



NATIONAL ENDOWMENT FOR THE

Humanities

**Appropriations Request
For Fiscal Year 2018**

**Submitted to Congress
May 2017**

NATIONAL ENDOWMENT FOR THE HUMANITIES

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NATIONAL ENDOWMENT FOR THE HUMANITIES

Fiscal Year 2018 Congressional Budget Justification

Overview

The Administration has proposed terminating funding for the National Endowment for the Humanities (NEH) in FY 2018. Toward this end, the FY 2018 budget requests \$42.307 million to begin the orderly closure of the agency. Please see the table below for a breakdown of the request.

Budget Category	President's Budget Request
Personnel	24,859,723
Rent	3,215,235
Contracts and other expenses	1,832,357
Grant amendments	12,400,000
TOTAL	42,307,315

Assumptions and Estimated Costs for Agency Shutdown Beginning in FY 2018

The NEH will fulfill its Federal responsibilities for grants and matching offers awarded prior to FY 2018. While no new grants or matching offers will be made beginning in FY 2018, NEH will require funding to support a reduced staffing level and administrative costs needed to effectively shut down operations.

Estimates provided assume enactment of legislation terminating funding for NEH on October 1, 2017.

In estimating the costs of closing the agency, NEH has made the following assumptions:

- Beginning on October 1, 2017, NEH will undertake an orderly shutdown of the agency's core operations, which will involve activities such as the following:
 - Prospective applicants will be notified of the termination of the agency's grant programs, as will the public.
 - Current grantees will be informed that a small number of NEH staff will remain on board to monitor existing grants, process matching amendments, and make payments on still-active grants.
 - Vendors will be notified that their contracts will be terminated as of the time the vendors' services are no longer needed.
 - Other federal agencies will be informed that then-current interagency agreements will be terminated as necessary

- NEH's private-sector partners will be informed that cooperative ventures will be terminated as they relate to activities that were to have been undertaken in FY 2018.
- NEH staff will be informed that a reduction in force will be initiated to terminate the employment of approximately 95 such staff members within the first six months of the fiscal year, with another 50 being asked to stay on through the remainder of FY 2018 to undertake the work described above.
- NEH will not invite or accept any new grant applications, nor make any new grants, in FY 2018.
- No grants that remain active as of October 1, 2017, will be terminated prior to their scheduled termination date. For the 1,000+ grants that will be in this category as of October 1, the Federal government, through NEH, has obligated more than \$250,000,000 in funds, with the vast majority of these funds yet to be paid out to the grantees. So all current grants will remain active until their already-established termination dates—many of which extend beyond FY 2018—and NEH (or its successor) will honor all payment requests against those obligations.
- NEH will honor its commitment to current grantees who have a matching offer. In FY 2018 any grantee who certifies gifts in accordance with their matching offer will receive federal matching funds from NEH, up to the total amount NEH has offered as of September 30, 2017.
- As noted above, on or shortly after October 1, 2017, NEH will initiate action to terminate the employment of approximately 95 of its current staff of 145 employees. On the advice of the Office of Personnel Management, the agency is estimating that the reduction in force (RIF) will take six months to accomplish, including the required sixty-day advance notification to each affected employee.
- NEH will keep a staff of approximately 50 employees. Some will be responsible for conducting the necessary oversight activities for the 1,000+ active grants whose termination date extends beyond October 1, 2017. Others will provide support services for these employees, while also initiating an orderly shutdown of NEH's systems, publications, contractual arrangements, and interagency agreements. Yet others will be responsible for conducting the personnel-related work associated with the significant reduction in force that will need to occur to reduce the agency's FTE to 50, and then to service the HR needs of the 50 staff members who will continue on for the remainder of FY18. The agency's three FTEs in the Office of the Inspector General also will continue to be a part of the management of the shutdown through the end of the fiscal year.
- For discontinued employees, all appropriate compensation will be provided, including but not limited to severance pay, lump-sum payments for unused annual leave, and performance bonuses generated by eligible employees' close-out performance appraisals.

- More than 400 grants will continue to be active beyond October 1, 2018. As FY 2018 draws to a close, additional plans will be need to be made to monitor these still-active grants in FY 2019 and beyond.

