

APPENDIX A POPULATION CATEGORIES ILLUSTRATIVE FY 1978 BUDGET

FORMULA II

		27 13	PAP 010	
I.	1. California	19,953,000	9.85	674,323
	2. New York	18,241,000	9.01	638,333
II.	3. Pennsylvania	11,794,000	5.83	502,086
	4. Texas	11,197,000	5.53	484,232
	5. Illinois	11,114,000	5.49	487,519
	6. Ohio	10,652,000	5.26	477,665
	7. Michigan	8,875,000	4.38	439,961
III.	8. New Jersey	7,168,000	3.54	403,971
	9. Florida	6,789,000	3.35	395,831
	10. Massachusetts	5,689,000	2.81	372,694
	11. Indiana	5,194,000	2.57	362,412
	12. North Carolina	5,082,000	2.51	359,841
	13. Missouri	4,677,000	2.31	351,272
	14. Virginia	4,648,000	2.30	350,844
	15. Georgia	4,590,000	2.27	349,558
	16. Wisconsin	4,418,000	2.18	345,702
	17. Tennessee	3,924,000	1.94	335,419
	18. Maryland	3,922,000	1.94	335,419
	19. Minnesota	3,805,000	1.88	332,849
	20. Louisiana	3,643,000	1.80	329,421
IV.	21. Alabama	3,444,165	1.70	325,137
	22. Washington	3,409,000	1.68	324,280
	23. Kentucky	3,219,000	1.59	320,424
	24. Connecticut	3,032,000	1.50	316,568
	25. Iowa	2,825,000	1.40	312,283
	26. South Carolina	2,591,000	1.28	307,142
	27. Oklahoma	2,559,000	1.26	306,285
	28. Kansas	2,249,000	1.11	299,858
	29. Mississippi	2,217,000	1.10	299,430
	30. Colorado	2,207,000	1.09	299,001
	31. Oregon	2,091,000	1.03	296,430
	32. Arkansas	1,923,000	.95	293,003
	33. Arizona	1,772,000	.88	290,004
	34. West Virginia	1,744,000	.86	289,147
	35. Nebraska	1,484,000	.73	283,577
V.	36. Utah	1,059,000	.52	275,000
	37. New Mexico	1,016,000	.50	275,000
	38. Maine	994,000	.49	275,000
	39. Rhode Island	950,000	.47	275,000
	40. Hawaii	770,000	.38	275,000
	41. New Hampshire	738,000	.36	275,000
	42. Idaho	713,000	.35	275,000
	43. Montana	694,000	.34	275,000
	44. South Dakota	666,000	.33	275,000
	45. North Dakota	618,000	.31	275,000
	46. Delaware	548,000	.27	275,000
	47. Nevada	489,000	.24	275,000
	48. Vermont	445,000	.22	275,000
	49. Wyoming	332,000	.16	275,000
	50. Alaska	302,000	.15	275,000

PUERTO RICO

275,000

D.C.

252,300

AM. SAMOA

252,300

GUAM

252,300

VIRGIN ISLANDS

252,300

FORMULA II

7-1577

APPENDIX A ILLUSTRATIVE FY1978 BUDGET

	<u>STATE</u>	<u>POPULATION</u>	<u>POP. %</u>	<u>FORMULA</u>	<u>ANN. AMT.</u>
I.	1. California	19,953,000	9.85	674,323	619,332
	2. New York	18,241,000	9.01	638,333	769,332
II.	3. Pennsylvania	11,794,000	5.83	502,086	698,772
	4. Texas	11,197,000	5.53	489,232	616,200
	5. Illinois	11,114,000	5.49	487,519	491,328
	6. Ohio	10,652,000	5.26	477,665	491,328
	7. Michigan	8,875,000	4.38	439,961	416,004
III.	8. New Jersey	7,168,000	3.54	403,971	241,368
	9. Florida	6,789,000	3.35	395,831	399,996
	10. Massachusetts	5,689,000	2.81	372,694	399,996
	11. Indiana	5,194,000	2.57	362,412	468,036
	12. North Carolina	5,082,000	2.51	359,841	350,004
	13. Missouri	4,677,000	2.31	351,272	442,704
	14. Virginia	4,648,000	2.30	350,844	357,700
	15. Georgia	4,590,000	2.27	347,357,350	437,364
	16. Wisconsin	4,418,000	2.18	345,702,305,730	335,736
	17. Tennessee	3,924,000	1.94	335,419	435,324
	18. Maryland	3,922,000	1.94	335,419	483,912
	19. Minnesota	3,805,000	1.88	332,849	323,328
	20. Louisiana	3,643,000	1.80	329,421	393,336
IV.	21. Alabama	3,444,000	1.70	325,137	279,372
	22. Washington	3,409,000	1.68	324,280	561,804
	23. Kentucky	3,219,000	1.59	320,424	331,600
	24. Connecticut	3,032,000	1.50	316,568	325,836
	25. Iowa	2,825,000	1.40	312,283	409,332
	26. South Carolina	2,591,000	1.28	307,142	240,000
	27. Oklahoma	2,559,000	1.26	306,285	344,664
	28. Kansas	2,249,000	1.11	299,858	256,332
	29. Mississippi	2,217,000	1.10	299,430	320,004
	30. Colorado	2,207,000	1.09	299,001	382,716
	31. Oregon	2,091,000	1.03	296,430	350,700
	32. Arkansas	1,923,000	.95	293,003	262,692
	33. Arizona	1,772,000	.88	290,004	262,248
	34. West Virginia	1,744,000	.86	289,147	280,524
	35. Nebraska	1,484,000	.73	283,577	269,364
V.	36. Utah	1,059,000	.52	275,000	239,364
	37. New Mexico	1,016,000	.50	275,000	336,660
	38. Maine	994,000	.49	275,000	263,328
	39. Rhode Island	950,000	.47	275,000	250,000
	40. Hawaii	770,000	.38	275,000	296,664
	41. New Hampshire	738,000	.36	275,000	270,000
	42. Idaho	713,000	.35	275,000	301,800
	43. Montana	694,000	.34	275,000	291,000
	44. South Dakota	666,000	.33	275,000	333,336
	45. North Dakota	618,000	.31	275,000	265,332
	46. Delaware	548,000	.27	275,000	226,032
	47. Nevada	489,000	.24	275,000	305,856
	48. Vermont	445,000	.22	275,000	309,372
	49. Wyoming	332,000	.16	275,000	176,664
	50. Alaska	302,000	.15	275,000	462,840

