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SMITHSONIAN INSTITUTION

STATEMENT OF ROBERT McC. ADAMS, SECRETARY

ACCOMPANIED BY:

DEAN W. ANDERSON, UNDER SECRETARY

NANCY SUTTENFIELD, DIRECTOR, OFFICE OF PLANNING AND BUDGET

BUDGET REQUEST

Chairman BYRD [presiding]. The subcommittee will now hear testimony concerning the budget request for the Smithsonian Institution. The principal witness will be the Secretary, Mr. Robert Adams.

Mr. Secretary, please introduce your associates. Your entire statement will be submitted for the record and you may highlight it if you wish.

Mr. ADAMS. On my left is Mr. Dean Anderson, who is the Under Secretary.

On my right is Ms. Nancy Sutzenfield.

In the interest of time, Mr. Chairman, since we have submitted it for the record, I'll forego my statement and we'll proceed directly to questions.

Chairman BYRD. I will lay into the record then along with your statement the introductory material that I have.

[The statement follows:]

STATEMENT OF ROBERT McC. ADAMS

Mr. Chairman and Members of the Subcommittee, I am happy to appear before you for the fifth year in support of the Smithsonian's fiscal year 1990 budget request. Again, I wish to express our gratitude for your continuing interest in the wide range of programs that the Institution undertakes.

I am pleased to report that, with your past assistance, we have progressed in a number of areas of longstanding interest to the Subcommittee. We have augmented the Institution's basic research programs, especially in astrophysics, tropical biology, and molecular biology. We have also strengthened collection-based research in history and the arts. We have emphasized even more the care and conservation of the National Collections, by providing scholars with better access to collections information and by improving the environments in which we store these collections. We have also begun to reduce the backlog of repair and restoration projects necessary to maintain our facilities. Most recently, we have begun a successful process of culturally and ethnically diversifying our staff because such diversity improves the scope and depth of the Institution's programs.

FISCAL YEAR 1990 BUDGET

Like the majority of budgets you will consider this year, our fiscal year 1990 budget request is essentially a "current services" budget. As you know, such a budget simply extends baseline operating costs for existing programs. As in the fiscal year 1989 budget, the Smithsonian's fiscal year 1990 capital budget continues to emphasize funding to eliminate over a number of years the substantial remaining backlog of deferred maintenance and repairs. The fiscal year 1990 capital budget

also includes funding for continued construction and improvements at the National Zoo and for other previously authorized construction projects.

I would like to highlight notable features of our budget request and then turn to several other matters of concern in the current "steady state" budget environment.

OVERVIEW OF SALARIES AND EXPENSES

The Salaries and Expenses (S&E) request for operating costs totals \$227.7 million and 4,330 work-years. Although this request represents an increase of \$16.5 million and 98 work-years over the fiscal year 1989 appropriation, a simplistic comparison such as this to last year's funding level could easily be misinterpreted. The fact is that the Institution must apply approximately \$14 million (or 85 percent of the increase) to cover "uncontrollable" increases in baseline costs. These "uncontrollable" cost items include, for example, the following: increased rental costs; personnel compensation benefits, like health and retirement; the cost of the January 1989 general pay raise, the cost of a new pay scale for security guards, and the full-year cost of new positions approved in the fiscal year 1989 budget; and utilities.

Mr. Chairman, I believe the last two of these "uncontrollable" items deserve special comment. First, unlike budgetary allowances from OMB in prior years—which have directly funded the full-year cost of the previous year's pay raise as a technical adjustment to baseline costs—the fiscal year 1990 allowance did not provide funding to cover the cost of the January 1989 pay raise. Executive budget formulation policy mandated that all Federal agencies absorb permanently within the allowance levels the cost of the recent pay raise. Accordingly, the Institution applied the dollars that OMB did allow for "technical" nonpersonnel inflationary adjustments to cover instead the full cost of the pay raise. Without this reallocation, Smithsonian bureaus would have no alternative but to keep positions vacant or to curtail expenditures for equipment, supplies, and other nonpersonnel items. Moreover, absorption of the cost of the pay raise would have been disproportionate among bureaus, depending upon the extent to which their operating budgets are personnel intensive.

Second, you will note a request for funding to cover the payment for water and sewer costs to the District of Columbia. As you may recall, in each of the past 2 years, OMB proposed that agencies themselves pay their water and sewer costs rather than the current practice of budgeting these costs in a lump sum in the D.C. appropriation bill. Since there is no money in the Smithsonian base to cover these new costs, OMB approved funds as one of its "technical" adjustments to cover this new utility item.

These two items alone account for \$9.4 million in increased costs imposed on the Institution. Other uncontrollable items are detailed in the justification before you. While we have no choice but to acknowledge these "uncontrollable" costs, it is nevertheless disheartening to have to earmark such a substantial proportion of increasingly scarce additional dollars in this way.

There are, however, several programs in this budget that will enable us to make further progress in several areas that have been Institutional priorities for several years now. Consistent with the President's "steady state" budget philosophy, the fiscal year 1990 request will enable the Astrophysical Observatory to continue two major scientific instrumentation projects which Congress approved in the fiscal year 1988 and 1989 budgets:

(I) The construction of a submillimeter telescope array will allow scientists to study more effectively the formation of stars and planetary systems and the puzzling processes occurring in the cores of galaxies and quasars. With its unique combination of wavelength coverage and resolving power, the SAO submillimeter telescope array will be a major scientific instrument of international stature.

(II) With funding provided in fiscal year 1988 and fiscal year 1989, SAO has begun the conversion of the Multiple Mirror Telescope to a telescope with a single 6.5-meter diameter mirror. This instrument will enable scientists to gather data on objects much fainter than is currently possible and study more than twice as much of the universe than with the present instrument.

Consistent with our previous discussions with the Subcommittee and as part of the Institution's effort to reflect the Nation's cultural and ethnic diversity in research, exhibitions and public programs, Smithsonian management has sought also to broaden the diversity of its professional staff. The Institution recently undertook a Special Employment Initiative to recruit individuals from culturally significant minority groups, either not previously represented or underrepresented, in the research and curatorial ranks throughout Smithsonian bureaus and offices. For fiscal year 1990, the Institution requests permanent funding for 22 positions. To complement this initiative, the Institution also plans to offer a targeted professional devel-

opment program for current junior staff. The Institution's fiscal year 1990 request also includes funding to initiate this companion program.

The Smithsonian also requests additional funds to enhance financial management. The Institution is acquiring a new accounting system to replace the current 20-year-old system. The requested funding will enable the Institution to install and implement the more highly automated general ledger and accounts payable programs that comprise the new system. With the new system, the Institution will be able to provide more reliable financial reports for internal and external audits, thus improving financial accountability.

With funding provided in the fiscal year 1989 budget, the Institution began to staff positions to manage the expanding repair and restoration program, which I will discuss shortly. In this budget are additional positions for the two offices principally responsible for managing this program: the Office of Design and Construction and the Office of Procurement and Property Management.

OVERVIEW OF REPAIR AND RESTORATION

Repair of facilities continues as a high priority in the fiscal year 1990 budget. As you know, in previous budgets funding for these capital requirements did not keep pace with deterioration. We are very appreciative of your support over the last few years in increasing funding for this program. In this budget, the Institution seeks to expand further its repair and restoration (R&R) program to a level of \$26.7 million. Approximately half of the requested R&R funding is earmarked to continue the program we began in the fiscal year 1989 budget of major capital renewal for aging facilities, which includes the cyclical replacement of major building systems. The other half of the funds will support routine maintenance and repair projects, including facade, roof, and terrace repairs; fire detection and suppression projects; and access, safety, and security projects.

OVERVIEW OF CONSTRUCTION

For the Construction account, the Institution requests a total of \$10 million for fiscal year 1990. This request includes funds for the design of renovations of the historic Old General Post Office Building and for the construction of Galeta/Atlantic laboratories and dormitory at the Tropical Research Institute. The fiscal year 1990 Construction request also seeks funding for Alterations and Modifications to current facilities—work that is essential to increase the functionality of these facilities based on program use. We are again asking for funds to conduct construction planning for future projects.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

The fiscal year 1990 request for the Zoo Construction account is \$6.5 million. This amount includes funding for the highest priority repair and renovation projects at Rock Creek Park and at the Zoo's Conservation and Research Center at Front Royal, Virginia. In addition, the Institution is requesting funding to continue the construction of a new Aquatic Habitats exhibit at the Zoo on the flora and fauna of the Amazon. The exhibit setting, a tropical rain forest, will illustrate the predominant features of tropical biology and emphasize the complexity, specialization, and species interactions found in the tropics.

COPING IN A "CURRENT SERVICES" ENVIRONMENT

Mr. Chairman, I have outlined what we believe is a very modest budget, reflecting as it does a "current services" philosophy for programs and continued attention to deficient facilities. Our fiscal year 1990 budget request before you is consistent with the need to curtail spending in order to reduce the Federal budget deficit. Given the stark reality of the budget deficit and the resulting funding constraints, there is much that we would like to do in fiscal year 1990 that we must defer for future consideration.

As an illustration of the magnitude of the difference between what we had hoped to do in fiscal year 1990 and what we are actually able to support in the fiscal year 1990 budget, a quick comparison will help. Our budget request before you includes only about one-fourth of the new and expanded program requirements that we had requested from OMB (\$3.2 million vs. \$12.1 million). In turn, our \$12.1 million request to OMB represented less than half of the \$27.4 million in new and expanded program opportunities and requirements initially requested by the bureaus and offices during our internal budget process. The bottom line is that almost 90 percent of the new resources requested by Smithsonian bureaus has already fallen out of the

budget. These deferred needs and opportunities range from basic infrastructure requirements at the National Zoo, to scientific equipment for STRI's new laboratory, to the reinstallation of the Museum of Natural History's Native American Cultural Hall, and the creation of additional low-cost traveling exhibitions that would be of interest to minority or other currently underserved audiences.

The Institution may be able to request some of this funding for future fiscal years. I feel compelled to mention, however, two specific program areas for which current funding constraints may prove problematic, because we cannot defer these programs until a later time. The first of these is the wide range of programs that the Smithsonian is in the process of developing to commemorate the 500th anniversary of the voyages of Christopher Columbus. Fiscal year 1990 is a critical year for the timely development of the Institution's Columbus Quincentenary programs if we are to ensure our full participation in this important international historical observance, which will occur in 1992.

The second area of concern to me is the transition costs of the Smithsonian administration of the Museum of the American Indian, once the details of an acceptable agreement are finalized. Longer-term funding requirements will include the construction of new facilities in Washington for the collections, the renovation of a facility in New York, and the operating costs of curation of the collections and maintenance of these facilities. Faced with the reported deterioration of the collections, the Nation can ill afford a delay in implementing the agreement.

Finally, given the unavoidable reality of the Federal deficits which continue to plague all of us, I hope we will have an opportunity during the course of this hearing to discuss creative ways to allocate more effectively our current resource base. We would like to work with you to explore alternatives that would provide us with greater flexibility to reprogram funds yet still preserve the oversight that is your prerogative. For example, the current thresholds in reprogramming guidelines have not changed for several years. Due to ensuing inflation, the current \$250,000 limit actually decreases the ability of an agency to reallocate its resources independently and expeditiously when faced with urgent known and unanticipated needs. In the absence of expanded resources, there is, for example, an increasingly strong case for undertaking reprogrammings within, and, perhaps even between, museum programs to increase the sensitivity and diversity of our public programming. We are also very much interested in the "end results" budgeting proposal that the U.S. Forest Service has been discussing with your Subcommittee. We believe that the Smithsonian too should be accountable for end results rather than for a less meaningful adherence to strictly numerical limitations.

Another area we would like to explore is greater use of no-year funding for activities such as collections acquisition and exhibition design and installation, because the need to spend 1-year funding prior to the end of the fiscal year sometimes interferes with the most efficient resource allocation.

Last, we hope that, even in the current budgetary climate, we will not have to face a future in which the Smithsonian must cover the costs of new programs or uncontrollable requirements within base resources. After the past several years, in which unfunded pay costs and the cumulative effects of inflation have eroded base resources, it is now almost impossible to cover any new costs thrust upon us without endangering current programs. It is absolutely essential that an educational and research institution of national prominence not lose completely the flexibility to respond to changes and to have sufficient resources to exploit opportunities for cultural and scientific leadership.

CONCLUSION

As we prepare to enter the last decade of the 20th century, our focus turns to what the Smithsonian Institution should be in the year 2000 and how we arrive there from where we are today. The challenge before us is to develop and change as the world around us changes. Even though the task before us is difficult, I believe that, with your continued support, the Smithsonian will meet the challenge.

FLEXIBLE FREEZE

Chairman BYRD. On February 9, President Bush presented to the Congress his budget proposals for fiscal year 1990. He's made some very specific proposals, but he's also proposed a rather general concept of the flexible freeze.

As I understand it, this freeze would apply to many domestic programs whose spending would not exceed the fiscal year 1989 level.

Do you know whether the Smithsonian will be one of the agencies under this flexible freeze?

Mr. ADAMS. We have to assume that it might very well be. We've had no indication that it isn't. We're certainly in a position to assess its effects on us if it were to be applied to us.

They're really very damaging because our position is one in which uncontrollables, genuine uncontrollables, constitute 85 percent of the funds that the OMB has been willing to allow us.

As a result, if there were—of course, the word "flexible" introduces an element of uncertainty—to be a freeze, we must cut well below the level of our current services.

And I think, without question, we would have to impose a freeze on hiring and we might very well have to consider whether we could be open every day of the week. I think there would be really quite substantial consequences.

The problem is that we are responsible, unlike most agencies of the Federal Government, for paying our own utilities, our own rent, and many other things of that kind, which do increase with inflation, and leave us exposed. So the effects on us would be very drastic.

Chairman BYRD. Your budget request increases from \$245,935,000 in fiscal year 1989 to \$270,890,000 in fiscal year 1990.

Is that correct? Is that the Reagan budget?

Mr. ADAMS. This is the Reagan budget request, yes.

Chairman BYRD. What is the Bush budget?

Ms. SUTTENFIELD. As far as we know, there are no changes from President Reagan's budget.

Chairman BYRD. As you look at the line items in the Reagan budget request pertaining to the Smithsonian, are you supposed to proceed on the basis that those line items are, indeed, the Bush budget?

Mr. ADAMS. That is the assumption under which we are proceeding.

Chairman BYRD. Have you been instructed to that effect by Mr. Darman?

Mr. ADAMS. Do we have instructions?

Ms. SUTTENFIELD. Right after President Bush's address to Congress, we spoke with our OMB liaison to see if there would be an impact on the budget as it was reflected in President Reagan's proposal. We were told "no" at that time. Since that time, we have also not been apprised of any further change.

Senator McCLURE. Can I ask a question on that subject?

Chairman BYRD. Yes.

Senator McCLURE. Have you had an opportunity to look at what the OMB characterizes as the book, "Building A Better America"?

Ms. SUTTENFIELD. Yes.

Senator McCLURE. Do you see, after looking at that book, any specific changes in your budget?

Ms. SUTTENFIELD. No.

Chairman BYRD. Why do you answer in the negative? Are you saying that the flexible freeze will pertain to other areas of the budget but will not pertain to yours?

Ms. SUTTENFIELD. That's correct. According to what our OMB liaison told us, the day following President Bush's address, the flexible freeze will apply to programs other than the programs within the Smithsonian. That is because our budget request is based upon current services.

Chairman BYRD. Well, so are the others, are they not? That's what Mr. Darman refers to as the wonderland approach, the wonderland budget. Budgets based on current services.

Mr. ANDERSON. It's likely, Mr. Chairman, if I might interject, that were the Institution part of the executive branch, it might be more apprised of the strategies that the administration prefers to employ at this point.

As it is, we're at the end of the train, if you will, the tail end of the budget. I think we've been regarded in the past as largely an apolitical portion of the budget. Perhaps that might also explain—to a degree—the extent to which we have not yet been instructed by OMB of our status under this new flexible freeze.

Chairman BYRD. Can you describe for the subcommittee what your budget would look like if you were frozen at \$245.9 million in fiscal year 1990?

Mr. ADAMS. At this point, we cannot. We would have to go back and calculate, as I say, some very damaging cuts to virtually all of our programs.

Chairman BYRD. Would you provide a detailed description for the record with regard to that question?

Mr. ADAMS. Certainly.

[The information follows:]

EFFECTS OF OPERATING UNDER A FISCAL YEAR 1990 "FREEZE" LEVEL OF \$245.9 MILLION

If the Smithsonian had to operate under a "freeze" level of \$245.9 million in budget authority for fiscal year 1990, there would necessarily be a significant reduction in funding for all of the Institution's capital accounts. Since 85 percent of the requested increases for the Salaries and Expenses account are for uncontrollable costs, such as the full-year funding of the January 1989 pay raise, the salary upgrade for the Institution's security guards, and the new payment of water and sewer costs to the District of Columbia, the Institution's first priority would be to cover these essential costs (\$227.7 million).

