



NATIONAL ENDOWMENT FOR THE

Humanities

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PERFORMANCE & ACCOUNTABILITY REPORT

FISCAL YEAR 2011

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NATIONAL ENDOWMENT FOR THE HUMANITIES

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PERFORMANCE AND ACCOUNTABILITY REPORT

Fiscal Year 2011

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A Message from the Chairman of the National Endowment for the Humanities

I am pleased to present the Performance and Accountability Report for the National Endowment for the Humanities (NEH) for fiscal year 2011. The report sets forth the agency's goals and objectives and highlights our related accomplishments for the fiscal year just concluded. Also included in the report is information on the Endowment's finances and operations during the year.

NEH is an independent federal agency that was created by an act of Congress in 1965. The Endowment's overarching goal is to advance knowledge and understanding in the humanities in the United States. We are also committed to broadening awareness of, access to, and participation in the humanities. We do this by encouraging and supporting high quality scholarship, education, and public programming in the humanities.

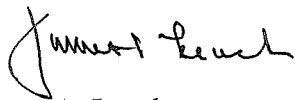
We believe that the data and information contained in this annual Performance and Accountability Report evidences the continuing value and importance of our programs and activities. Notable accomplishments this past year include:

- We launched a special initiative called *Bridging Cultures* to help Americans gain a deeper understanding of our heritage as well as the history and culture of other nations. NEH awarded grants for eight pilot projects at cultural and educational institutions around the country that brought together scholars and members of the public in discussions of two pressing national concerns—the role of civility in democracy and a deeper understanding of the Muslim world. In the spring of 2011, these grantees hosted regional forums designed to share with members of the public the best of recent humanities research on these topics. Building on these workshops, in FY 2012 NEH will support follow-up implementation projects to create humanities programs that will engage people in multiple communities across the nation in one of the designated themes.
- NEH has a statutory mandate to foster work that underscores “the relevance of the humanities to the current conditions of national life.” In keeping with this mandate, after arriving at NEH I embarked on a fifty-state civility tour to discuss the consequences of a breakdown in civility in our social and political life. Whether speaking at a university or veterans hospital, I make clear that civility is not simply or principally about manners. It doesn't mean that vigorous advocacy is to be disrespected. Indeed, spirited debate is a social good – a prerequisite to avoiding dogmatism and blocking tyranny. Nevertheless, at its core, what civility demands is that citizens address each other in a language of respect, with

an understanding that we are all connected and rely on each other. Seldom is there only one proper path determinable by one individual or one political party. Public decision-making does not lend itself to certitude. Everybody can learn from somebody else. That is why humility is a valued character trait and why civility is a central ingredient of a democratic society. In May of 2011, I completed my tour of all fifty states, which took me to more than 80 cities and towns across the country, and which has advanced the national conversation about the need to listen to one another in a democracy.

- The Endowment's work in FY 2011 was complemented by the programs and projects in the state humanities councils, which are independent nonprofit organizations in each of the fifty states and in the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, the commonwealth of the Northern Marianas, and American Samoa. With their strong networks of cultural and educational institutions, the councils ensure that funds received through NEH, and the programs they support, reach citizens in every state and territory. The councils support reading and discussion programs for children and families; state and local book festivals; educational institutes for elementary and secondary school teachers; scholarship on state and local history; Chautauqua-style historical performances; radio and film projects on humanities themes; and special initiatives designed to bring humanities programming to patients at veterans hospitals throughout the country.

The financial and performance data contained in this report are, to the best of my knowledge, reliable and complete. I can also state that the National Endowment for the Humanities is in compliance with the requirements of the Federal Managers' Financial Integrity Act of 1982. There are no material internal control weaknesses to report.



James A. Leach
November 15, 2011

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PERFORMANCE AND ACCOUNTABILITY REPORT
Fiscal Year 2011

I. MANAGEMENT’S DISCUSSION AND ANALYSIS

Mission Statement and Organizational Structure

Because democracy demands wisdom, the National Endowment for the Humanities serves and strengthens our Republic by promoting excellence in the humanities and conveying the lessons of history to all Americans. The Endowment accomplishes this mission by providing grants for high-quality humanities projects in four funding areas: preserving and providing access to cultural resources, education, research, and public programs.

—NEH Mission Statement

In the 1965 legislation that established the National Endowment for the Humanities (NEH), the Congress of the United States declared that "encouragement and support of national progress . . . in the humanities . . . , while primarily a matter of private and local initiative, is also an appropriate matter of concern to the Federal Government." Acknowledging the federal government's interest in "promoting progress in the humanities," the 89th Congress expressed this interest in a single, powerful observation: "Democracy demands wisdom and vision in its citizens." The agency's authorizing legislation also encourages the Endowment to, among other things, promote "understanding of the nation's rich cultural heritage," foster "a mutual respect for the diverse beliefs and values of all persons and groups," and "relate the humanities to the current conditions of national life."

The Endowment helps Americans develop "wisdom and vision" by supporting humanities projects and programs that expand knowledge of history, thought, and culture. NEH awards grants to the nation's museums, archives, libraries, colleges, universities, and public television and radio stations, as well as other educational and cultural institutions. The agency also provides grants to individuals to undertake advanced research and scholarship in the humanities.

NEH is directed by a Chairman, who is appointed by the President of the United States and confirmed by the U.S. Senate for a term of four years. The current Chairman is James A. Leach. Before coming to the agency in 2009, Mr. Leach served for thirty years as a member of the U.S. House of Representatives, where he also co-founded and co-chaired the Congressional Humanities Caucus. Advising the NEH Chairman is the National Council on the Humanities, a board of 26 distinguished private citizens who are also appointed by the President and confirmed by the Senate. National Council members serve staggered six-year terms.

The agency's grant programs are organized into four divisions (Education Programs, Preservation and Access, Public Programs, and Research Programs) and three offices (Federal/State Partnership, Digital Humanities, and Challenge Grants). Complementing these divisions and offices is an agency-wide special initiative—called *Bridging Cultures*—that encourages humanities projects that illuminate the connections and commonalities in the human experience across diverse cultures and subcultures within America's borders and around the globe.

NEH's grant programs received more than 5,300 applications in FY 2011. These applications were evaluated by knowledgeable persons outside NEH who were asked for their judgments about the quality and significance of the proposed projects. Approximately 1,000 scholars, teachers, librarians and archivists, museum curators, documentary filmmakers, and other humanities professionals and experts serve on the more than 200 panels NEH convenes annually. Panelists represent a diversity of disciplinary, institutional, regional, and cultural backgrounds. NEH staff assembles panelists' evaluations of the merits of grant applications and comment on matters of fact or significant issues that would otherwise be missing from the review. The materials are then presented to the National Council on the Humanities, which meets three times each year to advise the Chairman of NEH. The Chairman takes into account all of the advice provided via the review process and, by law, is authorized to make the final decision about funding. Nearly 1,100 humanities projects received funding from NEH in fiscal year 2011.

Highlights of Important Performance Goals and Results

NEH works to fulfill its legislated mission through the pursuit of two broad strategic goals—to advance knowledge and understanding in the humanities in the United States and to broaden public awareness of, access to, participation in, and support for the humanities. A third, related goal is to enhance the quality of service and efficiency of our operations.

The first of these programmatic goals—to advance knowledge and understanding in the humanities in the United States—involves the pursuit of nine separate objectives:

1. Facilitate basic research and original scholarship in the humanities.
2. Strengthen teaching and learning in the humanities in U.S. schools and higher educational institutions.
3. Preserve and increase the availability of cultural and intellectual resources essential to the American people.
4. Provide opportunities for Americans to engage in lifelong learning in the humanities.
5. Strengthen the institutional base of the humanities.
6. Maintain and strengthen partnerships with the state humanities councils.

7. Enhance the teaching, study, and understanding of the nation's history, culture, and principles.
8. Develop collaborative partnerships with individuals and institutions in support of the humanities.
9. Stimulate third-party support for humanities projects and programs.

Performance indicators are in place for each of these objectives (see the Performance Information section of this report, beginning on page 15). The indicators help NEH assess the outcomes of the humanities projects we support and the extent to which they advance the agency's long-term goals. Because FY 2011 has only just concluded, we cannot report actual outcomes related to most of our grant-making activity during the year. This is because the vast majority of projects supported in any given year will not be completed during that year. Not only are many NEH grants two- and three-year projects, the outcomes of most will not become apparent until many years after the grant has been completed—for example, fellowships and stipends awarded to scholars to conduct advanced research in the humanities typically will not result in the publication of books or articles until five or more years after the grant period has ended. The outcomes of these grants will thus need to be accounted for in future performance reports.

The Endowment is now in the process of reviewing and updating its multi-year strategic plan. When our new plan is in place, we will realign our performance goals and indicators to conform to the revised plan. As this process is unfolding, we are concurrently adapting elements of the new Research Performance Progress Report (RPPR) format, which was developed by a committee of the National Science and Technology Council and is under the supervision of the National Science Foundation. This report will help us capture performance information from our grantees and import that information directly into our grants management system. The Endowment will be pilot-testing the RPPR format in FY 2012 in a handful of our grant categories.

We have also developed an in-house system for collecting information on the products and prizes that result from NEH grants. This system will help both the agency and the general public have a better understanding of the impact of our work.

In FY 2011 our new *Bridging Cultures* initiative as well as our ongoing grant programs offered ample evidence of their effectiveness in advancing the Endowment's goals and objectives. Notable achievements of our *Bridging Cultures* initiative included:

- The initiative is helping Americans gain a deeper understanding of their own heritage as well as the history and culture of other nations. In FY 2010, for example, NEH awarded grants for eight pilot projects at cultural and educational institutions around the country that brought together scholars, state humanities councils, and members of the public in discussions of two pressing national concerns—the role of civility in democracy and the need for a deeper understanding of the Muslim world. In the spring of 2011, these grantees hosted regional forums where participants shared the best of recent research on

these topics with members of the public.

- The Endowment established a special grant category within its America's Media Makers program—*Bridging Cultures* through Films: International Topics—to support documentary films that examine critical issues in ethics, religion, or politics through an international lens. Five awards under this new program were made in FY 2011 for projects that will introduce Americans to other cultures and that investigate a wide range of topics, from endangered languages worldwide to the role of American popular music in the collapse of the Iron Curtain.
- A special opportunity within the NEH Challenge Grants program is aimed at strengthening the humanities at America's two-year colleges. In FY 2011, the Endowment invited proposals for projects that will advance the role of the humanities at community colleges through curriculum and faculty development focused on the theme of *Bridging Cultures*. NEH approved six projects, which will raise more than \$4 million in nonfederal funds in support of a range of humanities projects on the nation's two-year college campuses.

NEH's other grant programs also continue to support important humanities projects that increase Americans' knowledge and understanding of history, thought, and culture. Some notable accomplishments included:

- Support for the programs and operations of 56 state humanities councils made available high quality state and local humanities projects to millions of citizens throughout the nation, including 16,600 reading and discussion programs, 2,300 exhibitions, 6,200 literacy programs, 4,000 speakers bureau presentations, 4,300 teacher institutes and workshops, 5,100 conferences and symposia, 2,000 Chautauqua events, 7,600 media programs, 700 technology projects, 720 preservation projects, and 4,200 local history projects.
- Rigorous summer institutes, seminars, and workshops helped thousands of school and college teachers deepen their knowledge of a broad range of important humanities subjects related to their teaching. In the summer of 2011, nearly 3,300 teachers, college faculty, and humanities graduate students attended NEH-supported professional development programs.
- Historically and culturally important holdings of the nation's libraries, archives, and museums were preserved and made accessible to scholars, students, and the public. NEH-supported projects annually preserve the intellectual content of thousands of books and periodicals and catalog and preserve hundreds of thousands of archival documents, photographs, manuscripts, and objects of archaeological, ethnographic, and historical importance.
- NEH-supported scholarly research continued to provide intellectual nourishment to the American people. For many years, for example, the Endowment has provided funding to the Mark Twain Papers and Project at the University of California, Berkeley, to edit and

publish authoritative editions of Twain's works and correspondence. In 2010, the first volume of the *Autobiography of Mark Twain* (University of California Press) appeared, and in 2011 it became a popular hit. The *Autobiography*, which required painstaking editorial detective work to prepare, spent sixteen weeks on *The New York Times* bestsellers list and sold well over a half million copies in both traditional and electronic formats. With two more volumes of the *Autobiography* to follow, the Endowment will continue to help to bring this important work, and the excellent scholarship of the Mark Twain Papers and Project, to a mass audience.

- In 2005 NEH joined with the National Science Foundation to launch a “Documenting Endangered Languages” initiative, which was designed to support projects that create, enhance, and deepen our knowledge of the estimated 3,000 currently spoken languages that are threatened with extinction in the near future. NEH grants are provided for projects to record, document, and archive information relating to these languages, including the preparation of dictionaries, lexicons, and databases. NEH has awarded 83 grants to date totaling approximately \$7,500,000. Scholars engaged in these projects are helping to record and document languages before they become extinct.
- The agency continues to be an effective agent for leveraging non-federal support for humanities projects and institutions. Through our Challenge Grants program and Treasury matching funds authority, NEH-supported projects annually receive nearly \$40 million in donations.

The Endowment continually assesses and revises its mix of programs and grant categories to address changing needs and opportunities in the humanities. For example, several years ago the agency established a new, Endowment-wide effort to help promote the use of digital technologies in humanities research, education, and public programming. This focused effort built on the Endowment's many contributions to the digital humanities over the years and grew out of the proceedings of a major conference NEH convened in the spring of 2006, which brought together some of the best minds in this field. Our efforts were also informed by the findings of a National Commission on Cyberinfrastructure for the Humanities and Social Sciences, which was sponsored by the American Council of Learned Societies, a private nonprofit federation of 69 national scholarly organizations. Over the last five years, several new digital grant programs have been put in place at NEH, and more than 300 innovative projects have received awards. A significant proportion of the grants awarded have gone to scholars who had never received NEH grants, which indicates that this focused effort has tapped an important unmet need in the humanities.

The Endowment uses a variety of methods to ensure that its programs and policies are effective in advancing the work of the humanities. Evaluators who serve in our application review system, for example, not only assess the merits of grant proposals but also help us monitor the goals and objectives of our programs. NEH also routinely collects performance information from grantees after they have concluded their projects. Grant recipients are required to submit final narrative reports, in which they are asked to provide specific information about the results of their project. This information in turn helps us to assess the impact of our grant-making efforts.

Another way the Endowment focuses on the outcomes of our awards is by requiring grantees in some of our programs to submit a “white paper” at the conclusion of their projects. Currently, there are eight programs that require the submission of such papers, and nearly 100 grantees have posted extensive write-ups of the results of their grants. These reports, which are posted on the NEH website, document the work of the projects, including “lessons learned,” and help to make project outcomes more widely available to other scholars and institutions in the humanities. We think this exercise will help us to assess impact of these programs on the field.

The Endowment also from time to time conducts surveys and commissions evaluations to gauge the effectiveness of our programs and the projects they support. For example, NEH awarded a cooperative agreement to the Council on Library and Information Resources to evaluate one of the agency’s newest digital humanities programs, the “Digging into Data Challenge,” which made its initial awards in FY 2009. The strategic assessment of the program and the results of the first round of project grants will help the Endowment and other funders involved in the program make informed decisions regarding the future of this grant competition. The assessment will be published later this year.

As noted previously, NEH awarded eight *Bridging Cultures* pilot grants in support of scholarly forums on one of two topics of widespread interest: the role of civility in a democracy and the need for a deeper understanding of the Muslim world. In developing their projects, grantees were required to include in their proposal a plan to evaluate the results of the forum, including an audience survey, and to describe the tangible results expected from the proceedings. The Endowment also brought the project directors to Washington to discuss their projects, including their evaluation plans. Each subsequent new program and grant category within *Bridging Cultures* will similarly have an evaluation component.

NEH also performs occasional in-depth assessments of its programs. Recently, for example, we conducted a thorough review of our Faculty Research Awards program in the Division of Research Programs, which had been established to provide support for individual scholars at three types of institutions targeted by Presidential Executive Orders: historically black colleges and universities, institutions of high Hispanic enrollment, and tribal colleges and universities. Our intention was to develop more flexible grant opportunities in order to better serve the needs of scholars at these institutions. As a result of this review, NEH created three distinct Awards for Faculty programs, providing expanded opportunities for faculty members at these categories of institutions. Unlike the former Faculty Research Awards program, the Awards for Faculty programs will allow for a wider variety of research efforts leading to publication, classroom use, or public programs.

Brief Overview of Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of the National Endowment for the Humanities (Endowment), pursuant to the requirements of 31 U.S.C. 3515 (b). These statements are included in the Financial Section of the Performance and Accountability Report.

While the statements have been prepared from the books and records of the Endowment in accordance with generally accepted accounting principles (GAAP) for federal entities and the formats prescribed by the Office of Management and Budget, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records.

The statements should be read with the realization that the Endowment is a component of the United States Government, a sovereign entity.

The following is a brief summary of the principal statements.

Balance Sheet

On the balance sheet, the Endowment's most significant asset is the fund balance with the U.S. Treasury. This balance principally represents funds to be paid in future years for grants. For fiscal years, FY 2010 and FY 2011, the Endowment had a fund balance with the U.S. Treasury of \$151.2 and \$155.8 million, respectively.

Of the \$30.1 million in total liabilities for FY 2011, the Endowment's most significant liability is the estimated grant liability. This liability represents an accrual for the amount of estimated unreimbursed grantee expenses, as of September 30, 2011. For fiscal years, FY 2010 and FY 2011, the Endowment had a grant liability \$25.4 million and \$25.8 million, respectively. For comparative purposes, the change is insignificant.

The Endowment's net position consists primarily of unexpended appropriations. The unexpended appropriations include the portion of the Endowment's appropriation represented by undelivered orders and unobligated balances. As required by OMB Circular A-136, the balance sheet shows the portion of cumulative results of operations and unexpended appropriations for earmarked funds separately from all other funds on the face of the balance sheet. For fiscal years, FY 2010 and FY 2011, the Endowment had an unexpended balance of \$124.7 million and \$128.4 million, respectively. For comparative purposes, the change is insignificant.

Statement of Net Cost

The net cost of operations represents the gross cost incurred by the Endowment less any exchange revenue earned from its activities. By disclosing the gross and net cost of the Endowment's programs, the statement of net cost provides information that can be related to the outputs and outcomes of the Endowment's programs and activities. For fiscal years, FY 2010 and FY 2011, the Endowment had net cost of operations of \$157.8 and \$153.4 million, respectively.

Statement of Changes in Net Position

The statement of changes in net position is designed to display the components of the unexpended appropriations and cumulative results of operations separately to enable the stakeholders to better understand the nature of this statement. For fiscal years FY 2010 and FY 2011, the Endowment had a net position of \$123.7 and \$128.2 million, respectively.

Statement of Budgetary Resources

The statement of budgetary resources provides information about how budgetary resources were made available to the Endowment as well as their status at the end of the period. It is the only financial statement primarily derived from the Endowment's budgetary general ledger in accordance with budgetary accounting rules, which are incorporated into GAAP for the federal government. The budgetary resources are mostly from funds appropriated by the U.S. Congress. For fiscal years 2010 and 2011, the Endowment had \$174.9 and \$166.5 million in budgetary resources, respectively. The decrease is mostly attributed to the FY 2011 decrease in the Endowment's appropriation. For fiscal years, FY 2010 and FY 2011, the Endowment had net outlays of \$156.5 million and 150.1 million, respectively.

Note: The Statement of Financing is not required as a principal statement after fiscal year 2006. The Office of Management and Budget now requires federal agencies to report this reconciliation of the net cost of operations to the obligations incurred in the Notes to the Financial Statements. This data can be found in Note 13, "Reconciliation of Net Cost of Operations to Obligations Incurred."

Analysis of Systems, Controls, and Legal Compliance

In accordance with the Federal Manager's Financial Integrity Act of 1982, in FY 2011 NEH conducted its required review of the agency's operations and procedures to identify possible deficiencies in management controls. This annual review enables the agency to provide reasonable assurance that it is in compliance with the requirements of the Integrity Act.

As a result of our FY 2011 review, NEH assures that its internal management controls are adequate and effective for controlling waste, fraud, abuse, and mismanagement of resources. However, the Office of Inspector General (IG) recommended through an audit finding that NEH improve its monitoring of grants. Based on the IG's recommendation, NEH management implemented procedures to improve grant monitoring.

In accordance with the Improper Payments Information Act (IPIA) of 2002, and OMB Circular A-136, NEH performed a risk assessment in FY 2011 on its program of grants to determine if the program was a "high risk" of making improper (erroneous) payments. After this review, NEH management was able to determine that its grant program did not meet or exceed the threshold set by the Office of Management and Budget. Thus, we concluded that our program of grants is not susceptible to significant erroneous payments under the relevant statutory and OMB guidelines.

The Improper Payments Elimination and Recovery Act (IPERA) of 2010 was enacted on July 22, 2010. IPERA amended IPIA by including a new, broader requirement for agencies to conduct recovery audits, where cost-effective, for each program and activity with at least \$1 million in annual program outlays. Because NEH remains at low risk of making improper payments, NEH did not need to perform recovery audits.

However, to fulfill the requirements of IPIA, NEH still has the responsibility to review its program of grants to be reasonably assured that the controls in place will limit the likelihood of making improper payments, and in the process identify areas where NEH can improve payment performance. NEH will undertake such a review on a periodic basis to reassess the risks of making such payments.

Possible Future Effects of Existing Events and Conditions

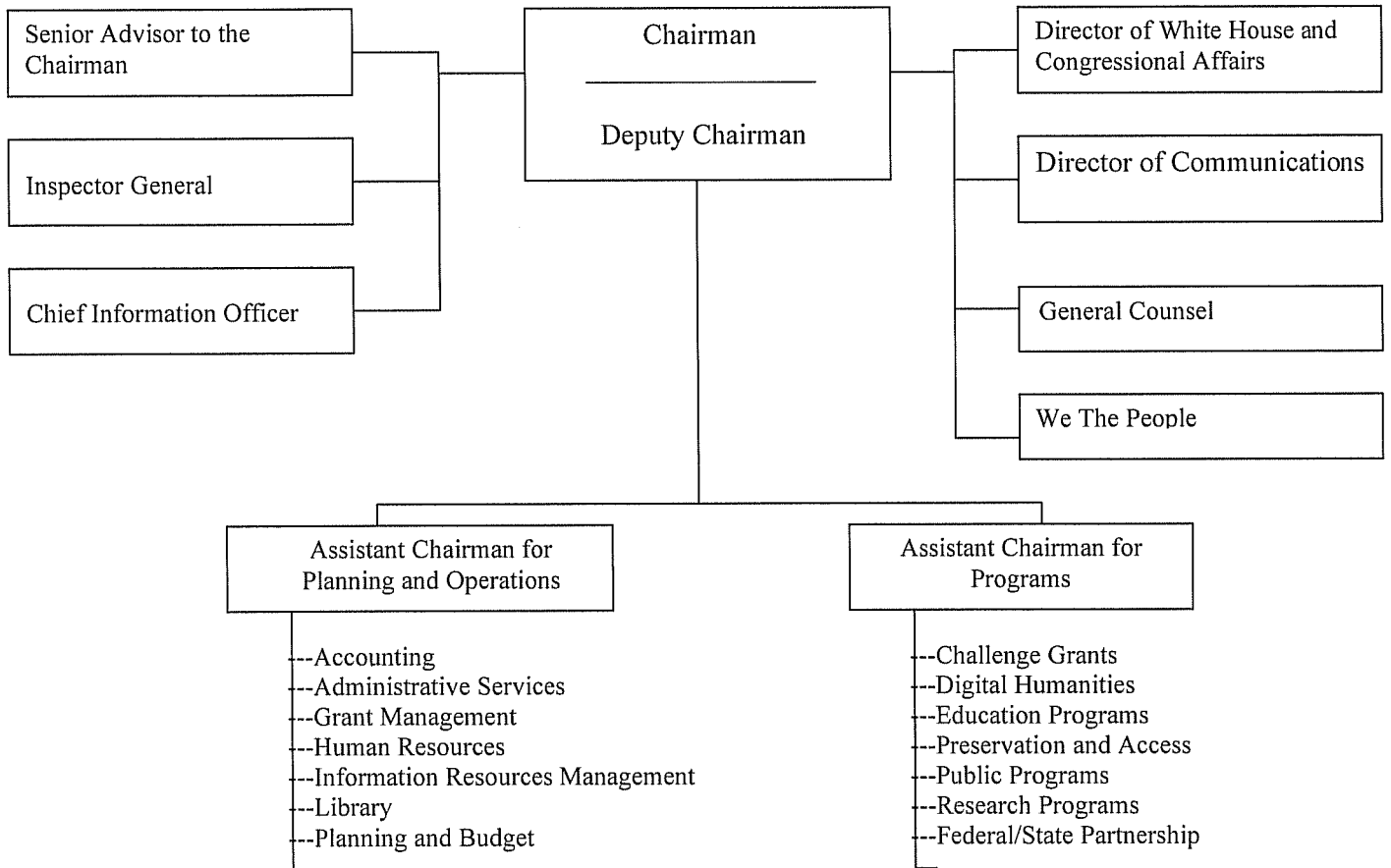
The Endowment, along with just about every other federal agency, is confronting intensifying fiscal pressures as the federal government struggles to bring revenues and expenditures into balance. Moreover, the uncertainties of the annual Congressional appropriations process also has made it difficult for the agency to make the most efficient use of its appropriated funds. For example, the Endowment and most other agencies did not receive their FY 2011 budgets until more than six months of the fiscal year had lapsed. By that time, NEH had already convened two of its three annual meetings of the National Council on the Humanities, which by statute must advise the Chairman of NEH on all grant proposals.

