

HEARING ON FUNDING CHALLENGES
AND FACILITIES MAINTENANCE ISSUES
FACING THE SMITHSONIAN INSTITUTION

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WEDNESDAY, DECEMBER 12, 2007
United States Senate,
Committee on Rules and Administration,
Washington, D.C.

The committee met, pursuant to notice, at 10:07 a.m., in Room SR-301, Russell Senate Office Building, Hon. Dianne Feinstein, Chairman of the committee, presiding.

Present: Senators Feinstein, Bennett, and Cochran.

Staff Present: Howard Gantman, Staff Director, Jennifer Griffith, Deputy Chief of Staff; Veronica Gillespie, Elections Counsel; Adam Ambrogio, Counsel; Natalie Price, Professional Staff; Matthew McGowan, Professional Staff; Sue Wright, Chief Clerk; Mary Jones, Republican Staff Director; Matthew Petersen, Republican Chief Counsel; Shaun Parkin, Republican Deputy Staff Director; Michael Merrell, Republican Counsel; Abbie Platt, Republican Professional Staff; Trish Kent, Republican Professional Staff; and Rachel Creviston, Republican Professional Staff

OPENING STATEMENT OF CHAIRMAN FEINSTEIN

Chairman Feinstein. Good morning, everyone. I would like to begin by welcoming the witnesses who are here today, Mark Goldstein, the Director of the Physical Infrastructure Team at the GAO; Cristian Samper, the Secretary of the Smithsonian; Roger Sant, the Chairman of the Smithsonian Regents Executive Committee; and Bob Kogod, the Chair of the Smithsonian Regents Committee on Facilities Revitalization, a big job.

The September 2007 GAO report on the condition and security of the Smithsonian clearly documents very serious challenges. Failing temperature and humidity controls at the National Air and Space Museum storage facilities have caused corrosion of historic airplanes. Leaking roofs endanger collections at the Sackler Galleries and the National Museum of African Art. Leaking pools at the National Zoo cause an average loss of 110,000 gallons of water every day, at a cost of \$297,000 annually. A 31 percent decrease in the security presence at the Smithsonian's two most visited museums have led to incidents of vandalism and theft.

Now, I know the Regents have been diligently working to develop a comprehensive funding plan to address these problems and I commend them for that. We have called the hearing this morning to discuss the GAO's report and the Smithsonian's proposed solutions. The time has come for solutions.

As I have said before, as Chairman of this committee and the Appropriations subcommittee that relates to this, I will do my level best to give every dollar I possibly can to the Smithsonian. However, it

will be impossible, and I don't like that word, but impossible to close the institution's \$2.5 billion gap in facilities and maintenance backlog with Federal funding alone. That is the bottom line of this. It would have been closed before if it were possible.

But to this end, I am very pleased to announce that the Senate and House Appropriations Subcommittee have been working towards an agreement on a new \$45 million public-private matching program we plan to call the Legacy Fund. It would work this way. Once the Smithsonian raised \$30 million in private funds, the Federal Government would match that \$30 million with \$15 million additional Federal dollars. This fund would be dedicated solely to facilities maintenance and revitalization projects.

Now, at this point, because negotiations continue on the overall appropriations package and the \$15 million is in the bill that the Chairman of the House, the Ranking Member of the House subcommittee, I and my Ranking Member, Senator Allard, have approved, I can't say definitely that the fund will be enacted into law because of the impasse right now between the House and the Senate. But it is my real hope and priority that this funding be made available in 2008.

I believe it is going to take a very strong public-private partnership to take care of the rapidly deteriorating facilities that jeopardize the credibility of this beloved institution. Even if we can secure this additional funding, the Smithsonian still has a long road ahead and I am very interested in hearing more about the newly announced capital campaign that represents, as I understand it, the first national fundraising effort of its kind at this institution.

So this is a very positive first step and I would like to encourage all of the Regents to continue thinking big, because that is the only way we are going to be able to preserve and protect this vast collection of American treasures that are in your care.

In addition to the capital campaign, I would like to encourage the regents to consider instituting a policy of directing a percentage of every donation to the institution to the Facilities Revitalization Fund. I know the Smithsonian, and we have discussed this, believes that donors only want to pay for exhibits and they aren't interested in fixing leaking roofs or ensuring that the collections are secure, but I don't believe that and my experience as mayor, albeit a long time ago, proves otherwise.

I saw citizens in San Francisco contribute and pony up \$10 million to rehabilitate the cable car system. It was beloved in our city. It was a legacy. We couldn't get Federal funds that were sufficient, and so we decided we would raise \$10 million in the private sector, and we did it, and companies, corporations responded. We had more than 25,000 contributions and that accumulated to the \$10 million. So I know it is possible for the Smithsonian Regents to do this.

What good are donations to exhibits if buildings that house them crumble around them? That is the bottom line of this. The Art and Industries Building is a perfect example. Right now, that beautiful building sits empty on the National Mall right next door to the Smithsonian Castle. I have to believe that if people understood that this symbol of the Smithsonian Institution was shuttered because its roof is literally falling down, they would contribute to a campaign to help fix it.

I think we owe it to the Smithsonian to use every available resource at our disposal to clean up this mess, and I am committed to do everything I possibly can as Chairman of this committee and Chairman of the Appropriations Subcommittee to get this job moving and get it moving as soon as we possibly can.

So I look forward to hearing the details of the Facilities Maintenance Committee's comprehensive plan to address this funding shortfall. That is the purpose of this meeting.

I would now like to recognize my very distinguished Ranking Member and my friend, Senator Bennett.

OPENING STATEMENT OF SENATOR BENNETT

Senator Bennett. Thank you very much, Madam Chairman. Your opening statement is a comprehensive analysis of the problem that we face.

I would just note, looking through the GAO report that is the trigger for today's hearing, on page 13, there is a graph showing the growth of square footage under the Smithsonian stewardship. It remained fairly stable for about half a century, from 1910 to 1960. Then a great building boom went on and I remember some of that building boom. I remember looking out of the window of the offices of the Department of Transportation and watching the Hirshhorn Museum go up and being very excited at this addition. And, of course, we were all excited at the Air and Space Museum.

But I see a whole number of things listed on here, and the level was like this for 50 years and in the subsequent 50 years, it has been on a 90-degree upward angle. And that is great in terms of the expansion of the Smithsonian responsibilities, but it means an enormous amount of money for maintenance.

The Architect of the Capitol has told us that we here ought to budget between one and two percent of the fair market value of this campus as an annual maintenance budget. Now, I hope we don't take into account all of the inflation in fair market value that would occur around the Capitol. To quote a certain commercial, it is probably priceless.

But looking at this upward increase in square footage of areas of responsibility for the Smithsonian and putting something akin to the Architect of the Capitol's label on it that says a certain percentage of the total amount must be budgeted every year so that as the total amount of square footage goes up, the budget goes up accordingly, is something that I think we need to address. If it hasn't been done, it is probably something we have to do, and if we decide we cannot maintain that kind of an increase in maintenance money, we probably had better decide we had better put a lid on the amount of square footage we are going to add to the Smithsonian, because otherwise, everything gets damaged. We have an enthusiasm for new buildings, but we must recognize that they bring with them an annual cost that never goes away.