100.00 17,021,921 18,352,572

45.	North Dakota	618,000	.31	275,000	265,332
46.	Delaware	548,000	.27	275,000	226,032
47.	Nevada	489,000	.24	275,000	305,856
48.	Vermont	445,000	.22	275,000	309,372
49.	Wyoming	332,000	.16	275,000	176,664
50.	Alaska	302,000	.15	275,000	462,840
51.	Puerto Rico	2,712,000		275,000	238,656
52.	District of Columbia	757,000		252,300 275,000	N/A
53.	American Samoa	30,000		252,300	N/A
54.	Guam	85,000		252,300	N/A
55.	Virgin Islands	63,000		252,300	N/A

TOTALS:

18,3⁰⁶¹~~28~~,~~221~~ 18,591,228

<u>STATE</u>	<u>ANNUALIZED GRANT AMT.</u>	<u>POPULATION</u>	<u>AMT. PER CAPITA</u>	<u>POP. %</u>	<u>%/TOTAL ANN. FUNDS</u>
CALIFORNIA	619,332	19,953,000	.03	9.85	3.37
NEW YORK	769,332	18,241,000	.04	9.01	4.19
PENNSYLVANIA	698,772	11,794,000	.06	5.83	3.81
TEXAS	616,200	11,197,000	.05	5.53	3.36
ILLINOIS	491,328	11,114,000	.04	5.49	2.68
OHIO	491,328	10,652,000	.05	5.26	2.68
MICHIGAN	416,004	8,875,000	.05	4.38	2.27
NEW JERSEY	241,368	7,168,000	.03	3.54	1.32
FLORIDA	399,996	6,789,000	.05	3.35	2.18
MASSACHUSETTS	376,032	5,689,000	.06	2.81	2.05
INDIANA	468,036	5,194,000	.09	2.57	2.55
NORTH CAROLINA	350,004	5,082,000	.07	2.51	1.91
MISSOURI	442,704	4,677,000	.09	2.31	2.41
VIRGINIA	357,700	4,648,000	.08	2.30	1.95
GEORGIA	437,364	4,590,000	.09	2.27	2.38
WISCONSIN	335,736	4,418,000	.08	2.18	1.83
TENNESSEE	435,324	3,924,000	.11	1.94	2.37
MARYLAND	483,912	3,922,000	.12	1.94	2.64
MINNESOTA	323,328	3,805,000	.08	1.88	1.76
LOUISIANA	393,336	3,643,000	.10	1.80	2.14
ALABAMA	279,372	3,444,000	.08	1.70	1.52
WASHINGTON	561,804	3,409,000	.16	1.68	3.06
KENTUCKY	331,600	3,219,000	.10	1.59	1.81
CONNECTICUT	325,836	3,032,000	.10	1.50	1.77
IOWA	409,332	2,825,000	.14	1.40	2.23
SOUTH CAROLINA	240,000	2,591,000	.09	1.28	1.31
OKLAHOMA	344,664	2,559,000	.13	1.26	1.88
KANSAS	256,332	2,249,000	.11	1.11	1.40
MISSISSIPPI	320,004	2,217,000	.14	1.10	1.74
COLORADO	382,716	2,207,000	.17	1.09	2.09
OREGON	350,700	2,091,000	.17	1.03	1.91
ARKANSAS	262,692	1,923,000	.13	.95	1.43
ARIZONA	262,248	1,772,000	.14	.88	1.43
WEST VIRGINIA	280,524	1,744,000	.16	.86	1.53
NEBRASKA	269,364	1,484,000	.18	.733	1.47
UTAH	239,364	1,059,000	.23	.52	1.30
NEW MEXICO	336,660	1,016,000	.33	.50	1.83
MAINE	263,328	994,000	.26	.49	1.43
RHODE ISLAND	250,000	950,000	.26	.47	1.36
HAWAII	296,664	770,000	.38	.38	1.62
NEW HAMPSHIRE	270,000	738,000	.37	.36	1.47
IDAHO	301,800	713,000	.42	.35	1.64
MONTANA	291,000	694,000	.42	.34	1.59
SOUTH DAKOTA	333,336	666,000	.50	.33	1.82
NORTH DAKOTA	265,332	618,000	.43	.31	1.45
DELAWARE	226,032	548,000	.41	.27	1.23
NEVADA	305,856	489,000	.63	.24	1.66
VERMONT	309,372	445,000	.70	.22	1.69
WYOMING	176,664	332,000	.53	.16	.96
ALASKA	462,840	302,000	1.53	.15	2.52