NEH's own fiscal challenges are mirrored by the difficulties being experienced throughout the American economy. Many of the institutions that NEH works with to bring the best of humanities scholarship and programming to the American public—including colleges and universities, libraries, museums, historical societies, and state humanities councils—are dealing with significant financial constraints associated with the current economic downturn. Whether public or private, these institutions are struggling to find the resources needed to sustain and enrich their cultural offerings. In the coming years NEH will need to be mindful of the economic challenges confronting these institutions as we seek to channel the Endowment's resources to areas where they can most productively be used.

As we have noted in recent Performance and Accountability Reports, continuing uncertainty over NEH's future in the Old Post Office (OPO) building in Washington, D.C., presents the agency with a variety of planning and budgetary challenges. In 2008, Congress enacted the "Old Post Office Building Redevelopment Act of 2008," which authorizes the General Services Administration (GSA) to provide replacement space for the federal agency tenants currently housed in the OPO, "whose relocation is necessary for the redevelopment of the Building." As a result of this legislation, GSA has instructed NEH and other OPO occupants to begin preparing for a move that could occur in FY 2014. Should GSA move forward with its plans to redevelop the building—which at this point is not a foregone conclusion—NEH will need to assure that suitable space can be acquired at a rental rate the agency can afford, while also gearing up to manage the myriad logistical details that are associated with a relocation of this scale.

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National Endowment for the Humanities



February 18, 2011

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NATIONAL ENDOWMENT FOR THE

Humanities

THE CHAIRMAN

Management Assurances Statement

The National Endowment for the Humanities has assessed the effectiveness of the internal controls to support effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations in accordance with the Federal Managers' Financial Integrity Act of 1982 (FMFIA) Section 2 and OMB Circular A-123. Based on this assessment, the National Endowment for the Humanities can provide reasonable assurance for FY 2011 that its internal control over the effectiveness and efficiency of operations, financial reporting, and compliance with applicable laws and regulations was operating effectively and no material weaknesses were found in the design or operation of the internal controls.

The National Endowment for the Humanities conducted its assessment of whether the financial management systems conform to government-wide financial systems requirements in accordance with FMFIA Section 4 and OMB Circular A-127, *Financial Management Systems*. Based on this assessment, the National Endowment for the Humanities can provide reasonable assurance that its financial management systems are in compliance with the applicable provisions of the FMFIA Section 4 and OMB Circular A-127 for FY 2011.

James A. Leach
Chairman
November 15, 2011

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II. PERFORMANCE INFORMATION

FY 2011 Performance Highlights

NEH grants provide crucial incentives for scholars to explore important subjects in the humanities; colleges and universities to invest in the professional development of teachers and faculty; museums to develop educational exhibitions; archives, libraries, museums, and other repositories to preserve and increase the availability of books, periodicals, manuscripts, and other humanities resources; filmmakers to produce historical, biographical, and cultural documentaries that are grounded in excellent humanities scholarship; and state humanities councils to make cultural opportunities accessible in every community in the nation.

Among the tangible results of NEH grants awarded in FY 2011 are (or will be) the following:

- The Endowment's special initiative, *Bridging Cultures*, helped Americans gain a deeper understanding of their own heritage as well as the history and culture of other nations. In FY 2010, NEH awarded grants for eight pilot projects at cultural and educational institutions around the country that brought together scholars, state humanities councils, and members of the public in discussions of two pressing national concerns—the role of civility in democracy and the need for a deeper understanding of the Muslim world. In the spring of 2011, these grantees hosted regional forums that were designed to share with members of the public the best of recent research on these topics.
- The Endowment established a grant category within its America's Media Makers program—*Bridging Cultures* through Films: International Topics—to support documentary films that examine critical issues in ethics, religion, or politics through an international lens. Five awards under this new program were made in FY 2011 for projects that will introduce Americans to other cultures and that investigate a wide range of topics, from endangered languages worldwide to the role of American popular music in the collapse of the Iron Curtain.
- A special opportunity within the Challenge Grants program is aimed at strengthening the humanities at America's two-year colleges. In FY 2011, the Endowment invited proposals for projects that will advance the role of the humanities at community colleges through curriculum and faculty development focused on the theme of *Bridging Cultures*. NEH approved six projects, which will raise more than \$4 million in nonfederal funds in support of a range of humanities projects on the nation's two-year college campuses.
- Sponsoring or conducting a broad spectrum of cultural activities—including book programs, exhibitions, lectures, teacher workshops, and local history projects—the state humanities councils reached millions during the year and gave the humanities a local presence in every part of the United States.
- The agency's Landmarks of American History and Culture program supported week-

long workshops for 1,200 school teachers that will be offered during the summer of 2012. Involving leading scholars and educators, the workshops will take place at important historical sites around the country.

- Projects supported in FY 2011 through the National Digital Newspaper Program, in partnership with the Library of Congress, are creating hundreds of thousands of digitized newspaper pages published between 1880 and 1910. Since this partnership was established in 2004, NEH has supported projects in 28 states and more than 4 million pages of historically significant newspapers have been posted on the Library's *Chronicling America* website.
- The Endowment's Office of Digital Humanities provided encouragement and support for projects that utilize or study the impact of digital technology on research, education, preservation, and public programming in the humanities. The Endowment's new digital humanities programs foster the growth of digital humanities and support a wide variety of projects, including, for example, those that deploy digital technologies and methods to enhance our understanding of a topic or issue in the humanities; those that explore the ways in which technology changes how we read, write, think, and learn; and those that digitize important materials, thereby increasing the public's ability to search and access humanities information. During the past year, the Endowment awarded \$4.3 million for 67 projects in five digital grant categories.
- Books, journal articles, and conference presentations will be produced by nearly every one of the 215 recipients of an NEH research fellowship or summer stipend and the 80 scholars conducting sabbatical projects at an NEH-supported independent research center.
- The Enduring Questions program enabled individual faculty members to develop new courses at the undergraduate level to grapple with the most fundamental concerns of the humanities, and to join with their students in deep, sustained programs of reading in order to encounter influential thinkers over the centuries and into the present day.
- Crucial support was provided for the conclusion or continuation of projects to create major reference works, including *The Atlas of Historical County Boundaries*, which features a website that shows changes in the shape, location, name, organization, and attachment of each U.S. county and state from 1634 through 2000. Genealogists, geographers, historians, political scientists, attorneys, demographers, and others can use this resource to find accurate county data to assist in their research.
- Twelve grants totaling \$1 million were supported through the NEH/NSF "Documenting Endangered Languages" initiative for projects to create, enhance, and deepen our knowledge of the estimated 3,000 currently spoken languages that are threatened with extinction in the near future.
- Projects for the general public begun during the year will produce high quality interpretive exhibitions in the humanities at museums and historical organizations;

reading and discussion programs in libraries and other venues; interpretive programs at historic sites; television and radio documentaries; and history and literary programs for families. *Freedom Riders*, broadcast during year on PBS's American Experience series, won three Emmy Awards. The two-hour documentary chronicles the experiences of more than 400 Americans, both black and white, who risked their lives and endured violence, and in some cases imprisonment, to challenge segregated transportation in the American South in 1961. The premiere broadcast was viewed by 4.4 million people, which is approximately 45% above the PBS primetime average. The project is accompanied by an interpretive website, K-12 lesson plans, and nearly 200 public events nationwide.

- NEH Challenge Grants awarded to cultural institutions during the year began to leverage non-federal contributions for endowment building and capital investment projects that by 2014 will total nearly \$30 million.
- NEH and the German Research Foundation are co-sponsoring programs to encourage collaborative digital humanities projects between American and German institutions. In FY 2011, an international collaboration between Tufts University in Massachusetts and the German Archaeological Institute began to join together the digital holdings of both institutions to form the largest collection of Greco-Roman materials online. The new, combined digital library will be a major step forward for research related to the Greco-Roman world.

Fiscal Year 2011 Performance Report and Data from the Five Preceding Fiscal Years

INTRODUCTION

We are pleased to present the Performance and Impact section of our Performance and Accountability Report for fiscal year 2011. The purpose of this section of the report is to compare performance levels anticipated for fiscal year 2011 in the annual NEH Performance Budget with the performance outcomes that were actually achieved during that year. Projected and actual performance data for fiscal years 2006 through 2010 are also provided. Because the goals and indicators of the NEH Performance Budget are tied directly to and closely parallel the general goals and objectives in the Endowment's multi-year strategic plan, this report will also serve as a measure of the agency's progress in achieving its long-term strategic goals.

The results projected in the NEH Performance Budget may accrue over many years. In those cases, measured outcomes of FY 2011 will be reported as partial results and revised in subsequent annual PARs. The performance indicators cited below are those embodied in the most recent version of the NEH Performance Budget and are projected from actual, rather than estimated, expenditures of appropriated funds. In what follows, projected performance indicators are shown in *italics*; measured performance outcomes in **bold**. Performance results that as of this writing remain incomplete are enclosed in parenthesis.

[Note: The volume of applications to NEH's discrete programs and grant categories typically fluctuates from year to year. In addition, because grants are awarded through a highly competitive—and necessarily contingent—application review process, the numbers of grants actually awarded during a given year (in **bold**) may differ significantly from the numbers of awards (in *italics*) projected for the year.]

PERFORMANCE GOALS:

A: To facilitate basic research and original scholarship in the humanities.

PERFORMANCE INDICATORS:

1) Support is provided that enables scholars—both those affiliated with educational institutions and those working independently—to devote a concentrated period of time to research and writing on significant subjects in all fields of the humanities.

- FY 2011: Support was provided for *215*/**215** individual scholars to make significant progress on important humanities research projects through fellowships and stipends.
- FY 2010: Support was provided for *222*/**227** individual scholars to make significant progress on important humanities research projects through fellowships and stipends.
- FY 2009: Support was provided for *155*/**154** individual scholars to make significant progress on important humanities research projects through fellowships and stipends.

- FY 2008: Support was provided for **190/168** individual scholars to make significant progress on important humanities research projects through fellowships and stipends.
- FY 2007: Support was provided for **250/251** individual scholars to make significant progress on important humanities research projects through fellowships and stipends.
- FY 2006: Support was provided for **268/257** individual scholars to make significant progress on important humanities research projects through fellowships and stipends.

2) Support is provided for collaborative research projects that develop significant intellectual advances and resources for scholars, teachers, students, and the general public.

- FY 2011: Support was provided for **56/56** important long-term collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses and other complex, large-scale undertakings. In addition, **24/24** previously awarded grants received ongoing support through NEH matching funds, in part through the use of *We the People* funding.
- FY 2010: Support was provided for **52/59** important long-term collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses and other complex, large-scale undertakings. In addition, **20/20** previously awarded grants received ongoing support through NEH matching funds, in part through the use of *We the People* funding.
- FY 2009: Support was provided for **52/46** important long-term collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses and other complex, large-scale undertakings. In addition, **30/26** previously awarded grants received ongoing support through NEH matching funds, in part through the use of *We the People* funding.
- FY 2008: Support was provided for **39/35** important long-term collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses and other complex, large-scale undertakings. In addition, **25/29** previously awarded grants received ongoing support through NEH matching funds, in part through the use of *We the People* funding.
- FY 2007: Support was provided for **52/44** important long-term collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses and other complex, large-scale undertakings. In addition, **50/29** previously awarded grants received ongoing support through NEH matching funds, in part through the use of *We The People* funding.
- FY 2006: Support was provided for **44/51** important long-term collaborative projects in the humanities such as scholarly editions, translations, archaeological excavations and analyses and other complex, large-scale undertakings. In addition, **48/48**

previously awarded grants were provided ongoing support through NEH matching funds, in part through the use of *We the People* funding.

3) Support is provided for overseas research in the humanities by American scholars and, where appropriate, encouragement offered for international collaboration in research on significant topics in the humanities.

- FY 2011: Awards for 25/25 humanities fellowship programs at independent research institutions supported the work of 80/80 humanities scholars who will make significant contributions to scholarship in the humanities.
- FY 2010: Awards to 25/25 humanities fellowship programs at independent research institutions supported the work of 80/80 humanities scholars who are making significant contributions to scholarship in the humanities.
- FY 2009: Awards to 25/25 humanities fellowship programs at independent research institutions supported the work of 77/80 humanities scholars who are making significant contributions to scholarship in the humanities.
- FY 2008: Awards to 23/22 humanities fellowship programs at independent research institutions are supporting the work of 73/75 humanities scholars who are making significant contributions to scholarship in the humanities.
- FY 2007: Awards to 25/25 humanities fellowship programs at independent research institutions are supporting the work of 80/78 humanities scholars who are making significant contributions to scholarship in the humanities.
- FY 2006: Awards to 25/24 humanities fellowship programs at independent research institutions are supporting the work of 90/77 humanities scholars who are making significant contributions to scholarship in the humanities.

4) Support is provided for humanities scholarship by faculty members at historically black, high Hispanic enrollment, and tribal colleges and universities.

- FY 2011: Support enabled 10/10 individual scholars who teach at historically black colleges and universities, at institutions with high Hispanic enrollment, and at tribal colleges and universities to make significant progress on important scholarly projects in the humanities through faculty research awards.
- FY 2010: Support enabled 5/5 individual scholars who teach at historically black colleges and universities, at institutions with high Hispanic enrollment, and at tribal colleges and universities to make significant progress on important scholarly projects in the humanities through faculty research awards.
- FY 2009: Support enabled 2/2 individual scholars who teach at historically black colleges and universities, at institutions with high Hispanic enrollment, and at tribal

colleges and universities to make significant progress on important scholarly projects in the humanities through faculty research awards.

- FY 2008: Support enabled 5/3 individual scholars who teach at historically black, high Hispanic enrollment, and tribal colleges and universities to make significant progress on important scholarly projects in the humanities through faculty research awards.
- FY 2007: Support is enabled 6/6 individual scholars who teach at historically black, Hispanic-serving, and tribal colleges and universities to make significant progress on important scholarly projects in the humanities through faculty research awards.
- FY 2006: Support enabled 10/9 individual scholars who teach at historically black, Hispanic-serving, and tribal colleges and universities to make significant progress on important scholarly projects in the humanities through faculty research awards.

ANALYSIS:

Availability of data. The scholars who received NEH funding during FY 2011 undertook projects of varying length, from the three months of independent research and writing supported by a summer stipend to multi-year research collaborations. In the coming months and years, these projects will come to fruition in the form of journal articles, books, and scholarly editions. The annual submission of the NEH PAR will provide an excellent occasion to monitor and record the productivity of research in the humanities supported by the Endowment during the preceding three years. Increasingly, the Endowment's Grants Management System (GMS) database will facilitate the aggregation of data about products, such as books and articles that result from activities supported by specific NEH grants. At present, it links information about more than 6,300 humanities research awards in the Endowment's grant information database to bibliographic information about the approximately 4,100 published books that these projects produced between 1980 and 2011.

FY 2011 accomplishments. The Endowment facilitates basic research and original scholarship in the humanities primarily through programs that support the work of individual scholars; that support long-term, complex projects carried out by teams of scholars; and that support focused, individual projects that draw upon the collections and expertise of leading humanities institutions and overseas research centers.

The results of humanities research are typically communicated through books and articles, and each year NEH-supported scholars produce hundreds of such publications, many with leading trade and academic publishers. Although print continues to be the principal means of disseminating humanities scholarship, NEH grantees increasingly are making the results of their research available in electronic formats accessible on the World Wide Web.

[Indicator 1] NEH Fellowships and Summer Stipends provide opportunities for individual scholars and teachers to undertake advanced research in the humanities. Since the first years of the Endowment, these awards have proven to be an extremely effective and efficient means of supporting excellent humanities research, resulting in the publication of approximately 7,500

books. Grants are awarded to a wide range of scholars in diverse settings, from colleges and universities to research institutes, and to independent scholars without teaching appointments. The Endowment has also forged a number of strategic partnerships that reinforce the impact of an NEH Fellowship. Currently, for example, the Research Programs division administers the evaluation of applications to the Library of Congress's John W. Kluge Fellows Program. This program provides stipends to junior scholars from the U.S. and abroad to conduct research in the Library's rich collections in the humanities. The Endowment also collaborates with the Japan-United States Friendship Commission to encourage American scholars' research on Japan and U.S.-Japan relations. Finally, the Endowment continues its multi-year funding partnership with the National Science Foundation in support of Documenting Endangered Languages, a program to provide NEH awards to scholars engaged in recording and preserving key languages before they become extinct. This collaboration is made urgent by the imminent demise of an estimated half of the 6,000 to 7,000 currently used languages worldwide. In FY 2011, ten joint fellowships were awarded.

In the past year, prestigious scholarly organizations—among them the American Historical Association, the Organization of American Historians, and the Modern Language Association—conferred ten prizes for excellence on books that were written by scholars who held NEH Fellowships and Summer Stipends. The intellectual impact of NEH Fellowships and Summer Stipends is not confined to the academy. Many NEH-supported projects have been published by major trade publishers who anticipated their broad appeal, including, most recently, Margaret Washington's prize-winning *Sojourner Truth's America*; Beth Bailey's *America's Army: Making the All Volunteer Force*; Thomas Wilson and Michael Nylan's *Lives of Confucius: Civilization's Greatest Sage through the Ages*; and Larry Stempel's *Showtime: A History of the Broadway Musical Theater*.

[Indicator 2] Advanced research in the humanities increasingly requires the collaboration of many scholars working across a wide range of specialties or scholars working alongside one another in research centers and archives. The Endowment nurtures such collaborative efforts through three programs—Scholarly Editions and Translations, Collaborative Research, and Fellowship Programs at Independent Research Institutions.

Scholarly editions grants support the preparation of important texts and documents that would otherwise be inaccessible to the public. Projects involving significant literary, philosophical, and historical materials are typical, with the majority being in U.S. history and literature. Most are produced in print editions, but increasingly also in a variety of digital formats. Recent grants have supported, for example, editions of the papers of such major historical figures as George Washington, Thomas Jefferson, Dolley Madison, Abraham Lincoln, Andrew Jackson, Dwight D. Eisenhower, and Thomas Edison; and such literary and cultural figures as Ralph Waldo Emerson, Virginia Woolf, William F. "Buffalo Bill" Cody, and Mark Twain. Another such effort, *The First Federal Congress Project*, is publishing the complete record of the First Federal Congress, 1789-1791, including unofficial records and primary material such as letters and diaries that document the actions, debates, and thoughts of that body and its members.

Translation projects make important literary and historical material accessible to English-speaking scholars and readers. Recently, for example, Maria Antonia Garcés of Cornell

University and Diana de Armas Wilson of the University of Denver received an award to edit and translate *An Early Modern Dialogue with Islam: Antonio da Sosa's Topography of Algiers*. Da Sosa's work, first published in 1612, provides an important tool for further research and study of daily life in a trading center that was located at the crossroads of the Mediterranean and served as a melting pot for Christians, Jews, and Muslims.

Collaborative Research grants support teams of researchers involved in a variety of large-scale domestic and international projects, including archaeological excavation and interpretation, scholarly conferences, and wide-ranging original and synthetic research that significantly adds to our understanding of historical issues and cultural concerns. For example, professor of history Don Doyle at the University of South Carolina received support to convene an international conference of historians, philosophers, legal scholars, and political scientists to examine global secession movements and the violence they often engender. The three-day conference resulted in *Secession as an International Phenomenon: From America's Civil War to Contemporary Separatist Movements*, a collection of essays by participants edited by Doyle. And with NEH support, Nicola Terrenato, professor of archeology at the University of Michigan in Ann Arbor, is leading an international team of scholars on a project to conduct archaeological field work at the ancient Italian site of Gabii, a never-before-excavated city that rivaled Rome in power and influence in the 9th to 7th centuries, BCE.

[Indicator 3] The Fellowship Programs at Independent Research Institutions (FPIRI) supports residential fellowships offered by U.S. research centers located at home and abroad, and fellowships awarded under the auspices of U.S. organizations that facilitate international research. NEH funds partially support the costs of fellowship stipends, while the partner institution covers such costs as meals, lodging, copying and library services, computer access, and, in the case of organizations supporting international research, assistance in securing the necessary visas and research permits. Fellows at NEH-supported centers produce a wide range of published scholarship. For example, Chad Williams of Hamilton College held an NEH fellowship at the Schomburg Center for Research in Black Culture at the New York Public Library. With his award, he conducted research in the Schomburg's extensive collections and wrote *Torchbearers of Democracy: African American Soldiers in the World War I Era*. Mark Valeri, the E. T. Thompson Professor of Church History at the Union Theological Seminary in Richmond, Virginia, held his NEH-supported fellowship at the American Antiquarian Society in Worcester, Massachusetts. With the research accomplished during his award, he wrote *How Religion Shaped Commerce in Puritan America*, a study of four generations of Puritan businessmen and their changing views on the relationship between their faith and the market economy.

[Indicator 4] As part of the agency's efforts to extend the reach of its grant opportunities, the Endowment offers Awards for Faculty at Historically Black Colleges and Universities, Institutions with High Hispanic Enrollment, and Tribal Colleges and Universities. In FY 2009, the Endowment undertook a full review of its Faculty Research Awards program, which supported individual scholars at institutions designated by Presidential Executive Orders. As a result of this review, NEH created three Awards for Faculty programs, providing expanded opportunities for faculty members at the nation's historically black colleges and universities, institutions with high Hispanic enrollment, and tribal colleges and universities. Unlike the

Faculty Research Awards program, the Awards for Faculty programs allow for a wider variety of research efforts leading to publication, classroom use, or public programs. In FY 2011, the Endowment provided the first eleven Awards for Faculty.

B: To strengthen teaching and learning in the humanities in schools and colleges across the nation.

PERFORMANCE INDICATORS:

1) Teachers are provided opportunities to renew and deepen their knowledge of the humanities.

- FY 2011: Support for 41/(41) NEH summer seminars and institutes will enable 399/(399) college teachers and 462/(462) school teachers to revitalize their knowledge and teaching of the humanities. College teachers participating in seminars and institutes during the summer of 2012 will reach approximately 69,825/(69,825) students annually; school teacher participants will reach approximately 57,750/(57,750) students annually.

Support for 15/(15) “Landmarks of American History and Culture” workshops to take place in the summer of 2012 will enable approximately 1,200/(1,200) school teachers to revitalize their knowledge and teaching of American history, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with that location. These teachers will annually reach approximately 150,000/(150,000) students. Through a partnership of NEH and the U.S. Department of State, selected “Landmarks” workshops will invite participation by teachers from other nations.

