

STATEMENT OF THE CHAIRMAN

Committee on Rules and Administration Hearing on Smithsonian Oversight

April 11, 2007

Good morning. We are here today at the first of a series of hearings I plan to schedule in the Rules Committee and the Interior Appropriations Subcommittee on the future of the Smithsonian Institution.

I would like to welcome the witnesses who have agreed to testify today. I believe we all share a common commitment to ensuring that the Smithsonian remains the crown jewel of America's steadfast commitment to science, culture and the arts.

But serious issues have brought us here today. This hearing had originally been scheduled to examine the spending practices and compensation package of Smithsonian Secretary Lawrence Small, which included:

- \$90,000 in unapproved expenses from 2000 to 2005, including private jet travel, lavish meals and a trip for the Secretary's wife to Cambodia.
- \$1.15 million for a housing allowance based on "hypothetical" calculations, including "an imputed 8.32 percent mortgage interest" even though Mr. Small owned the home, and \$203,000 in maintenance charges, including \$12,000 in payments for the upkeep of his swimming pool.

Secretary Small subsequently submitted his resignation. I think that was the right decision. And I look forward to the testimony of Cristián Samper, the new acting secretary.

The Board of Regents has named an Independent Review Committee to examine not only Mr. Small's compensation package and expenses, but also the Regents' own response and actions. But I believe we will need to dig much deeper and examine how and why this state of affairs came to be.

How did we reach the point where there is a backlog of over \$2.5 billion in revitalization, construction and maintenance projects, which have

forced the closure of the Arts and Industries Building, and have left many of the Smithsonian buildings in a state of serious disrepair?

I do not believe the Board can simply come to Congress and hope to have this backlog fully addressed. This funding gap needs to be addressed much more creatively.

The Regents have named a new Governance Committee and I look forward to engaging the Regents here today in a meaningful discussion about how we can establish a governance structure that will provide vigorous and transparent oversight and accountability for the Smithsonian.

Despite the remarkable growth and expansion of the Smithsonian, the Board of Regents has not substantially changed since 1846.

The Chief Justice of the United States still serves as Chancellor, 6 members of Congress and the Vice President still sit on the Board.

The time has come to examine whether there is a structure that will better serve this Institution.

The Congressional regents, the Vice President and the Chief Justice all add unique perspectives to the Board and I know they are providing an invaluable public service. But given their day jobs, I wonder if they can dedicate the time, attention and expertise that are so greatly needed at the Smithsonian at this time.

Comparable museums, like the Met for example, have 5 public officials that serve ex officio, but that is in addition to a robust board of 40 that include experts in museum management, fundraising and the law.

We need to strive for this level of diversity and commitment among the Smithsonian's Regents. I'm afraid that this board has become largely honorific, and I think that's the last thing this Institution needs.

While the Board is well meaning and dedicated, I'm not convinced the current structure has the capacity to perform the fiduciary responsibility required. For instance, in testimony submitted by the Inspector General, we will learn that the current Regents were apparently not even fully aware of

the provisions of the former Secretary's employment agreement, especially his questionable housing allowance.

We need Board members, and a Secretary, with political acumen, financial expertise and fundraising skills, but above all else we need regents who are actively engaged in building the Smithsonian back to its rightful place as the preeminent research and museum complex in the nation and world.

I am hopeful that this hearing, and the reports by the Governance Committee and the External Review Committee, will inform Smithsonian leadership and Congress on the best course of action to take. We must do all we can to ensure that this great American treasure once again regains its position on the cutting edge of American research and culture.