

**Summary of FY 2012 Budget Request Increases/(Decreases)**

**COMPENSATION & BENEFITS** **( - \$1,635,000)**

A decrease of \$1,635,000 in FY 2012 is for compensation and benefits.

These funds will support the compensation and benefits for 820 FTE positions and includes adequate resources to fund the Gallery's no-year exhibition-related staff. Please see Tab 8 for a complete listing of these positions by function and department.

FY 2012 compensation and benefits do not include any general pay raise for FY 2011 and FY 2012.

**OTHER NECESSARY PROGRAM CHANGES** **( - \$27,370,000)**

A net decrease of \$27,370,000 in FY 2012 is for other necessary program changes. A summary by program is listed below.

**Art Care ( + \$523,000)**

- An increase of \$38,000 is requested for travel costs. Gallery curators, conservators and exhibition planners are required to travel extensively to inspect works of art and plan exhibitions.
- An increase of \$66,000 is requested for air and ground transportation. The funds are used to ship art for off-site professional restoration and for loan exchanges with other museums.
- An increase of \$41,000 is requested for printing and reproduction consisting of the following:
  - \$25,000 is for the printing of the four quarterly issues of the film calendar.
  - \$16,000 is for book binding, preservation and restoration services.
- A net increase of \$132,000 is requested for other services, consisting of the following:
  - \$114,000 increase is for contracts to repair and maintain the building and equipment. Of this amount, \$107,000 is for increased costs of skilled labor to repair and maintain the permanent collection galleries, and \$7,000 is for contracts to repair and maintain costly scientific equipment used by art conservators to preserve the art.
  - \$31,000 decrease is for Information Technology services for the Collection Management System and the Gallery's website.
  - \$11,000 increase is for the conservation services of professional contract art restorers.

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- \$38,000 increase is for other Art Care services including:
  - \$10,000 increase for the digital conversion of web content to meet the requirements of E-Gov and augment the Gallery's website.
  - \$26,000 increase is for a variety of on-line database subscriptions, press clipping services, mailing list and fulfillment services.
  - \$2,000 increase is for other conservation services.
- An increase of \$51,000 is requested for supplies, consisting of the following:
  - \$17,000 is for increases in costs for supplies utilized for carpentry, painting, lighting, electrical supplies required to maintain the galleries and public spaces, and office supplies.
  - \$24,000 is for subscriptions needed by the Library department.
  - \$9,000 is for supplies for the Image Collection department.
  - \$1,000 is for subscriptions needed by the Publications department.
- A net increase of \$195,000 is requested for equipment, consisting of the following:
  - \$95,000 is for the purchase of highly specialized new and replacement equipment for the Conservation department to support the care of the collection and research on imaging science.
  - \$120,000 is for the Library to purchase newly published books and microforms for the library research collection, and for photographic prints, negatives and digital images for the image collection.
  - \$20,000 decrease is for IT equipment for the Integrated Library System.

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**Operations & Maintenance ( + \$7,241,000)**

- An increase of \$1,665,000 is requested for utilities and equipment rental as described below:

(amounts in thousands)

<b><u>Description</u></b>	<b>FY 2010 Enacted</b>	<b>FY 2011 Continuing Resolution</b>	<b>FY 2012 Request</b>	<b>FY 2012 Increase/ (Decrease) FY 2010</b>
Chilled Water	\$ 1,516	\$ 2,935	\$ 3,009	\$ 1,493
Water & Sewer	951	951	951	\$ -
Steam	3,335	3,335	3,488	\$ 153
Electric	3,669	3,587	3,669	\$ -
Natural Gas		14	14	\$ 14
Structural Rental	12	12	12	\$ -
Equipment Rental		-	5	\$ 5
<b>Total Rent, Comm. &amp; Utilities</b>	<b>\$ 9,483</b>	<b>\$ 10,834</b>	<b>\$ 11,148</b>	<b>\$ 1,665</b>

