



WHAT THE
FEDERAL
IS HAPPENING?

THE NEA & MORE!

Arts NC Executive Director
Nate McGaha

WEDNESDAY, May 14th
at 11 AM ET





WTF?



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*I am **NOT** a lawyer... so I am definitely **NOT** your lawyer*

This webinar should **NOT be considered legal advice.**

Overview

- ☐ Institute of Museum and Library Services
- ☐ National Endowment for the Humanities
- ☐ National Endowment for the Arts
 - ☐ DEI & Gender Ideology
 - ☐ Staff Reductions
 - ☐ Cancelled Grants
- ☐ NEA/NEH/IMLS and the Federal Budget:
 - ☐ Recission, Reconciliation, and FY26
- ☐ Advocacy Options
- ☐ Questions/Discussion





Federal Cultural Agencies



FY25 Budget

\$295 million

(\$211M to State Governments for Libraries- over 70%)

% of US Budget

0.0046%

\$207 million

(40% to nonprofit State Humanities Councils)

0.003%

\$207 million

(40% to State Arts Agencies & Regional Arts Organizations)

0.003%



INSTITUTE *of* **Museum and Library** SERVICES

- ❑ **3/14/25: [Executive Order eliminating IMLS](#) to maximum legal extent.**
- ❑ **3/20/25: Deputy Secretary of Labor Keith Sonderling became IMLS Acting Director.**
- ❑ **3/30/25: Entire IMLS Staff placed on Administrative Leave for up to 90 days.**
- ❑ **4/1/25: Acting Director Sonderling began canceling IMLS grants.**
- ❑ **4/3/25: Termination notices were sent to all but 12 IMLS Staff.**
- ❑ **4/4/25: All 23 members of National Museum and Library Services Board were fired.**
- ❑ **Many states received their IMLS Grants to States reimbursements for FY24 & FY25.**
 - ❑ **CA, CT, and WA Grants to States for 2025 cancelled on 4/3/25**
 - ❑ **NC receives over \$5M in Grants to States & over \$2M to other NC organizations.**



INSTITUTE *of* **Museum and Library** SERVICES

- ❑ **4/4/25: 21 State Attorneys General filed a lawsuit:** actions “illegal several times over”
- ❑ **4/7/25: The American Library Association (ALA) filed a lawsuit** alongside the American Federation of State, County and Municipal Employees (AFSCME).
- ❑ **5/1/25: Judge issues Temporary Restraining Order in ALA Lawsuit.**
- ❑ **5/6/25: Preliminary Injunction issued from the case brought by 21 State AGs**
 - ❑ Judge John J. McConnell Jr. found that the defendants’ “**justifications for eliminating programs, terminating grants, and implementing large-scale employee RIFs have been couched in mere conclusory statements,**” citing the March 14 executive order without providing any rationale.
 - ❑ “the Defendants **have not shown that any analysis was conducted to determine which ‘components and functions’ of IMLS, MBDA, and FMCS are statutorily required, and which are not.**”
 - ❑ Judge said: the **plaintiffs had a strong likelihood of success** for their claims that the actions were capricious.



NATIONAL ENDOWMENT FOR THE HUMANITIES

- ❑ 4/2/25: 80% of NEH Staff placed on indefinite Administrative Leave.
- ❑ 4/2/25: Over 1,000 NEH grants terminated
 - ❑ Including all nonprofit State Humanities Councils
 - ❑ Claw-back of any unspent funds back to 2021.
- ❑ 4/29/25: Mellon Foundation commits \$15 million for humanities.
 - ❑ Funds offset \$65M cut from nonprofit State Humanities Councils (\$1.6M in NC).
 - ❑ NC Humanities Council receiving \$250,000 (\$200k immediate, \$50k matching).
- ❑ 5/1/25: The **American Council of Learned Societies (ACLS)**, the **American Historical Association (AHA)**, and the **Modern Language Association (MLA)** filed a federal lawsuit challenging the "illegal dismantling of the National Endowment for the Humanities."
 - ❑ **To reverse actions by the NEH**, including the **termination of over 1,000 grants**, suspension of entire divisions, and the **dismissal of approximately 65% of its staff.**
- ❑ 4/24/25: \$17 million in NEH savings to be used for Garden of Heroes



