

House Interior Appropriations Subcommittee
March 16, 2006
Testimony of Sheila Burke, Deputy Secretary and Chief Operating Officer
Smithsonian Institution

For 160 years, the Smithsonian has remained true to its mission, “the increase and diffusion of knowledge.” Over that time, thanks to the generous support of the American people through the Administration and the Congress, the Smithsonian has become the world’s largest museum and research complex. The Smithsonian provides museum experiences supported by authoritative scholarship to connect Americans to their cultural heritage, and is an international leader in scientific research and exploration. The Smithsonian offers the world a picture of America and America a picture of the world.

The Smithsonian fiscal year 2007 budget request is \$644.4 million (\$537.4 million for salaries and expenses and \$107 million for facilities capital). This funding level is nearly \$30 million higher than the Institution’s fiscal year 2006 appropriation.

Last year, we attracted more than 24 million visitors, a 24% increase over fiscal year 2004. During fiscal year 2005, millions of Americans enjoyed the enormous continuing success of the recently opened National Air and Space Museum’s Steven F. Udvar-Hazy Center in Chantilly, Virginia, and the National Museum of the American Indian on the National Mall. To great acclaim, numerous exhibitions opened. A baby boom at the National Zoo attracted unprecedented numbers of visitors, both to the Zoo and the Zoo’s website, to view nine baby cheetahs and the baby giant panda Tai Shan.

Some of the greatest works of art in this country—or the world—are at the Smithsonian. The Smithsonian’s art museums, the Freer, the Sackler, the Hirshhorn Museum and Sculpture Garden, the National Museum of African Art, the Cooper-Hewitt, National Design Museum in New York City, 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.

We have great plans for the future. In 2006, we’ll open Phase I of the Asia Trail at the National Zoo. The Donald W. Reynolds Center for American Art and Portraiture, home to the Smithsonian American Art Museum and the Smithsonian’s National Portrait Gallery, is set to open on July first. The Reynolds Center is located in the historic Patent Office Building, built in 1836, the third federal building ever constructed in Washington, D.C.

We’re very excited that site selection for the Smithsonian’s newest museum, its 19th, the National Museum of African American History and Culture was recently decided by the Board of Regents. It will be on the National Mall, adjacent to the Washington Monument and not far from the White House.

Another very important long-term project that we are focused on is the Ocean Science Initiative at our National Museum of Natural History, the largest natural history museum in the world. The keystone of this more than \$70 million project is an incredible exhibition—*Ocean Hall*, which is scheduled to open in 2008.

Scientific expertise and leadership are at the core of the Smithsonian's reputation for excellence. The Smithsonian's 500 scientists have pioneered efforts to explore the universe and improve our understanding of how the Earth and similar planets were formed. We are internationally recognized for our expertise in systematics, paleobiology, ecology, and biological conservation, and we are uniquely situated to explore the loss of biodiversity and to respond to governmental initiatives on climate change, tropical forest conservation, control of invasive species, and endangered species.

Diligence is needed to ensure that the Smithsonian does not fall behind other prestigious academic institutions in its ability to recruit, mentor, and retain the "next generation" of promising young scientists, and to procure the cutting-edge research equipment that is fundamental to its basic scientific mission. Increased financial support is vital to ensure that the Smithsonian retains its place among the world's pre-eminent scientific institutions as a leader in scientific disciplines of national importance.

Yet, unfortunately, the Smithsonian is also an institution with a severely deteriorated infrastructure, outdated technology, and many aged, outmoded exhibitions. The Smithsonian has buildings that range in age from brand new to nearly 160 years old. More than half of the buildings, and the heating, air-conditioning, and electrical distribution systems and controls required to operate them, have served well beyond their normal, useful life spans.

Although progress has been made, the April 2005 report of the Government Accountability Office (GAO) makes it clear that the Institution has a well-documented and compelling need for dramatic increases in facilities revitalization and maintenance funding. The GAO indicates that \$255 million per year for the next 9 years, or a total of \$2.3 billion, is needed to fix and maintain the Institution's facilities.

Today's challenge is to build on the Smithsonian's reputation, rebuild the physical plant, increase our visitation, and thereby expand the reach of a great and trusted institution.

The Smithsonian is a unique entity—an independent trust instrumentality—that depends on the federal Government for nearly 80 percent of its funding, including Government grants and contracts. Ever mindful of and grateful for this support from the American public, the Smithsonian will continue working with both OMB and Congress to provide each with the information necessary to justify their continued support. The Institution is also working to improve its performance in line with the President's Management Agenda, and has numerous initiatives under way to advance financial management (and just received a "green" or "success" mark on the scorecard for the first-quarter of fiscal 2006), use e-Government wherever possible, improve human capital planning and management, and more closely integrate budgeting with long-term performance goals.

