



U.S. House of Representatives
Committee on Transportation and Infrastructure

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SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

FROM: Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

SUBJECT: Hearing on Public/Private Responsibility for Funding National Treasures: The Smithsonian Institution and the John F. Kennedy Center

PURPOSE OF THE HEARING

On Friday, June 15, at 10 a.m. in room 2167 Rayburn House Office Building, the Subcommittee on Economic Development, Public Buildings, and Emergency Management will examine the process by which two renowned federal institutions, the Smithsonian Institution and the John F. Kennedy Center for the Performing Arts plan for funding for capitol asset acquisition, and maintenance utilizing public and private funds. In particular, the Subcommittee will examine the role of these institutions' boards and funding raising.

BACKGROUND

The John F. Kennedy Center for the Performing Arts

The John F. Kennedy Center for the Performing Arts is a national presidential monument that presents more than 2,000 performances each year to audiences of nearly two million people. An additional one million tourists visit the Center each year. The construction of the John F. Kennedy Center for the Performing Arts was authorized by the National Cultural Center Act of 1958. Created as an independently administered bureau of the Smithsonian Institution, the Center was named as a living memorial to the late President John F. Kennedy in 1964. The building was constructed between 1966 and 1971 and was funded by a combination of private contributions, matching federal grants, and federal loans in the amount of approximately \$34.5 million. Federal funds were further appropriated in 1971.

Due to its popularity, within the first year of operations the Kennedy Center building exceeded its visitor capacity and thus was in need of serious maintenance and repairs. In response to continued need for such funding, in 1994 Congress enacted legislation providing for a five year authorization of funds for repairs, maintenance, and capital improvements. In addition, the Board of Trustees was authorized to contract directly for the maintenance and repair work to be preformed.

The Kennedy Center includes 1.5 million square feet of usable space, including four major theaters: Eisenhower Theater, Opera House, Concert Hall, and Terrace Theater. Several smaller theaters such as the American Film Institute and the Millennium Stage, educational facilities, rehearsal spaces, and meeting rooms are also part of the facilities.

In April 2005, the Government Accountability Office recommended that the John F. Kennedy Center for the Performing Arts increase oversight of its management of federal funds, better comply with fire codes, and conform to project management best practices. The Center has implemented the measures called for in the GAO report.

The Center receives federal funding for operations and maintenance, as well as construction, through the annual appropriations process and is funded through the Department of the Interior, Environment, and Related Agencies Appropriations Act. The FY 2006 enacted funding levels for the Center were \$17.8 million for operations and \$13 million for construction, for a total of \$30.8 million. For FY 2007, the Administration's budget requested \$39.1 million for the Center in order to provide the necessary funding to renovate the Eisenhower Theater, the last major renovation in the Comprehensive Building Plan.

There are 59 members on the Kennedy Center Board of Trustees. Most of them are appointed by the President. The Board includes 13 ex-officio member, and 18 members of Congress. The members appointed by the President serve six year terms.

The Smithsonian Institution

The Smithsonian is the world's largest museum complex and research organization. Founded in 1846, the Smithsonian Institution is composed of 19 museums and galleries, nine research centers, the National Zoo, and an additional 144 affiliated museums. It is a recognized leader in international scholarship and scientific discovery. The Smithsonian has collected over 135 million objects to reflect America's cultural and scientific heritage and include such icons as the flag that flew over Fort McHenry and the Apollo 11 command module. The Smithsonian receives over 20 million visitors each year, with an additional 4.6 million visitors to traveling exhibits and 109 million "virtual" visitors. Two of the Mall Museums are the most visited in the world.

The tremendous popularity of the Smithsonian has contributed to the deterioration of its more aged buildings with heating and cooling systems in many buildings well beyond their useful life. In 2001 The National Academy of Public Administration (NAPA) issued a report that identified and recommended major changes to the Institution's facilities management practices. The Smithsonian has made significant changes to its management practices, and prepared a 10 year estimate for revitalization of its older buildings, new construction, and major repair and alternation. That estimate is about \$2.3 billion.

Approximately two-thirds of the Smithsonian's total funding comes through the Federal appropriations process and is funded through the Department of the Interior, Environment, and Related Agencies Appropriations Act. In FY 2006, the Smithsonian received a total appropriation of \$615 million, and requested \$644 million in FY 07. Under the FY07 CR, the Institution's total appropriation was \$634 million. Of this, \$536 million was for Salaries & Expenses (which includes facilities maintenance), and \$99 million was for Facilities Capital (for major revitalization projects).

The FY 2005 Consolidated Appropriations Act merged the repair, revitalization, alteration, and construction accounts into one capital account, which funds the activities within the Committee's jurisdiction. The Smithsonian's repair and alteration program is permanently authorized, whereas construction projects require further authorization.

In 1846, when the Smithsonian was created by legislation, Congress established a Board of Regents to administer the Institution. It is a 17 member board with 3 members appointed by the Majority Leader of the Senate, and 3 members appointed by the Speaker of the House. In addition there are citizen members nominated by the Board and approved by Congress. The current Acting Secretary is Cristian Samper.

PRIOR LEGISLATIVE AND OVERSIGHT ACTIVITY

The subcommittee has not held hearings specifically dedicated to capital asset maintenance and public and private fund raising. However, the subcommittee has held hearings with both the Kennedy Center and the Smithsonian Institution on asset related issues. A partial list of hearings and legislation include:

- P.L. 108-72 Smithsonian Facilities Authorization Act
- P.L. 108-331 to authorize the Board of Regents of the Smithsonian to carry out the construction and related activities for the VERITAS project at Kitt Peak, Tucson, Arizona
- P.L. 108-410 to authorize appropriations for the John F. Kennedy Center for the Performing Arts for fiscal years 2004 through 2007
- P.L. 107-224 the John F. Kennedy Center Plaza Authorization Act of 2002
- P.L. 106-383 to authorize the Board of Regents of the Smithsonian to plan, design, construct, and equip the astrophysical observatory in Hilo, Hawaii
- H.R. 5012 – June 13, 2002 hearing on the John F. Kennedy Center for the Performing Arts Access Study and Plaza Authorization
- P.L. 105-226 to authorize appropriations for the John F. Kennedy Center for the Performing Arts for fiscal years 1999 through 2003

WITNESSES

Mr. Cristian Samper
Acting Secretary
Smithsonian Institution

Mr. Michael Kaiser
President
John F. Kennedy Center for the Performing Arts