

House Interior Appropriations Subcommittee
March 2005
Testimony of Lawrence M. Small, Secretary
Smithsonian Institution

The Smithsonian was established in 1846, thanks to a generous bequest from British scientist James Smithson, with the mission: “the increase and diffusion of knowledge.” Over the decades, the Smithsonian has become the world’s largest museum and research complex, an American icon, providing unique experiences for millions of visitors from across the country and around the globe. The Smithsonian budget request is \$615 million (\$524 million for salaries and expenses and \$91 million for facilities capital). This funding level is dead even with the Institution’s fiscal year 2005 appropriation.

The \$91 million requested for facilities capital is \$35 million (or 28 percent) lower than fiscal year 2005. This amount reduces Smithsonian’s revitalization requirement by \$65 million and provides sufficient resources to improve the condition of some of Smithsonian’s oldest buildings in order to ensure the safety of visitors and the quality of their experience. This level, however, does fall short of internal targets established in response to the July 2001 National Academy of Public Administration (NAPA) report, which validated a minimum \$1.5 billion price tag over a ten-year period for fixing the backlog of capital repairs at the Smithsonian (not counting the new Steven F. Udvar-Hazy Center or the National Museum of the American Indian). The budget also includes \$46 million for facilities maintenance, a +\$6 million increase and 1 percent of Smithsonian’s facilities Current Replacement Value. The National Research Council recommends that agencies allocate funding for preventive maintenance at two to four percent of total Current Replacement Value (a minimum of \$90 million based on Smithsonian’s latest CRV estimates).

The Smithsonian continues to grapple with serious challenges confronting its aging facilities. In a time of fiscal constraint, it is critical that limited resources address the Institution’s highest priority needs. The issue is much more pressing than just fixing falling tiles, repairing rusty trusses, or protecting the collections. As the White House report, *National Strategy for the Physical Protection of Critical Infrastructures and Key Assets*, points out, national monuments cultural icons, and historical attractions that draw tourists and media attention are all potential targets for terrorists. The Smithsonian, as a renowned American cultural institution visited by millions of people on the National Mall, falls into this category. Consequently, funds will be used to improve security measures across the entire Institution. That’s also one of the reasons the completion of the new Pod 5 at the Museum Support Center in Suitland is vitally important. For the sake of safety and security, the National Museum of Natural History’s collections stored in thousands and thousands of gallons of alcohol must be moved sooner than later.

Smithsonian has successfully used past appropriations to leverage private funds and continue to serve the public. In the last couple of years, we have successfully launched more than \$100 million worth of special exhibitions; *The Price of Freedom: Americans*

at War, which opened to great acclaim last November and covers the entire military history of the United States, is one of them. We also recently opened two new museums costing more than \$500 million: the new Udvar-Hazy Center adjacent to Dulles Airport and the new National Museum of the American Indian on the Mall...both hugely popular.

The Institution is also making great progress in revitalizing science at the Smithsonian. Today, there are more than 500 world-class scientists on the staff, augmented by roughly an equal number of fellowship appointments. They work at an astonishing array of worldwide field stations, laboratories, and research centers, using collections and databases that together constitute one of the world's greatest sources for scientific research. We have completed a five-year strategic plan for science that sharpens the focus of our scientific efforts and builds on the strengths of the four Smithsonian science themes recognized by the Science Commission: the origin and nature of the universe; the formation and evolution of the Earth and similar planets; discovering and understanding life's diversity; and the study of human diversity and cultural change.

We're hard at work on a very important long-term project at the National Museum of Natural History—our Ocean Science Initiative. The keystone of the \$72.5 million initiative is an incredible exhibition—Ocean Hall, scheduled to open in 2008. Of the \$72.5 million needed, we have already raised \$10.5 million from the private sector, \$17.7 million in a grant from the National Oceanic and Atmospheric Administration (with applications pending for \$4.5 million more), and \$9.6 million in federal appropriations.