So I congratulate you on calling the hearing and look forward to hearing from our witnesses.

Chairman Feinstein. Mr. Ranking Member, Senator Bennett, I thank you for those comments. I think you are right on. I think we are in sync and I am very pleased to hear them and look forward to working with you, as you know.

Senator Cochran, would you like to make some comments?

OPENING STATEMENT OF SENATOR COCHRAN

Senator Cochran. Madam Chairman, I am pleased to be here and to hear from our witnesses who we have asked to appear before the committee this morning. I appreciate your scheduling the hearing to

consider the funding challenges and the facilities maintenance issues that are facing the Smithsonian Institution.

Serving as a member of the Board of Regents of the Smithsonian, I have enjoyed getting to know the witnesses who are here with us this morning. I am pleased to join you in welcoming this panel.

We are going to look into the recently-released report from the Government Accountability Office which highlights progress made by the Smithsonian to deal with the issues of preserving and protecting our nation's treasures and exhibiting them so the citizens of our country and others who visit the nation's capital can appreciate our country and the contributions we have made to the world.

The report is a review of some of the more critical aspects of maintaining buildings and other physical structures that house and protect these treasures and exhibits. I look forward to the testimony we will hear this morning and to working with the committee and supporting our efforts and the efforts of the Smithsonian Institution to carry out our important responsibilities. Thank you.

Chairman Feinstein. Thank you very much, Senator.

I will now introduce the panel. We have one panel this morning. It is comprised of the four gentlemen in front of us.

Mr. Mark Goldstein is the Director of the Physical Infrastructure Team at the Government Accountability Office, fondly known as the GAO. His work includes the September 2007 study of funding challenges and facilities maintenance at the Smithsonian.

Cristian Samper, Dr. Samper has been serving as Acting Secretary of the Smithsonian since March. He joined the Smithsonian in 2001 as the Deputy Director and Staff Scientist at the Smithsonian's Tropical Research Institute in Panama and served as the Director of the Smithsonian's National Museum of Natural History since 2003.

Roger Sant was recently reappointed to the Smithsonian's Board of Regents for a second term and serves as Chair of the Executive Committee. He also sits on the Audit and Review Committee, the Compensation and Human Resources Committee, and the Committee on Facilities Revitalization and has been very generous toward the Smithsonian, as well.

Bob Kogod, also generous, was appointed to the Smithsonian Board of Regents in 2005, May, and is the Chairman of the Facilities Revitalization Committee. Before joining the Board of Regents, Mr. Kogod served as advisor on the renovation and restoration of the Patent Building. So the revitalization, I think, is going to fall right on his doorstep and we look forward to working with him.

We will begin with Mr. Goldstein. Mr. Goldstein, would you like to proceed. If you could possibly limit your remarks to five minutes or so and summarize, we have this very good report in front of us.

**STATEMENT OF MARK GOLDSTEIN,
DIRECTOR, PHYSICAL INFRASTRUCTURE TEAM,
U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

Mr. Goldstein. Thank you, Chairman Feinstein and members of the committee. Thank you for the opportunity to testify on our work on the Smithsonian Institution.

The Smithsonian has been referred to as "America's Museum" as its museums hold and provide access to irreplaceable national collections in American and natural history, art, and other areas. Since its beginning, the Smithsonian has evolved in the world's largest museum complex and research organization. Two of its museums on the National Mall in Washington are the most visited in the world.

In April 2005, we reported that the failing condition and closure of the Smithsonian's 1881 Arts and Industries Building on the National Mall was the most significant example of a broad decline in the condition of the Smithsonian's facilities portfolio. Moreover, we reported that structural deterioration and failing systems in Smithsonian museums and other facilities presented serious long-term risks to the Smithsonian's collections.

As the Smithsonian's chief decision making body, the Board of Regents is responsible for the long-term stewardship of the Smithsonian's mission, which includes maintaining the Smithsonian's facilities and collections as well as ensuring that the Smithsonian has a funding strategy that provides sufficient funds to support these activities.

In April 2005, we 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 develop and implement a funding plan to address the Smithsonian's facilities projects. In April 2007, we testified before this committee that the Smithsonian's estimate for facilities projects had increased.

Recently, it had come to light that in addition to the challenges of addressing the Smithsonian's facilities needs, the Board of Regents faces other governance challenges. In response to concerns about the former Secretary's compensation and expenses, as well as other issues, two studies were conducted. Among the findings of these studies were that the roles and responsibilities of the Regents were not clearly defined, that key senior officials, such as the General Counsel, Inspector General, and Chief Financial Officer were isolated from the Board, and that the Regents did not routinely receive or request information necessary to support vigorous deliberation, well-reasoned decision making, and adequate oversight.

In my statement today, I focus on three topics: One, the Smithsonian's real property management efforts; two, the extent to which the Smithsonian has developed and implemented strategies to fund its revitalization, construction, and maintenance projects; and three, some preliminary results of our ongoing work for this committee on governance changes.

In summary, one, the Smithsonian has made a number of improvements to its facilities, but security issues combined with the deterioration of many facilities has resulted in access restrictions and continue to threaten collections and cause other problems. For example, a lack of temperature and humidity control at National Air and Space Museum storage facilities has caused corrosion to historic

airplanes and increased the cost of restoring these items for exhibit. In another example, leaks in the National Zoological Park's sea lion and seal pools, as of July 2007, were causing an average daily water loss of 110,000 gallons, with a water replacement cost of \$297,000 annually. The Smithsonian's cost estimate for facilities projects from fiscal year 2005 through fiscal year 2013 has increased since April 2005 from about \$2.3 billion to about \$2.5 billion for the same period.

Regarding security efforts, some museum and facility directors cited an insufficient number of security guards to protect assets due to funding constraints and stated in the absence of more guards, some cases of vandalism and theft have occurred.

Second, while the Board of Regents has taken some steps to address our 2005 recommendation to develop a funding plan, its evaluation of funding options has been limited. In 2005, the Board of Regents created an ad hoc Committee on Facilities Revitalization, which after reviewing nine options developed by the Smithsonian management requested increased Federal funding. We found that some of the Smithsonian's evaluations of the nine funding options were limited and that they did not always provide a complete analysis, fully explain specific assumptions, or benchmark with other organizations. Also, some options were dismissed because independently they would not generate enough revenue. But the evaluations did not consider combining options to increase revenue.

In our September 2007 report, we concluded that if the Smithsonian does not develop a viable strategy to address its estimated \$2.5 billion in facilities projects, the facilities and collections would face increased risk and the ability of the Smithsonian to meet its mission would decline.

Recently, the Smithsonian Board of Regents has taken some additional steps toward developing a funding plan for facilities projects. At a meeting several weeks ago, the Regents agreed to a prioritized list of funding options, which includes establishing a national campaign to raise private sector funds for Smithsonian programs and facilities.