Executive Orders Affecting the NEA

- ❑ [Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government](#) 01/20/2025
 - ❑ Federal government only recognizes two genders: male and female
 - ❑ Federal dollars cannot fund "gender ideology" (anything other than male/female)
 - ❑ Rescinds all former federal transgender rules and guidance
- ❑ [Ending Illegal Discrimination and Restoring Merit-Based Opportunity](#) 01/21/2025
 - ❑ Federal grantees must certify they don't engage in *illegal* DEI practices
 - ❑ Ends federal DEI programs and cuts funds to colleges with DEI programs
 - ❑ Directs federal agencies to work towards ending private sector DEI programs
- ❑ [Celebrating America's 250th Birthday](#) 02/03/2025
 - ❑ Established Task Force to plan celebrations (similar to Obama-formed Committee)
 - ❑ NEA, NEH, and IMLS included in Task Force and Committee from 2016.



NEA and Executive Orders

- ❑ **NEA Grants for Arts Project: Round 1 Applications were due April 7th**
- ❑ **Additions made to NEA grants application [Assurance of Compliance](#):**
 - ❑ **The applicant will comply with all applicable Executive Orders while the award is being administered.** Executive orders are posted at [whitehouse.gov/presidential-actions](https://www.whitehouse.gov/presidential-actions).
 - ❑ The applicant's compliance in all respects with all applicable Federal anti-discrimination laws is material to the U.S. Government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code, pursuant to Executive Order No. 14173, **Ending Illegal Discrimination and Restoring Merit-Based Opportunity**, dated January 21, 2025.
 - ❑ **The applicant will not operate any programs promoting "diversity, equity, and inclusion" (DEI) that violate any applicable Federal anti-discrimination laws**, in accordance with Executive Order No. 14173.
 - ❑ The applicant understands that federal funds shall not be used to promote gender ideology, pursuant to Executive Order No. 14168, **Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government**.



NEA & the DEI Executive Order

- ☐ **2/21/25: Court injunction paused “DEI” Executive Order:**
- ☐ **NEA changed Assurance of Compliance to say would not ask applicant to certify compliance with DEI EO while injunction is in effect.**
 - ☐ **3/14/25: Appeals Court lifted the injunction**
 - ☐ **Assurance of Compliance has not changed.**
- ☐ **Page 36 of the NEA grant guidelines:**
 - ☐ ***Q) How can I make sure that my project is in compliance with Federal civil rights laws?***
 - ☐ ***A) Projects may reach a particular group or demographic (such as sex, disability, economic status, race, color, or national origin, including limited English proficiency), however, projects may not be exclusionary under Federal civil rights laws and policies prohibiting discrimination. This nondiscrimination requirement extends to hiring practices, artist selection processes, and audience engagement. **Your application should make it clear that project activities are not exclusionary.*****



NEA & the Gender Executive Order

- ❑ **3/6/25: Rhode Island ACLU filed lawsuit** on behalf of Rhode Island Latino Arts, the Theater Offensive, National Queer Theater, and Theatre Communications Group **against the NEA because of funding ban on projects that promote “gender ideology” in accordance with EO**
 - ❑ **1st Amendment:** Restricts artistic expression and imposes viewpoint-based discrimination.
 - ❑ **5th Amendment:** Violates due process by imposing vague and arbitrary restrictions.
 - ❑ **Administrative Procedure Act (APA):** Arbitrarily changes eligibility without proper notice.
- ❑ **3/10/25: NEA changed [Assurance of Compliance](#) to not require applicant to certify compliance with “gender ideology” ban pending the outcome of this litigation**
- ❑ **3/27/25: ACLU tried to block NEA from requiring applications on April 7th before the NEA would decide how to interpret the Executive Order by April 30th**
- ❑ **4/3/25: Court refused to expressly block the NEA from reimposing the ban, BUT agreed that the NEA funding ban for projects promoting “gender ideology” would likely violate the First Amendment**



NEA & the Gender Executive Order

- ❑ 4/30/25: NEA released new [Gender Ideology Policy for grant application review](#).
 - 1) No requirement to certify that a project does not “promote gender ideology” so no “bar” in place to inhibit any application,
 - 2) Chair will evaluate whether each recommended grant does or does not “promote gender ideology” and in her sole discretion award or decline to award based on this and other criteria, specifically artistic excellence and merit; and
 - 3) **Applicant’s other activities beyond the “four walls” of the project under consideration in the application will be irrelevant to the evaluation of the application.** In other words, an organization may “promote gender ideology” elsewhere in its programming and still be eligible for an NEA grant for a project that does not “promote gender ideology”.
- ❑ [ACLU of Rhode Island](#): “The NEA’s notice does very little to assuage any fears that artists or arts organizations may have, that their project applications will be judged on arbitrary and vague ideological metrics, rather than artistic merit. As a result, **we will continue to seek judicial relief to protect the free speech rights of arts organizations** to obtain funding without having to pass an ideological test.”