18,352,572

100.00

100.00

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	STATE	ANNUALIZED GRANT AMT.	POPULATION	PROPOSED
1.	CALIFORNIA	619,332	19,953,000	680,273
	NEW YORK	769,332	18,241,000	
2.	PENNSYLVANIA	698,772	11,794,000	500,273
	TEXAS	616,200	11,197,000	
	ILLINOIS	491,328	11,114,000	
	OHIO	491,328	10,652,000	
	MICHIGAN	416,004	8,875,000	
3.	NEW JERSEY	241,368	7,168,000	400,273
	FLORIDA	399,996	6,789,000	
	MASSACHUSETTS	376,032	5,689,000	
4.	INDIANA	468,036	5,194,000	344,773
	NORTH CAROLINA	350,004	5,082,000	
	MISSOURI	442,704	4,677,000	
	VIRGINIA	357,700	4,648,000	
	GEORGIA	437,364	4,590,000	
	WISCONSIN	335,736	4,418,000	
	TENNESSEE	435,324	3,924,000	
	MARYLAND	483,912	3,922,000	
	MINNESOTA	323,328	3,805,000	
	LOUISIANA	393,336	3,643,000	
5.	ALABAMA	279,372	3,444,000	305,273
	WASHINGTON	561,804	3,409,000	
	KENTUCKY	331,600	3,219,000	
	CONNECTICUT	325,836	3,032,000	
	IOWA	409,332	2,825,000	
	SOUTH CAROLINA	240,000	2,591,000	
	OKLAHOMA	344,664	2,559,000	
	KANSAS	256,332	2,249,000	
	MISSISSIPPI	320,004	2,217,000	
	COLORADO	382,716	2,207,000	
	OREGON	350,700	2,091,000	
	ARKANSAS	262,692	1,923,000	
	ARIZONA	262,248	1,772,000	
	WEST VIRGINIA	280,524	1,744,000	
	NEBRASKA	269,364	1,484,000	
6.	UTAH	239,364	1,059,000	271,273
	NEW MEXICO	336,660	1,016,000	
	MAINE	263,328	994,000	
	RHODE ISLAND	250,000	950,000	
	HAWAII	296,664	770,000	
	NEW HAMPSHIRE	270,000	738,000	
	IDAHO	301,800	713,000	
	MONTANA	291,000	694,000	
	SOUTH DAKOTA	333,336	666,000	
	NORTH DAKOTA	265,332	618,000	
	DELAWARE	226,032	548,000	
	NEVADA	305,856	489,000	
	VERMONT	309,372	445,000	
	WYOMING	176,664	332,000	
	ALASKA	462,840	302,000	

18,352,572

OSP

7/13/77

Category	# of states	Population	Block ① (a)	Proportion ② (b)	Total ③ (c)	Present Average (d)	Gr Total - category ④ (e)	% of total available ⑤ (f)	% of population (g)
1.	2	18,000 -	252,273	428,000	680,273	700,000	656	18.5	18.8
2.	5	9,000 - 12,000	252,273	248,000	500,273	543,000	1,240	26.8	26.5
3.	3	5,500 - 7,500	252,273	148,000	400,273	339,000	444	9.6	9.6
4.	10	3,500 - 5,500	252,273	92,500	344,773	402,000	925	20	19.4
5.	16	1,500 - 3,500	252,273	53,000	305,273	305,000	848	18.3	17.2
6.	16	300 - 1,500	252,273	19,000	271,273	271,000	304	6.6	5

- ① FY 1978 formula ~~and~~ block grant
- ② suggested amount to each state in addition to the block
- ③ Approximate figures
 - ① Number of states times column b = this amount
 - ② 4,625,000 is the total available in FY '78 for proportion.
 - ③ This figure is unusually low because of New Jersey's present grant.

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	STATE	ANNUALIZED GRANT AMT.	POPULATION	PROPOSED
1.	CALIFORNIA	619,332	19,953,000	680,273
	NEW YORK	769,332	18,241,000	
2.	PENNSYLVANIA	698,772	11,794,000	500,273
	TEXAS	616,200	11,197,000	
	ILLINOIS	491,328	11,114,000	
	OHIO	491,328	10,652,000	
	MICHIGAN	416,004	8,875,000	
3.	NEW JERSEY	241,368	7,168,000	400,173
	FLORIDA	399,996	6,789,000	
	MASSACHUSETTS	376,032	5,689,000	
4.	INDIANA	468,036	5,194,000	344,773
	NORTH CAROLINA	350,004	5,082,000	
	MISSOURI	442,704	4,677,000	
	VIRGINIA	357,700	4,648,000	
	GEORGIA	437,364	4,590,000	
	WISCONSIN	335,736	4,418,000	
	TENNESSEE	435,324	3,924,000	
	MARYLAND	483,912	3,922,000	
	MINNESOTA	323,328	3,805,000	
	LOUISIANA	393,336	3,643,000	
5.	ALABAMA	279,372	3,444,000	305,273
	WASHINGTON	561,804	3,409,000	
	KENTUCKY	331,600	3,219,000	
	CONNECTICUT	325,836	3,032,000	
	IOWA	409,332	2,825,000	
	SOUTH CAROLINA	240,000	2,591,000	
	OKLAHOMA	344,664	2,559,000	
	KANSAS	256,332	2,249,000	
	MISSISSIPPI	320,004	2,217,000	
	COLORADO	382,716	2,207,000	
	OREGON	350,700	2,091,000	
	ARKANSAS	262,692	1,923,000	
	ARIZONA	262,248	1,772,000	
	WEST VIRGINIA	280,524	1,744,000	
	NEBRASKA	269,364	1,484,000	
6.	UTAH	239,364	1,059,000	271,273
	NEW MEXICO	336,660	1,016,000	
	MAINE	263,328	994,000	
	RHODE ISLAND	250,000	950,000	
	HAWAII	296,664	770,000	
	NEW HAMPSHIRE	270,000	738,000	
	IDAHO	301,800	713,000	
	MONTANA	291,000	694,000	
	SOUTH DAKOTA	333,336	666,000	
	NORTH DAKOTA	265,332	618,000	
	DELAWARE	226,032	548,000	
	NEVADA	305,856	489,000	
	VERMONT	309,372	445,000	
	WYOMING	176,664	332,000	
	ALASKA	462,840	302,000	