Support for 6/(6) “Landmarks of American History and Culture for Community College Faculty” workshops to take place during the summer of 2012 will enable 300/(300) community college teachers to reach 52,500/(52,000) students annually with their revitalized knowledge, understanding, appreciation, and teaching of American History, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with them.

Nine/9 Teaching Development Fellowships enabled recipients to pursue research aimed specifically at deepening their core knowledge in the humanities to improve their undergraduate teaching. These teachers would reach 1,575/(1,575) students annually.

Support to 16/16 Enduring Questions award recipients enabled individual faculty members to develop new courses at the undergraduate level to grapple with the most fundamental concerns of the humanities, and to join with their students in deep, sustained programs of reading in order to encounter influential thinkers over the centuries and into the present day. These questions would include: What is the good life? What is justice? What is friendship? Is there a human nature, and, if so, what is

it? Each recipient conducted the newly created course at least twice, with each iteration reaching approximately 25 students.

Support for **8/8** Picturing America School Collaboration Projects enabled approximately **470/(470)** teachers in a local area or region to attend workshops to enhance their incorporation of Picturing America into core curriculums. These teachers will reach **58,750/(58,750)** students annually.

FY 2010: Support for **65/56** NEH summer seminars and institutes enabled **500/(437)** college teachers and **750/(750)** school teachers to revitalize their knowledge and teaching of the humanities. College teachers participating in seminars and institutes during the summer of 2011 will reach approximately **87,500/(76,475)** students annually; school teacher participants will reach approximately **93,750/(93,750)** students annually.

Support for **22/20** “Landmarks of American History and Culture” workshops in the summer of 2011 enabled approximately **1,760/1,600** school teachers to revitalize their knowledge and teaching of American history, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with that location. These teachers will annually reach approximately **220,000/200,000** students. Through a partnership of NEH and the U.S. Department of State, selected “Landmarks” workshops invited participation by teachers from eighteen other nations.

Support for **12/10** “Landmarks of American History and Culture for Community College Faculty” workshops during the summer of 2011 is enabling **600/(500)** community college teachers to reach **105,000/(87,000)** students annually with their revitalized knowledge, understanding, appreciation, and teaching of American History, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with them.

Eighteen/18 Teaching Development Fellowships enabled recipients to pursue research aimed specifically at deepening their core knowledge in the humanities to improve their undergraduate teaching. These teachers will reach **3,150/(3,150)** students annually.

Support to **18/17** Enduring Questions award recipients enabled individual faculty members to develop new courses at the undergraduate level to grapple with the most fundamental concerns of the humanities, and to join with their students in deep, sustained programs of reading in order to encounter influential thinkers over the centuries and into the present day. These questions would include: What is the good life? What is justice? What is friendship? Is there a human nature, and, if so, what is it?

Support for **11/11** Picturing America School Collaboration Projects enabled approximately **1,019/1,019** teachers in a local area or region to attend workshops that

will enhance their incorporation of Picturing America into core curriculums. These teachers will reach *127,375/127,375* students annually.

- FY 2009: Support for *60/51* NEH summer seminars and institutes enabled *440/406* college teachers and *725/666* school teachers to revitalize their knowledge and teaching of the humanities. College teachers who participated in seminars and institutes during the summer of 2010 reach approximately *77,000/71,050* students annually; school teacher participants reach approximately *90,625/83,250* students annually.

Faculty Humanities Workshops were discontinued in FY 2009 due to declining grant applications and a shift in the agency's education programming priorities.

Support for *21/22* "Landmarks of American History and Culture" workshops during the summer of 2010 enabled approximately *1,680/1,760* school teachers to revitalize their knowledge and teaching of American history, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with that location. These teachers will annually reach approximately *210,000/220,000* students. Through a partnership of NEH and the U.S. Department of State, selected "Landmarks" workshops invited participation by fifteen teachers from other nations.

Support for *6/10* "Landmarks of American History and Culture for Community College Faculty" workshops during the summer of 2010 is enabling *300/500* community college teachers to reach *52,500/87,500* students annually with their revitalized knowledge, understanding, appreciation, and teaching of American History, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with them.

Digital Humanities Workshops, a special grant category in 2007 and 2008, was discontinued in 2009.

The inaugural competition for the Teaching Development Fellowships yielded 10 awards. These projects enabled the recipients to pursue research aimed specifically at deepening their core knowledge in the humanities to improve their undergraduate teaching. These teachers reach *1,750* students annually.

Support to *19/19* inaugural Enduring Questions award recipients enabled individual faculty members to develop new courses at the undergraduate level to grapple with the most fundamental concerns of the humanities, and to join with their students in deep, sustained programs of reading in order to encounter influential thinkers over the centuries and into the present day. These questions include: What is the good life? What is justice? What is friendship? Is there a human nature, and, if so, what is it? These teachers reach *3,325/3,325* students annually.

The inaugural competition for the Picturing America School Collaboration Projects yielded **3** awards. These workshops enabled **430** teachers to attend workshops that will enhance their incorporation of Picturing America into core curriculums. These teachers reach approximately **53,750** students annually.

- FY 2008: Support for **52/48** NEH summer seminars and institutes enabled **520/359** college teachers and **520/601** school teachers to revitalize their knowledge and teaching of the humanities. College teachers who participated in seminars and institutes during the summer of 2009 are reaching approximately **91,000/62,825** students annually; school teacher participants reach approximately **65,000/75,125** students annually.

Seventeen/7 Faculty Humanities Workshops enabled groups of school and/or college teachers totaling **400/191** to work together on the study of specific humanities topics or the planning and designing of new courses. These teachers are reaching approximately **50,000/23,875** students annually.

Support for **20/20** “Landmarks of American History and Culture” workshops during the summer of 2009 enabled **2,000/1,655** school teachers to revitalize their knowledge and teaching of American history, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with that location. These teachers annually reach **250,000/206,875** students. Through a partnership of NEH and the U.S. Department of State, fourteen teachers from other nations participated in selected “Landmarks” workshops.

Support for **6/6** “Landmarks of American History and Culture for Community College Faculty” workshops during the summer of 2009 enabled **300/300** community college teachers to reach **52,500/52,000** students annually with their revitalized knowledge, understanding, appreciation, and teaching of American History, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with them.

Five/2 Digital Humanities Workshops enabled groups of school teachers totaling **200/55** to work together on the study of specific humanities topics, with an emphasis on the use and development of digital humanities resources. These teachers are reaching approximately **25,000/6,875** students annually.

- FY 2007: Support for **55/43** NEH summer seminars and institutes enabled **535/360** college teachers and **560/525** school teachers to revitalize their knowledge and teaching of the humanities. College teachers participating in seminars and institutes during the summer of 2008 will reach approximately **94,000/63,000** students annually; school teacher participants will reach approximately **70,000/65,625** students annually.

Seventeen/14 Faculty Humanities Workshops enabled groups of school and/or college teachers totaling **400/336** to work together on the study of specific humanities topics

or the planning and designing of new courses. These teachers will reach approximately 50,000/**42,000** students annually.

Support for 19/**19** “Landmarks of American History and Culture” workshops during the summer of 2008 enabled 1,875/**1,875** school teachers to revitalize their knowledge and teaching of American history, particularly as it relates to the relationship between specific sites and the episodes in history, the writers, and/or the artists associated with that location. These teachers will annually reach 234,375/**234,375** students. Through a partnership of NEH and the U.S. Department of State, 17 foreign visitors participated in selected “Landmarks” workshops.

A new competition, Digital Humanities Workshops, was conducted in FY 2007 through a Request for Proposals (RFP). *Four*/**2** Digital Humanities Workshops will enable groups of school teachers totaling 152/**102** to work together on the study of specific humanities topics, with an emphasis on the use and development of digital humanities resources. These teachers will then reach approximately 19,000/**12,750** students annually.

- FY 2006: Support for 54/**48** NEH summer seminars and institutes enabled 535/**499** college teachers and 560/**440** school teachers to revitalize their knowledge and teaching of the humanities. College teachers participating in seminars and institutes during the summer of 2007 will reach approximately 94,000/**87,325** students annually; school teacher participants will reach 70,000/**55,000** students annually.

Because the deadline for the program was moved from April to September, there was no Faculty Humanities Workshops deadline during FY 2006.

Support for 19/**19** Landmarks of American History and Culture workshops during the summer of 2007 enabled 2,000/**1,724** school teachers to revitalize their knowledge and teaching of American history and culture, particularly as it relates to the relationship between specific sites and the episodes in history associated with that location. These teachers will reach 242,000/**215,500** students annually.

Support for 12/**12** “Landmarks of American History and Culture for Community College Faculty” workshops during the summers of 2006 and 2007 enabled 500/**559** community college teachers to reach approximately 88,000/**97,825** students annually with their revitalized knowledge, understanding, appreciation, and teaching of American history and culture, particularly as it relates to the relationship between specific sites and the episodes in history associated with them.

2) Support is provided for humanities education programming in Historically Black, High Hispanic enrollment, and Tribal Colleges and Universities across the country.

- FY 2011: Humanities Initiatives at Presidentially Designated Institutions provided 13/**13** grants to support faculty professional development activities for improvement

in humanities instruction, as well as other capacity building activities at these institutions.

- FY 2010: No Humanities Initiatives at Presidentially Designated Institutions grants were made, owing to an adjustment in the application submission deadline.
- FY 2009: The Humanities Initiatives at Presidentially Designated Institutions (a modification of the Humanities Initiatives for Faculty) provided 9/9 grants to support faculty professional development activities for improvement in humanities instruction, as well as other capacity building activities at these institutions.
- FY 2008: The Humanities Initiatives for Faculty provided 9/6 grants to support faculty professional development activities for improvement in humanities instruction.
- FY 2007: The Humanities Initiatives for Faculty provided 15/9 grants to support faculty professional development activities for improvement in humanities instruction.
- FY 2006: In FY 2006, the Humanities Initiatives for Faculty replaced the Institutional Grants Program. The Humanities Initiatives for Faculty program provided 9/9 grants to historically black, Hispanic-serving, and tribal colleges and universities to support infrastructure for improvements in humanities instruction.

ANALYSIS:

Availability of data. Because few of the above education projects supported by the Endowment during FY 2011 had concluded at the time this report was prepared, data are not yet available on the numbers of participating teachers and the numbers of students each teacher may be expected to affect annually. Most of the missing data on project outcomes will be supplied in the coming year as project personnel submit their regularly scheduled progress reports. We anticipate that we will be able to provide nearly complete data on the FY 2011 performance indicators in the FY 2012 PAR.

FY 2011 accomplishments. [Indicator 1] NEH Summer Seminars and Institutes have long been one of the nation's premier forms of professional development in the humanities for college and university teachers and elementary and secondary school teachers. NEH offers college and school teachers opportunities to pursue serious, substantive intellectual inquiry in fields such as history, foreign languages, literature, philosophy, and political science. Working with distinguished scholars, participants deepen their knowledge of the subjects they teach and explore effective ways of bringing this understanding to their students.

Summer Seminars enable sixteen school or college teachers to study for two to five weeks under the guidance of a senior scholar. The principal goal is to engage teachers in the scholarly enterprise, thus equipping them for deeper understanding of their subject areas and more effective teaching. In Summer Institutes, school or college teachers participate in an intensive

program of study with teams of humanities scholars who present a broad range of perspectives on a given topic. Well suited to larger groups (as many as thirty-five school teachers or twenty-five college teachers), institutes also last from two to five weeks and are a particularly appropriate mechanism for creating foreign language immersion opportunities.

NEH has recently revised the eligibility criteria for the Summer Seminars and Institutes program to create opportunities for humanities graduate students. Beginning in the summer of 2010, graduate students have been eligible to participate in these summer enrichment programs. In higher education programs, two spaces in Summer Seminars and three spaces in Summer Institutes were reserved; and in school teacher programs, the same numbers were made available for graduate students who intend to pursue K-12 teaching careers.

NEH annually supports summer seminars and institutes on a wide range of topics in the humanities. During the summer of 2011, for example, San Jose State University conducted a three-week institute for twenty-five school teachers on the works of John Steinbeck, including *Of Mice and Men*, *The Grapes of Wrath*, *East of Eden*, and *Cannery Row*, and considered how Steinbeck speaks “of, to, and for America and Americans.” The University of Colorado conducted a three-week seminar for sixteen college and university faculty—with a working knowledge of literary Chinese—examining the religion of Daoism, founded in the second century CE, and its impact on Chinese civilization and society.

In FY 2011, the Endowment again conducted a competition for supplemental support of up to \$10,000 for Seminar and Institute project directors to extend the reach, duration, and impact of their summer programs through digital means. Thirteen projects received support. One project extension, awarded to Michael Gerli of the University of Virginia, for his summer seminar, “Medieval and Early Modern Islamic Iberia,” will broaden the scope, reach, and effectiveness of its website by adding bibliographies, virtual reality components, clickable maps, timelines, images, lessons, video lectures, interviews, podcasts, and a blog for on-going commentary and discussion.

In FY 2011, Landmarks of American History and Culture grants supported summer workshops for K-12 and community college educators to train teaching professionals to employ historical sites as the basis for communicating central themes and issues of American history, to increase knowledge and appreciation of these sites, and to encourage staff at historical sites to develop greater capacity and scale for professional development programs. Landmarks workshops are held at or near presidential residences, colonial-era settlements, major battlefields, and presidential libraries. Projects accommodate a minimum of forty teachers at one-week sessions, which are offered twice during the summer. They are academically rigorous, involve leading scholars, and help participants develop new teaching resources.

The Endowment has forged a partnership with the United States Department of State to include a number of teachers and other humanities practitioners from other nations in selected NEH-supported Landmarks of American History and Culture workshops. In 2011, eighteen visitors from Bangladesh, Brazil, Burma, Chile, Ghana, India, Indonesia, Kenya, Lebanon, Liberia, Nepal, Russia, Sri Lanka, Thailand, Turkey, and Ukraine participated in six school teacher Landmarks projects, where they explored significant events and themes in American history.

Teaching Development Fellowships enable college and university teachers to conduct research aimed specifically at deepening their core knowledge of the humanities in order to enrich their undergraduate teaching. Offered by the Education Programs division in conjunction with the NEH Research Programs division, this program is directed primarily towards course improvement rather than scholarly publication. The research undertaken as a part of a project may involve engaging with fundamental texts or sources, exploring related subjects or academic disciplines, or cultivating neglected areas of learning.

Enduring Questions Course Grants provide opportunities for higher educational institutions to design new courses for undergraduate teaching and learning that promote engagement with fundamental issues in the humanities. The purpose of this program is to encourage faculty and students at the undergraduate level to grapple with important humanities issues and to join together in deep, sustained programs of reading in order to encounter influential thinkers over the centuries and into the present day. Enduring Questions are questions that have more than one plausible answer, such as: What is the good life? What is justice? What is freedom?

Through Picturing America School Collaboration Projects, scholars in American art history, American history, and American studies are encouraged to develop summer seminars, institutes, and workshops for school teachers that relate to important themes, events, and persons in American history through notable works of art. These programs are providing opportunities for educators who have already received the Picturing America images to observe models for teaching American art, history, and culture and to explore the value of visual literacy for subjects in the core curriculum.

[Indicator 2] Awards made in the Humanities Initiatives at Historically Black, High Hispanic Enrollment, and Tribal Colleges and Universities category may be used to enhance the humanities content of existing programs, develop new programs, or lay the foundation for more extensive endeavors in the future. The objective of this program is to extend the reach of NEH's grant opportunities to these designated institutions. In FY 2011, the Endowment provided support for "Stories That Heal: Embedding Narrative Medicine within the Sciences, English, and Nursing Curricula at Alcorn State University," a two-year project for twenty science and humanities professors to enrich undergraduate and graduate health care programs, particularly in nursing, with literary studies. Alcorn University faculty members will design new courses on "narrative medicine" for English, science, and nursing programs, with the aim of enhancing the diagnostic abilities of Alcorn students, who go on to serve a population of patients in rural Mississippi. With a project entitled "Ethics, Religion, and Civil Discourse in Central California," also supported in FY 2011, California State University, Fresno will conduct a conference, hold curriculum development workshops, design a new college course, and assemble an edited conference volume. The effort will bring together humanities scholars in religious studies, philosophy, and other disciplines with K-12 educators and religious leaders to engage in civil dialogue about the religion and the religious diversity in this California region. Finally, through "digital repatriation," a relatively new process whereby digital images are made of Native American material at cultural institutions and then brought back to the indigenous community where they originated, Leech Lake Tribal College is using its award to create an Ojibwe digital repository.

C: To preserve and increase the availability of cultural and intellectual resources essential to the American people.

PERFORMANCE INDICATORS:

1) Support is provided to preserve and create intellectual access to humanities collections and resources. Supported activities include digitizing collections; arranging and describing archival and manuscript collections; cataloging collections of printed works, photographs, recorded sound, moving image, art, and material culture; preservation reformatting; deacidification of collections; preserving and improving access to humanities resources in “born digital” form; creating research tools and reference works; and developing technical standards, best practices, and tools for preserving and enhancing access to humanities collections.

- FY 2011: Grants were made to *11/11* projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.

Twenty-four/24 projects are preserving and/or providing access to *1,145/(1,145)* hours of recorded sound and video collections; *3,685/(3,685)* linear feet of archival documents; and *631,401/(631,401)* manuscripts, broadsides, oversize volumes, and other non-print materials.

Cooperative agreements are digitizing hundreds of thousands of microfilm pages of historic newspapers.

Support was provided for *3/3* research and development projects concerned with standards and procedures.

- FY 2010: Grants were made to *14/14* projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.

Twenty-five/25 projects are preserving and/or providing access to *4,650/4,650* hours of recorded sound and video collections; *4,387/4,387* linear feet of archival documents; and *693,402/693,402* manuscripts, broadsides, oversize volumes, and other non-print materials.

Cooperative agreements are digitizing hundreds of thousands of microfilm pages of historic newspapers.

Support was provided for *3/3* research and development projects concerned with standards and procedures.

- FY 2009: Grants were made to *9/12* projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.

Twenty-five/22 projects are preserving and/or providing access to *3,553/4,762* hours of recorded sound and video collections; *6,178/6,178* linear feet of archival documents; and *359,592/344,892* manuscripts, broadsides, oversize volumes, and other non-print materials.

Cooperative agreements are digitizing hundreds of thousands of microfilm pages of historic newspapers.

Support was provided for *4/4* research and development projects concerned with standards and procedures.

- FY 2008: Grants were made to *17/13* projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.

Twenty-one/14 projects preserved and/or provided access to *2,000/8,950* hours of recorded sound collections and television programming; *1,600/1,981* cubic feet of archival documents; and *200,000/815,028* manuscripts, broadsides, oversize volumes, images, and other non-print materials.

Cooperative agreements digitized hundreds of thousands of microfilm pages of historic newspapers.

Support was provided for *3/3* research and development projects concerned with standards and procedures.

- FY 2007: Grants were made to *20/17* projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.

Twenty/23 projects preserved and/or provided access to *2,295 /2,000* hours of recorded sound collections; *1,567/1,567* linear feet and *4,245 /4,340* cubic feet of archival documents; and *14,950/391,524* manuscripts, broadsides, oversize volumes, and other non-print materials.

Three/0 awards supported the preservation microfilming of *11,736/0* brittle books. (In FY 2007 all brittle books projects have concluded.) *One project preserved 200,000 pages of newspapers on microfilm/Eight cooperative agreements* supported through the *We the People* program digitized hundreds of thousands of microfilm pages of historic newspapers.

Support was provided for 3/3 research and development projects concerned with standards and procedures.

- FY 2006: Grants were made to 21/22 projects to begin or continue work on the preparation of dictionaries, atlases, encyclopedias, and textbases central to knowledge and understanding of the humanities.

Five/Two awards supported the preservation microfilming of 19,650/2,111 brittle books; 2/2 projects preserved 1,016,667/254,167 pages of newspapers on microfilm; and 20/17 projects preserved and/or provided access to 2,295/5,664 hours of sound and video collections; 4,245 /425 linear feet and 275 cubic feet of archival documents; and 14,950 manuscripts, broadsides, oversize volumes, and other non-print materials/15,625 feet of film, 9,000 photo images, and 500 documents.

Support was provided for 4/1 research and development project concerned with standards and procedures.

2) Support is provided to train staff from the nation's cultural repositories in the appropriate procedures for preserving and enhancing access to the humanities collections for which they are responsible.

- FY 2011: Six/6 awards were made for regional and national education programs that will provide training for 4,700/(4,700) people in U.S. museums, libraries, archives, and historical organizations.
- FY 2010: Six/10 awards were made for regional and national education programs that provided training for 13,110/21,860 people in U.S. museums, libraries, archives, and historical organizations.
- FY 2009: Seven/7 awards were made for regional and national education programs that provided training for 15,300/15,300 people in U.S. museums, libraries, archives, and historical organizations.
- FY 2008: Seven/11 awards were made for regional and national education programs that provided training for 3,800/5,000 people in U.S. museums, libraries, archives, and historical organizations.
- FY 2007: Seven/9 awards were made for regional and national education programs that would provide training for 3,800/4,200 people in U.S. museums, libraries, archives, and historical organizations.
- FY 2006: Eight awards were made for regional and national education programs that provide training for 3,800/3,800 people in U.S. museums, libraries, archives, and historical organizations.

3) Support is provided to extend the useful life of fragile collections held by American museums, libraries, archives, historical organizations, and other cultural institutions and develop sustainable strategies for their care.

- FY 2011: Projects supported are helping *18/18* cultural institutions preserve and ensure continued access to their humanities collections institutions through preventive conservation measures.
- FY 2010: Projects supported are helping *16/23* cultural institutions preserve and ensure continued access to their humanities collections institutions through preventive conservation measures. The new Sustaining Cultural Heritage Collections made its first awards in FY 2010.

4) The Endowment extends its reach to institutions across the country by providing support for basic preservation activities to small and mid-sized libraries, archives, museums, and historical organizations.

- FY 2011: Projects supported are assisting in preserving collections at *186/186* institutions in forty-six states, the District of Columbia, and the Virgin Islands. *Thirty-eight/38* percent of the awards went to first-time NEH grantees.
- FY 2010: Projects supported are assisting in preserving collections at *159/159* institutions in forty states, the District of Columbia, and Puerto Rico. Approximately *42/42* percent of the awards went to first-time NEH grantees.
- FY 2009: Projects supported assisted in preserving collections at *110/103* institutions in all fifty states and two U.S. Territories.
- FY 2008: Projects supported assisted in preserving collections at *119/119* institutions in all fifty states and two U.S. Territories.
- FY 2007: Projects supported are assisting in preserving collections at *100/106* institutions in thirty-three states.
- FY 2006: Projects supported assisted in preserving collections at *175/164* institutions in all fifty states and two U.S. Territories.

ANALYSIS:

Availability of data. Accurate data on the performance of the preservation, access, research tools, and reference works projects that received NEH support during FY 2011 will be provided by the respective project directors in their regularly scheduled progress reports. To the extent partial data on FY 2011 activities are available, they are shown in parenthesis above. We expect to be able to report more complete FY 2011 data in the FY 2012 PAR.

FY 2011 accomplishments. The Endowment has long supported the creation of a wide array of humanities research tools and reference works. [**Indicator 1**] Some of these resources, such as ancient language historical dictionaries and descriptive catalogs of manuscripts and rare books, serve primarily the needs of scholars. Others have been widely acclaimed for their contributions to education and lifelong learning in the humanities. Among the reference works that serve both specialist and generalist audiences are the *Dictionary of American Regional English*, which describes the rich array of regional and folk varieties of American speech, and the *History of Cartography*, a comprehensive account of the evolution of maps and map-making through history and around the world.

Humanities research tools and reference works increasingly appear in electronic form. Endowment funds have supported the development of online encyclopedias and dictionaries, as well as databases of bibliographical information, digital archives of textual and visual materials, and historical atlases. The *Atlas of Historical County Boundaries*, for example, features a website that shows changes in the shape, location, name, organization, and attachment of each U.S. county and state from 1634 through 2000. Genealogists, geographers, historians, political scientists, attorneys, demographers, and others can use this resource to find accurate county data to assist in their research.

