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## Summary of Fiscal Year 2003 Budget Request

### NATIONAL ENDOWMENT FOR THE HUMANITIES

The Administration and the National Endowment for the Humanities request \$126.893 million in funding for the agency for fiscal year 2003:

- \$89.932 million for the Endowment's grant programs in support of high quality education, research, preservation, and public programming in the humanities and for the projects and programs of the 56 state humanities councils;
- \$10.436 million for the NEH Challenge Grants program to stimulate and match private, nonfederal donations in support of humanities institutions and organizations;
- \$5.686 million to stimulate and match nonfederal contributions to humanities projects supported by the Endowment; and
- \$20.839 million for administrative expenses needed to operate the agency. [Note: This amount includes an additional \$1.139 million in personnel benefits costs as per a government-wide legislative proposal that would require agencies to support the full costs associated with accruing employee pensions and retirement health benefits. Currently a portion of these costs is charged directly to central federal accounts rather than to individual agencies.]

#### The NEH Mission: Importance of the Humanities

In the 1965 legislation that established the National Endowment for the Humanities, the Congress of the United States declared that "democracy demands wisdom and vision in its citizens" and posited that "promoting progress in the humanities" was the surest route to such wisdom.

America's founders recognized the central importance of an informed citizenry in a democracy: "The diffusion of knowledge," James Madison observed, "is the only true guardian of liberty." Thomas Jefferson said "an enlightened citizenry is indispensable for the proper functioning of a republic." A guiding assumption of the founding was that an informed electorate was more likely to make wise decisions, and that a citizenry that understood its own rights and freedoms was more inclined to preserve and to protect them.

The horrific events of September 11 have underscored the importance of the humanities in understanding the state of our union and in responding effectively in times of crisis. A knowledgeable citizenry is essential to homeland defense; Americans need to understand the ideals, ideas, and institutions that undergird our nation if we are to defend it.

The National Endowment for the Humanities helps Americans develop wisdom and vision through the study and contemplation of the record of human thought. The study of history, literature, languages, philosophy and other humanities subjects help us not only to better understand our own nation, but other cultures as well.

For more than three and a half decades NEH has worked conscientiously to fulfill its broad mandate to preserve, promote, and disseminate the best of the humanities. Identifying and supporting excellence in the humanities enables and furthers the study and understanding of human history and culture, thereby enriching the lives of all Americans and better equipping them to participate fully as citizens in the ongoing American experiment. The Endowment is concerned that American schoolchildren in particular have sufficient opportunities to acquire a deeper understanding of our history. With this funding request we renew our commitment to the sustained and thoughtful study of ideas, history, and culture both in America and around the globe.

#### NEH Special Initiative: "We the People"

NEH believes that this is a propitious time to challenge humanities educators, scholars, professionals, and cultural institutions to enhance Americans' knowledge of their country's history. Thus, the Endowment is launching a special initiative to encourage new project proposals that advance our knowledge of the events, ideas, and principles that define the American

nation. The *We the People* initiative will call upon humanities scholars, teachers, filmmakers, museums, libraries, and other individuals and institutions engaged in the humanities to develop projects on the most significant events and themes in the nation's history and culture. Applications responding to this initiative will be welcomed in all of the Endowment's divisions and programs in FY 2003 and in future years and will be evaluated through NEH's established review system. This initiative requires no additional funding.

The We the People initiative will build on a foundation of significant projects NEH has helped make possible over the years, including the collected editions of the papers of Presidents George Washington and Dwight Eisenhower, the papers of Mark Twain and Thomas Edison, the journals of the Lewis and Clark Expedition, and a documentary history of the ratification of the Constitution and the Bill of Rights; educational television documentaries such as Ken Burns's *The Civil War*, *The West*, and *Jazz*, and other biographical films on such seminal figures as Theodore Roosevelt, Woodrow Wilson, Charles Lindbergh, Franklin Delano Roosevelt, George C. Marshall, and Frederick Douglass; and summer seminars and institutes for humanities school teachers and college and university faculty.

In addition, NEH has made possible significant works of scholarship that expand our knowledge and understanding of our past, including such Pulitzer Prize winning books as Bernard Bailyn's *Voyagers to the West: A Passage in the Peopling of the Americas on the Eve of the Revolution*, Joan Hedrick's *Harriet Beecher Stowe: A Life*, and James McPherson's *Battle Cry of Freedom: The Civil War Era*. We hope to add to this record of achievement through the encouragement of research, scholarship and programs of similar excellence that will enrich Americans' understanding of their homeland.

By deepening knowledge of our national heritage and the world around us, Americans will have a better understanding of how the major events of our history are illustrative of a dedication to certain fundamental and enduring ideas. Moreover, understanding our own history better equips us to understand other cultures and societies.