18,352,572

OSP

7/13/77

Category	# of states	Population	Block ① (a)	Proportion (b)	Total (c)	Percent Average (d)	Gift total - category (e)	% of total available (f)	% of population (g)
1.	2	18,000 -	252,273	428,000	680,273	700,000	856	18.5	18.8
2.	5	9,000-12,000	252,273	248,000	500,273	543,000	1,240	26.8	26.5
3.	3	5,500-7,500	252,273	148,000	400,273	339,000 (6)	444	9.6	9.6
4.	10	3,500-5,500	252,273	92,500	344,773	402,000	925	20	19.4
5.	16	1,500-3,500	252,273	53,000	305,273	305,000	848	18.3	17.2
6.	16	300-1,500	252,273	19,000	271,273	271,000	304	6.6	5

- ① FY 1978 Formula ~~and~~ block grant
- ② Suggested amount to each state in addition to the block
- ③ Approximate figures
- ④ Number of states times column b = this amount
- ⑤ \$4,625,000 is the total available in FY '78 for provision.
- ⑥ This figure is ~~annually~~ low because of New Jersey's present grant.

DRAFT 7/15/77

PROPOSED OSP FORMULA FUNDING
AND ITS IMPLEMENTATION

BACKGROUND

From the beginning of the Endowment's program in the states it ^{has been} ~~was~~ unclear how ~~large~~ large the grants to the state committees should be or could be. From 1971 until 1976, the major effort of the program was ~~development of~~ development of a state committee and a program in each of the fifty states. ~~The very first grants were~~ The very first grants were all of the same size (\$150,000 for 12 months). Subsequently, state committees determined their own level of request, based in some measure upon advice from program officers about ~~the total amount available and~~ ^{about} what appeared to be a reasonable level of activity for a state at a certain stage of development. Budget requests were also based upon level of present activity and the best estimates committee members could make of the possible level of demand from applicants. *Every effort was made to encourage growth.*

~~By 1976, the total amount of OSP funds began to~~
~~...~~
In the first *three* fiscal years of the state program, committee requests and ~~state activities were~~ ^{state activities were} not *at a level* ~~sufficient~~ to obligate the entire ~~state~~ state program budget. ~~...~~ In the fiscal years 1975-1977, ~~...~~ committee requests exceeded the original budget for state programs, and the additional funds in FY 1975 and 1976 came from uncommitted funds in other program budgets within the Division of Public Programs.

~~...~~
~~...~~
~~...~~

On the other hand, the exciting and long-sought growth of the state programs (symbolized by state grants of \$150,000 in FY 1971 [REDACTED] as compared with grants of more than \$1,000,000 in FY 1977) would have to be [REDACTED], where in the agency's curtailed no matter [REDACTED] administrative structure the program had been placed. State programs, for example, could no longer take up "slack" in the Division of Public Programs at [REDACTED] *a time when* the [REDACTED] Divisions' other programs reached the level of maturity and need predicted and hoped for them.

Complicating the budget process for state programs further, the 1976 reauthorization legislation contains language establishing a funding minimum for state programs, both ~~overall~~ in the gross and in the particular of each state. The legislation also imposed reporting and other procedures tied to the fiscal year. While most of these legislat^{ed} ~~ed~~ ~~current pattern of 18 months in the current year~~ ~~produced special compliance~~

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requirements can be met within ~~the~~ ^{our} current pattern of making 18-month grants to the states, ~~the current~~ ^{the current} pattern ~~will~~ will require special approval and understanding from our authorizing committees if it were to be continued.

Therefore, we begin FY 1978 with the opportunity to make a major reassessment of the funding procedures of the state programs. A new procedure should, it appears, have all or most of ~~the~~ the following features:

1. It should be easily explicable in terms of fiscal year budgeting.
2. It should be equitable--i.e., it should produce levels of ~~minimum~~ funding for state committees which they and we agree ~~to~~ ^{take into account} both the population which the program is designed to serve and the quality of the proposed program.
3. It should satisfy all legislated minimums and all legislated reporting procedures.
4. It should be implemented in such a way as to permit state committees to adapt to the new procedures smoothly and responsibly.
4. It should signify to Congress and to the public the Endowment's commitment to the program and to the fundamental principle that creative and satisfactory humanities programs can be provided in the states through the decisions of the citizens of that state.

It is against this background that I suggest ^{the} the adoption of the following principles and procedures for funding the state humanities committees.