The Institution would use the balance of the funding (\$18.2 million) to fund the most essential repair and restoration projects throughout the Institution, including the National Zoo. This funding level, representing only 63 percent of the Institution's fiscal year 1990 request for repair and restoration projects in the R&R and Zoo Construction accounts, would reverse the Smithsonian's recent progress to reduce its massive outstanding backlog in essential repair work.

Moreover, under the "freeze" level of \$245.9 million, the Smithsonian would have to defer all new construction projects throughout the Institution, including the National Zoo. This deferral would put added strain on the Institution's existing physical plant to support the Smithsonian's ongoing research, collections, and public service programs.

Finally, with the continued pressure on the Federal budget, the fiscal year 1991 passback from the Office of Management and Budget may not allow the restoration of any fiscal year 1990 reductions to the R&R, Zoo Construction, and Construction accounts, but rather base the funding level for fiscal year 1991 and future years on the fiscal year 1990 appropriation. If this occurs at the \$245.9 million level, it would mean the permanent elimination of the Institution's ability to maintain adequately its physical plant, which the Smithsonian has worked hard to reinforce over the past several years, with both OMB and Congressional support.

MANAGEMENT PRIORITIES

Chairman BYRD. On page 9 of the budget justification, the Institution states as one of its management priorities to, quote:

Critically evaluate all programs and support activities for purposes of discontinuing those that have outlived their usefulness or divesting them to other institutions * * *

Would you provide for the record for fiscal years 1986, 1987, and 1988 a list of programs that were discontinued or divested and the amount of money saved in each case?

Mr. ADAMS. Yes, sir.

[The information follows:]

DISCONTINUED OR DIVESTED PROGRAMS (1986-88)

In fiscal year 1986, the Institution abolished the Office of Educational Research. Based on an evaluation of needs and resources in the context of overall Institutional requirements, the Smithsonian reprogrammed the Office's base of \$180,000. It redirected \$82,000 to the National Science Resources Center—a Center established in response to various national studies which indicated the need to improve the quality of pre-college science and mathematics instructions. The remaining \$98,000 were reprogrammed into other educational and support activities.

In fiscal year 1987, the Institution abolished the Smithsonian Environmental Research Center at Rockville, Maryland. This resulted in a savings of \$1,600,000 in fiscal year 1988. Of this amount, the Senate and House Appropriations Committees approved redirection of \$876,000 to strengthen existing Smithsonian biological activities consistent with Institutional expertise and the directions of modern biology. The National Zoological Park established programs in molecular genetics and the genetic management of rare and endangered species (\$176,000); the Smithsonian Tropical Research Institute in Panama established a program in molecular evolutionary studies (\$400,000); the National Museum of Natural History established a molecular systematics laboratory at the Institution's Museum Support Center (\$250,000); and the Institution established a fellowship program to further research efforts in the field of molecular biology (\$50,000).

In the Facilities Services area, conversion from contract to inhouse processing of preventive maintenance record-keeping in the Office of Plant Services reduced annual costs by approximately \$100,000. OPlantS applied these savings to the higher costs of maintenance supplies and services. The close down of the Radiation Biology Laboratory produced annual savings of about \$150,000 in utilities which the Institution has applied to offset overall increased costs resulting from higher consumption and rates. The Office of Protection Services has changed over to a proprietary security system and has redirected the savings of \$356,000 to filling of guard positions.

DISCONTINUED OR DIVESTED PROGRAMS

Chairman BYRD. Do you have some examples of programs that have been discontinued or divested into other institutions.

And were there any programs discontinued or divested in connection with the fiscal year 1990 budget?

Mr. ADAMS. Mr. Chairman, perhaps the best example we could give was a major divestment that occurred in 1987. We closed our Radiation Biology Laboratory in Rockville, MD. There are no major divestments on that scale that are included in the fiscal year 1990 budget, but I should point out that, in fact, the 45 or so budget lines that constitute our budget represent in each case a diverse grouping of programs. And there have been divestments throughout each of those items, because each of those will include various research projects and things of this kind. Indeed, in order to make that budget at all, those components have had to be pared and new items introduced.

OFF-MALL STORAGE FACILITIES

Chairman BYRD. Under the construction planning activities on page 249 of the justification is the following statement, quote:

The Institution will formally consider off-Mall facilities for collections' storage as a solution for increasingly overcrowded conditions at nearly all Smithsonian museums.

Have you done any sort of studies to determine the optimum space needs?

Mr. ADAMS. The optimum space needs of the whole Institution?

Chairman BYRD. For what you're talking about. We'd like that for the overall Institution.

But you're also making specific references to collection storage. "The Institution will formally consider off-Mall facilities for collection storage * * *."

Mr. ADAMS. Mr. Chairman, we have a major center in Suitland, MD, where a number of buildings have been especially constructed for collection storage. There are additional buildings in the same vicinity which are rapidly deteriorating.

I think the question of long-term collection storage is one that is always with a great complex of museums and we are deeply concerned about that question.

We still have some additional space in the immediate vicinity of the Museum Support Center in Suitland, MD, and that would be, of course, the optimum area in which to build additional storage facilities in the sense that we already have communications with the facilities that are there.

So it's possible to move people and equipment back and forth fairly readily. But, in the long run, off-Mall storage in many additional areas has become an increasing problem. Our collections are growing with 4 million or so new acquisitions a year and we've got the continuing prospects that we are going to face a collection storage problem in the future.

How far we can afford to go with those, it isn't clear. That's indeed something that we should look at.

Chairman BYRD. As I understand you, it is not necessary that the collection storage facility be located in the immediate metropolitan area of Washington, DC.

You referred to Suitland, MD. Is that in the metropolitan area?

Mr. ADAMS. That is in the metropolitan area. It's only about a 20-minute trip from our present facilities. The question of locating storage at a greater distance will vary from area to area.

In the natural history field, which is where the great bulk of our collections are, because they are systematic in character, there is a need to have those accessible to people who are working back and forth from one species to another.

With regard to many of the larger objects in the American history collection, that may not be so necessary.

Chairman BYRD. Do you think there might be some savings realized by locating outside this high-cost area?

Mr. ADAMS. I think there might be, sir. Obviously, there is a tradeoff between the frequency of access that one needs and the distance one must go. But I think that is certainly a possibility.

Chairman BYRD. What is the extent of the overcrowded condition faced by the Smithsonian?

Mr. ADAMS. The overcrowding is most noticeable at present in the Natural History Museum. That is the museum also that is moving into the new facilities in Suitland, MD.

There's a great deal of material that is still crowded in the corridors and will presently be moved out. American history faces I think more of a problem in the deterioration of the material. Storage is a problem that one never completely solves in the museum business.

Chairman BYRD. Are you exploring the possibility of locating facilities outside of the high-cost area?

Mr. ADAMS. We had not formally done so, but I think we could undertake to do so. I think it would be useful. We have a facility belonging to the National Zoo located at Front Royal. While there are special advantages to that location for the shy breeding animals that are located there, that, indeed, suggests that one can operate at a distance from Washington.

Mr. ANDERSON. It might also be worth noting, Mr. Chairman, that a substantial portion of the large objects owned by the Air and Space Museum which are not on display on The Mall are on rather extended loan to other organizations around the country.

That is one method, if you will, of solving the storage problem and still making the objects available to the public.

Chairman BYRD. Would you look at the feasibility of locating facilities such as this in West Virginia?

Mr. ANDERSON. We'd be pleased to, sir.

Chairman BYRD. I'd like you to study the issue and report back to the subcommittee. There might be some real opportunities that ought to be explored.

Mr. ADAMS. We're certainly willing to do so, sir. I might say that I've spoken in the last few days with the head of our Astrophysical Observatory and we are conscious, as I think the whole national scientific community is, of the very severe loss we've suffered through the collapse of the radioastronomy laboratory. And he's placed himself on record, in fact, as supporting the early reconstruction of that facility.

So I think we are aware of the opportunities to move in the direction of West Virginia and we are prepared to do that.

SPECIAL SALARY RATES FOR SECURITY GUARDS

Chairman BYRD. On page 26 of the budget justification, you state that the National Gallery of Art, the Department of Defense, and the Smithsonian Institution have requested the U.S. Office of Personnel Management to approve special salary rates for security guards in grades 3, 4, 5, and 6 in the Washington metropolitan area.

You are requesting for fiscal year 1990—I've been handed a note saying that I've established the new record. I convened the Senate and recessed it in 0.66 seconds. [Laughter.]

Senator McCLURE. Mark that down for efficiency. [Laughter.]

Chairman BYRD. My old record was 1.1 and 6/100th.

You're requesting for fiscal year 1990 \$431,000 to annualize the cost of upgrading these positions. Please provide for the record an explanation of the computations used for the \$431,000 requested for fiscal year 1990.

[The information follows:]

SECURITY GUARD SALARY UPGRADE

The Smithsonian, in conjunction with the National Gallery of Art and the Department of Defense, requested the Office of Personnel Management to establish a special salary scale for security guards to eliminate its continuing inability to recruit sufficient numbers of well-qualified applicants and to lower the high turnover rates for these positions. The Office of Personnel Management approved the establishment of this special salary scale, effective March 12, 1989.

The partial year costs of this increase, which the Smithsonian will have to absorb in fiscal year 1989, are approximately \$0.9 million. In fiscal year 1990, the Smithsonian will require full-year funding of approximately \$1.363 million for this increase (revised estimate (3/89); this revised estimate represents a decrease of \$0.362 million from the funding requested in the fiscal year 1990 budget.) In the fiscal year 1990 Congressional budget request, the Smithsonian requested additional funding totaling \$1.725 million for the proposed salary upgrade for SI security guard positions: \$1.294 million included in the fiscal year 1989 "base" for OPS; and \$0.431 million included in the fiscal year 1990 Necessary Pay increase for OPS.

The initial estimate of \$1.725 million was based on calculations prepared by the Institution's Office of Personnel Administration and the Office of Planning and Budget in December 1988 using the following assumptions:

Number of Positions.—The salary upgrade would involve a total of 602 authorized guard positions in Grades GS-04 to GS-08: GS-04 (201 pos.); GS-05 (308 pos.); GS-06 (15 K-9 officers); GS-07 (62 pos.); and GS-08 (16 pos.).

Night Coverage.—The calculations estimated an average of 19 hours per week for night differential pay (10 percent of base hourly pay).

Sunday Coverage.—The calculations estimated an average of 9 hours per week for Sunday differential pay (25 percent of base hourly pay).

Overtime Hours.—The calculations estimated an average of 10.5 hours per week for overtime for K-9 officers (GS-06) and 6 hours per week for other guards (150 percent of base hourly pay). The higher overtime estimate for K-9 officers reflects the recent Office of Personnel Management decision regarding compensation for the time required to care for and handle patrol dogs, after hours and during periods of extended leave.

Holiday Coverage.—The calculations estimated an average of 73 hours per year for holiday hours worked (100 percent of base hourly pay).

Personnel Benefits Costs.—The calculations estimated personnel benefits costs at 20 percent of base pay.

Average Step.—The calculations estimated the costs for salaries at each grade level at the estimated average step (Step 4).

Adjustment to Reflect January 1989 Pay Raise.—Since the initial estimate (Dec. 1988) and the comparison between the current GS pay scale and the proposed Guard pay scale were based on the pay scales for 1988, the effects of the January 1989 pay raise were factored into the calculation by multiplying the cost difference under the 1988 pay scales by 1.041.

The revised estimate (March 1989), based on the actual pay scale as approved by the Office of Personnel Management, incorporates two major changes that affect the calculations: (1) GS-08 security guard positions have been excluded from the new pay scale (as approved); and (2) the annual salary structure for the grades and steps for Grades GS-03 to GS-07 have been adjusted to facilitate the transition between the "top end" of the new pay scale at the GS-07 level and the transition back to the regular GS pay scale at the GS-08 level. In addition, the comparison between the current GS pay scale and the Guard pay scale was based on the GS pay scale for 1989 (reflecting the Jan. 1989 pay raise) and the approved new Guard pay scale (effective March 12, 1989). The revised estimate results in a decrease of \$362,000 from the funding requested in the fiscal year 1990 budget (\$1.363 million, instead of \$1.725 million).

REQUEST TO OPM

Chairman BYRD. When did you make the request of the Office of Personnel Management?

Mr. ADAMS. May I ask that that question be answered by John Jameson, Secretary for Administration?

Mr. JAMESON. October 1988.

Chairman BYRD. Have you received approval from OPM as to your request for special salary rates?

Mr. JAMESON. No, sir.

Chairman BYRD. What is the justification for the Smithsonian request?

Mr. JAMESON. There is strong competition for jobs in this area which has a low unemployment rate. We are having great difficulty recruiting guards and keeping the ones we have. Our turnover was 30 percent in 1987 and 23 percent last year.

Chairman BYRD. Tell us a little bit. Is there a shortage of security guards in grades 3, 4, 5, and 6?

Mr. JAMESON. Yes, sir; particularly at the grades 3 and 4 level where we generally recruit for the entry level.

By and large, they can get more money working at McDonald's or delivering pizza than they can being a guard at the Smithsonian. We have about 600 guards. We have about 100 vacancies at the moment. We make extensive use of temporaries, but they're not very satisfactory because they're paid at the low end of the scale.

Given the investment of time and training, we'd like to keep our guards once we have them.

Chairman BYRD. How many vacancies did you say you had?

Mr. JAMESON. About 100. Against authorized positions.

Chairman BYRD. For security guards.

Mr. ANDERSON. Mr. Chairman, we are faced with the necessity of closing certain areas to the public on an unscheduled basis should there be a case of flu—should somebody be late getting to work. There simply aren't enough guards stationed around the campus to keep all of the exhibition areas open all the time, as they should be.

Chairman BYRD. You have how many to fill?

Mr. JAMESON. We have about 600 authorized full-time positions.

Chairman BYRD. Inform the subcommittee when you receive a response from OPM.

Senator McClure, would you like to address this question?

Senator McCLURE. Only to this extent. What are those salary levels?

Mr. ANDERSON. Grade level 3, Senator, I just happen to have it in my pocket. Now, this might be prior to the recent January pay raise. I don't know if it's current or not. They start at \$12,036. That would be the entry level recruiting amount.

Senator McCLURE. Could you supply for the record the numbers of persons that are on disability retirement in the guard force?

Mr. ANDERSON. Yes.

Senator McCLURE. And whether that's changed in the last few years.

[The information follows:]

GUARD DISABILITY RETIREMENTS

There is currently only one guard with a pending disability retirement. There have been only seven Smithsonian guards who have retired on disability since fiscal year 1983.

CONTRACTUAL SERVICES

Chairman BYRD. The justification on page 14 indicates that the Smithsonian follows the requirements of OMB Circular A-76 that Federal agencies rely on commercial sources to supply needed products and services rather than using Government employees where it is cost effective to do so.

Mr. ADAMS. Again, Mr. Jameson will discuss that.

Mr. JAMESON. Mr. Chairman, about 10 percent of our operating budget, or about \$23 million, goes into contractual services. Every area of the Smithsonian activity benefits from such activity.

I can think of some major areas where we use contract services—elevator and escalator maintenance, our checkrooms are manned by contract people, major amounts go into architectural and engineering work, major repairs to our buildings.

So it's about 10 percent. We try to do two studies each year of current operations to see whether those studies result in contracting out more work.

Chairman BYRD. What do the studies cost on the average?

Mr. JAMESON. We do them in-house with our staff in the Management Analysis Office. We try to take each year one area which is currently under contract and to see if it should remain under contract. We take one area that is currently done in-house and look at it to see if it should be placed under contract.

Chairman BYRD. So you do sometimes contract it out?

Mr. JAMESON. No; we're looking at activities of the institution that might merit being contracted. But all of the analytical work is done in-house.

Chairman BYRD. So you haven't contracted out any activities previously done in-house?

Mr. JAMESON. We have contracted for some guard service at the Cooper-Hewitt Museum, for elevator maintenance and operations and for checkroom attendants, previously performed in-house.

This has all happened over the last 8 or 10 years.

Chairman BYRD. They have been contracted out?

Mr. JAMESON. Yes, sir.

Chairman BYRD. How much money has been saved as a result of these studies?

Mr. JAMESON. Taking the Cooper-Hewitt as an example, my information is that it cost us probably a little bit more to do it under contract than it did to do it in-house. But part of the reason for contracting has to do with the limitations placed on employment. And part of it simply has to do sometimes with the availability of people. We have to go wherever we can go to get help.

Chairman BYRD. What have the completed studies shown?

Mr. JAMESON. The completed studies that we've done on escalator/elevator maintenance and checkroom attendants indicate we should continue to do that under contract. Studies we have done recently on protection services, taking one of our major museums

as an example, have indicated that we are best served financially and functionally if we do it with in-house staff.

Chairman BYRD. Do you believe the time and effort devoted to the studies justify the end result?

Mr. JAMESON. I think we have gotten assurance for the managers of the Institution that we are proceeding on the proper financial and programmatic courses. Yes; they've been worthwhile.

CHILD CARE CENTER

Chairman BYRD. Last year, the Congress appropriated \$300,000 for renovations for some of your space for a child care center. Is this center now operational?

Mr. ADAMS. Yes; our first center is in operation. We will be working on the second one this year.