Third, preliminary results of our ongoing work indicate that the Board of Regents has made some changes to strengthen governance, but governance challenges remain. As of December 2007, the Board of Regents or the Acting Secretary appear to have implemented 12 of the Governance Committee's 25 recommendations, although we have not validated their implementation. Recommendations implemented by the Board so far include, for example, more clearly defining the roles and responsibilities of Regents and Regents committees, improving access between the Board and key members of senior management, and strengthening management policies regarding conflicts of interest. The Board is also studying other recommendations, including whether changes to the size and composition of the Board would strengthen governance and how to effectively engage the Smithsonian's advisory boards.

Governance experts and others we spoke with said that, in general, the Board appears to have taken some positive steps toward implementing governance reform. Nevertheless, success will depend, in part, on how the Regents embrace their new responsibilities and on their level of engagement, as good governance results from a Board that consists of active and deeply engaged members.

Madam Chairman, this concludes my prepared statement and I would be happy to respond to any questions the committee has.

[The prepared statement of Mr. Goldstein follows:]

Chairman Feinstein. Thank you for your forthright statement and report. It is very much appreciated.

Dr. Samper?

**STATEMENT OF CRISTIAN SAMPER,
ACTING SECRETARY, SMITHSONIAN INSTITUTION**

Mr. Samper. Madam Chair and members of the committee, thank you for this opportunity to testify.

The support of the administration and the Congress is essential to all that we do at the Smithsonian. We appreciate that support and look forward to working with members to make the Smithsonian even stronger for future generations.

The Smithsonian has made significant progress in many areas since I last spoke with you and we have exciting plans to ensure a bright, vibrant future. I am pleased to report that the core mission of the Smithsonian, our work related to research, collections, outreach, and public programs, remains strong. More than 24 million people came to the Smithsonian from across the country and around the world during the past year alone and loved it. Our scientists and scholars continued making major discoveries and sharing them with the world. And I am also pleased to report that during the last fiscal year, we were able to secure more than \$160 million in gifts and pledges from individuals, foundations, and corporations to support our mission.

Just to give you a few highlights from the last three months, the spectacular Robert and Arlene Kogod Courtyard recently opened at the Old Patent Office Building. "America by Air," an exhibition on the history of commercial air travel, has opened at the National Air and Space Museum, and the Smithsonian Channel has premiered and is bringing our research and collections to people across America.

Today, I would like to focus on three priorities: First, strengthening governance; second, improving our facilities; and third, investing in our programs.

The Smithsonian Board of Regents established an aggressive governance reform earlier this year. We have implemented 12 of the 25 recommendations and we are on schedule to complete the rest by early next year. We have a stronger Smithsonian as a result and will continue working to improve our governance. Smithsonian Regent Roger Sant, the Chair of the Executive Committee of the Board of Regents, will provide specific details in this regard in a moment.

The second major challenge is the maintenance and revitalization of our facilities. We are well aware of the scope of the problem, the \$2.5 billion that will need to be invested over the next decade to get our facilities to where we would like to see them. And as you have just heard from the GAO, we are making steady progress in many areas, although the big challenge is still ahead.

The recently established Regents Facilities Revitalization Committee has explored a range of solutions and has come up with a plan that will be explained by Regent Bob Kogod in a moment. The plan will include a national campaign to raise funds, not only for facilities, but also for research,

collections, education, and exhibitions. This comprehensive effort, which as you pointed out will be the first of its kind in our history, is an important step forward, and we are also exploring options for private support and partnerships to renovate and open the Arts and Industries Building that you mentioned.

We propose a partnership with the administration, the Congress, and the American people, a partnership that will match dollars that we raise from the private sector with dollars from Congress, similar to the current National Park Centennial Challenge, and we have noted your reference in establishing a Legacy Fund and appreciate them.

Chairman Feinstein. Did you just use the word "noted"?

Mr. Samper. Noted.

Chairman Feinstein. Okay. Thank you.

Mr. Samper. Very grateful, Madam Chairman. Sorry.

Chairman Feinstein. No, not grateful. I hope it would be supportive, but we will wait and see.

Mr. Samper. And this brings me to a third challenge, which is investing in our programs. It is important to have good facilities, but just as important to make sure that the programs that are taking place inside are vibrant. The Smithsonian's mission, which is the increase and diffusion of knowledge, has been carried out for the last 160 years. We achieve this by expanding our collections to document our history and our heritage as well as the natural and cultural diversity of the world.

We use our collections to ask new questions and generate knowledge through scholarly research and we then share these collections and ideas with millions of people across America and the world through our publications, our exhibitions, web pages, and partnerships. This creates an ever-expanding network of new knowledge that benefits America and the world.

Investing in our facilities, exhibits, collections, and scholars is absolutely critical so we can carry out our mission. We must replace our outdated exhibits. We need to continue to attract and maintain the best minds and look after our collections.

The Smithsonian has been a public-private partnership from its inception in 1846. It would not be what it is today without the generous support from the administration, the Congress, and the American people. We are encouraged by the steps we have taken and your commitment to help us in these efforts, and we look forward to working with you and this committee to make sure that the Smithsonian will be here for future generations.

[The prepared statement of Mr. Samper follows:]

Chairman Feinstein. Thank you very much, Dr. Samper.

Mr. Sant?

**STATEMENT OF ROGER SANT,
CHAIR, EXECUTIVE COMMITTEE,
SMITHSONIAN BOARD OF REGENTS**

Mr. Sant. Thank you, Madam Chairman, Senator Bennett, and Senator Cochran. I am going to take the liberty, if I may, to review quickly the governance reforms that we have undertaken in the last nine months. Since Bob Kogod is going to report specifically on facilities, I will make note of that, but I would like to review what we have done on the governance side and my take is a little different than Mark Goldstein's testimony this morning.

Madam Chairman, one commentator has described us as setting a new standard of best practices for the second generation of governance in the world. We believe he is right. We have acted deliberately and thoroughly to address the present governance issues facing the Smithsonian and I would like to briefly summarize our actions.

First of all, we have split the role of Chancellor and created a new position, Chairman of the Board, and plan to elect one of our Regents as the new Chairman at our meeting on January 28. We have increased the number and length of our Board meetings and established an independent staff to support the Regents. And with the exception of the Executive Committee, we have appointed new chairpersons to each of our Board committees and have appointed a non-Regent financial expert, a former senior executive at the GAO, to be a member of our Audit Committee.

We have decided to base the next Secretary's compensation on a comparative group of chief executives of universities and museums that are funded largely by public funds, and this will result in cash compensation to the next Secretary considerably lower than in previous years.

As part of our search for a new Secretary, we have held several town hall and consultative meetings and generated a substantial list of possible candidates for this position. In the coming days, we expect to have a short list of interviewees and will begin holding those interviews in January. As we have previously testified, we expect to select the permanent Secretary by March of 2008.

We have increased access to the Regents for the institution's gatekeepers. The Inspector General now reports directly to the Board and both the General Counsel and the Chief Financial Officer have total access to the Regents. Further, we have prohibited Smithsonian executives from serving on for-profit boards and have adopted travel policies for all Smithsonian staff that are consistent with Federal practices. We have created a standard leave policy and a unified compensation policy for senior Federal and trust executives. And finally, we have adopted a formal policy on requests for information that substantially follows the requirements under the Freedom of Information Act.