~~PROPOSED FORMULA FOR STATE COMMITTEE FUNDING.~~

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PROPOSED FORMULAS FOR STATE COMMITTEE FUNDING

The following proposal is based upon three principles: (1) the grants should be ~~fixed~~ tied to the fiscal year; (2) each state must be assured the minimum grant appropriate to that fiscal year; (3) the maximum grant awarded each state should bear some relationship to the only "objective" standard available for distribution--~~the~~ State population
~~State population of the state.~~

I propose, therefore, that we implement a procedure whereby we announce to all state committees (55), in advance of the fiscal year, the maximum grant which is available to them for that fiscal year. (See Appendix A) The maximum is based on a weighted formula, based upon population. (The 13 smallest
~~states would receive a grant somewhat larger than strict population persons. Any state in category 1, for example, will now would demand so as to provide a reasonable minimum in line with current grant levels.)~~ states would receive a grant somewhat larger than strict population persons. Any state in category 1, for example, will now would demand so as to provide a reasonable minimum in line with current grant levels.) for the coming fiscal year, the maximum award available from the Endowment will be \$205,200. *

We will entertain two-year proposals, and fund them in two stages. The first proposal will be substantive. It will set out the committee's program goals, identify its procedures and guidelines, ^{and} present a rationale for its program. On the basis of this proposal we will make a two-year grant, but we will fund only the first year. In order to ^{narrative} receive funding for the second year, a committee will file an interim report, detailing the success of its program to date and requesting modifications of its original program if appropriate. ~~On the basis of the second~~ On the basis of the second proposal, the second year's funding will be released. The second year's funding will also be according to formula, determined in precisely the same way as the first year's formula, but against the budget for the second fiscal year.

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To illustrate:

Connecticut submits a proposal for a two-year program. It will know at the time of application that the maximum award for the first of these two years will be ~~xxxxxx~~ # (We will continue to encourage committees to request the ~~xxxxxx~~ amount they think they could responsibly use during this period. It is important to have this figure on record, both in order to establish a level of need ~~in~~ⁱⁿ the program ~~for~~ ~~xxxxxx~~ the appropriations process and in order to assess the growth ~~xxxxxx~~ of the committee's program.

If the ~~xxxxxx~~ proposal is acceptable, a two-year grant ~~will be~~^{will be} awarded with ~~the~~ first-year funding at \$~~xxxxxx~~. The grant award ~~letter~~ will state that funding for the second year is dependant upon submission of a progress report as of a date certain. At that ~~date~~^{later} date, Connecticut submits a progress report ~~xxxxxx~~ and requests funding for the second fiscal year of its grant. If the ~~progress~~ report is acceptable, ~~the~~ the second year funding is released. (I do not have a proposed ~~xxxxxx~~ FY 1979 budget figure as yet, but assuming it has grown slightly, the amount available to ~~xxxxxx~~ Connecticut might be on the ~~order of~~ ~~xxxxxx~~ #)

At the appropriate point in the second year, Connecticut prepares a proposal for another two-year grant, and the procedure repeats itself.

In this way, every state comes to the Endowment each fiscal year. The ~~xxxxxx~~ maximum ~~award~~^{available} in known in advance. The minimum required by legislative formula is assured, and, moreover, each state ~~will~~^{could} receive a grant that is ~~xxxxxx~~ larger than the ~~xxxxxx~~^{block}. Committees are not required to submit a complete proposal each year, but are required to submit a proposal in one year and an interim report--presumably more factual and briefer, in its second year. This will add somewhat to the work of the state committees, ~~but~~ not as much as yearly proposals would require. In addition, this procedure will ~~xxxxxx~~ permit a committee to make long-range plans, and make an

useful to the appropriation process, ~~_____~~
~~_____~~

I. Each grant in this proposed procedure can be thought of as consisting of two parts: the legislated minimum and a discretionary amount above that minimum. (I should emphasize that this would be the way the Endowment thought of the grants. It would not be the basis for our conversations or relations with the state.) The block grants ~~require~~ 75% of the total OSP budget; the discretionary funds the remainder. ~~Therefore~~ Therefore, a committee would qualify for the block grant by submitting an acceptable plan for compliance (as stipulated by the law) and a proposal indicating the committee intent to provide "adequate programs in the humanities" for the state ~~comit~~ (quoting the law). The second amount could be ~~part of the total award~~ ~~the discretionary amount~~ if the proposal is of sufficient quality, or could be tied to conditions.

For example, if Connecticut submitted a ~~proposal~~ proposal ~~with a major weakness~~ with a major weakness -- such as an unconvincing rationale and plan for program development designed to reach the rural areas of the state, -- we might make a two-year grant ~~and~~ and a first year award of \$~~300,000~~, but \$~~100,000~~ of that amount would be released only upon submission of a revised plan for program development in the rural areas of the ~~the~~ state. (\$~~100,000~~ is the amount left after subtracting the block grant of \$252,300--required for all eligible committees--and the formula ~~maximum~~ maximum available to ~~states in the population category that includes~~ Connecticut).

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In this way, the Endowment can continue to exercise its discretion on grounds of quality while at the same time assuring that each state receives the minimum required by law.

II. Each proposal can be evaluated on its own merit, without reference to other states. Because the committees may ~~submit~~ propose a program unique to its state, judgements of quality will be sui generis; the ~~proposal~~ ^{proposal} ~~from~~ from Connecticut might include a program line for the publication of occasional papers produced as part of regrants while the proposal from ~~Iowa~~ Iowa, ~~the state in the same~~ ~~proposal~~ may have no such line but instead suggest a program line for the support of humanities exhibits focused on state history mounted in state museums. A reviewer would not be comparing apples and oranges, but would instead be examining Connecticut's proposal to see if it has presented a convincing rationale for its program and examining Iowa's proposal to see if it has presented a convincing rationale for its, ~~proposal~~.

