,189</u>	<u>136,189,626</u>	<u>138,408,815</u>
<b>Net Change</b>	<u>\$ (616,058)</u>	<u>\$ 351,306</u>	<u>\$ (264,752)</u>	<u>\$ (499,611)</u>	<u>\$ (6,644,140)</u>	<u>\$ (7,143,750)</u>
<b>Cumulative Results of Operations</b>	<u>\$ 3,584,594</u>	<u>\$ (3,266,161)</u>	<u>\$ 318,432</u>	<u>\$ 4,200,652</u>	<u>\$ (3,617,467)</u>	<u>\$ 583,185</u>
<b>Unexpended Appropriations:</b>						
Beginning Balance		\$ 72,528,426	\$ 72,528,426		\$ 76,209,756	\$ 76,209,756
Corrections of Errors		-	-		106,090	106,090
Adjusted Beginning Balance		<u>\$ 72,528,426</u>	<u>\$ 72,528,426</u>		<u>\$ 76,315,846</u>	<u>\$ 76,315,846</u>
<b>Budgetary Financing Sources:</b>						
Appropriations Received		\$ 147,000,000	\$ 147,000,000		\$ 124,561,844	\$ 124,561,844
Other Adjustments		(2,293,200)	(2,293,200)		-	-
Appropriations Used		(127,589,447)	(127,589,447)		(128,349,264)	(128,349,264)
<b>Total Budgetary Financing Sources</b>		<u>\$ 17,117,353</u>	<u>\$ 17,117,353</u>		<u>\$ (3,787,420)</u>	<u>\$ (3,787,420)</u>
<b>Total Unexpended Appropriations</b>		<u>\$ 89,645,779</u>	<u>\$ 89,645,779</u>		<u>\$ 72,528,426</u>	<u>\$ 72,528,426</u>
<b>Net Position</b>	<u><u>\$ 3,584,594</u></u>	<u><u>\$ 86,379,618</u></u>	<u><u>\$ 89,964,212</u></u>	<u><u>\$ 4,200,652</u></u>	<u><u>\$ 68,910,959</u></u>	<u><u>\$ 73,111,610</u></u>

The accompanying notes are an integral part of these statements.

**National Endowment for the Arts**  
**STATEMENT OF BUDGETARY RESOURCES**  
**For the Period Ended September 30, 2008 and September 30, 2007**  
(In Dollars)

	<b>2008</b>	<b>2007 (Restated)</b>
<b>BUDGETARY RESOURCES</b>		
Unobligated Balance:		
Balance Beginning of Period	\$ 7,578,921	\$ 8,444,147
Net Transfers		
Recoveries of Prior Year Obligations:		
Actual Recoveries	1,571,887	2,297,604
Budget Authority:		
Appropriation	148,686,650	126,309,601
Spending Authority from Offsetting Collections:		
Collections Earned	1,567,756	151,328
Unfilled Orders W/ Advances Received	651,664	2,371,387
Unfilled Orders W/O Advances	355,310	
Permanently Not Available:		
Enacted Reductions Pursuant to Public Law	(2,293,200)	-
<b>TOTAL BUDGETARY RESOURCES</b>	<b>\$ 158,118,987</b>	<b>\$ 139,574,067</b>

**STATUS OF BUDGETARY RESOURCES**

Obligations Incurred:		
Direct	\$ 148,880,120	\$ 129,056,811
Reimbursable	2,647,669	2,938,335
Unobligated Balance:		
Apportioned Currently Available	6,591,199	7,578,921
Unobligated Balance Not Available:		
Other	-	-
<b>TOTAL STATUS OF BUDGETARY RESOURCES</b>	<b>\$ 158,118,987</b>	<b>\$ 139,574,067</b>

**CHANGE IN OBLIGATED BALANCE:**

Obligated Balance Beginning of Period	\$ 119,453,530	\$ 117,567,480
Obligations Incurred:	\$ 151,527,789	\$ 131,995,147
Less: Gross Outlays	\$ (136,767,492)	(127,811,493)
Less: Recoveries of Prior Year Obligations:	\$ (1,571,887)	(2,297,604)
Change in Uncollected Customer Payments from Federal Sources	\$ (355,310)	
Obligated Balance Net, End of Period:	\$ 132,286,630	\$ 119,453,530

Uncollected Customer Payments from Federal Sources

Net Outlays:		
Disbursements	\$ 136,767,492	\$ 127,811,493
Collections	(2,219,420)	(2,522,715)
Less: Offsetting receipts	546,320	44,989
<b>Net Outlays</b>	<b>\$ 135,094,392</b>	<b>\$ 125,333,767</b>

The accompanying notes are an integral part of these statements.

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

The following footnotes and instructions include the disclosure requirements contained in the Statements of Federal Financial Accounting Standards (SFFAS).

**Note 1. Significant Accounting Policies:**

**A. Reporting Entity**

The National Endowment for the Arts (NEA) is an independent Federal agency with the mission to support excellence in the arts, both new and established; bring the arts to all Americans; and provide leadership in arts education. The NEA was established by the National Foundation on the Arts and the Humanities Act of 1965.