Chairman BYRD. How has the center been received by your employees?

Mr. ADAMS. It's been very well received throughout the Institution.

Chairman BYRD. What impact has there been on the absenteeism?

Mr. ANDERSON. Mr. Chairman, I think it's a little bit too early to tell. It's been in operation for about 6 months.

I think we need a year or two of experience. Certainly, the information I pick up is that the parents are delighted to have children so close at hand.

Mr. ADAMS. I think one needs to see the benefits of the day care centers as not being measured solely by these factors.

Chairman BYRD. I understand it was anticipated that fees paid by the employees would be sufficient to cover the operating cost of the center.

Has that been the experience?

Mr. ADAMS. At the present time it is running a small deficit, but it has always been our assumption that the parents would need to carry on some fundraising activities. Something slightly over 20 percent of the children who are enrolled are there on a scholarship basis, where they pay lower monthly fees.

Chairman BYRD. Was it anticipated that the fees paid by the employees would be sufficient?

Mr. ADAMS. I think we always assumed we would have to carry on some fundraising.

Chairman BYRD. What is your experience showing? What percentage is being carried by the employees and what percentage by fundraising?

Mr. JAMESON. Mr. Chairman, at least 90 percent of the operating budget is borne by fees. And if there's a small shortfall, it will be either handled through fundraising by the parents as the Secretary suggests, or the other alternative is marketing the excellent curriculum guide that has been designed by the contractor for the child care center.

I think the child care center will see some income from that, which will fully meet any shortfall.

Chairman BYRD. Would you supply for the record dollars and cents figures to show the shortfall and the amounts that are being

paid by the employees and the amounts that are being paid by the fundraising activities?

Mr. JAMESON. We'd be pleased to.

Chairman BYRD. As you gain more experience on how the center might be affecting the employees' performance, could you keep the subcommittee informed?

Mr. ADAMS. We'd be delighted to.

[The information follows:]

CHILD CARE CENTER FUNDING

The Smithsonian Early Enrichment Center now has an enrollment of 38 full time and 7 part time children, 33 of whom are children of Smithsonian employees. Employees were given advance notice of available spaces before opening, but recruitment was then opened to other Federal agencies and the general public in order to reach capacity. Since this is a new operation, it is difficult to predict how the actual numbers will work out. The present rate of tuition vs. expenses leaves us with about a \$250 per week shortfall which means that fundraising efforts will have to meet a goal of \$13,000 for the year. The Center has already raised about half that amount and is pursuing the possible marketing of the specially designed museum-based curriculum as another income source.

D.C. WATER AND SEWER COSTS

Chairman BYRD. Senator McClure.

Senator McCLURE. Just one question, Mr. Chairman, and I'll submit the balance for the record. I'm trying to make sure I understand the budget submission with respect to the fee charged by the District of Columbia for the water and sewer.

I understand you have included the anticipated charge within your budget?

Mr. JAMESON. Yes, sir; approximately, \$3.7 million.

Senator McCLURE. The District made that proposal to Congress last year. Certainly Congress will not enact it this year. [Laughter.]

Mr. ADAMS. I would assume so.

Senator McCLURE. Thank you. I'll submit the balance of my questions for the record.

Chairman BYRD. I have some questions along that line, too, but I'll submit them for the record. And I have other questions which I will submit for the record.

GENERAL POST OFFICE BUILDING

The budget justification discusses the need to begin the design work at a cost of \$1,750,000 for the renovation of the General Post Office Building, a renovation which is estimated to cost \$40 million.

Mr. ADAMS. That figure is probably low.

Chairman BYRD. What would be the new estimate?

Mr. ADAMS. I couldn't say for sure, but I'd be surprised if it were less than \$50 million.

Chairman BYRD. Is there anyone occupying the building?

Mr. ADAMS. I'm not clear on the details. Is anyone in the building at this point?

Mr. ANDERSON. Yes; indeed. The building remains under the administration of the GSA, Mr. Chairman. They have a number of temporary Federal agency offices and staff that they are housing within the structure.

Mr. ADAMS. If I might speak, if I may, to the item in the budget which, in some sense, is our concern. The building is continuing to deteriorate.

It's one of the historic buildings in Washington and, sooner or later, it must be done. But, the longer we wait, the more it costs. But because we're under pressure, this is an item that we may have to postpone.

RESEARCH VESSEL

Chairman BYRD. The budget proposes the purchase of a 90-foot research vessel for the Smithsonian Tropical Research Institute at a cost of \$1.7 million. I understand that the Institute currently uses a 65-foot, 26-year-old converted motor yacht which was donated some 10 years ago.

What would be the effect of delaying this purchase for 1 year in the interest of holding down Federal expenditures?

Mr. ADAMS. I'd like to call upon Dr. Robert Hoffmann, who is our Assistant Secretary for Research, to answer the question.

Dr. HOFFMANN. The current vessel is old, as you point out. Consequently, it requires more downtime in dock in order to make sure that it remains seaworthy.

The result is that we are less and less able to carry out our ongoing research. In addition, of course, being old it is not outfitted for some of the newer sorts of work that we would like to do. We would have to postpone that.

The final major impact is that our land-based Galeta Laboratory in Panama was struck by a major oilspill over 1 year ago. The result is that that has eliminated the usefulness of that laboratory for many sorts of research.

We have converted that essentially into a laboratory to study the effects of the oilspill. That in itself, of course, is very valuable. But what it means is that much more reliance has to be placed now upon the vessel in order to get to these nonpolluted areas to carry out research.

The short answer is that it would have the effect of drastically curtailing a number of our ongoing research activities.

NATIONAL ZOOLOGICAL PARK

Chairman BYRD. Turning to the National Zoo, the budget justification request \$1.4 million for repairs and preventive maintenance of existing facilities at the Rock Creek Zoo complex. The justification further states that the request, quote, "will help ensure that the zoo's future will not include a large backlog of major repairs." Close quote.

Does the zoo have a current backlog of major repairs and how large is it?

Mr. ADAMS. We have Dr. Michael Robinson with us, the Director of the zoo, who can comment.

Dr. ROBINSON. Unfortunately, sir, we have a very large area of pathways, many roads, and roofs on all of our buildings. We are aggressively moving through the repairs and we have problems in the elephant house and the small mammal house. And we have things of that kind that we try to keep in cycle.

But, like painting a bridge, by the time we get to the other end, we start this all over again. We really have more buildings and roads than any other branch of the Smithsonian.

If I could put in a point right now, we're 100 years old this March 2. Our 100th birthday is an indication of the nature of our problems.

Chairman BYRD. How do you plan to address the backlog?

Dr. ROBINSON. We have this very detailed program of maintenance. As we get the request, we will be moving through these repairs one by one.

Chairman BYRD. Congratulations on your 100th birthday. We will be commemorating ours, our 200th birthday.

Senator McCLURE. We got our bill from that one already. [Laughter.]

Mr. ANDERSON. The National Portrait Gallery is very pleased to help commemorate the bicentennial of the Congress with a special exhibition which should open I believe later this week.

ADDITIONAL COMMITTEE QUESTIONS

Chairman BYRD. Very well. I have some further questions. And others may submit them as well.

Thank you very much for your testimony.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Management Priorities

Question 1: On page 11 of the budget justification, the Institution states, as one of its priorities under General Development to "examine and continue to pursue new product development, new auxiliary enterprise opportunities, and opportunities for collaboration that may exist among core revenue-producing programs". Can you give the Subcommittee some examples of new products, enterprise opportunities, and collaborative efforts that have helped increase the non-federal sources of revenue available to the Smithsonian?

Answer: The Institution's membership programs, merchandising, and restaurants currently collaborate. For example, all museum members receive the Smithsonian Mail Order Catalog. The Smithsonian Engagement Calendar, developed by Product Development and Licensing, is used as an incentive premium for Contributing Members (those who make a substantive monetary gift over their membership fee). Members are encouraged to use the Associates Court and Commons eating facilities.

Our newest efforts relate to video discs, films and like mass media products. For example, the Institution is co-producing with Eastman Kodak a series of video discs on Smithsonian topics. These will be mass-marketed; the Smithsonian will receive a royalty on each sale.

Question 2: How much did these activities contribute to the Smithsonian's revenues in FY 1988? Do you have estimates for fiscal years 1989 and 1990?

Answer: The media activities have yet to contribute to Institutional revenues. Development costs are substantial and will be recouped from initial profits. The Kodak-Smithsonian videos, our first venture, will not be available to the public until fall 1989.

The increase in the Institution's FY 1988 Trust Fund revenues stems from new initiatives of prior years: renovation and upgrading of all museum shops, changes in mailing schedules for Mail Order merchandising, and enhanced investment income given changes in investment policies.

Troubling is evidence that revenue growth appears to have "topped out" in FY 1989. Sales are behind budget in both the Museum Shops and Mail Order. The Air and Space magazine has yet to reach its circulation projections. While the new National Air and Space Museum restaurant is doing well, as planned, the Institution is using its added revenue to pay down the bank loan for its construction.

New unrestricted funding of \$1,500,000 is budgeted for FY 1990. During FY 1988, the Institution took significant steps to enhance its development activities under our newly appointed Assistant Secretary for External Affairs, Dr. Thomas J. Lovejoy. This action was especially timely as FY 1988 saw a 13% drop in restricted gifts and

grants designated for operating purposes. Given FY 1989 to organize and marshal forces, FY 1990 will see the first successes of this appointment.

Question 3: What plans does the Smithsonian have for increasing the funds generated by these activities in future years?

Answer: At their May meeting, the Regents will discuss the Assistant Secretary for External Affairs longer term fund raising plans. The loan for the National Air and Space Museum's restaurant will be paid off by June 30, 1998. All revenues thereafter, from the restaurant will accrue to Unrestricted Trust Funds. In suspense are plans to enlarge both the Museum Shop and the public restaurant at Natural History. The new Director of Natural History is currently rethinking space allocations. The Secretary is presently marshalling a re-evaluation of Air and Space Magazine. Royalties from the recent introduction of the Smithsonian Collection of furniture reproduction will accrue to Trust Funds beginning in FY 1990.

Museum of African American History and Culture

Question 4: Could you briefly summarize the status of the Institution's efforts regarding the establishment of a Museum of African American History and Culture?

Answer: At the request of Chairman Yates at the 1988 House appropriations meeting, the Secretary of the Smithsonian began a series of meetings with Institutional staff and advisors to think through the establishment of a Museum of African American History and Culture. The Institution submitted this report in January 1989. Below is an Executive Summary of the findings:

1. The Smithsonian is committed to making comprehensive efforts to enhance its representation of minority achievements and concerns, and to improve the universality of access to and participation in all of its activities. We recognize that such efforts are a primary and continuing Institutional responsibility, and that they must accompany all other steps referred to herein.

2. There is a strong case for introducing a special focus for exhibits, studies, public programs and other activities in the field of African American culture and history. We believe such a special focus will strengthen the Institution's efforts to respond to minority concerns -- and to meet its own responsibilities. It is also a desirable step in light of the special conditions affecting museum collections, public programming, and scholarship in this area. If this conclusion is concurred in by the Board of Regents and has the support of the Subcommittees, the Institution proposes to move promptly to establish a Bureau in the area of African American culture and history with a separate budget. Although timing is uncertain (depending on the pace of collecting activity and other factors), these organizational and financial steps are likely to require a commitment of space and facilities.

3. Assuming that this commitment of space ultimately will lead to the construction of a new facility, there is still uncertainty as to where it should be located. The tentative position taken here is that it should adjoin the National Museum of American History. It is proposed to seek the advice of a broad, carefully chosen committee in addressing the question of the location and mandate of the new facility.

4. It is imperative that the Smithsonian's expanded activities in this area be accompanied by extensive discussions with the member institutions of the African American Museum Association and other organizations with commitments to the field, and that any steps taken be designed to strengthen common interests and improve networks of communication.

5. The Anacostia Museum has a distinctive history and purpose, and is not a facility that should be thought of as disappearing if and when a National Museum of African American History and Culture comes into existence in central Washington. The same committee from whom advice will be sought concerning the possible location and mandate of the latter will be asked for its advice as to the future of the Anacostia Museum.

Museum of the American Indian

Question 5: On January 30, 1989, the Smithsonian Board of Regents unanimously adopted a resolution to accept in principle the major provisions of the most recent draft agreement between the Museum of the American Indian, Heye Foundation and the Smithsonian Institution. Would you briefly summarize the major provisions of the most recent draft agreement?

Answer: The major provisions of the draft memorandum of understanding between the Museum of the American Indian, Heye Foundation and the Smithsonian Institution are conditioned on approval of its terms by the courts in New York, the enactment of authorizing legislation by the Congress, and the availability of funds with which to proceed. Among these provisions are the transfer of the collections, endowment, and all other property of the Heye Foundation (except the building at 3753 Broadway in New York) to the Institution and a requirement for the Institution to offer employment to the staff of the Heye Foundation at the time of the transfer of assets.

The draft also contemplates the establishment of the National Museum of the American Indian within the Smithsonian. Its primary manifestations would be a structure on the Mall east of the National Air and Space Museum; a storage and conservation facility at the Institution's Museum Support Center at Suitland, Maryland; and a facility designated "The George Gustav Heye Center of the National Museum of the American Indian" primarily on the street level floor of the old United States Custom House at One Bowling Green in New York. The draft memorandum also provides for a board of trustees to advise and assist the Board of Regents on the administration, maintenance, operation, and preservation of the Museum and its collections.

Question 6: I understand that the resolution adopted by the Board of Regents identified unresolved issues which include the size of the Custom House facility in New York and the availability of financial support from New York sources. What is the status of negotiations regarding these issues?

Answer: The draft memorandum now provides for a Custom House facility of approximately 82,500 gross square feet (g.s.f.). Of that amount, about 57,000 g.s.f. would be the direct responsibility of the Smithsonian and would be used for exhibition, education, and administrative purposes. An additional 25,500 g.s.f. would be administered by the General Services Administration, which is the custodian of the entire building, and would be made available to support the Smithsonian's museum programs there. This shared space would include an auditorium (21,000 g.s.f.) and the shipping and receiving area (4,500 g.s.f.).

At a hearing on the status of the memorandum and on prospects for the new museum, which was held March 9, 1989, before the Committee on Interior and Insular Affairs of the U.S. House of Representatives, the representative of the Mayor of New York announced the City's commitment to fund one-third, or not more than \$8 million, of the estimated cost of refurbishing the Custom House facility. She also indicated that the Institution might be eligible for certain kinds of support for program activities there. A similar commitment is expected from the State of New York, but has not yet been confirmed.

Question 7: What is the estimated total cost of establishing the National Museum of the American Indian within the Smithsonian?

Answer: The Smithsonian is in the process of developing estimates for the costs of constructing and operating the facilities and programs of the proposed Museum. These estimates also will include the costs of taking control of and providing security for the collections in New York; accessioning them into the National Collections; moving them to the Smithsonian's Museum Support Center in Suitland, Maryland; and creating from them the initial exhibitions in the Mall and Custom House facilities, as well as others that may travel to various parts of the country.

Question 8: What is the estimated share of federal funding required?

Answer: Because the Institution is still in the process of developing these estimates, it is not possible to indicate the required level of Federal funding for the Museum. However, the Institution will regularly and fully inform the Subcommittee of the estimates as they become available.

Sale of the National Museum of African Art Properties

Question 9: The Subcommittee had been given assurances that it would be kept informed prior to any final settlement involving the

sale of the National Museum of African Art Properties. Why did the Subcommittee have to rely on newspaper accounts to learn that the sale transaction for these properties had been completed?

Answer: The Smithsonian provided notification to the Subcommittee by telephone prior to the sale of the African Art Properties. In the future, the Institution will provide such information in writing.

Question 10: Were there any conditions attached to the properties that restricts the future use of these properties?

Answer: Conditions for future use of these properties are quoted from the Contract for Sale and Purchase of the National Museum of African Art:

"22. Purchaser agrees that it shall not sell, lease, or otherwise dispose of or transfer any of its interest in the property unless such sale, lease, or other disposition or transfer shall be for residential purposes. Purchaser further agrees that Seller will place language in the deed to the property so that interested third parties also might enforce this provision."

Question 11: Were there any conditions attached to the sale of these properties regarding the future use of the Frederick Douglass home?

Answer: Conditions for future use of the Frederick Douglass home are quoted from the Contract for Sale and Purchase of the National Museum of African Art:

"17. Purchaser intends that a portion of the premises which served as the home of Dr. Frederick Douglass will be preserved as a fitting memorial to his life and his work. Purchaser intends to set aside approximately 200 square feet as an area to exhibit objects and documents to memorialize Frederick Douglass; said area to be accessible to the public during reasonable hours as established by Purchaser. Seller agrees to cooperate with Purchaser in assembling suitable objects and document, and to provide assistance to establish the exhibit."

Cultural and Ethnic Diversity in Professional Staff

Question 12: As a result of the Institution's own initiatives, as well as to carry out directives contained in the Statement of Managers, which accompanied the FY 1989 Interior Appropriation Bill, the Smithsonian has included a new program, in the FY 1990 budget, to increase the cultural and ethnic diversity in your professional staff. The justification (pp. 23-24) proposes an increase of \$1,102,000 and 27 FTEs for the program. Would you describe for the Subcommittee how you went about designing the program and identifying

which organizations would receive the additional funding and positions?