If Connecticut failed to convince the reviewers, the staff, and the Council that it had satisfactorily thought through its program, a phased release of funds could be made as suggested above. If Iowa's proposal was convincing, it would receive ~~\$500,000~~ \$500,000 for the first fiscal year of its grant without conditions.

Quality, in other ~~words~~ ^{words}, is judged proposal by proposal, ~~rather than~~ rather than, as in the past, as a matter of how well each state appears to fulfill the program principles and standards established by the Endowment. Progress, similarly, is measured against goals established by the committee itself, and not against standards established by the Endowment. The progress report will reflect the original proposal.

PRESENT
ANN. GRANT
FORMULA
(APP. B)

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III. The proposed formula will produce some funds for the discretionary use of the Office of State Programs, in addition to the award of the ~~same~~ formula amounts to all 55 committees. This discretionary amount will be used for such things as contracts for meetings of state committee officers and staff, contracts for data services, ~~discretionary~~ special supplements to assist in regional activities or in order to take advantage of unique, one-time opportunities. All committees are eligible, according to the proposed formula, for an ~~at~~ maximum award of more than the block grant, and we will therefore have exceeded the minimum required by law.

~~These funds will be used for the same purposes as the block grant, but will not necessarily be part of state programs, but will not necessarily be part of state programs.~~

IV. The major weakness in the proposal is that the amount available for some committees for twelve months will be less than the annualized amount now available. ~~same~~ This means, obviously, that some committees will need to plan for a reduced level of activity--at least a reduction in those activities supported by Endowment ~~and~~ definite funds. On the other hand, this reduction is not crippling (see Appendix B), and implementation can be managed so as to provide lead time to plan for this alteration.

V. We propose, for purposes of discussion, that this new procedure make the further change of allowing each committee to budget for its grant in total. The Endowment would no longer proscribe the amount to be used for administration as opposed to the amount needed for regranting. ~~But the Endowment could still give~~ ~~advice~~ ~~on this~~ ~~matter~~ ~~based essentially on~~ ~~the committee's need to~~ ~~be accountable to the citizens of the state.~~ There is a significant check to irresponsibility in ~~this case~~ ~~because~~ ~~administrative funding~~

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the law requires the state committee^s to provide a match for the full amount of the Endowment's definite funds. Administrative activities produce, ~~as a result~~ in most instances, no significant match, and therefore no committee would be tempted to spend 40%, for example, of its grant on administration. Moreover, in case of egregious ~~mis~~ mismanagement, the Endowment could refuse to fund the ~~proposal~~ proposal in whole or in part, because the legislation clearly ~~establishes~~ ^{is required} establishes the fact that the Chairman ~~is~~ to make a judgement about the eligibility of a state committee in terms of whether it ^{proposes} proposes to conduct adequate humanities programs for the state. An irresponsible administrative budget would ~~be~~ be self-evident grounds for finding that the committee could not provide an ~~adequate~~ adequate humanities program.

The advantages ^{to} ~~of the new procedure~~ ^{allowing} committees to plan without ^{administrative expenses} Endowment ceilings would be that the committees ^{are likely to} ~~will~~ respond much more enthusiastically to the new ~~new~~ budgeting procedure; the Endowment would no longer ~~have~~ have to defend an arbitrary (though not capricious) ceiling on ~~many~~ administrative expenses; and ^{finally,} we might expect administrative efficiencies, since the ^{total} ~~total~~ budget would now be more obviously a matter of committee judgment--just as program plans are now their responsibility.

FY 1978

Pop %

I.	1.	California	19,953,000	2.85	674,323
	2.	New York	18,241,000	1.61	638,333
II.	3.	Pennsylvania	11,794,000	5.82	202,086
	4.	Texas	11,197,000	5.55	489,332
	5.	Illinois	11,114,000	5.49	487,519
	6.	Ohio	10,652,000	5.26	477,665
	7.	Michigan	8,875,000	4.79	439,961
III.	8.	New Jersey	7,168,000	3.64	403,711
	9.	Florida	6,789,000	3.45	375,831
	10.	Massachusetts	5,689,000	3.81	372,694
	11.	Indiana	5,194,000	2.57	362,712
	12.	North Carolina	5,082,000	2.51	359,811
	13.	Missouri	4,677,000	2.8	351,272
	14.	Virginia	4,648,000	2.30	350,844
	15.	Georgia	4,590,000	3.27	349,558
	16.	Wisconsin	4,418,000	1.12	345,702
	17.	Tennessee	3,924,000	1.94	335,419
	18.	Maryland	3,922,000	1.87	335,419
	19.	Minnesota	3,805,000	1.83	332,849
IV.	20.	Louisiana	3,643,000	1.80	329,421
	21.	Alabama	3,444,165	1.70	325,137
	22.	Washington	3,409,000	1.63	324,280
	23.	Kentucky	3,219,000	1.57	320,114
	24.	Connecticut	3,032,000	1.50	316,566
	25.	Iowa	2,825,000	1.40	312,883
	26.	South Carolina	2,591,000	1.38	307,142
	27.	Oklahoma	2,559,000	1.35	306,285
	28.	Kansas	2,249,000	1.21	299,858
	29.	Mississippi	2,217,000	1.10	279,430
	30.	Colorado	2,207,000	1.07	279,511
	31.	Oregon	2,091,000	1.05	294,430
	32.	Arkansas	1,923,000	1.0	293,083
	33.	Arizona	1,772,000	1.0	290,004
	34.	West Virginia	1,744,000	1.56	289,147
	35.	Nebraska	1,484,000	1.2	283,577
V.	36.	Utah	1,059,000	1.52	275,000
	37.	New Mexico	1,016,000	1.50	275,000
	38.	Maine	994,000	1.17	275,000
	39.	Rhode Island	950,000	1.17	275,000
	* 40.	Hawaii	770,000	1.05	275,000
	41.	New Hampshire	738,000	1.36	275,000
	42.	Idaho	713,000	1.35	275,000
	43.	Montana	694,000	1.4	275,000
	44.	South Dakota	666,000	1.33	275,000
	45.	North Dakota	618,000	1.1	275,000
	46.	Delaware	548,000	1.27	275,000
	47.	Nevada	489,000	1.24	275,000
	48.	Vermont	445,000	1.24	275,000
	49.	Wyoming	332,000	1.24	275,000
	* 50.	Alaska	302,000	1.24	275,000