The only significant work yet to be completed is a complete review of the structure and composition of the Board and a review of how we can enhance the role and oversight of our 30 advisory boards. In sum, in the last nine months, I believe there has been a sea change in the way the Smithsonian Institution is governed and we deeply appreciate Acting Secretary Samper's strong leadership in achieving those results.

As part of our governance reforms, as has been noted, we also created a standing Committee on Facilities Revitalization, chaired by Bob Kogod, and the members have met three times since its

inception. As Chair of the Executive Committee, I would like to thank Mr. Kogod and his committee for the extensive work they have done on this issue.

As you noted, Madam Chairman, after the submission of our written testimony last Friday, we learned of the \$15 million Legacy Fund that you and your House colleagues have inserted into the Appropriations conference report. I want to say for the record how extremely grateful and supportive we are of your leadership in the creation of this fund. Even though the fund's matching requirements of two private dollars to one Federal dollar is higher than Mr. Kogod will suggest in his testimony, this is a wonderful start and I know that if we do well with the private matching part of this, it is your intention to make this an annual fund and possibly with increases. We are committed and determined to resolve this long-term facilities issue and are excited about our plan to enter into a National Capital Campaign. It will take a great deal of work, planning, and time on everyone's part, but that work has begun.

So thank you, Madam Chairman and members of the committee, and I look forward to your questions.

[The prepared statement of Mr. Sant follows:]

Chairman Feinstein. Thank you, Mr. Sant.

Mr. Kogod?

**STATEMENT OF ROBERT P. KOGOD,
CHAIR, FACILITIES REVITALIZATION COMMITTEE,
SMITHSONIAN BOARD OF REGENTS**

Mr. Kogod. Good morning, Chairman Feinstein, Senator Bennett, Senator Cochran. As a member of the Board of Regents and Chair of the Facilities Revitalization Committee, I am pleased to be here this morning to report on our plans for a national fundraising campaign.

The Board of Regents believe it important to address all of the institution needs, that is our program requirements as well as facilities revitalization. As you know, the Smithsonian mission is the increase and diffusion of knowledge. This is carried out through our collections, research, education, and exhibitions. Our facilities are in support of this mission.

Similar large institutions, such as universities and museums, have found it very difficult to raise major funds for leaking roofs and plumbing, for faulty and outdated electrical and mechanical system. I would like to commend Senator Feinstein for her efforts on behalf of her city and say that I heard you and we will do what we can in following that example.

In planning this comprehensive campaign, our committee considered a large number of funding options, including those suggested by members of Congress and the GAO. The options we have selected for further research and implementation are as follows: A comprehensive national fundraising campaign involving all Smithsonian constituencies plus the American public; a gift maintenance fee for facilities revitalization; a matching fund program, that is, a dollar-for-dollar match of public funds with private funds. We believe this would be most compelling and add a great deal to our chances of success.

At the same time, I would like to again join Roger in expressing our appreciation for the recently announced possible \$15 million Legacy Fund. We are appreciative, and in many respects, we are really following the example you had set in terms of this matching fund concept.

We are going to consider special exhibition fees, energy saving performance contracts, public-private partnerships, expansion of our voluntary giving collection boxes, and finally, the appropriate role, if any, of our endowment fund.

Our plan is already underway. We received Board approval in November and spoke to the Board about their responsibility in this matter. The Acting Secretary has begun his meetings with museum and unit heads to identify needs, priorities, and funding potential. We are building our staff, systems and outside resources to gear up for this campaign. We will approach our known major contributors in an attempt to secure lead gifts. We will then be able to set our overall goals and launch our public campaign.

Whereas the Smithsonian capital improvements and maintenance needs have traditionally been funded primarily by the government, we accept your call to share in this responsibility. At this time of accumulated shortfall, we are hopeful that upon successful completion of the campaign, we can return to the government funding of facilities and the use of private funds for collections and research, education, exhibition.

This campaign is a major challenge and an exciting opportunity. The Smithsonian is fortunate to have as our partners the Congress, the executive branch, and the American people. It is the ongoing vitality of this partnership which will assure the long-term well-being of the institution. I thank you.

[The prepared statement of Mr. Kogod follows:]

Chairman Feinstein. Thank you very much, Mr. Kogod, and I thank all of you for your questions.

Mr. Goldstein, let me begin with you, if I might. This report points out that the Smithsonian estimate that they will require \$2.5 billion in the next ten years to address deteriorating facilities does not include projects that will be privately funded. Put another way, the \$2.5 billion price tag is for projects the Smithsonian believes should be paid with public funding from the Federal Government. How much bigger is the actual figure if privately-funded projects are included?

Mr. Goldstein. What I can tell you, Madam Chair, is that private funds between 2002 and 2007 came to about \$339 million. It is about 40 percent of the total. The other 60 percent, which was \$627 million, for a total of about \$1 billion. So it is roughly a 60/40 split. That doesn't indicate that that would necessarily be that way in the future, but that is the way it has been in recent years.

Chairman Feinstein. Well, is it fair to say that we add 40 percent, then, on top of the \$2.5 billion?

Mr. Goldstein. I think that question would be best directed at the Smithsonian. Mainly, we have been looking at public money, since that is our charter. They have given us access to some private data, revolving trust funds and the like, but I think that is a question I would ask you to give to them, ma'am.

Chairman Feinstein. Well, it is also a question I am going to ask that you respond to, to us--

Mr. Goldstein. Sure.

Chairman Feinstein. --because I think there are so many institutions and so many programs and this is such a big, big group of facilities, it is very hard to really get a handle on the maintenance issues. So let me put the question then to Dr. Samper. If one wanted to say what was the entire backlog of

maintenance, would you add 40 percent onto the \$2.5 billion? If not, why not? What would the figure be?

Mr. Samper. Thank you, Senator. I would not add 40 percent. Our list of projects which was compiled by our Office of Facilities Engineering includes all of the projects across the facilities. The only two elements that are not included in that figure are the proposed new National Museum of African-American History and Culture--

Chairman Feinstein. I am sorry, I missed that--

Mr. Samper. The new National Museum of African-American History and Culture with the legislation that was enacted by Congress, which is a new construction project, that is not part of this figure. As you know, we are estimating the total investment for that project over the next seven or eight years will be somewhere on the order of total building and program, \$400 million, where we are looking at a 50/50 split between private fundraising and public fundraising.

The other figure that is not included in that is the revitalization of the Arts and Industries Building, specifically, which as you know we are exploring public-private partnerships and have issued a request for qualifications on this, which will be--

Chairman Feinstein. Are you saying that the Arts and Industries rehab money isn't included in this \$2.5 billion?

Mr. Samper. That is not included, the rehab, in the \$2.5.

Chairman Feinstein. Wow.

Mr. Samper. So those are the two exceptions that--

Chairman Feinstein. What is the estimated cost of that?