The Endowment also supports the creation of tools—such as bilingual dictionaries, grammars, and text collections—to document and preserve languages. In recent years, NEH has placed particular emphasis on documenting endangered languages. Of the 6,000 to 7,000 currently spoken languages, at least 3,000 are threatened with extinction, including hundreds of American Indian languages. In 2005, NEH and the National Science Foundation established a joint, multi-year special initiative, “Documenting Endangered Languages,” to support linguistic projects that exploit digital technology. Grants support fieldwork and other activities relevant to recording, documenting, and archiving endangered languages, including the preparation of lexicons, grammars, text samples, and databases. Recent awards support, for example, the creation of a dictionary and introductory grammar for Mescalero Apache, an endangered Athapaskan language in New Mexico, and an online and print dictionary for the Tepehua language, spoken by approximately 2,500 persons in Veracruz, Mexico.

The Endowment provides grants to projects that preserve and create intellectual access to collections that, because of their content and value as cultural artifacts, are considered highly important to the humanities. Grants support the digitization of collections to enhance their accessibility, as well as the integration of humanities materials that are geographically dispersed. The Endowment also supports the preservation reformatting and the deacidification of humanities collections; arranging and describing archival and manuscript collections; and cataloging collections of printed works, photographs, recorded sound, moving images, and other materials important for humanities research and education. For example, the American Antiquarian Society in Worcester, Massachusetts, is digitizing election returns from the early Republic period (1788-1825) of American history, for dissemination via a website, “A New Nation Votes.”

With the advent of digital technology, there is now a means of providing full text searching of newspaper content. With NEH support, a major effort is being made to digitize microfilmed

pages of historically significant newspapers, rendering them searchable on a national database freely accessible via the Internet. In 2004, NEH and the Library of Congress signed a memorandum of understanding establishing a partnership to create the National Digital Newspaper Program. Over a period of approximately 20 years, the Endowment will provide grants to institutions and organizations in each state of the nation to digitize titles published between 1836 and 1922 and to prepare fully searchable files that the Library of Congress will permanently maintain on the World Wide Web. To date, the NEH has provided support under this grant category for twenty-eight state projects, which have created a collection of digitized newspapers published between 1860 and 1922. The selected pages, along with title essays and a directory of papers published in the United States from 1690 to the present, are publicly accessible on-line through *Chronicling America*, recently recognized by *Family Tree Magazine* as one of the “Best U.S. Government Sites.” Materials related to the American Civil War became available on *Chronicling America* in time for the observance of the sesquicentennial of the war. Also, awardees may now digitize U.S. newspapers published in English, French, Italian, or Spanish, thus providing access to the nation’s vibrant ethnic and immigrant press. More languages will be added in future years.

NEH-supported research and development projects are creating tools for preserving and enhancing access to humanities materials. Research and Development grants help, for example, to devise innovative ways to protect and slow the deterioration of humanities collections through the use of sustainable preservation strategies; develop technical standards, best practices, and tools for preserving humanities materials that are "born digital"; and ensure that collections of recorded sound and moving images that represent a major part of the record of the 20th century will remain accessible to future generations.

[Indicator 2] Complementing the Endowment's support for preserving and establishing access to a variety of cultural resources are its grants for projects to increase the ability of the nation's libraries, archival repositories, and museums to care for their collections. NEH supports regional services that reach thousands of cultural repositories with preservation information and education. NEH also supports academic programs that train the next generation of conservators responsible for the upkeep of the nation’s humanities collections and provide for their continuing professional development by offering specialized education and training programs. In addition, NEH has helped museums, libraries, archives, and historical organizations improve their ability to plan and respond to disasters.

[Indicator 3] In FY 2011, the Endowment’s Sustaining Cultural Heritage Collections program helped cultural repositories to implement preventive conservation measures, which typically encompass managing relative humidity, temperature, light and pollutants in collection spaces; providing protective storage enclosures and systems for collections; or safeguarding collections from theft and from natural and man-made disasters. A growing body of research suggests that institutions can develop effective, energy-efficient, and environmentally sensitive preservation measures, particularly for managing the environmental conditions under which collections are stored or exhibited.

[Indicator 4] Smaller cultural repositories constitute the large majority of collecting institutions in the United States. These organizations often lack the resources to address the preservation

needs of their collections. The Endowment's program of Preservation Assistance Grants provides small and mid-sized libraries, archives, museums, and historical organizations with grants of up to \$6,000. Funds support on-site consultation by a preservation professional, enable staff to attend preservation training workshops or other events, and help purchase preservation supplies and equipment. In the eleven years since the program began, 1,526 grants have been made to institutions in all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. Nearly one-half (44%) of these Preservation Assistance Grants represent a first award from the Endowment, good evidence that this grant program effectively reaches institutions not previously served by NEH.

D: To provide opportunities for Americans to engage in lifelong learning in the humanities.

PERFORMANCE INDICATORS:

1) Substantive media presentations, exhibitions, reading and discussion programs, and other public projects advance public understanding of the humanities.

- FY 2011: *Thirty-two/32* television/radio projects will produce *110/(110)* broadcast hours and draw a cumulative audience of approximately *37/(37)* million people.

Thirty-four/34 exhibitions, reading, viewing, and discussion programs, web-based programs, and other public education programs will employ various delivery mechanisms at venues across the country.

(The Endowment's Interpreting America's Historic Places program concluded in FY 2010. In FY 2011, projects in historic sites were supported in the new America's Historical and Cultural Organizations program.)

- FY 2010: *Twenty-nine/24* television/radio projects are producing *98/(88)* broadcast hours and will draw a cumulative audience of approximately *50/(35)* million people.

Thirty-four/33 exhibitions, reading, viewing, and discussion programs, web-based programs, and other public education programs are employing various delivery mechanisms at venues across the country.

Five/10 historic site-specific interpretations and programming are attracting over *1,000,000/(1,000,000)* people.

FY 2009: *Fourteen/18* television/radio projects are producing *54/(62)* broadcast hours that will draw a cumulative audience of approximately *35/(39)* million people.

Twenty-one/37 exhibitions, reading, viewing, and discussion programs, web-based programs, and other public education programs are employing various delivery mechanisms at venues across the country.

Eight/8 historic site-specific interpretations and programming are attracting over 1.5 million people.

- FY 2008: *Eight/13* television/radio projects are producing *45/(52)* broadcast hours and draw a cumulative audience of approximately *25/(25)* million people.

Twenty-seven/31 exhibitions, site interpretations, reading and discussion programs, web-based programs, and other public education programs are being presented at *350/343* sites involving approximately *3/(3)* million visitors and participants.

- FY 2007: *Twenty-five/9* television/radio projects will produce *67/(52)* broadcast hours and draw a cumulative audience of approximately *98/(80)* million people.

Thirty-four/27 exhibitions supported will be presented at *99/(70)* museums, historical organizations, and other sites across the country and attract over *7/(5)* million visitors.

Sixteen/9 library reading and discussion projects and special projects supported will result in more than *1,150/(1,360)* programs at approximately *260/(340)* sites involving more than *3/(3)* million people.

- FY 2006: *Twenty-one/26* television/radio projects supported are producing *44/(69)* broadcast hours and that will draw a cumulative audience of approximately *84/(98)* million people.

Twenty-eight/34 exhibitions supported will be presented at *80/(105)* museums, historical organizations, and other sites across the country and attract over *10/(7)* million visitors.

Twelve/16 library reading and discussion projects and special projects supported are providing more than *1,100/(1,150)* programs at approximately *240/(260)* sites involving more than *3/(3)* million people.

2) High quality interpretative panel exhibitions and public programs are circulated to libraries through Small Grants to Libraries, and selected sites that receive smaller versions of NEH-funded exhibitions through the NEH on the Road cooperative agreement receive funds for additional public programming.

- FY 2011: *Eighty/80* NEH on the Road grants were made to museums, and *70/70* Small Grants to Libraries were awarded. In addition, through the *We the People* office, support was provided for projects focusing on the Lincoln bicentennial celebration.
- FY 2010: *Sixty/28* NEH on the Road grants were made to museums, and *80/25* Small Grants to Libraries were awarded. In addition, through the *We the People* office,

small grants for the We the People Bookshelf and the Picturing America project and for projects focusing on the Lincoln bicentennial celebration were made.

- FY 2009: *Thirty-five/33* NEH on the Road grants were made to museums, and *105/78* Small Grants to Libraries were awarded. In addition, through the *We the People* office, small grants for the *We the People* Bookshelf and the Picturing America project and for projects focusing on the Lincoln bicentennial celebration were made.
- FY 2008: *One hundred and ten/45* grants to small and mid-sized libraries are reaching tribal communities, rural, and inner-city audiences and *10/22* grants were awarded to NEH on the Road participating institutions.
- FY 2007: *Ninety-five/43* grants to small and mid-sized libraries reached tribal communities, rural, and inner-city audiences.
- FY 2006: *Eighty/113* grants to small and mid-sized libraries reached tribal communities, rural, and inner-city audiences.

ANALYSIS:

Availability of data. By awarding project development funding for such varied purposes as consultation, planning, scripting, and production, the Endowment helps ensure public access to enriching humanities programs on television and in museums, libraries, and other cultural institutions. The time that elapses between an initial NEH project grant and the appearance of a completed film, exhibition, or library program may extend from six months to many years. Most of the public programs that received NEH support during FY 2011 are currently in development, and data for the associated performance indicators are not available, even in partial form. However, a more complete picture of the results of these projects will emerge cumulatively in subsequent editions of the NEH PAR. Increasingly, the Endowment's Grants Management System (GMS) database will facilitate the aggregation of data about the products, such as films and exhibitions that result from activities supported by specific NEH grants.

FY 2011 accomplishments. The Endowment supports activities that engage millions of Americans in the study and interpretation of significant humanities works, ideas, and events, providing opportunities for people to engage in lifelong learning in history, literature, comparative religion, philosophy, and other fields of the humanities.

[Indicator 1] NEH supports media projects—principally film documentaries and radio series—that explore significant figures and events in the humanities and examine the history and culture of America and other nations. Programs present fresh approaches to interpreting the humanities and provide stimulating and substantive educational opportunities for Americans of all ages. The Endowment also encourages and supports creative approaches—especially those that use new digital technologies—that expand the content and reach of television and radio programs in the humanities. To ensure that humanities themes and questions are well conceived, the agency

requires that projects draw their content from humanities scholarship and use a team of scholars who are knowledgeable in the subject matter and represent diverse perspectives and approaches.

Endowment-supported media projects continue to garner national recognition and awards for excellence. For example, *Freedom Riders* recently won three Emmy Awards. Broadcast on PBS's American Experience series, the two-hour documentary chronicles the experiences of more than 400 Americans, both black and white, who risked their lives and endured violence, and in some cases imprisonment, to challenge segregated transportation in the American South in 1961. The premiere broadcast of this powerful documentary was viewed by 4.4 million people, which is approximately 45 percent above the PBS primetime average. The project is accompanied by an interpretive website, K-12 lesson plans, and nearly 200 public events nationwide. Through repeat broadcasts and a comprehensive engagement plan, *Freedom Riders* will continue to involve thousands of students and adults in important conversations about civic life for many years to come.

Bridging Cultures through Film: International Topics, launched in 2010, provides support for documentaries that examine a critical issue in ethics, religion, or politics through an international lens; the life of a world leader, writer, or historical figure; or the history and culture of a specific region of the world. Recent *Bridging Cultures* through Film awards have supported projects that will introduce Americans to other cultures and that investigate a wide range of topics, from endangered languages worldwide to the role of American popular music in the collapse of the Iron Curtain.

NEH also supports radio programs that examine the lives of important individuals, significant events, notable developments in the humanities, and the critical analysis of themes or genre. Recent projects include *American Routes*, ten two-hour programs focused on the theme of economic and social recovery in cities across the United States. Carried on over 268 stations and reaching 500,000 listeners every week, the series was praised by one listener for presenting "a poignant glimpse into humanity and American culture." Also, Minneapolis-based Public Radio International received NEH support for Studio 360's Peabody Award-winning *American Icons* series that will result in four hour-long programs and seven shorter episodes on significant works in American history and literature.

The Endowment is a major source of support for substantive humanities projects and programs in the nation's historical and cultural institutions and organizations including museums, libraries and archives, historic sites, and community centers. These projects, all grounded in sound humanities scholarship, include exhibitions of artistic, cultural, and historical artifacts; the interpretation of American historic sites; reading and film discussion programs in the nation's libraries; traveling exhibitions; lecture series; and other lifelong learning activities. The Endowment also encourages collaborations among community libraries and museums, school systems and home schooling groups, parent-teacher organizations, television and radio stations, and literacy coalitions.

At any time, hundreds of NEH-sponsored exhibitions are on view at large and small museums and historical sites throughout the country, enabling Americans to learn more about their nation and the world through the humanities. For example, the Carnegie Museum of Art in Pittsburgh

is presenting the first major retrospective exhibition celebrating the work and legacy of African American photographer Charles “Teenie” Harris. From the 1930s to the 1970s, Teenie Harris served as photographer for the *Pittsburgh Courier*, the preeminent national Black newsweekly. Today, his work comprises one of the most complete photographic portraits ever created of the 20th-century urban African American experience. Following the exhibition’s six-month run at the Carnegie Museum of Art, a smaller version will travel to sites around the country for five years. In Los Angeles, a major traveling exhibition titled *Gifts of the Sultan* at the Los Angeles County Museum of Art brings together rare artifacts from 40 institutions, from France to Qatar. More than 200 works spanning eleven centuries illuminate the importance of gifts, and the act of giving, to early Islamic cultures.

The Endowment continues to foster the use of new digital technologies to deliver humanities content to the public. For example, *New Deal Murals of San Francisco*, to be implemented by KQED public media, will provide multimedia walking tours through the use of hand-held audio and video devices, along with web mapping and social media, allowing users to explore the history of the city’s New Deal-era murals. Similarly, the Museum Without Walls in Philadelphia will offer public audiences a multiplatform interpretation of 36 outdoor sculptures. The city’s collection of outdoor sculptures spans two centuries and is the largest in scale of any American city.

Delivery mechanisms also include innovative collaborations among multiple cultural organizations. For example, a grant to the Pacific Symphony in Los Angeles is supporting a joint effort of four symphony orchestras that links the humanities to the performing arts. *Music Unwound* will bring multimedia performances of Dvorak’s New World Symphony and the music of Aaron Copland to audiences in four cities. At each venue, live concerts will be enhanced by public programs, lectures, and museum exhibitions placing these composers and their music in a historical context.

[Indicator 2] The Small Grants to Libraries program provides support for libraries and other cultural institutions to receive traveling panel exhibitions or pre-packaged reading and film discussion programs. For example, the Folger Shakespeare Library received a grant in partnership with Oxford University’s Bodleian Library for a major exhibition to mark the 400th anniversary of the publication of the King James Bible, the most frequently printed and one of the most widely read books in the English language. *Manifold Greatness: The Creation and Afterlife of the King James Bible* opened in Oxford and will subsequently travel to the Folger Library in Washington, DC, and the Harry Ransom Center in Austin, Texas. From 2011 through 2013, the Folger is partnering with the American Library Association to tour a 14-panel version of *Manifold Greatness* to 40 selected libraries and community centers throughout the U.S. Each venue receives a small grant from the NEH to mount public programs related to the exhibit, such as lectures by scholars or reading and discussion groups.

NEH on the Road sends scaled-down versions of major NEH-funded exhibitions to cultural organizations at sites across America. The program extends the life of funded exhibitions by several years, and also brings excellent humanities exhibitions to rural and underserved regions of the nation. The Endowment provides support to each host site, awarding small grants for local public programming and scholarly activities. Begun in 2005, the program has garnered more

than 170 bookings and has reached more than 500,000 Americans with high quality exhibitions on topics as diverse as the persistence of community values associated with family farming, the early history of American aviation, and the lives and careers of Robert E. Lee and Ulysses S. Grant.

E: To create new program initiatives that respond to needs and opportunities in American society.

1) New initiatives and programs that address important concerns and opportunities in the humanities are established.

- FY 2011: A special initiative, *Bridging Cultures*, introduced support for a variety of activities to enhance Americans' understanding of their own rich cultural heritage, as well as the cultural complexity of the world in which we live. The initiative sponsored a series of eight forums and workshops across the nation that enabled scholars and members of the public to discuss issues that divide us as Americans and that have helped us understand the history, heritage, and cultures of peoples in countries around the world. In addition, the Endowment encouraged scholars, educators, museums, libraries, and other individuals and institutions to develop humanities projects and programs that address the goals and objectives of the initiative. NEH also made creative use of social and digital media to foster dialogue among people of diverse cultures in the United States and abroad.

Funding was provided through *We the People* to support a variety of programmatic initiatives: 1) awards through the NEH/Library of Congress National Digital Newspaper Program; 2) special NEH Challenge Grants for educational and cultural institutions working to advance knowledge of the founding principles of the United States; and 3) an Endowment-wide effort to contribute to national observance of the sesquicentennial of the Civil War in 2011-2015. The state humanities councils also received additional funding to support projects and programs related to the initiative.

Funding was provided through a major Digital Humanities program to support projects that utilize or study the impact of digital technology on research, education, preservation, and public programming in the humanities. Digital Humanities supported a variety of new funding categories or programmatic emphases: 1) Digital Start-Up Grants to encourage innovative work at the nexus of information technology and the humanities; 2) Institutes for Advanced Topics in the Digital Humanities to encourage the sharing of best practices among humanities scholars; and 3) DFG/NEH Bilateral Digital Humanities Programs jointly supported by NEH and the German Research Foundation (DFG) to encourage collaborative digital humanities projects between American and German institutions.

- FY 2010: Significant funding was provided through *We the People* to support a variety of programmatic initiatives: 1) We the People Bookshelf grants for up to 4,000 public and school libraries; 2) "Landmarks of American History and Culture" workshops for K-12 teachers and community college faculty, several of which invite

participation by teachers from other nations; 3) Picturing America, a special program that when completed provided educational materials on key works of American art to 77,000 school and public libraries; 4) public programs supported through “America’s Historic Places;” 5) additional awards through the NEH/Library of Congress National Digital Newspaper Program; 6) special NEH Challenge Grants for educational and cultural institutions working to advance knowledge of the founding principles of the United States; and 7) an Endowment-wide effort to contribute to national planning for the sesquicentennial of the Civil War in 2011-2015. Additional humanities projects supported by NEH core programs received *We the People* grants. The state humanities councils also received significant funding to support projects and programs related to the initiative.

Funding was provided through a major Digital Humanities program to support projects that utilize or study the impact of digital technology on research, education, preservation, and public programming in the humanities. Digital Humanities supported a variety of new funding categories or programmatic emphases: 1) Digital Start-Up Grants to encourage innovative work at the nexus of information technology and the humanities; 2) Institutes for Advanced Topics in the Digital Humanities to encourage the sharing of best practices among humanities scholars; 3) Bilateral Symposia and Workshops jointly supported by NEH and the German Research Foundation to encourage collaborative digital humanities projects; and 4) Digging into Data Challenge, an international collaboration among research teams in Canada, England or Wales in the United Kingdom, and the United States to explore how vast libraries of digitized books, newspapers, art, and music can be used for advanced scholarship. Enhanced funding was also provided for humanities projects supported by NEH core programs.

- FY 2009: Significant funding was provided through *We the People* to support a variety of new programmatic initiatives: 1) *We the People* Bookshelf grants for up to 3,000 public and school libraries; 2) “Landmarks of American History and Culture” workshops for K-12 teachers and community college faculty, several of which will invite participation by teachers from other nations; 3) Picturing America, a special program that provided educational materials on key works of American art to 77,000 school and public libraries; 4) public programs supported through the new “America’s Historic Places” and “Family and Youth Programs in American History” categories; 5) additional awards through the NEH/Library of Congress National Digital Newspaper Program; 6) special NEH Challenge Grants for educational and cultural institutions working to advance knowledge of the founding principles of the United States; and 7) an Endowment-wide effort to contribute to the celebration of the Abraham Lincoln Bicentennial in 2009. Additional humanities projects supported by NEH program divisions received *We the People* grants. The state humanities councils also received significant funding to support projects and programs related to the initiative.

Funding was provided through a major Digital Humanities program to support projects that utilize or study the impact of digital technology on research, education,

preservation, and public programming in the humanities. Digital Humanities supported a variety of new funding categories or programmatic emphases: 1) Digital Start-Up Grants to encourage innovative work at the nexus of information technology and the humanities; 2) Institutes for Advanced Topics in the Digital Humanities, a new program to encourage the sharing of best practices among humanities scholars; 3) Transatlantic Collaboration Grants supported jointly by NEH and the Higher Education Funding Council for England; 4) Bilateral Symposia and Workshops jointly supported by NEH and the German Research Foundation to encourage collaborative digital humanities projects; 5) Digging into Data Challenge, an international collaboration among research teams in Canada, England or Wales in the United Kingdom, and the United States to explore how vast libraries of digitized books, newspapers, art, and music can be used for advanced scholarship; and 6) an effort to support digital projects by the state humanities councils.

- FY 2008: Significant funding was provided through *We the People* to support a variety of new programmatic initiatives: 1) *We the People Bookshelf* grants for up to 3,000 public and school libraries; 2) “Landmarks of American History and Culture” workshops for K-12 teachers and community college faculty, several of which will invite participation by teachers from other nations; 3) Picturing America, a new program to provide elementary and middle schools with educational materials on key works of American art; 4) public programs supported through the “America’s Historic Places” and “Family and Youth Programs in American History” categories; 5) additional awards through the NEH/Library of Congress National Digital Newspaper Program; 6) special NEH Challenge Grants for educational and cultural institutions working to advance knowledge of the founding principles of the United States; and 7) an Endowment-wide effort to contribute to the celebration of the Abraham Lincoln Bicentennial in 2009. Additional humanities projects supported by NEH grant-making programs received *We the People* grants. The state humanities councils also received significant funding to support projects and programs related to the initiative.

Funding was provided through a new, major Digital Humanities program to support projects that utilize or study the impact of digital technology on research, education, preservation, and public programming in the humanities. Digital Humanities supported a variety of new funding categories or programmatic emphases: 1) Digital Start-Up Grants to encourage innovative work at the nexus of information technology and the humanities; 2) Digital Humanities Fellowships to encourage humanities scholars to use advanced electronic technologies and to work collaboratively with scholars in computing and other fields; 3) Digital Humanities Workshops for the nation’s elementary and secondary school teachers to help them deepen their knowledge, understanding, and skills in using digital resources in their classrooms; and 4) an effort to support digital projects by the state humanities councils.

- FY 2007: Significant funding was provided through *We the People* to support a variety of new programmatic initiatives: 1) *We the People Bookshelf* grants for up to 1,000 public and school libraries; 2) “Landmarks of American History and Culture” workshops for K-12 teachers and community college faculty; 3) an effort to digitize

the papers of the first four U.S. presidents; 4) a new program to provide elementary and middle schools with educational materials on key works of American art; 5) public programs supported through the “America’s Historic Places” and “Family and Youth Programs in American History” categories; 6) an effort to preserve and increase access to the papers of former members of the United States Congress; 7) additional awards through the NEH/Library of Congress *National Digital Newspaper Program*; and 8) special NEH Challenge Grants for educational and cultural institutions working to advance knowledge of the founding principles of the United States. Additional humanities projects supported by NEH’s grant-making programs received *We the People* grants. The state humanities councils also received significant funding to support projects and programs related to the initiative.

Significant funding was provided through a major, multi-year Digital Humanities Initiative (DHI) to support projects that utilize or study the impact of digital technology on research, education, preservation, and public programming in the humanities. DHI launched a variety of new funding categories or programmatic emphases: 1) Digital Start-Up Grants to encourage innovative projects involving the nexus of information technology and the humanities; 2) Digital Humanities Fellowships to encourage humanities scholars to use advanced electronic technologies and to work collaboratively with scholars in computing and other fields; 3) Digital Humanities Workshops for the nation’s elementary and secondary school teachers to help them deepen their knowledge, understanding, and skills in using digital resources in their classrooms; and 4) an effort to expand support of digital projects by the state humanities councils.