Answer: The Smithsonian designed this program to focus on positions in the research/curatorial and other professional fields. The Institution encouraged all bureaus and offices to identify and justify appropriate positions. A committee, under the chairmanship of the Under Secretary, screened and approved these positions as temporary positions. The Institution then advertised these temporary positions and strongly encouraged any qualified minority and female candidates known to the hiring bureaus to apply. The Institution followed all federal regulations covering competitive procedures.

Question 13: It seems that because of the way the program is structured, the new employees who will fill the positions might be viewed somewhat differently from other employees, who would be hired during the regular course of business, and might, therefore, have more difficulty being assimilated in the organization. Would you like to comment on that observation, or indicate what you intend to do so that this is not the case?

Answer: Smithsonian management has held several meetings on this very subject, because some members of the senior staff expressed similar misgivings. The final outcome was the determination that the support network for any new staff member is rather weak, and that the Institution should strengthen the orientation and "bonding" of all new employees. Smithsonian management believes, however, that there should be no special effort to nurture this particular group of employees since it might have the unwanted effect of maintaining a sense of "difference." The Institution is making a conscientious effort to eliminate any special reference to these new employees, despite the necessity to tag positions in such a way that the central Personnel Office can maintain suitable data for reporting purposes.

Question 14: The justification (p. 23) indicates that 22 qualified candidates have already been identified for the program and that some have already been appointed to temporary positions. What is the source of FY 1989 funding for those who have already been hired?

Answer: Smithsonian management reprogrammed the necessary funds within the amounts provided to the hiring bureaus for the Federal Employees Retirement System to provide interim funding for these positions.

Question 15: Why couldn't this same funding be used to continue paying their salaries in FY 1990?

Answer: As stated above, the hiring bureau applied a portion of the funding available for the increased costs of the Federal Employee Retirement System for these positions in FY 1989. Since the bureaus will need this funding to cover the costs of the Retirement System for FY 1990 and following years, continued use of this source of funding for these positions is not possible.

New Accounting System

Question 16: The budget (p. 210) requests an increase of \$601,000 and 15 FTEs to implement the Smithsonian's new accounting system in FY 1990. As described on page 210 of the budget, the current accounting system is only semi-automated. It would seem that a new, automated accounting system could be operated with fewer employees than are needed for the current system, rather than more. Will the new system increase the productivity of current employees?

Answer: The Smithsonian's accounting system is not adequately serving the needs of the Institution. The current semi-automated system is at capacity. With an expanded computer and software capability we will require additional staff, many with new and different skills, to satisfy processing and reporting requirements currently not being met. There are no staff available to pick up an increased work load. In fact, the opposite is the case. We hope that with the addition of new staff and efficiencies provided by the new accounting system we will be able to solve what has been an ongoing base deficiency in staffing levels vis a vis a more than inflationary growth in expenses and an increasingly burdensome and complex set of federal and non-profit accounting and reporting requirements.

Question 17: What is the basis for requesting the additional 15 FTEs?

Answer: Our needs include 8 full-time positions including two systems/internal controls staff who would establish procedures relating to the new system, one accountant, four accounting technicians, and one records clerk to keep current appropriate documentation. The accountants in addition to correcting a base deficiency vis a vis volume of transactions processed will provide support for the implementation of a technical nature and subsequently for expanded services.

We think we have anticipated all needs. We are being especially cautious as we proceed with implementation of the new accounting system given our experience in moving to the personnel/payroll system at the Department of Agriculture's National Finance Center. This effort took one and a half years and many manhours more than we had planned due to its complexity. We know the new accounting system will be even more complex.

The remaining seven positions are temporary accounting technicians. They will be needed for fiscal year 1990 to relieve the burden that implementation of a new accounting system will place on existing staff. The Institution must maintain the existing level of record keeping and financial services as the implementation proceeds concurrently. The implementation (the process of learning new procedures and ways of doing things, the loading of base data, the testing of hardware and software) as well as the need to run parallel systems for a period of time to assure accuracy creates the temporary workload increase.

These positions will cover the first of several phases of the proposed implementation. It must be remembered we anticipate moving from 1960's technology to that of the 1980's. Phase I will see utilization of a new general ledger, automated accounts payable and purchasing, and an enhanced budget projection system. As we get closer to implementing Phase I, we will be able to more accurately determine staffing needs.

Question 18: Part of the increase is earmarked for 7 temporary accounting technicians. Has the Smithsonian explored the possibility that a temporary accounting service might be able to provide the needed services, at less cost and with more flexibility?

Answer: We have from time to time reviewed the option of using temporary accounting services and have used such services. However, in this case the work does not lend itself to using this type of service. Continuity and commitment on the part of employees is critical to the process and success of implementation and documentation of a new system. It is our view that the potential for continuous retraining, lost time, and redundant or duplicate work efforts would likely result in increased costs and a slower implementation.

Utility Increases

Question 19: The justification (p. 30) indicates that, in FY 1990, the D.C. Government will begin to bill Federal agencies directly for the cost of water and sewer services. I understand that these costs were previously covered in the D.C. Appropriation Bill. Your budget includes \$3,675,000 for these payments in FY 1990. The Subcommittee was told that the D.C. Government might begin billing you in both FY 1988 and FY 1989, but they did not. What assurance can you give us that this will happen in FY 1990?

Answer: Because the Smithsonian is not directly involved in the legislative authorization process that this proposed change will require, we cannot assess the likelihood of its eventual success or failure in Congress. However, responding to previous Congressional concern about statutory authority, as expressed in the FY 1989 D.C. Appropriations Act, the President has proposed legislation that would allow, beginning in FY 1990, the District of Columbia to accept payment for water and sewer services directly from "individual Federal establishments in the Judicial, Legislative and Executive branches of government."

Question 20: How did the Smithsonian arrive at the figure of \$3,675,000? You may provide the precise computation for the record.

Answer: The Smithsonian's Office of Plant Services based the projected costs of D.C. water and sewer services to the Institution for FY 1990 on the consumption and usage levels and rates provided by the D.C. government.

Question 21: Do you know if the D.C. Government budget shows a decrease in FY 1990 for this item?

Answer: The Budget of the United States Government, 1990-Appendix, which contains the detail of the budget by appropriation account, indicates that the budget request for the D.C. Government reflects the shift in funding for sewer and water costs to the individual Federal agencies.

In the section on the District of Columbia (page I-Z13) the President's budget for FY 1990 proposes the elimination of the appropriation account for the "Federal Payment for Water and Sewer Services," but includes the payment for water and sewer services as a program activity under the appropriation account for the "Federal Payment to the District of Columbia." The Program and Financing table for this appropriation also reflects the financing of this program through the offsetting collection from the individual agencies. An explanatory note to this table states: "For 1990, \$34.7 million for payment to the District of Columbia for water and sewer services furnished to facilities of the United States Government will be financed on a reimbursable basis by the agencies receiving these services. The agencies will transfer the amounts from their separate appropriations and other funds available for this purpose."

Question 22: The budget (p. 29) includes a net increase of \$87,000 for natural gas. The request reflects an anticipated reduction in consumption and a 15% rate increase requested by the Washington Gas Company in January 1988. What is the cost increase associated with the 15% rate increase?

Answer: Of the \$87,000 increase which the Institution is requesting for FY 1990, \$82,000 is associated with the 15 percent rate increase for the Washington Gas Company. The balance of the increase reflects the net effects of a currently anticipated base deficiency in the gas account for FY 1989, offset by savings associated with the release of the Radiation Biology Laboratory facility in Rockville, Maryland, and the National Museum of African Art complex on Capitol Hill.

Question 23: Has the Public Service Commission acted on the Washington Gas Company's request?

Answer: Yes, the Public Service Commission approved new rates to go into effect on October 29, 1988. The Institution first learned of this approval in late January 1989 when it received its Washington Gas Company bill for service for October 1988.

Question 24: Will you notify the Subcommittee when the Commission completes action on the request?

Answer: The new rate structures went into effect October 29, 1988.

Asbestos Removal

Question 25: How is the Smithsonian's program of asbestos removal proceeding? When do you anticipate completing the program?

Answer: Since FY 1981, the Congress has provided a total of \$4.5 million for asbestos abatement at the Smithsonian. The Institution has conducted asbestos removal or encapsulation projects at a number of facilities, including the American History, Natural History, American Art and Portrait Gallery, Arts and Industries, Smithsonian Institution (Castle), Freer Gallery and Renwick Gallery buildings and the Cooper-Hewitt Carnegie Mansion. In FY 1989, the Institution retained a consulting firm to survey, identify, label and report on all asbestos in major facilities. In addition to recommending actions to take at each contaminated location, the consultant will develop a schedule for removal or containment of the asbestos and an estimate of the annual cost. The consulting firm will complete this comprehensive asbestos survey in FY 1991, and the Institution will then be able to project a completion date for this work.

Question 26: Recently, the Press carried several articles regarding complaints from some of your employees, temporary employees I believe, that they were being required to work in an asbestos-contaminated environment. Would you describe for the Subcommittee the nature of the complaints?

Answer: On November 1 and 2, 1988, a Washington D.C., television station, WJLA-TV, broadcast stories regarding employee complaints about working in the attic areas of the Museum of Natural History, where sprayed-on insulation containing asbestos was present.

The employees involved in the WJLA-TV story were part of the staff that the Smithsonian hired on a temporary basis to carry out various aspects of the Institution's move to the Museum Support Center. The employees involved in the broadcast story apparently felt ill at ease because one of the projects to which the Institution had assigned them involved the cleaning and removal of items from an area in the Natural History Building where sprayed-on insulation containing asbestos was present. The Museum had received no complaint from any of these individuals prior to the TV story. The first indication that such a concern existed came in a phone call from the WJLA-TV reporter assigned to the story.

The nature of the complaints was that those involved were fearful of the presence of asbestos containing materials in their work environment.

Question 27: Has the Smithsonian taken any action to remedy the situation?

Answer: Yes, during the work, the Institution conducted air monitoring in the attic areas of the Museum of Natural History to determine if detectable levels of asbestos were present. The Smithsonian's Office of Environmental Management and Safety took air samples at times when work was in progress and at times when no work

was in progress. The results indicated that asbestos levels were below the minimum detectable limit in all samples collected. The Institution is providing a copy of this report to the Subcommittee. It should be noted that it is policy in the Institution to require the use of asbestos protective equipment in all work situations where asbestos fibers may be present. Further, it is standard practice for the Institution to conduct air monitoring on a representative sampling of such work.

In addition, the Institution had taken a number of steps to inform employees, both before and after hiring, about the presence of asbestos in some work areas. Each applicant was verbally informed at the job interview about the presence of asbestos in work areas and the precautions which would be required of them. The Position Description covering these employees described in detail the presence of asbestos containing materials and the protective garb which would be required to be worn. Each applicant was given this Position Description to read at the Interview. After being hired and before being assigned, the Smithsonian's Office of Environmental Management and Safety gave specific training to the employees relative to the work they were to do in areas with sprayed on insulation containing asbestos. In addition, before starting the work, the employees were given a dry run through the work process. This included a step-by-step demonstration of the actual work and the use and handling of the required asbestos protective gear.

After hearing from WJLA-TV that some of our employees were concerned over their work environment, the Smithsonian took immediate steps to try to surface their concerns. The Office of Environmental Management and Safety arranged a private meeting with the Chief of the Environmental Management Division for all employees working in the areas where asbestos was present. At this session, the Office addressed all questions that the staff raised.

After this session, work in the areas where asbestos was present continued for several more days to its conclusion. Although it is not possible to tell if the information which they were given answered the employees' concerns, they did not express any further concerns once the project had ended. The Smithsonian informed each of the employees of their right to file a grievance and the process for doing so. No staff filed grievances.

Regarding the televised stories, the Institution's Office of Public Affairs took exception to them. That Office subsequently sent letters of objection to the Federal Communications Commission and the Station Manager of WJLA-TV, stating the Institution's concerns in detail. The Institution is providing copies of these letters to the Subcommittee.

Polychlorinated Biphenyls (PCB) Transformers

Question 28: At last year's hearing, the Smithsonian indicated that a contract had been awarded to clean up your remaining PCB contaminated transformers by the Spring of this year. How is this work proceeding?

Answer: The contract work is behind the original schedule. The contract is 16 percent complete, with September 30, 1989 as the current completion deadline.

Question 29: Are you encountering any problems?

Answer: Yes. One problem arose due to the high demands that government agencies have made on manufacturers for PCB-free transformers, which have caused delays in the delivery schedules of the new transformers to the Smithsonian. Additionally, work at the National Museum of American History has slowed due to the contractor encountering asbestos in the transformer vault.

Question 30: Is the contractor on schedule?

Answer: No, the contractor is not on schedule. The original contract period was March 1988 to May 1989

Question 31: When will the project be finished?

Answer: The current contract completion date is September 30, 1989. This is a full year before the Environmental Protection Agency deadline for removal of PCBs from Federal buildings.

Emergency Repairs

Question 32: Your justification (p. 241) requests \$200,000 for emergency repairs throughout the Smithsonian Institution. What was the level of emergency repairs experienced in FY 1987? Please provide a list of the FY 1987 emergency repairs, including a description of each project, for the record.

Answer: In FY 1987, the Institution spent \$49,785 out of the \$50,000 budget for emergency repairs. A description of each of these projects follows:

<u>Project Description</u>	<u>Cost</u>
Purchase of aerofin cooling coils for the National Museum of American History	\$6,752
Purchase stainless steel coil casing for the National Museum of American History	548
Study potential health hazard in East Tower offices in the Arts and Industries Building	1,752
Repair of guardrail on the summit concrete road for personnel safety at the F. L. Whipple Observatory	24,000
Installation of safety barricades at the National Air and Space Museum	<u>16,185</u>
TOTAL	\$49,785

In addition to the funding specifically earmarked for emergency repairs, some work related to repairs of an emergency nature is done as part of R&R projects in other categories. For example, in 1988 the Smithsonian used funding for Fire Protection projects in several buildings to pay for the emergency replacement of locking mechanisms on fire doors in these buildings to improve safety of visitors and staff. In order to retain sufficient funding to handle unexpected situations that may develop, especially towards the end of the fiscal year, Smithsonian uses funding from the emergency repairs category only as a last resort, and will use other funding if possible. For instance, over the last several years, the Institution has redirected small residual balances remaining at the conclusion of other projects to fund a number of emergency repair requirements. The Office of Plant Services also uses Salaries and Expenses funds, if available, to make many of the needed repairs that it identifies in the course of routine inspection. Since much of this work is done as part of other projects, there is not a complete listing of emergency repair work funded by other sources.

The increase in funding that the Smithsonian is requesting for FY 1990 will enable it to establish a more adequate base level to fund these emergency repairs. If adequate funding levels are not available in the R&R account to cover emergency repairs, there is a risk of not being able to replace a piece of failed equipment or make a critical safety correction without deferring other much needed repair work.

National Zoo

Question 33: The budget (p. 225) requests \$4,500,000 for phase II of the Amazonia Exhibit. When do you expect to complete work on the exhibit and open it to the public?

Answer: Construction will be complete and the exhibit will open to the public in the Spring of 1992.

Question 34: Do you expect to be able to complete the exhibit within the \$12,200,000 estimate provided to the Subcommittee last year?

Answer: Yes, \$12,200,000 is still our current working estimate for the cost of the exhibit.

QUESTIONS SUBMITTED BY SENATOR JAMES A. McCLURE

Budget Planning

Question 35: As part of the FY 1990 planning and budget process at the Smithsonian, bureau and office directors submitted "operational plans and priorities" for the next five years to members of the Secretary's Management Committee (pg. 2). These plans and

priorities were reviewed by the Management Committee who provided written feedback to bureaus. After a further review and refinement, the budgets were submitted. At what point in the process do "operational plans and priorities" become bureau budget requests to the Smithsonian?

Answer: The reference to "operational plans and priorities" that the bureau and office directors submit to central Smithsonian management represents a relatively new step in the Institution's planning and budgeting cycle. The Smithsonian's Office of Planning and Budget introduced this new step prior to FY 1989 budget formulation. This new step created a planning phase that precedes annual budget formulation. During the planning phase, bureaus prepare long range goals and objectives and a set of corresponding action steps, which they prioritize for the next five years. These goals, objectives, and action steps represent "operational plans." Bureaus later submit budget requests for their highest priority action steps if these action steps cannot be undertaken with base resources.

Question 36: What was the amount of the Smithsonian's FY 1990 request of the various bureaus to the Secretary's Management Committee?

Answer: Smithsonian bureaus and offices requested increases totalling over \$27 million for support of existing programs and other program initiatives in their budget requests for FY 1990.

Question 37: What was the amount of the Smithsonian's FY 1990 request to OMB for "Salaries and Expenses?"

Answer: Of the \$27 million requested by the bureaus and offices the Institution included \$12.1 million for new and expanded program requirements in its FY 1990 budget request to the Office of Management and Budget.