In March of 2004, the Smithsonian's National Zoo was granted a full five-year accreditation from the American Zoo and Aquarium Association (AZA). The accreditation means the National Zoo has met or exceeded the AZA's standards, which include all aspects of operations, management, and animal care. In January of this year, the National Academy of Sciences (NAS) final report concluded that for the majority of the animal death cases it reviewed—including highly publicized deaths—the animals involved received appropriate care throughout their lifetimes at the National Zoo. The report also found “persuasive evidence the Zoo has many strengths, including the quality of its science programs and the dedication of its staff.” Phase I of the Asia Trail at the Zoo will be done in 2006. The search for a new director is moving forward with assistance from a national search firm. And the Zoo completed its 10-year Strategic Plan.

Our large and diverse collections of art continue to draw crowds. Some of the great works of art in this country—or the world—are at the Smithsonian. The Smithsonian's art museums, the Freer, the Sackler, the Hirshhorn, the National Museum of African Art, the Cooper-Hewitt, the Smithsonian American Art Museum and its Renwick Gallery, and the National Portrait Gallery, collectively, are the third most visited art complex in the United States, after the Metropolitan Museum of Art in New York and the National Gallery here in Washington.

The reach of everything the Smithsonian does, both the research and the museum activities, is expanded exponentially by educational activities, websites, and outreach

programs. The Smithsonian Institution Traveling Exhibition Service is the largest traveling exhibition service in the world. Our Web presence has expanded dramatically, visitation on the Web is more than 300 percent of our museum visitation, and we received approximately 97 million visits to our websites in 2004. Our national outreach program now has 138 Smithsonian affiliates located in 39 states, Panama, Puerto Rico, and Washington, DC.

Given these successes, concerns, and budget realities, Smithsonian priorities are as follows: The first is funding to keep Institution museums in operation, collections safe, and research programs intact, i.e. mandatory costs. These include requirements for staff salaries and benefits, legislated pay raises, utilities, postage, and rent.

The Smithsonian's second priority is funding for security for the Institution's staff, visitors, collections, and facilities, and protection against terrorist actions.

The Smithsonian's third priority is to secure funding increases for National Academy of Public Administration (NAPA) recommended activities, especially to address the Institution's critical facilities revitalization and information technology needs.

The Institution's fourth priority is to prepare for the reopening of the Smithsonian American Art Museum and the National Portrait Gallery in the renovated Patent Office Building. This priority also includes funds for the congressionally directed planning and program design for the National Museum of African American History and Culture. We recently held the first meeting of the Advisory Council of the National Museum of African American History and Culture, and are in the midst of a site analysis required by the founding legislation.

The Smithsonian plays a vital role in our country's civic, educational, and cultural life. Using art, artifacts, history, and science, the Smithsonian tells a comprehensive story—America's story. Now, more than ever, this is an important service to perform. What follows is our plan to meet the challenges we face as efficiently and effectively as possible.

FY 2006 Budget Request

For FY 2006, the Smithsonian's request is the same as the appropriated level for FY 2005 of \$615 million. It includes \$524.1 million for Salaries and Expenses (S&E) and \$90.9 million for Facilities Capital. This represents a \$35 million shift from Facilities Capital to S&E, largely to cover mandatory items such as pay, rent, and utility increases.

Salaries and Expenses

This appropriation covers the cost of operating 18 Smithsonian museums, the National Zoo, and nine research centers, including such items as salaries for more than 4,000 federal staff; maintenance and repair of more than 400 buildings and structures; conservation and care of the 143 million items in the National Collections; and security for the millions of annual visitors, the staff, and the collections.

For FY 2006, the Institution requests \$524.1 million in the Salaries and Expenses account, an increase of \$35.1 million over FY 2005. Fifty-three percent of the total increase requested is attributable to mandatory costs for sustaining base operations (pay, utilities, and rent), and the remainder is for priority program requirements within the Institution. These increases are partially offset by program reductions and non-recurring costs of \$3.6 million.