Mr. Samper. It will depend on the use, Senator, but as you know, our estimate is that the replacement of the roof and some of the basic facilities and infrastructure, not the content of the museum but the shell, will be in the neighborhood of about \$100 million. On top of that, it will probably require an additional \$100 million of investment for the content of the museum, which as you know we would seek privately. But the--

Chairman Feinstein. Let me see if I understand this. It is \$100 million for roof and shell and another \$100 million for interior appointments, basic appointments?

Mr. Samper. Plus or minus. It will depend on the exact use of the building, but that is--

Chairman Feinstein. So we would add \$200 million, so we would take the figure up to \$2.7 billion.

Mr. Samper. But every other project at Natural History, the National Zoo, and all of the others are included, and our efforts for private fundraising would help cut that gap in the shortfall of the funding. So you are not looking at an additional 40 percent. It is important that it is clear.

Mr. Goldstein. If I may, Madam Chairman, I would add one point to the Acting Secretary's comment, which is the estimate of \$2.5 billion, up from the \$2.3 billion, is always somewhat of a preliminary number because the change in those two numbers, the additional \$200 million that has been added, came about as a result of continuing master planning as the Smithsonian assesses its needs. So that number is always a somewhat changing number and that is not expected to be a final number, if you will.

Chairman Feinstein. Well, does it ever change downward?

Mr. Goldstein. Unfortunately, it hasn't--

Chairman Feinstein. I have never seen that happen.

Mr. Goldstein. It hasn't yet.

Chairman Feinstein. So if it is a changing number, it is upwards?

Mr. Goldstein. That is correct.

Chairman Feinstein. Wow. When did it grow--yes. When did it grow from 2.3 to 2.5? When was that time?

Mr. Goldstein. It grew over the time we did our work, from 2005 to 2007.

Chairman Feinstein. So in two years, it grew by \$200 million--

Mr. Goldstein. Based on additional projects that were added to the master plan, as well as other kinds of rehab that they needed to do.

Chairman Feinstein. Is there a prioritized list of how this would be--could we ask for that list to be sent to the committee, please, on how this is prioritized?

Mr. Samper. Yes, Madam Chair--

Chairman Feinstein. Where does the Art and Industries Building figure in your priority list?

Mr. Samper. It is at the top of our list, and as you know--

Chairman Feinstein. But you don't include the costs?

Mr. Samper. In that figure of the \$2.5 billion, it is not included, and as you know, we are exploring, as you and I discussed, other possibilities, including a partnership with a private sector partner that would allow us to secure the funding to reopen that building. We have issued a request for qualifications. We are expecting the proposals in early January. We will assess those proposals with the Board of Regents. We will consult with members of Congress. And we are hopeful that we will be able to secure private funding to reopen the Arts and Industries Building as soon as we can.

Chairman Feinstein. Well, let me be gentle in this, but let me say it clearly. To everybody that looks at the facility and sees the Arts and Industries Building essentially crumbling right next to the Castle, this has got to emerge as the top priority, and yet not to include it in these figures which have been so widely bandied about seems to me to be not a very smart thing.

Mr. Samper. Senator, the one thing I can tell you is that since I became Acting Secretary eight months ago, I have made the reopening of the Arts and Industries an absolute priority. It is one of the priorities I am working on personally with my team.

Chairman Feinstein. Senator Bennett?

Senator Bennett. Thank you, Madam Chairman.

Let us drill down a little deeper on this issue. I said in my opening statement that prudent management would say you would budget a percentage of the total market value of the facility and that that is going up every year. I am not clear in your answers to the Chairman whether or not you have included in the 2.5 something akin to that number, or is the 2.5 simply to clear up the backlog and you have to have on top of that an ongoing maintenance and facilities number which will go up every year as your square footage goes up. Help me understand where we are on that.

Mr. Kogod. Senator--

Mr. Samper. Senator, if I may, Regent Bob Kogod would like to address this.

Senator Bennett. Yes.

Mr. Kogod. Senator, the \$2.5 billion, if we were to look at it over a ten-year horizon, even though the original report is nine years and the second one is six years, would be \$250 million per year, per annum. At our current funding level from the government, we are receiving \$150 million per annum. So as a result, we are short \$100 million per year for over a ten-year horizon. That is equally between the capital improvements, which are currently \$100 million, and the maintenance, which is currently \$50 million.

Now, on your measure that you indicated where you use two percent, two to four percent for maintenance--

Senator Bennett. Well, one to two percent.

Mr. Kogod. Or one to two percent, we have about \$5 billion in total real assets and we are currently getting \$50 million and we think the need is \$100 million. And that is for maintenance only--

Senator Bennett. Yes.

Mr. Kogod. --so that on your other priorities, we have, as indicated earlier, we have a list of priorities of which the most serious ones we think are being dealt with, other than the Arts and Industries. The second priorities would become emergencies if they are not dealt with in the next one- to three-year period, so--

Senator Bennett. I am still not clear. Let us take \$100 million as the figure. Right now, you need \$100 million a year for maintenance.

Mr. Kogod. And we are getting 50 from the government funding.

Senator Bennett. Well, you are getting 150. What is the other--

Mr. Kogod. The other 100 is capital improvements.

Senator Bennett. Okay. Let us leave capital improvements out, because capital improvements means you are buying new stuff.

Mr. Kogod. No. No. That is not new projects. That is existing projects that have to be dealt with so that they don't become emergencies.

Senator Bennett. Okay, well this is a definition question, because I would define that as maintenance.

Mr. Kogod. Well, I am just using the terminology that has been in use by all parties involved at the Smithsonian.

Senator Bennett. Okay, but if--

Mr. Kogod. --and I am trying to clarify--

Senator Bennett. Either way, whatever you call it, it is an ongoing annual expense that you have to take care of or the place is going to fall down.

Mr. Kogod. That is correct.

Senator Bennett. Okay. So you have an ongoing requirement of \$200 million, if I am making the right--

Mr. Kogod. We would estimate it \$250 million.

Chairman Feinstein. Wow.

Senator Bennett. Two-hundred-and-fifty?

Mr. Kogod. Of which the government is currently funding \$150 million.

Senator Bennett. All right. So you are having a \$100 million a year shortfall which over ten years is \$1 billion.

Mr. Kogod. And that is the difference--so we, under current funding, we have \$1.5 billion of the \$2.5 billion required if, in fact--

Senator Bennett. We are talking past each other here. You have got a \$200 million per year requirement--

Mr. Kogod. We would estimate it to be two-hundred-and-fifty million annually.

Senator Bennett. Two-hundred-and-fifty million per year current requirement.

Mr. Kogod. That is correct.

Senator Bennett. And you are getting \$150 million per year from the Feds?

Mr. Kogod. That is correct.

Senator Bennett. All right. So you have got a \$100 million per year shortfall that has to be made up somehow.

Mr. Kogod. Yes, sir.

Senator Bennett. So that is \$1 billion over ten years.

Mr. Kogod. Yes.

Senator Bennett. Okay. My fundamental question, then, is does the \$2.5 billion figure over ten years include that \$1 billion or is it over and above that \$1 billion?

Mr. Kogod. No, it--the \$2.5 billion is the total. It includes this.