Question 38: Generally, what instructions did OMB give you in formulating your FY 1990 request?

Answer: The Institution received no special instructions other than the broad guidance for budget formulation contained in OMB Circular A-11. OMB did provide specific guidance on our FY 1990 Congressional budget request that stipulated that the Institution cover the increased costs of the following items within the President's allowance:

- Federal Employee Retirement System
- Health Insurance
- Security Guard Salary Upgrade
- Annualization of the Partial-Year Costs of the New FY 1989 Positions
- Full-year Costs of the January 1989 Pay Raise
- D.C. Water and Sewer Payments
- Major Scientific Instrumentation

Reinforcement of Administrative Infrastructure (i.e., Accounting System, Financial Analyst, Investigator)
 Adjust for reduction in Postage Costs Related to the Proposed Establishment of a Special U.S. Government Mail Class

Base Adjustments

Question 39: The guidance from the Office of Management and Budget mandated that all federal agencies permanently absorb the cost of the January pay raise. According to the Institution's budget, you have elected to apply the additional dollars in the FY 1990 allowance provided for other "inflationary adjustments" to the pay raise. If you are using base adjustments for pay, how do you plan to pay for those adjustments?

Answer: Because of the importance of fully funding personnel, Smithsonian management decided to absorb inflation in nonpersonnel objects of expense. Therefore, the Institution applied the full amount that OMB included in an aggregate calculation as a general inflation allowance for nonpersonnel expenses to cover instead the costs of the pay raise.

Question 40: How did the Institution determine which base adjustments to fund and which base adjustments to reallocate for pay adjustments? Did OMB approve this reallocation?

Answer: In general, OMB provides a degree of flexibility in the passback, as long as the total dollar level of the passback for Salaries and Expenses does not change. The Institution made a general determination that it could better afford to absorb inflation in equipment, supplies and materials than to absorb higher pay costs by holding vacancies for lack of funds. Our OMB examiner approved this reallocation.

Question 41: On page 26, the justification indicates that the total uncontrollable expenses are \$7,419,000. An additional \$5,606,000 is necessary for the legislated pay requirements. The justification indicates that part of the base adjustments were used to fund the pay costs. Is it accurate to say that the total uncontrollable costs are \$13,025,000 (\$7,419,000 + \$5,606,000)?

Answer: Yes. The total additional funding that the Institution requires for uncontrollable costs above the FY 1989 appropriation is \$13,025,000 (approximately 85 percent of the total increase for Salaries and Expenses for FY 1990).

D.C. Government Water and Sewer Payments

Question 42: In the past, the District of Columbia's Federal appropriation has covered the cost of water and sewer service for the Federal buildings in the District (pg. 30). In FY 1990, however, the D.C. government will propose legislation which will authorize them to

bill Federal agencies separately. This additional cost of \$3,675,000 is considered a base adjustment.

A similar proposal was made by the D.C. government last year but was not enacted. If the legislation authorizing the D.C. government to bill agencies separately does not pass, should the Institution's budget be reduced by \$3,675,000?

Answer: If the legislation authorizing the D.C. government to bill agencies separately does not pass, then the Institution will not have to bear these costs for FY 1990.

New Staff

Question 43: The budget for FY 1990 indicates that the Institution has expanded efforts to achieve cultural and ethnic diversity in its professional staff (pg. 3). The Institution feels that a more diverse professional staff will shape future Smithsonian programs and exhibitions to reflect more accurately the nation's cultural and ethnic composition. Twenty-two qualified candidates have been found and some have been appointed to temporary positions. Can you describe the process the Institution went through to determine that the current staff did not represent our nation's composition?

Answer: As described earlier, the Institution strongly oriented the focus for these particular positions toward research/curatorial positions. We have been aware of our under-representation in these occupations for years as a result of our regular reports for the Equal Employment Opportunity Commission (EEOC), which compare our statistics to national labor force. The Institution has good representation in its Clerical and Other positions as defined in the PATCO (Professional, Administrative, Technical, Clerical and Others) categories, but has always been weak ("manifest imbalance") in its Professional category which is of course the area most critical to the mission of the Institution.

Question 44: Does the composition of staff differ from the rest of the nation?

Answer: Low minority and female representation is not unique to the Smithsonian, but true throughout the museum and professional research fields. In 1984, the Commission for Museums for a New Century, established by the American Associations of Museums, underscored this point in its report, Museums for a New Century:

"We are also concerned about the status of minorities and women in the museum work force. The cultural pluralism that museums celebrate is not manifested in the composition of museum staffs. It is a troublesome truth, not an unfair stereotype, that the museum work force is largely white and dominated in the upper echelons by men. Although there are virtually no quantitative data about the work force in museums, it would be hard

to dispute the fact that few minorities hold professional positions in museums and few women can be found in high levels of management. ..." (page 82)

The underrepresentation of minorities and women is a complex situation that will not change overnight, but it must change. In a society where occupational stereotypes are at last diminishing, museums must not lag behind. Of equal concern is the effect the composition of the museum work force has on the capacity of museums to show and interpret all facets of our heritage from a fair and balanced perspective." (page 84)

Question 45: What do you mean when you say that a "more diverse professional staff will shape future Smithsonian programs and exhibitions to reflect more accurately the nation's cultural and ethnic composition?"

Answer: The professional staff are those persons responsible for designing exhibitions and public programs, and as long as the staff is primarily composed of males with a Eurocentric background, that bias will likely remain apparent in their selection of program topics and its public interpretation. It is only by introducing other more diverse perspectives into the planning and design process of its exhibitions and programs themselves that the Smithsonian will eventually reflect the diversity of cultural values and attitudes which exist in the population of this country. In order to fulfill its basic mandate of "the increase and diffusion of knowledge," the Institution must find broader ways of defining "knowledge" and other ways to present that knowledge in order to "diffuse" it more widely.

Question 46: Why was a decision made to add staff rather than handle the problem through attrition?

Answer: Turnover at the Smithsonian has historically been very slow. We have researchers here who have been at the Institution for over thirty years. The same is true of curatorial positions. For this reason, if we were to leave this evolution process to normal attrition, the resultant (desired) effects would be even slower and the catalytic aspect much more diffuse.

Question 47: Are you creating positions not contemplated in your five year operational plan?

Answer: The Smithsonian did not contemplate these positions in the Five-Year Prospectus, FY 1989 - FY 1993, which the Regents approved in February of 1988, but has included them as part of the Prospectus for FY 1990-FY 1994, which the Regents approved in January 1989.

Question 48: Has the five year plan been altered for this purpose?

Answer: Yes, as stated above.

Question 49: What are some of the positions to which the 22 candidates have been slated?

Answer: Some of these positions include:

- Reference Librarian, Smithsonian Institution Libraries
- Archeologist, Museum of Natural History
- Anthropologist, Museum of Natural History
- Curator, Museum of American Art
- Education Specialist, Museum of American Art
- Public Program Coordinator, National Portrait Gallery
- Program Specialist, Office of Interdisciplinary Studies
- Director, Committee for a Wider Audience

Question 50: Is this effort part of the 23 point action plan discussed at last year's hearing?

Answer: Yes, the Institution has developed this effort as part of the 23 point action plan, "Strategies for Affirmative Action Hiring," discussed at last year's hearing.

Question 51: How do these 22 positions relate to the 98 additional workyears requested in FY 1990?

Answer: Twenty of the 22 professional positions require one workyear each. The remaining two professional positions (the two staff scientist positions for STRI) are half-time positions, with one-half workyear associated with each position. In addition, the six support positions require 6 workyears. Therefore, 27 of the 98 additional workyears for FY 1990 are associated with this initiative.

Repair and Restoration

Question 52: The FY 1990 budget requests \$26.6 million for the Repair and Restoration account to continue addressing the backlog of maintenance needs. This account is divided into two sub-accounts. The first is called "Major Capital Renewal" and the second is called "Repairs, Restoration and Code Compliance." The "Major Capital Renewal" subaccount is designed for the cyclical replacements of major building systems, equipment and major renovation projects required to assure long-term preservation of the buildings. The Repairs, Restoration and Code Compliance subaccount is designed to meet health and safety needs. Can you elaborate on the distinction between these two subaccounts?

Answer: The primary distinction between these two subaccounts is one of magnitude. Buildings require routine, ongoing repairs in order to ensure continued operation and long term preservation, as well as modifications to meet life safety and health regulations. The routine repairs can range from patching and mending roofs, fences, sidewalks and roadways; refinishing walls, windows and doors; pointing and caulking exterior stone joints; and repairs to heating, ventilating and air conditioning (HVAC) equipment; to replacement of roofs, terrace paving materials, floors, windows, and HVAC equipment

and components. Modifications for life safety and health and security purposes include installation of fire detection and suppression systems and removal of hazardous substances such as asbestos.

Periodically, building systems reach the point where no amount of repair or replacement of individual components can ensure continued operation. This is particularly true of heating, ventilating and air conditioning, electrical and plumbing systems, major components for which complete replacement is necessary when they reach the end of their useful life. These large scale replacement projects require large amounts of long term funding, and complex logistical planning to avoid major disruption to programmatic activities. These major replacement projects are requested in the Major Capital Renewal subaccount.

Question 53: Which subaccount is designed to address the backlog of maintenance?

Answer: Funding in both the Repairs, Restoration and Code Compliance subaccount and the Major Capital Renewal subaccount reduces the backlog of essential maintenance and repair. Projects in the Major Capital Renewal subaccount, such as the replacement of the HVAC, electrical and plumbing systems at the Natural History Building, and HVAC replacement at the American History, Arts and Industries and American Art and Portrait Gallery Buildings, constitute more than one-half of the currently defined backlog. The remainder of the backlog work falls in the Repairs, Restoration and Code Compliance subaccount.

Question 54: In a response for the record at last year's hearing, the Institution indicated that the backlog of maintenance and repair was \$197 million. \$20 million was provided in FY 1989 in the Repair and Restoration of Buildings account, yet the FY 1990 justification indicates that there is still a backlog of \$197 million. Was the \$197 million estimate updated prior to the printing of the document?

Answer: The Institution updates the estimate for the R&R backlog annually in February. The Institution was not able to include an updated estimate in the FY 1990 budget document. The estimate of the backlog as of February 6, 1989, is \$195 million. Although the FY 1989 funding of \$20 million reduced the 1988 backlog estimate of \$197 million, the facilities inspection program revealed additional items to add to the backlog, as well as some changes to the previously estimated costs of items.

Question 55: In another question for the record at last year's hearing, you pointed out the Institution's plans to request \$35 or \$40 million annually to eliminate the backlog. Since the request totals \$26 million, what happened? Does OMB not agree with the need?

Answer: The Office of Management and Budget has supported the expansion of the Institution's R&R program for the past several years, within the constraints resulting from the tight budgetary situation. Smithsonian management has thoroughly briefed our OMB

examiner on the Institution's need for additional resources to repair and restore its aging physical plant. While OMB is sympathetic to the need, the realities of the current economic climate have forced it to hold the R&R account to a slower rate of growth than the Institution believes is necessary. As a result of the Institution's appeal to OMB's initial passback, which allowed an increase of \$4.3 million over the FY 1989 level for R&R, OMB approved a further \$1.7 million, indicating their endorsement for the need to give greater emphasis to the backlog in the budget.

Question 56: Could the Institution have shifted funding within the OMB allowance to increase the R & R account?

Answer: Technically, yes. The Institution considered such a shift in order to bring the R&R request closer to the optimal level of \$35 million given the backlog. However, any significant shift would have reduced the funds within the Salaries and Expenses account to meet uncontrollable expenses, affirmative action responsibilities, research support, collections management, financial management improvements, and R&R support staff. The construction budgets are similarly tight with the Institution requesting funds for only the highest priority needs such as planning for the renovation of the General Post Office Building, critical research support projects at the Tropical Research Institute and development of the Amazonia exhibit at the National Zoological Park. In light of these program and construction needs, the Institution believes that its FY 1990 budget represents a balanced request in the present tight budget situation.

Major Capital Renewal

Question 57: You have requested an additional \$9.95 million in FY 1990 for the Natural History Building. Of these funds, \$9.0 million is for the first phase of construction and emergency replacement of electrical and HVAC equipment not expected to remain operative throughout the construction period (pg. 233). This effort stems from the ongoing study of the Natural History Museum Building called the "Master Implementation Plan." Of the items listed on page 232, what will the \$9.0 million cover?

Answer: The \$9.0 million will cover (1) design and construction of chiller plants (air conditioning) and (2) the design of the east and west wing mechanical equipment penthouses.

Question 58: When will the "Master Implementation Plan" be completed?

Answer: The architectural engineering firm contracted by the Institution will complete the Master Implementation Plan by July 1989. The preliminary version of the Plan envisions a schedule that, in coordination with Museum activities, organizes the design and construction tasks into a period of 12 years, ending in the year 2000.

Question 59: What do you anticipate to be the total costs of this effort?

Answer: The architectural engineering firm is preparing a comprehensive estimate of the total cost as part of the Master Implementation Plan. The preliminary estimate is that the cost will exceed \$100 million.

Question 60: Are similar planning efforts underway at other museums?

Answer: The Institution has had a similar planning effort done for the American History Building, and renovation is currently underway. In addition, Smithsonian staff have initiated inhouse planning for Major Capital Renewal projects at the American Art and Portrait Gallery Building and the Arts and Industries Building, but we have not retained any outside consultants to date.

Museum Shop Receipts

Question 61: In FY 1989, the Institution anticipates self-generated revenues from various sources to total \$192 million and the profits from those receipts are anticipated to total \$26.5 million? Can you break down the sources of these revenues?

Answer: The sources of projected revenue are as follows:

	<u>Gross Sales</u>
	(\$000,000)
Smithsonian Magazine	\$79
National Associates	21
Resident Associates	6
Air & Space Magazine	8
Museum Shops	29
Mail Order	25
Concessions	4
Product Development & Licensing	1
SI Press	<u>19</u>
	\$192

Question 62: What are the allowed uses of these funds?

Answer: The net income from auxiliary activities is allocated annually through our trust fund budget process. Their use is approved each year by the Board of Regents. The net income along with other unrestricted trust funds provide the Institution with supplemental base support as well as that extra margin for experimentation and bold initiatives. These funds are a major source of revenue for the Regents Collection Acquisition program, Scholarly Studies program, Special Exhibitions program, and Fellowship

programs. In addition unrestricted funds provide an annual transfer of \$3.0 million to build our endowment.

Question 63: What have been the traditional uses of these funds?

Answer: During FY 1988 available unrestricted trust funds from all sources were allocated to Institution wide priorities including \$1,883,000 for acquisitions, \$3,160,000 for special exhibitions, \$2,949,000 for fellowships, \$2,950,000 for scholarly research, and \$550,000 for educational outreach. Translated into specifics, trust funds purchased a painting for \$600,000 entitled "Yliaster" by Mardsen Hartley for the National Museum of American Art, an 1829 portrait of Edward Hicks by Thomas Hicks for \$371,250 for the National Portrait Gallery, and a painting by Phillip Guston done in 1976, entitled "Ancient Wall" for the Hirshhorn Museum and Sculpture Garden. Funded exhibitions include "Women in the Progressive Era" at the National Museum of American History, "Beyond the Java Sea" at the National Museum of Natural History and "Photography of Invention" at the National Museum of American Art. 332 interns, graduate students, post doctoral fellows, and visiting scholars studied at the Smithsonian with Institutional support.

Question 64: Since there is such a large backlog of maintenance, has the Board of Regents ever discussed using these profits on that backlog?

Answer: The Board of Regents has given frequent and high priority attention to the R&R account and the backlog of essential maintenance. The January 1989 edition of the Five-Year Prospectus, FY 1990 - FY 1994 contains, at the direction of the Board, an extensive projection of R&R projects for federal funding. The Regents have reviewed different uses for the Institution's Trust funds over the years, but have continued to reaffirm the use of Federal funds as the primary source of support for maintenance.

In 1978, the Board of Regents approved policy guidelines concerning the use of the Institution's trust funds. Prompted by general interest in this matter, the implementation of the Gramm-Rudman-Hollings legislation, and the very limited availability of trust funds in relation to overall needs, at its May 5, 1986 meeting the Board reexamined and reaffirmed its September 25, 1978 policies with regard to the use of appropriated and trust funds. That statement says in part "Federal appropriations are used as the primary source of support for ... maintenance, repair, renovation and construction of facilities ..." and "Physical plant improvements are funded with appropriated funds except when it is determined that the nature of the property, type of improvement, or the urgency of the project makes it appropriate to use unrestricted trust funds or trust funds provided to the Institution for a specific project."

While the Institution has made large application of trust funds to the recent major building projects of the Quadrangle and the National Air and Space Museum restaurant, it is the position of the Board that the care of the physical plant will remain a federal responsibility.

Question 65: Has the Institution staff ever recommended this to the Board? If not, why not?

Answer: The Board of Regents holds the position that the maintenance, repair and renovation of our buildings should remain a Federal responsibility. Because of this and the very limited availability of trust funds, Smithsonian management continues to feel strongly that the use of such funds for building care is neither possible nor desirable.

