

**House Subcommittee on Interior, Environment, and Related Agencies  
Testimony of Smithsonian Institution Acting Secretary Cristián Samper  
9 April 2008**

Thank you for this opportunity to testify before the House Subcommittee on Interior, Environment, and Related Agencies regarding the Smithsonian Institution's fiscal year 2009 appropriation.

The support of the Administration and the Congress is essential to all that we do. We appreciate that support and look forward to working with members to make the Smithsonian even stronger in the future. The Smithsonian is certainly grateful for the \$682.6 million FY 2008 appropriation. For FY 2009, the request is \$716.4 million. The FY 2009 budget provides a significant improvement in facilities maintenance and revitalization, but it reduces federal funding for Smithsonian public programs, exhibitions, and research and redirects that funding to the maintenance program.

The Smithsonian has been a public-private partnership since its establishment 162 years ago, with the mission: "the increase and diffusion of knowledge." The Smithsonian is the world's largest museum and research complex. With 19 museums, nine research centers and the National Zoo, the Smithsonian stands out as a unique entity, a leader in science, history, art, and culture. As an international institution it offers the world a picture of America and America a picture of the world.

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 visitors from across the country and around the world enjoyed the Smithsonian and 35 extraordinary new exhibitions last year, and we had 183 million visitor sessions to our various websites. The Smithsonian Traveling Exhibition Service, the largest service of its kind in the world, reached 409 communities in all 50 states, Puerto Rico and Guam—an additional 5 million people last year. And many members of Congress have a Smithsonian Affiliate in their districts because we now have 159 affiliates in 39 states, Washington, D.C., Puerto Rico and Panama.

The spectacular Robert and Arlene Kogod Courtyard opened at the Smithsonian's National Portrait Gallery and Smithsonian American Art Museum. This year we will open Ocean Hall at the National Museum of Natural History, and a transformed National Museum of American History will reopen with a new home for the Star-Spangled Banner.

Five of the top six leadership positions at the Smithsonian are now occupied by new people. In addition, we recently hired two great new museum directors: Kevin Gover at the National Museum of the American Indian, and Martin Sullivan at the National Portrait Gallery.

And, as you know, last month, the Regents unanimously elected the 12<sup>th</sup> Secretary of the Smithsonian, Dr. G. Wayne Clough, currently President of the Georgia Institute of

Technology. He officially assumes office on July 1. I have been working with Dr. Clough to ensure a smooth transition at the Smithsonian and will continue to do so.

With that as background, today, in addition to discussing the Smithsonian's budget, I thought it would be helpful to provide the subcommittee with a brief update on three priorities for the Smithsonian: strengthening governance, fixing our facilities, and investing in our programs.

The Smithsonian's Board of Regents established an aggressive governance reform agenda to address the problems we identified last year. I am pleased to report that the Smithsonian has fully implemented 17 of 25 recommendations, and we are on schedule to complete the rest in the next few months. Reforms include the creation of a new position for a Chairman of the Board and establishing an Office of the Regents separate from the Office of the Secretary. The General Counsel, the Chief Financial Officer and the Inspector General have direct access to the Board.

We have developed a unified compensation approach for our senior leadership and all directors are prohibited from serving on corporate boards and are on an earned leave system as of October 1<sup>st</sup>.

I established a Task Force to review the operation of Smithsonian Business Ventures and it presented recommendations to the Board of Regents last month. The Task Force stated that generating revenue for the Smithsonian through commercial activities is "a desirable and important component of funding," but only when conducted in concert with the Smithsonian's mission and values. We have recently announced plans to restructure and rename Smithsonian Business Ventures.

With all these reforms, our goal is much more than to fix past problems; our goal is to become a leader in good governance. We are well on our way to achieving this goal.

The second major challenge is the maintenance and revitalization of our facilities. This problem stems from the size, scope, and history of the Institution. The Smithsonian has more than 700 buildings and structures, and 11 million square feet of space. Many of our buildings are several decades old, some more than 100 years old. With more than 6,000 employees, 6,000 volunteers and 24 million visitors, the Smithsonian is the size of a not-so-small town.

The Arts and Industries Building on the National Mall is a perfect example of the larger problem. We made the difficult decision to close that building due to safety concerns. We are examining solutions to this challenge and plan to reopen this historic building, but it will cost more than \$75 million just to fix the shell and roof of the building. We have issued a public call to interested private entities to partner with us to renovate the building and return it to public use, in a manner that would be compatible with our mission and advance our programs.

The Board of Regents' Committee on Facilities Revitalization is developing a comprehensive strategy to address the funding shortfall for facilities maintenance, revitalization and construction. A key aspect of this strategy will be to include a facilities component in a national fundraising campaign, which will be augmented by the Legacy Fund established by Congress in the Institution's FY 2008 appropriation. We are very grateful for that additional funding.