**B. Basis of Presentation**

These statements were prepared from the books and records of the NEA in conformity with accounting principles generally accepted in the United States, and the OMB Circular A-136, *Financial Reporting Requirements* (Circular A-136), Revised June 3, 2008, which supersedes:

- OMB Circular A-136, *Financial Reporting Requirements* (Circular A-136), dated June 29, 2007.
- M-06-27 *Fiscal Year 2006 Year-end Accounting Guidance for Earmarked Funds* (September 22, 2006), located at <http://www.whitehouse.gov/omb/memoranda/fy2006/m06-27.pdf>.
- *Future External Reporting Changes* (December 21, 2001), located at [http://www.whitehouse.gov/omb/financial/year\\_end\\_reporting\\_2001.pdf](http://www.whitehouse.gov/omb/financial/year_end_reporting_2001.pdf).
- *Requirements for Accountability of Tax Dollars Act* (December 6, 2002), located at [http://www.whitehouse.gov/omb/financial/accountability\\_of\\_tax\\_dollars.pdf](http://www.whitehouse.gov/omb/financial/accountability_of_tax_dollars.pdf).
- M-04-20 FY 2004 *Performance and Accountability Reports and Reporting Requirements for the Financial Report of the United States Government* (July 22, 2004), located at <http://www.whitehouse.gov/omb/memoranda/fy04/m04-20.pdf>.
- Memorandum FY 2002 *Financial and Performance Reporting*, dated October 18, 2002.
- Bulletin 01-09 *Form and Content of Agency Financial Statements*, revised September 25, 2001.

The statements consist of the: Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Footnotes. These financial statements have been prepared to report the financial position and results of operations of NEA.

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**Note 1. Significant Accounting Policies (Continued):**

**C. Basis of Accounting**

Transactions are recorded on a budgetary basis, and with large categories such as payroll and grant liabilities, recorded on an accrual basis. Under the accrual method, expenses are recognized when liabilities are incurred and revenues are recognized when earned, without regard to payment or receipt of cash. Budgetary accounting measures the appropriations and consumption of budget authority and other budgetary resources and facilitates compliance with legal constraints and controls over use of Federal funds.

To assist OMB in recommending and publishing comprehensive accounting standards and principles for agencies of the Federal Government, the Secretary of the Treasury, the Comptroller of the United States, the Director of OMB, and the Joint Financial Management Improvement Program (JFMIP) established the Federal Accounting Standards Advisory Board (FASAB) in 1990. The American Institute of Certified Public Accountant's Council designated FASAB as the accounting standards authority for Federal government entities.

In 2004, the JFMIP became the Financial Systems Integration Office (FSIO) within the General Services Administration, which works closely with OMB and the Chief Financial Officers (CFO) Council to update FSIO's mission and scope of activities.

**D. Revenues and Other Financing Sources**

NEA receives funding through annual Congressional appropriations from the budget of the United States. No-year appropriations are used, within statutory limits, for operations and capital expenditures for essential personal property. Appropriations are recognized as revenues at the time the related program or administrative expenses are incurred. Appropriations expended for capitalized property and equipment are recognized as expenses when an asset is consumed in operations.

An Arts and Artifacts Indemnity Fund was established by Congress to address small insurance issues that may arise in the course of national exhibits.

NEA was granted the authority to receive donations and to invest in interest-bearing accounts. Accounts are maintained for restricted as well as unrestricted funding and the NEA observes the same guidelines for the appropriate use of donated funds as for appropriated funds. This authority allows the Chairman to incur representation and reception expenses.

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**Note 1. Significant Accounting Policies (Continued):**

**D. Revenues and Other Financing Sources (Cont'd)**

NEA enters into Intragovernmental reimbursable agreements. The NEA's pricing policy on these exchange revenue transactions is based on mutually approved agreements, with no profits or losses.

**E. Fund Balance with Treasury**

Funds with the Department of the Treasury primarily represent appropriated funds that are available to pay current liabilities and finance authorized purchase commitments. Some donations carry restrictions as to the use of donated funds. See Note 2 for additional information.

**F. Advances and Prepayments**

NEA interagency agreements with other Federal agencies are recorded as advances in cases where funds are received prior to expenditure. As work is performed by NEA, expenditures are incurred and advances reduced. Prepayments are recorded for Intragovernmental Transactions until the expenditures & revenue are reported by the Trading Partner, at which time the prepayment is reduced and the expense is recognized. NEA records payments for grants where the grantee has not yet incurred the expense (but expects to within 30 days) as advances, and reduces the advances by charges to expense in the next month.

**G. General Property, Plant and Equipment, Net**

NEA policy is to depreciate property, plant and equipment over the estimated useful life of the asset. NEA's capitalization threshold was raised to \$50,000 for individual purchases and \$50,000 for bulk purchases with a minimum \$10,000 per item in FY 2004. Service lives are as shown below:

<u>Description</u>	<u>Life</u>
Leasehold Improvements	Term of Lease
Capital Leases	Term of Lease
Office Furniture	10 Years
Computer Equipment & Software	4 Years
Office Equipment	7 Years
Vehicles	8 Years

Note: Added in FY 2008

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**Note 1. Significant Accounting Policies (Continued):**

**H. Liabilities**

Liabilities represent the amount of monies or other resources likely to be paid by NEA as a result of transactions or events that have already occurred. No liability can be paid, however, absent an appropriation (or, in some cases, donated funds). Liabilities for which an appropriation has not been enacted are, therefore, classified as not covered by budgetary resources, and there is no certainty that the appropriation will be enacted. Also, the Government, acting in its sovereign capacity, can abrogate liabilities.

**I. Accounts Payable**

Accounts payable consists of amounts owed to other federal agencies and trade accounts payable.

**J. Accounts Receivable**

NEA uses the specific identification method to recognize an allowance for uncollectible accounts receivable and related bad debt expenses.

**K. Annual, Sick and Other Leave**

Annual leave and credit hours are accrued when earned and the accrual is reduced as leave is taken. Each year, the balance in the accrued leave account is adjusted to reflect current pay rates and balances. To the extent current or prior year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of non-vested leave are expensed as taken.