Question 66: What happened that made you increase your estimate of FY 1989 receipts from \$179.7 million to \$192.2 million?

Answer: The revenue estimates for our auxiliary activities are influenced by many factors, including the strength of the economy, inflation, projected visitor counts, the success of marketing and advertising, etc. Several of these factors contributed to the increased estimate for FY 1989 gross revenues, and our revised estimate for related expenses reflects a similar increase. However, the original estimate for FY 1989 was developed in April 1987, almost a year and one-half before the beginning of FY 1989. In revising the estimate of FY 1989, we had the benefit of reviewing the FY 1987 actual results as well as more current trends.

Submillimeter Telescope Array

Question 67: Design of the submillimeter telescope array was initiated with funds provided in the FY 1989 appropriations bill. The telescope array will provide the prospect of detecting and studying gas falling into very young stars and will help in acquiring the knowledge of how stars are formed.

The total cost of the project is estimated to be \$30 million with an additional 25 percent for a site in Hawaii. Is the \$30 million estimate an estimate made in 1987? If so, what is the 1989 estimate?

Answer: Yes; the \$30 million figure represents the 1987 estimate and is in 1987 dollars. The 1989 estimate is the same as the 1987 estimate. If, however, we wish to convert this estimate to 1989 from 1987 dollars and consider the mean inflation rate to be 4 percent per year, then the total becomes \$32.4 million in 1989 dollars.

Question 68: What do you anticipate will be the total cost by the operational date of FY 1995?

Answer: The estimated total cost of \$30 million in 1987 dollars for construction within the continental United States remains valid today. The actual cost will depend on the rate of inflation and the choice of site. If the inflation rate were 4 percent per year through FY 1995 and the site were in the continental United States, then the cost would be slightly under \$35 million. For construction

on a site in Hawaii, as reported previously, the total cost would be about 25 percent higher.

Question 69: In response to a question for the record at last year's hearing a cost estimate was provided for the telescope array. Please provide an update of that cost estimate as well as an explanation of any changes in the estimate.

Answer: SAO is preparing a new chart, which the Institution will supply to the Committee; only the distribution of costs with respect to time of the individual items will be different from last year's chart.

Question 70: Why is the Institution requesting \$1,281,000 in FY 1990 for the array when the estimate included for the record last year indicated that \$1,722,000 would be necessary. Is the anticipated design cost dropping from the original \$1,722,000 to \$1,281,000?

Answer: The request for \$1,281,000 for the submillimeter telescope array in the Major Scientific Instrumentation line-item is for non-salary expenses only. In addition, the Institution is requesting \$142,000 in the SAO line-item for salaries and related expenses for three persons. The \$1,722,000 in the estimate for the record consists of \$1,300,000 for non-salary and \$422,000 for salary and related expenses. Thus, the difference between last year's estimate and this year's request is \$19,000 for non-salary expenses and \$280,000 for salary and related expenses. The non-salary expenses difference is small; the salary and related expenses difference is more substantial, and reflects a decision by the Institution to postpone hiring several staff. The effect on the total cost of the project of this postponement will be at most a few percent.

The anticipated design cost has not dropped from the original \$1,722,000. However, the distribution of costs with respect to time of the various design sub-tasks will be different.

Air and Space Museum

Question 71: The FY 1989 justification indicated that a study was under way on the possible expansion of the Air and Space Museum. In response to a question for the record at last year's hearing, the Institution indicated that a portion of the \$1.0 million requested in FY 1989 for construction planning may be used for the NASM Extension project. What are your FY 1989 plans for the NASM Extension project?

Answer: With \$300,000 in FY 1989 construction planning funds, the Institution is initiating a study to evaluate the sites under consideration for locating the proposed Extension, including the Dulles International Airport and the Baltimore-Washington International Airport. In January 1989, the Institution selected an architectural and engineering firm to prepare this study. The firm will provide a summary of the preliminary findings of the site

evaluation study in September 1989 and the complete site evaluation report in December 1989.

Question 72: What is included in the FY 1990 budget for the NASM Extension project?

Answer: The Institution has not made a final determination of the distribution of construction planning funding for FY 1990. The purpose behind the Institution's request for Construction Planning resources as a lump sum is to retain flexibility in defining priorities for use of these funds in developing long-range expansion plans. This allows the Institution to conduct detailed planning for development of a range of critically needed new facilities depending upon which of them are more advanced in terms of programmatic concept development and requirements definition. It is likely that the Smithsonian will use some of the FY 1990 Construction Planning funds for this project since its current plans call for initiation of a detailed Master Plan of the proposed NASM Extension in March 1990. The Institution has not yet determined the cost for this planning.

National Museum of American History

Question 73: You have requested an additional \$430,000 in FY 1990 for the National Museum of American History (pg. 98 & 102). These funds are requested because the museum has filled its available storage and asbestos contaminated buildings at another location. What are the costs to decontaminate the Silver Hill buildings?

Answer: The Smithsonian has not made a detailed estimate of the costs to decontaminate all the Silver Hill buildings, but a preliminary estimate of the cost to decontaminate one building is in the range of \$250,000 to \$350,000. This estimate does not include the cost of cleaning the objects now stored in the contaminated building, nor does it include provision of "clean rooms" in which to store decontaminated artifacts while building decontamination is in progress. Both of these items are very costly and the entire decontamination process (including objects and building) takes a number of years and considerable staff time. The National Museum of American History needs storage space immediately to relieve the severely overcrowded conditions of its collections on the Mall. The decontamination of Silver Hill buildings will not result in additional space for these collections.

Question 74: Is there a particular reason why the costs of utilities, security and safety alterations (\$183,000) are almost as much as the rent (\$247,000)?

Answer: The requested increase of \$430,000 provides funding both for the actual space rental and for the support costs to ensure use of this space for the secure storage of museum collections objects. The security and safety requirements essential for collections storage causes the relatively high costs of this support. The Institution will have to cover the cost difference between the level of security acceptable for an industrial storage area and the

stricter level of protection required for museum objects (\$123,000 for one security post, seven days-a-week, 24 hours-a-day). Other support includes \$60,000 for utilities (which the terms of the rental agreement does not cover). The Institution had requested a portion of this increase for the purchase of some collections storage equipment (to allow the Museum to use this space to its fullest capacity) under the initial request, but the Institution will now require the use of that funding to cover the higher salary cost for the security guards because of the recent guard salary upgrade.

Question 75: When will the museum be renovated so these stored items can be displayed?

Answer: The National Museum of American History's Master Coordination Plan encompasses a phased renovation of the building beginning in FY 1988 and running through FY 1992. In addition, the museum will be reinstalling permanent exhibitions and renovating basement spaces, where collections are stored, through FY 1995. As the Museum completes its renovations, it will place some of the stored objects on display, but a significant percentage of the collections will remain in storage. Museums characteristically can display only a small percentage of total holdings. Many of the new exhibits will include newly acquired objects, loans from other museums, as well as owned objects. The museum has a well-documented need for additional permanent offsite storage space.

Question 76: How long do you anticipate the rental agreement will be for the space?

Answer: The Museum will need leased space until permanent replacement storage space is available. The Smithsonian's "Suitland Master Plan" includes the development of a new facility for the Museum to replace the existing primary offsite storage buildings at Suitland, known as "Butler buildings." The Smithsonian's architectural site survey projects that the end of the useful life of these Butler buildings will occur sometime between 1996 and 2000, even with maintenance. The Institution constructed these Butler buildings, providing 110,000 square feet of storage, as temporary structures initially; over the years, they have deteriorated beyond utility for the most part. The Museum will need leased space at least through the years 1996-2000, and the current lease gives the Museum the option to rent through 1997.

Smithsonian Institution Traveling Exhibition Service

Question 77: The Smithsonian Institution Traveling Exhibition Service (SITES) is the largest traveling exhibition service in the world. It draws from Smithsonian collections as well as other museums (pg. 160). In FY 1987, 396 exhibitions were booked around the country and in FY 1988, an additional 333 exhibitions were booked. How does the Smithsonian determine where to book an exhibition?

Answer: Many factors determine where a SITES exhibition will circulate. Because the Smithsonian's traveling exhibitions cover a wide variety of topics and are applicable to museums large and small, the process of booking them involves an institution's subject matter interests, audience needs, financial capabilities, and physical facilities.

These are among the questions that enable SITES to schedule a traveling program that meets the needs of a specific exhibitor:

- o Has the exhibitor contacted SITES and lodged a special request for an exhibition? (SITES respects a first-come-first-served ethic in noting expressions of interest.)
- o What topics are covered in the exhibition? Do they address the interests and/or concerns of an exhibitor's primary audience?
- o How much security does the exhibition require? Is the exhibitor capable of providing adequate guard, light, and climate protection for the show's safekeeping?
- o How much space does the exhibition occupy when installed? Does the exhibitor have the gallery and/or display area needed to accommodate the show?
- o Can the exhibitor afford the participation (rental) fee? Can the exhibitor afford the one-way outgoing shipping fee (required of all exhibitors)?
- o Do the calendar periods of available bookings coincide with openings in the exhibitor's program schedule?
- o Does the booking request involve a state or region that is not represented fully in the exhibition's itinerary?
- o Has the exhibition tour been arranged in cooperation with an external organization, such as a State Humanities Council, to increase its availability in a given state or region through a consortia of museums that subsidize bookings collaboratively?
- o Does the exhibition reach underserved audiences and/or facilities? minority audiences? non-traditional settings? small organizations that usually cannot afford exhibitions without special subsidies?

SITES will then make the final decision on whether a particular organization can fulfill the specific security, environmental, and other requirements necessary to accommodate the particular exhibition.

Question 78: Do you work to attain some sort of geographic distribution?

Answer: As stated above, SITES attempts when booking exhibitions to reach a broad geographic distribution. The leading principle in scheduling a show, however, is to address an exhibitor's

specific needs. Providing programs that will help museums and cultural organizations serve their own audiences is SITES' chief responsibility. Increasing the proportion of exhibitions directed to underserved groups -- minority cultures, schools, non-traditional museum audiences -- is another of SITES' key priorities.

The demand for SITES exhibitions varies geographically, independent of SITES' conscious programmatic decisions. While a wide and balanced geographic distribution is desirable, some areas of the country request program services less than others. In some places, for example, constrained economic conditions preclude active participation in cultural programs. Other areas have few or no museums in which to place exhibitions. Still other communities house museums that financially are strapped. Often these institutions prefer to commit their resources to maintaining their own collections, rather than to renting temporary exhibitions. SITES' exhibitor base numbers over 2,000 throughout the country, but external cultural, economic and political factors beyond SITES' control combine to determine the specific regional geographic distribution of that base.

Question 79: Of the 729 exhibitions held during FY 1987 and FY 1988 is there a reason why only 24 were held in the Pacific Northwest? Is attendance a problem?

Answer: The Pacific Northwest is one region of the country with relatively few large metropolitan centers and sparsely located exhibiting organizations. These factors, coupled with problems of economic depression and failing industries, probably account in part for limited exhibition bookings. SITES has noted a marginal increase over the past year in the number of exhibitions booked in Idaho, an apparent exception to this trend. For the most part, however, museums and other exhibitors in the Pacific Northwest find themselves so constrained financially as to prohibit the rental of traveling exhibitions, supporting instead their own basic operations and maintenance costs. Attendance figures by themselves never enter in as a consideration for SITES when booking an exhibition; but museum attendance and local financial support may be key factors to individual museums in their decision as to whether to spend their scarce resources on a traveling exhibition or on their own basic programs.

SITES has begun to investigate ways of reducing exhibit rental fees to increase the availability of Smithsonian exhibitions in economically fragile institutions. Achieving this goal is difficult, however, because SITES must break even on virtually every expense it incurs in producing exhibitions. Accordingly, SITES must recover through its rental fees not only the costs of designing and constructing exhibitions, but also the expenses of maintaining the Trust-funded positions for its full-time professional staff. The total of these costs is roughly three times the amount of support SITES receives in Federal funds.

Minor Construction, Alterations and Modifications

Question 80: In FY 1989 the Minor Construction, Alterations and Modifications category was established and funded with \$2,020,000 in the Construction account. The Institution argued, and Congress agreed, that this change would enhance the Institution's ability to make minor alterations to existing space generally used for exhibits.

Language was included in the FY 1989 Conference Report which allowed the Institution to reprogram within this funding if there were higher priority construction needs. What have you allocated for this category in FY 1989?

Answer: The Institution has allocated funds in the Minor Construction, Alterations and Modifications category to the following projects:

NMAH Mezzanines	\$370,000
NMNH Space Modifications	\$230,000
A&I Bldg Space Modifications	\$660,000
AA&PG Portico Lighting	\$35,000
NASM East Wing Space Modifications	\$215,000
STRI Gamboa Dock Replacement	\$300,000
SAO Communication Network	\$120,000
Archives Storage Building	\$15,000
NMNH Photo Lab Improvements	<u>\$75,000</u>
Total	\$2,020,000

Question 81: What is the distinction between this category and the Repair and Restoration of Buildings?

Answer: The Minor Construction, Alterations and Modifications category in the Construction account includes projects to provide adequate and appropriate space for ongoing programmatic activities rather than to satisfy repair or preservation considerations. Projects generally involve changes or renovations to existing space or minor additions to space of under \$1 million. The Repair and Restoration of Buildings account provides funding exclusively for those projects that the Institution requires to ensure the continued efficient operation of building systems and equipment, long term preservation of interior and exterior components, and modifications to buildings to meet life safety and health codes and security requirements.

Question 82: How much of the FY 1989 funds do you anticipate obligating in FY 1989?

Answer: The current estimate is that the Institution will obligate about 65 percent of the Minor Construction, Alteration and Modification funds this year.

Question 83: Please provide for the record an analysis of the use of the FY 1989 funds.

Answer: The following is an analysis of projected FY 1989 obligations by project for FY 1989 funding in the Minor Construction, Alterations and Modifications category. Progress in four of these projects (NMNH Office Space Modifications, NASM East Wing Space Modifications, STRI Gamboa Dock and OPPS Photo Lab Improvements at NMNH) has been slower than the Institution originally anticipated. While these four projects are currently under design, contract documents will not be ready in time to complete a contract award this year. The Institution will award the contracts in early FY 1990.

<u>Project</u>	FY 1989 Budget <u>Authority</u>	Projected FY 1989 <u>Obligations</u>
NMAH Mezzanines, All Floors	\$370,000	\$370,000
NMNH Office Space Modifications	230,000	23,000
AIB Misc. Space Modifications	660,000	660,000
AAPG South Portico Lighting	35,000	35,000
NASM East Wing Space Modifications	215,000	43,000
STRI Gamboa Dock	300,000	30,000
SAO Communication Network	120,000	120,000
SIA Storage Building Renovation	15,000	15,000
OPPS Photo Lab Improvements, NMNH	<u>75,000</u>	<u>5,000</u>
TOTAL	\$2,020,000	\$1,311,000

National Zoo--Amazon Exhibit

Question 84: In FY 1989, \$3.2 million was provided to begin construction of an exhibit duplicating a portion of the Amazon river. The FY 1989 funds were to be used to modify the existing polar bear exhibit and the FY 1990 request of \$4.5 million is for actual construction. How much of the \$3.2 million do you anticipate obligating in FY 1989?

Answer: Of the \$3.2 million, the NZP anticipates obligating between \$75,000 to \$100,000 to complete the design work and to fulfill the horticulture needs of the exhibit. The Zoo will combine the balance of the FY 1989 funding with the FY 1990 funds to award the construction contract early in the first quarter of FY 1990. This approach will give us the most efficient use of the funds available.

Question 85: Is the total cost of the exhibit still \$12.2 million?

Answer: Yes, this is still our working estimate for the complete exhibit.

Question 86: Are there any additional enhancements anticipated?

Answer: The Zoo does not anticipate any major enhancements. Since the exhibit will feature the latest ongoing research in tropical biology, the Zoo will update it regularly.

Question 87: Please provide for the record a breakdown of the work schedule and funding requirements for this exhibit.

Answer: July 1989 - design complete (previously funded)

October 1989 - award the construction contract for the Amazonia Exhibit (FY 1989 and FY 1990 appropriation)

October 1990 - award the construction contract for the Amazonia Gallery (to be funded with non-appropriated funds)

Spring 1992 - opening of the complete Amazonia Exhibit

Child Care Center

Question 88: What is included in the FY 1990 budget for the Child Care Center?

Answer: There is no funding in the FY 1990 budget for the Child Care Center. The first Smithsonian Child Care Center opened in the Museum of American History in the fall of 1988. The second center will open in the Arts and Industries Building. The Institution will award contracts for the design and construction of the second center this fiscal year using funds appropriated in FY 1989 for this purpose.

General Post Office

Question 89: In 1984, the President signed legislation authorizing a transfer of the General Post Office Building from the General Services Administration to the Smithsonian Institution without reimbursement. The occupants of the building have moved out of the building and the GSA is in the process of transferring custodianship of the building to the Smithsonian.

In FY 1990, \$1,750,000 has been requested for renovation design for the building. In addition, as I understand it, you are also in the process of performing a "use study" of the building prior to occupancy. What is the status of the transfer?