In FY 2003 and the coming years, we will add to this exemplary record of our core programs and will work hard to ensure that Americans of all backgrounds and from all regions of the country are able to learn more about the humanities. We will continue the agency's *Extending the Reach* efforts, which provide greater opportunities for individuals, institutions, and areas of the nation to participate more fully in NEH's programs. All four of the grant opportunities currently operating under this initiative-- Consultation Grants in the Public Programs Division, Preservation Assistance Grants in the Division of Preservation and Access, Faculty Research Awards in the Division of Research Programs, and Institutional Grants in the Division of Education Programs--will be maintained in FY 2003. These programs have been successful in building the capacity of institutions to mount quality humanities programs and have resulted in many new grantees to the Endowment, two outcomes the agency wishes to promote.

### Other Highlights of the Budget Request

In FY 2003 NEH's core programs will continue to support high quality education, research, preservation, and public programming in all fields and disciplines of the humanities. These programs are time-tested and cost-effective instruments for promoting excellence in humanities scholarship and expanding public knowledge of the humanities.

- Advance knowledge and understanding of the humanities: The FY 2003 request will allow NEH to strengthen its role as the major source of support for advanced research and scholarship in the humanities. By supporting significant research in the humanities the Endowment also contributes to faculty enrichment, improved teaching, and quality public programming throughout the United States. The products of these grants annually result in the publication of hundreds of books and articles as well as interactive websites or searchable databases on CD-ROM. Innovative applications of computer technology in humanities research will continue to be encouraged in FY 2003. Core research programs also will be enhanced in FY 2003 with the re-introduction of a Scholarly Editions grant category in support of

projects that are preparing annotated editions of texts and documents and major figures and events in the nation's and the world's history. This grant category re-establishes a similar program NEH operated successfully for many years until the mid-1990s when the agency underwent a major reorganization of its programs. Because scholarly editions are subject to different review criteria, funding arrangements, and oversight than other Collaborative Research projects, establishing a discrete grant program for such projects reaffirms the Endowment's commitment to these nationally significant projects while also continuing to support other serious research projects involving teams of scholars.

- Strengthen teaching and learning in the humanities in the nation's schools and colleges: The FY 2003 request will enable NEH to continue its traditional role as a critical resource for efforts to improve the quality of humanities education in the nation's schools and institutions of higher learning. Funding would be provided, for example, to maintain the agency's premier program of Summer Seminars and Institutes for school, college, and university teachers, as well as the program of Institutional Grants to Historically Black, Hispanic Serving, and Tribal Colleges and Universities, one of NEH's *Extending the Reach* offerings. The Endowment's education grants have a long-term impact because they concentrate on teachers, particularly those who teach in the K-12 grades. The ultimate beneficiaries of these projects are the hundreds of thousands of American students who annually are taught by these instructors.
- Maintain and strengthen the programs and activities of the state humanities councils: NEH's work in FY 2003 will be complemented by the local programming of the 56 state humanities councils. In recent years the recasting of our relationship with the councils into a true Federal/State Partnership has presented fresh opportunities for NEH to support the work of individual humanities councils in the various states as they design thoughtful and stimulating programming for all the nation's citizens. In FY 2003 the state humanities councils will continue their efforts to reach more of their citizens by developing partnerships with libraries, historical societies, archives, museums, and state centers for the book.
- Preserve and increase the availability of cultural and intellectual resources for the American people: The FY 2003 request would enable the Endowment to maintain its critical role in helping to preserve and increase the availability of resources important to the humanities. The agency's core programs in this area focus on preserving the intellectual content of brittle books and U.S. newspapers; helping institutions maintain and stabilize their fragile material culture collections; preserving important archives and special collections; providing preservation education and training opportunities; and creating research tools and reference works such as dictionaries, bibliographies, and encyclopedias. In FY 2003 the Endowment will support projects to develop standards and procedures for the conversion of microfilms of historical newspapers into digital files that would be freely accessible via the Internet. The agency also will encourage projects to develop technical guidelines needed for the long-term preservation and use of recorded sound collections. In addition, as part of the agency-wide *Extending the Reach* initiative, the program of Preservation Assistance Grants to small libraries, museums, and other institutions in support of their special preservation and training needs is being continued in FY 2003.
- Sustain and enrich lifelong learning in the humanities. At the FY 2003 request level, the Endowment would maintain support for its core public programs in the humanities--television and radio programs, museum exhibitions, and library reading and discussion programs--that help Americans engage in a lifetime of learning. These programs will be enhanced and complemented by several special grant opportunities, including small Consultation Grants--which enable organizations that are in the early stages of project development or institutional planning to consult with humanities scholars and public programming experts--and modest grants to small- to mid-sized museums to help those institutions mount traveling versions of successful Endowment-funded exhibitions. In addition, as part of a coordinated, nationwide effort to

observe the bicentennial of the Lewis and Clark expedition, in FY 2003 the Endowment will award implementation grants for regional projects that explore the history and ramifications of the expedition. This effort builds upon previous NEH awards to develop projects related to the expedition, as well as projects sponsored by a number of state humanities councils along the expedition's route.