NEA Staff Reductions

- ❑ **5/5/25: Announcement went out from NEA about departing NEA Staff.**
 - ❑ **Estimate of 50%-55% of NEA Staff will remain on 5/31/25.**
 - ❑ **Mary Anne Carter (MAC): has been taking steps to reduce staff for months.**
 - ❑ **No NEA Staff were terminated or fired.**
 - ❑ **Some staff took Deferred Resignation,** likely several months salary.
 - ❑ **Other staff took Early Retirement** 20+ years employment and over 50.
- ❑ **All Discipline Directors are departing.**
- ❑ **Some departments lost all staff.**
- ❑ **5/6/25: [Mary Anne Carter nominated to be Chair of the NEA again.](#)**
- ❑ **Question: Do voluntary departures mean Federal Courts can't reinstate staff?**



NEA Grant Terminations/Withdrawals

- ❑ **5/2/25: NEA Grant Notices emails were sent out after 5pm Eastern Time.**
 - ❑ Mostly from [FY24 Round 2](#) and [FY25 Round 1](#) announced grants.
 - ❑ Two types of notifications were sent:
 - 1) **Active Grant Terminated effective 5/31/25** (new project period end date)
 - ❑ **6/30/25: Final Payment Requests Due.**
 - ❑ **7/31/21: Final Financial Report Due.**
 - 2) **Grant Offer Withdrawn by the Agency effective immediately**
 - ❑ **5/9/25: Deadline to appeal to grants@arts.gov** (No timeline provided notifications).
- ❑ **5/13/25: 276 NEA Grant notices were sent out after 4pm Eastern Time.**
 - ❑ **186 terminations effective 6/15/25**
 - ❑ **128 of which had already received all funds.**
 - ❑ **90 were expedited close outs due 7/31/25.**
 - ❑ **5/20/25: Deadline to appeal to grants@arts.gov**



NEA Grant Terminations/Withdrawals

- ❑ No State Arts Agency or Regional Arts Organization Partnership cancelled.
- ❑ Arts NC tracked down cancelled grantees and provided appeal resources.
- ❑ NC Estimates: roughly \$250k of withdrawn offers & \$250k+ terminated but paid.
- ❑ New priorities were provided but not posted anywhere on NEA website.
- ❑ 4/24/25: [\\$17 million in NEH savings to be used for Garden of Heroes](#)

"The NEA is updating its grantmaking policy priorities to focus funding on projects that reflect the nation's rich artistic heritage and creativity as prioritized by the President. Consequently, we are terminating awards that fall outside these new priorities. The NEA will now prioritize projects that elevate the Nation's HBCUs and Hispanic Serving Institutions, celebrate the 250th anniversary of American independence, foster AI competency, empower houses of worship to serve communities, assist with disaster recovery, foster skilled trade jobs, make America healthy again, support the military and veterans, support Tribal communities, make the District of Columbia safe and beautiful, and support the economic development of Asian American communities. Funding is being allocated in a new direction in furtherance of the Administration's agenda."



Federal Rescission & Reconciliation

- ❑ 4/16/25: [White House to send Congress \\$9.4 billion Recission Request](#)
- ❑ [Rescission](#) is basically a request to not spend allocated funds
- ❑ Known targets: CPB (NPR & PBS) and US AID
- ❑ Not impossible that [NEA, NEH, and IMLS could be targeted.](#)
- ❑ Rescission Request was expected in late April, has not been sent.
- ❑ Rescission only requires 51 votes to pass Senate (most bills need 60 for cloture)

- ❑ [Reconciliation](#) can only be use for spending, revenue, or the debt limit.
- ❑ Has been used to create entitlements (ACA), tax reform, & balancing the budget.
- ❑ Reconciliation 2025: tax reform, debt limit, energy policy, & spending.
 - ❑ Increased spending for Defense and Border Security expected.
 - ❑ Decreased spending on other parts of the Federal Budget expected.
- ❑ Not impossible that [NEA, NEH, and IMLS could be targeted.](#)
- ❑ Reconciliation only requires 51 votes to pass Senate (most bills need 60 for cloture)



