

Humanities Montana

FY26 Budget DRAFT Justification Narrative

Jill Baker, Executive Director

I am pleased to present a balanced budget for FY26.

Total Income: \$544,300

Total Expenses: \$522,153

Net Surplus: \$22,147

**Background:**

- Humanities Montana (HM) has improved its financial position since April 2, 2025.
- The individual gift from Susan O'Connor of \$100k and the \$200k grant from the FSHC and Mellon have offered HM a runway as we approach FY26 and beyond.
- With the reinstatement letter from NEH in June, HM has been able to access a portion of the funding that was approved for FY25 which has reimbursed our reserve funds of \$200k.
- There remains hope that future NEH funding will be restored, although the amount and timing of that decision remain uncertain. I am offering 3 budget scenarios: No NEH funding, 20% of NEH funding, and 50% of the FY24 funding.
- With so much uncertainty with federal funding, I am recommending that the finance committee approve the "No NEH funding" budget.
- HM will need to closely monitor its finances over the next year. I am proposing a conservative budget that doesn't yet include hiring staff. Until the organization's funding is more stabilized, HM should consider contracting as an alternative to support administrative and additional program support.
- Contracting for Accounting and FR/Comms expertise and support as HM diversifies its funding and pivots to a new funding model will greatly increase the capacity of the organization to be successful over the next year and beyond.
- Maintaining a healthy reserve fund into FY27 will be important to allow time to cultivate relationships necessary to continue improving private fundraising.

### **Revenue:**

- The \$200k FSHC/Mellon funding will provide the foundation for the next fiscal year. With access to the FY25 NEH funding, HM hasn't needed to spend the Mellon funding yet.
- HM expects \$65k from the Engelhard Foundation to support DP as well as \$30k from the Llewellyn Foundation.
- HM has been cultivating relationships with foundations over the past year and will continue to do so. Included is a list of prospective private foundation funders.
- Increasing individual contributions will be key to the long-term sustainability of HM. The \$50k Mellon Match provides an opportunity to engage major donors and receive up to \$100k in general operating revenue.

### **Expenses:**

#### ***Salary, Benefits and Payroll Taxes***

- Full-time Executive Director
- Full-time Program Manager
- Part-time Program Assistant @10 hours per week
- No raises budgeted

#### ***General and Administration***

#### ***Dues and Subscriptions***

These expenses are largely based on the previous year's actual costs with an adjustment for inflation. I have included a breakdown of each of these expenses for your reference.

#### ***Programs***

Proposed program budget is based on the proposed **HM Operational Priorities for FY26** with the objective of providing statewide, high quality, public humanities programs that offer opportunities for enrichment, connection, and learning for all Montanans:

- The Democracy Project, a teen-led civic engagement program; with funding from private foundations including Engelhard Foundation and Llewellyn Foundation
- Montana Center for the Book; with funding from Library of Congress and Federation of State Humanities Councils with support from the Mellon Foundation.

- MT Great Reads from Great Places Book awards featured at the Library of Congress' National Book Festival
- One Book Montana—statewide read/public book clubs, offering small grants for book clubs
- Re-envision HM's Speakers Bureau to align with sponsored programs:
  - Montana Poet Laureate Speaker Program with funding from MT Cultural Trust
  - Great Reads from Great Places authors (funding from LOC)
  - One Book Montana author or speaker (FSHC with support from Mellon and/or other funders)
  - Montana 250th Speakers (exploring funding from Washington Foundation and/or MT 250 Commission)
  - “The Study” virtual programming (overlapping with 250<sup>th</sup> and MT Poet Laureate speakers)

Additional program development opportunities will continue to be explored and will include input from HM Advisory or Working Groups over the next year as additional funding is secured.

Articles on Nonprofit Overhead:

[A Board Member's Guide to Nonprofit Overhead - Blue Avocado](#)

[\(Mis\)Understanding Overhead | National Council of Nonprofits](#)

[Nonprofit Financing and Fundraising Perspectives - BoardSource](#)