Senator Bennett. It includes it?

Mr. Kogod. Yes.

Senator Bennett. Okay. So you need \$1 billion simply to stay even and you need \$1.5 billion to take care of the backlog?

Mr. Kogod. Well--

Senator Bennett. Is that a fair--

Mr. Kogod. I would say that if, in fact, the current funding remains at the 150, then we need an additional \$100 million per annum over a ten-year period.

Senator Bennett. Okay.

Chairman Feinstein. To stay even?

Senator Bennett. To stay even, so--

Mr. Kogod. That is correct.

Senator Bennett. --I think I have got it now. You need \$1 billion over what you are currently getting over a ten-year period simply to maintain things as they currently are, and you have a backlog--

Mr. Kogod. No. That is to clear up our backlog.

Chairman Feinstein. Oh, dear.

Mr. Samper. Senator, if I may--

Senator Bennett. Yes?

Mr. Samper. The \$2.5 billion includes the maintenance and the facilities revitalization figure.

Chairman Feinstein. Could you speak up, Mr. Samper?

Mr. Samper. Yes.

Chairman Feinstein. We really need to hear this.

Mr. Samper. The \$2.5 billion figure includes both the maintenance number and what in our terminology would be revitalization.

Senator Bennett. Okay.

Chairman Feinstein. Is that backlog?

Mr. Samper. That is the backlog.

Senator Bennett. I am using the word "backlog."

Mr. Samper. Okay.

Senator Bennett. So your backlog. However, it does not include the Arts and Industries Building?

Mr. Samper. Correct--

Senator Bennett. So if we were looking at it, I always try to run my businesses on a cash flow basis regardless of what pigeonholes the accountants put the money in. Just tell me how much cash I need.

Mr. Samper. No, I--

Senator Bennett. You are telling us over a ten-year period, you are going to need \$3 billion?

Mr. Samper. If you include the new African-American Museum, Museum of African-American History and Culture and the Arts and Industries Building, I think you are looking at about 2.8. That would include maintenance, revitalization, and the new buildings that--

Senator Bennett. Well, just the numbers we have gotten--

Mr. Samper. That is the total--

Senator Bennett. --we are starting out with a base of 2.5--

Mr. Samper. Correct.

Senator Bennett. You need another \$300 million for the Arts and Industries Building.

Mr. Samper. About \$100 million--

Senator Bennett. A hundred?

Mr. Samper. --to do the roof and the--

Senator Bennett. So that puts you at 2.6, okay.

Mr. Samper. And the estimate of the African-American History and Culture Museum will be in the order of about \$400 million--

Senator Bennett. But that is new construction.

Mr. Samper. That is new construction, correct.

Senator Bennett. So we are missing a little bit of apples and oranges here.

Mr. Samper. That is correct.

Senator Bennett. All right. Well, this has been helpful--

Mr. Samper. But just to clarify, Senator, the important thing, your two percent figure which we use, as well, our estimate right now is that with the current replacement value of our infrastructure, at the two percent, that figure would be \$96 million, and that would be the ongoing maintenance. So if we invest the \$2.5 billion, we would close the gap, deal with the maintenance, and then our maintenance

would fall back to levels, and our goal, our target is to reach the two percent figure, just as you mentioned, which is the industry standard.

Senator Bennett. All right. Well, I think I now understand the 2.5 and what it is going for. And the key realization for me is that the actual backlog, including Arts and Industries Building, is 1.6.

Mr. Samper. Correct.

Senator Bennett. The rest of the 2.5, 2.6 is for a shortfall in the regular facilities maintenance that has got to be made up one way or another. Thank you. I find that very helpful.

Mr. Samper. Correct.

Senator Bennett. Thank you, Madam Chair.

Chairman Feinstein. Yes. I still--I will call on Senator Cochran. Senator?

Senator Cochran. Madam Chairman, thank you.

In looking, Senator Bennett, at the GAO report, there are several recommendations that were made about improving governance, determining appropriate compensation ranges for executives and those who are employed by the Smithsonian. Is it correct to say that the recommendations made by the GAO on this subject of improved governance have been positive steps in addressing issues that were identified in the original report?

Mr. Goldstein. Senator, with respect to the governance issues, those generally were recommendations that were made either by the Governance Committee of the Board of Regents or the Independent Review Committee which had been requested by the Board of Regents. What we have done in our preliminary report on this issue is to simply track whether or not, based on the Smithsonian's own work, whether they were on track or not and we did not specifically evaluate whether or not those were the correct recommendations that should have been made to deal with the specific issues at hand.

Senator Cochran. Is it the intention of GAO to continue to review or to have additional investigations to follow up on the work you have already done, or do you consider your work and the report you have submitted to be sufficient to enable the Smithsonian to respond in a positive way to deal with the problems it faces?

Mr. Goldstein. With respect to the governance issue, Senator, we are doing a report for this committee on that issue which we will issue probably later in the spring. In order to do that work, we have talked obviously to the Smithsonian and to the Independent Review Committee. We have also talked to a number of other institutions that have gone through some of the kinds of governance program--governance problems, as well as institutions that could be best practices so that we can understand more conceptually whether or not the kinds of things that the Smithsonian has done are appropriate and are in context with other institutions, and that is the continuing work we are doing now. That is why during my testimony today I indicated that that part of our testimony was preliminary in nature because we weren't completed with the work yet.

Senator Cochran. What is your reaction to the plans that you have heard discussed today by the witnesses at the table for raising money, meeting the increased demands for facilities repairs and improvements? Do you have any opinion as to whether they are on the right track or not or whether there are things that haven't been done that should have been done up to this point by the Board or its executives?

Mr. Goldstein. Senator, our original recommendation back in 2005 was that the Smithsonian come up with a funding plan so that they could better meet the facilities issues. Our concern that we raised in our report this past September was that while they had made some progress, a number of the funding options at that time had a number of assumptions in them that didn't seem to be fully explored and that there had not been sufficient benchmarking done, and our concern today, based on the continuing work that the committee--that the Board of Regents is doing is that while there continues to be some progress, we are concerned that because many of the options that have been presented to and discussed by the Board have not been fully examined. The assumptions haven't been fully examined and several options haven't been properly included. There may be an issue with the cart before the horse. There may be concern that because the institution is already choosing options before all the facts are in that they may or may not be the most appropriate approaches to close the gap, or to help close the gap.

Senator Cochran. Dr. Samper, do you think the Smithsonian should reexamine decisions that have tentatively been made to proceed to increase the number of museums, build new museums, while others that exist now are in a state of disrepair and need immediate attention and work done to bring them up to standards?

Mr. Samper. Senator, this is an important question. This is a very important question. Our priority right now clearly is in terms of fixing the facilities that we have right now. We are not seeking to expand our program or facilities aggressively. I think this is important. As was pointed out by Mr. Goldstein, the big expansion in our facilities happened in the 1960s, 1970s, and others, and now we are catching up with some of these investments. So certainly before expanding much further beyond some of these museums, our priority is to improve the current facilities that we have.

