



WHAT THE
FEDERAL
(AND STATE)
IS HAPPENING?

STATE BUDGET UPDATES + MORE

Arts NC Executive Director

Nate McGaha

WEDNESDAY,
January 28th at 1 PM ET





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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

- FY26 Federal Budget Updates**
- Institute of Museum and Library Sciences**
- National Endowment for the Humanities**
- National Endowment for the Arts**
- One Big Beautiful Bill Act**
- Immigration & Ticketing**
- Executive Orders and Actions**
- NC Budget & Policy Updates**
- Questions/Discussion**





Federal Budget FY2026

- 1/8/26: US House passes [H.R.6938](#) which allocates level or near level funding to NEA, NEH, Kennedy Center, Smithsonian Institution, National Gallery of Art, etc.**
 - Vote is 397-28 with all voting NC Representatives supporting the bill.**
- 1/15/26: US Senate passes [H.R.6938](#).**
 - Vote is 82-15 with both NC Senators supporting the bill.**
- 1/23/26: President Trump signs [H.R.6938](#).**
- 1/22/26: US House passes [H.R.7148](#) which allocates level or near level funding to IMLS & programs support Art Education (Title I, II, IV a., & Assistance for Arts Education)**
 - Vote is 341-88 with all but 2 NC Representatives supporting the bill.**
- 1/???/26: US Senate passes [H.R.7148](#).**
 - Vote is ??-?? with both NC Senators supporting the bill.**
- 1/30/25: *Continuing Resolution Expires** (*funded government at FY25 levels to end the shutdown)





Federal Budget FY2026

Status of the FY26 Federal Arts Appropriations Cycle (updated as of 1/27/26)

Key Federally Funded Arts Programs & Agencies	Final Enacted FY'25 Funding 10/1/24 - 9/30/25 (full year CR*)	President Trump's FY'26 Budget	U.S. House FY'26 Approved Appropriations in Sub/Full Committee	U.S. Senate FY'26 Approved Appropriations in Sub/Full Committee	Final Approved FY'26 Funding
National Endowment for the Arts (NEA)	\$207 million	\$0	\$135 million	\$207 million	\$207 million
National Endowment for Humanities (NEH)	\$207 million	\$0	\$135 million	\$207 million	\$207 million
Smithsonian Institution (Salaries & Expenses)	\$892.8 million	\$839.3 million	\$841.25 million	\$924.52 million	\$928.5 million
John F. Kennedy Center for the Performing Arts**	\$44.9 million	\$37.2 million	\$37.2 million	\$32.34 million	\$37.2 million
National Gallery of Art	\$209.2 million	\$186 million	\$186 million	\$198.25 million	\$204 million
U.S. Holocaust Memorial Museum	\$65.2 million	\$65.23 million	\$65.23 million	\$66.73 million	\$65.23 million
Save America's Treasures	\$25.5 million	\$26 million	\$25.5 million	\$25.5 million	\$25.5 million
Commission of Fine Arts	\$3.7 million	\$3.46 million	\$3.46 million	\$3.66 million	\$3.64 million
National Capital Arts and Cultural Affairs	\$5 million	\$0	\$4 million	\$5 million	\$5 million

*Congress passed several Continuing Resolutions for FY25, with a full year CR in March 2025 extending FY24 funding levels through FY25.

** The Kennedy Center received a \$257 million allocation in July 2025 as part of the One Big Beautiful Bill Act (reconciliation bill).