NEH Budget Request by Object Classification
(\$ in thousands)

OBJECT CLASSES		FY 2016 Final	FY 2017 Estimate	FY 2018 Request
11.1	PERSONNEL COMPENSATION	16,108	15,685	16,212
12.1	BENEFITS	5,230	5,018	4,696
13.1	UNEMPLOYMENT COMPENSATION	<u>0</u>	<u>0</u>	<u>3,952</u>
	TOTAL-PERSONNEL COMPENSATION	21,338	20,703	24,860
21.0	TRAVEL AND TRANSPORTATION		270	0
		293		
23.1	GSA RENT	3,011	3,009	3,215
23.3	COMMUNICATIONS AND UTILITIES	330	362	290
24.0	PRINTING	146	118	1
25.1	OTHER CONTRACTUAL SERVICES	1,998	2,287	1,174
25.9	PANELIST CONTRACTS	595	510	0
26.0	SUPPLIES	90	92	6
31.0	EQUIPMENT	243	227	361
41.1	GRANTS	11,319	11,375	12,400
	TOTAL	\$39,363	\$38,953	\$42,307

Cost Estimates

NEH estimates that \$42,307,315 in funding will be needed to accomplish an orderly shutdown of the agency. The cost estimates provided below assume an appropriation of funding will be made available to the agency by October 1, 2017.

Personnel

The funds requested for personnel expenses will cover payroll costs for approximately 145 staff members for the first six months of the fiscal year (i.e., until the RIF can be completed); separation-related costs for the 95 staff members whose employment will be terminated; and pay and benefits for a residual staff of 50 who will stay aboard to accomplish the tasks described in the preceding section of this budget request.

Rent

The agency will continue to rent space in its current headquarters at the Constitution Center in Washington, DC. Under its existing occupancy agreement with the General Services Administration, NEH will continue to occupy its current space for the first six months of the fiscal year. When the RIF is completed at mid-year, the residual staff will be consolidated into smaller space within the area covered by the existing occupancy agreement.

The costs to deaccession NEH's surplus furniture, fixtures, and equipment will be borne by GSA.

Contracts and other expenses

NEH will discontinue most of the agency's annual maintenance and support contracts, as well as all communications and publication contracts. However, some contracts will be necessary to continue, often at a reduced level, in support of such activities as network/IT support, building security, administrative staff support, and financial services. NEH will also need to continue its current contract with the Oracle Corporation to provide the accounting and financial services needed to process payments on grants that remain active after September 30, 2017. Funds are also needed to cover the cost of the transfer of official agency records to the National Archives and Records Administration or other appropriate repositories.

Grant amendments

Each year NEH is appropriated funding for its matching grants programs. There are two types of such grants: Challenge Grants, which provide support to *institutions* for their humanities programs and operations, and matching grants, which are offered in support of a wide variety of humanities *projects* across many of NEH's grant programs. For both types of matching grants, the process of making an award begins with a formal "offer" of matching money. Such offers are conditioned on the applicants' ability to obtain gifts from the private sector. Once applicants have certified that they have raised such private support, NEH awards federal matching funds as promised in its initial "offer" letter.

As of October 1, 2017, NEH estimates that \$12.4 million in matching commitments will remain open, based on the cumulative total of all outstanding matching offers at that time. NEH requests an appropriation of this amount of matching funds to honor all such prior commitments.

NEH Programmatic and Performance Highlights

Since its establishment in 1965, NEH has provided leadership by supporting projects and programs in all areas of the humanities—history, philosophy, literature and languages, archaeology, political theory, comparative religion, and other related subject areas—and helped to make humanities knowledge and learning widely available in the United States. Each year, humanities projects supported by NEH fulfill the agency’s mandate by providing training for thousands of school, college, and university teachers; reaching tens of millions of Americans with high quality television and radio documentaries, museum exhibitions, and reading and discussion programs in museums and libraries across the nation; and by supporting, in partnership with the Library of Congress, efforts in every state to digitize and make accessible hundreds of thousands of pages of historic U.S. newspapers. NEH also supports scholarly research that has resulted in the publication of thousands of books, many of which have won prestigious awards for intellectual distinction, including 18 Pulitzer Prizes and 20 Bancroft Prizes.