Answer: The General Services Administration has not transferred the building to the Institution and continues to use it effectively as temporary housing for employees of other agencies. The

Smithsonian has agreed that continued temporary occupancy of the building is beneficial from a safety and deterioration standpoint until renovation can begin.

Question 90: Why are you requesting funds for renovation design when the use study is ongoing?

Answer: Over the past five years, the Institution has gathered substantial information on the building's history and possible uses. The Institution is presently refining this information with affected bureaus and offices and by the end of FY 1989 will have determined specific program requirements for the building. As envisaged at present, the building will house the significant archival, graphic arts, and special manuscript collections of the Smithsonian. In addition, space will be available for scholars who require access to these collections including several specific documentary history projects. In addition, the Institution will establish common use facilities for paper conservation, photography, etc. to meet remedial needs of a number of Institutional bureaus and offices. Planning will also give careful consideration to developing appropriate public spaces in the facility for exhibition and education. The Institution believes that it can best accommodate these activities in the GPO Building for both programmatic and fiscal reasons. Such a solution would solve many institutional problems and provide a reasonable cost alternative to implement.

Question 91: Has the Smithsonian performed a cost/benefit analysis comparing renovation of the building by us to selling the building to a private firm and then leasing the renovated space from the private owner?

Answer: We have had very informal discussions with a developer as to a possible collaborative arrangement for some commercial use of the building in return for its renovation. The relatively small size, configuration and historic character of the building appear to rule out such an arrangement. We have not considered a sale with a lease back or lease purchase provision. While we think we could handle a potential public outcry at the prospect of selling an historical landmark Federal building, the long term costs of such an arrangement would be very large. Even assuming a straight-line cost of \$30.00 per square foot, the rental cost of this 160,000 square foot building over 30 years could be \$150 million.

QUESTION SUBMITTED BY SENATOR TED STEVENS

Question 92: "Russian America: The Forgotten Frontier" will open in the summer of 1990 in Tacoma, as part of the activities surrounding the Soviet-American Goodwill Games, and will travel in the fall of 1990 to Anchorage, where it will be part of our celebration of the 250th anniversary of Bering's discovery of Alaska. This exhibit is the first-ever showing of the record of Russian activity in North America from Bering Strait to Baja California, and will occupy 4000 square feet, with 200-300 artifacts, illustrations, dioramas, and audio-visual presentations.

In addition, the "Crossroads of the Continents" exhibit which is now at the Smithsonian will travel to Alaska in 1991. My question is whether the Smithsonian can assist with transportation costs for these two exhibits ("Russian America" and "Crossroads"), and what those costs are expected to be?

Answer: The shipping of "Crossroads of Continents" -- complex in its size, diversity of materials, tour length (six years throughout the United States and Soviet Union) -- is a particularly expensive and demanding undertaking. Through SITES, the Smithsonian already is absorbing substantial shipping costs for this project.

At this time, the Institution is still assessing the full impact of unforeseen packing costs -- expenses that could result from additional crating and shipping needs. The exhibition's full itinerary also is not firmly in place. SITES has calculated the transportation costs for this exhibition not only according to the expenses required to move "Crossroads" from site-to-site, but also to the time and travel costs of couriers, conservators, and registrars who must accompany the show to each location.

Shipping: SITES estimates that the shipping of "Crossroads" from place to place will cost \$673,300. Included in this amount are the costs for exclusive-use, climate-controlled vans, which alone will require \$285,000. We anticipate that the shipping of objects to and from Smithsonian conservation laboratories for refurbishment at mid-tour will cost an additional \$10,000.

Curatorial/registration travel: SITES anticipates that the travel costs for staff to pack, unpack, and prepare each shipment for travel will cost \$24,000 for the North American leg of the tour.

Staff time: To accomplish an undertaking so complex as "Crossroads" will require the staff time of several registrars and assistants, as well as curators who will need to perform functions different from those involved in research and planning at the front-end of the exhibition. SITES will assign its own registrarial staff and also will contract for outside assistance to accomplish the many tasks at hand. Federally-funded SITES positions, pro-rated to reflect work on this tour (fiscal years 1989 through 1994), will total approximately \$175,400. Staff time funded through rental fees and outside grants will total approximately \$178,900.

How these costs will be paid: The Smithsonian is contributing towards these services in two ways; first, through the funding of Federal staff members' salaries working on this project (\$175,400). Second, through rental fees and funds that SITES has raised specifically for "Crossroads" (\$212,900). The six host museums on the U.S. tour will bear the remaining funding requirements of \$285,000 in the form of pro-rated shipping costs. Since the Smithsonian's National Museum of Natural History is the first exhibitor on the tour, the Smithsonian will also pay for its portion of these pro-rated expenses.

SITES is unaware of an exhibition called "Russian America: The Forgotten Frontier," but as part of the activities surrounding the Goodwill Games in 1990 in Seattle, SITES is organizing an exhibition entitled "Treasurers From Moscow." This exhibition of decorative objects and other works from Moscow's preeminent fine arts museums

and cultural institutions will open in the summer of 1990 at the Seattle Center, in cooperation with the Seattle Organizing Committee of the Goodwill Games and the Seattle Art Museum. A single corporate sponsor will provide funding for the Seattle showing.

Of the 150 items in this exhibition, more than half are Kremlin-owned and represent the highest level of national treasures in the Soviet Union. Included are icons, illuminated manuscripts, porcelains, glassworks, furniture, textiles, costumes, arms and armor. Because the Soviet Ministry of Culture will not allow these artifacts to reside outside the USSR for more than eight months, a multi-site tour throughout North America is not possible. However, the loan period will permit one additional showing at the Smithsonian. Fundraising for the Washington leg of the tour currently is under way.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

Question 93: Mr. Adams, I know I speak for my colleagues when I tell you how very fortunate we and our families know we are to live in the city that headquarters the Smithsonian Institution. I was truly amazed at the extent of the Smithsonian programs and activities as I prepared for this hearing.

One program I am particularly fascinated with is the Smithsonian Institution Traveling Exhibition Service, or SITES program, which as I understand it, has been in operation since 1952. According to your budget justifications, New Mexico had 11 SITES bookings in FY 1988 when 98 exhibitions toured the United States. In addition, you anticipate that 53 new exhibits will begin their tours in FY 1989 and FY 1990. For my own interest, could you provide me with a list of the exhibits that went to New Mexico and where they were shown?

Answer: During FY 1988, seven New Mexico institutions offered a total of 11 bookings of SITES exhibitions as part of their exhibition programs. In addition, SITES worked with the New Mexico State Council on the Humanities, which underwrote one of these exhibitions, "Spectacular Vernacular: Traditional Desert Architecture," to promote a coordinated series of multiple bookings of this exhibition.

SITES' work with New Mexico's State Council on the Humanities to facilitate state-wide exhibition partnerships is a model that SITES is now applying in several states across the country. Under this arrangement, SITES carries out consecutive exhibition bookings in a given region. The State Humanities Council then underwrites the collective participation and shipping fees. In some cases, SITES and Council representatives also bring together staff from the various museums in the state or region to develop specific educational programs related to the content of the exhibition.

Following is a list of SITES exhibitions in New Mexico:

<u>Exhibition Title</u>	<u>Museum/City</u>
"After the Revolution: Everyday Life in America, 1780-1800"	Aztec Museum Association (Aztec)
"Long Road Up the Hill: Blacks in the United States Congress"	Albuquerque Public Library (Albuquerque)
"Master Watercolors and Drawings from the Norton Gallery of Art"	Albuquerque Museum (Albuquerque)
"Power and Gold: Jewelry from Indonesia, Malaysia, and the Philippines"	Albuquerque Museum (Albuquerque)
"Santa Fe Trail: Photographs by Joan Myers"	Farmington Museum (Farmington)
"Spectacular Vernacular: Traditional Desert Architecture"	Maxwell Museum of Anthropology (Albuquerque) -Double Booking
	Farmington Museum (Farmington)
	New Mexico State University Museum (Las Cruces)
	Museum of New Mexico (Santa Fe)
"Vietnam Veterans Memorial"	Albuquerque Public Library (Albuquerque)

Question 94: As part of your work on the Christopher Columbus Quincentenary celebration, you also anticipate having SITES exhibits. How will you promote these exhibits to ensure their maximum exposure to the American public? Do you expect these exhibits to have a wider distribution than the Smithsonian's current exhibits?

Answer: In response to exhibitor demand nationwide, SITES is currently developing several exhibitions relating to the Columbus Quincentenary (subject to the Institution obtaining sufficient funds to complete development and production costs):

- "Columbus in America" examines the iconography of Christopher Columbus and the ways in which his name and image have been used throughout the Americas.
- "Contrasts: 40 Years of Change and Continuity in Puerto Rico" reveals changes in the Hispanic cultures of Puerto Rico, captured through the camera lens of Jack Delano between the 1940s and the 1980s.
- "Paintbrush Diplomacy: Children's Art from the Americas" explores the diversities and similarities of societies

throughout the Americas and the Caribbean, translated through artworks by school children. It also examines European influences on these cultures and how ethnic groups have assimilated throughout the continents.

- "Seeds of Change," a traveling version of the Quincentenary exhibition from the National Museum of Natural History, looks at the introduction and impact of plant and animal species into the Americas as a result of Columbus' discovery voyage.

- "Where Next, Columbus?" is a traveling exhibition based on the Air and Space Museum's major Quincentenary exhibition. The show examines the technological dimensions of Columbus' voyage and discovery, and applies those factors onto the prospects for space exploration during the next 500 years.

- Finally, SITES plans to organize a series of low-cost panel exhibitions for history and university museums that examine Quincentenary issues as matters of debate, rather than as conclusions about an historical epoch.

Recently, the National Hispanic Quincentennial Commission brought to SITES' attention an exhibition from the Museum of International Folk Art in Santa Fe, New Mexico. Entitled "Familia y Fe" (Family and Faith), it spans four centuries of life among Hispanic communities and examines how, since the time of Columbus, they have withstood the influences of cultural, political, and social change. SITES currently is analyzing the possibility of working with the Folk Art Museum and Hispanic Quincentennial Commission to co-develop and promote this show.

Promotional efforts to book these exhibitions will follow SITES' regular procedures: targeted mailings to exhibitors with interests and/or audience needs that correspond to the content of the shows; yearly announcements in Update and quarterly promotions in SITES' newsletter SITELINE; and everyday contact either by telephone or in person. SITES also intends to promote these shows by working with State Humanities Councils. SITES will dedicate blocks of an exhibition's itinerary to one state, in return for Council backing for participation and shipping fees.

If the present inquiries for Quincentenary exhibitions are a trustworthy gauge, then the demand for the SITES programs noted above will continue to be very strong. Even rural sections of the country have begun to request programs involving Quincentenary themes. While SITES does not anticipate being able to answer all requests, it is confident of making an important educational contribution to this period of historic celebration.

Question 95: On page 256 of your budget justifications, you indicate that two of the Columbus Quincentenary activities you plan through the National Museum of American History is "a series of public programs in Hispanic American history," and a major permanent exhibit titled "American Encounters" that will, among other topics, emphasize the development of Hispanic culture in the United States. Could you give us a few details on these initiatives?

Answer: The Museum of American History will present these series of public programs in Hispanic American History through a new initiative which it has established, the Program in Hispanic American History. This program, modeled on the Museum's successful Program in Black American History, will be a research-based, scholarly program which will conduct research into important topics related to the history of the development of Latino culture in the United States and present the results of the research to the public in a variety of formats: conferences, lectures, concert/colloquia, performances, and seminars at NMAH and other appropriate locations; publications; and, occasionally, exhibitions, some of which may circulate nationally as SITES exhibitions. The Museum will develop the precise program content with the assistance of a national advisory committee made up of twelve Latino scholars in the fields of history, anthropology, folklife, sociology, and political science.

"American Encounters" will be a major exhibit which will open in March 1992, on the Museum's second floor. The exhibit is about the variety of patterns of cultural inter-relationships that developed between Europeans, Indians, and Africans on the North American continent as a result of Columbus's arrival in the New World. The exhibit will look at particular places where significant inter-relationships developed in the 17th century, including St. Augustine, Florida, the oldest Hispanic settlement in the United States, and Pecos Pueblo in New Mexico. The exhibit will use archaeological material from those sites and other material from the NMAH collection to illustrate those inter-relationships. The exhibit, for which a final script will be ready in April, 1990, may also look at sites where cultural interaction has taken place in the 18th, 19th, and 20th centuries. Sites under consideration that relate to Hispanic culture are the lower Rio Grande Valley of Texas; Los Angeles, California; and Miami, Florida.

Question 96: I note that on page 5 of your opening statement you raise concerns about the existing budget climate. You indicate that FY 1990 will be a "critical year" for the development of your program to celebrate the Columbus Quincentenary. The FY 1990 budget request totals \$613,000 in Federal funding for these programs, which is the same as the FY 1989 level. As you see it, is this request sufficient to support the program in FY 1990?

Answer: The budget request of \$613,000, which simply maintains FY 1989 base funding, is not sufficient to support the Institution's Columbus Quincentenary Program in FY 1990. Over the past few years, with Congressional support, the Smithsonian has put into place the planning and development framework for this program. The Institution has provided increasing increments of Federal funding, coinciding with the increasing pace of Quincentenary Program activity as the actual date of the commemoration grows near (\$170,000 in FY 1987, \$340,000 in FY 1988, and \$613,000 in FY 1989). With the Columbus Quincentenary now imminent, FY 1990 will be a critical year to ensure continued development of these programs. Within the constraints of a "current services" budget, OMB disallowed the Institution's additional funding request (totalling an additional \$1.123 million) for FY 1990. The implications, naturally, are for reductions in the scope of our planned programs for the Quincentenary observance and a delay in implementing a permanent program on the history and cultures of the Americas, as Secretary Adams stated in his March 3, 1989

letter to Representative Sidney R. Yates, Chairman of the House Appropriations Subcommittee on Interior and Related Agencies, which follows:

LETTER FROM ROBERT McC. ADAMS

March 3, 1989

Honorable Sidney R. Yates
Chairman, Subcommittee on
Interior and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

At last year's hearings you expressed much interest in minority representation and cultural diversity objectives at the Institution. I am taking the liberty of writing to you to put forth a related item that I believe you will find most interesting, namely the Smithsonian's commemoration of the Quincentenary of Columbus' first landing in the New World. As you know, we have set in motion several initiatives that address cultural diversity; our pan-Institutional Quincentenary programs not only address these issues but several others.

Overview of Planned Programs

Before I go any further, let me direct your attention to the enclosed red packet that illustrates our planned programs for the Quincentenary commemoration, many of which have benefited from the funding that you have provided since FY 1987. As you can see, we have devoted a great deal of effort to the planning and development of these programs. I should note that there are two other programs, for which planning began too late for their inclusion in the packet. The first of these is a planned exhibition at the National Air and Space Museum entitled "Where Next Columbus?," which will make the connection between those navigators of 1492 and contemporary space exploration. The second is a collaborative exhibition by the National Portrait Gallery and the National Museum of American Art which will explore the phenomenon of the world exposition, looking specifically at the Columbian Exposition of the last century. Additional complementary activities not listed in the packet include symposia, radio and television programs, recordings, publications and outreach projects -- well over one hundred in all.

Undertaking a pan-Institutional initiative of this magnitude has made us aware of the limitations of our ability, both intellectual and material, to relate the complex history of the last 500 years. There is much research that scholars should have conducted years ago. In this sense, there has clearly been a very limited view of history, and it is certainly telling when our 142-year-old Institution is only now trying to offer a more American approach, rather than the longstanding Eurocentric one, to the last 500 years. Unfortunately,

much of what we might have been able to tell by 1992 will have to wait until later.

Underlying Objectives

The Smithsonian's Quincentenary Program falls under the aegis of the Assistant Secretary for Research, but the Assistant Secretaries for Research, Public Service, External Affairs and Museums have been working together closely to ensure that standards by which to assess proposed programs are in place. The Assistant Secretaries have developed a set of guidelines to encourage interdisciplinary collaboration, both with scholars throughout the Institution and with scholars and institutions in other parts of the United States and abroad. The guidelines also encourage broad cultural representation through objectives for wider audience participation. We also want to take every opportunity to ensure that the Quincentenary does not focus solely on the past, but that it reflects contemporary societies and cultures that emerged as the result of the encounter between the Old World and the New World cultures in 1492.

The content of the programs and presentations that we are developing must reflect these guidelines and objectives. As an example of our approach, there are well over 60 representatives from Hispanic, Afro-American, Native American and other groups that work either full-time, part-time, serve on contract, or act as advisors on many of these projects. Scholars from all over the hemisphere have participated in symposia we have held thus far, and we anticipate the involvement of more as we approach 1992.