Federal Budget FY2026

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Key Federally Funded Arts Programs & Agencies	Final Enacted FY'25 Funding 10/1/24 - 9/30/25 (full year CR*)	President Trump's FY'26 Budget	U.S. House FY'26 Approved Appropriations in Sub/Full Committee	U.S. Senate FY'26 Approved Appropriations in Sub/Full Committee	Almost Final Approved FY'26 Funding
Institute of Museum and Library Services (IMLS)	\$294.8 million	\$0	\$291.8 million	\$291.8 million	\$291.8 million
Corporation for Public Broadcasting	\$535 million	\$0	TBD	N/A	N/A
National Capital Arts and Cultural Affairs	\$5 million	\$0	\$4 million	\$5 million	\$5 million
Assistance for Arts Education	\$36.5 million	\$0	\$0	\$31.5 million	\$36.5 million
Education Title I-A (educ. for disadvantaged kids)	\$18.39 billion	\$18.41 billion	\$14.6 billion	\$18.46 billion	\$18.43 billion
Education Title II-A (professional development)	\$2.19 billion	\$0	\$0	\$2.19 billion	\$2.19 billion
Education Title IV-A (student support)	\$1.38 billion	\$0	\$1.385 billion	\$1.33 billion	\$1.38 billion

*Congress passed several Continuing Resolutions for Fiscal Year 2025, with a full year CR signed by the President in March 2025. This extended FY24 funding levels through FY25.





- 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.**



A TALE OF TWO LAWSUITS

- 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**.
 - Staff allowed to return to work** and some grants are **restored**.
- 6/6/25: [Judge allows grant terminations](#)** while ALA Lawsuit proceeds; staff stays.
- 11/21/25: [Court permanently blocks dismantling of IMLS](#) in 21 State AGs case.**
 - Orders IMLS to restore grants and staff.
- 12/3/25: [IMLS Reinstates Terminated Grants](#)** “upon further review.”
 - Current staffing information is not available.



NATIONAL ENDOWMENT FOR THE HUMANITIES

- 3/12/25: NEH Chair Lowe asked to step down by President.**
 - NEH General Counsel Michael MacDonald become Acting NEH Chair
- 4/2/25: 65% of NEH Staff placed on indefinite Administrative Leave.**
- 4/2/25: Over 1,000 NEH grants terminated**
 - Including all nonprofit State Humanities Councils.
- 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."**
- 7/25/25: Judge orders NEH funds not to be reallocated while lawsuit proceeds.**



NATIONAL ENDOWMENT FOR THE HUMANITIES

- June 2025: Notices went out that grants to State Humanities Councils will be reinstated at 50% of original grant amount** (20% of NEH Budget instead of 40%).
- NEH RECENT AWARDS- thought to be non-competitive** (7 grants=30% of NEH budget)
 - 9/15/25 \$10.4 million: Tikvah Foundation**
 - 9/15/25 \$10 million: University of Virginia- America250 Work on Founding Documents**
 - 1/15/26 \$10.1 million: UNC Chapel Hill- School of Civic Life & Leadership (SCiLL)**
 - 1/15/26 \$10 million: University of Texas Austin- School of Civic Leadership**
 - 1/15/26 \$10 million: Princeton- Foundation in Excellence in Higher Education**
 - 1/15/26 \$5 million: West Point Military Academy- American Foundations program**
 - 1/15/26 \$5 million: Ohio State University- Salmon P. Chase Center for Civics**
- 11/11/25: Rep. Chellie Pingree (D-ME) issues letter to NEH Acting Chairman**
- November 2025: NEH has 58 staff, a reduction of 73% (was 216 in November 2024).**
 - Apparently only 11 are program officers administering all NEH grants.**



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.**
- 9/19/25: Court ruled that the Executive Order violated the 1st Amendment and the Administrative Procedure Act and that the National Endowment for the Arts (NEA) cannot impose a policy disfavoring any grant applications for projects that the government believes “promote gender ideology.”**



NEA Updates

- NEA Updated [Assurance of Compliance](#)** (removed gender ideology bullet & lawsuits notes):
 - Comply with all applicable Executive Orders while the award is being administered.**
 - Cannot operate any programs promoting “diversity, equity, and inclusion” (DEI) that violate any applicable Federal anti-discrimination laws**
 - [Compliance FAQs](#) make clear only ILLEGAL DEI is prohibited.** (No mention of gender)
- NEA Posted [New Grant Priorities](#)** (similar to termination notices- not identical)