- FY 2006: Significant funding was provided through *We the People* to support a variety of new programmatic initiatives: 1) *We the People Bookshelf* grants for up to 2,000 public and school libraries; 2) “Landmarks of American History and Culture” workshops for K-12 teachers and community college faculty; 3) public programs supported through the new “America’s Historic Places” and “Family and Youth Programs in American History” categories; 4) additional awards through the NEH/Library of Congress *National Digital Newspaper Program*; and 5) special NEH Challenge Grants for educational and cultural institutions working to advance knowledge of the founding principles of the United States. Additional humanities projects supported by NEH’s grant-making programs received *We the People* grants. The state humanities councils also received significant funding to support projects and programs related to the initiative.
- 2) Agency-wide initiatives are developed in selected humanities areas.
- FY 2011: Twelve awards were made through the NEH/NSF “Documenting Endangered Languages” special initiative.
 - FY 2010: “Rediscovering Afghanistan,” invited proposals for research, education, and public programs about Afghanistan and encouraged U.S. institutions to assist that country in its effort to preserve and document its cultural resources. Twelve awards

were made through the NEH/NSF “Documenting Endangered Languages” special initiative.

- FY 2009: “Rediscovering Afghanistan,” promoted research, education, and public programs about Afghanistan and encouraged U.S. institutions to assist that country in its effort to preserve and document its cultural resources. Five awards were made through the NEH/NSF “Documenting Endangered Languages” special initiative.
- FY 2008: “Rediscovering Afghanistan” promoted research, education, and public programs about Afghanistan and encouraged U.S. institutions to assist that country in its effort to preserve and document its cultural resources. Eight awards were made through the NEH/NSF “Documenting Endangered Languages” special initiative.
- FY 2007: “Rediscovering Afghanistan” promoted research, education, and public programs about Afghanistan and encouraged U.S. institutions to assist that country in its effort to preserve and document its cultural resources. Nine awards were made through the NEH/NSF “Documenting Endangered Languages” special initiative.
- FY 2006: “Rediscovering Afghanistan” promoted research, education, and public programs about Afghanistan and encouraged U.S. institutions to assist that country in its effort to preserve and document its cultural resources. Twelve awards were made through the NEH/NSF “Documenting Endangered Languages” and “Recovering Iraq’s Past” special initiatives.

ANALYSIS:

FY 2011 accomplishments. [Indicator 1] Launched in FY 2011, the Endowment’s *Bridging Cultures* initiative supports projects that explore the ways in which cultures from around the globe, as well as the myriad subcultures within America’s borders, have influenced American society. In FY 2011, *Bridging Cultures* highlights and accomplishments included the following:

- Eight *Bridging Cultures* forum and workshop programs brought some of the best of recent humanities research and scholarship to the general public. Half of these programs were focused on the role of civility in our democracy, and half were focused on the history and culture of Muslim societies.
- A new grant program, *Bridging Cultures* through Film: International Topics, was introduced to support documentary films that explore cultures outside of the United States. In the initial round of this competition, thirteen awards were made for projects that will introduce Americans to other cultures and investigate a wide range of topics, from endangered languages worldwide to the role of American popular music in the collapse of the Iron Curtain.

The FY 2011 highlights of *We the People*, an initiative and dedicated funding aimed at inspiring the best in citizenship by reinvigorating the teaching, study, and understanding of American history and culture, included the following:

- NEH and the Library of Congress provided continuing support for the National Digital Newspaper Program, a long-term partnership that is converting microfilm of U.S. newspapers from 1836 to 1922 into fully searchable digital files and mounting them on the Internet. Under this partnership, NEH awards grants for individual state projects and the Library of Congress provides technical assistance and mounts and maintains the database of digitized files on a website called *Chronicling America*. Materials related to the American Civil War became available on *Chronicling America* in time for the sesquicentennial of the war.
- With funding from the Endowment, 65 libraries nationwide participated in the American Library Association’s reading and discussion program, *Let’s Talk About It: Making Sense of the Civil War*.
- Funding was provided for *Lincoln: The Constitution and the Civil War*, a panel exhibition that explores how the nation’s 16th President used constitutional tools to preserve the union and end slavery. The exhibition is now on tour to public libraries across the nation and will reach institutions in cities and towns in 15 other states by the time it completes its tour in 2015.

In FY 2011, the Endowment’s Office of Digital Humanities supported a number of projects that utilize or study the impact of digital technology.

- Digital Humanities Start-Up Grants support the planning or early stages of experimental digital projects in all areas of the humanities. In FY 2011, a Start-Up grant was awarded to a group of historians, librarians, and linguists at the University of North Texas to develop advanced text-mining and visualization tools to study historical trends in vast databases of digitized American newspapers.
- Institutes for Advanced Topics in the Digital Humanities encourage the sharing of best technology practices among humanities scholars. In FY 2011, The University of California, Los Angeles received a grant to host an institute aimed at bringing together humanities scholars, mathematicians, and computer scientists to explore how ideas are transmitted across networks of people over time and place. The scholars and scientists will learn from a distinguished set of lecturers who will be discussing this theme in many different contexts, including literature, language, art, and history.
- NEH and the German Research Foundation are co-sponsoring programs to encourage collaborative digital humanities projects between American and German institutions. In FY 2011, an international collaboration between Tufts University in Massachusetts and the German Archaeological Institute began to join together the digital holdings of both institutions to form the largest collection of Greco-Roman materials online. The new, combined digital library will be a major step forward for research related to the Greco-Roman world.

[Indicator 2] Other agency-wide initiatives were also supported in FY 2010.

The Endowment joined with the National Science Foundation to support an agency-wide initiative on "Documenting Endangered Languages." For example, a recent grant to the Mescalero Apache Tribe is supporting the creation of a dictionary and introductory grammar for Mescalero Apache, an endangered Athapaskan language in New Mexico.

F: To strengthen the institutional base of the humanities.

PERFORMANCE INDICATORS:

Support is provided for institutions to increase nonfederal contributions for their humanities activities and enhance their resources over the long term.

- FY 2011: By FY 2014, NEH Challenge Grants awarded in FY 2011 will generate more than \$30/(\$30) million in nonfederal donations to recipient institutions in support of their humanities activities.
- FY 2010: By FY 2013, NEH Challenge Grants awarded in FY 2010 will generate more than \$32/(\$33) million in nonfederal donations to recipient institutions in support of their humanities activities.
- FY 2009: By FY 2012, NEH Challenge Grants awarded in FY 2009 will generate more than \$35/(\$34) million in nonfederal donations to recipient institutions in support of their humanities activities.
- FY 2008: By FY 2011, NEH Challenge Grants awarded in FY 2008 will generate \$32/\$34 million in nonfederal donations to recipient institutions in support of their humanities activities.
- FY 2007: By FY 2010, NEH Challenge Grants awarded in FY 2007 will generate \$30/(\$42) million in nonfederal donations to recipient institutions in support of their humanities activities.
- FY 2006: By FY 2009, NEH Challenge Grants awarded in FY 2006 will generate \$30/\$40 million in nonfederal donations to recipient institutions in support of their humanities activities.

ANALYSIS:

Availability of data. By FY 2014, NEH Challenge Grants awarded in FY 2011 will have generated approximately \$30 million in nonfederal donations to recipient institutions in support of their humanities activities. Challenge Grants are designed to encourage humanities organizations to undertake a capital fund-raising campaign. Because such campaigns may require years to reach their goal, the sums above represent a snapshot of current progress toward the recipients' multi-year fund-raising goals.

FY 2011 accomplishments. NEH Challenge Grants help local, state, and national institutions secure their humanities resources and activities for the long term. Crucial to achieving this goal is the “multiplier effect”: Recipients must raise three times the amount of federal funds offered, except for Historically Black Colleges and Universities, Tribal Colleges and Universities, and two-year colleges. These three types of institutions are required to raise only two times the amount of federal funds offered.

Both the NEH challenge funds and the matched nonfederal funds can be used for a variety of long-term institutional purposes. The money may be used to purchase capital equipment and upgrade technology, renovate or construct facilities, and add to library holdings or museum collections. Challenge grants can also augment or establish endowments or spend-down funds that support basic humanities needs such as staff and programming. A wide array of nonprofit organizations have taken up the NEH “challenge,” including museums, tribal centers, libraries, colleges and universities, scholarly research organizations, state humanities councils, public radio and television stations, and historical societies and historic sites.

In accord with a key element of the Endowment's strategic plan, the NEH Challenge Grants program helps strengthen humanities teaching and learning across the nation. For example, Swarthmore College received a \$600,000 challenge grant (to match \$2,400,000 in nonfederal funds) for teaching positions in Modern Standard Arabic. The college currently has substantial enrollments in Islamic and Middle Eastern Studies, and it seeks to address a national need by offering instruction in first- and second-year Arabic in a tri-college consortium with Haverford College and Bryn Mawr College. The consortium seeks to integrate language and cultural study and to encourage participation by its students in overseas residential programs. The grant will support a full-time faculty position at Swarthmore, a part-time faculty position to be shared with Haverford and Bryn Mawr, and Arabic language drill instructors.

Recognizing that the greater part of postsecondary education in the humanities takes place at two-year colleges, the Endowment in FY 2011 initiated a special Challenge Grant competition designed to encourage two-year colleges to plan for ways to strengthen their activities, programs, capital resources, and endowments that support the humanities. Encouragement for a category of institutions that have been reluctant to apply for challenge grants includes a lower matching ratio (2-to-1 instead of 3-to-1) and an extended grant period (six years instead of five) to allow increased time to meet the NEH fundraising challenge. As a result of the first round of the initiative, the Endowment is offering a challenge grant of \$131,000 (to match \$264,000 in nonfederal gifts) to Northwest Community College in Wyoming to establish an Intercultural Center. Northwest College is an open-admission, comprehensive, public community college located in the rural community of Powell, in the isolated Big Horn Basin approximately 80 miles from the eastern entrance to Yellowstone National Park. This small, two-year institution serves a three-county area of 12,000 square miles, roughly the size of Massachusetts and Connecticut combined.

Challenge grant applications require evidence of careful strategic planning for the long-term strength of the humanities. NEH recently offered a challenge grant to Pilgrim Hall Museum, in Plymouth, Massachusetts, whose historic 1824 facility lacked adequate climate control, imperiling the museum's invaluable collection of early American artifacts. The collection

includes William Bradford's Geneva Bible, the primary bible of the 16th-century Protestant movement, and the only portrait made of a Pilgrim from life. The museum successfully raised the \$900,000 required for matching \$300,000 in federal funds, and it used the \$1,200,000 in total challenge funds to install a state-of-the-art HVAC system; to construct new exhibition space; and to make other capital improvements necessary to protect the collection and better serve an increased number of visitors.

NEH supports scholarly research in the humanities at a variety of types of institutions, from large universities to small colleges, from major history museums to historic sites. The Endowment recently offered a challenge grant of \$850,000 (to match \$2,550,000 in nonfederal donations) to Knox College of Galesburg, Illinois in support of its Lincoln Studies Center. Founded by two long-time members of the Knox faculty, now retired, the center has the aim of making primary Lincoln resources more available. The center is particularly known for its numerous publications and its partnership with the Library of Congress in transcribing and annotating Lincoln's personal papers for the Library's website. The offered challenge grant will endow the directorship of the center and develop a Web resource that provides access to full-text versions of significant Lincoln-related materials.

As well, the Challenge Grants program supports long-term institutional capacity to preserve manuscripts, art works, artifacts, documents, and other collections important to our cultural heritage. The North Haven Historical Society, which serves the community on a small island off the coast of Maine, used a \$60,000 challenge grant (matched by \$180,000 in nonfederal gifts) to construct an archives building that now houses important documents and materials from the region's past. According to the project director, the challenge offer "was just the incentive the Society needed and a clear indication to our potential donors that we . . . meant to provide an archival safe haven for all that we had been given, for future acquisitions, and an enticement for community members (especially students) to explore their heritage."

An excellent example of the important role local historical societies play in providing opportunities for lifelong learning in the humanities can be seen in the challenge grant of \$575,000 awarded to Historic Cherry Hill, located in the South End of Albany, New York. The grant will provide for restoration of a 1787 wood-frame, Georgian-style farmhouse (listed on the National Register of Historic Places) and endow the Curatorial and Research Department. Home to five generations of Van Rensselaers, Cherry Hill today tells a nationally significant story through the lens of an important family in the Albany area. Using the site's intact family collections of 20,000 objects, 30,000 manuscripts, 7,500 textiles, 5,000 books, and 3,000 photographs, the society educates its core audience of school children, college students, family groups, tourists, and researchers.

As part of the Endowment's recent emphasis on digital technology and applications, Challenge Grants are enhancing the institutional infrastructure that makes sustained use of advanced technology possible. For example, NEH offered Colonial Williamsburg Foundation in Virginia \$813,750 (to match \$2,441,250 in nonfederal donations) to endow its Digital History Center. Founded in 2002, the center uses innovative technologies to engage the public in continuing conversation about the American Revolution, citizenship, and democracy. The center's ongoing projects include "eWilliamsburg," which employs GIS technologies to link a digital map of the

Colonial city to reports and other documentary evidence relating to the history of the site, and “Virtual Williamsburg,” an ongoing initiative to create a 3-D computer model of Virginia’s capital in 1776.

G: To maintain and strengthen partnerships with the state humanities councils.

PERFORMANCE INDICATORS:

Support is provided to the councils to encourage locally initiated, substantive humanities programs for the people in each state.

- FY 2011: Support for the programs and operations of 56 state humanities councils made possible high quality state and local humanities projects throughout the nation, including 16,600/(16,600) reading and discussion programs, 2,300/(2,300) exhibitions, 6,200/(6,200) literacy programs, 4,000/(4,000) speakers bureau presentations, 4,300/(4,300) teacher institutes and workshops, 5,100/(5,100) conferences and symposia, 2,000/(2,000) Chautauqua events, 7,600/(7,600) media program events, 700/(700) technology projects, 720/(720) preservation projects, and 4,200/(4,200) local history projects.
- FY 2010: Support for the programs and operations of 56 state humanities councils made possible high quality state and local humanities projects throughout the nation, including 17,700/**17,700** reading and discussion programs, 4,600/**4,600** exhibitions, 5,700/**5,700** literacy programs, 5,800/**5,800** speakers bureau presentations, 3,700/(3,700) teacher institutes and workshops, 5,800/**5,800** conferences and symposia, 2,300/**2,300** Chautauqua events, 7,120/ **7,120** media program events, 660/**660** technology projects, 700/**700** preservation projects, and 6,300/6,300 local history projects.
- FY 2009: Support for the programs and operations of 56 state humanities councils made possible high quality state and local humanities projects throughout the nation, including 16,400/**15,886** reading and discussion programs, 4,350/**3,072** exhibitions, 5,280/**5,222** literacy programs, 5,400/**4,803** speakers bureau presentations, 3,460/**3,190** teacher institutes and workshops, 5,800/**5,638** conferences and symposia, 2,600/**2,419** Chautauqua events, 6,660/**7,088** media program events, 560/**1,144** technology projects, 650/**1,176** preservation projects, and 5,850/**5,191** local history projects.
- FY 2008: Support for the programs and operations of 56 state humanities councils made possible high quality state and local humanities projects throughout the nation, including 13,400/**15,228** reading and discussion programs, 3,000/**4,041** exhibitions, 4,500/**4,897** literacy programs, 4,600/**5,010** speakers bureau presentations, 3,800/**3,204** teacher institutes and workshops, 4,700/**5,457** conferences and symposia, 8,600/**2,547** Chautauqua events, 5,900/**6,168** media program events, 325/**512** technology projects, 300/**608** preservation projects, and 5,200/**5,415** local history projects.

- FY 2007: Support for the programs and operations of 56 state humanities councils made possible high quality state and local humanities projects throughout the nation, including 14,000/13,476 reading and discussion programs, 2,200/3,196 exhibitions, 4,000/4,580 literacy programs, 5,450/4,661 speakers bureau presentations, 2,000/3,898 teacher institutes and workshops, 4,000/4,772 conferences and symposia, 2,000/8,636 Chautauqua events, 7,000/5,985 media program events, 200/376 technology projects, 200/326 preservation projects and 5,200/5,224 local history projects.
- FY 2006: Support for the programs and operations of fifty-six state humanities councils made possible high quality state and local humanities projects throughout the nation, including 14,479/14,527 reading and discussion programs, 2,292/2,292 exhibitions, 4,477/4,359 literacy programs, 5,448/5,448 speakers bureau presentations, 2,070 /2,070 teacher institutes and workshops, 4,880/4,880 conferences and symposia, 2,222/2,222 Chautauqua events, 7,557/7,509) media program events, 263/263 technology projects, 229/228 preservation projects and 5,285/5,285 local history projects.

ANALYSIS:

Availability of data. The above performance data about programmatic activities undertaken by the state humanities councils as a result of funding awarded by the Endowment in FY 2011 are preliminary. Final data will be provided by the councils via a newly instituted electronic submission system.

FY 2011 accomplishments. State humanities councils are nonprofit 501(c)(3) organizations governed by volunteer boards of directors. They operate in each of the fifty states as well as in the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and Amerika Samoa. The councils were established to fulfill the requirement in the agency’s enabling legislation—National Foundation on the Arts and the Humanities Act of 1965, as amended—that the Endowment support humanities programs “in each of the several states.”

State councils receive funds each year from the NEH appropriation according to a statutory formula. In accordance with the federal mandate, every NEH dollar that a council receives is matched by local contributions of cash, goods, or services. In recent years councils annually attracted nonfederal contributions well in excess of the required 1:1 match. State humanities councils may grant a portion of their funds on a competitive basis to locally initiated programs; they may also develop and carry out their own programs. In their grant making role, they act as foundations from which eligible organizations and individuals seek funding; in their program-generating role, they are nonprofit service providers drawing on their own resources and looking to the public to support the benefits they offer.

The councils support thousands of humanities projects and programs every year that reach millions of Americans in rural areas, urban neighborhoods, and suburban communities. With funds provided through the NEH Federal/State Partnership, the councils support reading and discussion programs for children, families, and the newly literate that take place in libraries and other civic places; state and local book festivals, as well as the participation of a number of councils in the annual National Book Festival sponsored by the Library of Congress's Center for the Book; educational institutes and seminars for elementary and secondary school teachers; scholarship on state and local history and culture, such as comprehensive online state encyclopedias; exhibitions at museums, libraries, and historical sites; and radio, television, and film projects on humanities themes. They carry out an increasing amount of programming and communications electronically, using websites, electronic newsletters, social networking, podcasting, and RSS feeds. A number of councils also post videos on the popular YouTube website.

With their strong networks of cultural and educational institutions, state humanities councils are especially well-positioned to ensure that NEH's *Bridging Cultures* initiative has a broad reach. For example, in FY 2011 the Hawai'i Council for the Humanities collaborated with a variety of public humanities groups to facilitate and conduct programs around the general theme of Ha'i Mo'olelo ("to tell our stories") in order to highlight and focus on the ways the citizens of Hawai'i bridge cultures. This initiative explores the ways the humanities highlight traditions of civil discourse and cultural, social, and historical empathy, and by comparing and contrasting these traditions, they enhance mutual understanding and respect. The council's partners in this effort include the Hawai'i Book and Music Festival, Hawai'i Public Radio, Hawai'i International Film Festival, and council-guided humanities conferences, literary festivals, and events. Outreach includes public programs, teacher professional development and curriculum materials, and extensive media activity.

State humanities councils across the country make it possible for citizens to come together to address issues related to the economy, health care, demographics, energy, and our schools, through discussions informed by history and literature. Such in-depth explorations of critical and potentially divisive issues serve purposes beyond creating more thoughtful and better-informed citizens. They also increase citizen engagement in public life and bring citizens together to work toward common goals in shaping the future of their community and nation. State humanities councils were actively engaged in NEH Chairman Jim Leach's Civility Tour as he travelled throughout the country, either as organizers of events or as facilitators and partners with sponsoring organizations.

The Virginia Foundation for the Humanities uses electronic media to initiate discussions through their "Backstory with the American History Guys" radio call-in show, which features three prominent historians providing perspective on "events happening around us every day." The Pennsylvania Humanities Council (PHC), in partnership with Pennsylvania Cable Network, is televising its popular "Commonwealth Speakers" program. During its 25 years, the Commonwealth Speakers Program has reached over 100,000 Pennsylvanians. With this cable production, PHC will reach more than 3.3 million households with discussions of "arts, history, literature and the important ideas that shape our world."

Because the written word is the currency of ideas, most state humanities councils promote reading and literacy. Many councils support such family literacy programs as Motherhead, a nationally acclaimed non-profit organization that combines the teaching of literacy skills with child development and family empowerment. Prime Time Family Reading Time, developed by the Louisiana Endowment for the Humanities, provides reading, discussion, and storytelling programs for young children and their parents. Thirty-nine councils currently support literacy programming and all sponsor discussion programs, most of which are based on the common reading of texts.

Councils also support programs designed specifically to target audiences of older Americans. The New Jersey Council for the Humanities, for example, has awarded funding to the Princeton Senior Resource Center, and the councils in New Jersey, Rhode Island, and Ohio have supported the recording of oral histories of World War II veterans. The Nebraska Humanities Council has an ongoing grantmaking initiative “Growing Older in Nebraska.” One of the projects supported by this initiative brings together elders as storytellers and young adults ages 16 to 22 as recording partners to create elder legacies through the “Embracing Elderhood” program in several Nebraska communities. The Alaska Statehood Exhibit at the Alaska Native Heritage Center in Anchorage, which is funded by the Alaska Humanities Forum, features touchscreen videos of Alaska native elders talking about their experience of statehood in 1959 and the effects of the Statehood Act on native life.

Increasingly, the councils take an active role in providing K-12 teachers with professional development opportunities and humanities curriculum support. The Minnesota Humanities Center, for example, offers teacher institutes that range from short half-day programs to week-long institutes led by regional and national humanities scholars. The Alabama Humanities Foundation offers both week-long and one-day teacher seminars. It is also linked with the statewide interactive resource database and the distance learning network, making professional development opportunities widely available throughout the state. The 2011 Idaho Humanities Council summer seminar for teachers focused on the Cold War, with specific emphasis on the 1950s, in order to study its origins and the impact of its legacy on domestic and foreign policy. The Connecticut Humanities Council offers a web-based resource center that allows users to search by grade level or topic to find lesson plans, field trips and professional development opportunities for teachers and students offered by Connecticut's museums, historical societies, and cultural organizations. The Rhode Island Council for the Humanities offers civic education mini-grants that will help teachers focus on teaching Rhode Island history and on aligning their classroom activities with their state's educational standards.

H: To establish collaborative partnerships with individuals and institutions in support of the humanities.

PERFORMANCE INDICATORS:

1) Partnerships are forged to leverage new resources for the humanities and expand audiences for the humanities.

- FY 2011: The Endowment developed a number of new partnerships with other institutions and organizations, leveraging approximately \$1.5 million in new funding for humanities programs.
 - FY 2010: The Endowment developed of a number of new partnerships with other institutions and organizations, leveraging approximately \$1.1 million in new funding for humanities programs.
 - FY 2009: The Endowment developed of a number of new partnerships with other institutions and organizations, leveraging approximately \$1.40 million in new funding for humanities programs.
 - FY 2008: The Endowment developed a number of new partnerships with other institutions and organizations, leveraging approximately \$3.30 million in new funding for humanities programs.
 - FY 2007: The Endowment developed a number of new partnerships with other institutions and organizations, leveraging approximately \$1.88 million in new funding for humanities programs.
 - FY 2006: The Endowment developed of a number of new partnerships with other institutions and organizations, leveraging approximately \$1.87 million in new funding for humanities programs.
- 2) New programming, funding, and administrative partnerships are established with other agencies, foundations, and organizations, both public and private.
- FY 2011: NEH partnerships included the following: 1) a program of fellowships to be sponsored jointly by NEH and the Library of Congress to support humanities scholars who wish to conduct research at the Library of Congress; 2) the National Digital Newspapers Program, a multi-year collaboration with the Library of Congress to digitize and make publicly available on the World Wide Web newspapers already preserved on microfilm through the United States Newspapers Program; 3) the Advanced Research Fellowships on Japan Program to be jointly sponsored by NEH and the Japan-United States Friendship Commission; 4) the interagency Save America's Treasures initiative; 5) a Cultural Diplomacy partnership of NEH and the U.S. Department of State that would enable teachers from other nations to participate in "Landmarks of American History and Culture" workshops; 6) EDSITEMent; 7) Digging into Data Challenge, an international collaboration among research teams in Canada, England or Wales in the United Kingdom, and the United States to explore how vast libraries of digitized books, newspapers, art, and music can be used for advanced scholarship; and 8) programmatic collaboration with the National Trust for the Humanities.