The Endowment’s work has been complemented and extended by the programs and projects of the NEH-affiliated humanities councils in all 50 states and six U.S. territories. With their strong networks of cultural and educational institutions within their states, the councils are able to reach millions of citizens in diverse and remote settings with programming that meets the particular needs of each local community. Through the state humanities councils, NEH funding annually makes possible tens of thousands of reading and discussion programs, literacy programs, speakers’ bureau presentations, conferences, media programs, and a variety of technology, preservation, and state and regional history projects. Every council has a distinctive programmatic mix that is tailored to the needs and interests of the citizens of that state. They also employ more than 500 staff members and engage more than 1,000 volunteer board members. Each council receives funds annually from NEH in accordance with a statutory formula. As federally mandated, every NEH dollar a council receives is matched by local contributions of cash, goods, or services. On average, councils leverage five dollars for every federal dollar awarded in NEH grants. The councils work with more than 9,300 partner organizations and conduct programs in more than 6,000 communities nationwide. NEH protects the federal investment by ensuring that the councils are strong organizations capable of delivering high quality humanities programming. It does so by coordinating and overseeing a regularly scheduled self-assessment and evaluation process, by communicating and partnering with the councils individually and collectively, and by maintaining a high level of accountability.

Some of NEH’s notable recent accomplishments include:

- In FY 2016, the Endowment awarded more than \$123 million to nearly 1,000 humanities projects in every state of the nation and U.S. territorial jurisdictions. These projects are advancing knowledge and understanding in the humanities and bringing this knowledge to millions of Americans. To date in FY 2017, NEH has awarded more than \$62 million to more than 500 humanities projects and programs throughout the nation.

- Fiscal year 2017 marks the third year of the Endowment’s special initiative, *The Common Good: The Humanities in the Public Square*, which is supporting projects that demonstrate the critical role the humanities can play in our nation’s public life. The initiative’s programs and activities include:

- ✓ *Standing Together: The Humanities and the Experience of War*, which was piloted in 2014. Since then, NEH has awarded nearly \$8 million for humanities projects that serve veterans or chronicle their experiences. NEH grants support veterans as they transition to civilian life, provide the public with insights into veterans’ experiences, assist veterans and their families as they process the traumas of war, and honor veterans’ service by recording their stories for posterity.

The Warrior Scholar Project, for example, is a program that offers an “academic boot camp” for vets entering or returning to college. Begun at Yale University, with NEH support it has now expanded to 12 campuses across the country—including Texas A&M University, the University of Oklahoma, and the University of Arizona—and has helped more than 500 enlisted veterans enroll and succeed in college.

The Endowment also provided support for more than 30 public screenings and discussion panels nationwide focused on the documentary film, “Debt of Honor: Disabled Veterans in American History.” The film, which was broadcast nationally on Veterans Day 2015, was also screened at sites carefully selected to include localities with significant veteran and military populations.

- ✓ A new “Humanities Initiatives at Community Colleges” program was launched to support projects focused on a core topic or set of themes in humanities education at community colleges. The pilot competition received a robust response from the field—nearly 100 grant applicants were submitted—and the Endowment made 12 awards, including, for example, a grant to Sitting Bull College in North Dakota to record and preserve interviews with native speakers of the Lakota/Dakota language for use in language classes at this tribal college.
- ✓ NEH created a “Public Scholar Program” to encourage and promote humanities research and writing for a wide and diverse reading public, provide easy access to humanities ideas, and make a lasting impact on public understanding of important topics. Among the projects supported in the first two grant competitions are a book—published to critical acclaim in 2016 by Little, Brown, and Company—on the building of One World Trade Center on the site of the former Twin Towers, and forthcoming works on the cultural history of the Star-Spangled Banner and

the life and times of NASA engineer Wernher von Braun, as seen through the prism of postwar and Cold War America.

- ✓ A new NEH program, “Common Heritage,” is supporting local community events in cities and towns devoted to digitizing cultural heritage materials such as photographic materials, maps, films, and letters, and then making these historical materials available for exhibition, study, discussion, and preservation. NEH received more than 200 applications from 44 states at its first deadline and made 38 awards.
- ✓ NEH’s new “Humanities Open Book” program, in partnership with the Andrew W. Mellon Foundation, is designed to make out-of-print humanities books available electronically, and free of charge, to the American people. The Mellon Foundation has committed \$1,500,000 to the program over three years.

A representative sampling of the Endowment’s many other programmatic highlights and achievements include:

- Preserving and increasing access to cultural heritage resources. The agency's Preservation and Access grant programs focus on projects that preserve and reformat the intellectual content of historically significant books and periodicals; preserve and provide access to important archival materials and library special collections; and create humanities research tools and reference works such as dictionaries, bibliographies, and encyclopedias.