Senator Cochran. Has the problem of keeping up with the demand for more funds and everything led to any kind of deterioration in morale or ability of the executives or the employees of the Smithsonian to carry out their duties? Has there been a negative impact across the Smithsonian's museums and other facilities as a result of the challenges that you now face?

Mr. Samper. One of the things I have grown to admire tremendously, Senator, in the eight years of being with the Smithsonian is the commitment and the capacity of our employees to look after our collections, education programs, and research activities. I think there has been a feeling by some of our employees that the focus has been placed largely on the facilities but not necessarily enough on the programmatic side, and that is why my opening statement reflects that our campaign would deal with the facilities issue as well as funding some of the programmatic areas, which I think are the key for this.

Our experience has been that most of the private donors will relate to the programmatic areas, but as has been pointed out, it is possible to embed some elements of the facilities within that. We believe that we will be more successful in securing additional funding to do this by including and securing funding for the programs. That will definitely strengthen our morale and what we can offer the American people.

I am very optimistic with the concept of having a matching program. My own experience as a fundraiser, as Director of the National History of Natural History, is that challenge grants go a long ways to mobilize resources, and our experience also is that the American people can be extremely generous. So I see tremendous potential in terms of building on the concept of some form of a Legacy Fund, which

would clearly present this as a challenge, this public-private partnership, where the American people could contribute, where the Federal Government would do that. So we look forward to building on this as part of this overall plan.

Senator Cochran. Mr. Sant, what is your reaction to the changes made in the governance organizational structure and the impact that is going to have in the future on improving the work that is done by the Smithsonian?

Mr. Sant. Well, I think if we hadn't felt that those were all improvements that were necessary, we wouldn't have done them. I think all of us, yourself included, have examined thoroughly our governance process and policies, to try to get to a point where we could be sure that we are at a best practices level. So all of the things we have done have been in that direction and I feel that the institution is a much better place because of it, and I feel that the people within the institution feel the same way. It is nice to feel that we have gotten a hold of some of the things that probably had gotten out of line.

Senator Cochran. Mr. Kogod, I know that the Smithsonian depends a great deal on individuals, citizens coming forward and contributing and visiting and supporting the work of the Smithsonian. Have you seen or noticed any deterioration or drop-off in public support and participation to help the Smithsonian achieve its goals and responsibilities since you have been on the Board?

Mr. Kogod. Senator, I think there has been expressed some concern regarding the Smithsonian, and I think we are addressing it, and I think that there is not a general deterioration in terms of either support or confidence because I think that the public has seen that we are responding in a very thoughtful, comprehensive manner. I am believe we can retain the confidence of the public.

Senator Cochran. Thank you, Madam Chairman.

Chairman Feinstein. Thank you very much, Senator. We appreciate your service as a Regent, as well, and I just want to say that.

Mr. Goldstein, let me go back, if I might, to page two of your report and something I didn't understand, and it is in the first full paragraph. Six percent of the Smithsonian's annual operating revenue, about \$58.2 million in fiscal year 2006, comes from unrestricted private funds and the Smithsonian's Board of Regents has the authority to spend these unrestricted private funds for various purposes, including facilities. Now, Dr. Samper mentioned that in 2007, they raised \$160 million, and I recognize that the \$58.2 million is a 2006 figure, but there is a huge difference between the \$160 million raised and this unrestricted fund, which I take it could be used for anything.

My questions are this. If I had to compare apples and apples of 2007 monies, what would they be? And then secondly, I take it these unrestricted private funds can all be used for maintenance, as well, is that correct?

Mr. Goldstein. Unrestricted funds can be, that is correct. They often choose not to because they have indicated that when they use them for those purposes, the other purpose that they may be using them for, including salaries and programmatic kinds of things, don't get funded. So that is correct.

With respect to actually comparing the apples and oranges, I would like to get back to you for the record to be sure--

Chairman Feinstein. Could you?

Mr. Goldstein. -- that we can answer it in a way that is responsive.

Chairman Feinstein. And could you also give us a listing of how these unrestricted funds are used?

Mr. Goldstein. I would be happy to.

Chairman Feinstein. We would appreciate that very much.

You know, just to Senator Bennett and Senator Cochran, I understand how the Regents feel, that it is the Federal Government's responsibility to do that.

Secondly, the Federal Government, or the Congress, I should say, imposes new facilities, and we have got two new facilities coming down the line imposed for which there is no ability to maintain. I think we have got to stop this. We have either got to find a way to federally provide the money and we have the staff of the Interior Appropriations Committee who is well steeped in the history of the Smithsonian, the needs. They have tried to find money.

Senator Cochran, you are a senior member of the Appropriations Committee. It is impossible to do with all of the priorities. Just in that Interior budget, you have got the whole National Park Systems, you have got fire fighting needs, you have got the--we can go on and on and on. We can't find the sufficient funds.

This Legacy Fund idea is the only thing I know of that might encourage that public-private partnership. I started at three-to-one. Mr. Sant got me down to two-to-one. Mr. Kogod is trying for one-to-one.

[Laughter.]

Chairman Feinstein. You have got two new maintenances that the Congress wants you to do. It is an untenable situation long-term and somebody has got to say, we cannot operate this gem this way, that you cannot lessen security. You can't lessen rehabilitation and materials. The pedagogy sure is important, but somewhere, we have got to put a foot down and say, until the maintenance is on an even keel, we cannot continue to build, build, build, put in new programs.

I am prepared to do that. I don't know whether I have support among my colleagues or not to do it. The Ranking Member has just indicated that I have his support. It is not a popular thing to do, but I don't see another way. If you can suggest to me another way, I am all for it. Absent that, I think this has got to be the first priority of your new Director--or, excuse me, Secretary.

Mr. Sant. Your thinking is very sound, Senator. It has not escaped us that at a time when we have a backlog that we are going to have to raise \$200 million for a new African-American Museum. This is not an easy task, and yet I think that museum is on the books and we are committed to do it the best way we know how and we have a good advisory board to do it. But beyond that, I think your conditions are exactly the ones we should have.

Secretary Samper has made a big point of the programmatic deficit. This isn't new programs, this is revitalization of the exhibits has also been allowed to be deferred longer than it should. So I want to include both of those things: that we really ought to get our existing facilities and exhibits and our research up to the level it ought to be before we consider any new incremental activity.

Chairman Feinstein. Well, do we have agreement on the Legacy Fund? Mr. Samper said it was noted. Mr. Kogod went a little further. You, I have not been able to really understand where you come down.

Mr. Sant. Well, I told you privately the other day that I totally support it and I tried to make that as clear as I could. If I didn't, I certainly--

Chairman Feinstein. You support it at two-to-one?

Mr. Sant. Yes.

Chairman Feinstein. Mr. Kogod?

Mr. Kogod. I am one-to-one, Senator.

[Laughter.]

Chairman Feinstein. Well, I would be interested to hear the views of my colleagues here. We have been through these hearings together. Now, you are not members of the Interior Appropriations, but you are the authorizing--

Senator Cochran. I am.

Chairman Feinstein. Oh, that is right, you are. Oh, that gives me more help. That is good.

Senator Cochran. We are out of money.

