



WHAT THE  
**FEDERAL**  
(AND STATE)  
**IS HAPPENING?**

STATE BUDGET UPDATES + MORE

Arts NC Executive Director  
Nate McGaha  
**WEDNESDAY,**  
**January 28th at 1 PM 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

- ☐ **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	\$3.64million
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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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.





# 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.**



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

## 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.**
  - ❑ **1<sup>st</sup> Amendment:** Restricts artistic expression and imposes viewpoint-based discrimination.
  - ❑ **5<sup>th</sup> 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 1<sup>st</sup> 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 ...		Change
	Nov. 2024	Nov. 2025	
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	Employees in ...		Change
	Nov. 2024	Nov. 2025	
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	Employees in ...		Change
	Nov. 2024	Nov. 2025	
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.



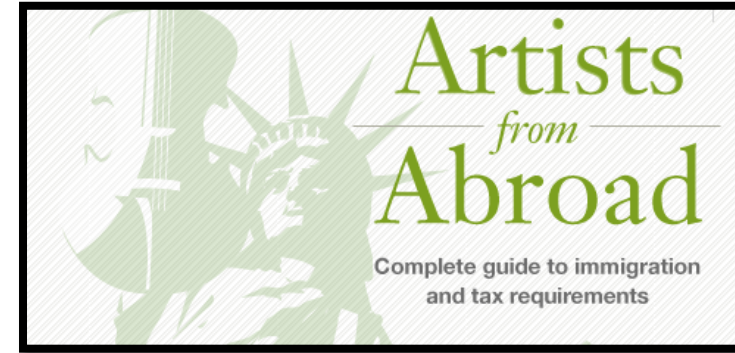




# Other Federal Updates

**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)**



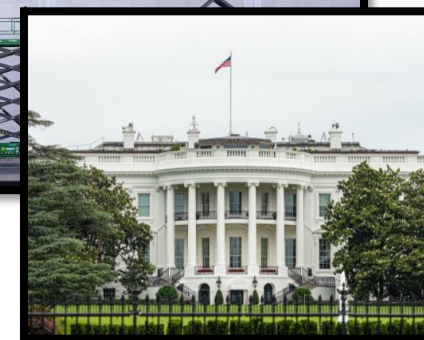
**Fix The Tix**: National Independent Venue Association (NIVA)

- ❑ **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.



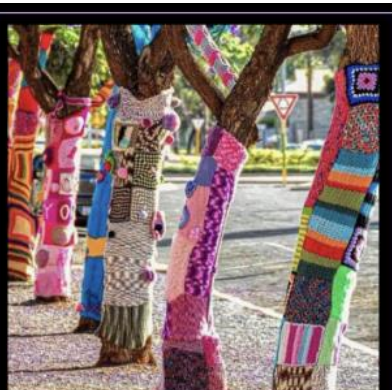
# Executive Orders & Actions

- ❑ **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 "Artist" Toolkits



## ARTS + CRAFTIVIST TOOLKIT

[Download](#)



## MUSICIAN+ VOCALIST TOOLKIT

[Download](#)



## COSTUME + STYLING TOOLKIT

[Download](#)



## DANCE + CHOREO TOOLKIT

[Download](#)



## 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.

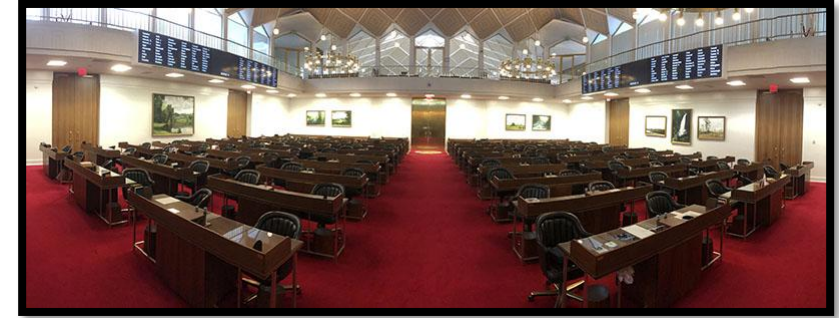




# Why Doesn't NC have a Budget



**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 3<sup>rd</sup>**

- ☐ **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 or 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.



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# 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 or 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 or 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 INLCUED** 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.



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# 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**





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## Questions

- ☐ 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
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