**L. Retirement Plans**

NEA employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). FERS was established by enactment of Public Law 99-335. Pursuant to this law, FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired before January 1, 1984 participate in CSRS unless they elected to join FERS and Social Security.

All employees are eligible to contribute to the Thrift Savings Plan (TSP). For those employees participating in the FERS, a TSP account is automatically established and NEA makes a mandatory one percent contribution to this account. In addition, NEA makes

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**Note 1. Significant Accounting Policies**

**L. Retirement Plans (Continued):**

matching contributions, ranging from one to four percent, for FERS-eligible employees who contribute to their TSP accounts. Matching contributions are not made to the TSP accounts established by CSRS employees. FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program after retirement. In these instances, NEA remits the employer's share of the required contribution.

NEA does not report on its financial statements information pertaining to the retirement plans covering its employees, except for imputed costs related to retirement (See M. below). Reporting amounts such as plan assets and accumulated plan benefits, if any, is the responsibility of the Office of Personnel Management.

**M. Imputed Benefit Costs**

NEA reports imputed benefit costs on Life Insurance, Health Insurance, and Retirement. The Office of Personnel Management (OPM) provides the cost factors that are applied to the Agency's records.

**N. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

**O. Contingencies**

There are no commitments or contingencies that require disclosure.

**P. Earmarked Fund**

Since the NEA earmarked fund is represented by one appropriation, "Gifts and Donations" 59X8040, there are no eliminations of this type of activity within the agency, nor any need for additional subtotal or total columns.

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**NOTE 2: Fund Balances With Treasury**

	<b>September 30, 2008</b>	<b>September 30, 2007</b>
Fund Balance:		
Trust Funds	\$ 3,018,785	\$ 3,585,766
Appropriated Funds	134,781,387	122,346,295
Continuing Resolution Funds	-	-
Custodial Funds (Nonentity)	-	-
Fund Balance with Treasury – Subtotal	<u>\$ 137,800,172</u>	<u>\$ 125,932,061</u>
Invested in Public Debt Treasury Bills, net	<u>1,077,655</u>	<u>1,100,388</u>
Fund Balance With Treasury – Total	<u><u>\$ 138,877,827</u></u>	<u><u>\$ 127,032,449</u></u>
Status of Budgetary Resources:		
Unobligated Balance:		
Available Other	\$ 4,455,151	\$ 5,263,699
Available Trust Fund	<u>2,136,049</u>	<u>2,315,221</u>
Subtotal – Available	<u>\$ 6,591,200</u>	<u>\$ 7,578,920</u>
Unavailable	-	-
Obligated Balance not yet Disbursed Other	\$ 130,681,547	\$ 117,082,596
Obligated Balance not yet Disbursed Trust Fund	<u>1,960,390</u>	<u>2,370,933</u>
Subtotal - Obligated	132,641,937	119,453,529
Unfilled Orders – Reimbursable	(355,310)	-
Custodial Funds	-	-
	<u><u>\$ 138,877,827</u></u>	<u><u>\$ 127,032,449</u></u>

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**NOTE 3: Investments**

<b>September 30, 2008</b>	Cost	Amortization Method	Unamortized Premium / Discount	Investments Net	Market Value Disclosure
Intragovernmental Securities:					
Non-Marketable: Par Value	\$ 1,077,655	Effective Interest	\$ 6,581	\$ 1,084,236	\$ 1,084,236
Accrued Interest on Public Debt Bills	3,015				3,015
<b>Total</b>	<b>\$ 1,080,670</b>				<b>\$ 1,087,251</b>

<b>September 30, 2007</b>	Cost	Amortization Method	Unamortized Premium / Discount	Investments Net	Market Value Disclosure
Intragovernmental Securities:					
Non-Marketable: Par Value	\$ 1,100,388	Effective Interest	\$ 24,612	\$ 1,125,000	\$ 1,125,000
Accrued Interest on Public Debt Bills	10,173				10,173
<b>Total</b>	<b>\$ 1,110,561</b>				<b>\$ 1,135,173</b>

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**NOTE 4: Accounts Receivable**

	<b>September 30, 2008</b>	<b>September 30, 2007</b>
Gross Receivables:		
Custodial Receivable (Nonentity)	\$ 57,500	\$ 67,500
Receivables Due from Govt entities	726	180
Receivables Due from the Public	16,630	2,326
	\$ 74,856	\$ 70,006
 Allowance for Uncollectibles:	 -	 -
 Net Receivables	\$ 74,856	\$ 70,006

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**NOTE 5: General Property, Plant, And Equipment**

Class of Property	September 30, 2008			September 30, 2007		
	Cost	Accumulated Depreciation	Book Value	Cost	Accumulated Depreciation	Book Value
Furniture & Equipment	\$ 132,845	\$ 132,845	\$ -	\$ 132,845	\$ 126,203	\$ 6,642
Total	<u>\$ 132,845</u>	<u>\$ 132,845</u>	<u>\$ -</u>	<u>\$ 132,845</u>	<u>\$ 119,560</u>	<u>\$ 6,642</u>
Capitalization Threshold:	<b>2008</b>			<b>2007</b>		
	\$50,000 individual purchase			\$50,000 individual purchase		
	\$50,000 aggregate purchases where individual items each exceed \$10,000			\$50,000 aggregate purchases where individual items each exceed \$10,000		
Useful Life:	Computer equipment = 4 yrs			Computer equipment = 3 yrs		
	Computer software = 4 yrs			Computer software = 3 yrs		
	Office equipment = 7 yrs			Office equipment = 5 yrs		
	Furniture = 10 yrs			Furniture = 7 yrs		
	Vehicles = 8 yrs					
	Leasehold improvements = lease term			Leasehold improvements = lease term		
	Straight-line method used to depreciate cost of PPE over its useful life.			Straight-line method used to depreciate cost of PPE over its useful life.		