NEH also collaborates with the National Science Foundation to provide national recognition and support for projects to document, record, and archive endangered languages worldwide that are on the verge of extinction, including hundreds of American Indian languages. It is estimated that half of the world’s 6,000-7,000 current spoken languages are on the verge of extinction. As part of this widely acclaimed initiative, since FY 2005 NEH has supported 135 projects, including many on endangered American Indian languages, and awarded approximately \$13 million. For example, a recent award is enabling scholars from the College of William and Mary in Williamsburg, Virginia, to document Creek, an endangered Muscogean language, originally spoken in the southeastern United States and now spoken by the Muscogee (Creek) and Seminole nations in Oklahoma and the Seminole tribe in Florida. Working with Creek speakers and Seminole tribal members in Oklahoma, and with students at a local college, the project will produce 24 hours of audiovisual recordings, transcriptions, and translations into English, allowing individuals to listen to recordings of spoken Creek. The project will also train students in language documentation methods, strengthening community engagement between younger tribal members, language learners, and native speakers. Upon completion of the project, recordings and linguistic analysis will be archived at the Sam Noble Museum of Natural History at the University of Oklahoma and made available online.

For more than a decade, the Endowment also has worked in partnership with the Library of Congress to digitize and post online millions of pages of historic U.S. newspapers. To date, NEH-supported projects in 43 states have produced nearly twelve million pages, which have been drawn from 2,200 discrete U.S. newspaper titles, including papers printed in Danish, Finnish, French, German, Italian, Polish, and Spanish. The Library of Congress's "Chronicling America" website receives nearly four million visits annually to these important historical materials from students, teachers, researchers, and other citizens interested in learning more about the nation's history.

NEH has also worked with other agencies and with non-governmental organizations to help document and call attention to endangered artifacts and other cultural heritage resources abroad, particularly in the Middle East.

- Strengthening teaching and learning in the humanities in elementary and secondary schools and institutions of higher education. NEH supports summer institutes, seminars, and workshops that provide teachers with opportunities to replenish and deepen their knowledge of the humanities through intensive study of books, archives, and visits to local and national landmarks. The Endowment supports teacher and faculty development projects that are based on rigorous humanities scholarship and directed by distinguished scholars and master teachers. In FY 2016, for example, NEH-supported projects reached more than 2,600 school and college teachers nationwide. The ultimate beneficiaries of these summer programs are the hundreds of thousands of American students who annually are taught by teachers who have enhanced their knowledge of the subjects they teach.

NEH's EDSITEment project annually provides millions of teachers, students, and parents with access to more than 500 scholar- and teacher-developed lesson plans and links to over 400 peer-reviewed websites covering topics from civics to American history to world literature that are curated especially for the classroom.

- Providing opportunities for Americans to engage in lifelong learning in the humanities. The Endowment supports public humanities projects that enable millions of Americans to engage deeply with significant works, ideas, and events through the lens of the humanities. The Endowment supports a wide range of public humanities programs that reach large and diverse audiences. These programs make use of a variety of formats including television and radio documentaries, museum exhibitions, and interpretation at historic sites, websites, and other digital media.

Notable recent programs included a special project, *Created: Equal: America's Civil Rights Struggle*, which encouraged public conversations about the changing meanings of race, equality, and freedom in American life. Launched in 2013 to coincide with the 150th anniversary of the Emancipation Proclamation, *Created*

Equal provided a packaged set of NEH-funded films on Civil Rights history to 473 communities across the nation. A follow-on project, *Changing America: The Emancipation Proclamation, 1863 and The March on Washington, 1963*, opened in February 2014 in Peoria, Illinois, and Yanceyville, North Carolina. The exhibition is now traveling to 50 museum and public library venues across the nation and small grants from NEH are supporting scholar-led public discussions at the exhibition sites.

In 2016, audiences at 50 libraries across the nation had the opportunity to see an original copy of Shakespeare's first folio, a 1623 collection of the Bard's plays. Considering issues such as the literary significance of the Folio, the history of Hamlet's "To be or not to be" speech, and the changing presentation of the printed word, this outstanding exhibition created by the Folger Shakespeare Library, with major support from NEH, made an important contribution to the international events marking the 400th anniversary of Shakespeare's death in 1616.

- Supporting research and scholarship that expand our knowledge and understanding in the humanities. Over five decades, the Endowment has been a major source of support for advanced humanities research and scholarship in the United States. Annually, NEH makes hundreds of awards to individual scholars, as well as grants to institutions and teams of scholars engaged in collaborative projects, to explore subjects that enrich our knowledge of the people, ideas, and events that make up the record of civilization.