Federal Budget FY2026

- ☐ **5/2/25: White House released the "Skinny Budget"** (overview, not complete)
- ☐ **Eliminated: NEA, NEH, IMLS, and CPB** (NPR & PBS)
- ☐ **President Trump did this four times in his first term-** this was expected.
- ☐ **5/9/25: House Dear Colleague Letter Sign-On was due.**
 - ☐ Requested \$209 million for FY2026.
 - ☐ Roughly 100 House Members signed of 435 total.
- ☐ **FY2026 starts 10/1/25, though budgets are often passed 4-6 months late.**

Questions:

- ☐ **How will Congress budget for agencies with less staff?**
- ☐ **Will lawsuit verdicts be final before budget is passed?**
- ☐ **Will possible staff reinstatements be considered in the budget?**
- ☐ **Will 40% of NEA funds go to SAAs? Less? More?**



TAKE ACTION!



Arts NC:
NC Needs the NEA



Americans
for the Arts :
Protect the NEA



Support the NEA



Save the NEH
Act Now to Save IMLS
Show Up for our Librarians





NATIONAL ENDOWMENT for the ARTS

arts.gov

NEA FY26 FINAL DRAFT 032725.docx - Google Docs.pdf

NATIONAL ENDOWMENT FOR THE ARTS

PROMOTING THE CREATIVE ECONOMY AND ARTS PARTICIPATION FOR ALL

ACTION NEEDED

We urge Congress to:

- Continue bipartisan support and allocate at least \$205 million for the National Endowment for the Arts in the FY 2026 Interior Appropriations bill.
- Support continued equal funding for the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH).
- Build a path to index funding for the NEA and NEH each at \$1 per capita, an increase from the current 61 cents per capita.

THE NEA: AMERICA'S LEAD SUPPORTER OF THE ARTS

The NEA plays a unique role in broadening access to the cultural, educational, and economic benefits of the arts in every Congressional District. The arts boost economic productivity, improve education outcomes, foster civic cohesion, facilitate good health, and preserve our cherished heritage and traditions.

The NEA's impact goes beyond grantmaking. It supports community projects and local jobs, spurs creativity and innovation, and conducts important national data collection and research about arts participation. The NEA is the federal agency primarily responsible for representing a \$151.7 billion nonprofit arts and culture industry. As the largest public funder of the arts and a leader in arts education in the United States, the NEA reaches communities often underserved by private dollars, and its awards generate support from other sources, including private foundations, corporate donors, and individual contributors.

THE NEA IS AN EXTRAORDINARY EXAMPLE OF EFFECTIVE FEDERAL LEADERSHIP AND STATE, REGIONAL, AND LOCAL PARTNERSHIP

- The NEA awards 60% of its grantmaking budget to arts organizations and 40% to state and regional arts agencies.
- It annually makes about 2,300 grants, benefiting every Congressional District. The majority of grants go to small and medium-sized organizations (budgets less than \$2 million) and support projects that increase audience access to arts programming.
- 35% of NEA grants take place in high-poverty urban and rural communities. Approximately 4,000 communities of all sizes are served each year through NEA grants, with many projects bringing the arts to geographically underserved areas.
- Around 41 million Americans annually attend live arts events supported by the NEA, including approximately 36,000 concerts, readings, and performances, and 6,000 exhibitions. Millions more attend these events and access other artistic and educational experiences online.
- Federal agencies and nonprofit organizations partner with the NEA on national initiatives, using the arts as a platform for enhancing the quality of life for all. Such partnership examples include: Creative Forces, Shakespeare in American Communities, Blue Star Museums, NEA Big Read, Poetry Out Loud, and the Citizens' Institute on Rural Design.
- The NEA is an integral part of the celebration of the 250th anniversary of the signing of the Declaration of Independence, serving on the nonpartisan U.S. Semiquincentennial Commission Task Force and offering grantmaking support for this initiative across the nation.

This Issue Brief was prepared by the Cultural Advocacy Group, a collaboration of arts and culture stakeholders working collectively to advance federal policy.