- FY 2010: NEH partnerships included the following: 1) a program of fellowships to be sponsored jointly by NEH and the Library of Congress to support humanities scholars who wish to conduct research at the Library of Congress; 2) the National Digital Newspapers Program, a multi-year collaboration with the Library of Congress to digitize and make publicly available on the World Wide Web newspapers already preserved on microfilm through the United States Newspapers Program; 3) the Advanced Research Fellowships on Japan Program to be jointly sponsored by NEH and the Japan-United States Friendship Commission; 4) the interagency Save America's Treasures initiative; 5) a Cultural Diplomacy partnership of NEH and the U.S. Department of State that enabled teachers from other nations to participate in "Landmarks of American History and Culture" workshops; 6) EDSITEment; and 7) programmatic collaboration with the National Trust for the Humanities.
- FY 2009: NEH partnerships included the following: 1) a program of fellowships sponsored jointly by NEH and the Library of Congress to support humanities scholars who wish to conduct research at the Library of Congress; 2) the National Digital Newspapers Program, a multi-year collaboration with the Library of Congress to digitize and make publicly available on the World Wide Web newspapers already preserved on microfilm through the United States Newspapers Program; 3) the Advanced Research Fellowships on Japan Program jointly sponsored by NEH and the Japan-United States Friendship Commission; 4) the interagency Save America's Treasures initiative; 5) a Cultural Diplomacy partnership of NEH and the U.S. Department of State that enabled teachers from other nations to participate in "Landmarks of American History and Culture" workshops; 6) EDSITEment; and 7) programmatic collaboration with the National Trust for the Humanities.
- FY 2008: NEH partnerships included the following: 1) a program of fellowships sponsored jointly by NEH and the Library of Congress to support humanities scholars who wish to conduct research at the Library of Congress; 2) the Advanced Research Fellowships on Japan Program jointly sponsored by NEH and the Japan-United States Friendship Commission (JUSFC); 3) a Cultural Diplomacy partnership of NEH and the U.S. Department of State that enabled teachers from other nations to participate in "Landmarks of American History and Culture" workshops; 4) the National Digital Newspaper Program, a multi-year collaboration with the Library of Congress to digitize and make publicly available on the World Wide Web newspapers already preserved on microfilm through the United States Newspaper Program; 5) EDSITEment; 6) the interagency Save America's Treasures initiative; 7) programmatic collaboration with the National Trust for the Humanities; and 8) international collaborations to encourage global engagement in the humanities.
- FY 2007: NEH partnerships included the following: 1) a program of fellowships sponsored jointly by NEH and the Library of Congress to support humanities scholars who wish to conduct research at the Library of Congress; 2) the National Digital Newspaper Program, a multi-year collaboration with the Library of Congress to digitize and make publicly available on the World Wide Web newspapers already

preserved on microfilm through the United States Newspapers Program; 3) the Advanced Research Fellowships on Japan Program jointly sponsored by NEH and the Japan-United States Friendship Commission (JUSFC); 4) the interagency *Save America's Treasures* initiative; 5) a “Cultural Diplomacy” partnership of NEH and the U.S. Department of State that enabled teachers from other nations to participate in “Landmarks of American History and Culture” workshops; and 6) programmatic collaboration with the National Trust for the Humanities.

- FY 2006: NEH partnerships included the following: 1) a program of fellowships sponsored jointly by NEH and the Library of Congress to support humanities scholars who wish to conduct research at the Library of Congress; 2) the National Digital Newspaper Program, a multi-year collaboration with the Library of Congress to digitize and make publicly available on the World Wide Web newspapers already preserved on microfilm through the United States Newspapers Program; 3) the Advanced Research Fellowships on Japan Program jointly sponsored by NEH and the Japan-United States Friendship Commission (JUSFC); 4) the interagency *Save America's Treasures* initiative; and 5) programmatic collaboration with the National Trust for the Humanities.

ANALYSIS:

FY 2011 accomplishments. [Indicator 2] NEH has entered into formal partnership arrangements with several of its fellow agencies and with private foundations in order to collaborate on specific projects. Currently, the NEH administers the review and evaluation of applications to the Library of Congress's John W. Kluge Fellows Program, which provides stipends to junior scholars from the U.S. and abroad to conduct research in the Library's humanities collections; and, in collaboration with the Japan-United States Friendship Commission, it conducts the evaluation of applications and serves as fiscal agent for a program to encourage American scholars' research on Japan. The Endowment maintains a “Cultural Diplomacy” partnership with the U.S. Department of State that enables teachers from other nations to participate in “Landmarks of American History and Culture” workshops. In FY 2011, eighteen visitors from Bangladesh, Brazil, Burma, Chile, Ghana, India, Indonesia, Kenya, Lebanon, Liberia, Nepal, Russia, Sri Lanka, Thailand, Turkey, and Ukraine participated in six school teacher Landmarks projects, where they explored significant events and themes in American history.

Additional Cultural Diplomacy partnerships included an ongoing series of academic conferences, co-sponsored by the People's Republic of China, that bring together Chinese and American scholars to discuss common interests in the humanities. NEH also recently renewed a bilateral agreement with the Italian National Research Council, the largest public research institution in the Republic of Italy. This agreement, which began in 2007, will result in further scholarly exchanges in the coming fiscal year to examine contemporary developments in the fields of cultural identity, cultural heritage, and cultural preservation of significance to both nations.

The Endowment has entered into two federal partnerships in conjunction with agency-wide initiatives. As part of the *We the People* program, NEH and the Library of Congress established

a partnership to create the National Digital Newspaper Program. Over a period of approximately 20 years, the Endowment will provide grants to institutions and organizations in each state of the nation to digitize titles published between 1836 and 1922 and to prepare fully searchable files that the Library of Congress will permanently maintain on the World Wide Web. And, the Endowment has embarked on a multi-year funding partnership with the National Science Foundation, “Documenting Endangered Languages,” which provides NEH awards to scholars engaged in developing and advancing knowledge concerning dying languages.

The Endowment has also been alert to opportunities to pool NEH and private-sector resources in ways that make the most of each. One noteworthy example of this collaboration is EDSITEment, a nationally recognized gateway for teachers seeking rich humanities resources on the Internet. Administered through the Verizon Foundation, EDSITEment (<http://edsitement.neh.gov>) now contains over 300 sites selected by peer review panels for their excellent humanities content, interactive design, and usefulness in the classroom. EDSITEment also includes more than 500 extensive learning units comprising rich material spanning the humanities curriculum for grades K-12. The continually expanding EDSITEment website receives approximately 400,000 user sessions per month. EDSITEment has expanded the scope the Endowment’s Picturing America project to reach directly into the classroom. Online learning units and interactive materials featuring works of art from the project’s collection guide teachers in using art to deepen their students’ understanding of American history and literature.

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III. FINANCIAL INFORMATION

A Message from the Director of Accounting

On behalf of the National Endowment for the Humanities (Endowment), it is my pleasure to present the agency's audited financial statements for fiscal year 2011. I am happy to report that our independent auditor, Leon Snead and Company, P.C., has rendered an unqualified opinion on these statements. The Endowment has obtained an unqualified (clean) opinion on the agency's consolidated financial statements for the seventh consecutive year, indicating the Endowment's continued responsible stewardship of the taxpayer dollars to which it has been entrusted.

There were no audit findings relating to NEH's FY 2010 audit. However in FY 2011, the Office of Inspector General (IG) issued an audit finding pertaining to grant monitoring. The IG finding recommended several improvements to the agency-wide policies and procedures for monitoring grants. NEH management created a corrective action plan and subsequently completed and implemented the corrective actions to improve grant monitoring.

In addition to the many duties and responsibilities of running a financial operation, we complied with several new federal requirements. First, the Federal Accounting Standards Advisory Board issued technical release (TR) 12, *Accrual Estimates for Grant Programs*. We used the cost-effective framework in this TR to develop reasonable estimates of accrued grant liabilities. Second, the Office of Management and Budget (OMB) issued government-wide guidance on the Improper Payments Elimination and Recovery Act (IPERA) in OMB Memorandum M-11-16. We developed procedures following the bulletin's guidance that enabled us to assess whether the risk of improper payments was significant in NEH's operations.

In closing, I want to thank the tremendous effort from individuals at all levels of the Endowment who made the success of this audit possible. Their efforts are recognized and appreciated.

John Gleason
Director, Accounting Office
November 15, 2011

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National Endowment for the Humanities

Audit of Financial Statements

**As of and for the Years Ended
September 30, 2011 and 2010**

Submitted By

Leon Snead & Company, P.C.

Certified Public Accountants & Management Consultants



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Inspector General, National Endowment for the Humanities
Chairman, National Endowment for the Humanities

Independent Auditor's Report

We have audited the balance sheets of the National Endowment for the Humanities (the Endowment) as of September 30, 2011 and 2010, and the related statements of net cost, changes in net position, and budgetary resources (the financial statements) for the years then ended. The objective of our audits was to express an opinion on the fair presentation of those financial statements. In connection with our audit, we also considered the Endowment's internal control over financial reporting and tested the Endowment's compliance with certain provisions of applicable laws and regulations that could have a direct and material effect on its financial statements.

SUMMARY

As stated in our opinion on the financial statements, we found that the Endowment's financial statements as of and for the years ended September 30, 2011 and 2010, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

Our consideration of internal control would not necessarily disclose all deficiencies in internal control over financial reporting that might be material weaknesses under standards issued by the American Institute of Certified Public Accountants. However, our testing of internal control identified no material weaknesses in financial reporting.

The results of our tests of compliance with certain provisions of laws and regulations disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*, issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements* (as amended).

The following sections discuss in more detail our opinion on the Endowment's financial statements, our consideration of the Endowment's internal control over financial reporting, our tests of the Endowment's compliance with certain provisions of applicable laws and regulations, and management's and our responsibilities.

OPINION ON THE FINANCIAL STATEMENTS

We have audited the accompanying balance sheets of the Endowment as of September 30, 2011 and 2010, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position, net cost, changes in net position, and budgetary resources of the Endowment as of and for the years ended September 30, 2011 and 2010, in conformity with accounting principles generally accepted in the United States of America.

The information in the Management's Discussion and Analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America or OMB Circular A-136, *Financial Reporting Requirements*. We have applied certain limited procedures, which consisted principally of inquiries of the Endowment management regarding the methods of measurement and presentation of the supplementary information and analysis of the information for consistency with the financial statements. However, we did not audit the information and express no opinion on it. The Performance and Accountability Report, except for Management's Discussion and Analysis, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the Endowment as of and for the years ended September 30, 2011 and 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Endowment's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Endowment's internal control. Accordingly, we do not express an opinion on the effectiveness of the Endowment's internal control.

Because of inherent limitations in internal controls, including the possibility of management override of controls, misstatements, losses, or noncompliance may nevertheless occur and not be detected. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less

severe than a material weakness, yet important enough to merit attention by those charged with governance of the Endowment.

Our consideration of internal control was for the limited purpose described in the first paragraph in this section of the report and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

COMPLIANCE WITH LAWS AND REGULATIONS

The results of our tests of compliance with certain provisions of laws and regulations, as described in the Responsibilities section of this report, disclosed no instances of noncompliance with laws and regulations that are required to be reported under *Government Auditing Standards* and OMB Bulletin 07-04 (as amended).

RESPONSIBILITIES

Management Responsibilities

Management of the Endowment is responsible for: (1) preparing the financial statements in conformity with generally accepted accounting principles; (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers Financial Integrity Act (FMFIA) are met; and (3) complying with applicable laws and regulations. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies.

Auditor Responsibilities

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Bulletin 07-04, *Audit Requirements for Federal Financial Statements* (as amended). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes (1) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; (2) assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In planning and performing our audit, we considered the Endowment's internal control over financial reporting by obtaining an understanding of the agency's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements.

We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin 07-04 (as amended) and *Government Auditing Standards*. We did not test all internal controls relevant to operating objectives as broadly defined by FMFIA. Our procedures were not designed to provide an opinion on internal control over financial reporting. Consequently, we do not express an opinion thereon.

As required by OMB Bulletin 07-04 (as amended), with respect to internal control related to performance measures determined to be key and reported in Management's Discussion and Analysis, we made inquiries of management concerning the methods of preparing the information, including whether it was measured and presented within prescribed guidelines; changes in the methods of measurement or presentation from those used in the prior period(s) and the reasons for any such changes; and significant assumptions or interpretations underlying the measurement or presentation. We also evaluated the consistency of Management's Discussion and Analysis with management's responses to the foregoing inquiries, audited financial statements, and other audit evidence obtained during the examination of the financial statements. Our procedures were not designed to provide assurance on internal control over reported performance measures, and, accordingly, we do not provide an opinion thereon.

As part of obtaining reasonable assurance about whether the agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and significant provisions of contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin 07-04 (as amended). We limited our tests of compliance to these provisions and we did not test compliance with all laws and regulations applicable to the Endowment. Providing an opinion on compliance with certain provisions of laws, regulations, and significant contract provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

AGENCY COMMENTS AND AUDITOR EVALUATION

In commenting on the draft of this report, the management of the Endowment concurred with the facts and conclusions in our report. A copy of management's response, which includes discussion of actions planned or taken to correct the reported deficiencies, accompanies this report.

DISTRIBUTION

This report is intended solely for the information and use of the management, the Office of Inspector General, and others within the Endowment, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Leon Snead & Company, P.C.
Leon Snead & Company, P.C.
November 8, 2011



NATIONAL ENDOWMENT FOR THE

Humanities

BALANCE SHEET

As of September 30, 2011 and 2010

(in US Dollars)

ASSETS	2011	2010
Intragovernmental:		
Cash & balances w/ U.S. Treasury (Note 2)	\$ 155,824,393	\$ 151,245,965
Receivables and advances (Note 3)	14,266	35,384
Total intragovernmental	155,838,659	151,281,349
Receivables and advances (Note 3)	3,164,964	2,506,458
Property and equipment, net (Note 4)	35,312	52,969
TOTAL ASSETS	159,038,935	153,840,776
LIABILITIES		
Intragovernmental:		
Accounts payable and accrued expenses (Note 5)	2,323,729	870,438
Total intragovernmental	2,323,729	870,438
Accounts payable and accrued expenses	27,053,907	27,621,831
Unfunded FECA actuarial liability (Notes 5 & 8)	217,767	212,336
Unfunded annual leave (Notes 5 & 8)	1,287,103	1,411,682
Total liabilities	30,882,506	30,116,287
Commitments and contingencies (Note 1)		
NET POSITION		
Unexpended appropriations - other funds	128,405,502	124,745,870
Unexpended appropriations - earmarked funds (Note 11)	-	-
Cumulative results operations - other funds	(1,614,870)	(1,465,140)
Cumulative results operations - earmarked funds (Note 11)	1,365,797	443,759
Total net position	128,156,429	123,724,489
TOTAL LIABILITIES AND NET POSITION	\$ 159,038,935	\$ 153,840,776

The accompanying notes are an integral part of these statements.



STATEMENT OF NET COST
For the Years Ended September 30, 2011 and 2010
(in US Dollars)

	2011	2010
PROGRAM COSTS (Notes 12, 13, & 15)		
Federal/State Partnerships		
Gross costs	\$ 43,799,203	\$ 45,443,015
Less: earned revenue	(44,834)	-
Net costs	<u>43,754,369</u>	<u>45,443,015</u>
Preservation and Access		
Gross costs	24,457,962	22,432,133
Less: earned revenue	(487,654)	(493,094)
Net costs	<u>23,970,308</u>	<u>21,939,039</u>
Research		
Gross costs	20,856,751	19,544,685
Less: earned revenue	(138,680)	(104,211)
Net costs	<u>20,718,071</u>	<u>19,440,474</u>
Public Programs		
Gross costs	21,126,734	19,823,654
Less: earned revenue	(21,297)	(100,000)
Net costs	<u>21,105,437</u>	<u>19,723,654</u>
Education		
Gross costs	20,718,301	19,563,549
Less: earned revenue	(20,876)	-
Net costs	<u>20,697,425</u>	<u>19,563,549</u>
We the People		
Gross costs	11,803,206	17,346,720
Less: earned revenue	(14,116)	-
Net costs	<u>11,789,090</u>	<u>17,346,720</u>
Challenge Grants		
Gross costs	5,533,336	11,457,637
Less: earned revenue	(5,588)	-
Net costs	<u>5,527,748</u>	<u>11,457,637</u>
Other Programs		
Gross costs	5,852,437	3,183,557
Less: earned revenue	(59,572)	(275,627)
Net costs	<u>5,792,865</u>	<u>2,907,930</u>
TOTAL PROGRAMS		
Gross costs (Note 18)	154,147,930	158,794,950
Less: earned revenue	(792,617)	(972,932)
NET COST OF OPERATIONS (Note 12)	<u>\$ 153,355,313</u>	<u>\$ 157,822,018</u>

The accompanying notes are an integral part of these statements.



NATIONAL ENDOWMENT FOR THE

Humanities

STATEMENT OF CHANGES IN NET POSITION
For the Years Ended September 30, 2011 and 2010
(in US Dollars)

	2011			2010		
	Earmarked Funds	All Other Funds	Total	Earmarked Funds	All Other Funds	Total
CUMULATIVE RESULTS OF OPERATIONS						
Beginning balances	\$ 443,759	\$ (1,465,140)	\$ (1,021,381)	\$ 578,869	\$ (181,758)	\$ 397,111
Adjustments: Corrections of errors	-	-	-	-	-	-
Beginning balances, as adjusted	443,759	(1,465,140)	(1,021,381)	578,869	(181,758)	397,111
Budgetary financing sources:						
Donations (Note 11)	1,553,505	-	1,553,505	788,036	-	788,036
Appropriations used (Note 17)	-	151,030,368	151,030,368	-	154,032,328	154,032,328
Other financing resources:						
Imputed financing from costs absorbed by others (Notes 1 & 13)	-	1,543,748	1,543,748	-	1,583,162	1,583,162
Total financing sources	1,553,505	152,574,116	154,127,621	788,036	155,615,490	156,403,526
Net cost of operations (Notes 12 & 13)	(631,467)	(152,723,846)	(153,355,313)	(923,146)	(156,898,872)	(157,822,018)
Net change	922,038	(149,730)	772,308	(135,110)	(1,283,382)	(1,418,492)
Cumulative Results of Operations	1,365,797	(1,614,870)	(249,073)	443,759	(1,465,140)	(1,021,381)
UNEXPENDED APPROPRIATIONS						
Beginning balances	-	124,745,870	124,745,870	-	111,278,198	111,278,198
Adjustments: Corrections of errors	-	-	-	-	-	-
Beginning balances, as adjusted	-	124,745,870	124,745,870	-	111,278,198	111,278,198
Budgetary financing sources:						
Appropriations received (current period) (Notes 17 & 18)	-	155,000,000	155,000,000	-	167,500,000	167,500,000
Rescissions	-	(310,000)	(310,000)	-	-	-
Donations	-	-	-	-	-	-
Appropriations used (Note 17)	-	(151,030,368)	(151,030,368)	-	(154,032,328)	(154,032,328)
Total budgetary financing sources	-	3,659,632	3,659,632	-	13,467,672	13,467,672
Total Unexpended Appropriations	-	128,405,502	128,405,502	-	124,745,870	124,745,870
NET POSITION	\$ 1,365,797	\$ 126,790,632	\$ 128,156,429	\$ 443,759	\$ 123,280,730	\$ 123,724,489

The accompanying notes are an integral part of these statements.



NATIONAL ENDOWMENT FOR THE
Humanities

STATEMENT OF BUDGETARY RESOURCES
For the Years Ended September 30, 2011 and 2010
(in US Dollars)

BUDGETARY RESOURCES	2011	2010
Unobligated balance, brought forward, October 1	\$ 3,134,707	\$ 3,573,426
Recoveries of prior year unpaid obligations	2,710,212	2,091,813
Budgetary authority:		
Appropriation	156,553,505	168,288,036
Spending authority from offsetting collections:		
Earned:		
Collected	3,008,645	1,277,090
Change in receivables from Federal sources	(21,118)	35,384
Change in unfilled customer orders:		
Advance received	1,437,249	(219,451)
Without advance from Federal sources	(59,148)	(136,412)
Anticipated for rest of year, without advances	-	-
Subtotal	160,919,133	169,244,647
Permanently not available - rescission	(310,000)	-
Total Budgetary Resources	<u>166,454,052</u>	<u>174,909,886</u>

STATUS OF BUDGETARY RESOURCES		
Obligations incurred (Notes 13 & 14)		
Direct	159,203,092	170,915,431
Reimbursable	2,192,128	859,748
Subtotal	161,395,220	171,775,179
Unobligated balance		
Apportioned	3,648,319	2,440,582
Exempt from apportionment	-	-
Subtotal	3,648,319	2,440,582
Unobligated balance not available	1,410,513	694,125
Total Status of Budgetary Resources	<u>166,454,052</u>	<u>174,909,886</u>

CHANGE IN OBLIGATED BALANCES		
Obligated balance, net		
Unpaid obligations, brought forward, October 1	148,228,627	136,955,088
Uncollected customer payments from		
Federal sources, brought forward, October 1	(117,369)	(218,396)
Total, Unpaid obligated balance, net, beg. of period	<u>148,111,258</u>	<u>136,736,692</u>
Obligations incurred, net (Notes 13 & 14)	161,395,220	171,775,179
Gross outlays	(156,110,972)	(158,409,826)
Recoveries of prior year unpaid obligations, actual	(2,710,212)	(2,091,813)
Change in uncollected customer payments from Federal sources	80,266	101,027
Subtotal	<u>2,654,302</u>	<u>11,374,567</u>
Obligated balance, net, end of period (Note 16)		
Unpaid obligations	150,802,663	148,228,628
Uncollected customers payments from Federal sources	(37,103)	(117,369)
Total, Unpaid obligated balance, net, end of period	<u>150,765,560</u>	<u>148,111,259</u>

NET OUTLAYS		
Net Outlays:		
Gross outlays	156,110,972	158,409,826
Offsetting collections	(4,445,894)	(1,057,638)
Distributed offsetting receipts	(1,581,296)	(849,810)
Net outlays	<u>\$ 150,083,782</u>	<u>\$ 156,502,378</u>

The accompanying notes are an integral part of these statements.

National Endowment for the Humanities
Notes to the Financial Statements
As of and For the Years Ended
September 30, 2011 and 2010
(In Dollars)

The following Notes include the disclosure requirements contained in the Office of Management and Budget (OMB) Circular A-136, "Financial Reporting Requirements" and the Federal Accounting Standards Advisory Board (FASAB) "Statements of Federal Financial Accounting Standards" (SFFAS).

Note 1 – Significant Accounting Policies

A. Reporting Entity

The National Endowment for the Humanities (NEH) is an independent grant-making agency of the United States government dedicated to supporting research, education, preservation, and public programs in the humanities. NEH was established by the National Foundation on the Arts and the Humanities Act of 1965.

B. Basis of Presentation

The financial statements are provided to meet the requirements of the Accountability of Tax Dollars Act of 2002. The statements consist of the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources.

C. Basis of Accounting

Transactions are generally recorded on an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds. Each year, Congress provides NEH appropriations to incur obligations in support of agency programs. Budgetary accounting is the means of recording these appropriations and measuring the consumption of budget authority and other budgetary resources.

D. Revenues and Other Financing Sources

NEH receives funding through annual Congressional appropriations from the budget of the United States. No-year appropriations are used, within statutory limits, for operations and capital expenditures for essential personal property. Appropriations are recognized as revenues at the time the related program or administrative expenses are incurred. Appropriations expended for capitalized property and equipment are recognized as revenues when assets are consumed in operations.