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**NOTE 6: Other Assets**

	September 30, 2008	September 30, 2007
Intragovernmental:		
Open World Leadership Center (1)	\$ 119,966	\$ 500,000
Library of Congress (2)	100,000	
Department of Transportation (3)	15,155	
Abraham Lincoln Bicentennial Commission (4)	12,770	
	\$ 247,891	\$ 500,000
	\$ 247,891	\$ 500,000

Other Information:

1. The Open World Program enables emerging leaders from Russia and other Eurasian countries to experience American democracy and civil society in action.
2. The Library of Congress' National Book Festival will feature a NEA Poetry Pavilion Program where up to 8 poets and 6 Poetry Out Loud state champions will read.
3. Advance to the Department of Transportation for the purchase of Metrocheks.
4. The Abraham Lincoln Bicentennial Commission's program of poetry in celebration of the Abraham Lincoln's Bicentennial, proceeded and followed by musical ensembles.

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**NOTE 7: Liabilities Not Covered By Budgetary Resources**

	<b>September 30, 2008</b>	<b>September 30, 2007</b>
Accrued Unfunded Leave Non-Federal	\$ 1,335,817	\$ 1,271,227
Actuarial FECA Liability Federal	907,895	1,059,390
Unfunded FECA Liability Federal	130,204	160,538
<b>Total Liabilities Not Covered By Budgetary Resources</b>	<b>\$ 2,373,916</b>	<b>\$ 2,491,155</b>

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**NOTE 8: Liabilities**

	September 30, 2008			September 30, 2007 (Restated)		
	Non-Current	Current	Total	Non-Current	Current	Total
<b>Intragovernmental:</b>						
Accrued Payables - Invoices	\$ -	\$ 3,320	\$ 3,320	\$ -	\$ 34,162	\$ 34,162
Custodial Liability	-	57,500	57,500	-	67,500	67,500
Employer Contributions	-	142,299	142,299	-	113,235	113,235
Other Post Employment Benefits	-	-	-	-	103,819	103,819
Actuarial FECA Liability	-	907,895	907,895	-	1,059,390	1,059,390
Unfunded FECA Liability	-	130,204	130,204	-	160,538	160,538
Advances from Other Government Agencies	-	3,023,051	3,023,051		3,062,387	3,062,387
Other Accrued Liabilities		11,767	11,767			
<b>Public:</b>						
Accrued Payables - Invoices	\$ -	\$ 45,281	\$ 45,281	\$ -	\$ 48,087,530	\$ 48,087,530
Accrued Funded Payroll	-	670,442	670,442	-	532,267	532,267
TSP Employer Contributions	-	21,102	21,102	-	15,606	15,606
Other Post Employment Benefits	-			-		
Accrued Unfunded Leave	-	1,335,817	1,335,817	-	1,271,227	1,271,227
Other Accrued Liabilities		42,890,699	42,890,699			
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 49,239,377</u>	<u>\$ 49,239,377</u>	<u>\$ -</u>	<u>\$ 54,507,659</u>	<u>\$ 54,507,659</u>

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**NOTE 9: Operating Leases**

**Brief Description of Occupancy Agreement:**

The current occupancy agreement includes rental of office space and one surface parking space for a period of 66 months expires October 31, 2008, with a payment of \$181,778 for October 2008. The agreement can be terminated upon four months' notice. The Agency's financial obligations for years beyond the current year do not mature until the later year(s) are reached. The obligation to pay rent in future years is subject to the availability of funds.

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Total Annual Rental	\$2,219,317	\$2,217,653	\$2,232,267	\$2,160,677	\$2,169,415

GSA has not been able to provide a renewal for an occupancy agreement beyond October 2008. The following estimates are provided for 2009 and 2010.

	FY 2009	FY 2010
Estimated Annual Rental	\$2,707,166	\$2,767,127

**Brief Description of Copier Lease**

The NEA entered into a 60 month operating lease for copiers (NEA Copy Center & walkups throughout the Endowment) in September 2008, for rental services commencing October 1, 2008 thru September 30, 2013. The Agency's financial obligations for years beyond the current year do not mature until the later year(s) are reached. The obligation to pay these lease payments in future years is subject to the availability of funds.

FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
\$173,544.12	\$173,544.12	\$173,544.12	\$173,544.12	\$173,544.12

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 10: Grants to the Public Costs and Intragovernmental Revenue**

	<u>2008</u>	<u>2007</u>
<b>Artistic Creativity &amp; Preservation:</b>		
Gross Cost of Grants to the Public	\$ 54,897,227	\$ 56,990,210
Less: Earned Revenue	<u>(1,637,269)</u>	<u>(70,275)</u>
Total AC&P Costs	\$ 53,259,958	\$ 56,919,935
<b>Learning in the Arts:</b>		
Gross Cost of Grants to the Public	\$ 11,199,953	\$ 12,022,057
Less: Earned Revenue	<u>(300,000)</u>	<u>-</u>
Total Learning in the Arts Costs	\$ 10,899,953	\$ 12,022,057
<b>Access to the Arts:</b>		
Gross Cost of Grants to the Public	\$ 133,590	\$ (235,697)
Less: Earned Revenue	<u>-</u>	<u>-</u>
Total Access to the Arts Costs	\$ 133,590	\$ (235,697)
<b>Partnerships for the Arts:</b>		
Gross Cost of Grants to the Public	\$ 40,135,879	\$ 42,988,010
Less: Earned Revenue	<u>(297,400)</u>	<u>-</u>
Total Access to the Arts Costs	\$ 39,838,479	\$ 42,988,010

The Arts Endowment receives funds from other Federal agencies that participate in the Arts Endowment's program awards. The Arts Endowment may also incur intragovernmental costs for its participation in program awards of other Federal agencies.