- [Mary Anne Carter confirmed as Chairman of the National Endowment for the Arts... again.](#)**
- No RIFs (firing) at NEA. All early retirements and deferred resignations** (paid through 9/30/25).
- January ~140 staff → June ~75 staff → Now ~115 staff**
- Unused FY25 funding was used to keep staff on during government shutdown.**

- 500+ NEA grants were terminated (already fully paid) or withdrawn (not paid) in 2025.**
 - Appeals process is finished. About 100 grants reinstated.**



2025 Federal Employment Changes

Selected offices with steep cuts	Employees in ...		
	Nov. 2024	Nov. 2025	Change
U.S. Agency for International Development	4,845	378	-92%
Institute of Education Sciences	191	25	-87%
National Endowment for the Humanities	216	58	-73%
Agency for Healthcare Research and Quality	297	108	-64%
Institute of Museum and Library Services	98	40	-59%
Federal Student Aid	1,450	780	-46%
Office of Elementary and Secondary Education	315	185	-41%
Substance Abuse and Mental Health Services Administration	932	574	-38%
Rural Development	4,981	3,141	-37%
Food and Nutrition Service	1,830	1,231	-33%

Source: [U.S. Office of Personnel Management](#). The New York Times

National Foundation on Arts and Humanities	Nov. 2024	Nov. 2025	Change
National Endowment for the Humanities	216	58	-73%
Institute of Museum and Library Services	98	40	-59%
National Endowment for the Arts	174	115	-34%

Department of Homeland Security	Nov. 2024	Nov. 2025	Change
Customs and Border Protection	66,626	67,527	+1%
U.S. Secret Service	8,142	8,188	+1%
Federal Law Enforcement Training Centers	1,346	1,375	+2%
Immigration and Customs Enforcement	20,745	26,827	+29%

[220,000 Fewer Workers: How Trump's Cuts Affected Every Federal Agency - The New York Times](#)



Federal Reconciliation (One Big Beautiful Bill)

- State Budgets:** Even if states do not supplement cuts, funding **losses for rural hospitals and increased need for services will strain all state budgets.**
- 90% of tax filers do NOT Itemize** (2017 tax law increased standard deduction)
- Non-Itemizers: Charitable Deduction up to \$1,000 (\$2,000 filing jointly).**
- Itemizers: 0.5% of AGI FLOOR for Charitable Deductions** (donation made totaling less than 0.5% of AGI are no longer deductible)
- Itemizers: extends 60% of AGI CAP for Charitable Deductions** (was 50%).
- Corporations: 1% of taxable income FLOOR and 10% of taxable income CAP for deductions of charitable donations.**
- Spending Cuts: \$1.5 trillion from Medicaid and SNAP over the next ten years.**
- Medicaid Changes:** Expansion recipients must now **certify eligibility every 6 months and work or volunteer 80 hours each month** if aged 18-64. **States can now charge up to \$35 co-pays** for doctor visits.
- SNAP Changes: Work requirements 20 hours each week** if aged 18-64 with no dependents. **Benefits are locked until 10/1/2027 at \$292/month for individuals, \$975/month family of four. US citizens & green cards only** with a few exceptions.

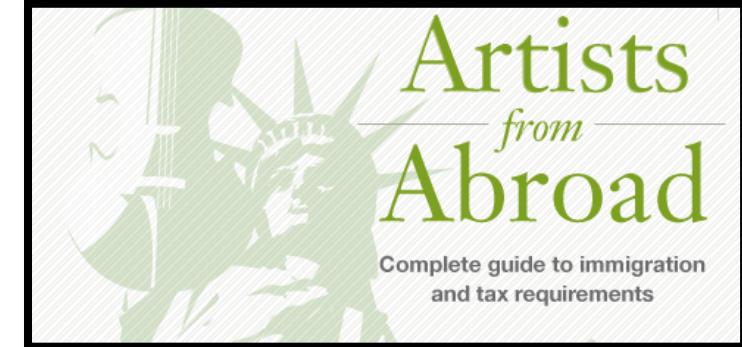




Other Federal Updates

[Artists From Abroad](#): League of American Orchestras & Association of Performing Arts Professionals (APAP)