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Note 1 – Significant Accounting Policies (continued)

The National Foundation on the Arts and the Humanities Act granted NEH the authority to receive donations and to invest in interest-bearing accounts. Accounts are maintained for restricted as well as unrestricted funding and NEH observes the same guidelines for the appropriate use of donated funds as for appropriated funds. This authority allows the Chairman to incur representation and reception expenses.

E. Fund Balance with Treasury

Funds with the Department of the Treasury primarily represent appropriated funds that are available to pay current liabilities and finance authorized purchase commitments. See Note 2 for additional information.

F. Advances and Prepayments

NEH records grant payments for work not yet performed at year-end as advances. The advances are recorded as expenses in subsequent fiscal years.

G. General Property, Plant and Equipment

NEH policy is to depreciate property, plant and equipment over the estimated useful life of the asset. The capitalization threshold is \$50,000 for individual purchases and \$50,000 for bulk purchases with a minimum of \$10,000 per item. The capitalization threshold for internal use software is \$250,000 or above for aggregate costs. Service lives are listed below:

<u>Description</u>	<u>Estimated Useful Life</u>
Leasehold improvements	Term of Lease
Capital Leases	Term of Lease
Office Furniture	7 years
Computer Equipment and Software	3 years
Office Equipment	5 years

H. Liabilities

Liabilities represent transactions or events that have already occurred for which NEH will likely pay. No liability can be paid, however, absent an appropriation, or in some cases donated funds. Liabilities for which an appropriation has not been enacted are, therefore, classified as not covered by budgetary resources, because there is no absolute certainty that the appropriation will be enacted. Also, liabilities can be abrogated by the Government acting in its sovereign capacity.

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Note 1 – Significant Accounting Policies (continued)

I. Accounts Payable

Accounts payable consists of amounts owed to other federal agencies, commercial vendors, and grantees. Accounts payable to commercial vendors are expenses for goods and services received but not yet paid by NEH. Grant liabilities are grantee expenses not yet funded or reimbursed by NEH. At fiscal year-end, NEH calculates and records an accrual for the amount of estimated unreimbursed grantee expenses.

In estimating grant accruals, NEH followed the guidelines in the Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Technical Release (TR) 12, *Accrual Estimates for Grant Programs*. The purpose of TR 12 is to provide a cost-effective framework for developing reasonable estimates of accrued grant liabilities. TR 12 addresses materiality considerations, risk assessment, and procedures for estimating accruals for grant programs, including acceptable procedures until sufficient relevant and reliable historical data is available for new grant programs or changes to existing programs.

J. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned and the accrual is reduced as leave is taken. Each year, the balance in the accrued leave account is adjusted to reflect current pay rates and balances. To the extent current or prior year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of non-vested leave are expensed as taken.

K. Retirement Plans

NEH employees participate in the Civil Services Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). FERS was established by enactment of Public Law 99-335. Pursuant to this law, FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired before January 1, 1984, participated in CSRS unless they elected to join FERS and Social Security.

All employees are eligible to contribute to the Thrift Saving Plan (TSP). For those employees participating in FERS, a TSP account is automatically established and NEH makes a mandatory one percent contribution to this account. In addition, NEH makes matching contributions, ranging from one to four percent, for

FERS eligible employees, who contribute to their TSP accounts. Matching contributions are not made to TSP accounts established by CSRS employees.

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Note 1 – Significant Accounting Policies (continued)

FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program after retirement. In these instances, NEH remits the employer's share of the required contribution.

NEH does not report on its financial statements information pertaining to the retirement plans covering its employees except for imputed costs related to retirement (see L. below). Reporting amounts such as plan assets and accumulated plan benefits, if any, is the responsibility of the Office of Personnel Management.

L. Imputed Benefit Costs

NEH reports imputed benefit costs on Life Insurance, Health Insurance, and Retirement. The Office of Personnel Management (OPM) supplies certain cost factors that are applied to the Agency's records.

M. Federal Employees' Compensation Act (FECA) Actuarial Liability

The FECA provides income and medical cost protection to covered federal civilian employees injured on the job, for those who have contracted a work-related occupational disease, and for beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits under the FECA for NEH's employees are administered by the Department of Labor (DOL) and are ultimately paid by NEH.

DOL provides a computational model for estimating a FECA actuarial liability for any federal agency not specifically listed in the results of DOL's FECA actuarial model. This computational model is based on an extrapolation from the actual charges experienced recently by NEH. This procedure is not an allocation of a listed liability amount. It is, however, a way to calculate a reasonable actuarial liability for NEH.

The computational model takes the amount of benefit payments for the entity over the last 9 to 12 quarters, and calculates the annual average of payments for medical expenses and compensation. Both types of payments can be found in the chargeback reports that are issued quarterly by DOL. The average is then multiplied by the liability to benefits paid ratios (LBP). These ratios vary from year to year as a result of economic assumptions and other factors. The model calculates a liability approximately 11 times the annual payments.

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Note 1 – Significant Accounting Policies (continued)

N. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

O. Commitments and Contingencies

There are no commitments or contingencies that require disclosure.

P. Intragovernmental Activity

Throughout these financial statements, intragovernmental assets, liabilities, revenues, and costs have been classified according to the type of entity associated with the transactions. Intragovernmental assets and liabilities are those from or to other Federal entities. Intragovernmental earned revenues are collections or accruals of revenue earned from other Federal entities and intragovernmental costs are payments or accruals to other Federal entities.

Note 2 – Fund Balance with Treasury

Fund balance with Treasury:	<u>2011</u>	<u>2010</u>
Appropriated funds	\$ 154,435,950	\$ 150,778,815
Trust funds	1,388,443	467,150
	<hr/>	<hr/>
Total	155,824,393	151,245,965
	<hr/>	<hr/>
Status of fund balance with Treasury:		
Unobligated balance - available	3,648,319	2,440,582
Unobligated balance - unavailable	1,410,513	694,125
Unfilled customer orders without advance	(22,836)	(81,986)
Receivables from federal sources	(14,266)	(35,384)
Obligated balance not yet disbursed	150,802,663	148,228,628
	<hr/>	<hr/>
Total	\$155,824,393	\$ 151,245,965
	<hr/>	<hr/>

Fund Balance with Treasury is the aggregate amount of NEH's accounts with the U.S. Treasury from which NEH is authorized to make expenditures and pay liabilities. The

National Endowment for the Humanities
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trust fund includes amounts donated to NEH. Some of these funds are restricted for intended purposes.

Note 3 – Accounts Receivable

	<u>2011</u>	<u>2010</u>
	<u>Current</u>	<u>Current</u>
Gross receivables		
Receivables from services to federal agencies		
Other receivables	\$ 14,266	\$ 35,384
Receivables from the public		
Advances to grantees	2,979,323	2,503,023
Other receivables	185,641	3,435
Allowance for uncollectible accounts	-	-
Net receivables	\$ 3,179,230	\$ 2,541,842

Note 4 – General Property, Plant and Equipment, Net

NEH policy is to depreciate property, plant and equipment over the estimated useful life of the asset. The capitalization threshold is \$50,000 for individual purchases and \$50,000 for bulk purchases with a minimum of \$10,000 per item. Property and equipment, net, as of September 30, 2011 and 2010, consisted of the following:

Fiscal Year	Major Class	Service Life and Method	Cost	Accumulated Amortization /Depreciation	Net Book Value
<u>2011</u>	Office Equipment	5 years/Straight	\$ 88,281	\$ 52,696	\$ 35,585
<u>2010</u>	Office Equipment	5 years/Straight	\$ 88,281	\$ 35,312	\$ 52,969

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Note 5 – Liabilities

	<u>2011</u>	<u>2010</u>
	<u>Current</u>	<u>Current</u>
Intragovernmental		
Accrued unfunded FECA	\$ 46,077	\$ 45,032
Advances from others	2,119,673	682,424
Employee contributions & payroll taxes payable	157,979	142,982
Total Intragovernmental	<u>2,323,729</u>	<u>870,438</u>
Accrued funded payroll	1,026,606	976,711
Actuarial FECA	217,767	212,336
Accrued unfunded leave	1,287,103	1,411,682
Accrued liabilities due - non-Government	<u>26,027,301</u>	<u>26,645,120</u>
Total liabilities	<u>\$ 30,882,506</u>	<u>\$ 30,116,287</u>

Note 6 – Leases

Occupancy Lease:

Description of Lease Arrangements:

Office Space: The National Endowment for the Humanities rents office space from the General Services Administration (GSA) in the Old Post Office Building at 1100 Pennsylvania Avenue in the District of Columbia. The period of the lease is from October 1, 2009 through September 30, 2011. Future payment amounts for fiscal year 2012 are not available, since GSA is currently preparing the terms of the Old Post Office Building lease agreement for fiscal year 2012.

	<u>2011</u>	<u>2010</u>
	<u>Office Space</u>	<u>Office Space</u>
Future payments due:		
Fiscal year 2011	\$ 2,734,000	\$ 2,731,577

Note 7 – Incidental Custodial Collections

Custodial collections made by NEH are deposited and reported into a designated miscellaneous receipt account. At fiscal year-end, all custodial collections are returned to the U.S. Treasury.

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Note 7 – Incidental Custodial Collections (continued)

	<u>2011</u>	<u>2010</u>
Income from NEH projects funded in previous years	\$ 27,791	\$ 61,775
Total cash collections	<u>27,791</u>	<u>61,775</u>
Disposition of collections:		
Returned to Treasury (general fund)	27,791	61,775
Retained by NEH	<u>-</u>	<u>-</u>
Net custodial revenue activity	<u>\$ -</u>	<u>\$ -</u>

Note 8 – Liabilities Not Covered by Budgetary Resources

	<u>2011</u>	<u>2010</u>
Intragovernmental		
Accrued unfunded FECA	\$ 46,077	\$ 45,032
Total intragovernmental	<u>46,077</u>	<u>45,032</u>
Actuarial FECA	217,767	212,336
Accrued unfunded leave	<u>1,287,103</u>	<u>1,411,682</u>
Total liabilities not covered by budgetary resources	1,550,947	1,669,050
Total liabilities covered by budgetary resources	29,331,559	28,447,237
Total liabilities	<u>\$ 30,882,506</u>	<u>\$ 30,116,287</u>

Note 9 – Explanation of Differences between Liabilities Not Covered by Budgetary Resources and Components Requiring or Generating Resources in Future Periods

Components that comprise liabilities not covered by budgetary resources represent the cumulative balance of the liability. By contrast, components requiring or generating resources in future periods included in Note 13 – Reconciliation of Net Cost of Operations to Obligations Incurred – represent the change in the liability created in the current year.

Note 10 – Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

The President's Budget which includes actual numbers for fiscal year 2011 has not yet been published. Actual numbers for fiscal year 2011 will be included in the President's

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Budget for fiscal year 2013, which will be published about February 5, 2012 and will be available at <http://www.whitehouse.gov/omb/>.

There are no material differences between the amounts reported in the FY 2010 Statement of Budgetary Resources and the 2010 actual amounts reported in the Budget of the United States Government. Any difference in the table below is due to the rounding of the amounts in the Budget of the United States Government.

FY 2010 (In Millions of Dollars)	Budgetary Resources Available for Obligation	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Budget of the U.S. Government	\$ 175	\$ 172	\$ 1	\$ 157
Statement of Budgetary Resources	<u>175</u>	<u>172</u>	<u>1</u>	<u>157</u>
Differences	\$ -	\$ -	\$ -	\$ -

Note 11 – Earmarked Funds

SFFAS No. 27, *Identifying and Reporting Earmarked Funds*, defines ‘earmarked funds’ as being financed by specifically identified revenues, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the government’s general revenues.

Pursuant to authority set forth in its authorizing statute, at 20 U.S.C. 959(a)(2), and at P.L. 106-113, Sec. 319, the NEH is authorized to solicit, accept and invest money and other property donated to the agency. Section 959(a)(2) authorizes the Chairman of the NEH, with the recommendation of the National Council on the Humanities, to "receive money and other property donated, bequeathed, or devised to [the] Endowment with or without condition or restriction." There are two types of donations accepted by the Endowment: unrestricted and restricted gifts. An unrestricted gift is one made to the Endowment with no limitations on how the gift is to be used. A restricted gift explicitly states how the gift is to be used.

Donations to the Endowment must be used for a purpose consistent with the agency's mission and authorizing legislation. The general authority of the Chairman to carry out the functions of the Endowment is enumerated in 20 U.S.C. 956(c).

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Note 11 – Earmarked Funds – (continued)

	2011			2010		
	<u>Earmarked Funds - Gifts & Donations</u>	<u>Eliminations</u>	<u>Total Earmarked Funds</u>	<u>Earmarked Funds - Gifts & Donations</u>	<u>Eliminations</u>	<u>Total Earmarked Funds</u>
Balance sheet, as of September 30th						
Assets						
Fund balance with Treasury	\$ 1,388,443	\$ -	\$ 1,388,443	\$ 467,150	\$ -	\$ 467,150
Other assets	-	-	-	-	-	-
Total assets	1,388,443	-	1,388,443	467,150	-	467,150
Liabilities	22,646	-	22,646	23,391	-	23,391
Unexpended Appropriations	-	-	-	-	-	-
Cumulative results of operations	1,365,797	-	1,365,797	443,759	-	443,759
Total liabilities and net position	1,388,443	-	1,388,443	467,150	-	467,150
Statement of net cost, for the period ended September 30th						
Gross program costs	655,356	-	655,356	923,146	-	923,146
Less earned revenues	23,889	-	23,889	-	-	-
Net program costs	631,467	-	631,467	923,146	-	923,146
Costs not attributable to program costs	-	-	-	-	-	-
Less earned revenues not attributable to program costs	-	-	-	-	-	-
Net cost of operations	631,467	-	631,467	923,146	-	923,146
Statement of changes in net position, for the period ended September 30th						
Net position, beginning of period	443,759	-	443,759	578,869	-	578,869
Non-exchange revenue	1,553,505	-	1,553,505	788,036	-	788,036
Other financing sources	-	-	-	-	-	-
Net cost of operations	631,467	-	631,467	923,146	-	923,146
Change in net position	922,038	-	922,038	-135,110	-	-135,110
Net position, end of period	\$ 1,365,797	\$ -	\$ 1,365,797	\$ 443,759	\$ -	\$ 443,759

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Note 12 – Intragovernmental Costs and Exchange Revenue

OMB Circular A-136 has changed the disclosure requirements for transactions with other Federal entities and the public. Under the revised guidance, NEH will present costs associated with Federal agencies, as well as costs associated with the public. The following amounts present NEH's earned revenues for sales of goods and services to Federal agencies and the public, gross costs associated with sales of goods and services to Federal agencies and the public, and net cost of operations by program.

FY 2011 Programs	Federal/State Partnerships	Preservation and Access	Research	Public Programs	Education	We The People	Challenge Grants	Other Programs	2011 Total
Intragovernmental costs	1,432,169	1,249,576	1,252,703	1,285,765	1,308,400	1,098,285	324,843	643,173	8,594,914
Public costs	42,367,034	23,208,386	19,604,048	19,840,969	19,409,901	10,704,921	5,208,493	5,209,264	145,553,016
Total costs	43,799,203	24,457,962	20,856,751	21,126,734	20,718,301	11,803,206	5,533,336	5,852,437	154,147,930
Intragovernmental earned revenue	44,834	487,654	138,680	21,297	20,876	14,116	5,588	59,572	792,617
Public earned revenue	-	-	-	-	-	-	-	-	-
Total earned revenue	44,834	487,654	138,680	21,297	20,876	14,116	5,588	59,572	792,617
Net costs	43,754,369	23,970,308	20,718,071	21,105,437	20,697,425	11,789,090	5,527,748	5,792,865	153,355,313

FY 2010 Programs	Federal/State Partnerships	Preservation and Access	Research	Public Programs	Education	We The People	Challenge Grants	Other Programs	2010 Total
Intragovernmental costs	1,589,141	1,310,686	1,271,385	1,423,191	1,299,763	961,171	543,819	535,969	8,935,125
Public costs	43,853,874	21,121,447	18,273,300	18,400,463	18,263,786	16,385,549	10,913,818	2,647,588	149,859,825
Total costs	45,443,015	22,432,133	19,544,685	19,823,654	19,563,549	17,346,720	11,457,637	3,183,557	158,794,950
Intragovernmental earned revenue	-	493,094	104,211	100,000	-	-	-	275,627	972,932
Public earned revenue	-	-	-	-	-	-	-	-	-
Total earned revenue	-	493,094	104,211	100,000	-	-	-	275,627	972,932
Net costs	45,443,015	21,939,039	19,440,474	19,723,654	19,563,549	17,346,720	11,457,637	2,907,930	157,822,018

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Note 13 – Reconciliation of Net Cost of Operations to Obligations Incurred

	<u>2011</u>	<u>2010</u>
RESOURCES USED TO FINANCE ACTIVITIES:		
Budgetary Resources Obligated		
Obligations incurred	\$ 161,395,220	\$ 171,775,179
Less: Spending authority from offsetting collections and recoveries	7,075,840	3,048,424
Obligations net of offsetting collections and recoveries	154,319,380	168,726,755
Less: Offsetting receipts	1,581,296	849,810
Net Obligations	<u>152,738,084</u>	<u>167,876,945</u>
Other Resources		
Imputed financing from costs absorbed by others	1,543,748	1,583,162
<i>Total resources used to finance activities</i>	<u>154,281,832</u>	<u>169,460,107</u>
RESOURCES USED TO FINANCE ITEMS NOT PART OF THE NET COST OF OPERATIONS:		
Change in budgetary resources obligated for goods, services, and benefits ordered but not yet provided	(2,225,162)	(12,629,386)
Budgetary offsetting collections and receipts that do not affect net cost of operations	1,581,296	849,810
Resources that fund expenses recognized in prior periods	(124,579)	(26,468)
Resources that finance acquisition of assets	-	-
<i>Total resources used to finance items not part of the net cost of operations</i>	<u>(768,445)</u>	<u>11,806,044)</u>
<i>Total resources used to finance the net cost of operations</i>	<u>153,513,387</u>	<u>157,654,063</u>
COMPONENTS OF THE NET COST OF OPERATIONS THAT WILL NOT REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD:		
Components requiring or generating resources in future periods:		
Annual leave liability increase	-	130,569
Other	(175,730)	(635)
<i>Total components of Net Cost of Operations that will require or generate resources in future periods</i>	<u>(175,730)</u>	<u>129,934</u>
Components not requiring or generating resources:		
Depreciation and amortization	17,656	38,021
Other	-	-
<i>Total components of Net Cost of Operations that will require or generate resources</i>	<u>17,656</u>	<u>38,021</u>
<i>Total components of the net cost of operations that will not require or generate resources in the current period</i>	(158,074)	167,955
NET COST OF OPERATIONS	<u>\$ 153,355,313</u>	<u>\$ 157,822,018</u>

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Note 14 – Apportionment Categories of Obligations Incurred: Direct vs. Reimbursable Obligations

Obligations Incurred	<u>2011</u>	<u>2010</u>
Direct:		
1. Category A total, direct obligations	\$ -	\$ -
2. Category B total, direct obligations	159,203,092	170,915,431
3. Exempt from apportionment	-	-
Reimbursable:		
1. Category A total, direct obligations	-	-
2. Category B total, direct obligations	2,192,128	859,748
3. Exempt from apportionment	-	-
Total direct and reimbursable	<u>\$161,395,220</u>	<u>\$ 171,775,179</u>

Note 15 – Exchange Revenues for Reimbursable Services Activities

Pricing policy – Generally, when providing products and services, NEH sets prices to recover the full costs incurred unless otherwise noted in the interagency agreement.

Note 16 – Undelivered Orders at the End of the Period

On the Statement of Budgetary Resources, the obligated balance, net, end of period includes the following:

	<u>2011</u>	<u>2010</u>
Unpaid obligations:		
Undelivered orders	\$123,590,777	\$120,463,815
Accounts payable	27,211,886	27,764,813
Less: uncollected customers payments from Federal sources	<u>37,103</u>	<u>117,369</u>
Total, unpaid obligated balance, net, end of period	<u>\$150,765,560</u>	<u>\$148,111,259</u>

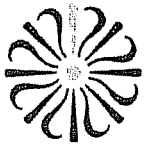
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Note 17 – Reconciliation of Federal Appropriation to Federal Expended Appropriation

	<u>2011</u>	<u>2010</u>
Federal appropriation	\$ 154,690,000	\$ 167,500,000
Unexpended appropriation – current year	(80,049,740)	(79,030,364)
Amounts obligated in previous years, expended in current year	<u>76,390,108</u>	<u>65,562,692</u>
Federal expended appropriation	<u>\$ 151,030,368</u>	<u>\$ 154,032,328</u>

Note 18 – Reconciliation of Expenses to Federal Appropriation

	<u>2011</u>	<u>2010</u>
Total expenses	\$154,147,930	\$158,794,950
Depreciation and amortization	(17,656)	(38,021)
Unpaid vacation	124,579	(130,568)
Reimbursable expenses	(1,201,112)	(2,114,828)
Trust fund expenses	(655,356)	(923,146)
Unfunded expenses	(1,368,017)	(1,556,059)
Unexpended appropriation – current year	80,049,740	79,030,364
Amounts obligated in previous years, expended in current year	<u>(76,390,108)</u>	<u>(65,562,692)</u>
Capital expenditures	<u>-</u>	<u>-</u>
Federal appropriation	<u>\$154,690,000</u>	<u>\$167,500,000</u>



NATIONAL ENDOWMENT FOR THE
Humanities

OFFICE OF THE CHAIRMAN

November 7, 2011

Pat Layfield
Senior Audit Manager
Leon Snead & Company, P.C.
416 Hungerford Drive, Suite 400
Rockville, MD 20850

Dear Ms. Layfield:

Thank you for the opportunity to comment on the FY 2011 draft audit report of the National Endowment for the Humanities (NEH).

We concur with the facts and conclusions of your report. We are pleased to learn of the unqualified opinion on the NEH's financial statements and to note that there were no material weaknesses or significant deficiencies identified during the 2011 audit.

We would like to express our appreciation for the hard work of the auditors from throughout this year's audit cycle. The collegiality and professionalism of the audit team were instrumental in our efforts to prepare and submit all required documents.

Sincerely,

Jeffrey Thomas
Assistant Chairman for
Planning and Operations

cc: Laura Davis
John Gleason

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IV. OTHER ACCOMPANYING INFORMATION

NEH Inspector General's Summary of Management Challenges

October 24, 2011

The Honorable James Leach
Chairman, National Council on the Humanities
National Endowment for the Humanities
Washington, DC 20506

Dear Chairman Leach:

In accordance with the Reports Consolidation Act of 2000 (Public Law 106-531), I am submitting the annual statement summarizing what the Office of Inspector General considers to be the most serious management and performance challenges facing the National Endowment for the Humanities (NEH). This assessment is based on OIG reviews and inspections, as well as a general knowledge of the agency's operations.

The OIG has identified four management and performance challenges for inclusion in the NEH's *FY 2011 Performance and Accountability Report (PAR)*.

1. Grant Management
2. Information Technology Security
3. Continuity of Operations Planning
4. Human Capital Management

The Reports Consolidation Act of 2000 permits agency comment on the Inspector General's statements. Agency comments, if applicable, are to be included in the final version of the PAR that is due on November 15, 2011.

Laura Davis
Acting Inspector General

Attachment

cc: Carole Watson, Deputy Chairman
Jeff Thomas, Assistant Chairman for Planning and Operations

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**Inspector General's Statement
on the
National Endowment for the Humanities'
Management and Performance Challenges
FY 2011**

Grant Management

Grant awards represent approximately 80 percent of the overall NEH budget, therefore the monitoring of grant activities is a key management tool in ensuring that funds awarded are being properly spent. The primary tool utilized to monitor NEH grant activities is the review of interim and final reports (performance and financial) submitted by grantees. Site visits have been reduced due to limited budgetary resources and are subject to further reductions due to looming budgetary constraints. Considering other grant administrative responsibilities with which grant program and administrative staff are tasked, (including pre-award, award, and grant close-out activities), time available for grant monitoring is limited.

