



Highlights of [GAO-05-369](#), a report to congressional requesters

## Why GAO Did This Study

The Smithsonian is the world's largest museum complex and research organization, with 18 museums and galleries, 10 science centers, and a zoological park. The age of the structures, past inattention to maintenance needs, and high visitation have left its facilities in need of revitalization and repair. Currently, the Smithsonian estimates \$2.3 billion in costs for revitalization, construction, and maintenance projects between 2005 and 2013. This report addresses (1) how the current condition of the Smithsonian's facilities has affected access to the collections, and the collections themselves; (2) what changes the Smithsonian has made to its organization, practices, and prioritization processes to improve its facilities management; and (3) the estimated costs and status of the Smithsonian's facilities projects and their funding sources.

## What GAO Recommends

We are recommending that the Smithsonian establish a process for exploring funding options with the Administration and the Congress, leading to the development and implementation of a strategic funding plan to address the Smithsonian's revitalization, construction, and maintenance needs. In commenting on our report, the Smithsonian concurred with our findings and recommendation.

[www.gao.gov/cgi-bin/getrpt?GAO-05-369](http://www.gao.gov/cgi-bin/getrpt?GAO-05-369).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Mark Goldstein at (202) 512-8022 or [goldsteinm@gao.gov](mailto:goldsteinm@gao.gov).

# SMITHSONIAN INSTITUTION

## Facilities Management Reorganization Is Progressing, but Funding Remains a Challenge

### What GAO Found

To date, facilities-related problems at the Smithsonian have resulted in a few building closures and access restrictions and some cases of damage to the collections. For example, structural deterioration has caused closure of the 1881 Arts and Industries Building on the National Mall pending major repair and revitalization, as well as some facilities at the National Zoo. Concern over asbestos in a number of storage buildings has led to restricted access to the items within them. Some artifacts, such as two historic aircraft, have been damaged by water leaks from deteriorated pipes and roofing elements. Stopgap measures, such as draping plastic sheeting over artifacts in areas experiencing leaks, have prevented or minimized damage in other cases. Maintaining desired humidity and temperature levels for conserving the collections is a pervasive problem in some older Smithsonian facilities. These problems are indicative of a broad decline in the Smithsonian's aging facilities and systems that pose a serious long-term threat to the collections.

The Smithsonian recently centralized its facilities organization, adopted industry best practices to maximize the effectiveness of its resources, reviewed its operating procedures, standardized its cost-estimating practices, and established processes for prioritizing work and allocating funds. These changes resulted from an internal review and a 2001 report by the National Academy of Public Administration, which recommended that the Smithsonian centralize its then highly decentralized approach to facilities management and budgeting in order to promote uniform policies and procedures, improve accountability, and avoid duplication. The Smithsonian created the Office of Facilities Engineering and Operations (OFEO) in 2003 to assume responsibility for all facilities-related programs and budgets—formerly divided among four administrative offices and the individual museums and centers. Most of the museum and center directors were either positive or neutral about the effectiveness of the reorganization so far. Overall, the reorganization appears to be moving in the right direction, though it has been hindered by reductions in OFEO's staffing and budget.

The Smithsonian currently estimates that its planned capital and maintenance projects for 2005 through 2013 will cost about \$2.3 billion, though this could grow because it is largely based on preliminary assessments. Of 13 revitalization and construction projects active during our review, most were on time and within budget. The Smithsonian's annual operating and capital program revenues come from its own trust fund assets and its federal appropriation (totaling \$904.0 million in fiscal year 2004, with \$184.4 million for facilities). Funding at this level would not be sufficient to cover the facilities projects planned for the next 9 years. Ensuring credible, long-term budget planning for sustaining and modernizing facilities involves the Smithsonian, the Office of Management and Budget, and the Congress in examining viable funding options. While Smithsonian officials have discussed funding options internally and with various stakeholders, no consensus has emerged on how to deal with this funding challenge.