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 11: Explanation of Differences Between the Statement of Budgetary Resources and the Budget of the United States Government**

The President's Fiscal Year 2010 Budget, which will include actual numbers for fiscal year 2008, has not yet been published. The FY 2010 Budget will be submitted by the next President, and will be available at <http://www.whitehouse.gov/omb>.

**NOTE 12: Explanation of Differences Between Liabilities Not Covered by Budgetary Resources and Components Requiring or Generating Resources in Future Periods**

Components that comprise liabilities not covered by budgetary resources represent the cumulative balance of the liability. By contrast, components requiring or generating resources in future periods included in the Statement of Financing represent the change in the liability created in the current year.

**NOTE 13: Apportionment Categories of Obligations Incurred**

The NEA is provided with funding only under Category B.

Category B	Direct	Reimbursable
Apportionments	\$ 146,393,450	\$ 2,219,420
Obligations	\$ 148,880,120	\$ 2,647,669

**NOTE 14: Undelivered Orders at the End of the Period**

On the Statement of Budgetary Resources, the obligated balances, net, end of period includes the following:

Unpaid Obligations:	<b>2008</b>	<b>2007</b>
Undelivered Orders	\$ 89,105,489	\$ 71,067,281
Less: Undelivered Orders, paid	<u>(247,891)</u>	<u>(500,000)</u>
Undelivered Orders, unpaid	\$ 88,857,597	\$ 70,567,281
Accounts Payable	<u>43,784,342</u>	<u>48,886,248</u>
Total unpaid obligated balance, net, end of period	<u><u>\$ 132,641,939</u></u>	<u><u>\$ 119,453,529</u></u>

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 15: Incidental Custodial Collections**

	<b>2008</b>	<b>2007</b>
Proprietary Receipts from the Public	\$ 535,976	\$ 2,290
Intrabudgetary Receipts Deducted by Agencies	10,344	42,699
Total Custodial Collections	<u>\$ 546,320</u>	<u>\$ 44,989</u>

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
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**NOTE 16: Earmarked Funds**

**Gifts and Donations**

<b>Balance Sheet</b>	<b>September 30, 2008</b>	<b>September 30, 2007</b>
<b>ASSETS</b>		
Fund balance with Treasury	\$ 3,018,785	\$ 3,585,766
Investments	1,080,670	1,110,560
Taxes and Interest Receivable		-
Other Assets		
Total Assets	\$ 4,099,455	\$ 4,696,326
Other Liabilities	\$ 514,861	\$ 495,675
Total Liabilities	\$ 514,861	\$ 495,675
Unexpended Appropriations	-	
Cumulative Results of Operations	\$ 3,584,594	\$ 4,200,651
Total Liabilities and Net Position	\$ 4,099,455	\$ 4,696,326
<b>Statement of Net Cost</b>	<b>September 30, 2008</b>	<b>September 30, 2007</b>
Gross Program Costs	\$ 1,407,125	\$ 1,719,566
Less Earned Revenue	-	-
Net Program Costs	1,407,125	1,719,566
Costs Not Attributable to Program Costs	930,426	499,623
Net Cost of Operations	\$ 2,337,551	\$ 2,219,189
<b>Statement of Changes in Net Position</b>	<b>September 30, 2008</b>	<b>September 30, 2007</b>
Net Position Beginning of Period	\$ 4,200,652	\$ 4,700,263
Non-Exchange Revenue	30,609	73,123
Donations	1,690,884	1,646,455
Net Cost of Operations	(2,337,551)	(2,219,189)
Change in Net Position	\$ (616,058)	\$ (499,611)
Net Position End of Period	\$ 3,584,594	\$ 4,200,652

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**NOTE 17: Restatements**

NEA discovered two errors in its previously issued financial statements as of and for the year ended September 30, 2007. The Agency discovered the errors during the last quarter of fiscal year 2008, when the issuance of the subsequent audited financial statements was imminent.

***Restatement of Prior Year Revenues***

*September 2007 Consolidated Statement of Changes in Net Position, September 2007 NOTE 8: Liabilities, and September 2007 Balance Sheet*

NEA regularly receives funds from the National Park Service (NPS) to award grants under the "Save America's Treasures" program. For fiscal years prior to 2007, NEA recognized revenue and NPS recognized corresponding expenses when NEA awarded the grants. In 2007, NEA began to record such funds as Advances from Others, an unearned revenue account, and recognize the revenues as funds were paid out to the grantees.

In 2008, NEA determined that grantees had claimed no funds from three grants that NPS had funded in 2004 and 2006. Due to the age of the grants, NEA also determined that the unclaimed funds from one of the grants needed to be returned to the NPS, and the other two are in final review that is expected to also result in a return of funding. In order to do so, NEA recorded a prior period adjustment to reduce previously recorded revenues by \$691,000, which reduced the beginning balance of *2007 Cumulative Results of Operations* in the Consolidated Statement of Changes in Net Position, and increased *2007 Liabilities: Other* on the Balance Sheet and *2007 Intragovernmental: Advances from Other Government Agencies* in Note 8. NEA notified NPS of the change. NEA's auditors did not change their opinion on the previously issued 2007 financial statements as a result of this restatement.

