



Highlights of [GAO-08-250T](#), a testimony to the Senate Committee on Rules and Administration

Why GAO Did This Study

The Smithsonian Institution (Smithsonian) is the world's largest museum complex. Its funding comes from its own private trust fund assets and federal appropriations, with the majority of funds for facilities coming from federal appropriations. In 2005, GAO reported that the Smithsonian's current funding would not be sufficient to cover its estimated \$2.3 billion in facilities projects through 2013 and recommended that the Smithsonian Board of Regents, its governing body, develop and implement a funding plan. Recently, problems related to a lack of adequate oversight of executive compensation and other issues have raised concerns about governance at the Smithsonian.

This testimony discusses GAO's recently issued work on the Smithsonian's real property management efforts and its efforts to develop and implement strategies to fund its facilities projects. In addition, it describes preliminary results of GAO's ongoing work on the Smithsonian's governance challenges.

The work for this testimony is based on GAO's September 2007 report, *Smithsonian Institution: Funding Challenges Affect Facilities' Conditions and Security, Endangering Collections*, which included recommendations. For ongoing governance work, GAO reviewed Smithsonian documents and interviewed Smithsonian officials, academics, and representatives of nonprofit associations.

To view the full product, including the scope and methodology, click on [GAO-08-250T](#). For more information, contact Mark L. Goldstein at (202) 512-2834 or goldsteinm@gao.gov.

SMITHSONIAN INSTITUTION

Status of Efforts to Address a Range of Funding and Governance Challenges

What GAO Found

While the Smithsonian has made some improvements to its real property management, the continued deterioration of many Smithsonian facilities has caused problems, and the Smithsonian's real property management efforts face challenges. The deterioration of facilities has caused access restrictions and threatened collections. In addition, the Smithsonian's estimate for facilities projects increased to \$2.5 billion. While the Smithsonian follows key security practices, communication of security information and funding constraints pose challenges. The Smithsonian has made significant strides in improving its real property portfolio management. However, the Smithsonian omitted privately funded projects from its capital plan, making it challenging to assess the total funding and scope of projects. GAO's September 2007 report recommended that the Smithsonian increase awareness of security issues and include privately funded projects in its capital plan. The Smithsonian concurred.

To address GAO's 2005 recommendation that the Smithsonian develop a funding plan for facilities projects, the Board of Regents created an ad-hoc committee that reviewed nine options and chose to request increased federal funding. Some of the Smithsonian's evaluations of the nine funding options were limited in that they did not always provide complete analysis, fully explain assumptions, benchmark with other organizations, or consider combining options to increase revenue. GAO's September 2007 report recommended that the Smithsonian more comprehensively analyze funding options and report to Congress and the Office of Management and Budget on a funding strategy. The Smithsonian concurred. The Board of Regents recently established a prioritized list of funding options.

Preliminary results of GAO's ongoing work on broader governance issues indicate that the Board of Regents has made some changes to strengthen governance, such as more clearly defining the Regents' oversight responsibilities and improving access between the board and key members of senior management. The board is also studying whether changes to its size and composition would strengthen governance. GAO's preliminary work suggests that the Board appears to have taken some positive steps toward governance reform, but that success will depend in part on how Regents embrace their new responsibilities and on their level of engagement.

Facilities Problems Include Leaks in the National Zoological Park's Sea Lion Pool and the Roof of the National Museum of African Art



Sources: (left to right): GAO and Smithsonian Institution.