- [Administration Issues Travel Ban - \(UPDATED 1/16/26\)](#)
- [PPS Increasing Beginning March 1 - \(01/09/2026\)](#)
- [New Filing Addresses for All O and P petitions - \(11/05/25\)](#)
- [Consular Interviews Now Take Place in Country of Residence - \(09/09/25\)](#)



[Fix The Tix](#): National Independent Venue Association (NIVA)

- As directed by 3/31/25 [Executive Order](#): FTC/DOJ Live Ticket Reform Report was due September 27, 2025... but not out yet.**
- [FTC sues Ticketmaster, Live Nation over illegal ticket resale and deceptive pricing \(09/18/25\)](#)
- Recent Enforcement from FTC** seem broadly in line with NIVA requests. (BOTS & Secondary Market)
- Many state legislative initiatives across the US**, including NC.



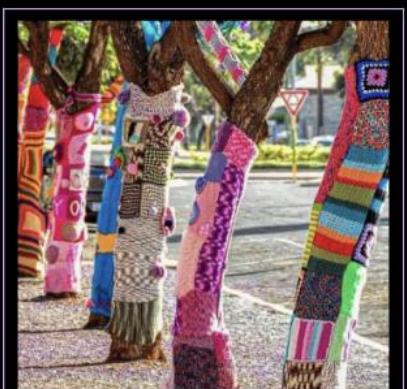
Executive Orders & Actions

- Memo: [Withdrawing the United States from International Organizations, Conventions, and Treaties that Are Contrary to the Interests of the United States](#) (01/07/25)**
 - Removed US from the **International Federation of Arts Councils and Culture Agencies** (IFACCA) and the **International Centre for the Study of the Preservation and Restoration of Culture** (ICCROM)
- Action: [Trump renames the Kennedy Center after himself](#) (12/19/25)**
- Order: [Prosecuting Burning of The American Flag](#) (08/25/25)**
- Order: [Making Federal Architecture Beautiful Again](#) (08/28/25)**
- Memo: [President Prevents Use of Federal Grants for Political Lobbying](#) (08/28/25)**
- Order: [Improving Oversight of Federal Grantmaking](#) (08/07/25)**
- DOJ Guidance: [Recipients of Federal Funding Regarding Unlawful Discrimination](#) (7/30/25)**
- Order: [Combating Unfair Practices in the Live Entertainment Market](#) (3/31/25)**
- Order: [Ending Illegal Discrimination and Restoring Merit-Based Opportunity](#) (1/21/25)**
- Order: [Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government](#) (1/20/25)**





Arts Workers United “Artivist” Toolkits



ARTS +
CRAFTIVIST
TOOLKIT

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DANCE +
CHOREO
TOOLKIT

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STORY-
TELLER
TOOLKIT

[Download](#)

- Using ART as an act of non-violent protest/demonstration.**
- Stressing the importance of JOY + ART in activism.**
- Created for No Kings but can be applied to engage for any cause.**



Why Doesn't NC have a Budget



NC Senate wants to enact in 2026 the planned reduction in personal income tax rate from 4.25 % to 3.99% based on current \$32 billion revenue trigger. (\$34.5 billion in FY25)



Fearing a projected “fiscal cliff” the NC House wants to raise the revenue trigger to at least \$36 billion. Also, exploring changes to local property tax that may affect nonprofits.