Many small, unsophisticated non-profit organizations receive NEH awards, thus presenting inherent risks due to weak or ineffective internal controls, improper segregation of duties, and/or lack of knowledge or general understanding of Federal accountability requirements. Employment of a risk-based approach to focus limited resources towards high-risk award recipients would enhance the effectiveness of current monitoring procedures. During FY 2011, the NEH Office of Grant Management (OGM) implemented procedures to augment the pre-award "Organizational Survey" process whereby audited financial statements (and related independent auditor communications) are obtained from prospective grant recipients that have no prior experience administering NEH awards or if there has been an extended period since the entity's receipt of an NEH award. This procedure serves to strengthen OGM's risk assessment efforts. Leveraging upon knowledge gained from the organizational surveys, specific post-award monitoring procedures could be designed to verify that awardees implement grants in accordance with Federal requirements and the NEH award terms and conditions. Desk-based verification procedures result in the timely identification of exceptions and potential issues related to a grantee's administration of NEH awards, (i.e., financial reporting anomalies, inaccurate expenditures reporting, or a misunderstanding of or non-compliance with Federal cash management requirements). During FY 2011, the NEH Office of Challenge Grants implemented desk-based verification procedures concerning gift certifications submitted by recipients of challenge grant awards, whereby positive results have been realized. The agency may also consider developing interactive, web-based grant awareness training which all grantees must complete prior to the release of award funds. Utilization of advanced telecommunication procedures, such as video conferencing, may accomplish site visit objectives and represent a viable alternative to on-site monitoring. Such pre-award and post-award monitoring procedures would, in effect, heighten recipients' attention to responsible stewardship of Federal funds.

Currently, recipients of large, high-profile grant awards may be subject to the audit requirements of OMB Circular A-133. However, if OMB decides to increase the current audit threshold of \$500,000, accountability assurances afforded by the Single Audit will be lost. Due to the size of most grant awards, NEH may lose significant coverage provided by the Single Audit process. State humanities councils, and recipients of NEH challenge grants and media production awards would be most impacted.

Information Technology Security

The NEH relies on information management systems to carry out the agency's vital mission. Information technology (IT) security continues to be a challenge for the NEH. This challenge however is shared by other departments and agencies in the Federal government. Every two years, the Government Accountability Office (GAO) reports to Congress high risks and challenges facing the Federal government and the need to strengthen information security controls continues to be noted as a governmental management challenge. The Federal Information Security Management Act (FISMA) requires each Federal agency to develop, document, and implement an agency-wide program to provide information security and develop a comprehensive framework to protect the government's information, operations, and assets. An underlying cause for weaknesses cited by the GAO is that agencies have not fully or effectively implemented agency-wide information security programs, as required by the FISMA and OMB in its oversight role.

Each year, the OIG conducts an independent evaluation of the agency's information security programs. The agency continues to make progress in addressing IT security challenges as identified by the OIG. However, controls still require improvement and strengthening. The agency's challenges in the area of IT security and management affect 1) the agency's ability to protect against cyber security threats; and 2) security capital planning.

One of the key elements to implementing an agency-wide information security program is monitoring and evaluating policy and controls effectiveness. NEH risk-management policies and procedures are not fully developed. Furthermore, the agency has not demonstrated a comprehensive governance structure and agency-wide risk management strategy in accordance with government policies. Governance structures provide oversight for the risk management activities conducted by organizations and include: (i) the establishment and implementation of a risk executive (function); (ii) the establishment of the organization's risk management strategy including the determination of risk tolerance; and (iii) the development and execution of organization-wide investment strategies for information resources and information security. In general, governance is the set of responsibilities and practices exercised by those responsible for an organization (e.g., the board of directors and executive management in a corporation, the head of a Federal agency) with the express goal of: (i) providing strategic direction; (ii) ensuring that organizational mission and business objectives are achieved; (iii) ascertaining that risks are managed appropriately; and (iv) verifying that the organization's resources are used responsibly.

Security awareness training procedures are not consistently implemented in accordance with internal NEH and government-wide policies. During fiscal year 2011, no security awareness training was provided to NEH staff and contractors with access privileges. Also, specialized training for personnel with significant information security responsibilities is not adequately documented in accordance with government policies.

The NEH does not maintain a capital planning and investment control process that links mission needs, information, and information technology in accordance with the requirements of OMB Circular A-130 and NIST guidance on security planning.

In years past, the OIG has commented that it would be advantageous if the agency engaged full penetration test procedures to determine system weaknesses. We are eliminating this concern from the 2011 assessment since the agency has purchased and recently activated firewall devices that include an intrusion detection system.

Continuity of Operations Planning

It is the policy of the United States to maintain a comprehensive and effective continuity capability composed of Continuity of Operations (COOP) and Continuity of Government (COG) programs to ensure the preservation of our form of Government under all conditions. Continuity requirements must be incorporated into the daily operations of all agencies to ensure seamless and immediate continuation of Primary Mission Essential Function capabilities so that critical government functions and services remain available to the Nation's citizens. The NEH has developed a continuity of operations plan (COOP) however, the plan and procedures continue to represent a challenge for agency management.

During the summer of 2011, an exercise was conducted to test recent updates to the COOP, which includes the performance of essential functions through telework. As a result of the exercise, weaknesses in the following areas were identified:

- Vital Records Management
- Budgeting and Acquisition of Resources
- Continuity Facilities
- Test, Training, and Exercise Program

Vital Records Management

A critical element of a viable continuity plan and program includes the identification, protection, and ready availability of electronic and hardcopy documents, references, records, information systems, and data management software and equipment needed to support essential functions during a continuity situation. Agency personnel must have access to and be able to use these records and systems to perform essential functions and to reconstitute back to normal agency operations. To ensure performance of essential functions, agencies should pre-position and regularly update duplicate Emergency Operating Records. The NEH COOP contains a listing of vital records, however it was

discovered during the exercise that this listing is not complete and a complete inventory of vital records (as identified in the COOP document) was not stored on the designated OMB website.

Budgeting and Acquisition of Resources

Budgeting for and acquiring resources for continuity capabilities is one of the most important components of continuity planning. Agencies must identify the people, communications, facilities, infrastructure, and transportation requirements, which are necessary to the successful implementation and management of an agency's continuity program. To support these programs, it is necessary to align and allocate the budgetary resources needed to acquire and then implement these requirements. Funding to ensure that critical continuity resources are available to continue performing the agency's essential functions before, during, and after a continuity event is not taken into consideration during the NEH budgeting process.

Continuity Facilities

As part of continuity planning, agencies must identify alternate facilities; alternate uses for existing facilities; and as appropriate, virtual office options, including telework. All agency personnel shall be briefed on agency continuity plans that involve using, or relocating personnel to alternate facilities, existing facilities, or virtual offices. Continuity personnel must be provided supplemental training and guidance on relocation procedures. The NEH COOP identifies one alternate facility located within the downtown Washington, DC area. The COOP also discusses the use of telework. Potential teleworking obstacles were identified during the exercise. Also, should a continuity event impact the downtown Washington, DC area, the alternate facility would not be viable. Furthermore, all agency personnel have not been briefed on the agency's continuity plans. The NEH COOP is posted on the agency's intranet site (SharePoint), however, efforts have not been extended to employees that would actively engage awareness and understanding of basic COOP procedures.

Test, Training, and Exercise Program (TT&E)

An effective TT&E program is necessary to assist agencies to prepare and validate their organization's continuity capabilities and program. This requires the identification, training, and preparedness of personnel capable of performing their continuity responsibilities and implementing procedures to support the continuation of agency essential functions. Training provides the skills and familiarizes leadership and staff with the procedures and tasks they must perform in executing continuity plans. Tests and exercises serve to assess and validate all the components of continuity plans, policies, procedures, systems, and facilities used to respond to and recover from an emergency situation and identify issues for subsequent improvement. The NEH conducted its first COOP exercise in 2009 and a subsequent exercise was conducted during the summer of 2011. Staff in the NEH Accounting Office has received training related to the processing

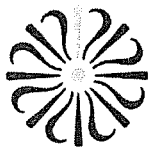
of payment transactions via the telework option. At the time of the most recent exercise, there was no documentation of other training.

Human Capital Management

Human capital management remains a challenge for the Federal government due to a looming retirement wave, which may be accelerated due to current talks of curtailing Federal benefits, (especially the potential shift from a three to five year retirement annuity calculation period). As experienced employees retire, they leave behind critical gaps in leadership and institutional knowledge, which could adversely affect the government's ability to carry out its diverse responsibilities and missions.

This, likewise, represents a challenge for the NEH. During FY 2010 and FY 2011, several senior-level NEH staff retired, (inclusive of program leadership). Since there is a high number of staff currently serving in senior-level positions that are eligible or approaching eligibility for retirement, the NEH should engage a strategic human capital planning process that links the agency's human capital efforts to mission and critical program goals. Furthermore, the agency should explore ways to acquire, develop, and retain staff with requisite skill sets during a period of fiscal constraints. In anticipation of proposed government-wide hiring restrictions, agency leadership should consider cross-training, since staff may be tasked with multiple and/or diverse responsibilities.

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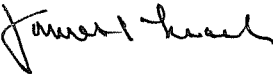
Humanities

THE CHAIRMAN

MEMORANDUM

Date: November 1, 2011

To: Laura Davis
Acting Inspector General

From: James A. Leach
Chairman 

Subject: Response to OIG's Management Challenges

Thank you for your thoughtful assessment of the most significant management challenges facing NEH as we enter fiscal year 2012. Our responses to your specific concerns are detailed below.

Grant Management

The OIG has identified grant monitoring as a management challenge for the second consecutive year. As mentioned in the OIG's statement, some progress has been made over the past year in our effort to improve grant monitoring. The NEH Office of Grant Management (OGM) implemented procedures to expand the scope of the pre-award Organizational Survey process to ascertain whether or not organizations approved for a grant for the first time (or the first time in a number of years) have the requisite systems in place to manage satisfactorily a federal grant. This procedure serves dual purposes, as it identifies organizations that require close monitoring during the life of the grant, and it also emphasizes to the organization the terms, conditions, and responsibilities that they accept when receiving an award. We hope that expanded use of the Organizational Survey will be an effective tool in improving grantees' financial management capabilities.

Grant monitoring is primarily accomplished by staff review of interim and final performance reports that are required as a condition of the award. Grant progress is also monitored through email and telephone contact with the project director and others at the grantee organization. According to the NEH *Grant Administration Manual* (see "Roles of Various Offices in Grant Administration"), both program staff and staff in the Office of Grant Management are responsible for reviewing performance reports; however, the focus of each office is slightly different as they undertake their review of these documents. Grant Administrators in the Office of Grant Management review interim performance reports with the intent of determining if the project is on schedule and proceeding smoothly. The role of the program staff is principally to assess the progress of the grantee in conducting the

activities outlined in the application. Program staff are also responsible for reviewing and approving programmatic changes in project plans. In addition, program staff periodically conduct site visits to a cross-section of NEH grantees to assess the progress of funded projects.

Toward the end of FY 2011 a grant-monitoring checklist was developed for use by program staff to facilitate their review of grantees' interim and final performance reports. This checklist, currently in draft form, will guide program staff as they monitor a project's progress. Once the form is finalized, program staff will be required to use this checklist when reviewing all interim and final performance reports. On a parallel track, discussions have been held with staff from the Office of Information Resources Management (OIRM) about the possibility of developing a method of electronically tracking the program staffs' review of reports, and of capturing staff comments and recommendations for follow-up or necessary further action. Initial discussions centered on a possible enhancement of a future performance reporting module in eGMS, the agency's electronic online grant management system.

In addition, a major change is coming in the area of performance reporting for NEH grantees. Representatives of every program office, as well as the Office of Grant Management and OIRM, are participating in a working group to implement the new government-wide reporting format, the *Research Performance Progress Report (RPPR)*, as the required performance reporting format for NEH grantees. The RPPR, which will replace the NEH's current performance reporting requirements, is a comprehensive performance/progress reporting format that contains various sections covering grant activities, outcomes, accomplishments, participants, products, and the like. Particularly important for our grant monitoring efforts is a section that is included in the RPPR for "Changes/Problems." This section requests information on problems or issues that grantees have encountered during the reporting period. Information gleaned from this section will provide staff with information that can be used to address problematic issues in project performance. OIRM is currently developing the RPPR module that will be folded into eGMS for our grantees to use to submit interim and final RPPRs. As currently envisioned, the design of the module will allow a grantee to fill out the first interim report, and then to expand upon and update that report in subsequent reports, without having to repeat the previously reported information. Each report will be captured electronically to provide a snapshot of progress at each reporting date. We are hopeful that the implementation of the RPPR will greatly improve the Endowment's grant-monitoring efforts.

Information Technology Security

This challenge identified the OIG's concerns in several specific areas:

Risk Management

In defining and implementing a risk management governance structure, NEH follows the Guidance in the NIST Publication, *Guide for Applying the Risk Management Framework to*

Federal Information Systems (SP 800-37). Page six of chapter two outlines the agency roles involved in a governance structure.

As part of the overall governance structure established by the organization, the risk management strategy is propagated to organizational officials and contractors with programmatic, planning, developmental, acquisition, operational, and oversight responsibilities, including for example: (i) authorizing officials; (ii) chief information officers; (iii) senior information security officers; (iv) enterprise/information security architects; (v) information system owners/program managers; (vi) information owners/stewards; (vii) information system security officers; (viii) information system security engineers; (ix) information system developers and integrators; (x) system administrators; (xi) contracting officers; and (xii) users.

Here at NEH we have followed NIST's guidance in assigning governance roles to our staff. The Assistant Chairman for Planning and Operations is the authorizing official who makes the final risk determination. The Chief Information Officer reviews the security assessments and controls to make sure he is in concurrence with the authorizing official. The director of Office of Information Resources Management is the senior information security officer and as such ensures that the agency's security program is correctly and fully implemented. The information security architects for each information system are identified and engaged in determining and implementing the controls that match the risk decisions made by the agency.

Security Awareness Training

NEH recognizes the need to improve our security awareness training. In the coming year OIRM will develop a more comprehensive plan as required by NEH's GSS Security Policy. As stipulated in that document, the training program will meet the requirements set forth in the NIST Publication, *Building an Information Technology Security Awareness and Training Program (SP 800-50)*. The comprehensive plan will provide NEH with a road map to ensure that the agency meets all requirements in this area.

Capital Planning and Investment

Information and information security are an important part of the planning and budget process. The agency will set up a regular, annual CPIC (Capital Planning and Investment Control) meeting. The CPIC meeting will bring together the Chief Information Officer, the Director of Planning and Budget, the Director of the Office of Information Resources Management, and the Assistant Chairman for Planning and Operations. At this meeting, the group will go over mission needs for the upcoming fiscal year to ensure new budgeted activities have appropriately incorporated information and information security.

Continuity of Operations Planning

NEH is in general concurrence with the OIG recommendations for improving the agency's continuity capabilities. In recent months changes have been made in the Endowment's

Continuity of Operations Plan (COOP) that will lead to the establishment of functional groups within the agency, with each group charged with focusing on a particular area of continuity planning. These functional groups will in turn be charged with developing plans and training programs to ensure they can perform the essential functions identified in the COOP. These changes in our COOP will help us address the challenges OIG has identified in the following areas:

Vital Records Management

Each functional group will be charged with developing plans within their areas of operational responsibility. As each group formulates its responsibilities and makes plans for group training, it will be tasked with identifying and securing agency records that are vital to those continuity operations that are in the group's domain. The annual agency-wide continuity test will validate their decisions or point out areas where improvements are needed.

Budgeting and Acquisition of Resources

Given that the COOP calls for a virtual shutdown of the agency's core operations during an extended emergency (only our grant payment function will continue), and given the reliance that will be placed on functions that can be undertaken remotely and electronically, the need for extensive budgeting or resource acquisition is minimal. This said, we are mindful of the suggestions offered under this challenge and will bring them to the attention of the functional groups as appropriate.

Continuity Facilities

Facilities procurement and management is identified as one of the responsibilities for the Administrative Services Office (ASO) functional group. Even before being made aware of the newly updated COOP, ASO has been active in reviewing options in regard to continuity facilities. Research into a commercial nationwide continuity facility provider has been pursued. If practicable, NEH will invest in these services and incorporate them in to our agency COOP exercises.

Test, Training, and Exercise Program

The newly revised COOP stipulates that functional groups are to develop function-specific plans that include related testing and training programs. Once implemented, such plans will serve to enhance NEH's continuity-related Test, Training, and Exercise program.

Human Capital Management

We share the Inspector General's views on the importance of strategic human capital planning. Our Office of Human Resources (OHR) is currently working with the Assistant Chairman for Planning and Operations to devise strategies that will ensure that NEH maintains a vibrant workforce capable of carrying out the agency's core mission during challenging fiscal times.

To ensure that critical competency gaps are filled and institutional knowledge is kept, NEH will make certain that its employees receive training and professional development that is relevant and valuable. And NEH will continue to use the Leadership and Professional Development Program, in conjunction with the course offerings of the USDA Graduate School, to enable new NEH supervisors to meet their developmental needs and thereby enhance their effectiveness as leaders.

Over the coming year NEH will make training readily available to staff via a variety of delivery methods. Examples include Small Agency Council course offerings; online training courses covering such topics as computer security, government ethics, and the No FEAR Act; the Educational Opportunities for Career Development Program; and the Independent Study Research and Development Program. Our Office of Human Resources will also make a special effort to analyze the agency's mission-critical competencies so that NEH will be better equipped to address succession planning at the leadership level. One tool that OHR will use is the Federal Competency Assessment Tool (FCAT-HR), which enables us to gather information that will inform our strategic planning efforts. This tool has already been used to assess competencies among OHR staff, enabling that office to understand the strengths and development needs of its staff across an array of HRM competencies. As appropriate, similar assessment efforts will be made in other NEH program offices to enable the agency to determine which competency gaps are in most need of filling.

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Summary of Financial Statement and Management Assurances

Table 1 - Summary of Financial Statement Audit for the Year Ending September 30, 2011

Audit Opinion	Unqualified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
No items to report	0	-	-	-	0
Total Material Weaknesses	0	-	-	-	0

Table 2 - Summary of Management Assurances for the Year Ending September 30, 2011

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance		Unqualified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
No items to report	0	-	-	-	-	0
Total Material Weaknesses	0	-	-	-	-	0
Conformance with Financial management system requirements (FMFIA § 4)						
Statement of Assurance		Systems conform to financial management system requirements				
Non-conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
No items to report	0	-	-	-	-	0
Total Material Weaknesses	0	-	-	-	-	0
Compliance with Federal Financial Management Improvement Act (FFMIA)*						
	Agency			Auditor		
Overall Substantial Compliance	Not Applicable*			Not Applicable*		
1. System Requirements			Not Applicable*			
2. Accounting Standards			Not Applicable*			
3. USSGL at Transaction Level			Not Applicable*			

* OMB Bulletin 07-04 states that agencies subject to the Accountability of Tax Dollars Act and Government Corporation Control Act are not subject to the requirements of the FFMIA.

Improper Payments Improvement Act Reporting

The Improper Payments Information Act of 2002 (IPIA) requires each agency to assess its programs and identify which, if any, programs may be subject to high risk with respect to improper payments, and take corrective measures, as necessary. OMB has established specific reporting requirements for agencies with programs that possess a significant risk of erroneous payments and for reporting on results of recovery auditing activities.

On July 22, 2010, the President signed into law the Improper Payments Elimination and Recovery Act (IPERA, Public Law 111-204), which amends the IPIA Act, generally repeals the Recovery Auditing Act (RAA, Section 831 of the FY 2002 Defense Authorization Act, Public Law 107-107), and significantly increases agency payment recapture efforts by expanding the types of payments that can be reviewed and lowering the threshold of annual outlays that requires agencies to conduct payment recapture audit programs.

IPERA defined a significant erroneous payment as an annual erroneous payment in a program that (1) exceeds both 2.5 percent of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported, or (2) \$100,000,000, regardless of the improper payment percentage of total program outlays. The new law establishes a 2.5 percent improper payment rate threshold to determine risk-susceptible programs (in addition to the monetary threshold identified above). OMB has determined as a policy matter that, beginning with fiscal year 2013 reporting, agencies should instead apply a 1.5 percent improper payment rate (with other aspects of the above definition unchanged).

IPERA further defined "payment" as any payment or transfer of Federal funds to any non-Federal person or entity. Therefore, agencies are not obligated to review intra-governmental transactions and payments to employees.

On April 14, 2011, the Office of Management and Budget (OMB) issued government-wide guidance on the Improper Payments Elimination and Recovery Act (IPERA) in OMB Memorandum M-11-16: *Issuance of Revised Parts I and II to Appendix C of OMB Circular A-123*. Federal agencies are required to follow the steps in the revised A-123 to determine whether the risk of improper payments is significant and to provide valid annual estimates of improper payments.

THE CRITERIA FOR THE RISK ASSESSMENT

At the National Endowment for the Humanities (NEH), risk assessments are currently performed on an annual basis, although a three-year rotation is an option. NEH management followed the steps outlined in the revised OMB Circular A-123, Appendix C, Part I, to determine whether the risk of erroneous payments is significant.

THE DESCRIPTION OF THE SAMPLING PROCESS

Using the following systematic process, in FY 2011 NEH conducted a review of randomly selected individual grant payments of its major grant programs. For each selected payment, the NEH verified:

- a. the existence of a properly approved grant award document;
- b. the existence of a properly signed request for payment from the grantee;
- c. that the payment was made to the correct grantee's banking information on record;
- d. the accuracy of the payment; and
- e. that the payment was charged to the correct grant obligation in NEH's financial accounting system.

THE DESCRIPTION OF THE CORRECTIVE ACTION PLAN

The result of the sampling was an error rate of zero percent for FY 2011 IPIA reporting; therefore, no corrective action plan was needed to manage and reduce improper payments.

NEH identified no programs and activities susceptible to significant improper payments, and consequently determined that no annual estimated amount of improper payments was necessary. OMB's guidance states "when calculating a program's annual improper payment amount, agencies should only utilize the amount paid improperly."

RESULTS OF TESTING FOR IMPROPER PAYMENTS

Fund	Population Outlay (\$ in Thousands)	Tested Outlay Amount (\$ in Thousands)	Population Insufficient		Population Improper Payment Error	
			Dollars	Rate	Dollars	Rate
Major Grant	42,319	2,504	-0-	0.0%	-0-	0.0%

IMPROPER PAYMENT REDUCTION OUTLOOK

The result of the sampling was an error rate of zero percent for FY 2011 and FY 2010 IPIA reporting.

IMPROPER PAYMENT REDUCTION OUTLOOK FY 2010 — FY 2014 (\$ IN THOUSANDS)

Program	FY 2010			FY 2011			FY 2012			FY 2013			FY 2014		
	Outlays	%	\$	Outlays	%	\$	Est Outlays	%	\$	Est Outlays	%	\$	Est Outlays	%	\$
Grant Program	123,850	0.0	-0-	-0-	0.0	-0-	-0-	0.0	-0-	-0-	0.0	-0-	-0-	0.0	-0-

RECOVERY OF IMPROPER PAYMENTS

Post-Payment Reviews:

NEH has not identified any program that in and of itself constitutes a high-risk for improper payments. Therefore, NEH considers all of its payments to fall within the realm of low-risk. Consequently, NEH will not conduct post-payment reviews.

PAYMENT RECAPTURE AUDITS:

NEH remains at low risk of making improper payments. Based on the FY 2011 IPERA risk assessment, NEH will not perform recapture audits due to the low risk of making improper payments.

RISK ASSESSMENT AND OVERSIGHT BENEFITS

NEH's assessment resulted in a FY 2011 IPIA reporting error rate of zero percent, demonstrating that overall, NEH has adequate internal controls over its payment process. To maintain a zero percent testing error rate, NEH continues to improve internal controls, conduct continuous internal monitoring of possible improper payments, use centralization of accounting functions, and improve communication and follow-up prior to payment authorization to reduce the potential for error.

MANAGEMENT ACCOUNTABILITY

Existing control processes and the implementation of the revised OMB Circular A-123 requirements continue to ensure that NEH's internal controls over financial reporting and systems are documented, sufficiently tested, and properly assessed. In turn, improved internal controls enhance safeguards against improper payments, fraud, waste, and abuse ensure that the taxpayer dollars continue to be used effectively and efficiently to meet NEH's program objectives.