NEA received funds and recorded revenues for other similar interagency agreements in prior years. However, grantees have claimed funds from these other grants funded by interagency agreements. Because NEA will not likely need to return any other grant funds to its trading partners in the future, and because NEA's accounting for those funds was consistent with its trading partners in those prior years, NEA did not restate revenues related to prior period grants other than the three grants discussed above. The outstanding obligations on the prior fiscal year funds from interagency agreements for which revenues were not restated were \$282,142 as of September 30, 2008.

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
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***Offsetting Receipts***

*September 2007 Statement of Budgetary Resources,  
September 2007 NOTE 19: Reconciliation of Net Cost of Operations to Budget*

In its previously issued financial statements as of and for the year ended September 30, 2007, NEA prepared its Statement of Budgetary Resources based on crosswalks from the U.S. Standard General Ledger. Those crosswalks define the specific general ledger accounts to be included in each line of the financial statements. The crosswalk applicable to the Statement of Budgetary Resources includes the general ledger account for donations in the offsetting receipts line.

At the end of fiscal 2008, NEA became aware that its donated funds are classified as budgetary receipts, not offsetting receipts, in the U. S. Treasury's Federal Account Symbols and Titles (FAST) book and that NEA should not have included its donations in the offsetting receipts line of the 2007 Statement of Budgetary Resources. For the current presentation of the 2007 Statement of Budgetary Resources, NEA reduced the *offsetting receipts* line by \$1,746,146 and the *offsetting receipts* lines in Note 19: Reconciliation of Net Cost of Operations to Budget, by \$1,674,681.

The agency has changed its procedures for preparing the Statement of Budgetary Resources and the NOTE 19: Reconciliation of Net Cost of Operations to Budget to include only accounts and funds identified as offsetting receipts in the FAST book. NEA's auditors changed their opinion on the previously issued 2007 Statement of Budgetary Resources and the related note as a result of this correction.

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2008 and 2007**  
(In Dollars)

**NOTE 18: Donations In-Kind**

In FY 2008, the NEA received a 2008 Ford Escape Hybrid from the Ford Motor Company, for use in association with The Big Read program and for other agency business. The fair market value of the donated vehicle is \$35,000.00. In addition, Ford Motor Company designed and installed a vehicle wrap at a cost estimated at \$7,000.00, for a total contribution of \$42,000.00. As it does not meet the capitalization threshold, nor would it have been purchased if not donated, it will not be shown as an asset or capitalized.

In FY 2008, the NEA continued its partnership with XM Satellite Radio, which aired a series of NEA-produced Jazz and Literary “Moments”. The total fair market value of the donated air time for these public service announcements, which ran numerous times each month on a number of different XM channels, is estimated at \$279,000. Additionally, the NEA and XM continued to partner on the radio broadcast series focusing on the books and authors featured in the NEA’s Big Read initiative. This series included NEA-produced content, and thus the air time provided by XM for these segments would be considered an additional in-kind donation. The NEA would not have purchased the public service announcements, and the program series air time isn’t for sale. In accordance with applicable guidance, the value of these contributions is not recognized in the financial statements.

For FY 2007, the NEA received the following in-kind donations:

1. Public service announcements for Jazz “Moments”, valued at \$ 2,163,700.
2. Public service announcements for Literary “Moments”, valued at \$ 446,600.

**NATIONAL ENDOWMENT FOR THE ARTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 19: Reconciliation of Net Cost of Operations to Budget**

	<b>2008</b>	<b>2007 (Restated)</b>
<b>Resources Used to Finance Activities:</b>		
Budgetary Resources Obligated		
Obligations Incurred	\$ 151,527,789	\$ 131,995,146
Less: Spending Authority from offsetting collections and recoveries	(4,146,962)	(4,820,318)
Obligations net of offsetting collections and recoveries	\$ 147,380,827	\$ 127,174,828
Less: Offsetting receipts	(546,320)	(44,989)
Net Obligations	\$ 146,834,507	\$ 127,129,839
Other Resources		
Imputed financing from costs absorbed by others	\$ 1,328,387	\$ 1,196,222
Other Resources	-	-
Net Other Resources Used to Finance Activities	\$ 1,328,387	\$ 1,196,222
Total Resources Used to Finance Activities	\$ 148,162,894	\$ 128,326,061
 <b>Resources Used to Finance Items not Part of the Net Cost of Operations:</b>		
Change in Budgetary Resources Obligated for Goods and Services and Benefits Ordered but not received	\$ (17,031,233)	\$ 9,175,745
Budgetary offsetting collections and receipts that do not affect net cost of operations	546,320	44,989
Other Resources or adjustments to net obligated resources that do not affect net cost of operations	(1,328,387)	( 1,196,222)
Total Resources used to finance items not part of the Net Cost of Operations	\$ (17,813,300)	\$ 8,024,512
Total Resources Used to finance the Net Cost of Operations	\$ 130,349,594	\$ 136,350,573
 <b>Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:</b>		
Components Requiring/Generating Resources in Future Periods (Note 12):		
Increase in Annual Leave Liability	\$ 64,591	\$ 75,297
Other	(151,495)	334,962
Total components of Net Cost of Operations that will require or generate resources in future periods	\$ (86,904)	\$ 410,259
Components not Requiring or Generating Resources:		
Depreciation and Amortization	\$ 6,642	\$ 26,569
Losses on Disposal of Assets	-	-
Other not Requiring Outlay of Resources	634,748	1,621,414
Total components of Net Cost of Operations that will not require or generate resources	\$ 641,390	\$ 1,647,983
Total components of net cost of operations that will not require or generate resources in the current period	\$ 554,485	\$ 2,058,242
<b>Net Cost of Operations</b>	<b>\$ 130,904,079</b>	<b>\$ 138,408,815</b>



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Dana Gioia

*Chairman*

November 17, 2008

Mr. Daniel L. Shaw  
Inspector General  
National Endowment for the Arts  
1100 Pennsylvania Ave. NW #601  
Washington, DC 20506

Dear Mr. Shaw:

Thank you for managing the audit of the Arts Endowment's Fiscal Year 2008 financial statements, and related review of our internal controls and compliance with laws and regulations, as required by the Accountability of Tax Dollars Act of 2002. This was the Arts Endowment's sixth full financial audit, and we are proud to have received once again an unqualified opinion.