- **Strengthen the institutional base of the humanities:** The NEH Challenge Grants program in FY 2003 will continue to assist nonprofit institutions in developing new sources of long-term support for their humanities programs. NEH challenge grants are widely recognized for their success in encouraging private giving to the humanities. Funding for Challenge Grants in FY 2003 would maintain the program's core activities in support of institutional needs in the humanities: increasing nonfederal donations to the humanities; enhancing humanities holdings and collections; establishing or augmenting institutional endowments; renovating or constructing facilities; and purchasing or upgrading capital equipment. In addition, in recognition of the crucial role small, local institutions play in preserving and interpreting local history, the program will make awards to smaller institutions that seek to strengthen their humanities resources in local history and encourage donations from nonfederal sources.

In FY 2003 no funding is requested for regional humanities centers. Under this former initiative, NEH awarded one-time implementation grants to eight institutions across the nation. Any institution that is interested in applying for support for a regional center is eligible to submit a proposal through the Endowment's regular Challenge Grant program.

- **Leverage third-party contributions to humanities projects:** For FY 2003, NEH requests increased funding of \$1.686 million for its Treasury funds account to match nonfederal contributions to individual projects in the humanities. Encouraging private-sector support for cultural activities is an important goal of the agency. NEH Treasury matching grants, which match nonfederal donations on a one-to-one basis, have proven to be an effective mechanism for leveraging the contributions of businesses, foundations, and individuals on behalf of the humanities. Building on this record of success, the additional funds requested would help to leverage nearly \$1.7 million in third-party donations to dozens of high quality projects identified by the agency's peer review system.
- **Provide administrative funds needed to operate the agency:** The Endowment and the Administration request a modest increase in NEH's administrative budget in FY 2003 to help cover the cost of operating the agency effectively while maintaining a high level of customer service. Additional funds are needed over the current appropriated level to meet cost pressures in a number of critical areas: personnel compensation and benefits, including the cost of the final quarter of the 4.77 percent federal pay raise that took effect January 2002, and the projected pay increase of 2.6 percent for 2003; increased space rental costs; enhanced support for the activities of the President's Committee on the Arts and the Humanities; and new funding for NEH's data collection and analysis activities, which have received little or no support in recent years. *As noted previously, the FY 2003 NEH administrative budget also includes \$1.139 million in additional personnel benefits costs as per a government-wide legislative proposal that would require agencies to support the full costs associated with accruing federal employee pensions and retirement health benefits.*

In developing this budget request the Endowment has been mindful of its legislated mission to advance the humanities throughout the nation, the needs and capabilities of institutions and individual scholars and educators in the humanities, and the need to hold down federal spending. We believe that federal agencies entrusted with taxpayers' money always should strive for frugality and accountability while delivering a high level of service to the American people. If approved by the Congress, the FY 2003 NEH budget would be a responsible and gainful investment for the nation to make in the humanities, an investment that would yield dividends for years to come.

### Summary of FY 2003 Budget Request (in thousands of dollars)

	FY 2001 <u>Approp.</u>	FT 2002 <u>Estimate</u>	FY 2003 <u>Request</u>
Federal/State Partnership	\$30,593	\$31,829	\$31,829
Education Programs	12,075	12,624	12,624
Preservation and Access	18,288	18,905	18,905
Public Programs	12,560	13,114	13,114
Research Programs	12,519	13,063	13,063
Program Development	<u>397</u>	<u>397</u>	<u>397</u>
<b>Subtotal</b>	86,432	89,932	89,932
Challenge Grants	10,436	10,436	10,436
Regional Humanities Centers	1,186	1,686	~
Treasury Funds	<u>4,000</u>	<u>4,000</u>	<u>5,686</u>
<b>Subtotal</b>	102,054	106,054	106,054
Administration	<u>17,941</u>	<u>18,450</u>	<u>19,700</u>
<b>Total</b>	\$119,995	\$124,504	\$125,754
Accrual for CSRS/FEHB <sup>1</sup>	<u>1,189</u> <sup>2</sup>	<u>1,175</u> <sup>2</sup>	<u>1,139</u>
<b>ADJUSTED TOTAL</b>	\$121,184	\$125,679	\$126,893

<sup>1</sup>In accordance with legislation proposed by the Administration, an additional \$1.139 million in administrative funds is requested for NEH for FY 2003. This legislation, affecting agencies government-wide, would increase the NEH total requested budget authority to \$126.893 million. The legislative proposal would require agencies to fund the full costs associated with accruing employee pensions and retirement health benefits. Currently a portion of these costs is charged directly to central federal accounts and not funded through individual federal agencies.

<sup>2</sup>To avoid misrepresenting the year-to-year change in program level, NEH is including retrospective estimates of the accrual payment in the FY 2001 and FY 2002 columns.