This brings me to the third challenge for the future of the Smithsonian: investing in our programs. As a person who has led one of the major museums of the Smithsonian for the last five years, the National Museum of Natural History, I know that investing in our collections, exhibits and research is absolutely crucial to fulfilling our mission and maintaining the Smithsonian as a vital and vibrant institution into the future. I am concerned that most of the attention has been placed on fixing our facilities, and not enough on investing in the programs at the core of our mission.

There is no point in having beautiful facilities if they are going to be hollow inside. We need to invest in our physical and intellectual infrastructure. We must continue to attract the best minds in the world: the brightest scientists, educators, and curators. These people bring our collections to life, reach out to visitors from around the world, and explore the world to create new knowledge. We need to make the information about these collections available widely using new technologies and bring them to classrooms across America.

We have been fortunate to secure substantial funding to support our programs thanks to the generosity of individuals, foundations and companies. During the past fiscal year we secured more than \$166 million for specific projects in education, research and collections. We also secured an additional \$100 million in grants and contracts to support our work, primarily in the area of astrophysics. This means that every year the Smithsonian generates more than 35% of its operating budget from sources other than our annual federal appropriation.

For FY 2009, the Smithsonian's request totals \$716.4 million. The request includes \$588.4 million for Salaries and Expenses (S&E) and \$128.0 million for Facilities Capital. This represents a \$26 million increase above the FY 2008 enacted level for S&E. The request covers the majority of mandatory items such as the government-wide pay raise, rent and utilities. It also provides a \$17 million increase for facilities maintenance. This increase moves us closer to the industry standard for a minimum maintenance budget and will enable us to respond more quickly to repair requirements, and will enable us to do more preventive or predictive maintenance instead of only fixing what breaks. This increase is very good for the Institution's facilities, but it is partially paid for by an \$11 million reduction in federal funding for public programs, exhibitions and research. The Institution will seek to raise private funds to offset this reduction.

The Smithsonian agenda is ambitious but focused. The Institution's leadership team is committed to a balanced approach that stresses not only the revitalization of the Smithsonian's physical infrastructure, but also important scientific, educational, and

collections care programs. Also, to respond to the recommendations of the Board of Regents' new permanent Governance and Nominating Committee, the Institution is requesting funds to support the new governing practices that were developed to strengthen the Board's oversight of the Institution. In addition, to better position the Institution to tell its story, the Smithsonian has packaged the priorities of security, facilities, and collections care under a new heading, *Stewardship of National Treasures*.

Given its successes, concerns, and budget realities, the Institution's budget priorities include, in order of priority:

- Mandatory funding increase requirements of \$16.4 million, for legally mandated federal compensation increases; contractually obligated rental increases; rent requirements; and leases for collections storage space;
- Board of Regents' Governance and Nominating Committee support of \$364,000 to strengthen oversight of the Institution, including additional staff for the Inspector General and the Chief Financial Officer; and
- The Institution's requested increase to support *Stewardship of National Treasures* totals \$20.4 million in S&E and a total of \$128 million in Facilities Capital, and includes:
  - Security guards to meet minimum security staffing needs; increased security costs at the George Gustav Heye Center in New York City; and measures to provide employee and contractor security screening, for a total increase of \$2.0 million.
  - An increase of \$16.8 million for physical facilities maintenance needs and a request of \$128 million for revitalization in the Facilities Capital account, as supported by the National Academy of Public Administration's 2001 report and reinforced by the Government Accountability Office's 2005 and 2007 reports.
  - Collections care, including improved conservation, preservation, storage, documentation, and accessibility of the national collections, and information technology infrastructure needs require an additional \$1.6 million for FY 2009.

These increases are offset by a reduction of \$11.2 million to the Institution's public programs, exhibitions, and research. This funding is redirected to the Administration's higher priority facilities maintenance program. The Smithsonian will seek to raise private funds to support programmatic functions, a task that will be a challenge, but less difficult than raising funds to support maintenance.

The challenge ahead is enormous. It will require a true partnership where the Smithsonian, the Administration and the Congress work together to address both the needs of the facilities and the activities that take place inside them. What the report *E*

*Pluribus Unum: This Divine Paradox* of the Commission on the Future of the Smithsonian Institution pointed out in 1995 also holds true today. Thirteen years ago, it stated, “The Smithsonian cannot achieve the nation’s expectations by itself. It will require the sympathetic understanding and full support of the American people and the Congress.”

We will continue working hard to secure the funds necessary to carry out our mission, including designing and launching a national campaign to appeal to the American people for additional support. It is, however, the federal support that enables us to leverage funds from the private sector.

For 162 years, the Smithsonian Institution has built the national collections, disseminated innovative research, and welcomed millions of visitors to its museums, creating a reputation so strong that the Smithsonian is known as a symbol of America throughout the world.

At a time when globalization is bringing countries and peoples closer together, at a time when there are growing tensions among some cultures, at a time when the image of America abroad may be questioned by some, the Smithsonian presents another face of America—a country that cherishes an Institution driven by the desire to increase and disseminate knowledge among humankind.

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