- An increase of \$1,493,000 is requested for chilled water. This increase consists primarily of a shortfall in the base chilled water budget resulting from unfunded GSA rate increases in FY 2010 and FY 2011. During this period GSA's combined capacity and usage rate increased by almost 33%. A rate increase of 2.5% is projected in FY 2012.
- An increase of \$153,000 is requested for steam. This increase is a function of a shortfall in the base steam budget resulting from a GSA rate increase in FY 2010 that was not funded in the Gallery's FY 2010 appropriation and the Gallery's projected usage.
- An increase of \$14,000 is requested for natural gas to reflect actual usage at the Gallery's Landover, Maryland warehouse.
- An increase of \$5,000 is requested for the rental of lifts to prune trees and shrubbery.

See Section 10 for additional information on the Gallery's FY 2012 utility request.

- An increase of \$3,941,000 is requested for other services, consisting of the following:
  - An increase of \$3,831,000 is for much needed contract repair work. Funds will be used for the modernization of antiquated conveyance systems, repairs to critical mechanical and control systems used to maintain the Gallery's unique environment, caulking of the building envelope to prevent moisture infiltration to art containing spaces, replacing/repairing damaged pavers and architectural stonework, repairs to electrical and plumbing systems, replacement of glass windows and skylight systems, and other contract repair work for projects over \$3,000. The Gallery's buildings have reached an age where significant refurbishment and reinvestment is required. The West Building is now 70 years old and the East Building is 33 years old. Significant repairs are required for systems

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and structures that are in imminent danger of failing. The Gallery has identified a backlog of critical repairs that totals approximately \$45 million. The funds requested for contract repair will allow the Gallery over time to systematically eliminate the backlog of deferred maintenance, thereby reducing risks to priceless artwork and the Gallery's buildings. Please see page 3-16 through page 13-18 for additional information regarding the projects that will be completed with these funds.

- An increase of \$65,000 is requested for IT other services to support the Building Automation System (BAS). This amount represents the projected FY 2012 cost for the multi-year program to acquire and connect additional alarms and sensors to gallery spaces that are used for temporary exhibitions and staff offices not previously connected to the BAS. This increase in costs will be funded by a reduction in the BAS equipment budget.
- \$45,000 is for training and certifications for operations and maintenance staff including engineers and managers.
- An increase of \$476,000 is requested in FY 2012 for facilities and horticultural supplies and materials. Supplies used by the Gallery on a day-to-day basis include cleaning supplies, light bulbs, air filters, and garden supplies. The Facilities division's paint shop, mason shop, and electricians, also require basic supplies for the daily repairs and maintenance of the buildings. The Horticulture division requires such items as plant materials, pesticides and fertilizer.
- An increase of \$1,159,000 is requested for equipment, consisting of the following:
  - A decrease of \$65,000 in FY 2012 is for IT equipment for the Building Automation System.
  - An increase of \$1,224,000 is to replace lab and office furniture, casework and fixtures required for the Art Conservation, Registrar and Digital Imaging offices and labs in Work Area #4 which is currently under renovation. The conservation lab spaces have not been renovated in over 30 years and the office workstations for these departments are over 20 years old. Laboratory and studio equipment must meet special standards to be chemical and heat resistant, very durable and flexible to accommodate changes in the future. These funds will be used to design and acquire the cases and furnishings for the labs and offices and include such specialty items as fume hoods and varnishing booths that safely vent harmful fumes, as well as barriers to provide protection from radiation and chemical sources and drapes or curtains to reduce loud sounds.

**Protection: ( + \$460,000)**

- An increase of \$180,000 is requested for IT other services. This increase is needed for acquisition of maintenance contracts for the Fire Alarm system and for addressing deficiencies in the existing system.
- An increase of \$280,000 is requested for protection equipment. This increase will replace aging X-ray machines for which repair parts are no longer available.