We appreciate the time and effort committed by you, your colleagues, and the auditors from the independent accounting firm of Leon Snead & Company, P.C., who worked on this audit. We take our financial accounting and reporting responsibilities seriously, and welcome your oversight and insight to strengthen our financial operations.

Sincerely,

Dana Gioia  
Chairman



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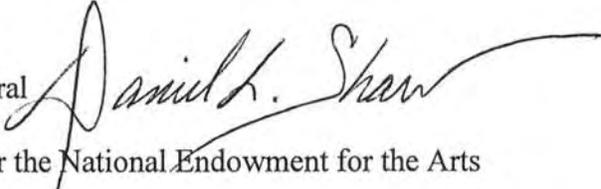
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## MEMORANDUM

Memo 09-01

DATE: October 29, 2008

TO: Dana Gioia, Chairman

FROM: Daniel L. Shaw, Inspector General 

SUBJECT: Top Management Challenges for the National Endowment for the Arts

The National Endowment for the Arts (NEA) is required to submit a Performance and Accountability Report (PAR) to the Office of Management and Budget in November 2008. The PAR contains a number of sections that address issues ranging from performance to financial management. OMB Circular A-136 requires that the Inspector General provide the agency head with a summary of the top management and performance challenges facing the agency.

After careful analysis, it is our assessment that the areas of Financial Management, Human Capital, Information Technology, and Grantee Accountability represent the top management and performance challenges for the National Endowment for the Arts. The rationale for our perspective on each is outlined below.

The Office of Inspector General (OIG) has enjoyed strong support from NEA management and looks forward to working with you as we address matters of mutual interest. We also welcome any comments to our assessment.

**Financial Management.** Since October 2004, the NEA has contracted with the Department of Transportation's Enterprise Services Center (DOT-ESC) to provide NEA with its first Office of Federal Financial Management (OFFM)-compliant system.

During FY 2008, the NEA reassessed various workflows, including the accounting for leases and interagency activities. The NEA is working with the DOT-ESC agencies to begin a multi-year business process review of accounting codes, transactional flows, reporting and information sharing, in anticipation of the Federalized Version of Oracle 12i. DOT-ESC is also working with Oracle now to provide insight and direction for this future major upgrade.

**Human Capital.** Maintaining the right combination of technical knowledge and expertise is essential to the NEA completing its mission. Similar to many other federal agencies, the NEA will be facing the potential retirement of a substantive number of its staff within the next several years. This includes our own Office of Inspector General where one of our four staff members retired in July and one other is currently eligible to retire. Now is the time for the NEA to meet the challenge and determine which offices will be impacted, how new staff will be recruited and trained, and the impact of staff transitions to its workload and mission.

**Information Technology.** The rapid changes in information technology and Federal requirements provide an ongoing challenge to all Federal agencies. The *E-Government Act of 2002* addressed various aspects of Federal management and the promotion of electronic government services. It also required improvements in the methods by which government information, including information on the Internet, is organized, preserved, and made accessible to the public.

The NEA has been actively involved with the Federal government's move to e-grants through Grants.gov since its inception.

As of March 2008, the NEA requires that applications to all competitive opportunities apply through Grants.gov. NEA's information technology staff has developed a sophisticated interface between the Grants.gov system, NEA's grants database, and a NEA Intranet site that allows for management of the electronically-submitted application material. This has decreased data entry mistakes significantly as well as allowed for, among other things, generation of electronic panel books, quicker decision-making in regards to formulating panelist recommendations, and easier access to material by the appropriate staff members. The data is secure and follows the requirements of the NEA's security program.

This year, NEA received approval from OMB to form a strategic partnership with NEH, which will allow NEA to meet the goals of the Grants Management Line of Business (GMLoB) initiative. This was the result of OMB and the E-government management's recognition that small agencies and others could develop strong alternatives to contracting with the three designated GMLoB consortia lead agencies. The transition of NEA to the NEH grants management system (GMS) began after a series of meetings and the development of a Service Level Agreement (SLA). Extensive testing will occur during FY 2009. Concurrently, both agencies must continue to meet the needs of government-wide grants management mandates. This includes addressing the reporting requirements of the Federal Financial Accountability and Transparency Act (FFATA), which are reported in the USASpending.gov database, as they are phased in. The NEA has responded to the challenges and formalized changes during FY 2008. Modifications to NEH's GMS may be required to address additional data elements that are expected to be implemented in 2009 or 2010 as part of FFATA. The end result will improve grants processing and service to our constituents.

New government-wide requirements for information security in recent years provide challenges to all federal agencies, including the NEA. The *Federal Information Security Management Act of 2002* requires each Federal agency to develop, document, and implement an agency-wide information security program to provide information security over the operations and assets of the agency. As noted in the OIG's required evaluations of information security during the past few years, the NEA has made significant progress to comply with these requirements despite limited resources to devote to this effort.