D.C.

PUERTO RICO

AM. SAMOA

GUAM

MAYAN

+
* COST OF LIVING

7-15-77

FY 78

IV. 77	5,444,587 (unchanged)	{	(3,518,203)
B. 78	3,809,619		
AY 78	1,281,940		
G. 78	3,065,523		

16,601,669

FY 79

IV. 78	2,033,002	{	
B. 79	5,907,381		
AY 79	7,800,413		
G. 79	2,588,295		

18,329,091

I.	1.	California	10,953,000	1.01	674,323
	2.	New York	11,241,000	1.01	638,333
II.	3.	Pennsylvania	11,794,000	1.01	502,086
	4.	Texas	11,197,000	1.01	487,332
	5.	Illinois	11,114,000	1.01	481,517
	6.	Ohio	10,652,000	1.01	477,665
	7.	Michigan	8,875,000	1.01	439,961
III.	8.	New Jersey	7,168,000	1.01	403,771
	9.	Florida	6,789,000	1.01	375,831
	10.	Massachusetts	5,689,000	1.01	372,694
	11.	Indiana	5,194,000	1.01	362,412
	12.	North Carolina	5,082,000	1.01	359,841
	13.	Missouri	4,677,000	1.01	351,272
	14.	Virginia	4,648,000	1.01	350,844
	15.	Georgia	4,590,000	1.01	349,558
	16.	Wisconsin	4,418,000	1.01	345,702
	17.	Tennessee	3,924,000	1.01	335,419
	18.	Maryland	3,922,000	1.01	335,419
	19.	Minnesota	3,805,000	1.01	332,849
	20.	Louisiana	3,643,000	1.01	329,431
IV.	21.	Alabama	3,444,165	1.01	325,137
	22.	Washington	3,409,000	1.01	324,280
	23.	Kentucky	3,219,000	1.01	320,754
	24.	Connecticut	3,032,000	1.01	316,568
	25.	Iowa	2,825,000	1.01	312,653
	26.	South Carolina	2,591,000	1.01	307,142
	27.	Oklahoma	2,559,000	1.01	306,285
	28.	Kansas	2,249,000	1.01	299,858
	29.	Mississippi	2,217,000	1.01	299,420
	30.	Colorado	2,207,000	1.01	299,001
	31.	Oregon	2,091,000	1.01	296,430
	32.	Arkansas	1,923,000	1.01	293,003
	33.	Arizona	1,772,000	1.01	290,004
	34.	West Virginia	1,744,000	1.01	289,117
	35.	Nebraska	1,484,000	1.01	283,577
V.	36.	Utah	1,059,000	1.01	275,000
	37.	New Mexico	1,016,000	1.01	275,000
	38.	Maine	994,000	1.01	275,000
	39.	Rhode Island	950,000	1.01	275,000
	40.	Hawaii	770,000	1.01	275,000
	41.	New Hampshire	738,000	1.01	275,000
	42.	Idaho	713,000	1.01	275,000
	43.	Montana	694,000	1.01	275,000
	44.	South Dakota	666,000	1.01	275,000
	45.	North Dakota	618,000	1.01	275,000
	46.	Delaware	548,000	1.01	275,000
	47.	Nevada	489,000	1.01	275,000
	48.	Vermont	445,000	1.01	275,000
	49.	Wyoming	332,000	1.01	275,000
	50.	Alaska	302,000	1.01	275,000

D.C.