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

The Smithsonian Institution Traveling Exhibition Service is the largest traveling exhibition service in the world, and reaches more than five million people across the country every year. We now have 50 exhibits on tour, which will go to about 250 locations in the country this year.

We have been engaged in a major national outreach program, with 144 affiliates in 40 states, Panama, Puerto Rico, and Washington, D.C. In an attempt to present as many as possible of the Smithsonian's collections to the American public, we lend impressive objects to these local organizations.

The Smithsonian's electronic outreach has been equally impressive. Five years ago, we had half as many visits to our websites as physical visits to our museums. Now, visitation on the Web is more than 400 percent of our museum visitation, with nearly 110 million visits to our websites during FY 2005.

The Smithsonian agenda is ambitious but focused. Given these successes, concerns, and budget realities, the Smithsonian's first priority is funding to keep the Institution's museums in operation, collections safe, and research programs intact.

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- and Government Accountability Office-recommended activities, especially to address the Institution's critical facilities maintenance and revitalization and information technology needs.

The Smithsonian's fourth priority is funding for collections care to correct serious deficiencies in the storage, conservation, preservation, and accessibility of the National Collections.

Finally, the Institution's fifth priority is its new museums, and specifically the planning, fund raising, and management of the recently authorized National Museum of African American History and Culture.

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. What follows is our plan to meet the challenges we face as efficiently and effectively as possible.

FY 2007 Budget Request

For FY 2007, the Smithsonian's request is \$644.4 million. It includes \$537.4 million for Salaries and Expenses (S&E) and \$107 million for Facilities Capital. This represents a \$20.8 million increase in S&E, largely for mandatory items such as pay, rent, and utility increases, and an \$8.5 million increase in the Facilities Capital account.

Salaries and Expenses

This appropriation covers the cost of operating 19 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 600 buildings and structures; conservation and care of the 136 million items in the National Collections; and security for the millions of annual visitors, the staff, and the collections.

For FY 2007, the Institution requests \$537.4 million in the Salaries and Expenses account, an increase of \$20.8 million over FY 2006. Within the total increase requested, approximately 70 percent is attributable to mandatory costs for sustaining base operations (e.g., pay, utilities, rent, etc.), and the remainder is for priority program requirements of the Institution. These increases are partially offset by a one-time cost of \$7.5 million associated with the re-opening of the National Portrait Gallery and the Smithsonian American Art Museum.

Mandatory Items: An increase of \$19.8 million is requested for non-discretionary costs. Of this amount, \$10.7 million funds salaries and related costs including the anticipated 2.2 percent pay raise for FY 2007. An amount of \$9.1 million is requested for the increased costs of utilities, postage, rent, transit benefits, and other mandatory costs.

Security Requirements: The Institution requests an increase of \$2.0 million in the budget to support additional security staffing for the re-opening of the Patent Office Building, now known as the Donald W. Reynolds Center for American Art and Portraiture.

Facilities Maintenance and Information Technology Needs: The budget includes an increase of \$5 million, for a total of \$51 million, bringing us closer to the minimum annual level of \$94 million required to maintain the Smithsonian's facilities as recommended by the Government Accountability Office. Funds are also requested to support the implementation of the full Enterprise Resource Planning (ERP) system (\$1.4 million); and to improve accounting and contract support (\$0.2 million).

Collections Care: The FY 2007 request maintains current funding levels for care and maintenance of collections.

New Museums: The request maintains current funding levels for the National Museum of African American History and Culture.

Non-recurring Costs: The budget request includes a reduction of one-time costs associated with the 2006 re-opening of the Donald W. Reynolds Center for American Art and Portraiture, home to the Smithsonian American Art Museum and the Smithsonian's National Portrait Gallery (-\$7.5 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 2007 request for the Facilities Capital program is \$107 million. This level is \$8.5 million above the FY 2006 appropriation. Although the request is below the level that the National Academy of Public Administration and the Government Accountability Office recommended as an appropriate funding level to restore Smithsonian's facilities, many of 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 2007 request provides for continued revitalizations at the National Zoological Park (\$16 million), the National Museum of American History (\$13.5 million), and the National Museum of Natural History (\$25.4 million). It also includes funds to replace the electrical systems at the National Air and Space Museum (\$10 million) and to support the revitalization of other facilities (\$26.2 million).

Construction: The request includes funds to complete construction of Pod 5, a code-compliant storage facility at the Museum Support Center in Suitland, Maryland, for the National Museum of Natural History's highly flammable collections stored in alcohol (\$5.4 million).

Facilities Planning and Design: An amount of \$10.5 million is included in the request to plan and design future projects. Among the projects to be addressed with this funding are the design of future components of the revitalization of the Natural History Building; renovation of the Museum Support Center's Pod 3; and design of the revitalization of the National Air and Space Museum. The funds will also provide for designs of numerous smaller revitalization projects and for comprehensive facilities master planning studies to inform future facilities decisions.

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