[Laughter.]

Senator Bennett. Madam Chairman, you remind me of an experience I had as a brand new freshman Senator serving on the Energy and Natural Resources Committee and a bill came through for a national park, and it was very meritorious. We are going to create National Park--I have forgotten where, but it is the kind of thing--everybody is for national parks and we are all going to vote for this.

And the Ranking Member, Senator Wallop, voted no and was quite emphatic voting no, and I said to him, why? This looks like a good national park. And he said, until we get the appropriations for the National Park Service where they should be, I don't want to create a single new national park, no matter how meritorious it is, because as soon as we put that many more acres into the National Park System without giving them the money that they need to run the National Park System, then every other national park that we have currently got goes downhill and I vote no against all of them. Well, that was kind of Malcolm Wallop's style on a lot of other things, too, but--

[Laughter.]

Senator Bennett. --on this one, I thought, you know, he has got a point. And I watched the effort. Everybody wants to create a new national park, but you have just put your finger on it, as the chair of that subcommittee, how difficult it is to fund the National Park System, and we have got backlogs there. We have got facilities that are declining and all the rest of that, and I have worked to try to get the concessionaire income up so that we could get more money for the national parks, but got beat up by people saying, that is the Democrats that do that. You don't have a Republican try to do that. And I said, well, you have a businessman who tries to do that when you need the money.

I think that same principle applies here and we need to make that point to our colleagues who are very anxious to create a new museum, and it is a meritorious thing to create a new museum and we probably need a new museum. Okay, are you willing to fund it? Oh, yes, we will fund it and you will pay for it. But will you pay for the maintenance? That is the problem.

And then the one other thing that I am reminded of, when I was Chairman of Legislative Branch and you were the Ranking Member, one of the things we included was the maintenance for the Taft Bell Tower, and I said, I thought that was done with private funds? They said, it was built entirely with private

funds and then given to the Federal Government as a generous gift and now you are stuck with maintaining that sucker for the rest of its life, which is a long, long time.

[Laughter.]

Senator Bennett. We had better pay attention to this, and I think this committee is as good a place as any to start making our colleagues aware of the fact that simply creating a museum and funding its acquisition is buying a long-term maintenance bill that we had better be prepared to meet.

Chairman Feinstein. Thank you. I agree with everything you have said. As an aside, I have got to tell you that going back to Malcolm Wallop, I was one of the guilty ones with the Desert Protection Act. He filibustered it in the Senate for that very reason. It was funded at a dollar a year. Subsequently, for a number of other reasons, it has been a huge success, but nonetheless, it was the new bill at the time and I was the author of it, so it is interesting how times change you.

But every day, I drive by the Arts and Industries Building and every day I think what a shame it is. I think this is a little different because it is the crown jewel, and I take your magazine, I read the magazine. It is a great magazine. I am just trying to figure now how many other people that might contribute that I want to send the magazine to. We have to deal with this issue.

We were just talking about having all new projects come through the Rules Committee. They do not now presently. But I, right now, I really think we have to decide, because I don't know where the \$15 million is right now. Is it still in?

Mr. Kiefhaber. It is in.

Senator Bennett. But is the bill going to pass?

[Laughter.]

Chairman Feinstein. And I need agreement. I mean, this is hard right now because we have had a real problem on all of these bills, and I really need a statement from you on what you are prepared to do to raise this money.

Mr. Sant. Well, I hope we have been very clear about that--

Chairman Feinstein. Is it two-to-one--

Mr. Sant. Well, it is for this year--

Chairman Feinstein. --or three-to-one--

Mr. Sant. No--

Chairman Feinstein. --or one-to-one, excuse me.

Mr. Sant. I mean, the Regents haven't had a chance--

Chairman Feinstein. So you will accept--

Mr. Sant. --haven't had a chance to vote, so--

Mr. Kogod. Madam Chairman, as outlined, we are going into an attempt at a very thoughtful, comprehensive fundraising plan and we recognize the need for facility revitalization. We are going to do everything we can.

Chairman Feinstein. So you will--

Mr. Kogod. We respectfully request that if you could give consideration to the one-to-one, it will be very much appreciated. That is, you know, but as Roger indicated, that is my own personal opinion, as chairman of the committee, and the Board itself has not had an opportunity to meet or discuss it. It is

brand new.

Mr. Sant. I don't know what you think, Senator Bennett, but--

Senator Bennett. My advice to you is take what you can get and say two-to-one for this year and come back later on.

Mr. Sant. I guess that is my thinking.

Chairman Feinstein. Is that okay with you, Mr. Kogod?

Mr. Kogod. I want to graciously accept your kind invitation to provide this legacy fund and--

Chairman Feinstein. Then we will assume we have agreement. Thank you, Senator Bennett. That means a great deal, because it provides, I hope, the incentive to get this going.

And then, Mr. Goldstein, you will come back with specifics on that backlog. I am a little--Senator Bennett, I think, got to the nub of it, but suddenly what I understood was \$400 million, \$200 million for roof and shell of the Arts and Industries and \$200 million for the interior work, which is \$400 million, went back to \$200 million. Which is it?

Mr. Samper. I will get you the figures, Senator. I will be happy to provide you some more information on that, Senator. The issue with Arts and Industries is that we do not have the scope of the program that will go in there yet and that will determine the cost.

Chairman Feinstein. I think you--

Mr. Samper. We have a good handle on the physical shell, the roof and the plumbing. We can certainly get you that. And through this request for qualifications on our proposals, we will determine what is the best use and that will determine the scope of the program investment. But I will be very happy to provide you with more information, Senator.

Chairman Feinstein. But I assume that would be high on your priority list. I mean, it gives you, in terms of fundraising privately, a great beginning, because here is this great building that is sitting empty because the roof may fall in.

Mr. Kogod. We agree with you. It is the highest priority. It is one of our signature buildings and really, something has to be done in a very meaningful way and we will address it, Chairman.

Chairman Feinstein. Okay. But it isn't in the 2.5. Therefore, I would like to see the hard numbers if you--

Mr. Samper. I will be happy to. As I mentioned, Senator, since I became Acting Secretary, this is definitely at the top of my list. I have made it one of my absolute priorities. I park next to that building every day. It hurts me to see it. Three weeks ago, I walked through the building to see it with different people, to look at potential uses. So you have a personal commitment that this will be a top priority.

Chairman Feinstein. Fine. Does any other member have a comment?

[No response.]

Chairman Feinstein. Does any other witness have a comment they would like to make?

Mr. Sant. Just one more time to say thank you for your leadership.

Mr. Samper. Senator, just for the record, let me correct my statement before. We are extremely grateful for--

Chairman Feinstein. No, no--

Mr. Samper. --the Legacy Fund--

Chairman Feinstein. No, no. What I want to hear is we are in favor of this. We are going to move ahead with it. And particularly from you, Dr. Samper.

Mr. Samper. Senator, we are going to run with it and I will personally be fundraising to meet the challenge grant.

Chairman Feinstein. Excellent. The hearing is adjourned. Thank you very much.

[Whereupon, at 11:25 a.m., the committee was adjourned.]