

# 'Under attack': Indiana libraries, museums reeling from federal, state funding cuts

[insideindianabusiness.com/articles/under-attack-indiana-libraries-museums-reeling-from-federal-state-funding-cuts](https://insideindianabusiness.com/articles/under-attack-indiana-libraries-museums-reeling-from-federal-state-funding-cuts)

By Mitzi S. Morris

May 29, 2025



Thursday, May 29, 2025 06:00 AM EDT **Updated:** Thursday, May 29, 2025 06:08 AM EDT

By [Mitzi S. Morris](#)

[Listen to this story](#)

This audio file is brought to you by

**LIUNA!**  
**WE BUILD INDIANA**

0:00

10:23



(photo courtesy of the Indiana State Library)

**INDIANAPOLIS** - Indiana libraries and museums stand to lose millions of dollars after a flurry of federal and state funding cuts in the first half of 2025.

In March, President Trump issued an executive order to eliminate seven government agencies, including the Institute of Museum and Library Services. The entity's staff was placed on paid administrative leave a few weeks later. In April, more than 20 states sued to prevent the agency's dismantling, and a federal judge issued a preliminary injunction on the dissolution attempt in May.

According to Indiana Library Federation President Julie Wendorf, the Indiana State Library is the main recipient of IMLS funding—about \$3.5 million annually—among Hoosier libraries.

“Public libraries in the state of Indiana don’t receive direct dollars from IMLS,” Wendorf said. “What they do receive is the services from the state library that are provided by that income that comes from the federal level. And those services include a lot of resource sharing that make Indiana libraries more efficient and provide the ability to share our library collections throughout the state.”

▶ 0:00 / 1:45 ———▶ 🔊 ⋮

At the state level, Indiana's Senate Enrolled Act 1 is projected to remove millions from public library funding. In addition, Indiana's House Enrolled Act 1001 cut the Indiana State Library's budget by 30% and eliminated other library funding items.

In April, the National Endowment for the Humanities terminated funding that affects Indiana Humanities and museums across the state. The  canceled grants were associated with “diversity, equity and inclusion (or DEI) and environmental justice, as well as awards that may not inspire public confidence in the use of taxpayer funds.” The NEH staff was also put on paid administrative leave.

In response, the Mellon Foundation announced a \$15 million emergency funding commitment in April to support the Federation of State Humanities Councils. The American Council of Learned Societies, the American Historical Association and the Modern Language Association sued NEH and the Department of Government Efficiency over the grant terminations in May.

“We’re still learning on a day-by-day basis because new information keeps coming out. New grants get slashed. New foundations get slashed. So we’re in a constant state of reorganization,” said Tory Schendel-Vyvoda, Evansville African-American Museum (EAAM) curator. “We don’t have generational donors. We don’t have big endowments like traditional museums set up in America. We are a grassroots initiative.”

### **Library impact**

Wendorf said IMLS funding helps the Indiana State Library provide Hoosier libraries with shared resources, including INSPIRE, Evergreen Indiana, Info Express, WorldCat and Indiana Digital Library. The money also supports specialized services such as books and materials for the blind, visually impaired and people with print disabilities, Indiana history digitization and ISL’s professional development office.

“One of these [shared] databases alone is too much for our library, or hardly any in Indiana or the country, to cover in their budget,” Brooke Bolton, Boonville-Warrick County Public Library director, posted on social media.

According to the Legislative Services Agency’s fiscal impact statement, Indiana’s Senate Enrolled Act 1 cut public library funding by over \$18.6 million in 2026 and nearly \$24.2 million in 2028.

“Smaller libraries, particularly in rural areas with [fewer] people paying property taxes, are under severe threat from this,” said Bolton.

On top of the 30% cut from Indiana’s House Enrolled Act 1001, state funding for INSPIRE, billed as “Indiana’s Lifelong Learning Library,” and the local library connectivity grant was also eliminated. Wendorf, who’s also the director of Crown Point Community Library, said Hoosier libraries now face rising costs and tough decisions.

“Some libraries will definitely have to cut hours, staff, services,” she said. “My library last year received about \$13,000, about 50% of my total cost, from the Indiana State Library from the dedicated state budget line to offset the cost of providing high-speed internet. I will now need to find funding in my budget for that service for 2025 and going forward.”

Bolton said even though she’s been fiscally conservative for the last 10 years, she has doubts about the future.

“I honestly can’t say what stability lies ahead for us...from services for patrons down to employment...if things continue down this road,” she said.

Funding for Dolly Parton’s Imagination Library, which was \$6 million in the prior biennial budget, was also cut from the state budget a few months ago. In April, First Lady Maureen Braun launched a fundraising effort to keep the program alive after the legislative session ended.

