



**FISCAL YEAR 2026**  
**CONGRESSIONAL JUSTIFICATION**

**MAY 2025**

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## OVERVIEW

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The President's Fiscal Year (FY) 2026 Budget proposes to terminate the National Endowment for the Humanities (NEH) and provides \$38 million to conduct an orderly shutdown of the Agency.

The NEH will fulfill its responsibilities for grants and matching offers, awarded prior to and in FY 2026, that support the celebration of America's 250<sup>th</sup> anniversary and the creation of the National Garden of American Heroes. NEH also requires funding to support the administrative costs needed to conduct an orderly shutdown of the Agency.

The cost estimates provided assume enactment of federal legislation that initiates termination of NEH operations on October 1, 2025. Additionally, NEH has made the following assumptions:

- Beginning on October 1, 2025, NEH will begin an orderly shutdown of the Agency's core operations.
- As applicable, 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 reduced NEH staff will remain on board to monitor existing grants, process matching amendments, and make payments on still-active grants.
- NEH will not invite or accept applications for grant programs that require panel review in FY 2026. The agency may accept applications for Chairman Grants that support America250. These awards only require review and decision by the Chairman and cannot exceed \$30,000 per award.
- All current grants will remain active until their already-established termination dates, but no later than September 30, 2026, 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 that extends into FY 2026. In FY 2026, 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, 2025.
- Vendors will be notified that their contracts will be terminated when 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 commence in FY 2026.
- In FY 2026, NEH expects to have a maximum of approximately 59 staff on board. Of these staff, some will be responsible for conducting the necessary oversight activities for the active grants whose termination date extends beyond October 1, 2025. Others will provide

support services for these employees, including human resources and financial services, while also initiating an orderly shutdown of NEH's systems, contractual arrangements, and interagency agreements.

- The Agency underwent a large reduction-in-force in April 2025 and several other employees departed the Agency through the Deferred Resignation Program and retirement. All remaining compensation owed to these employees will be paid, which could include severance pay (employees impacted by the reduction-in-force) and lump sum payments for unused annual leave.
- As the fiscal year draws to a close, plans will be made to transition any financial close out activity to NEH's shared financial service provider.

## NEH BUDGET REQUEST BY OBJECT CLASSIFICATION

	(\$ in thousands)	<b>FY 2026 President's Budget</b>
11.1	PERSONNEL COMPENSATION	\$10,284
12.1	BENEFITS	\$3,545
13.1	UNEMPLOYMENT COMPENSATION	\$7,956
	<i>SUBTOTAL PERSONNEL COMPENSATION</i>	<i>\$21,785</i>
21.1	TRAVEL & TRANSPORTATION	\$30
23.1	GSA RENT	\$746
23.3	COMMUNICATIONS AND UTILITIES	\$170
24	PRINTING	\$0
25.1	OTHER CONTRACTUAL SERVICES	\$3,965
25.9	PANELIST CONTRACTS	\$0
26	SUPPLIES	\$30
31	EQUIPMENT	\$60
41	GRANTS	\$11,214
	<i>SUBTOTAL NON-PERSONNEL COMPENSATION</i>	<i>\$16,215</i>
	<b>TOTAL</b>	<b>\$38,000</b>

### ***Personnel***

The funds requested for personnel expenses will cover payroll costs for approximately 59 staff members who will accomplish the tasks described in the preceding section of this budget request. Additionally, the Agency will pay the remaining costs for employees who departed from the Agency through (1) a reduction-in-force; (2) the Deferred Resignation Program; (3) voluntary retirement; or (4) attrition.

### ***Rent***

The Agency will continue to rent space at the Constitution Center in Washington, D.C. under its current 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, certain contracts will need to continue, often at a reduced level, in support of activities such as network/IT support, building security, administrative staff support, and financial services. Funds are also provided to cover the cost of the transfer of official Agency records to the National Archives and Records Administration or other appropriate repositories.

### ***Grants***

In celebration of the 250<sup>th</sup> anniversary of the signing of the Declaration of Independence and through the Agency's *A More Perfect Union* initiative, NEH is funding projects that enhance

understanding of the country's founding period. NEH also serves as an ex-officio member of the U.S. Semiquincentennial Commission, as outlined by a memorandum of understanding between the Commission, NEH, and other federal agencies signed in FY 2021.

Additionally, NEH is supporting the creation of the National Garden of American Heroes per Executive Order 14189, *Celebrating America's 250th Birthday*, which reinstated Executive Order 13934, *Building and Rebuilding Monuments to American Heroes* and Executive Order 13978, *Building the National Garden of American Heroes*. Per Executive Order 13934, the Chairman of the NEH sits on the Task Force for Building and Rebuilding Monuments to American Heroes. In FY 2025, NEH provided \$17 million for the creation of the statues enumerated in Executive Order 13978.

In FY 2026, grant funds will be used to support projects that commemorate America's 250<sup>th</sup> anniversary, as well as complete work for the National Garden of American Heroes.