Mandatory Items: An increase of \$18.5 million is requested for non-discretionary costs. Of this amount, \$8.9 million funds the anticipated 2.3 percent pay raise for FY 2006 and an increase in workers' compensation. An amount of \$9.6 million is requested to cover the increased costs of utilities, postage, and rent.

NAPA-Driven and Information Technology: The budget includes an increase of \$5.5 million to support improvements to the Smithsonian's facilities maintenance as recommended by the National Academy of Public Administration. Funds are also requested to provide evening and weekend support of the Institution's information technology infrastructure (\$0.5 million); to purchase an online recruiting software package (\$0.4 million); and to improve accounting and contract support (\$0.5 million). These increases are offset by reductions in telephone modernization and other general IT programs (-\$1.4 million).

Patent Office Building Reopening: An amount of \$7.6 million is included in the budget to prepare for the 2006 reopening of the Patent Office Building, home of the National Portrait Gallery and the Smithsonian American Art Museum. Also included is \$1.4 million for the initial central support needed to provide security and maintenance for the building when it reopens.

National Museum of African American History and Culture: The request includes \$1.1 million to continue the planning, management, fund raising, and administration for the new museum.

National Zoological Park: An amount of \$2.3 million is requested to respond to reports from the National Academy of Sciences and the American Zoo and Aquarium Association. The funds are needed for increased efforts related to animal welfare and staff safety; a central commissary to improve and manage animal nutrition; support of daily operations, including pest management control; and support of the Zoological Information Management System for scientific, conservation-oriented collections management.

Other Program Changes: The budget request provides resources for a new initiative to bring collections care back to accreditation standards (+\$1 million) and also reduces the base funding for the Outreach program (-\$1 million) and the soils research initiative (-\$0.5 million).

Non-recurring Costs: The budget request includes a reduction of one-time costs associated with the National Museum of the American Indian (-\$1.7 million) and restores a one-time reduction in FY 2005 to continue fulfilling the repatriation requirements of the National Museum of the American Indian Act (+\$1 million).

Facilities Capital

The Facilities Capital program is essential to the Smithsonian's mission to serve the public. It funds facilities that preserve and present America's treasures and advance world-renowned research efforts. However, many years of insufficient investment in both facilities and maintenance have led to growing, widespread deterioration and increasingly impaired performance of the Institution's physical plant. This affects virtually everything we do.

The FY 2006 request for the Facilities Capital program is \$90.9 million. This level is \$35 million below the FY 2005 appropriation due to no longer requiring funds to complete the renovation of the Patent Office Building. Although the amount is below the \$150 million per year that the National Academy of Public Administration recommended as an appropriate funding level to maintain and restore Smithsonian's facilities, the highest priority facilities needs are addressed. These funds are focused on improving the deteriorating condition of some of the oldest buildings at the Smithsonian and maintaining the current condition of other institutional facilities through systematic renewal and repair.

Revitalization: The FY 2006 request provides for increased security and anti-terrorism requirements (\$7.9 million), and continues revitalizations at the National Zoological Park (\$13 million), the National Museum of American History (\$18.4 million), and the National Museum of Natural History (NMNH) (\$12.8 million). It also includes funds to support the closure of the Arts and Industries Building (for public safety reasons) and relocate staff, collections, and the data center currently located there (\$5.8 million), as well as funds to revitalize other facilities (\$15 million).

Construction: The request includes funds to continue construction of a new code-compliant storage facility for NMNH's highly flammable collections stored in alcohol at the Museum Support Center in Suitland, Maryland (\$9 million) so as to get them off the Mall.

Facilities Planning and Design: An amount of \$9 million is included in the request to plan and design future projects. Among the projects to be addressed with this funding are the continued design of the revitalization of the Natural History Building and the design of the National Zoo's seal and sea lion valley revitalization. The funds will also provide for design of anti-terrorism modifications on the Mall and comprehensive facilities master planning studies at various locations. This request will move the Institution closer to meeting the NAPA recommendation that firm baselines be established before funding requests are made so as to provide more accurate cost estimates and to enable timely award of construction contracts upon receipt of future-year funding.