Research Approach

The Quincentenary also has served as a natural and logical impetus to draw together a more integrative, more international approach to the study of consequences of the Encounter. We are developing a newsletter that will deal with the Quincentenary and will elaborate on research and other issues of concern within the Institution, and describe those Quincentenary initiatives that have drawn us into a network that includes Spain, Portugal, Italy, and the countries of this Hemisphere. I recently hosted, at their request, a dinner for the Ibero-American ambassadors and the cultural attaches, at which prominent Hispanic leaders also were present. It was a working dinner meant to encourage collaboration with these countries and the U.S. Hispanic community. Commissioner Fuster from Puerto Rico and Congressman Esteban Torres, as well as other members of the Congressional Hispanic Caucus, are aware of our efforts. We hope to encourage more such interactions in the future.

We know that the Smithsonian's Quincentenary Program is unique among the numerous commemorations others are planning in the Western Hemisphere and abroad. We have presented our programs to over 22 countries. The enthusiasm about the range of academic disciplines and programmatic perspectives that the Institution accommodates is allowing for a broader and richer exploration of the scientific, cultural, artistic and historical implications of the Columbus voyages. In his statement before the Senate Committee on Foreign Relations, on January 17, 1989, then Secretary of State-Designate James Baker stressed the importance of the Quincentenary and suggested "we embark on a voyage of rediscovery -- of the Caribbean and of South America." At the Smithsonian, we are committed to

understanding our neighbors in this hemisphere, and scientific and cultural initiatives are key in this process.

Future Directions

It is my hope that the programs we are developing for the Smithsonian Quincentenary commemoration will help to establish a permanent program focusing on the history and cultures of the Americas. In addition to the exhibitions and publications described in the enclosed packet, the Institution has initiated several programs that lend themselves to a permanent presence after the Columbus Quincentenary commemoration. They include the Program in Hispanic American History at the National Museum of American History, the American Indian Outreach Project, an "Institute of the Americas" and the Smithsonian Quincentenary Council of the Americas. Our Office of Quincentenary Planning is coordinating bureau-based planning for the last three of these initiatives. Let me tell you a bit about each of these initiatives.

The Program in Hispanic American History is specifically focused on the Latino population of this country. Scholarly and public symposia, musical programs, exhibitions, and related publications will focus on topics related to Hispanic culture and history. Similarly, the American Indian Outreach Project seeks to develop programs that will appeal to the interests of American Indian communities. In this case, however, we are planning to circulate exhibitions outside of Washington and to publish related materials for distribution to American Indian students.

We are now looking into the possibility of establishing an entity with the provisional title of "Institute of the Americas," which should facilitate a scholarly exchange concerning intellectual, cultural, ecological and other issues that affect this hemisphere. This issue-oriented approach can help to solve such problems as those we are presently witnessing concerning the exploitation of our natural and cultural resources. Non-Smithsonian scholars and policy makers will come to the Institution to pursue research in these fields and to share their ideas and perspectives with Smithsonian staff. We currently plan first to create a Quincentenary Council of the Americas in support of the Quincentenary and then found the proposed "Institute." We are identifying prominent businessmen and scholars from the United States, Latin America and the Caribbean to serve on this Council. In this capacity, members will establish goals, identify problems and issues on which to focus, and help to raise money for the Institute.

Conclusion

With the Columbus Quincentenary fast approaching, FY 1990 is a critical year to ensure continued development of these programs. However, within the constraints of a "current services" budget, OMB disallowed requested funding totalling an additional \$1.123 million for FY 1990. The implications, naturally, are for reductions in the scope of our planned programs for the Quincentenary observance and a delay in implementing a permanent program on the history and cultures of the Americas.

Because of your continued interest in multi-cultural programming, minority representation and cultural diversity within

the Institution, I have taken this opportunity to provide this status report on our Quincentenary programs. If you would like further information on these programs and their future funding requirements, I would be glad to arrange a more comprehensive presentation in person at your convenience. In the meantime, I have enclosed some attachments that I think you may find useful. I look forward to further discussion.

Sincerely,



Robert McC. Adams
Secretary

Attachments

S M I T H S O N I A N I N S T I T U T I O N
C O L U M B U S Q U I N C E N T E N A R Y P R O G R A M S
P R O J E C T E D F E D E R A L F U N D I N G R E Q U I R E M E N T S F O R F Y 1 9 9 0

	FTE	\$000s
	----	-----
Tropical Research Institute		
* FY 1990 Cong. Request	0	0
* FY 1990 OMB Request	1	40
	-----	-----
Additional Funding Required	1	40
Office of Museum Programs		
* FY 1990 Cong. Request	0	0
* FY 1990 OMB Request	0	0
	-----	-----
Additional Funding Required	0	0
National Museum of Natural History		
* FY 1990 Cong. Request	1	130
* FY 1990 OMB Request	2	715
	-----	-----
Additional Funding Required	1	585
National Air And Space Museum		
* FY 1990 Cong. Request	1	41
* FY 1990 OMB Request	1	47
	-----	-----
Additional Funding Required	0	6
National Museum of American History		
* FY 1990 Cong. Request	2	125
* FY 1990 OMB Request	4	510
	-----	-----
Additional Funding Required	2	385
National Museum of American Art		
* FY 1990 Cong. Request	0	25
* FY 1990 OMB Request	1	45
	-----	-----
Additional Funding Required	1	20
National Portrait Gallery		
* FY 1990 Cong. Request	0	15
* FY 1990 OMB Request	0	15
	-----	-----
Additional Funding Required	0	0
Hirshhorn Museum & Sculpture Garden		
* FY 1990 Cong. Request	0.5	20
* FY 1990 OMB Request	0.5	20
	-----	-----
Additional Funding Required	0	0

SMITHSONIAN INSTITUTION
COLUMBUS QUINCENTENARY PROGRAMS
PROJECTED FEDERAL FUNDING REQUIREMENTS FOR FY 1990

	FTE	\$000s
	-----	-----
Cooper-Hewitt Museum		
* FY 1990 Cong. Request	0	24
* FY 1990 OMB Request	0	24
	-----	-----
Additional Funding Required	0	0
Traveling Exhibition Service		
* FY 1990 Cong. Request	0	55
* FY 1990 OMB Request	0	55
	-----	-----
Additional Funding Required	0	0
Office of Quincentenary Planning		
* FY 1990 Cong. Request	0	50
* FY 1990 OMB Request	1	102
	-----	-----
Additional Funding Required	1	52
Office of Folklife Programs		
* FY 1990 Cong. Request	0	90
* FY 1990 OMB Request	1	125
	-----	-----
Additional Funding Required	1	35
Office of Interdisciplinary Studies		
* FY 1990 Cong. Request	0	0
* FY 1990 OMB Request	0	0
	-----	-----
Additional Funding Required	0	0
Office of Elementary & Secondary Educ.		
* FY 1990 Cong. Request	0	38
* FY 1990 OMB Request	0	38
	-----	-----
Additional Funding Required	0	0
TOTAL, QUINCENTENARY PROGRAMS		
* FY 1990 Cong. Request	4.5	613
* FY 1990 OMB Request	11.5	1,736
	-----	-----
Additional Funding Required	7.0	1,123

NATIONAL GALLERY OF ART

STATEMENT OF J. CARTER BROWN, DIRECTOR

ACCOMPANIED BY:

DANIEL HERRICK, TREASURER

WILLIAM H. ROACHE, BUDGET OFFICER

ROGER MANDLE, DEPUTY DIRECTOR

ANNE B. EVANS, ADMINISTRATOR

PHILIP C. JESSUP, JR., SECRETARY-GENERAL COUNSEL

PREPARED STATEMENT

Chairman BYRD. The National Gallery of Art now is present. The principal witness is the Director of the National Gallery of Art, J. Carter Brown.

Mr. Brown, would you introduce your associates for the record, and your complete statement will be included in the record. And, tell us what's happening.

Mr. BROWN. I'll be very pleased to, Mr. Chairman.

To my left is Daniel Herrick, our Treasurer.

To his left, Anne Evans, our Administrator.

And to my right, the Budget Officer, William Roache.

Chairman BYRD. Would you like to proceed with your statement?

Mr. BROWN. We submitted for the record a summary statement, Mr. Chairman. I might supplement that briefly, if I could.

Chairman BYRD. Very well, that will be included in the record. [The statement follows:]

STATEMENT OF J. CARTER BROWN

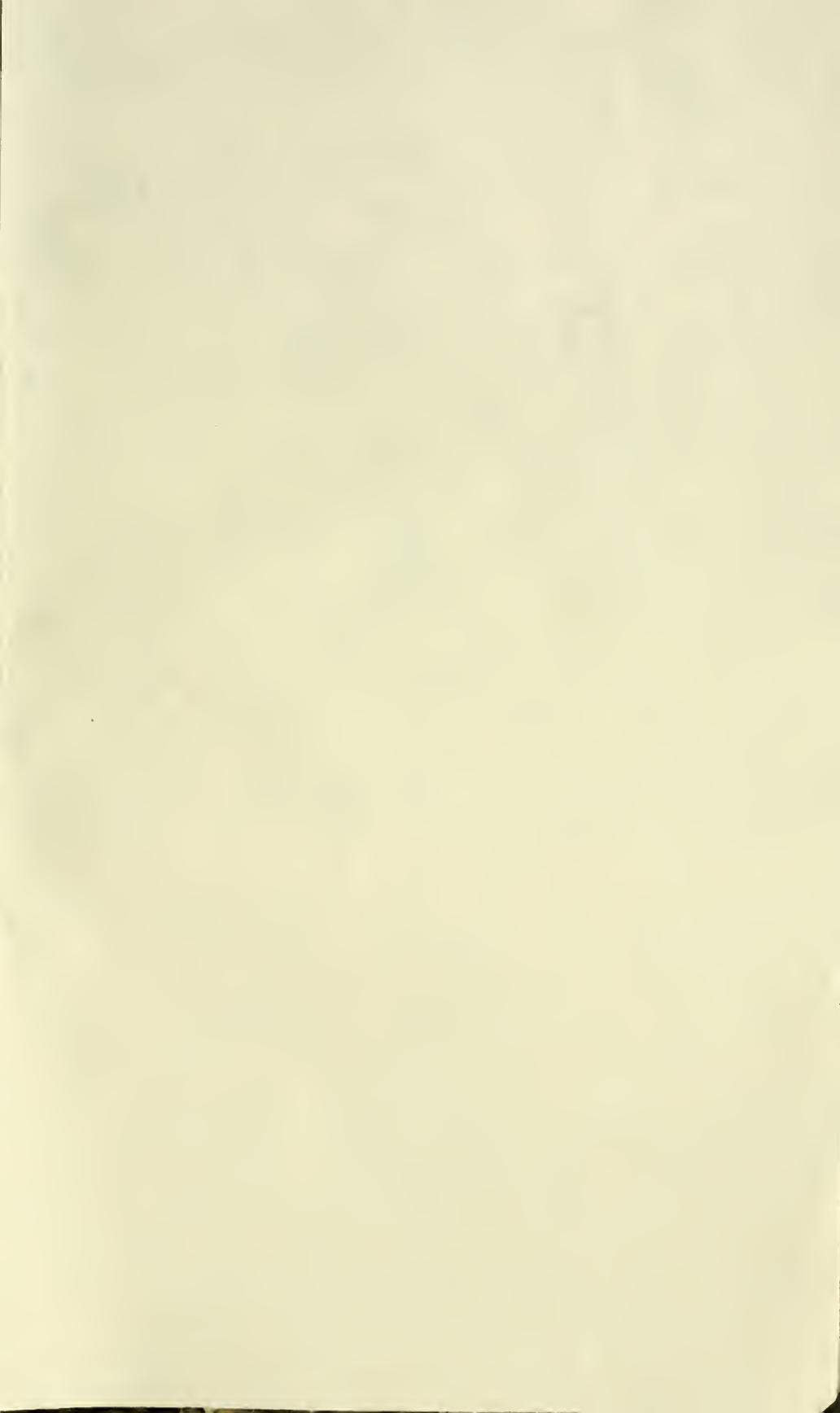
The National Gallery's Federal funds budget request for the fiscal year 1990 is \$42,681,000—a net increase of \$3,950,000 over the 1989 budget of \$38,731,000. Comprising the total increases are: personnel compensation and benefits—\$1,941,000; rents, communications and utilities—\$330,000; equipment, materials, supplies, and services—\$124,000; repair, restoration and renovation—\$1,555,000. The budget includes 883 full-time permanent positions with an OMB limitation of 852 FTE (full-time equivalent) employment, and does not project any increased staffing in fiscal year 1990.

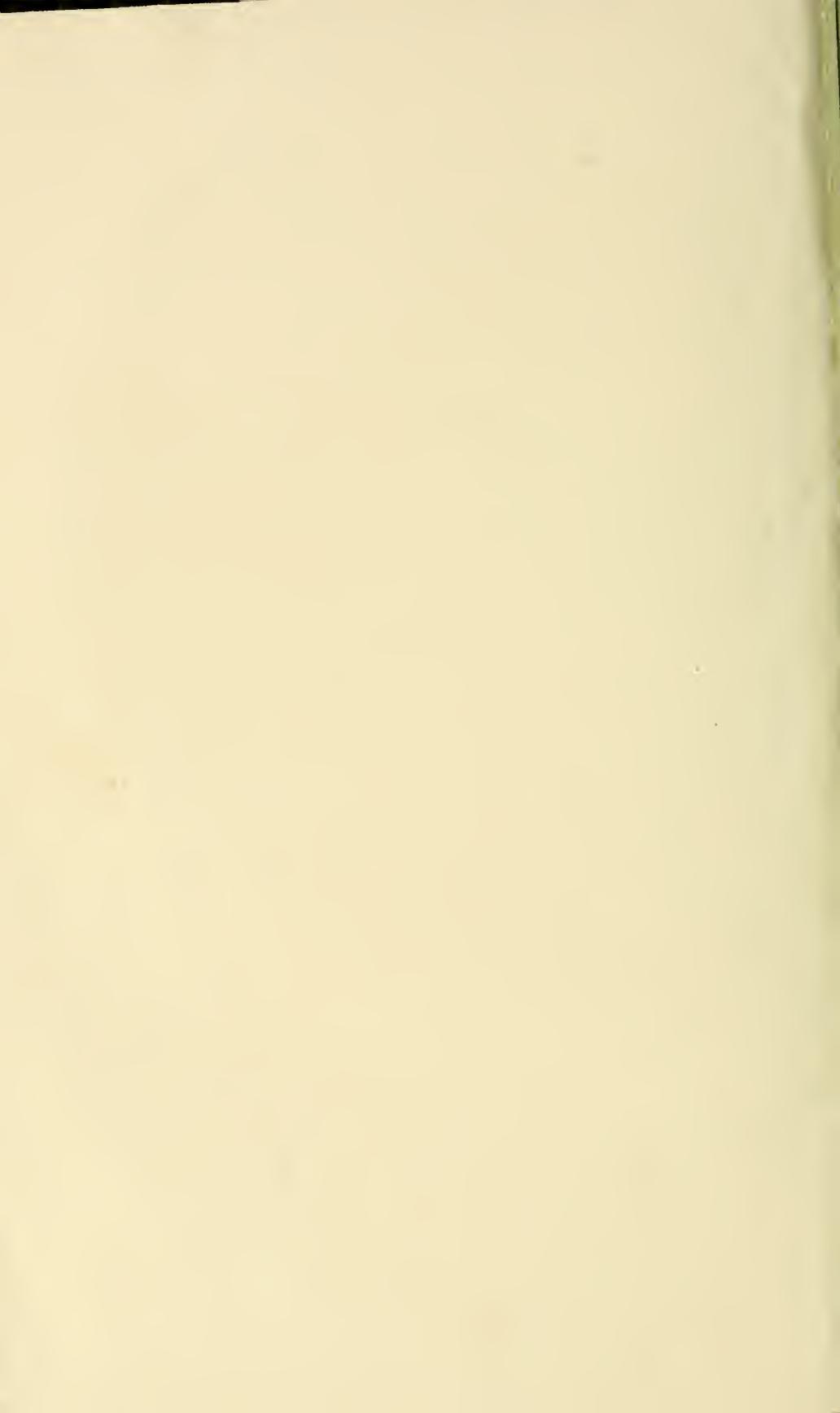
Attendance at the National Gallery has been at a high level in recent years. In fiscal year 1988 the attendance was 7,123,926. The primary reason for the continued high attendance can be attributed to the enthusiasm of the public for our special exhibitions such as the Gauguin, Sweden, O'Keeffe, and Fitz Hugh Lane exhibits.

Forty-nine percent (\$1,941,000) of the total increase is associated with personnel compensation. This increase provides: \$287,000 for mandatory within-grade and wage-board step increases and merit pay; \$187,000 for increased costs of Health Benefits; \$1,024,000 for annualization of the fiscal year 1989 pay raise; \$44,000 for increased costs of workers compensation; \$34,000 for annualization costs of 5 new positions approved in fiscal year 1989; \$806,000 for increased costs of special pay rates for security guards. Offsetting these increases are a \$375,000 reduction created by the elimination of summer evening hours to enable the Gallery to absorb part of the increased costs of the current year pay raise, and a \$66,000 reduction in costs of the Federal Employees' Retirement System (FERS).

Thirty-nine percent (\$1,555,000) of the total increase is requested for the Repair, Restoration and Renovation of Buildings Program approved by OMB and included









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