ALASKA

ALASKA

ALASKA

ALASKA

ALASKA

FY 78

IV. 77	5,444,587 (unchanged)	{	(3,518,003)
B. 78	3,809,619		
AY 78	4,281,940		
IG. 78	3,065,523		

16,601,669

FY 79

IV. 78	2,033,002	{	18,329,091
B. 79	5,907,381		
AY 79	7,800,413		
IG. 79	2,588,295		

I.	1.	California	19,953,000	6.72	674,523
	2.	New York	18,241,000	1.01	638,333
II.	3.	Pennsylvania	11,794,000	5.85	502,086
	4.	Texas	11,197,000	5.33	487,332
	5.	Illinois	11,114,000	5.49	487,517
	6.	Ohio	10,652,000	5.00	477,665
	7.	Michigan	8,875,000	4.83	439,961
III.	8.	New Jersey	7,168,000	3.54	403,771
	9.	Florida	6,789,000	3.35	395,831
	10.	Massachusetts	5,689,000	2.81	372,694
	11.	Indiana	5,194,000	2.57	362,712
	12.	North Carolina	5,082,000	2.51	359,841
	13.	Missouri	4,677,000	2.31	351,272
	14.	Virginia	4,648,000	2.30	350,844
	15.	Georgia	4,590,000	2.27	349,558
	16.	Wisconsin	4,418,000	2.18	345,702
	17.	Tennessee	3,924,000	1.94	335,419
	18.	Maryland	3,922,000	1.94	335,419
	19.	Minnesota	3,805,000	1.88	332,849
	20.	Louisiana	3,643,000	1.80	329,421
IV.	21.	Alabama	3,444,165	1.70	325,137
	22.	Washington	3,409,000	1.68	324,280
	23.	Kentucky	3,219,000	1.57	320,401
	24.	Connecticut	3,032,000	1.50	316,568
	25.	Iowa	2,825,000	1.40	312,883
	26.	South Carolina	2,591,000	1.35	307,142
	27.	Oklahoma	2,559,000	1.34	306,225
	28.	Kansas	2,249,000	1.11	299,858
	29.	Mississippi	2,217,000	1.10	299,436
	30.	Colorado	2,207,000	1.09	299,061
	31.	Oregon	2,091,000	1.05	296,430
	32.	Arkansas	1,923,000	.98	283,003
	33.	Arizona	1,772,000	.94	290,004
	34.	West Virginia	1,744,000	.86	289,147
	35.	Nebraska	1,484,000	.73	283,577
V.	36.	Utah	1,059,000	.52	275,000
	37.	New Mexico	1,016,000	.50	275,000
	38.	Maine	994,000	.49	275,000
	39.	Rhode Island	950,000	.47	275,000
	40.	Hawaii	770,000	.38	275,000
	41.	New Hampshire	738,000	.36	275,000
	42.	Idaho	713,000	.35	275,000
	43.	Montana	694,000	.34	275,000
	44.	South Dakota	666,000	.33	275,000
	45.	North Dakota	618,000	.31	275,000
	46.	Delaware	548,000	.27	275,000
	47.	Nevada	489,000	.24	275,000
	48.	Vermont	445,000	.22	275,000
	49.	Wyoming	332,000	.16	275,000
	50.	Alaska	302,000	.15	275,000

D C.

PRINCE RICO

ALASKA

GUARD

117

FY 78

IV. 77 5,444,587 (unchanged) (3,518,203)

B. 78 3,809,619

AY 78 1,281,940

IG. 78 3,065,523

16,601,669

FY 79

IV. 78 2,033,002

B. 79 5,907,381

AY 79 7,800,413

IG. 79 2,588,295

18,329,091

I.	1.	California	19,953,000	1.85	677,323
	2.	New York	18,241,000	1.01	638,333
II.	3.	Pennsylvania	11,794,000	3.85	502,846
	4.	Texas	11,197,000	5.32	487,332
	5.	Illinois	11,114,000	5.47	487,517
	6.	Ohio	10,652,000	5.26	477,665
	7.	Michigan	8,875,000	4.23	439,761
III.	8.	New Jersey	7,168,000	3.54	403,771
	9.	Florida	6,789,000	3.35	375,831
	10.	Massachusetts	5,689,000	2.81	372,694
	11.	Indiana	5,194,000	2.57	362,712
	12.	North Carolina	5,082,000	2.51	359,841
	13.	Missouri	4,677,000	3.31	351,272
	14.	Virginia	4,648,000	3.36	350,844
	15.	Georgia	4,590,000	3.07	349,558
	16.	Wisconsin	4,418,000	2.13	345,702
	17.	Tennessee	3,924,000	1.74	335,419
	18.	Maryland	3,922,000	1.94	335,419
	19.	Minnesota	3,805,000	1.88	332,849
	20.	Louisiana	3,643,000	1.80	329,421
IV.	21.	Alabama	3,444,165	1.70	325,137
	22.	Washington	3,409,000	1.68	324,180
	23.	Kentucky	3,219,000	1.57	320,429
	24.	Connecticut	3,032,000	1.57	316,568
	25.	Iowa	2,825,000	1.40	312,283
	26.	South Carolina	2,591,000	1.36	307,112
	27.	Oklahoma	2,559,000	1.26	306,285
	28.	Kansas	2,249,000	1.21	299,858
	29.	Mississippi	2,217,000	1.10	279,430
	30.	Colorado	2,207,000	1.09	279,017
	31.	Oregon	2,091,000	1.07	276,430
	32.	Arkansas	1,923,000	.95	273,003
	33.	Arizona	1,772,000	.88	270,004
	34.	West Virginia	1,744,000	.86	269,147
	35.	Nebraska	1,484,000	.73	283,577
V.	36.	Utah	1,059,000	.52	275,000
	37.	New Mexico	1,016,000	.50	275,000
	38.	Maine	994,000	.47	275,000
	39.	Rhode Island	950,000	.47	275,000
	40.	Hawaii	770,000	.38	275,000
	41.	New Hampshire	738,000	.36	275,000
	42.	Idaho	713,000	.35	275,000
	43.	Montana	694,000	.34	275,000
	44.	South Dakota	666,000	.33	275,000
	45.	North Dakota	618,000	.31	275,000
	46.	Delaware	548,000	.27	275,000
	47.	Nevada	489,000	.24	275,000
	48.	Vermont	445,000	.22	275,000
	49.	Wyoming	332,000	.20	275,000
	50.	Alaska	302,000	.18	275,000

D.C.

ALASKA RICO

ALASKA

ALASKA

ALASKA

1,482,114

FY 78

IV. 77	5,444,587 (unchanged)	{	(3,518,203)
B. 78	3,809,619		
AY 78	1,281,940		
G. 78	3,065,523		

16,601,669

FY 79

IV. 78	2,033,002	{	18,329,091
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