The Endowment is the major source of funding for authoritative editions of the papers of the country's most important historical figures, including civil rights leader Martin Luther King, Jr.; political and military leader George C. Marshall; Hull House founder and humanitarian Jane Addams; scientist Albert Einstein; inventor Thomas Alva Edison; and such notable statesmen as George Washington, John Jay, Thomas Jefferson, Benjamin Franklin, Andrew Jackson, and Abraham Lincoln. NEH also supports editions of the writings of quintessential American authors such as Mark Twain, Emily Dickinson, Ernest Hemingway, and Willa Cather. In addition, NEH funds have been instrumental in support of such important collections on the history of the nation's founding as a *Documentary History of the Ratification of the Constitution and the Bill of Rights* and a *Documentary History of the First Federal Congress (1789-1791)*. These authoritative editions provide scholars with the raw materials of scholarly inquiry, and their growing availability on the Internet means greater access for the general public, as well as for teachers and students in classrooms worldwide.

NEH and the Andrew W. Mellon Foundation recently began a new special grant opportunity to promote a new generation of scholars who are working on humanities projects that will be published only in digital formats. This partnership is a cost-effective way to maximize the investments and goals of both organizations.

- Providing national leadership in spurring innovation and best practices in the use of the digital humanities. In the humanities, as in the sciences, digital technology has changed the way scholars perform their work. While the Endowment supports digital projects in all of its major grant programs, it is through its Office of Digital Humanities that NEH fosters the development of a wide variety of innovative digital humanities projects and forward-looking solutions.

The establishment of NEH's Office of Digital Humanities more than a decade ago has helped to spur enormous growth in the field, with many universities creating new jobs and hiring new faculty, librarians, and technologists to work on digital humanities projects. In addition, the agency's Digging into Data Challenge program has encouraged and supported cutting-edge collaborative research from top U.S. scholars and scientists working with international colleagues. The program began as a collaboration with three other nations—Canada, the United Kingdom, and the Netherlands—all of whom contributed funds to the initiative. As a result of NEH's leadership and recent collaboration with the European-led Trans-Atlantic Platform for the Humanities and Social Sciences, 11 nations now participate in the program. Working with our international peer research agencies allows NEH to leverage its funds: In this fiscal year alone, NEH's \$750,000 in grant funds will leverage approximately \$9,000,000 in additional international funds for digital humanities projects. This effort enables U.S. researchers to participate in major international projects that could not be funded solely by NEH.

- Strengthening the institutional base of the humanities and leveraging third-party contributions to humanities projects. The NEH Challenge Grants matching program assists educational and cultural institutions, such as colleges, universities, museums, public libraries, historical societies, state humanities councils, and many other humanities organizations in developing non-federal sources of support for their humanities programs. Beginning in FY 2016, the original single Challenge Grant program was replaced by three new, thematically focused programs. Each has as its goal to help institutions disseminate knowledge in the humanities in innovative ways: the *Next Generation Humanities Ph.D.* program is broadening graduate training to reflect the range of career options that humanities Ph.D. students can pursue; *Expanding Humanities Access* grants stimulate program development for underserved groups; and *Creating Humanities Communities* will expand humanities programs in states previously underserved by NEH's grant-making divisions and offices.

Encouraging private-sector support for cultural activities is an important goal of the agency. Over five decades, NEH helped leverage nearly \$2.5 billion in contributions from businesses, foundations, and individuals to NEH-supported humanities projects and programs throughout the nation.

FY 2018 Congressional Budget Justification
Appropriations Committee Format
(\$ in thousands)

	FY 2016	FY 2017	FY 2018
	<u>Appropriation</u>	<u>Appropriation</u>	<u>President's Request</u>
<i>The Common Good/Standing Together</i>	\$5,500	\$7,230	--
Education Programs	13,040	12,000	--
Federal/State Partnership	43,040	46,000	--
Preservation and Access	15,200	14,385	--
Public Programs	13,454	12,730	--
Research Programs	14,536	13,755	--
Digital Humanities	4,480	4,600	--
<u>Program Development</u>	500	500	--
Subtotal	109,750	111,200	--
Challenge Grants	8,500	8,500	--
<u>Treasury Matching Funds</u>	2,400	2,200	--
Subtotal	10,900	10,700	12,400
<u>Administration</u>	27,292	27,948	29,907
Total	\$147,942	\$149,848	\$42,307