NC General Assembly Primary Elections on March 3rd

- Incumbents are MUCH more vulnerable in March Primary Elections than in November General Election.**
- Senate Pro Tem Phil Berger in VERY close primary with Rockingham County Sheriff Sam Page (since 1998).**
 - Recent polling shows an EXTREMELY close race.**
 - President Trump endorsed Senator Berger months ago.**



2026 Arts NC Budget Updates

- State Budget is not expected until April at the earliest (after March primaries).**
- GOAL: All 100 counties for NCAC Grassroots Arts Program Grants**
 - Tier 3 Counties with populations over 250,000 are currently **excluded from receiving any share of approximately 40%** of the Grassroots allocation.
 - No fix is currently in Budget proposals** from NC House our NC Senate.
 - Buncombe, Durham, Mecklenburg, Wake & Union** excluded originally.
 - Johnston & Cabarrus** were excluded in FY26. **-\$70,000 each**
 - New Hanover to be excluded** if not fixed for FY27. **-\$74,000**
 - Buncombe**, now a Tier 2, will be included. **+\$81,000**
 - Population cap increase is most likely** to include more counties, but not all 100.
 - Conversations continue to fix for FY27.** May not happen until FY28.





2026 Arts NC Budget Updates

- GOAL: Relief for Arts in Western NC impacted by Helene.**
 - Include nonprofits in relief programs**, especially for small business.
 - Advance all opportunities for arts support** in Helene Recovery efforts.
 - No nonprofit or business relief** in the Disaster Recovery Act Part II
 - HB 1012/SL 2025-26** was signed by Gov. Stein on 6/27/2025
- GOAL: Make recurring \$750k A+ Schools of NC allocation.**
 - Private foundation **WAS** matching up to \$500k in FY26.
 - Private Foundation is **considering support** in FY27.
 - Not in NC House** our NC Senate Budget proposals.
- GOAL: Close the \$6 million funding gap for NC Arts Council General Grants**
 - No increased funding to General Grants programs in 15 years.
 - Not in NC House** our NC Senate Budget proposals.





2026 Arts NC Policy Updates

Performing & Visual Arts Requirement for K-5 Public School Students

- 1 in every 20 NC elementary school students do not have both art & music**
- This legislation would require all NC K-5 to receive instruction:**
 - In BOTH Performing Arts and Visual Arts;**
 - Once EACH for 30 minutes every 5 instructional days;**
 - From a certified/licensed instructor in EACH subject;**
 - In a standard classroom size of students.**
- \$250+ million was allocated in 2018 for K-5 “Program Enhancement Teachers”**
- WAS INCULDED in NC House Budget proposal, working to have in FINAL Budget.**





2026 Arts NC Policy Updates

Legislation to curb Fraudulent & Misleading Ticket Sales Practices

- Support of NC Presenters Consortium (NCPC), NC Theatre Conference (NCTC), National Independent Venue Association (NIVA), and others.
- Harmful bill H598 was STOPPED before it reached the House floor.
- Currently working plan for legislation in the NC Senate in April 2026.
 - Leaders are Arts Caucus Chairs Senator Chaudhuri & Senator Sawyer
 - Possible press conference in the spring at a Raleigh venue near NCGA.
- Arts NC presented at NC Independent Venue meeting along with:
 - NC Secretary of Natural & Cultural Resource Pam Cashwell.
 - NC Arts Council Executive Director Jeff Bell.



North
Carolina
Arts
Council





Passing the GOOD NC Ticket Bill

- Arts NC and NCPC used NIVA model legislation & Fans First Act for a bill that:**
- Requires upfront ticket pricing** (which already took effect 4/1/25).
- Bans all speculative ticket sales** (you must own it to sell it).
- Presale must be authorized by primary seller.**
- Resellers cannot access presold tickets through fan clubs, etc.**
- Bans misleading URLs or claiming to be “official” or “authorized” etc.**
- Must have primary seller permission to use logos and images of artist/venue.**
- Resellers must clearly and conspicuously state they are not the primary seller.**
- Resellers must provide weblink to primary seller.**
- Bans the use of bots and other methods to buy more tickets than permitted.**



Registration Opening in March 2026



WTF?



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