### Story Continues Below



### Museum consequences

Without the support of IMLS, museum grants awarded in 2023 and 2024 are at the highest risk of being canceled, according to Charity Counts, executive director of the Association of Midwest Museums.

“And they total over a million dollars to Indiana museums,” she said. “We’re talking about the Children’s Museum of Indianapolis. We’re talking about the Evansville African American Museum. The National Model Aviation Museum in Muncie. Newfields is on this list, too.”

In April, the Children’s Museum of Indianapolis lost three IMLS grants—supporting staff professional development, a centennial exhibit and restoration of the Broad Ripple Park Carousel—totaling nearly \$700,000. Because two grants were nearing completion, the museum estimates \$47,000 is eligible for compensation.

“The loss of federal reimbursements jeopardizes our ability to complete important work and places undue pressure on our operating budget, which must absorb costs already incurred. Every unreimbursed dollar is one we cannot use to serve the children of Indiana,” the museum said in a statement.

The Evansville African American Museum is appealing the termination of a \$48,000 IMLS grant awarded for the facility’s Connecting Opportunities through Visual Arts and Expression, or COVE, program. Schendel-Vyvoda said an application the museum submitted for an \$80,000 IMLS grant disappeared.

“We were following it extensively. And now it’s just a dead link,” she said. “And we needed that money to fund our exhibitions, our staff, our programs for the next year. To lose that without even having a chance to go for it, to lose that opportunity has made our lives extremely difficult.”

Counts said appealing grant termination notices and asking for reconsideration is an option by law for Indiana museums.

“I hope other museums that are appealing will let their legislators know, ‘We’ve appealed this. We want to make you aware of the case we’ve made for our grant that was already awarded, and that we’ve already been working on the project and spending the funds.’ And hopefully get those grants reinstated,” she said.

In the meantime, the Evansville museum plans to launch a capital campaign and fee-based programming as well as partner with corporations to deal with the funding deficit.

“Getting revenue in the door is the highest priority. But also raising awareness that this administration and what they are choosing to do has huge ramifications for small museums, particularly ones that focus on marginalized communities,” said Schendel-Vyvoda.

Because of NEH cuts, [Indiana Humanities](#), which supports museums statewide through grants and programs, stands to lose \$800,000 in fiscal year 2025 and \$1.3 million in fiscal year 2026. The [Mellon Foundation grant](#) includes \$200,000 for Indiana Humanities and another \$50,000 available through a matching grant.

“While the funding is essential in the short term, a gap of at least \$500,000 remains for this fiscal year alone, which jeopardizes our ability to serve Hoosiers of all ages and backgrounds through free public programs, grants and cultural experiences,” Indiana Humanities President and CEO Keira Amstutz said.

The Children’s Museum of Indianapolis also lost an NEH grant in April for \$201,000 to support sustainability planning. The museum submitted a reimbursement request for \$199,500 for incurred expenses.

## **Economic significance**

In light of the funding cut frenzy, Counts emphasized the role of museums in the economy, citing a [2017 study](#) that reported more than \$800 million in financial impact.

“For the state of Indiana, the Children’s Museum [of Indianapolis] alone—it’s the number one driver in the economy that’s not sports,” Counts said. “Indianapolis and Evansville, Lafayette and Fort Wayne all have great museums that people are making trips to see, scheduling vacations around that, plus there’s any number of parks and outdoor experiences and historic sites that people are visiting as well.”

As economists debate the possibility of a recession, Evansville Vanderburgh Public Library Communications Director Becca Scott noted the role of libraries in the economy. A [2009 report](#) revealed Americans visited libraries nearly 1.4 billion times and checked out more than 2 billion items in 2008, a 10% increase compared to the 2001 economic downturn.

“There is this established pattern that when financial times are challenging, people are more dependent on their public libraries than ever,” Scott said. “[If there is a recession], we can anticipate the need and demand for library services is only going to increase as people seek free services and resources, whether it’s for personal enrichment or career assistance and training because of job loss, but also out of necessity to save money.”

Wendorf said libraries already doing more with less will now have to do less with less, directly impacting the communities they serve.

“We just need support,” added Schendel-Vyvoda. “It’s scary for everybody to know that our cultural institutions are under attack. And we are not the wealthiest of institutions either, because there’s only so much money that can go to operating budgets. When that gets attacked, it’s hard to do the work that we do.”



NONCOMPETES & WHITE COLLAR EXEMPTIONS:  
HOW COULD NEW RULES IMPACT YOUR BUSINESS?

LEARN MORE ABOUT HOT TOPICS IN LABOR & EMPLOYMENT LAW

**BOSE  
McKINNEY  
& EVANS LLP**  
ATTORNEYS AT LAW  
INDIANAPOLIS    FORT WAYNE    MARIETTA, GA, DC  
111 MONUMENT CIRCLE, SUITE 2700  
INDIANAPOLIS, IN 46204