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**General Administration: ( + \$1,446,000)**

- An increase of \$8,000 is requested for travel primarily for General Counsel staff to attend professional development conferences and other professional seminars to keep their skills and certifications current.
- An increase of \$30,000 is requested for rate increases for shipping services such as FedEx, UPS and local courier services.
- An increase of \$104,000 is requested for rent, communication and utilities, consisting of the following:
  - \$100,000 is for copier rental. This increase is needed to upgrade 21 copiers to accommodate the needs of a greater number of users, and for an additional 5 copiers for staff members who will be temporarily relocated due to planned renovations.
  - \$4,000 is due to increases in the cost of off-site storage of vital records.
- A net increase of \$169,000 is for other services, consisting of the following:
  - A net increase of \$80,000 for IT services consisting of the following:
    - \$331,000 decrease for hosting and maintenance costs of the new Financial Management System (FMS).
    - \$299,000 increase in General Support Systems (GSS), including Help Desk support and license fees for numerous software companies that provide office automation software such as Microsoft, Apple, and Adobe. This increase is due to the rising cost of license renewals and service contracts.
    - \$72,000 increase to maintain and support IT security programs including meeting the required certification and accreditation requirements under the Federal Information Security Management Act (FISMA)
    - \$6,000 increase to maintain and support the Gallery's Enterprise Architecture.
    - \$34,000 increase for processing fees to the Office of Personnel Management for the OMB-mandated electronic-Official Personnel File (e-OPF).
  - An increase of \$43,000 for staff training services. This is primarily the result of mandatory federal training for contracting personnel and training for the General Counsel's Office and other administrative departments to maintain licenses and professional certifications.
  - An increase of \$19,000 is for Office of Personnel Management (OPM) and Federal Occupational Health to provide services including certification, investigations and training.

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- An increase of \$27,000 resulting from higher database fees for web-based legal research performed by the Gallery's legal staff as well as various other services and maintenance costs required by all General Administration departments.
- An increase of \$27,000 is requested for supplies and materials primarily due to increased costs for Gallery Archives preservation materials and for professional legal subscriptions for the General Counsel's staff.
- An increase of \$1,108,000 is requested for equipment, consisting of the following:
  - \$1,106,000 is for IT equipment required to maintain the General and Administrative IT systems, consisting of the following:
    - \$350,000 is for an upgrade to the current release of the ORACLE Financial Management System.
    - \$556,000 is for General Support Systems (GSS) resulting primarily from increased funds for Phase 3 of the multi-year network modernization project and to replace aging and obsolete telecommunications equipment and switching gear.
    - \$200,000 is for additional support from the National Finance Center to support the Human Resources activities required to comply with OMB's Hiring Reform initiatives and protection of Personally Identifiable Information (PII).
  - \$2,000 is for increased costs to update law books on copyright, estate taxes, personnel and other special legal issues.

**East Building Stone Repairs ( - \$40,000,000)**

- No funding is requested for the East Building Stone Repair project for FY 2012, representing a reduction of \$40,000,000 from the FY 2010 enacted budget. Funds totaling \$82,250,000 were requested in FY 2010 and FY 2011 for repair of a systemic structural failure of the anchors that support the National Gallery's East Building's exterior marble veneer. The FY 2010 and FY 2011 requests represent the total amount required to complete repairs.

Currently, the Gallery is operating under a continuing resolution through March 4, 2011, and therefore the remaining \$42,250,000 for this project has not yet been completely appropriated. The Gallery will endeavor to work with Congress to fund the remaining \$42,250,000 within the final FY 2011 full year appropriation. To the extent that the \$42,250,000 balance is not fully funded in FY 2011, the Gallery would require these funds in FY 2012.

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**Master Facilities Plan: ( + \$2,460,000)**

- An increase of \$2,460,000 is requested for the Master Facilities Plan. See Tab 4 for detailed information on the FY 2012 budget request for the Master Facilities Plan.

**Ongoing Renovations: ( + \$500,000)**

- An increase of \$500,000 is requested for Ongoing Renovations. See Tab 4 for detailed information on the FY 2012 budget request for the Ongoing Renovations.