Privacy reporting has been made part of the FISMA reporting process in light of the occurrence of several instances of data theft and loss at several Federal agencies. The E-Government Act and Privacy Act provide legislative guidance for the control and dissemination of personal information and personally identifiable information. While NEA complies with these laws and has revised its privacy policy to improve guidance and control, this will continue to be an area requiring attention.

**Grantee Accountability.** As the nation's largest public funding provider for the arts, NEA awards approximately 2,300 grants and cooperative agreements annually. The organizations supported vary considerably in size and in experience in financial management, particularly as they relate to Federal financial management requirements. The continuing challenge, facing each Federal grant-making agency, is to ensure that recipients adhere to and comply with the applicable fiscal requirements.

To assist grantees in these efforts, the NEA provides either a hard copy or a website reference to the *General Terms and Conditions for Grants and Cooperative Agreements to Organizations (General Terms)* and the *OIG Financial Management Guide for Non-Profit Organizations (Financial Management Guide)*. The *General Terms* incorporate Office of Management and Budget requirements, Federal laws, rules, regulations, and Executive Orders that apply to grants and cooperative agreements. The *Financial Management Guide* provides practical information on what is expected from grantee organizations in terms of fiscal responsibility. The NEA enhances its communication with grantees through a Web-based program that provides all grantees with general information on the status of their grant – including amount awarded, grant period, amount disbursed, and the status of required final report submission. In addition, since 2003, the NEA's Grants and Contracts Office has provided considerable technical assistance through its *Grantee Technical Assistance Program*, which is directed at grantees identified during the grant process in greatest need of such help.

There continues to be a limited number of organizations that have not complied with all applicable federal grant requirements. These organizations are typically identified by the NEA's Grants and Contracts Office and referred to the OIG for audit or review. Upon evaluating these organizations, the OIG generally has three common findings: failure to comply with the requirement that costs be accounted for separately by grant award; that actual costs incurred be reported on the final Financial Status Report; and that a Section 504 self-evaluation be on file. Occasionally, the OIG finds that some grantees are not maintaining personnel activity (time sheets) reports prorating the actual time charged to NEA grants.

We acknowledge and encourage the NEA's efforts to continue identifying opportunities to improve grantee compliance with government-wide grant requirements. Implementation of Web-based and technical assistance programs in our opinion will improve the likelihood of grantee compliance, irrespective of past experience in managing Federal awards.

Cc: Eileen Mason, Senior Deputy Chairman  
Larry Baden, Deputy Chairman for Management and Budget  
Nicki Jacobs, Grants and Contracts Officer  
Sandy Stueckler, Accounting Officer  
Mike Burke, Chief Information Officer  
Angelia Richardson, Director, Civil Rights/EEO  
Craig McCord, Director, Human Resources  
Monica Waters, Auditor  
Ned Read, Special Assistant to Deputy Chairman for Management and Budget



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Dana Gioia  
*Chairman*

A handwritten signature in blue ink that reads "Dana Gioia".

## MEMORANDUM

DATE: October 23, 2008

TO: Daniel L. Shaw, Inspector General

SUBJECT: Response to OIG Memorandum Concerning Top Management Challenges

Over the years we have enjoyed a strong and positive working relationship with the Office of Inspector General (OIG). We appreciate and concur with your observations and look forward to addressing these and other matters of mutual concern.

Upon arriving at the National Endowment for the Arts, I identified several objectives important to the achievement of the National Endowment for the Arts' goals and mission. One of these objectives focused on management:

Provide focused leadership and careful management to improve  
Agency performance and productivity.

While our focus has encompassed all aspects of the Agency's operations, I am particularly proud of the progress we have made in the areas of financial management, grantee accountability, human resource management, and information technology management.

Regarding *financial management*, reliance on the Department of Transportation's Enterprise Services Center and their DELPHI system has markedly improved the quality and reliability of our financial management program and our ability to produce accurate and responsive financial statements. Our knowledge of the DELPHI system continues to increase and our plans to train staff on the system has progressed on schedule. We believe that the knowledge we have gained while using this system also affords us the opportunity to actively participate with DOT in their efforts to upgrade the DELPHI system.

*Grantee accountability* has clearly improved as a result of our joint efforts during the past few years. We acknowledge the common findings identified by the OIG and plan to undertake discussions with your office on additional ways in which we can better communicate these requirements to grantees.

Increased reliance on *information technology* (IT) is critical to all organizations, particularly a Federal agency charged with grant-making. IT affords organizations opportunities to improve productivity, efficiency, and effectiveness. It also provides the means by which an organization can improve its ability to communicate with internal and external customers and to ensure transparency in its operations. We appreciate the OIG's recognition of the progress made by the Agency in its application of IT and we emphasize the importance of the recently initiated effort with the National Endowment for the Humanities to improve grants management.

With our staffing level remaining relatively stagnant in size for the past decade, while workloads have increased during the same time, *human capital management* has become increasingly important. Ensuring the appropriate competencies and skill sets is an imperative, and one addressed by the Agency routinely. Of particular concern is succession planning. We have taken a number of steps over the past few years in recognition of our limited number of positions and the potential for significant numbers of departures due to retirement. Some of these steps include: (a) the establishment of entry-level discipline-based professional positions in the various arts fields; (b) establishment of the Agency's first Federal Career Intern Program (FCIP); and (c) the establishment of three new positions (one each) in the areas of AccessAbility, Indemnity, and International programming – important Agency endeavors previously supported solely with one individual for each area.

Again, we thank you for your observations and look forward to working with you on these and other matters of mutual concern.