THE NEA PROVIDES A HIGH RETURN ON INVESTMENT

- The ratio of private and other public funds far surpasses the required non-federal match of at least 1:1. More than \$500 million annually has been generated in matching support, illustrating why federal support for the arts is uniquely valuable. NEA funding is a critical backbone of support that leverages state and local investment in the arts.
- The Bureau of Economic Analysis and the NEA together calculate the arts and culture sector's contributions to the gross domestic product. In 2023, arts and culture added over \$1.2 trillion, or 4.2%, to national GDP, and nationwide employment in the sector increased to a total of 5.4 million arts and cultural jobs. The arts are also a powerful export industry boasting a trade surplus of \$36.8 billion in 2023.
- Arts & Economic Prosperity 6 (AEP6) is an economic and social impact study of the nation's nonprofit arts and culture industry. Nationally, the sector generated \$151.7 billion of economic activity in 2022—\$73.3 billion in spending by nonprofit arts and culture organizations and an additional \$78.4 billion in event-related expenditures by their audiences. This economic activity supported 2.6 million jobs, provided \$101 billion in personal income to residents, and generated \$29.1 billion in tax revenue to local, state, and federal governments.


THE NEA BROADENS ARTS PARTICIPATION FOR ALL AMERICANS

- Congress directs the NEA to ensure that priority is given to providing services or awarding assistance for projects, productions, workshops, or programs that expand arts participation by underserved populations. Moreover, a significant percentage of grants benefit those who have fewer opportunities to participate in the arts by offering free or reduced-price performances and programming specifically serving students in urban and rural schools.
- The NEA supports military families through its Creative Forces program, a collaboration with the Departments of Defense and Veterans Affairs to serve the unique and special needs of military patients and veterans diagnosed with traumatic brain injury (TBI) and psychological health conditions such as post-traumatic stress disorder (PTSD). Since 2022, the Creative Forces initiative has awarded more than 100 Creative Forces Community Engagement grants to fund nonclinical art programs for active military members, veterans, reservists, and family/caregivers across the nation, including in Anchorage, AK; Lemmon, SD; and Hillsboro, WV.
- The NEA also makes additional investments to support Native arts and culture by providing grants to Native American, Alaska Native, and Native Hawaiian communities and organizations for a wide range of arts activities, from traditional to contemporary arts. Working with Native-led national service organizations and an interagency federal working group, the NEA has carried out strategic outreach to Native communities and artists since 2016 and works in consultation with federally recognized tribes.
- With data showing the growth of America's aging population (from 13.1% to 16.9% in the past decade), the NEA is promoting positive physical and mental health outcomes by supporting creative aging projects and wellness programs that teach traditional arts knowledge to the next generation.
- Since 2019, the NEA has established and cultivated ongoing relationships with Historically Black Colleges and Universities (HBCUs), building capacity for successful applications, and has made recent grants to HBCUs, including to support an opera training workshop for undergraduate and graduate students in Jackson State University (MS).
- The NEA funds projects that help children and youth acquire knowledge and skills in the arts and apply the arts to learning in other subjects. It also supports educational programs for adults, collaborations between state arts agencies and state education agencies, and partnerships between arts institutions and K-12 and college and university educators.


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Americans for the Arts Action Fund Breaking News Impacting the Arts & Culture



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Thursday, May 8, 2025

BREAKING NEWS UPDATES IMPACTING THE ARTS & CULTURE

With current events impacting the arts and culture field, this page serves as a dedicated hub where we will compile the latest updates, ensuring you stay informed and engaged with the issues that matter most.

Legend:

- Executive
- Judicial
- Congressional



EXECUTIVE ORDERS & IMPACT ON THE ARTS FAQS

↓ DOWNLOAD

Americans for the Arts and the Arts Action Fund have prepared a detailed guide addressing key questions about President Trump's executive orders and their potential impact on the arts and culture. This resource will be updated regularly as new information emerges.

May 8, 2025

Executive Update

5/8/2025: President Donald Trump abruptly dismissed **Carla Hayden** from her role as **Librarian of Congress**. Appointed in 2016 by President Barack Obama, Hayden was the first woman and first African American to hold the position, with her ten-year term originally set to conclude in 2026. Her termination followed criticism from the conservative **American Accountability Foundation**, which accused her of promoting "radical" **children's literature** and opposing Trump's agenda. The firing has drawn sharp condemnation from Democratic leaders, who praised Hayden's efforts to modernize the Library of Congress and **expand access to underrepresented communities**.

► [Read more about this update.](#)

May 6, 2025

IMLS Judicial Update

5/6/2025: U.S. federal district Judge John J. McConnell Jr. of Rhode Island issued a **preliminary injunction**, blocking President Trump's executive order to dismantle the



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Questions

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